INTERNATIONAL MONETARY FUND

ANNUAL REPORT ON

EXCHANGE ARRANGEMENTS AND EXCHANGE RESTRICTIONS

2023

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2023

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Contents

Country Chapters . . . iv
Preface . . . vi
Abbreviations . . . vii
Overview . . . 1
Table 1. Classification of Exchange Rate Arrangements . . . 1
Overall Developments . . . 2
Developments in Exchange Arrangements . . . 4
Exchange Rate Arrangements . . . 4
Figure 1. Reclassification of De Facto Exchange Rate Arrangements, 2017–23 . . . 5
Table 2. Changes and Resulting Reclassifications of Exchange Rate Arrangements, May 1, 2022–April 30, 2023 . . . 5
Figure 2. De Facto Exchange Rate Arrangement Classification, 2013–23 . . . 6
Table 3. Exchange Rate Arrangements, 2015–23 . . . 8
Table 4. De Facto Classification of Exchange Rate Arrangements, as of April 30, 2023, and Monetary Policy Frameworks . . . 13
Table 5. Monetary Policy Frameworks and Exchange Rate Anchors, 2015–23 . . . 16
Figure 3. Measures Adopted in Foreign Exchange Markets, 2019–23 . . . 17
Table 6. Foreign Exchange Market Structure, 2019–23 . . . 18
Member Countries' Obligations and Status under Articles VIII and XIV . . . 23
Figure 4. IMF Members that Have Accepted the Obligations of Article VIII, Sections 2(a), 3, and 4, 1945–2022 . . . 25
Exchange Measures Maintained for Security Reasons . . . 29
Table 7. Exchange Restrictions and Multiple Currency Practices, January 1–December 31, 2022 . . . 29
Table 8. Exchange Restrictions and/or Multiple Currency Practices, by Country, as of December 31, 2022 . . . 31
Regulatory Framework for Foreign Exchange Transactions . . . 37
Figure 5. Trade-Related Measures . . . 38
Figure 6. Import and Import Payments . . . 39
Figure 7. Export and Export Proceeds . . . 43
Figure 8. Current Invisibles and Current transfers . . . 46
Figure 9. Account Transactions . . . 50
Figure 10. Resident and Nonresident Accounts . . . 51
Figure 11. Capital Flows . . . 53
Figure 12. Overview of Controls on Capital Transactions, 2019–23 . . . 54
Figure 13. Controls on Capital Transactions by Income Groups—Overview, 2019–23 . . . 55
Figure 14. Controls on Capital Transactions by Income Groups, 2019–23 . . . 56
Figure 15. Controls on Capital Transactions, by Type and Region, 2019–23 . . . 57
Figure 16. Capital Controls and Prudential Measures on Commercial Banks and Institutional Investors, 2019–23 . . . 66
Figure 17. Measures in the Financial Sector, 2019–23 . . . 66
Figure 18. Countries Taking Policy Actions in 2022–23 . . . 67
Figure 19. Measures on Commercial Banks and Other Credit Institutions, 2019–23 . . . 68
Figure 20. Measures on Institutional Investors, 2019–23 . . . 69
Figure 21. Controls on CBDC Launched by Another Jurisdiction . . . 71
Figure 22. Controls on Crypto Assets . . . 71
Compilation Guide . . . 73
Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries . . . 87
Country Table Matrix . . . 99
Country Chapters . . . 108

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Country Chapters[1]

Afghanistan
Albania
Algeria
Andorra
Angola
Antigua and Barbuda
Argentina
Armenia
Aruba
Australia
Austria
Azerbaijan
The Bahamas
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Belize
Benin
Bhutan
Bolivia
Bosnia and Herzegovina
Botswana
Brazil
Brunei Darussalam
Bulgaria
Burkina Faso
Burundi
Cabo Verde
Cambodia
Cameroon
Canada
Central African Republic
Chad
Chile
China
Colombia
Comoros
Democratic Republic of the Congo
Republic of Congo
Costa Rica
Côte d'Ivoire
Croatia
Curaçao and Sint Maarten
Cyprus
Czech Republic
Denmark
Djibouti
Dominica
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Estonia
Kingdom of Eswatini
Ethiopia
Fiji
Finland
France
Gabon
The Gambia
Georgia
Germany
Ghana
Greece
Grenada
Guatemala
Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
Hong Kong SAR
Hungary
Iceland
India
Indonesia
Islamic Republic of Iran
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kazakhstan
Kenya
Kiribati
Korea

[1] These chapters are available on AREAER Online (www.elibrary-areaer.imf.org/). The term "country," as used in this publication, does not in all cases refer to a territorial entity that is a state as understood by international law and practice; the term also covers some territorial entities that are not states but for which statistical data are maintained and provided internationally on a separate and independent basis.

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Kosovo
Kuwait
Kyrgyz Republic
Lao P.D.R.
Latvia
Lebanon
Lesotho
Liberia
Libya
Lithuania
Luxembourg
Macao SAR
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Marshall Islands
Mauritania
Mauritius
Mexico
Micronesia
Moldova
Mongolia
Montenegro
Morocco
Mozambique
Myanmar
Namibia
Nauru
Nepal
Netherlands
New Zealand
Nicaragua
Niger
Nigeria
Republic of North Macedonia
Norway
Oman
Pakistan
Palau
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Romania
Russia
Rwanda
Samoa
San Marino
São Tomé and Príncipe
Saudi Arabia
Senegal
Serbia
Seychelles
Sierra Leone
Singapore
Slovak Republic
Slovenia
Solomon Islands
Somalia
South Africa
South Sudan
Spain
Sri Lanka
St. Kitts and Nevis
St. Lucia
St. Vincent and the Grenadines
Sudan
Suriname
Sweden
Switzerland
Syria
Tajikistan
Tanzania
Thailand
Timor-Leste
Togo
Tonga
Trinidad and Tobago
Tunisia
Türkiye
Turkmenistan
Tuvalu
Uganda
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Uzbekistan
Vanuatu
Venezuela
Vietnam
Yemen
Zambia
Zimbabwe

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Preface

The *Annual Report on Exchange Arrangements and Exchange Restrictions* has been published by the IMF since 1950. It draws on information available to the IMF from a number of sources, including that provided in the course of official staff visits to member countries, and has been prepared in close consultation with national authorities.

This project was coordinated in the Monetary and Capital Markets Department under the guidance of Annamaria Kokenyne and Tjoervi Olafsson by a staff team led by Salim M. Darbar and comprising Pamela Cardozo, Ricardo Cervantes, Pornpinun Chantapacdepong, Michael Gottschalk, Jerzy Jiang, Lamia Khandker, Kieran Murphy, Isabella Perez, Svetlana Popova, Felipe Rojas, Ashvik Viswanathan, and Hanqing Ye and Viktoriya Zotova (both external consultants). It draws on the specialized contributions of that department (for specific countries), with assistance from staff members of the IMF's five area departments, together with staff of other departments. Wala'a El Barasse, Ouafia Akil, and Rumit Pancholi from the Communications Department managed the editing and production of this report.

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Abbreviations[1]

ACU	Asian Clearing Union (Bangladesh, Bhutan, India, Islamic Republic of Iran, Myanmar, Nepal, Pakistan, Sri Lanka)
AD	Authorized dealer
AFTA	ASEAN Free Trade Area (see ASEAN, below)
AGOA	African Growth and Opportunity Act (United States)
AIFMD	Alternative Investment Fund Managers Directive
AIFs	Alternative investment funds
AML	Anti-money laundering
AMU	Asian monetary unit
ASEAN	Association of Southeast Asian Nations (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand)
BCEAO	Central Bank of West African States (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo)
BEAC	Bank of Central African States (Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, Gabon)
CACM	Central American Common Market (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua)
CAMU	Central African Monetary Union
CAFTA	Central American Free Trade Agreement
CAP	Common agricultural policy (of the EU)
CARICOM	Caribbean Community and Common Market (Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago); The Bahamas is also a member of CARICOM, but it does not participate in the Common Market
CB	Central bank
CD	Certificate of deposit
CBDC	Central bank digital currency
CFT	Combating the financing of terrorism
CEFTA	Central European Free Trade Area (Bulgaria, Hungary, Poland, Romania, Slovak Republic, Slovenia)
CEMAC	Central African Economic and Monetary Community (members of the BEAC)
CEPGL	Economic Community of the Great Lakes Countries (Burundi, Democratic Republic of the Congo, Rwanda)
CET	Common external tariff
CFA	Communauté financière d'Afrique (administered by the BCEAO) and Coopération financière en Afrique centrale (administered by the BEAC)
CIMA Code	Chartered Institute of Management Accountants Code of Ethics for Professional Accountants
CIS	Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan)

[1] Note: This list does not include acronyms of purely national institutions mentioned in the country chapters.

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CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMA	Common Monetary Area (a single exchange control territory comprising Eswatini, Lesotho, Namibia, and South Africa)
CMEA	Council for Mutual Economic Assistance (dissolved; formerly Bulgaria, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Romania, U.S.S.R., Vietnam)
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
COMESA	Common Market for Eastern and Southern Africa (Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Uganda, Zambia, Zimbabwe)
CPI	Consumer price index
DSTI	Debt-service-to-income
EAC	East African Community
EBRD	European Bank for Reconstruction and Development
EC	European Council (Council of the European Union)
ECB	European Central Bank
ECCB	Eastern Caribbean Central Bank (Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines)
ECCU	Eastern Caribbean Currency Union
ECOWAS	Economic Community of West African States (Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo)
ECSC	European Coal and Steel Community
EEA	European Economic Area
EFSF	European Financial Stability Facility
EFSM	European Financial Stability Mechanism
EFTA	European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland)
EIB	European Investment Bank
EMU	European Economic and Monetary Union (Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, Spain)
EPZ	Export processing zone
ERM	Exchange rate mechanism (of the European monetary system)
EU	European Union (formerly European Community); Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden
FATF	Financial Action Task Force on Money Laundering (of the OECD)
FDI	Foreign direct investment
FEC	Foreign exchange certificate
FIU	Financial intelligence unit
FSU	Former Soviet Union
FTA	Free trade agreement
G7	Group of Seven advanced economies (Canada, France, Germany, Italy, Japan, United Kingdom, United States)

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GAFTA	Greater Arab Free Trade Agreement
GCC	Gulf Cooperation Council (Cooperation Council for the Arab States of the Gulf; Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates)
GDP	Gross domestic product
GSP	Generalized System of Preferences
HIPC	Heavily Indebted Poor Countries
IAS	International Accounting Standards
IBRD	International Bank for Reconstruction and Development (World Bank)
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IRB	Internal ratings-based approach
IORP	Institutions for Occupational Retirement Provision
ISIL	Islamic State of Iraq and the Levant
LAIA	Latin American Integration Association (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela)
LC	Letter of credit
LCR	Liquidity coverage ratio
LIBID	London interbank bid rate
LIBOR	London interbank offered rate
LTD	Loan-to-deposit
MCP	Multiple currency practice
MERCOSUR	Southern Cone Common Market (Argentina, Brazil, Paraguay, Uruguay)
MFN	Most favored nation
MOF	Ministry of finance
MoU	Memorandum of Understanding
MPC	Monetary policy committee
NAFTA	North American Free Trade Agreement
NAV	Net asset value
NDF	Non-deliverable forward
NPL	Non performing loans
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States (Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines)
OGL	Open general license
OTC	Over the counter
PACER	Pacific Agreement on Closer Economic Relations (of the Pacific Islands Forum; Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu)
PICTA	Pacific Island Countries Trade Agreement (of the Pacific Islands Forum); Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu)
RCPSFM	Regional Council on Public Savings and Financial Markets (an institution of WAEMU countries that is involved in issuance and marketing of securities authorization)

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RIFF	Regional Integration Facilitation Forum (formerly Cross-Border Initiative); Burundi, Comoros, Eswatini, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Tanzania, Uganda, Zambia, Zimbabwe)
SACU	Southern African Customs Union (Botswana, Eswatini, Lesotho, Namibia, South Africa)
SADC	Southern Africa Development Community (Angola, Botswana, Democratic Republic of the Congo, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, Zimbabwe)
SDR	Special drawing right
SWIFT	Society for Worldwide Interbank Financial Telecommunication
UCITS	Undertakings for the Collective Investment of Transferable Securities
UDEAC	Central African Customs and Economic Union (Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, Gabon)
UN	United Nations
UNSC	UN Security Council
VA	Virtual assets
VASP	Virtual asset service provider
VAT	Value-added tax
WAEMU	West African Economic and Monetary Union (formerly WAMU; members of the BCEAO)
WAMA	West African Monetary Agency (formerly WACH)
WAMZ	West African Monetary Zone
W-ERM II	Exchange rate mechanism (of the WAMZ)
WTO	World Trade Organization

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Overview

This is the 74th issue of the *Annual Report on Exchange Arrangements and Exchange Restrictions* (AREAER), which provides a yearly description of the foreign exchange arrangements, exchange and trade systems, and capital controls of all IMF member countries.[1] The AREAER reports on restrictions in effect under Article XIV, Section 2, of the IMF's Articles of Agreement in accordance with Section 3 of Article XIV, which mandates annual reporting on such restrictions.[2] It also provides information relating to paragraph 25 of the 2012 Integrated Surveillance Decision, which restates the obligation of each member country under the IMF's Articles of Agreement to notify the IMF of the exchange arrangement it intends to apply and any changes in that arrangement.[3]

The AREAER provides a description of global exchange and trade systems. It covers restrictions on current international payments and transfers and multiple currency practices (MCPs) subject to the IMF's jurisdiction in accordance with Article VIII, Sections 2(a) and 3, in addition to those maintained under Article XIV of the IMF's Articles of Agreement.[4] The report also provides information on the operation of foreign exchange markets, controls on international trade, controls on capital transactions, and measures implemented in the financial sector, including prudential measures. In addition, the AREAER reports on exchange measures imposed by member countries solely for national and/or international security reasons, including those reported to the IMF in accordance with relevant decisions by the IMF Executive Board.[5]

The AREAER provides information, relating to paragraph 25 of the 2012 Integrated Surveillance Decision, on exchange rate arrangements of member countries: the de jure arrangements as described by the countries and the de facto arrangements, which are classified into 10 categories (Table 1). This classification is based on the information available on members' de facto arrangements, as analyzed by IMF staff, which may differ from countries' officially announced (de jure) arrangements. The methodology and the characteristics of the categories are described in the Compilation Guide included in this report.

Table 1. Classification of Exchange Rate Arrangements

Type	Categories				
Hard pegs	Exchange arrangement with no separate legal tender	Currency board arrangement			
Soft pegs	Conventional pegged arrangement	Pegged exchange rate within horizontal bands	Stabilized arrangement	Crawling peg	Crawl-like arrangement
Floating regimes (market-determined rates)	Floating	Free floating			
Residual	Other managed arrangement				

Note: This methodology became effective February 2, 2009, and reflects an attempt to provide greater consistency and objectivity of exchange rate classifications across countries and to improve the transparency of the IMF's bilateral and multilateral surveillance in this area. For further details, see IMF Working Paper 09/211 https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Revised-System-for-the-Classification-of-Exchange-Rate-Arrangements-23311.

[1] In addition to the 190 IMF member countries, the report includes information on Hong Kong SAR and Macao SAR (both in the People's Republic of China) as well as Aruba, Curaçao, and Sint Maarten (all in the Kingdom of the Netherlands).

[2] The IMF's Articles of Agreement are available at www.imf.org/external/pubs/ft/aa/index.htm.

[3] See www.imf.org/external/np/sec/pn/2012/pn1289.htm.

[4] The information on exchange restrictions and MCPs consists of verbatim quotes from each country's most recent published IMF staff report as of December 31, 2022. In cases in which the information is drawn from IMF staff reports that have not been made public, the quotes have been included with the express consent of the member country. In the absence of such consent, the relevant information is reported as "not publicly available." Any changes to these restrictions and MCPs implemented after the relevant IMF report has been issued will be reflected in the subsequent issue of the AREAER that covers the year during which the IMF staff report with information on such changes is issued.

[5] The information on exchange measures imposed for security reasons is based solely on information provided by country authorities.

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Several tools help navigate and interpret the findings of this report. A single table compares the characteristics of the exchange and trade systems of all IMF member countries: Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries. The Country Table Matrix lists the categories of data reported for each country, and the Compilation Guide includes definitions and explanations used to report the data.

Starting with this 2023 publication, the AREAER template was updated with the addition of a new section, numbered "XIII" and titled "Digital currencies and crypto assets" (see Country Table Matrix). This section is further divided into five main categories: Circulation of central bank digital currency (CBDC)—retail and/or wholesale; Controls on the use of domestic CBDC—retail and/or wholesale; Controls on CBDC launched by another jurisdiction; Crypto assets; and Controls on crypto exchanges and trading platforms.

The AREAER is available online. As of January 1, 2020, access to AREAER Online is freely available to all; previously a subscription was required. The AREAER Online database includes the overview and detailed information for each of its 190 member countries and separately for a few members' territories, which increased by one in the previous issue with the inclusion of information from Macao SAR.[6] In addition, AREAER Online contains data published in previous issues of the AREAER and is searchable by year, country, and category of measure; it also allows cross-country comparisons for time series.[7,8]

In general, previous vintages of the AREAER published in a particular year included a description of exchange and trade systems as of the end of December of the previous year, with some reporting data through part of the publication year and de facto exchange rate arrangements as of the end of April of the publication year. The 2023 AREAER, similarly to the previous year's publication, includes a description of exchange and trade systems at least as of June 30, 2023, for all members: about 18 percent of members' reporting periods end during the third quarter of 2023, and about the same number of members' reporting periods end during the fourth quarter of 2023.[9] Nevertheless, in keeping with past AREAERs, information on member countries' de facto exchange rate arrangements in this report are as of April 30, 2023, while information on exchange restrictions and MCPs is indicated as reported in the latest IMF staff reports as of December 31, 2022.

Overall Developments

After a sharp recovery in 2021, global growth moderated in 2022 and world GDP grew at 3.5 percent compared with 6.5 percent in 2021 (April 2024 *World Economic Outlook*). In part this reflected the combined shocks of the Russia's invasion of Ukraine in early 2022 and the worldwide cost-of-living crisis caused by persistent and broad-based inflationary pressures. In response, there was a globally synchronized monetary policy tightening, and by the end of 2022, median headline inflation peaked at 9.4 percent (April 2024 *World Economic Outlook*). Despite rising interest rates, economic activity remained resilient and favorable demand and supply developments supported major economies. The tightening of global financial conditions led to capital outflows from many emerging and frontier market economies. There was a marked increase in the number of actions taken to regulate capital transactions, along with an increase in tightening measures relative to 2021.

In 2023, global growth was estimated to have declined marginally compared with 2022 to 3.2 percent. Economies continued to be resilient, supported in part by government and private spending in many economies, along with disposable income gains supporting consumption and households drawing down their pandemic-era savings

[6] Aruba, Curaçao, and Sint Maarten (all in the Kingdom of the Netherlands; information for Curaçao and Sint Maarten is reported together as they have a common central bank) and Hong Kong SAR and Macao SAR (both in the People's Republic of China). Hence, detailed information is available for 194 jurisdictions.

[7] For further information on these resources, see https://www.bookstore.imf.org/areaer-and-macroprudential-statistics-gateway or https://www.imf.org/en/Publications/Search?#sort=relevancy&f:series=[ANNREPEAER].

[8] The number of yearly changes reported by each country can be compared directly with those of the previous six reporting periods but not with those of years before that because of the update to the format of the yearly changes table, which was introduced with the 2017 publication (see the 2017 AREAER).

[9] The numbers for 2023 are hence not complete and should be interpreted with caution. The date of the latest reported development is indicated as the position date for each country in the country chapters in the AREAER Online database. Data for Syria are as of the end of 2017 and Afghanistan and Venezuela as of the end of June 2021. Updates to the Myanmar country chapter was based solely on available public information.

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(January 2024 *World Economic Outlook Update*). At the same time, growth was facilitated by supply-side expansion with broad-based labor force participation and resolution of pandemic-era supply chain problems. Inflation continued to fall during 2023 amid restrictive monetary policies implemented by major central banks. Partial data for 2023 indicate a reversal in net capital inflows to emerging market and developing economies (EMDEs) relative to 2022. The trend in changes to regulations governing capital transactions remained broadly similar to 2022.

The 2023 AREAER documents the following major trends and significant developments:

- Between May 2022 and April 2023, the reclassification of de facto exchange rate arrangements saw a notable increase accompanied by a significant rise in "other managed" arrangements indicating a response to heightened uncertainty in the economic environment. In line with past trends, the largest number of reclassifications were within the soft peg categories.
- There were five modifications to official monetary anchors, marking a notable contrast to the previous report which observed no changes. This reflected in part movement to inflation targeting and also away from it, for instance, to an anchor to the US dollar.
- In 2022, foreign exchange interventions were primarily driven by geopolitical tensions, particularly the Russian invasion of Ukraine, which disrupted global markets and increased currency volatility. Additionally, high inflation, coupled with rising interest rates to combat it, and heightened financial market uncertainty prompted central banks to stabilize their currencies to maintain economic stability.
- Changes to the foreign exchange market structures were mixed in 2022 with both easing and tightening actions being implemented, and the overall number of such actions increased significantly compared to 2021. In part, this reflected both global factors (lingering effects of the pandemic, tightening financial conditions in response to the global rise in inflation, and the impact of Russia's invasion of Ukraine), along with country specific factors. The trend continued into 2023.
- The number of IMF member countries accepting the obligations of Article VIII, Sections 2(a), 3, and 4, and those members who make use of the transitional arrangement under Article XIV remained unchanged at the end of 2022: 174 and 16, respectively. The number of countries maintaining restrictive exchange measures increased from 45 in 2021 to 46 at the end of 2022. Overall, in 2022 the number of restrictive exchange measures increased by 16 and the composition changed: the number of such measures increased by 29 in Article VIII countries and decreased by 13 in Article XIV countries.
- Liberalizing actions dominated the current account in 2022, amid an increased number of total measures compared to the previous year. Partial data for 2023 suggest that the liberalizing trend appeared to have continued into 2023 for both import and import payments and export and export proceeds, but at a slower pace. In contrast, payments and proceeds for invisible transactions and current transfers saw a significant increase in tightening actions in 2022, and this trend appears to be continuing for payments based on available data for 2023. Tightening measures in account transactions also increased considerably in 2022, while liberalization regulations declined, mainly driven by an increase in the number of countries implementing restrictive measures.
- The liberalization of capital transactions reversed in 2022 relative to 2021 with the total number of actions increasing mainly on account of a steep rise in tightening (both outflow and inflow) controls. This is largely attributed to tightening actions introduced in response to Russia's invasion of Ukraine. The majority of actions on capital transactions were taken by EMDEs, while advance economies continued tightening transactions related to foreign direct investments (FDI). Partial data for 2023 suggest a continuation of this trend.
- In 2022, an almost equal number of easing and tightening measures were taken within the financial sector, similar to 2021. The incidence of prudential measures in 2022 was significant, with tightening measures peaking within the 2019–23 timeframe, and the trend continuing into 2023. The high number of tightening prudential measures in 2022 and 2023 was mainly driven by increases in reserves requirements, as countries reversed reductions taken during the pandemic and entered a tightening cycle to fight inflationary pressures. In contrast, the overall number of capital controls measures were the lowest in 2022 since 2019—most were directed at banks and other credit institutions and were mostly easing favoring outflows.
- Three countries reported that a domestic CBDC was launched in their jurisdiction. A majority of countries reported that they had no controls or had no regulations in place to control the use of CBDCs launched by another jurisdiction. About half of the countries reported that they have no controls or no regulations restricting the use of various types of tokens and stablecoins.

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Developments in Exchange Arrangements

This section documents major changes and trends in the following related areas: exchange rate arrangements, intervention, monetary anchors, and the operation and structure of foreign exchange markets. It also reports on significant developments with respect to exchange taxes, exchange rate structures, and national currencies. There are five tables in this section. Table 2 highlights changes in the reclassification of the de facto exchange rate arrangements between May 1, 2022, and April 30, 2023. Table 3 breaks down countries' de facto exchange rate arrangements for 2015–23. Table 4 summarizes the detailed descriptions in the country chapters by reporting each IMF member country's monetary policy framework as indicated by country officials and the classification of their de facto exchange rate arrangements. Table 5 outlines IMF member countries' monetary policy frameworks as reported by country authorities and exchange rate anchors for 2015–23, and Table 6 reports the foreign exchange market structure among the membership for 2019–23.

Exchange Rate Arrangements[10]

Throughout 2022, numerous emerging market currencies experienced depreciation against the US dollar. This trend was primarily attributed to the robust performance of the US economy, escalating global inflation rates, global economic challenges including geopolitical tensions, and shifts in monetary policy in major economies. The US dollar's notable strength against a wide array of currencies was majorly propelled by the Federal Reserve's monetary policy adjustments aimed at combating the rising inflation within the United States. The series of rate hikes and the Federal Reserve's hawkish stance on monetary policy intensified the allure of the dollar, attracting investors in pursuit of superior yields from US assets.

The geopolitical turbulence stirred by the Russian invasion of Ukraine in February 2022 exerted a significant impact on the global economic landscape and foreign exchange markets. This event escalated geopolitical uncertainties, bolstering the demand for safe haven currencies. Additionally, the sanctions imposed on Russia by Western nations, coupled with the resultant disturbances in energy and commodity markets, amplified volatility across currency markets.

The euro observed a depreciation against the US dollar. This was influenced by the European Central Bank's comparatively more cautious stance on monetary policy tightening relative to the Federal Reserve, growing concerns over energy security in Europe in the wake of the Ukraine crisis, and the euro area's tempered economic growth.

During the first quarter of 2023, the behavior of the US dollar was volatile amid changes in expectations of the magnitude of monetary tightening by the Federal Reserve and the publication of mixed economic data in the United States that generated greater risk aversion.

Between May 2022 and April 2023, there was a significant increase in the reclassification of de facto exchange rate arrangements, doubling the number observed in the previous AREAER to 31 countries (Table 2).[11] A notable trend was the shift toward more flexible exchange rate arrangements, with 55 percent (17 out of 31 countries) moving to a more flexible arrangement, a small increase from 53 percent in the prior period. Conversely, 45 percent (14 out of 31 countries) transitioned to more managed arrangements, slightly down from 47 percent previously.

During this reporting period, there was a notable rise in the classification of countries to "other managed" arrangements by 22 percentage points, from 7 percent previously (Figure 1), while the share of floating arrangements decreased by 17 percentage points from 33 percent. This shift toward the residual category "other managed" arrangement typically occurs during heightened uncertainty in the economic environment.

Furthermore, while over half of the reclassifications in past reports were to soft peg arrangements,[12] there was a 5 percentage point decrease in the share of countries moving to soft pegs, from 60 percent in the previous AREAER.

[10] This section summarizes developments between May 1, 2022, and April 30, 2023. However, some reclassifications in the exchange rate arrangement reflect policy changes that occurred during the first quarter of 2022, which were not included in the previous AREAER (with a cutoff date of April 30, 2022) because the exchange rate classification system requires at least six months of observations for a reclassification.

[11] Countries whose exchange rates were reclassified more than once and in the process back to the same classification as in April 2023 are excluded.

[12] For a list of soft peg classifications, see Table 1.

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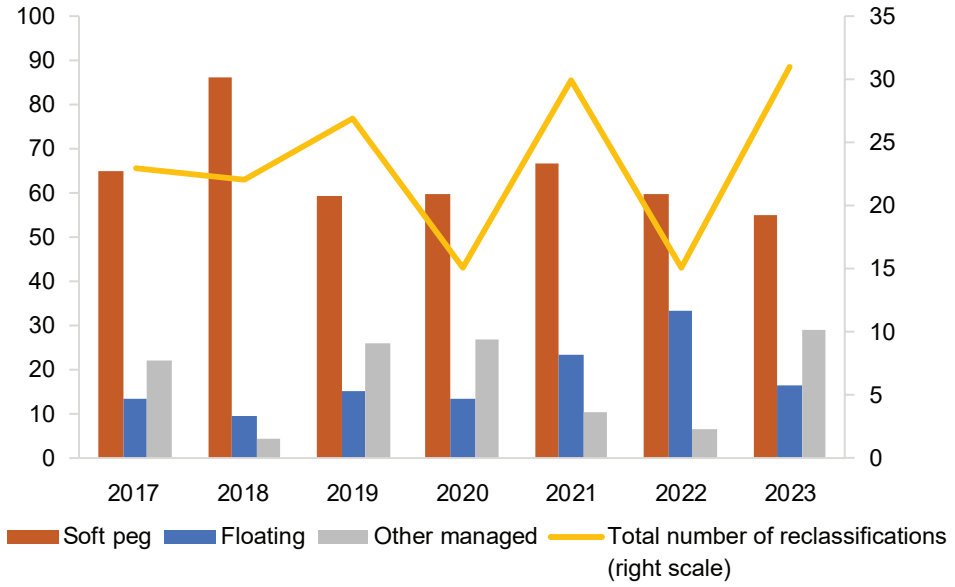
Figure 1. Reclassification of De Facto Exchange Rate Arrangements, 2017–23

(Percent of total reclassifications as of April 30)



Source: IMF, AREAER database.

Table 2. Changes and Resulting Reclassifications of Exchange Rate Arrangements, May 1, 2022–April 30, 2023

Country	De Jure Arrangement	Previous Arrangement[1]	Current (2023 AREAER)	Effective Date of Reclassification
Angola	Floating	Floating	Other managed arrangement	June 9, 2022
Argentina	Crawling peg	Crawl-like arrangement	Crawling peg	March 15, 2022
Armenia	Free floating	Floating	Stabilized arrangement	October 28, 2022
Bangladesh	Floating	Crawl-like arrangement	Other managed arrangement	May 17, 2022
Cambodia	Managed float	Stabilized arrangement	Crawl-like arrangement	March 16, 2022
Chile	Free floating	Free floating	Floating	June 17, 2022
China	Managed floating	Crawl-like arrangement	Other managed arrangement	March 3, 2022
Croatia	Free floating	Stabilized arrangement	Free floating	January 1, 2023
Dominican Republic[2]	Managed float	Crawl-like arrangement	Other managed arrangement	October 12, 2021
Egypt	Floating	Stabilized arrangement	Crawl-like arrangement	May 24, 2022
Ghana	Floating	Crawl-like arrangement	Other managed arrangement	February 1, 2022
Guinea	Managed floating	Crawl-like arrangement	Stabilized arrangement	September 19, 2022
Honduras	Crawling band	Crawling peg	Stabilized arrangement	February 4, 2022
Iran, Islamic Republic of	Managed floating	Stabilized arrangement	Other managed arrangement	May 12, 2022
Jamaica	Floating	Floating	Crawl-like arrangement	July 5, 2022
Kyrgyz Republic	Floating	Stabilized arrangement	Other managed arrangement	February 25, 2022
Kyrgyz Republic[3]			Crawl-like arrangement	October 21, 2022
Lao P.D.R.	Managed float	Crawl-like arrangement	Other managed arrangement	March 29, 2022
Liberia	Managed floating	Other managed arrangement	Floating	January 1, 2022
Mauritius	Floating	Crawl-like arrangement	Floating	March 29, 2022
Mongolia	Floating	Stabilized arrangement	Crawl-like arrangement	March 3, 2022

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Table 2 (concluded)

Country	De Jure Arrangement	Previous Arrangement[1]	Current (2023 AREAER)	Effective Date of Reclassification
Myanmar[2]	Managed float	Other managed arrangement	Stabilized arrangement	November 12, 2021
Nigeria	Floating	Stabilized arrangement	Crawl-like arrangement	July 25, 2022
Pakistan[2]	Floating	Floating	Other managed arrangement	May 6, 2021
Paraguay	Floating	Floating	Stabilized arrangement	January 5, 2022
Paraguay[3]			Floating	September 8, 2022
Romania[2]	Managed Floating	Crawl-like arrangement	Stabilized arrangement	September 9, 2021
Singapore[2]	Other managed	Stabilized arrangement	Crawl-like arrangement	December 3, 2021
Solomon Islands	Conventional peg	Crawl-like arrangement	Other managed arrangement	March 24, 2022
Sri Lanka	Free floating	Crawl-like arrangement	Other managed arrangement	March 9, 2022
Sri Lanka[3]			Crawl-like arrangement	May 13, 2022
Switzerland	Free floating	Crawl-like arrangement	Floating	January 7, 2022
Tajikistan	Managed floating	Stabilized arrangement	Other managed arrangement	March 10, 2022
Tajikistan[3]			Stabilized arrangement	July 21, 2022
Türkiye	Free floating	Floating	Crawl-like arrangement	July 28, 2022
Ukraine	Floating	Floating	Stabilized arrangement	February 23, 2022
Uzbekistan	Floating	Crawl-like arrangement	Other managed arrangement	March 11, 2022
Uzbekistan[3]			Crawl-like arrangement	June 28, 2022
Vietnam	Managed floating	Crawl-like arrangement	Stabilized arrangement	October 21, 2022
Zambia	Floating	Floating	Crawl-like arrangement	August 31, 2022

Source: IMF, AREAER database.

[1] This column refers to the arrangements as reported in the 2022 AREAER, except when a reclassification took place during January 1–April 30, 2022, in which case it refers to the arrangement preceding such a reclassification.

[2] The exchange rate arrangement was reclassified retroactively, overriding a previously published classification for the entire reporting period or part of the period.

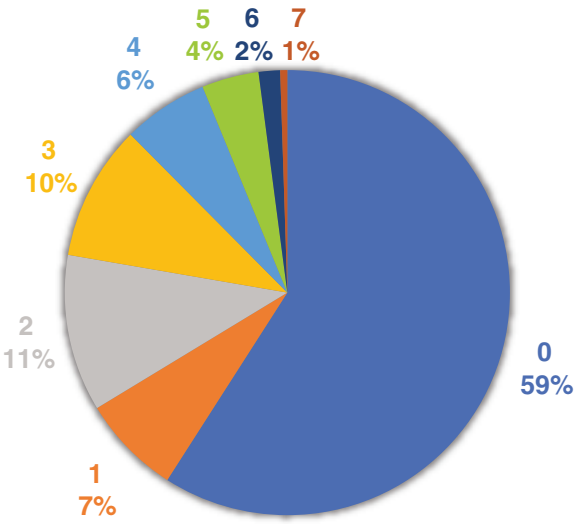
[3] Cells in the column "Previous Arrangement" are blank if there was a subsequent reclassification during the reporting period.

Although the number of reclassifications per year may seem high, over the past decade, 59 percent of members have maintained the same de facto arrangement. Meanwhile, 28 percent changed their arrangements one to three times, and only 13 percent of members had more than four changes during this period (Figure 2, panel 1).

Figure 2. De Facto Exchange Rate Arrangement Classification, 2013–23

1. Reclassification of De Facto Exchange Rate Arrangements, 2013–23

(Frequency of reclassifications per country)



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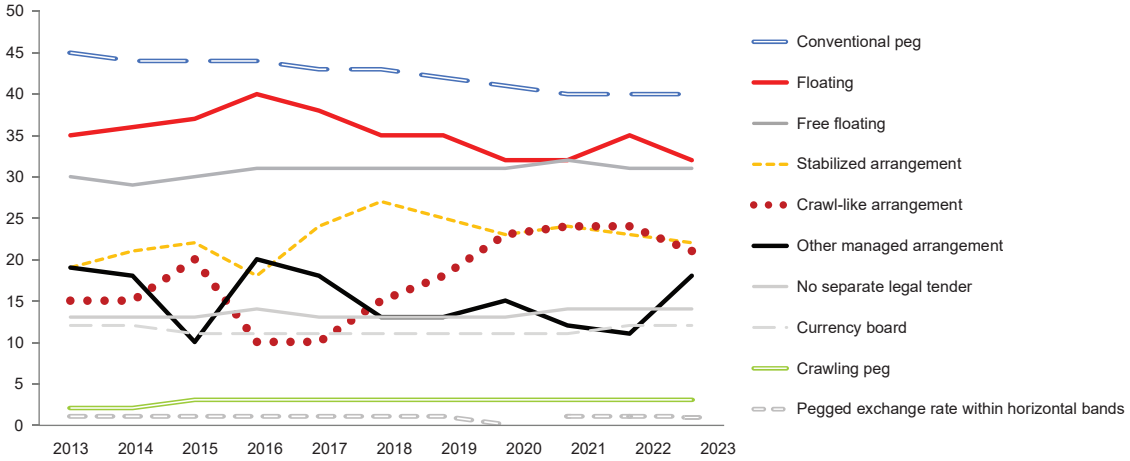
2. Exchange Rate Arrangements, 2013–23

(Number of countries as of April 30)



Sources: IMF, AREAER database; and IMF staff calculations.

The changes in individual categories are as follows:

- *Soft pegs*—Although the total number of countries with soft pegs did not change much (a net decrease of 4, to 87), compared with the previous reporting period, the majority of reclassifications took place in this group, with most of the changes in crawl-like and stabilized arrangements. Countries adopting stabilized and crawl-like arrangements often adjust their exchange rates in response to external events, including differences in inflation across countries, capital flow pressures, and new trends in world trade. As a result, they are often reclassified to other categories within the soft peg group. Soft pegs continue to make up the single largest type of exchange rate arrangement, accounting for 44.8 percent of members (Table 3).
  - *Crawl-like arrangements*—The number of countries with crawl-like arrangements remained at 24, following a steady increase since 2017 (Figure 2, panel 2; Table 4). However, this category registered most of the changes in this reporting period (23). Twelve countries exited this classification: six moved to "other managed" (Bangladesh, China, Dominican Republic,[13] Ghana, Lao P.D.R., Solomon Islands), three to stabilized (Guinea, Romania,[14] Vietnam), and two to floating (Mauritius, Switzerland). Nine countries were added: six were reclassified from stabilized (Cambodia, Egypt, Kyrgyz Republic,[15] Mongolia, Nigeria, Singapore[16]) and three from floating (Jamaica, Türkiye, Zambia). Two countries were reclassified twice during this reporting period, reverting to a crawl-like arrangement (Sri Lanka,[17] Uzbekistan[18]).
  - *Stabilized arrangements*—The number of countries with stabilized arrangements decreased by 1, to 22. Within soft pegs, following crawl-like arrangements, this category registered the second largest number of changes (16). Seven countries joined the group: three from crawl-like arrangement (Guinea, Romania, Vietnam), two from floating (Armenia, Ukraine), one from "crawling peg" (Honduras), and one from "other managed" (Myanmar). Eight countries left this group: six to crawl-like (Cambodia, Egypt, Kyrgyz Republic, Mongolia, Nigeria, Singapore), one to "free floating" (Croatia), and one to "other managed" (Islamic Republic of Iran). One country was reclassified twice during this reporting period, reverting to stabilized arrangement (Tajikistan[19]).

[13] Dominican Republic was reclassified retroactively to "other managed" in October 2021. Retroactive changes are reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's AREAER.

[14] Romania was reclassified retroactively to "stabilized" in September 2021. Retroactive changes are reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's AREAER.

[15] Kyrgyz Republic was reclassified twice—to "other managed" in February 2022 and to "crawl-like" in October 2022.

[16] Singapore was reclassified retroactively to "crawl-like" in December 2021. Retroactive changes are reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's AREAER.

[17] Sri Lanka was reclassified twice—to "other managed" in March 2022 and to "crawl-like" in May 2022.

[18] Uzbekistan was reclassified twice—to "other managed" in March 2022 and to "crawl-like" in June 2022.

[19] Tajikistan was reclassified twice—to "other managed" in March 2022 and to "stabilized" in July 2022.

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- *Conventional pegs*—The number of countries in this category remains at 40 with no changes during this AREAER period. The conventional peg arrangement holds the largest share among soft pegs, with 46 percent, although it has been decreasing gradually since April 2016 from its peak of 58 percent.
- *Crawling pegs*—The number of countries in this group remained at three with only two changes. One country left this group (Honduras), and one adopted this classification in line with the change in its de jure arrangement in March 2022 (Argentina).
- *Pegged exchange rates within horizontal bands*—There was no change in this category that contains one country (Morocco). Three other countries have de jure pegged exchange rates within horizontal bands, but two of them have a de facto "other managed" exchange rate (Syria, Tonga) and one has a de facto stabilized arrangement (Maldives).

- *Other managed arrangements*—The number of countries in this residual category increased on a net basis by 7, to 18. There were 11 changes from May 2022 through April 2023. Nine countries were added: six from crawl-like (Bangladesh, China, Dominican Republic, Ghana, Lao P.D.R., Solomon Islands), two from floating (Angola, Pakistan[20]), and one from stabilized (Islamic Republic of Iran). In contrast, two countries exited this category: one was reclassified to floating (Liberia) and the second one to stabilized (Myanmar[21]).
- *Floating arrangement*—The number of countries classified as floating decreased by 3 to 32, with 12 changes in the group's composition. Seven abandoned this category: three to crawl-like (Jamaica, Türkiye, Zambia), two to stabilized (Armenia, Ukraine), and two to "other managed" (Angola, Pakistan). Four countries were added: two from crawl-like (Mauritius, Switzerland), one from "free floating" (Chile), and one from "other managed" (Liberia). One country was reclassified twice during this reporting period, reverting to floating arrangement (Paraguay[22]).
- *Free floating*—The number of countries with free-floating arrangements remained at 31 with two changes during this AREAER period: one country was reclassified to floating (Chile), and Croatia (previously currency board) was reclassified as free floating when it joined the European Economic and Monetary Union on January 1, 2023.
- *Hard pegs (no separate legal tender and currency boards)*—The number of countries in this category remained at 26. Changes in this category are rare, because countries with such arrangements tend to maintain their exchange rate policies unless their economies undergo large structural changes that result in an exit.

Table 3. Exchange Rate Arrangements, 2015–23

(Percent of IMF members as of April 30)[1]

Exchange Rate Arrangement	2015	2016[2]	2017	2018	2019	2020	2021[3]	2022[4]	2023
Hard peg	12.6	13.0	12.5	12.5	12.5	12.5	13.0	13.4	13.4
No separate legal tender	6.8	7.3	6.8	6.8	6.8	6.8	7.3	7.2	7.2
Currency board	5.8	5.7	5.7	5.7	5.7	5.7	5.7	6.2	6.2
Soft peg	47.1	39.6	42.2	46.4	46.4	46.9	47.7	46.9	44.8
Conventional peg	23.0	22.9	22.4	22.4	21.9	21.4	20.7	20.6	20.6
Stabilized arrangement	11.5	9.4	12.5	14.1	13.0	12.0	12.4	11.9	11.3
Crawling peg	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5
Crawl-like arrangement	10.5	5.2	5.2	7.8	9.4	12.0	12.4	12.4	10.8
Pegged exchange rate within horizontal bands	0.5	0.5	0.5	0.5	0.5	0.0	0.5	0.5	0.5

[20] Pakistan was reclassified retroactively to "other managed" in May 2021. Retroactive changes are reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's AREAER.

[21] Myanmar was reclassified retroactively to "other managed" in November 2021. Retroactive changes are reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's AREAER.

[22] Paraguay was reclassified twice—to "stabilized" in January 2022 and to "floating" in September 2022.

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Table 3 (concluded)

Exchange Rate Arrangement	2015	2016[2]	2017	2018	2019	2020	2021[3]	2022[4]	2023
Floating	35.1	37.0	35.9	34.4	34.4	32.8	33.2	34.0	32.5
Floating	19.4	20.8	19.8	18.2	18.2	16.7	16.6	18.0	16.5
Free floating	15.7	16.1	16.1	16.1	16.1	16.1	16.6	16.0	16.0
Residual									
Other managed arrangements	9.4	5.2	10.4	9.4	6.8	6.8	7.8	6.2	9.3

Sources: IMF, AREAER database; and IMF staff calculations.
[1] Currently 190 member countries and the following territories: Aruba, Curaçao, and Sint Maarten (all in the Kingdom of the Netherlands: information for Curaçao and Sint Maarten is reported together as they have a common central bank) and Hong Kong SAR and Macao SAR (both in the People's Republic of China).
[2] Nauru became an IMF member on April 12, 2016, and was added to the AREAER database.
[3] Andorra became an IMF member on October 16, 2020, and was added to the AREAER database.
[4] Macao SAR was added to the AREAER database.

Monetary Anchors[23]

The exchange rate remained the anchor for monetary policy for fewer than half of the member countries—41.8 percent (Table 5). This period saw five changes in official monetary anchors, a notable contrast to the previous report which observed no changes. Specifically, two countries shifted away from an "inflation-targeting framework," with one adopting a "monetary aggregate target" and another aligning with the US dollar. Additionally, two countries transitioned from "other monetary framework" to "inflation-targeting framework," and one country moved from an anchor to the euro to "other monetary framework" (see Table 4).

An officially announced fixed exchange rate policy—either as a hard peg or soft peg—implies the use of the exchange rate as the unique monetary anchor. Seventy-nine member countries report having such an arrangement with seven exceptions. Although the official (de jure) exchange rate regime of these seven countries is a soft peg, five countries reported the use of a mix of monetary policy tools, including exchange rate anchor under an "other monetary framework" (Argentina, Solomon Islands, Tonga, Vanuatu, Venezuela), and two countries reported targeting monetary aggregates (Bolivia, Samoa). Among the 61 countries with de facto floating exchange rate arrangements— floating or free floating—the monetary anchor varies among monetary aggregates (6), inflation targeting (31), and "other" (24, including the 20 European Economic and Monetary Union countries). In the group of countries targeting monetary aggregates (26), there are 15 countries implementing soft pegs, 5 countries having other managed, and 6 countries floating arrangements. Countries with either stabilized or crawl-like arrangements (43) report reliance on a variety of monetary frameworks, including monetary aggregates and inflation-targeting frameworks. Other managed arrangements (18) are split among exchange rate anchors (3), monetary aggregate targets (5), inflation-targeting framework (2), and other monetary policy frameworks (8).

- The share of IMF members with the exchange rate as the main policy target remained unchanged at 41.8 percent. Countries with hard pegs and soft pegs make up 96.3 percent of this group. Three currency unions—the Central African Economic and Monetary Community, Eastern Caribbean Currency Union, and West African Economic and Monetary Union—have exchange rate anchors for their respective common currency.
- The US dollar maintained its position as the dominant exchange rate anchor, increasing slightly to 19.6 percent. After decreasing steadily from 26.5 percent since 2010, the number of countries using this anchor stabilized for two years from 2018 to 2019, decreased again until 2021, and then slightly increased during this reporting period by 0.5 percent, to 19.6 percent. One country (Ukraine) reported a change from having an inflation-targeting framework in the previous AREAER. In February 2022, the National Bank of Ukraine (NBU) established a fixed exchange rate between the US dollar and the Ukrainian hryvnia as a strategic measure to maintain macroeconomic stability. This decision aimed to mitigate panic and forestall a potential uncontrolled inflationary spiral. Amid the heightened uncertainty triggered by the Russian invasion, the fixed exchange rate served as a crucial stabilizing force for economic expectations and played a pivotal role in the NBU's efforts to achieve its monetary policy objectives.

[23] Monetary anchors are defined as the main intermediate target the authorities pursue to achieve their policy goal (which, overwhelmingly, is price stability). The inventory of monetary anchors is based mainly on members' declarations in the context of the yearly AREAER update or Article IV Consultations and is not necessarily consistent with the de facto exchange rate arrangement.

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- The euro is the second dominant exchange rate anchor, at 12.9 percent. This represents a slight decline of 0.5 percentage point compared to the figures reported in the previous AREAER. The primary reason for this reduction is the shift in Croatia's monetary policy framework (to "other monetary framework") consequent to its entry into the European Economic and Monetary Union on January 1, 2023. Countries with currencies anchored to the euro generally have historical ties with European countries—for example, the Communauté Financière d'Afrique franc area countries—are part of the European Union; or have strong trade relations with western Europe, including central and eastern European countries—for example, Bulgaria (currency board with the euro), North Macedonia (de jure floating arrangement), and Montenegro (uses the euro as its legal tender)
- The share or composition of countries using an exchange rate anchored to another currency remained at 5.2 percent. Ten countries maintain an exchange rate anchored to another single currency. Three of these countries (Kiribati, Nauru, Tuvalu) use the Australian dollar as their legal tender, one (Brunei Darussalam) has a currency board arrangement with the Singapore dollar, and one (Macao SAR) has a currency board to the Hong Kong dollar. The remaining five have conventional pegged arrangements: three (Eswatini, Lesotho, Namibia) are pegged to the South African rand and two (Bhutan, Nepal) to the Indian rupee. Half the countries in this group are landlocked, bordering either partially or exclusively the country whose currency they use as their exchange rate anchor. The anchor currency is typically freely usable in the country and is often legal tender.
- Eight countries reported having a monetary policy framework with the exchange rate anchored to a currency composite. Two countries track special drawing rights as their sole currency basket (Libya, Syria) and one the special drawing right and the rand (Botswana). Vietnam anchors to a broader reference basket and additionally specified that the dong may fluctuate within a daily transaction band of ±5 percent against the US dollar. Singapore is anchored to its nominal effective exchange rate. Morocco tracks a euro and US dollar basket. The Fiji dollar is anchored to a basket of five currencies (US dollar, Australian dollar, New Zealand dollar, Japanese yen, euro). Kuwait does not disclose the composition of its reference currency basket.

Most IMF member countries, representing the overwhelming share of global output, are split among monetary aggregate targeting, inflation targeting, and "other" (which includes monetary policy not committed to a specific target).

- The number of countries targeting a monetary aggregate increased by 1, to 25, as Seychelles reported a change from having an inflation-targeting framework in the previous reporting period. This category does not include any country with a free-floating exchange rate arrangement. In fact, monetary aggregates are often the choice of economies with less developed financial markets and managed exchange rates. The objective of the arrangement is to influence consumer prices and, eventually, asset prices through the control of monetary aggregates. Reserve money is often used as the operational target to control credit growth through the credit multiplier.
- The count of countries committed to inflation targeting consistently held at 45, despite adjustments within the group. Specifically, Mauritius and Mongolia transitioned from an "other monetary framework" to adopt inflation targeting. Concurrently, this group experienced the departure of two countries: Seychelles shifted its strategy to focus on targeting monetary aggregates, while Ukraine decided to anchor its currency to the US dollar. Of the 45 countries in this group, 33 have either a de facto floating or free-floating exchange rate arrangement.[24] The central bank is responsible for setting the inflation target for 20 of the 45 countries in this category, and in 20 countries the central bank and the government jointly set the targets. About half of the countries (26) have a target with a tolerance band, with only two countries targeting core inflation. Most of the countries (43) report having inflation- targeting regime commitments to transparency and accountability.
- The "other monetary policy framework" category decreased by 1, to 42. There were three changes reported in this group: two countries (Mauritius, Mongolia) moved to "inflation-targeting framework" and one country (Croatia) was added when it joined the European Economic and Monetary Union on January 1, 2023. A few

[24] Inflation targeting aims to address the problem of monetary aggregates that do not have a stable relationship with prices, making intermediate monetary targets less suitable for inflation control.

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countries in this category are in transition to an inflation-targeting framework (Egypt, Mongolia, Mozambique, Pakistan, Tajikistan, Tunisia). This category includes many of the largest economies, such as the euro area and the United States. It is also used as a residual classification for countries for which no relevant information is available and for those with alternative monetary policy frameworks not categorized in this report.

Foreign Exchange Interventions

IMF staff regularly assess whether the frequency of foreign exchange intervention is consistent with the de facto free-floating arrangements or whether classification as a soft peg is appropriate (see the Compilation Guide). These assessments draw on information that is publicly available, information reported to the IMF by member countries, market reports, and other sources, including information obtained during official staff visits to member countries.

Intervention Purpose

In general, the purpose of central bank interventions in the foreign exchange market is multifaceted, aiming to stabilize the currency, manage liquidity, control inflation, support the banking sector, and ultimately foster a stable economic environment conducive to growth and development.

- Stabilize the exchange rate: Central banks intervene to manage excessive volatility in the exchange rate. By buying or selling their currency, they aim to prevent sharp fluctuations that could harm the economy. For example, the National Bank of Georgia conducts occasional multiple price foreign exchange auctions allowing participants to bid within a corridor around the official exchange rate.
- Accumulate foreign exchange reserves: Some central banks, like the Bank of Albania, use preannounced auctions to accumulate foreign exchange reserves. This can provide a buffer to support the national currency in times of economic distress or when facing severe balance-of-payments pressures, as well as in safeguarding credibility of the existing policy regime.
- Enhance supply of foreign exchange: Central banks, such as the Central Bank of Nigeria and the Bank of Ghana, intervene, as needed, in the market including through auctions to enhance the supply of foreign currency, aiming to ensure the availability of foreign exchange for certain imports and other transactions.
- Control inflation and competitiveness: By influencing the exchange rate, central banks can indirectly control inflation and competitiveness. A stronger national currency can reduce the cost of imported goods and divert domestic demand to a greater extent toward imports, thus lowering inflationary pressures. Conversely, a weaker currency can increase inflation pressures, while making imports more expensive and boost export competitiveness. For example, the Central Bank of Argentina's policy to gradually adjust the crawl rate to the pace of inflation aimed at maintaining external competitiveness.
- Support the banking sector: Interventions can also be aimed at supporting the banking sector. For example, the National Bank of Serbia performed weekly swap auction sales to foster the growth of the interbank swap market and enhance the management of euro and dinar liquidity among banks. These operations involved the buying and selling of foreign exchange for dinars, with the transactions set to mature in three months and two weeks, respectively.
- Manage expectations: By intervening in the foreign exchange market, central banks can also aim to manage market expectations regarding the future movement of exchange rates. This may help stabilize the market and reduce speculative trading that could destabilize the currency.
- Promote economic growth: By ensuring stability in the foreign exchange market and providing necessary liquidity, central banks aim to create a conducive environment for economic growth. Stable exchange rates can encourage foreign investment and trade, which are vital components of economic development.

Intervention Techniques

IMF members typically conduct various intervention techniques in managing their respective foreign exchange market.

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- Foreign currency auctions: Many central banks use auctions to manage the supply of foreign currency in the market. These can be either single-price or multiple-price auctions, where banks submit bids to buy or sell foreign currency. Examples include the Bank of Jamaica using the Foreign Exchange Intervention Trading Tool mechanism for foreign exchange auctions and the Central Bank of Nigeria intervening in the market through auctions to enhance supply. Belarus operates an electronic trading system based on the continuous two-way auction principle to facilitate the trading of foreign currencies each business day, where the National Bank of the Republic of Belarus may intervene as necessary.
- Spot and swap auctions: Some central banks intervene directly in the foreign exchange market to buy or sell currencies. This can be to directly influence the exchange rate or to meet specific objectives, such as controlling inflation or stabilizing the currency. The National Bank of Serbia, for instance, has used spot auctions during financial crises to stabilize the foreign exchange market. It also organizes swap auctions and bilateral swap transactions for liquidity management.
- Forward auctions: In addition to spot auctions, some central banks, such as the Bank of Albania, have provisions for forward auctions. This allows banks to manage future exchange rate risks by entering into forward agreements.
- Interventions through market makers: Banks with market maker status, such as in Morocco under Bank Al-Maghrib, are authorized to participate in auctions to buy or sell US dollars in exchange for dirhams. This technique involves setting fluctuation bands and exchange rate limits.

Preannounced programs of future purchases and sales of foreign exchange typically are counted as one intervention in the foreign exchange market for the purpose of the de facto classification, with the assumption that the market prices the new information on the day the program is announced.[25] To avoid influencing market expectations about the exchange rate at the time when the actual interventions take place, the program of interventions should indicate in advance the nature, frequency, and size of the central bank's foreign exchange transactions. Among the mechanisms currently used in preannounced intervention programs, countries accumulate reserves following a preannounced calendar of auctions (Albania) or conduct purchases and sales of foreign exchange for the government pension fund (Norway). Similarly, a preannounced program that based its volume and direction of intervention on the difference in the projected and actual amount of oil and gas revenue was in use in Russia. In this case, an excess in the actual oil and gas revenue compared to the amount projected would produce a purchase of foreign currency, while a shortfall would result in a sale of foreign currency in the foreign exchange market. The size of these operations was announced at the beginning of every month, and purchases were evenly distributed throughout the month.

Official Exchange Rates

The vast majority (168) of IMF member countries report that they publish official exchange rates. This includes not only countries that have officially determined exchange rates, but, by definition, also those countries that report a reference or indicative exchange rate computed and/or published by the central bank (see the Compilation Guide). The calculation of these exchange rates is often based on market exchange rates, such as those used in interbank market transactions or in a combination of interbank and bank-client transactions during a specified observation period. The published exchange rate is used as a guide for market participants in their foreign exchange transactions, for accounting and customs valuation purposes, in exchange transactions with the government, and sometimes are prescribed for specific exchange transactions.

During the 2022–23 reporting period, several countries adopted new methods for calculating their official exchange rates (Armenia, Belarus, Burundi, Croatia, Honduras, Iraq, Kyrgyz Republic, Mauritania, Mauritius, Nicaragua, Russia, Rwanda, Serbia, Sudan, Ukraine). Countries from all income levels and various geographic regions are represented among the 26 members that report no official or reference exchange rates; half (13) are countries with no separate legal tender, 4 are soft pegs, 7 are floating or free floating, and 2 have the residual other managed de facto exchange rate arrangement. Among the countries that do not compute an official exchange rate, some, including Peru and Singapore, publish the market-determined rates on their monetary authority's website to promote information transparency.

[25] Very small, retail-type transactions are disregarded.

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Table 4. De Facto Classification of Exchange Rate Arrangements, as of April 30, 2023, and Monetary Policy Frameworks

The classification system is based on the members' actual, de facto arrangements as identified by IMF staff, which may differ from their officially announced, de jure arrangements. The system classifies exchange rate arrangements primarily on the basis of the degree to which the exchange rate is determined by the market rather than by official action, with market-determined rates being on the whole more flexible. The system distinguishes among four major categories: hard pegs (such as exchange arrangements with no separate legal tender and currency board arrangements), soft pegs (including conventional pegged arrangements, pegged exchange rates within horizontal bands, crawling pegs, stabilized arrangements, and crawl-like arrangements), floating regimes (such as floating and free floating), and a residual category, other managed. This table presents members' exchange rate arrangements against alternative monetary policy frameworks to highlight the role of the exchange rate in broad economic policy and illustrate that different exchange rate regimes can be consistent with similar monetary frameworks. The monetary policy frameworks are as follows:

Exchange Rate Anchor

The monetary authority buys or sells foreign exchange to maintain the exchange rate at its predetermined level or within a range. The exchange rate thus serves as the nominal anchor or intermediate target of monetary policy. These frameworks are associated with exchange rate arrangements with no separate legal tender, currency board arrangements, pegs (or stabilized arrangements) with or without bands, crawling pegs (or crawl-like arrangements), and other managed arrangements.

Monetary Aggregate Target

The monetary authority uses its instruments to achieve a target growth rate for a monetary aggregate, such as reserve money, M1, or M2, and the targeted aggregate becomes the nominal anchor or intermediate target of monetary policy.

Inflation-Targeting Framework

This involves the public announcement of numerical targets for inflation, with an institutional commitment by the monetary authority to achieve these targets, typically over a medium-term horizon. Additional key features normally include increased communication with the public and the markets about the plans and objectives of monetary policymakers and increased accountability of the central bank for achieving its inflation objectives. Monetary policy decisions are often guided by the deviation of forecasts of future inflation from the announced inflation target, with the inflation forecast acting (implicitly or explicitly) as the intermediate target of monetary policy.

Other

The country has no explicitly stated nominal anchor, but rather monitors various indicators in conducting monetary policy. This category is also used when no relevant information on the country is available.

	Monetary Policy Framework							
	Exchange Rate Anchor							
Exchange Rate Arrangement (Number of Countries)	**US Dollar (38)**		**Euro (25)**	**Composite (8)**	**Other (10)**	**Monetary Aggregate Target (26)**	**Inflation-Targeting Framework (45)**	**Other[1] (42)**
No separate legal tender (14)	Ecuador El Salvador Marshall Islands Micronesia	Palau Panama Timor-Leste	Andorra Kosovo San Marino Montenegro		Kiribati Nauru Tuvalu			
Currency board (12)	Djibouti Hong Kong SAR **ECCU** Antigua and Barbuda Dominica Grenada	St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines	Bosnia and Herzegovina Bulgaria		Brunei Darussalam Macao SAR			

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Table 4 (continued)

Exchange Rate Arrangement (Number of Countries)	Monetary Policy Framework								
	Exchange Rate Anchor						Monetary Aggregate Target (26)	Inflation-Targeting Framework (45)	Other[1] (42)
	US Dollar (38)		Euro (25)		Composite (8)	Other (10)			
Conventional peg (40)	Aruba The Bahamas Bahrain Barbados Belize Curaçao and Sint Maarten Eritrea Iraq Jordan Oman Qatar Saudi Arabia Turkmenistan United Arab Emirates		Cabo Verde Comoros Denmark[2] São Tomé and Príncipe **WAEMU** Benin Burkina Faso Côte d'Ivoire Guinea-Bissau Mali Niger Senegal Togo	**CEMAC** Cameroon Central African Rep. Chad Rep. of Congo Equatorial Guinea Gabon	Fiji Libya	Bhutan Eswatini Lesotho Namibia Nepal	Samoa[3]		
Stabilized arrangement (22)	Guyana Honduras (2/22) Lebanon	Maldives Trinidad and Tobago Ukraine 2/22	North Macedonia		Vietnam[4] (10/22)		Bolivia[4] Guinea[4] (9/22) Myanmar[4,8] (11/21) Papua New Guinea[4] Tajikistan[4,6,9] (7/22) Tanzania[4]	Armenia[5] (10/22) Guatemala[4] Romania[5,8] (9/21) Serbia[5]	Azerbaijan[4] Malawi[4] Mozambique[4,6] Sudan[4]
Crawling peg (3)	Nicaragua				Botswana				Argentina (3/22)
Crawl-like arrangement (21)	Cambodia (3/22)				Singapore[8] (12/21)		Afghanistan[4,10] Algeria[4] Burundi[4] Democratic Rep. of the Congo[4] Ethiopia[4] The Gambia[4] Nigeria[4] (7/22) Rwanda[4]	Jamaica[4] (7/22) Kenya[4] Mongolia[4] (3/22) Sri Lanka[4,7,9] (5/22) Türkiye[4] (7/22) Uzbekistan[4,9] (6/22)	Egypt[4,6] (5/22) Kyrgyz Rep[4,9] (10/22) Mauritania[4] Tunisia[5,6] Zambia[4] (8/22)
Pegged exchange rate within horizontal bands (1)					Morocco[11]				
Other managed arrangement (18)	Iran (5/22)				Kuwait Syria[10]		Angola (6/22) Bangladesh (5/22) China (3/22) Sierra Leone Zimbabwe (8/21)	Ghana (2/22) Dominican Republic[8] (10/21)	Haiti Lao P.D.R. (3/22) Pakistan[6,8] (5/21) Solomon Islands (3/22) South Sudan Tonga Vanuatu Venezuela[10]

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Table 4 (concluded)

Exchange Rate Arrangement (Number of Countries)	Monetary Policy Framework						
	Exchange Rate Anchor				Monetary Aggregate Target (26)	Inflation-Targeting Framework (45)	Other[1] (42)
	US Dollar (38)	Euro (25)	Composite (8)	Other (10)			
Floating (32)					Belarus Liberia (1/22) Madagascar Seychelles Suriname Yemen	Albania Brazil Chile (6/22) Colombia Costa Rica Czech Republic Georgia Hungary Iceland India[7] Indonesia Israel Kazakhstan Korea Mauritius (3/22) Moldova New Zealand Paraguay[9] (9/22) Peru Philippines South Africa Thailand Uganda Uruguay	Malaysia Switzerland (1/22)
Free floating (31)						Australia Canada Japan Mexico Norway Poland Russia Sweden United Kingdom	Somalia[12] United States **EMU** Austria Belgium Croatia (1/23) Cyprus Estonia Finland France Germany Greece Ireland Italy Latvia Lithuania Luxembourg Malta The Netherlands Portugal Slovak Rep. Slovenia Spain

Source: IMF, AREAER database.
Note: If the member country's de facto exchange rate arrangement has been reclassified during the reporting period, the date of change is indicated in parentheses (month, year). CEMAC = Central African Economic and Monetary Community; ECCU = Eastern Caribbean Currency Union; EMU = European Economic and Monetary Union; WAEMU = West African Economic and Monetary Union.

[1] Includes countries that have no explicitly stated nominal anchor, but rather monitor various indicators in conducting monetary policy.
[2] The member participates in the European Exchange Rate Mechanism (ERM II).
[3] The country maintains a de facto exchange rate anchor to a composite.
[4] The country maintains a de facto exchange rate anchor to the US dollar.
[5] The country maintains a de facto exchange rate anchor to the euro.
[6] The central bank is in transition toward inflation targeting.
[7] The authorities reported that their monetary policy framework is referred to as "flexible inflation targeting."
[8] The exchange rate arrangement or monetary policy framework was reclassified retroactively, overriding a previously published classification.
[9] The exchange rate arrangement was reclassified twice during this reporting period.
[10] The classification of the de facto exchange rate arrangement for: Afghanistan and Venezuela are as of April 30, 2021; Syria is as of April 30, 2017.
[11] Within the framework of an exchange rate fixed to a currency composite, the Bank Al-Maghrib adopted a monetary policy framework in 2006 based on various inflation indicators, with the overnight interest rate as its operational target to pursue its main objective of price stability.
[12] Currently, the Central Bank of Somalia does not have a monetary policy framework.

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Table 5. Monetary Policy Frameworks and Exchange Rate Anchors, 2015–23

(Percent of IMF members as of April 30)[1]

	US Dollar	Euro	Composite	Other Currency	Monetary Aggregate	Inflation-Targeting	Other[2]
2015	22.0	13.1	6.3	4.2	13.1	18.8	22.5
2016[3]	20.3	13.0	4.7	4.7	12.5	19.8	25.0
2017	20.3	13.0	4.7	4.7	12.5	20.8	24.0
2018	19.8	13.0	4.7	4.7	12.5	21.4	24.0
2019	19.8	13.0	4.2	4.7	13.5	21.4	23.4
2020	19.8	13.0	4.2	4.7	11.5	22.4	24.5
2021[4]	19.2	13.5	4.1	4.7	13.0	23.3	22.3
2022[5]	19.1	13.4	4.1	5.2	12.9	23.2	22.2
2023	19.6	12.9	4.1	5.2	13.4	23.2	21.6

Source: IMF, AREAER database.

1 Includes 190 member countries and the following territories: Aruba, Curaçao, and Sint Maarten (all in the Kingdom of the Netherlands: information for Curaçao and Sint Maarten is reported together as they have a common central bank) and Hong Kong SAR and Macao SAR (both in the People's Republic of China).

2 Includes countries that have no explicitly stated nominal anchor but instead monitor various indicators in conducting monetary policy.

3 Nauru became an IMF member on April 12, 2016, and was added to the AREAER database.

4 Andorra became an IMF member on October 16, 2020, and was added to the AREAER database.

5 Macao SAR was added to the AREAER database.

Foreign Exchange Markets

Measures liberalizing and tightening foreign exchange markets both increased sharply during 2022 through 2023, in contrast with the more temperate pace that was experienced in 2021.[26] The upward swing in both easing and tightening measures in 2022 and 2023 can be partially contributed to Türkiye and Ukraine, who account for almost half of all measures in 2022 and a third in 2023. For Ukraine, the changes in 2022 and 2023 reflect their response to both the economic and greater national security fallout following the Russian invasion starting in February 2022. For Türkiye, accelerating inflation, significant pressure on the lira, and the greater systemic financial uncertainty and turbulence that began in early 2022 and that has persisted throughout this reporting period attribute to their multitude of changes, particularly in their foreign exchange standing facility. In total, easing measures exceeded tightening measures in almost every market structure in both 2022 and 2023, and experienced greater liberalization across all foreign exchange market structures in comparison to 2021.

Member countries reported 121 changes in 2022 affecting foreign exchange markets, a sharp rise (about 105 percent) relative to 2021, reaching absolute levels close to 2020, which was an exceptional year due to the introduction of numerous COVID-19–related easing measures. The data for 2023 so far seem to stem the resurging trend somewhat with members reporting 60 changes for the partial year (Figure 3, panel 1). Easing and tightening measures are both up across the board in 2022 relative to 2021, increasing about 170 percent and 300 percent, respectively. As alluded to earlier, almost half of the voluminous increase in total measures in 2022 can be contributed to two countries, Türkiye and Ukraine, which both introduced 26 measures each in 2022.[27] Outside of these two, the countries with more than one easing or tightening change in 2022 include Russia (10); Ecuador and Kyrgyz Republic (4 each); Iraq (3); and Bangladesh, Brazil, Ethiopia, Lao P.D.R., Mozambique, Serbia, Sri Lanka, and Yemen (2 each). So far in 2023, Türkiye and Ukraine again are the main contributors to total changes, accounting for roughly a third (21 of 60), with Türkiye accounting for 16 and

[26] Data for 2023 is partial: virtually all members report information as of June 30, 2023; about 18 percent of members' reporting periods end during the third quarter of 2023, and about the same number of members' reporting periods end during the fourth quarter of 2023.

[27] Excluding Türkiye and Ukraine from the 2021 and 2022 changes, easing and tightening measures still experience a 68 percent and 100 percent increase, respectively, in 2022 from 2021. This upsurge reflects in part the lingering effects from the COVID-19 pandemic, elevated global inflation, tightening financial conditions across both emerging market and advanced economies, and spillovers from Russia's invasion of Ukraine.

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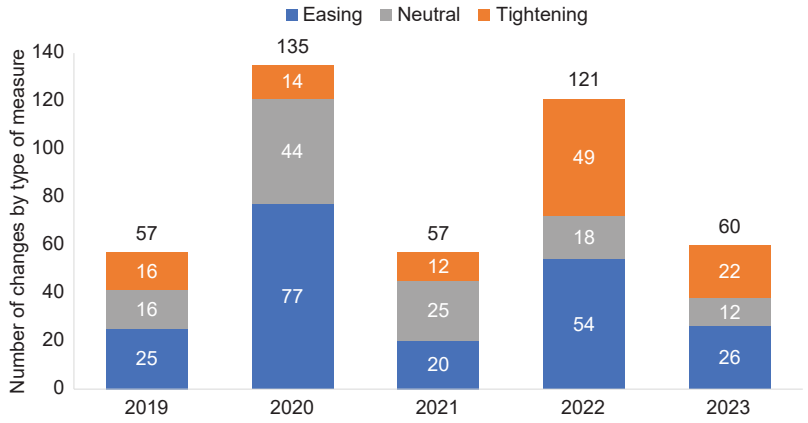
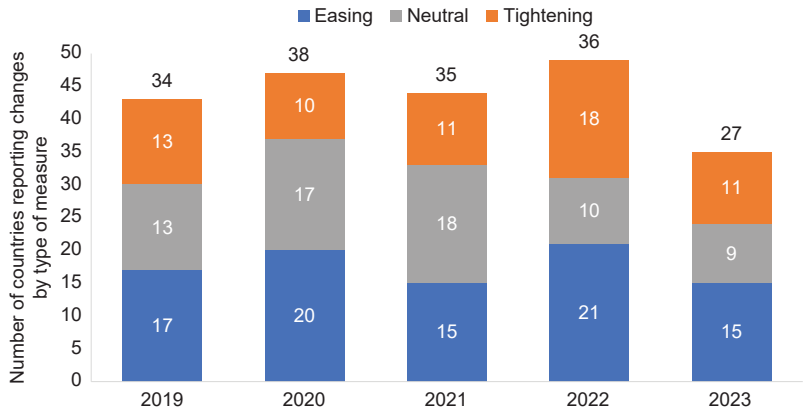
Ukraine for 5. Additionally, Iraq and Lao P.D.R. (3 each) and Brazil, Ecuador, and Mauritania (2 each) also reported more than one easing or tightening change in 2023 as well. Overall, the number of countries reporting changes in 2022 was broadly in line with past years (an increase of one); however, the number of countries reporting easing and tightening changes is higher in 2022 compared to 2021 (Figure 3, panel 2).

Figure 3. Measures Adopted in Foreign Exchange Markets, 2019–23

1. Total Number of Measures[1]



2. Number of Countries Reporting Changes[2]



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries with some members' reporting periods ending during the second half of 2023.

[1] Total changes in 2021 were revised from 58 to 57 overall (from 11 tightening to 12, and 27 neutral to 25) compared with the data published in the 2022 *AREAER* to better reflect IMF staff's assessment of reported changes.

[2] Total number of countries may not add up because certain countries implemented more than one type (easing, tightening, or neutral) of change during the year.

Easing measures in 2022 were primarily centered both in the spot and forward exchange markets, with attention to countries dealing with the fallout of the Russian invasion of Ukraine. Ukraine first introduced several tightening measures in their domestic foreign exchange market following Russia's invasion of the country in February 2022, but later relaxed some of the measures both in the spot and forward markets. Measures included pegging the hryvnia to the US dollar and restricting transactions, in both the spot and forward exchange market, involving the purchase of foreign currency by banks, nonbank financial institutions, and postal providers, only permitting the purchase of foreign currency from clients (selling foreign currency in cash to clients was prohibited). The NBU did begin to ease this foreign exchange

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cash restriction (within certain limits) in the spot exchange market in April 2022 and allowed financial institutions to sell foreign currency to individual clients within limits. Russia temporarily prohibited sales of foreign currency cash after the onset of the war and prohibited the purchase of foreign currency in the domestic market by nonresident legal entities from unfriendly countries. Subsequently, Russia relaxed the sale of foreign currency but only if obtained after April 9, 2022. Later, it also permitted banks to sell foreign currency to citizens, except US dollars and euros, even if the banks acquired these notes before April 9, 2022. In addition, it imposed price constraints on the purchase and sale of foreign currency by nonresident banks from unfriendly countries. Kyrgyz Republic, whose economy and currency is strongly tied to Russia, was responsible for 4 of the 11 tightening measures in the spot exchange market in 2022. Following the initial tumble of the Russian ruble in February 2022, Kyrgyz Republic tightened operations involving the Kazakhstani tenge by temporarily limiting the volume of transactions and reducing the purchase rate for financial institutions. Kyrgyz Republic introduced these tightening measures on March 18, 2022, to prevent Russians from using tenge to convert to Kyrgyz som and then to US dollars and thereby protect its international reserves. To further stabilize the situation in the domestic foreign exchange market, the Kyrgyz authorities limited the volume of transactions with foreign currency in cash between exchange offices and commercial banks in July 2022.

Outside of these three countries, Serbia and Sudan both introduced two measures each aimed at liberalizing their foreign exchange markets. Serbia liberalized its forward exchange market further by introducing bilateral swap transactions in January 2022, which ultimately replaced their foreign exchange swap auctions (see later discussion on foreign exchange auctions), while Sudan allowed commercial banks and foreign exchange bureaus to start determining their spot exchange rate freely starting in March 2022.

Of the 60 changes reported for 2023, 26 were reported as easing, slightly less than half of those reported in 2022, while the number of tightening measures decreased by a shade under half from 2022, to 22 changes. Türkiye reported the most easing or tightening actions (16) followed by Ukraine (5), Iraq and Lao P.D.R. (3 each), and Brazil, Ecuador, and Mauritania (2 each). A total of 21 changes were focused on foreign exchange standing facilities, on which all 16 of Türkiye's measures are concentrated (see later discussion on foreign exchange standing facilities). Outside of this, the spot exchange market registered 13 changes, with 8 easing and 5 tightening. Ukraine further liberalized, starting first in April 2023, allowing banks to include the calculation of the volume of sale of cash foreign exchange as 120 percent (previously 100 percent) of noncash foreign exchange purchases from individuals in foreign currency over a certain time period, then expanding these permissions to nonbank financial institutions and postal service operators in August. Guinea and Lebanon both changed nominal limits on minimal capital requirements. Guinea lowered the minimum capital requirement for foreign exchange bureaus from GF100 million to GF50 million in March 2023, and conversely, Lebanon stipulated Category A dealers to meet a minimum capital requirement of LL10 billion (up from LL75 million previously) from the effective date of May 17, 2023. Brazil further liberalized their foreign exchange market in July 2023 as the Central Bank of Brazil allowed payment institutions to apply for authorization to operate in the foreign exchange market to perform transactions with clients up to US$100,000, and to operate in the interbank market.

Further changes are discussed in the following under the different market segments. Changes in the structure and operation of members' foreign exchange markets are summarized in Table 6. While member countries can report a multitude of changes in their foreign exchange markets, particularly in years of elevated market turbulence and uncertainty, such as 2020 and 2022, the overall foreign exchange market structure and operations covered in the AREAER remain quite stable year to year.

Table 6. Foreign Exchange Market Structure, 2019–23[1,2,3]

Market Type	2019	2020	2021	2022	2023
Spot exchange market	190	190	191	192	192
Operated by the central bank	119	120	115	117	116
Foreign exchange standing facility	68	69	66	67	67
Allocation	19	20	21	20	18
Auction	41	41	39	41	43

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Table 6 (concluded)

Market Type	2019	2020	2021	2022	2023
Fixing	5	5	4	4	3
Interbank market	173	173	174	175	174
Over the counter	145	146	149	150	150
Brokerage	49	50	51	51	51
Market making	71	71	73	72	72
Forward exchange market	140	139	141	142	142

Source: IMF, AREAER database.

[1] Includes 190 member countries and the following territories: Aruba, Curaçao, and Sint Maarten (all in the Kingdom of the Netherlands: information for Curaçao and Sint Maarten is reported together as they have a common central bank) and Hong Kong SAR and Macao SAR (both in the People's Republic of China).

[2] The years in this table represent the year of the AREAER publication and cover development during the previous year and through part of the publication year (for example, the 2023 report has full-year data for 2022 with data at least until June 2023 for all countries).

[3] Some changes with respect to the number of member countries reporting having operations in certain foreign exchange market structures in 2022 from previous years reflect the introduction of Macao SAR to the AREAER database in 2022 (see 2022 AREAER).

Foreign Exchange Standing Facility, Allocations, Auctions, and Fixing

As Croatia joined the euro area in 2023, the number of countries that reported some type of official central bank facility decreased by 1, to 116, compared with the previous reporting period, as the Croatian National Bank no longer conducts foreign exchange auctions following the adoption of the euro. Central banks may provide access to foreign exchange to market participants through a standing facility, allocation to certain market participants, or the purchase and sale of foreign exchange through auctions or fixing sessions.

- *Foreign exchange standing facilities*—A total of 67 countries reported standing facilities in their jurisdictions. When a country has a foreign exchange standing facility, it means that the central bank typically stands ready to buy or sell foreign exchange to banks, thus providing a maximum and minimum exchange rate for their currency for a given day. Such facilities help regulate both money supply and liquidity and are usually instrumental in maintaining a hard or soft peg arrangement. All 12 countries with currency boards (such as the six countries that use the Eastern Caribbean dollar), 37 of 40 conventional pegs (Denmark, Iraq, and São Tomé and Príncipe are exceptions), and two of three crawling pegs (except Argentina) utilize standing facilities. The credibility of such arrangements depends largely on the availability of foreign exchange reserves backing the facility. The only country of 31 with a free-floating exchange rate arrangement that has a foreign exchange facility is Russia. No countries with a floating exchange rate arrangement report having a foreign exchange facility as well. Across the entire foreign exchange markets category, Türkiye introduced the most measures between 2022 and 2023, 42 of 181 in total. All but one of these measures were introduced in their foreign exchange standing facility (8 easing and 17 tightening in 2022, 6 easing and 10 tightening in 2023). Türkiye accounts for about 80 percent of all changes in standing facilities for 2022 and 2023. Starting in March 2022, against the backdrop of rapidly tightening global financial conditions, both the selling and buying rates for foreign exchange deposits across various maturity periods experienced incremental tightening measures to ease depreciation pressure on the lira while stemming the increasing trend of dollarization of its financial system by encouraging lenders to convert foreign exchange deposits into lira. The central bank continued increasing both the selling and buying rates of foreign exchange deposits at various maturities throughout 2023 as well.

  Additionally, with the lira severely depreciating in recent years, the Central Bank of Türkiye also started selling gold against the lira in February 2022 to try to support the currency. Outside of Türkiye, Bhutan and Samoa were the only countries to report tightening measures, while Russia was the only country to report an easing in their standing facility, first in February 2022 and then again in January 2023.

- *Foreign exchange auctions*—The number of countries reporting official foreign exchange auctions increased by 2, to 43, since the previous reporting period. As mentioned previously, Croatia ceased such auctions following the adoption of the euro, while Ghana, Honduras, and Mauritania introduced foreign exchange auctions. First, in March 2022, Ghana introduced special foreign exchange forward auctions for bulk

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oil distribution companies to provide foreign exchange for oil imports. To improve allocation of foreign exchange as a result of declining volumes in the interbank market, the Central Bank of Honduras reinstated a requirement for foreign exchange agents to surrender 100 percent of their daily foreign exchange income, which the central bank then allocated through foreign exchange auctions in April 2023. Mauritania enabled the Central Bank of Mauritania to intervene in the foreign exchange market via auctions starting in October 2023. Of the countries with auctions, almost 90 percent of them (38 of 43), report foreign exchange auctions as the only mechanism operated by the central bank. About a third (14 countries) have de facto exchange rate regimes that are floating, including two that are free floating (Mexico, Russia). Foreign exchange auctions can be used to intervene in the foreign exchange market and influence the exchange rate, support price discovery, and manage foreign exchange reserves. In times of market turbulence, foreign exchange auctions also enable central banks to mitigate volatility via mechanisms such as swap operations that provide liquidity to their respective local markets. For example, Serbia expanded on their auction framework in January 2022 when the National Bank of Serbia introduced bilateral swap transactions and subsequently stopped organizing regular two-week and three-month foreign exchange swap auctions in August 2022 (without excluding the possibility of re-introduction if the need arises). These bilateral swap operations proved to a be a more effective instrument for providing assistance to banks in dinar and foreign exchange liquidity management, primarily because of greater flexibility regarding the maturity and the conclusion date of the transactions compared to swap auctions. Finally, the Central Bank of Yemen scaled up the weekly amount in their single-price foreign exchange auctions from $15 million to $20 million in February 2022, and then again to $30 million in May 2022. However, because of inadequate foreign exchange reserves, the Central Bank of Yemen suspended weekly foreign exchange auctions in November 2023 but intends to resume the auctions as soon as practicable.

- *Foreign exchange allocation systems*—Foreign exchange allocation is often used to provide foreign exchange for strategic imports, such as oil or food, when foreign exchange reserves are scarce. For instance, it has at times been used to finance priority sector projects (Ethiopia) and strategic imports (Sudan). In addition, it may also be used to bolster exports through facilitating financing in foreign currency for input procurements by manufacturer-exporters (Bangladesh). Eighteen countries reported having a foreign exchange allocation system, two less than in the previous reporting period. The Bank of Mauritius discontinued bilateral sales to the State Trading Corporation in June 2022, while the Central Bank of Nigeria discontinued the sales at the retail, small and medium-sized enterprises, and invisible windows which the Central Bank of Nigeria sold foreign exchange through allocation as of June 2023 as all eligible foreign exchange transactions are now conducted and operated via the Nigerian Autonomous Foreign Exchange Fixing market. Outside of Mauritius and Nigeria, Iraq introduced three changes each in 2022 and 2023 to their allocation systems. The Central Bank of Iraq made five adjustments to the weekly limits on the amount banks and foreign exchange companies may buy in the central bank's foreign exchange currency sales window and subjecting banks to an advance deposit requirement which requires depositing the local currency equivalent of their cash and noncash purchase requests two days (previously seven days) before the auction. Mozambique also tightened their allocation system as they no longer provide foreign currency to the market for fuel imports as of June 2023. As allocation systems are frequently utilized when foreign reserves are scarce, they are found typically in countries with shallower financial depth. Of the 18 countries, only 2 are in the top half of the IMF Financial Development Index[28] (Islamic Republic of Iran, Trinidad and Tobago) and 1 is in the top quartile (Islamic Republic of Iran), with the average ranking of the 17 (Iraq is not included in the index) countries is at 123 (out of 183 countries in the index). About 60 percent of countries (11) with allocation systems also rely on other mechanisms, mainly standing facilities or fixing sessions. None of the 18 are classified as floating, with virtually all of them having a de facto soft peg arrangement (exceptions are Bangladesh, Islamic Republic of Iran, and Venezuela, which are classified as other managed arrangement, a residual category; see Table 1).
- *Fixing sessions*—This arrangement is characteristic of the early stage of foreign exchange market development when price discovery may be difficult. Fixing sessions allow the central bank to organize sessions in which market participants can submit buying and selling bids. The central bank uses these bids to find the market clearing exchange rate. The number of countries that reported operating fixing sessions declined

[28] IMF, 2022, "*Financial Development Index*."

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by one (Mauritania) compared with the previous period. For Syria, fixing sessions are the only mechanism operated by the central bank (whereas the central banks of Islamic Republic of Iran and Mozambique also operate allocation systems). As the central bank monitors the market closely and often actively participates in the price formation by selling or buying during the session to achieve a certain exchange rate target, this mechanism is also utilized in countries with exchange rates that are not largely market determined. As such, in this current cycle of the AREAER, all three have managed arrangements (Iran and Syria are classified as other managed while Mozambique is classified as stabilized).

Interbank and Retail Foreign Exchange Markets

The number of countries that reported having a foreign exchange interbank market stands now at 174 (down from 175 in 2022) as Honduras reactivated the auction of foreign exchange as a mechanism for allocating foreign exchange instead of through the interbank foreign exchange market (see previous discussion). The other 19 jurisdictions that do not have an interbank market are typically countries where either security concerns made the operation of a foreign exchange market difficult in recent years, such as Somalia, South Sudan, and Yemen; where the legal framework does not allow the trading of foreign exchange among banks, such as Venezuela; in countries where the central bank maintains a conventional peg or currency board; or in jurisdictions where there is no separate legal tender. The latter two groups of countries consist of Aruba, Belize, Bhutan, Dominica, Eritrea, Kiribati, Lesotho, Libya, the Marshall Islands, Micronesia, Montenegro, Nauru, Palau, Timor-Leste, and Tuvalu. In most cases, these countries are small, and the size of the territory naturally limits the number of potential participants in the foreign exchange market. Honduras reported the most changes this reporting period with three changes, comprising almost one-fourth of all changes between 2022 and 2023 (3 of 13).[29] Two of the measures dealt with modifying the calculation of both the exchange band and reference exchange rate of the country's foreign exchange interbank market, while the other pertains to the reactivation of the foreign exchange auctions. Sri Lanka introduced two measures, first introducing a daily middle exchange rate with a variation margin to the domestic interbank foreign exchange market as guidance to interbank foreign exchange transactions in May 2022, then ultimately revoking and discounting this guidance in March 2023. Tanzania introduced a tightening measure by raising the minimum amount of foreign exchange tradable for a given quoted price to $250,000 (previously $50,000) in February 2022. For countries that have an interbank market, the form of operations may include over-the-counter markets, brokerage arrangements, and market-making arrangements. Thirty-five members allow all three types of systems. This group of 35 typically has market-based exchange arrangements and greater financial depth. About three-quarters of them (25) are classified as having de facto floating or free-floating arrangements. A total of 9 of the top 10 countries in the entire Financial Development Index (besides Switzerland, who is ranked first overall in the index), 23 of the 35 are in the top quartile of the index, while 32 of 35 are in top half (Kenya, Pakistan, and Papua New Guinea do not fall in the top 50th percentile of the index), with an average ranking of 37 out of the 183 countries in the index.

- *Over-the-counter operations*—These account for most of the world's interbank markets. The number of countries in this group has grown nearly every year since 2013, when it comprised 127 countries to 150 as of 2023 (same as in the previous reporting period). Despite no formal interbank foreign exchange market in St. Kitts and Nevis and St. Vincent and the Grenadines, banks in these countries can trade freely with one another. Argentina introduced the only measure in 2023, where they eliminated a certain provision that allowed foreign exchange purchase and sales between authorized institutions outside the SIOPEL system (an electronic trading system where foreign exchange and securities are traded), when one or both parties are not authorized to operate in this system in a daily amount not exceeding the equivalent of $800,000 (considering the sum of each institution's purchases and sales). In total, although this type of foreign exchange market appears to be gaining popularity among IMF members, 24 jurisdictions with interbank markets still report that they do not engage in over-the-counter operations. These countries do not share any particular characteristic in terms of size, income level, or financial market sophistication.

[29] A total of 4 of the 13 measures reported here were labeled as neutral in 2022 and 2023, two of which pertained to Honduras. These were either extensions of earlier easing or tightening measures or those that did not clearly ease or tighten regulation.

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- *Brokerage arrangements*—A total of 51 countries reported having a brokerage system, same as in the previous reporting period. These arrangements are typically found in countries with deeper financial markets. The top 14 countries in the Financial Development Index and 21 of the top 25 overall in the index all have brokerage systems. In total, 45 of 49 countries score higher than the world average on the Financial Development Index (El Salvador, Kenya, Pakistan, and Papua New Guinea fall below the world average; Andorra and San Marino are not listed in index).
- *Market-making agreements*—A total of 72 countries reported having market-making agreements, the same as in the previous reporting period. There are no reported changes in 2022–23. The prevalence of these agreements increases as income level goes up and exchange rate arrangements become more flexible, but there exists some heterogeneity. Regarding level of income, about one-fifth (11 of 59) of low-income developing countries, two-fifths (36 of 96) of emerging market economies, and two-thirds (25 of 39) of advanced economies report such agreements. With respect to exchange rate flexibility, about one-tenth (3 of 26) of hard pegs, one-quarter (24 of 87) of soft pegs, two-fifths (7 of 18) of other managed arrangements, and three-fifths (38 of 63) of floating arrangements report market-making agreements.

Most member countries report a framework for the operation of foreign exchange bureaus; the majority impose some type of licensing requirement. The current reporting period saw a mix of tightening and easing measures. Among tightening changes, the National Bank of the Republic of North Macedonia strengthened the licensing criteria for owners and managers of foreign exchange bureaus, the National Bank of Ethiopia increased their fee on foreign exchange transactions from 1.5 percent to 2.5 percent, and Pakistan requires exchange companies, as of February 2022, to surrender 100 percent of foreign currency received on account of inward home remittances in the interbank market on the same day. Honduras reduced the exchange commission that foreign exchange agents may charge their clients to a maximum of 0.5 percent compared with 0.7 percent previously. With the imposition of martial law following Russia's invasion of Ukraine in February 2022, the NBU temporarily changed its approach to foreign exchange interventions, whereby the NBU now engages in US dollars and euro sale and purchase transactions with banks and international financial institutions daily. The NBU stopped sales and purchases of euros and now conducts operation solely in US dollars as of May 2022. Among easing changes, Sudan further liberalized its foreign exchange market in March 2022, as commercial banks and foreign exchange bureaus may freely determine their rate on both a daily basis and without any restrictions and increased the maximum profit margin to 1 percent for foreign exchange bureaus. Mozambique no longer requires commercial banks to quote exchange rates complying with a maximum spread of 2 percent between the exchange rates for buying and selling foreign exchange as of the end of 2022. Lao P.D.R. balanced both easing and tightening measures by first reducing the limit for selling foreign exchange to individuals by commercial banks and foreign exchange agents within the limit of 15 million kip (approximately $1,000) a person per day in June 2022, then closing down entirely foreign exchange service agents under commercial banks in January 2023 to comply with a new Bank of Lao P.D.R. decision that allows only commercial banks in Lao P.D.R. to operate foreign exchange services. Easing measures in turn manifested in the form of widening the trading band of commercial banks' exchange rate relative to the daily reference rate set by the central bank for kip against US dollars from ±1.5 percent to ±4.5 percent in October 2022, then again to ±7.5 percent in June 2023, while also increasing the margin of buying and selling rates for the US dollar, euro, Thai baht, Chinese yuan, and other foreign currencies.

Other Measures

Most of the changes in other measures during the reporting period refer to forward operations, exchange rate structure, other legal tender, and taxes on foreign exchange transactions.

- *Forwards*—A total of 15 measures were reported across 2022 and 2023: 14 in 2022 (10 easing, 2 neutral, and 2 tightening) and 1 in 2023 (easing). Ukraine was the primarily driver of these changes, accounting for 7 of the 15, all in 2022 (5 easing and 2 tightening). The NBU initially tightened foreign exchange market measures by prohibiting banks from trading in foreign currency except for certain transactions. Over the following months, Ukraine permitted swap transactions with resident clients if the first part of the transaction was a purchase of foreign currency from a resident client and permitted transactions involving the purchase of foreign currencies by clients under forward contracts that were signed prior to February 23, 2022. The NBU did introduce one more tightening measure amid these preliminary easing measures in

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April 2022 when they prohibited banks from entering into money market derivative contracts (other than swaps) to support the stability of hryvnia. However, subsequently, the NBU did ease further in the summer of 2022 when they extended the permissions to conduct swap transactions to foreign banks/depositors that have a securities account at the NBU. Beyond Ukraine, during the reporting period, the Central Bank of Egypt issued a circular in October 2022 regarding banks' conducting foreign exchange transaction in local currency through forward transactions, currency swaps, and nondeliverable forward transactions, given these transactions are conducted for commercial purposes and through the same bank. The Bank of Russia launched a new standing facility in January 2023 to provide yuan via swap transactions for the sale of yuan for rubles.

- *Exchange rate structure*—There were several changes in the number of countries maintaining a dual or multiple exchange rate structure. Currently, 21 countries are classified as having more than one exchange rate, of which 11 are dual and 10 are multiple. This is mainly a result of specific exchange rates applied to certain transactions or because of actual or potential deviations of more than 2 percent between official and other exchange rates and hence resulting in multiple currency practices under Article VIII (see next section). During this reporting period, the exchange rate structure of Armenia was reclassified from dual to unitary due to the elimination of an MCP effective as of January 1, 2022, and foreign exchange transactions between the Ministry of Finance and the Central Bank of Armenia now take place at the market-determined bid/ask prices quoted by the Central Bank of Armenia. While in practice the exchange rate structure is still classified as multiple, Sudan has worked toward reducing the gap between the official rate and the parallel market rate following the adoption of floating exchange rate policy. As of March 2022, the exchange rate in Sudan is freely determined by commercial banks and exchange bureaus daily.
- *Other legal tender*—A total of 16 countries officially allow the use of another legal tender in their territory, the same as the previous reporting period. There was a sole change this reporting period where Bhutan recalibrated the Indian rupee travel allowance for Bhutanese from Rs10,000 a month to Rs50,000 a year in October 2023.
- *Taxes and subsidies on foreign exchange transactions*—Overall, 36 countries report taxing or subsidizing foreign exchange transactions during the reporting period, a net increase by two compared with the previous reporting period. In Bangladesh, the incentive against workers' remittances was increased to 2.5 percent from 2 percent in January 2022, while Mauritania applies, as of November 2023, a commission of 0.2 percent to all foreign exchange operations carried out in the banking system. In total, 17 taxes and/or subsidies were reported in 2022–23: 11 easing and 6 tightening. Ecuador made up roughly a third of all measures, with four in 2022 and two in 2023, all related to reductions in the capital outflow tax. The first reduction came into effect in January 2022, reducing the tax from 5 percent to 4.75 percent, with the final reduction of the reporting period, taking place in July 2023, ultimately bringing the outflow tax down to 3.5 percent. In addition, Russia introduced four measures in 2022, initially introducing a 30 percent commission on the purchase of foreign currencies by individuals through brokers on March 3, 2022, then reducing this commission to 12 percent the following day, simultaneously introducing a 12 percent commission for legal entities, and finally removing the requirement to charge a commission on April 11, 2022, for both individuals and legal entities. In September 2022, Lebanon canceled a subsidized exchange rate for oil derivate imports (for example, gasoline and diesel gas), while maintaining subsidies on imports of certain essential food and medical supplies. Outside of the Ecuador and Mauritania cases, the only other 2023 measure pertained to Brazil, which reduced the Imposto sobre Operações Financeiras (Tax on Financial Operations) general tax rate from 6.38 percent to 5.38 percent in January 2023.

Member Countries' Obligations and Status under Articles VIII and XIV

This section provides an overview of the status of IMF members' acceptance of the obligations of Article VIII, Sections 2(a), 3, and 4, of the IMF's Articles of Agreement and of the use of the transitional arrangements of Article XIV. It also describes recent developments in restrictive exchange measures—namely, exchange restrictions and MCPs subject to IMF jurisdiction under Articles VIII and XIV and measures imposed by members solely for national and/or international security reasons.

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In accepting the obligations of Article VIII, Sections 2(a), 3, and 4, members agree not to impose restrictions on payments and transfers for current international transactions or engage in discriminatory currency arrangements or MCPs, except with IMF approval.[30] If Article XIV members introduce exchange restrictions or MCPs after joining the IMF, these restrictive measures are considered to have been imposed under Article VIII.

Status under Articles VIII and XIV

The number of countries that have accepted Article VIII remained unchanged at 174 members[31] in 2022 (Figure 4). In the 21st century, 25 members accepted Article VIII obligations, including some of them at the time of their joining the IMF, and, accordingly, the number of Article VIII members has increased by 16.8 percent, reaching 91.6 percent at the end of 2020 and remaining unchanged at the end of 2021 and 2022. Since 2000, there has been some progress in Article VIII acceptance among countries that have availed themselves of the transitional provisions of Article XIV. Their number had dropped from 34 in 2000 to 16 by the end of 2021 and remained unchanged in 2021 and 2022. Progress was most notable during 2000–05, when 15 Article XIV countries accepted Article VIII obligations. Since 2000, four countries have joined the IMF, simultaneously accepting Article VIII obligations (Andorra, Montenegro, Nauru, Timor-Leste), while four other countries (Kosovo, Serbia, South Sudan, Tuvalu) joined the IMF availing themselves of the temporary provisions of Article XIV. Three of these four countries (Kosovo, Serbia, Tuvalu) subsequently accepted Article VIII obligations. Other countries that accepted Article VIII starting from 2000 are Albania, Azerbaijan, Belarus, Cambodia, Cape Verde, Colombia, Democratic Republic of Congo, Egypt, Iran, Lao P.D.R., Libya, Mozambique, Myanmar, Sudan, Tajikistan, Uzbekistan, Vietnam, and Zambia.

As of December 31, 2022, many members in Article XIV status continued to maintain restrictions subject to IMF jurisdiction under Article VIII; however, their number has been reduced in 2022. Among the 16 members[32] in Article XIV status, 3 do not maintain restrictive exchange measures but have not yet decided to accept the obligations under Article VIII. Four countries maintain both original or adapted Article XIV exchange measures and Article VIII restrictions. The remaining nine Article XIV countries maintain exchange measures under Article VIII only.

Restrictive Exchange Measures[33]

The first section in the following describes recent developments in exchange restrictions—measures that limit the availability and use of foreign currency for payments and transfers for current international transactions—and MCPs subject to IMF jurisdiction under Articles VIII and XIV. In particular, changes in 2022 to exchange restrictions and MCPs are indicated as reported in the latest IMF staff reports as of December

[30] Countries that have accepted the obligations under Article VIII are referred to as "Article VIII members" or "Article VIII countries"; in contrast, those that continue to avail themselves of the transitional provisions of Article XIV are referred to as "Article XIV members" or "Article XIV countries" in this report.

[31] In this section, Aruba, Curaçao, and Sint Maarten (all territories of the Kingdom of the Netherlands) are counted as one member. Also, Hong Kong SAR and Macao SAR (both in the People's Republic of China) are counted as one member.

[32] As of December 31, 2022, the member countries that make use of the transitional arrangements under Article XIV are Afghanistan, Angola, Bhutan, Bosnia and Herzegovina, Burundi, Eritrea, Ethiopia, Iraq, Liberia, Maldives, Nigeria, São Tomé and Príncipe, Somalia, South Sudan, Syria, and Turkmenistan.

[33] A new MCP policy was adopted on July 1, 2022, which elaborates on the provision in Article VIII, Section 3, of the IMF's Articles of Agreement. The main changes in the new policy focus on three areas: (1) an MCP will arise due to an official action that segments foreign exchange markets or increases or subsidizes the cost of certain foreign exchange transactions (for example, exchange taxes), (2) MCPs will be identified on the basis of a new country-specific market-based rule, and (3) the new policy ensures better alignment of the MCP policy with other relevant IMF policies. The new policy became effective on February 1, 2024, after a transitional period to allow members to adjust their policies. Under the new policy, during the transitional period, no MCPs are to be found where (1) official action takes the form of (a) an one-day lagged official exchange rate computed and used as specified in the new policy, (b) broken cross-rates, or (c) a foreign exchange auction consistent with specified criteria under the new policy; and (2) an MCP results from exchange rate spreads arising in an illegal parallel market. Existing MCPs based on the types of official action that will no longer be covered under the MCP policy are considered eliminated as of the approval date of the new policy. See "*Review of the Fund's Policy on Multiple Currency Practices—Proposals for Reforms*" (2022).

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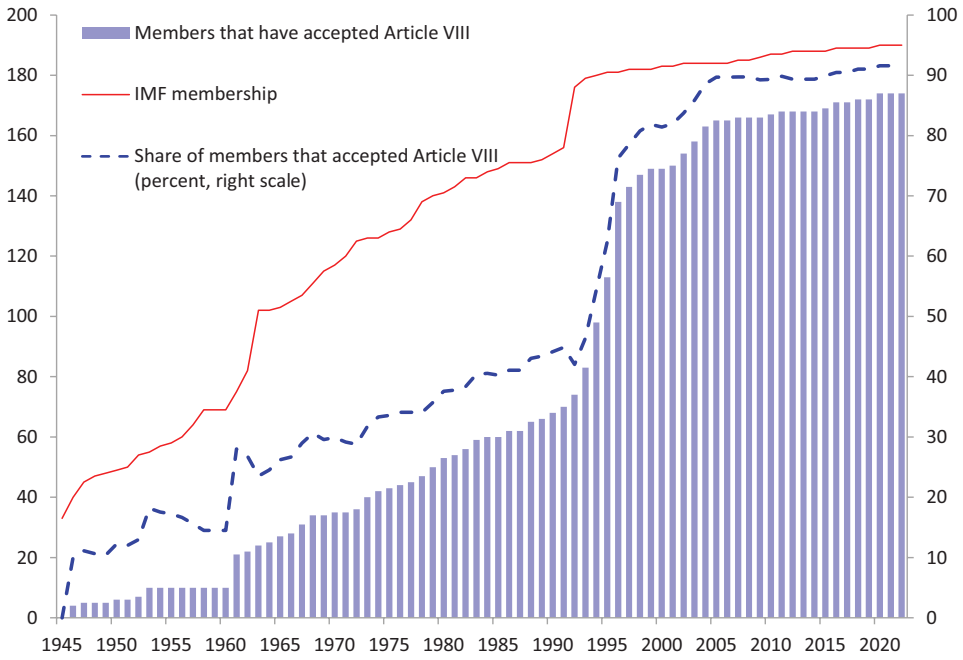
31, 2022, as well as by counting those that affected different types of transactions/exchange rate spreads. The subsequent section describes developments in measures imposed by members solely for national or international security reasons during 2022.

Figure 4. IMF Members that Have Accepted the Obligations of Article VIII, Sections 2(a), 3, and 4, 1945–2022[1]



Source: IMF, AREAER database.
[1] As of December 31, 2022.

Exchange Restrictions and Multiple Currency Practices[34]

The number of countries[35] maintaining restrictive exchange measures increased by one in 2022, while the composition of countries maintaining such measures has changed (Table 7).[36] Article VIII members maintained more restrictive exchange measures in 2022 (94 measures that affected 108 types of transactions/exchange rate spreads) than Article XIV members (45 measures that affected 108 types of transactions/spreads).[37]

In 2022, two Article VIII members removed all previously identified restrictive exchange measures: Armenia (one MCP) and Curaçao and Sint Maarten of the Kingdom of the Netherlands[38] (one exchange restriction). Also, other three Article VIII members (Argentina, Jamaica, Zimbabwe) and four Article XIV members (Bhutan, Maldives, São Tomé and Príncipe, South Sudan) eliminated restrictive exchange measures but not

[34] Countries maintaining exchange restrictions and/or MCPs whose IMF staff reports are unpublished are not mentioned in this section unless the authorities have consented to publication. However, their restrictive exchange measures are included in the numbers.

[35] In this section, Aruba, Curaçao, and Sint Maarten (all territories of the Kingdom of the Netherlands) are counted as one member. Also, Hong Kong SAR and Macao SAR (both in the People's Republic of China) are counted as one member.

[36] The AREAER does not indicate whether the Executive Board of the IMF has approved such measures.

[37] In case the staff report suggests that restrictive exchange measures apply to more than one type of transaction/exchange rate spread, the number of exchange measures in this section and in Table 7 reflects the number of transactions/exchange rate spreads to which it applies. This is the second report in which the count of exchange restrictions and MCPs are based on including them in all relevant types of transactions/exchange rate spreads. Hence, the numbers for 2020 are not comparable to those reported in Table 7 of past AREAERs.

[38] Information for Curaçao and Sint Maarten is reported together as they have a common central bank.

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all of them (see the following). On the other hand, exchange restrictions and/or MCPs were identified in two other Article VIII members which previously maintained exchange system free of restrictive exchange measures: Sierra Leone (one exchange restriction and two MCPs) and Sri Lanka (one MCP[39]). Also, restrictive exchange measures were identified in four other Article VIII members (Argentina, Jamaica, Pakistan, Zimbabwe; see the following). As a result, in 2022, the overall number of members that maintained restrictive exchange measures increased by 1 (Article VIII country), to 46 countries.

In 2022, the overall number of restrictive exchange measures increased by 16 (Table 7). The number of such measures in Article VIII countries increased by 29, whereas in Article XIV members they decreased by 13.

In 2022, 20 restrictive exchange measures (9 exchange restrictions affecting 11 types of transactions and 11 MCPs affecting 12 types of spreads) were reported to have been eliminated,[40] while 31 restrictive exchange measures (19 exchange restrictions affecting 26 types of transactions and 12 MCPs affecting 13 types of spreads) were introduced or newly identified. Article VIII members account for all 31 newly identified restrictive exchange measures (that affected 39 types of transactions/spreads) and 9 (of the 20) removals including 3 exchange restrictions and 6 MCPs (that affected 10 types of transactions/exchange rate spreads including 3 related to exchange restrictions and 7 to exchange rate spreads).

In 2022, in addition to Sierra Leone and Sri Lanka mentioned earlier that formerly had exchange systems free of restrictive exchange measures, such measures were identified or reported in the following Article VIII members: Argentina (15 exchange restrictions, that affected 22 types of transactions, and 6 MCPs[41]), Jamaica (1 MCP), Pakistan (1 exchange restriction), and Zimbabwe (2 exchange restrictions and 2 MCPs, the latter affecting 3 types of exchange rate spreads). No new Article VIII or Article XIV restrictive exchange measures were identified in Article XIV members in 2022.

In contrast, in addition to Armenia and Curaçao and Sint Maarten of the Kingdom of the Netherlands mentioned earlier, which removed all their restrictive measures, seven other countries eliminated some restrictive exchange measures, but not all. Thus, in the following Article VIII countries restrictive exchange measures were found eliminated in 2022: Argentina (2 MCPs), Jamaica (1 MCP), and Zimbabwe (2 exchange restrictions and 2 MCPs). At the same time, in the following Article XIV members several restrictive exchange measures were reported as eliminated: Bhutan (1 Article XIV exchange restriction that affected 3 types of transactions and 3 Article VIII exchange restrictions), Maldives (1 exchange restriction and 1 MCP), São Tomé and Príncipe (1 MCP), and South Sudan (2 Article VIII MCPs as well as 1 Article XIV exchange restriction and 1 Article XIV MCP).

The overall average number of restrictive measures increased to 3.4 from 3.1 per country in 2022. The average number of measures per country decreased to 3.7 from 4.7 for Article XIV countries and increased to 3.3 from 2.5 for Article VIII countries. Although the overall number of restrictive exchange measures maintained by Article XIV countries was lower than in Article VIII members in 2022, they continued to maintain more exchange restrictions and MCPs per country than Article VIII countries (given the relatively small number of Article XIV members); however, the gap decreased significantly in 2022 due to the number of restrictive exchange measures eliminated in 2022.

Exchange restrictions initially reported in 2022 apply to a wide range of transactions, mostly owing to a significant number of restrictive exchange measures identified in Argentina in the context of rising foreign exchange pressures and low and falling reserves. Thus, in Argentina, identified exchange restrictions that affected different types of transactions can be classified in the following five main categories:[42]

[39] The measure was introduced in December 2020 and was reflected in the IMF staff report as of December 31, 2022.

[40] This section does not reflect changes in members' restrictive measures eliminated in 2022 (or earlier) but whose removal is reflected in the IMF staff reports issued after December 31, 2022.

[41] One temporary MCP related to soybeans exchange rate was in force during September 2022.

[42] Items 1 to 4 are based on IMF Country Report 22/92 and IMF Country Report 22/322, while the 2023 AREAER country chapter for Argentina only includes exchange restrictions and MCPs as reported in the latest IMF staff report issued as of December 31, 2022 (IMF Country Report 22/388, as reflected in Table 8). The former two staff reports were issued prior to the latter staff report and hence not included in the country chapter since, as per the AREAER Compilation Guide, information on exchange restrictions and/or MCPs should be quoted from the latest IMF staff report as of December 31, 2022. However, to provide a complete picture of developments related to exchange restrictions and MCPs, this report includes information from the aforementioned reports, both issued in the reporting period, as reflected in Table 7.

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1. *General exchange restrictions* arising from limitations on access to the foreign exchange market for making any payments or transfers for current international transactions, which prevent access to the foreign exchange market unless the requester (1) does not in the previous and subsequent 90 days undertake certain transactions in the securities market, and (2) is not included in the tax authorities' database of apocryphal invoices or documents.

2. *Restrictions on payments for imports of goods and services* including the following: one exchange restriction that affected two types of transactions arising from limitations on the amounts of foreign exchange that can be accessed for payments for imports of goods and services, one exchange restriction that affected two types of transactions arising from limitations on advance payments for imports of goods and services, one exchange restriction arising from limitations on payments for imports of luxury goods, and one exchange restriction arising from a preauthorization requirement for payments of services to related parties.

3. *Invisible transactions* including the following: one exchange restriction arising from limitations on accessing the foreign exchange market to make transfers of foreign currency abroad as profits and dividends to nonresident shareholders, and one exchange restriction that affected six types of transactions arising from limitations on access to foreign exchange by resident and nonresident individuals.

4. *Restrictions on payments of interest and amortization on external loans* including the following: two exchange restrictions arising from limitations on access to foreign exchange for payment of external indebtedness (principal and interest) which require that all external debt proceeds have been surrendered into the local exchange market prior to accessing foreign exchange to service external debt, two exchange restrictions arising from mandatory refinancing requirements (interest and principal), two exchange restrictions arising from limitations on advance payments of debt (interest and principal), and one exchange restriction arising from the prior Central Bank of Argentina consent for payments of principal (including amortization) to related parties.

5. *Exchange tax* that gives rise to one exchange restriction which also was found as an MCP arising from a 30 percent tax on the purchase of foreign exchange by individuals and on payments for consumption abroad.

As a part of policy package to address external imbalances, Pakistan introduced one exchange restriction arising from the authorities' requirement to seek payment authorization from the State Bank of Pakistan before initiating transactions for importing certain goods, with approval granted in a discretionary manner. In Sierra Leone, with the backdrop of the foreign exchange shortages, one exchange restriction was found arising from the prioritization of foreign exchange through various Bank of Sierra Leone facilities. In Zimbabwe, two exchange restrictions were found arising from (1) the rationing of foreign exchange sales through weekly Reserve Bank of Zimbabwe auctions and (2) earmarking of foreign exchange to finance letters of credit for certain imports.

In contrast, a number of countries removed exchange restrictions which affected different types of transactions. Thus, Bhutan eliminated (1) one Article XIV exchange restriction related to the availability of foreign exchange for three types of transactions (travel, invisibles, and private transfers), and (2) three Article VIII exchange restrictions which arose from (a) banning residents who do not comply with the requirement to repatriate export proceeds from accessing foreign exchange for unrelated imports, (b) restricting the availability of Indian rupees for making payments and transfers to India for certain current international transactions, and (c) banning access to Indian rupees for unrelated current international transactions for those who contravene Royal Monetary Authority's 2012 guidelines on Indian rupee transactions. Curaçao and Sint Maarten of the Kingdom of the Netherlands eliminated, effective January 1, 2022, one exchange restriction which arose from the limitation on distribution of dividends or profits to nonresidents. Following the application of the transitional arrangements under the new MCP policy, effective July 1, 2022, an exchange restriction in connection with the additional cost for obtaining foreign exchange in the parallel market was considered eliminated in Maldives.[43] In the same vein, in South Sudan, an exchange restriction under Article XIV, in connection with the extra burden arising from the spread between the parallel market exchange rate and the formal commercial exchange market rate was considered eliminated with the application of the transitional arrangements under the new MCP policy. Zimbabwe removed the Reserve Bank of Zimbabwe's guidance

[43] See paragraph 41 of "*Review of the Fund's Policy on Multiple Currency Practices–Proposals for Reform*" (2022)

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which required commercial banks to prioritize their foreign exchange sale to finance specific categories of international transactions. Also, Zimbabwe removed an exchange restriction which arose from the Reserve Bank of Zimbabwe's allocations of foreign exchange to finance certain necessary imports while limiting the availability of foreign exchange for payments and transfers for other current international transactions not eligible to receive such allocations.

The types of newly identified MCPs also varied in 2022. It was reported that Argentina maintained six MCPs as follows: (1) one MCP (which also was found as an exchange restriction) arising from a 30 percent tax on the purchase of foreign exchange by individuals and on payments for consumption abroad; (2) one MCP arising from the 35 percent tax based on the potential spread exceeding 2 percent between the market exchange rate and the effective exchange rate of the transaction (considering that the tax can be credited toward other tax obligations at the end of the tax year); (3) one MCP caused by the limitations on the availability of foreign exchange which channels current international transactions to the parallel market, and resulting in the large spread between the official exchange rate and such market; (4) one MCP arising from the authorization granted to tourists visiting Argentina to sell US dollars at the parallel exchange rate up to a certain threshold; (5) one MCP arising from a temporary facility to liquidate during September 2022 the foreign exchange proceeds from the exportation of soybean products at a favorable exchange; and (6) one MCP arising from reintroduction of a temporary foreign exchange incentive scheme to encourage soy exporters and producers to sell their stocks.[44] In Jamaica, an MCP was found where the exchange rates used for the resale of foreign exchange auction funds (capped with a specified spread) by participants may deviate by more than 2 percent from the exchange rates at which such participants sell foreign exchange other than from the foreign exchange auction funds. Sierra Leone was found to maintain two MCP because of (1) the use of the Bank of Sierra Leone rate (calculated weekly and computed based on transactions over the previous five business days) which exceeded the prevailing market rate by more than 2 percent, and (2) the use of an exchange rate for transactions under certain facilities (calculated based on commercial banks' weighted average exchange rates on the previous day) which may exceed 2 percent from the prevailing market rate at the time of the transactions. In Sri Lanka, an MCP was found arising from a temporary incentive scheme for inward worker remittances launched in December 2020 under which the authorities offered an additional incentive over the exchange rates used by banks for such remittances, with the deviation between the more favorable (effective) exchange rate used for qualifying inward workers remittances and the exchange rate used for other inward remittances being more than 2 percent. In Zimbabwe, one MCP which affected two types of transactions was found arising from the Reserve Bank of Zimbabwe's sale of foreign exchange to successful bidders during weekly auctions at exchange rates that may differ by more than 2 percent (1) from each other and (2) from exchange rates being used for official transactions, transactions to fulfill the foreign exchange surrender requirement, or market transactions. Also, one other MCP arising from the use of the official rate for official transactions and transactions made to fulfill the surrender requirement was found in Zimbabwe, because this rate may differ by more than 2 percent from the market exchange rate.

In contrast, in 2022, several previously identified MCPs were reported to have been eliminated. These include MCPs arising from the official multiple price auction in Argentina (two MCPs) and Jamaica (one MCP); one MCP in Armenia which arose from a 2007 agreement between the Ministry of Finance and the Central Bank of Armenia to settle some budgetary transactions at an agreed accounting exchange rate throughout the fiscal year; one Article XIV MCP which arose from spreads between the official (indicative) rate and the commercial banks' (market) rate in South Sudan; one MCP which arose from the bureau market exchange rate exceeding more than 2 percent of that in the interbank market in Zimbabwe; and one MCP which arose from the spread of more than 2 percent between the prior business date's interbank rate at which the Reserve Bank of Zimbabwe conducted foreign exchange allocation for certain imports and purchased foreign exchange proceeds from exports and the prevailing foreign exchange rate for other foreign exchange transactions taking place on the same date in Zimbabwe. In addition, following the application of transitional arrangements under the new MCP policy, which was adopted on July 1, 2022, a number of MCPs which arose from the spread with the parallel market exchange rates were considered eliminated in the following Article XIV countries: Maldives (one Article VIII MCP), São Tomé and Príncipe (one Article VIII MCP), and South Sudan

[44] Items (1) to (5) are based on IMF Country Report 22/92 and IMF Country Report 22/322. See footnote 42.

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(one Article XIV MCP and one Article VIII MCP). Also, one MCP arising from the favorable exchange rate used for conversion of proceeds from the exportation of soybean products was found as introduced and eliminated in 2022 in Argentina.

Table 8 provides the description of restrictive exchange measures as indicated in the latest IMF staff reports as of December 31, 2022.

Exchange Measures Maintained for Security Reasons

Several member countries maintain measures solely for national and/or international security reasons, which could give rise to exchange restrictions under IMF jurisdiction if applied to payments and transfers for current international transactions. These restrictions, like others, require prior IMF approval under Article VIII, Section 2(a). However, because the IMF does not provide a suitable forum to discuss the political and military considerations that lead to measures of this kind, it established a special procedure for such measures to be notified to and approved by the IMF.[45] In total, 120 member countries and their territories reported in 2022 to the IMF that they maintained measures solely for security reasons, including 16 that reported changes in such measures in 2022. In general, the restrictions are financial sanctions to combat the financing of terrorism or financial sanctions against certain governments, entities, and individuals in accordance with UN Security Council resolutions, EU regulations, or decisions adopted by members on their own initiative.

Table 7. Exchange Restrictions and Multiple Currency Practices, January 1–December 31, 2022[1]

	Member under …								
	Article XIV Status			Article VIII Status			Total		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total number of restrictions and multiple currency practices maintained by members[2]	63	61	48	76	79	108	139	140	156
Restrictions on payments for imports	5	5	4	4	4	9	9	9	13
Advance import deposit and margin requirements	0	0	0	2	2	2	2	2	2
Restrictions on advance payments	0	0	0	1	1	2	1	1	2
Requirement to balance imports with export earnings	1	1	1	0	0	0	1	1	1
Restrictive rules on the issuance of import permits	0	0	0	0	0	0	0	0	0
Tax clearance requirements	1	1	1	0	0	0	1	1	1
Other	3	3	2	1	1	5	4	4	7
Restrictions on payments for invisibles	17	15	13	3	7	15	20	22	28
Education	0	0	0	0	0	1	0	0	1
Medical services	0	0	0	0	0	1	0	0	1
Travel services	5	5	4	1	1	1	6	6	5
Income on investment	7	7	7	1	4	7	8	11	14
Tax clearance requirement	2	2	2	1	1	1	3	3	3
Interest on deposits, bonds, and loans	2	2	2	0	1	4	2	3	6
Profits and dividends	2	2	2	0	2	2	2	4	4
Foreign exchange balancing for profit remittances	1	1	1	0	0	0	1	1	1
Advance payment for services	1	0	0	0	0	1	1	0	1
Other	4	3	2	1	2	4	5	5	6

[45] See Decision 144-(52/51) in IMF, 2012, "Selected Decisions and Selected Documents of the International Monetary Fund," Issue 3, Washington, DC.

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Table 7 (concluded)

	Member under …								
	Article XIV Status			Article VIII Status			Total		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Restrictions on amortization on external loans	2	2	2	2	3	7	4	5	9
Restrictions on unrequited transfers	4	4	3	2	2	4	6	6	7
Wages and salaries	1	1	1	1	1	2	2	2	3
Family remittances	1	1	1	1	1	2	2	2	3
Other	2	2	1	0	0	0	2	2	1
Nonresident accounts	2	2	2	2	2	2	4	4	4
Transferability of frozen or blocked deposits	1	1	1	1	1	1	2	2	2
Limits on usage of foreign currency accounts	1	1	1	0	0	0	1	1	1
Convertibility of nonresident domestic currency deposits	0	0	0	1	1	1	1	1	1
Restrictions arising from bilateral or regional payment, barter, or clearing arrangements: Unsettled debit balances	1	1	1	8	7	7	9	8	8
Restrictions with general applicability	14	14	10	24	24	28	38	38	38
Administered allocations, rationing, and undue delay	8	8	8	10	10	10	18	18	18
Payments above a threshold	0	0	0	2	2	2	2	2	2
Tax clearance certificates	1	1	1	1	1	1	2	2	2
Exchange taxes	0	0	0	4	4	5	4	4	5
Other	5	5	1	7	7	10	12	12	11
Multiple currency practices	18	18	13	31	30	36	49	48	49
Exchange taxes	1	1	1	1	1	3	2	2	4
Exchange subsidies	0	0	0	2	2	3	2	2	3
Multiple price auctions	2	2	2	3	3	2	5	5	4
Differentials between official, commercial, and parallel rates	14	14	9	22	22	26	36	36	35
Margin requirements	0	0	0	2	2	2	2	2	2
Non-interest-bearing advance import deposits	1	1	1	0	0	0	1	1	1
Exchange rate guarantees	0	0	0	1	0	0	1	0	0
Memorandum items:									
Average number of restrictions per member	4.8	4.7	3.7	2.2	2.5	3.3	3.0	3.1	3.4
Number of members with restrictions[3]	13	13	13	34	32	33	47	45	46

Sources: IMF, AREAER database; IMF staff reports; and IMF staff calculations.

[1] Information is based on IMF staff reports issued as of December 31, 2022, for members and their territories. The number of restrictions and/or multiple currency practices (MCPs) may have changed subsequent to the date they were reported. The table also includes data on exchange restrictions and MCPs maintained by countries whose IMF staff reports are unpublished.

[2] Where the description of an exchange restriction or an MCP in the staff report suggests that it applies to more than one type of transaction/exchange rate spread, the exchange measure is reflected in all the relevant types of transactions/exchange rate spreads reported in this table. This is the second report in which the count of exchange restrictions and MCPs are based on including them in all relevant types of transactions/exchange rate spreads. Hence, the numbers for 2020 are not comparable to those reported in Table 7 of past publications of the AREAER.

[3] Restrictive measures in a member's territory are included in the total for the member country.

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Table 8. Exchange Restrictions and/or Multiple Currency Practices, by Country, as of December 31, 2022

Country[1]	Exchange Restrictions and/or Multiple Currency Practices[2]
Albania	The IMF staff report for the 2022 Article IV Consultation with Albania states that, as of November 14, 2022, Albania continues to maintain an exchange restriction in the form of outstanding debit balances on inoperative bilateral payment agreements with two IMF member countries. Those debit balances were in place before Albania became an IMF member in 1991 and relate to debt in nonconvertible and formerly nonconvertible currencies. Despite repeated efforts by the Albanian authorities, no agreement has been reached with the counterparties. (Country Report No. 22/362)
Angola	The IMF staff report for the 2021 Article IV Consultation and Sixth Review under the Extended Arrangement of the Extended Fund Facility and Request for a Waiver of Nonobservance of a Performance Criterion with Angola states that, as of December 7, 2021, Angola maintained two MCPs that are subject to approval under Article VIII, Section 3, that arise from the lack of a mechanism to prevent potential spreads in excess of 2% emerging (1) between successful bids within the National Bank of Angola's (Banco Nacional de Angola – BNA's) foreign exchange auction and (2) for transactions that take place at the reference rate in place and the rate at which transactions take place in the foreign exchange auction on that day remain. Angola maintains restrictions on the making of payments and transfers for current international transactions under the transitional arrangements of Article XIV, Section 2. The measures maintained pursuant to Article XIV are (1) limits on the availability of foreign exchange for invisible transactions, that is travel expenses and (2) limits on unrequited transfers to foreign-based individuals and institutions. Exchange restrictions subject to IMF jurisdiction under Article VIII, Section 2(a) were removed, specifically (1) the discriminatory application of the 0.1% stamp tax on foreign exchange operations by natural persons, (2) the operation of the priority list for access to US dollars at the official exchange rate, and (3) a special tax of 10% on transfers to nonresidents under contracts of foreign technical assistance or management services. The MCP subject to approval under Article VIII, Section 3, arising from the discriminatory application of the 0.1% stamp tax on foreign exchange operations by natural persons was also removed. (Country Report No. 22/11)
Argentina	The IMF staff report for the Third Review under the Extended Arrangement under the Extended Fund Facility, Request for Waivers of Nonobservance of Performance Criteria, and Financing Assurances Review with Argentina states that as of December 12, 2022, Argentina has taken a number of measures since early October 2022 with respect to its foreign exchange regime that give rise to new MCPs and exchange restrictions, and intensify pre-existing exchange restrictions. These measures also amount to nonobservance of the continuous performance criteria on the introduction or intensification/modification of exchange restrictions/MCPs. More specifically, the key changes fall within the following categories: (1) Foreign Exchange Incentive Scheme: On November 28, the Argentine government reinstated its Foreign Exchange Incentive Scheme to encourage soy exporters and producers to sell their stocks that was introduced on a temporary basis, and which expired in September. Under the current scheme, exporters of soybean and derivates can fulfill their surrender requirement by exchanging their dollar receipts at a more preferential exchange rate of 230 pesos per dollar. Because of the large spread between the preferential exchange rate and the official exchange rate (which trades at around 168 pesos per dollar), which exceeds 2%, and given that the old measure had expired before the reintroduction, this measure constitutes a new MCP subject to IMF jurisdiction. (2) Exchange Tax: Argentina maintains an exchange restriction and an MCP arising from a 30% tax on the purchase of foreign exchange by individuals and on payments for consumption abroad. Under Decree No. 682/2022, the 30% tax has been extended to purchases of foreign currency for the payment of (a) personal, cultural, and recreational services and (b) the importation of a list of luxury goods. The extension of the coverage of the 30% tax amounts to an intensification of the existing exchange restriction. It also amounts to a modification of the MCP. (Country Report No. 22/388)[3]
Aruba, Kingdom of the Netherlands	The IMF staff report for the 2021 Article IV Consultation Discussions with Aruba states that as of March 31, 2021, Aruba maintains an unapproved exchange restriction arising from the foreign exchange tax on payments by residents to nonresidents (1.3% of the transaction value). In March 2020, the Central Bank of Aruba (CBA) halted the issuance of new foreign exchange licenses, limiting most of the outgoing capital and also some current transactions. The following measures constitute new exchange restrictions: (1) prohibition on actual payment and/or transfer of dividends to nonresident shareholders, and of net income from other investment; (2) restriction on repayment and interest payments of loans below the relevant thresholds (that is, Afl. 300,000 for natural persons and Afl. 750,000 for legal entities) obtained after March 17, 2020; and (3) prohibition on payment of management fees to affiliated companies. (Country Report No. 21/81)
Bangladesh	The IMF staff report for the 2021 Article IV Consultation with Bangladesh states that, as of February 15, 2022, Bangladesh maintained one restriction subject to IMF approval under Article VIII, Section 2(a) on the convertibility and transferability of proceeds of current international transactions in nonresident taka accounts (NRTAs). (Country Report No. 22/71)
Bhutan	The IMF staff report for the 2022 Article IV Consultation with Bhutan states that, as of April 26, 2022, Bhutan continues to avail itself of transitional arrangements under Article XIV, Section 2, pursuant to which it maintains exchange restrictions in connection with: (1) foreign exchange balancing requirement on remittances of income in convertible currencies or other foreign currencies from FDI and (2) on the availability of foreign exchange for importers who have not provided evidence that goods for which payments have been made were actually imported. Bhutan also maintains exchange restrictions subject to IMF approval under Article VIII, Section 2(a) in connection with: (1) the foreign exchange balancing requirements for imports of capital goods (for projects involving FDI) and primary raw materials (for certain industrial projects); (2) requiring FDI companies to pay for their operational expenses (including insurance payments) from their own foreign exchange resources; and (3) requiring Bhutanese companies to pay the interest on and amortization of external loans from their own foreign currency resources. (Country Report No. 22/146)

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Table 8 (continued)

Country[1]	Exchange Restrictions and/or Multiple Currency Practices[2]
Bosnia and Herzegovina	The IMF staff report for the 2022 Article IV Consultation with Bosnia and Herzegovina states that as of May 20, 2022, Bosnia and Herzegovina maintains restrictions on the transferability of balances and interest accrued on frozen foreign-currency deposits, subject to IMF jurisdiction under Article VIII. (Country Report No. 22/167)
Brazil	The IMF staff report for the 2021 Article IV Consultation with Brazil states that, as of August 20, 2021, the tax on financial transactions (Imposto sobre Operações Financeiras–IOF) of 6.38% on exchange transactions carried out through credit card, debit card, and traveler's checks (including cash withdrawals) by companies to fulfill their payment obligations for purchases of goods and services abroad by their customers gives rise to a MCP subject to IMF jurisdiction under Article VIII, Sections 2(a) and 3. In January 2008, the IOF for these exchange transactions was raised to 2.38% and then further increased to 6.38% in March 2011. The scope of operations was expanded to other foreign exchange transactions in addition to credit cards in December 2013. (Country Report No. 21/217)
Burundi	The IMF staff report for the Article IV Consultation with Burundi states that as of July 7, 2022, Burundi continues to maintain a MCP that is inconsistent with Article VIII, Section 3: The exchange rate used for government transactions (the official rate) may differ by more than 2% from market exchange rates, and there is no mechanism to prevent such a deviation. (Country Report No. 22/257)
Congo, Democratic Republic of the	The IMF staff report for the 2022 Article IV Consultation, Second Review Under the Extended Credit Facility Arrangement, Request for Modifications of Performance Criteria, and Financing Assurances Review with the Democratic Republic of the Congo (DRC), states that as of, June 15, 2022, the DRC maintains one exchange rate restriction subject to IMF approval arising from an outstanding net debt position against other contracting members under the inoperative regional payments' agreement with the CEPGL. (Country Report No. 22/210)
Ecuador	The IMF staff report for the 2021 Article IV Consultation, Second and Third Reviews under the Extended Arrangement under the Extended Fund Facility, Request for a Waiver of Nonobservance of Performance Criterion, and Financing Assurances Review for Ecuador states that, as of September 20, 2021, Ecuador maintained an exchange restriction subject to IMF approval arising from a 5% tax on transfers for the making of payments and transfers abroad on current international transactions. There are a number of exemptions from this tax. In September 2021, the government enacted an Executive Decree lowering the tax rate to zero for foreign airline companies operating in Ecuador, which will enter into force on its publication in the official gazette. In addition, the SUCRE (Sistema Unitario de Compensación Regional de Pagos) regional payments arrangement also gives rise to an exchange restriction subject to IMF approval since the period for settlement under the bilateral payment arrangement exceeds three months. (Country Report No. 21/228)
Ethiopia	The IMF staff report for the 2019 Article IV Consultation with Ethiopia states that, as of December 11, 2019, Ethiopia maintained four restrictions on payments and transfers for current international transactions, which relate to: (1) the tax certification requirement for repatriation of dividend and other investment income; (2) restrictions on repayment of legal external loans and suppliers of foreign partners credits; (3) the prioritization and rationing of foreign exchange to certain imports of goods and services, debt payments and invisibles, and (4) the requirement to provide a clearance certificate from the National Bank of Ethiopia (NBE) to obtain import permits. These restrictions are inconsistent with Article VIII, Section 2(a), of the IMF's Articles of Agreement. (Country Report No. 20/29)
Fiji	The IMF staff report for the 2021 Article IV Consultation with Fiji states that, as of November 8, 2021, exchange restrictions subject to Article VIII arise from the Fiji Revenue and Customs Authority tax certification requirements on the transfer abroad of profits and dividends, on the proceeds of airline ticket sales, and on the making of external debt and maintenance payments and from limits on large payments (for example, oil imports and dividends repatriation of foreign banks). The authorities further tightened the controls for payments of international transactions in April 2020, at the onset of the COVID-19 pandemic by either reducing the delegated limits to commercial banks or replacing these limits with the Reserve Bank of Fiji (RBF) discretionary approval requirement on large payments. (Country Report No. 21/257)
Gabon	The IMF staff report for 2019 Article IV Consultation Fourth and Fifth Reviews under the Extended Arrangement under the Extended Fund Facility, and Request for Waiver of Nonobservance of Performance Criteria, and Rephasing of the Remaining Purchases with Gabon states that, as of December 4, 2019, Gabon maintained a 1.5% tax on wire transfers abroad that is not consistent with Gabon's obligations under Article VIII, Section 2(a) of the Articles of Agreement. The proceeds of this tax are used to fund Gabon's health insurance scheme. (Country Report No. 19/389)
Ghana	The IMF staff report for the 2021 Article IV Consultation with Ghana states that as of July 1, 2021, Ghana maintained one exchange restriction and a MCP subject to IMF approval. The exchange restriction arises from the limitation/prohibition on purchasing and transferring foreign exchange for import transactions by importers that have not submitted to the commercial bank customs entry forms for any past foreign exchange transactions related to imports and that are unrelated to the underlying transaction. An MCP also arises, because the Bank of Ghana (BOG) requires the use of its internal rate (that is, the previous day's weighted average interbank exchange rate) for government transactions and the surrender of foreign exchange proceeds from cocoa exports funded through the cocoa syndicated loan without having a mechanism in place to ensure that, at the time of the transaction, this exchange rate does not differ from the rate prevailing in the market rate (that is, the interbank exchange rate) and the rates used by banks in their transactions with their customers by more than 2%. (Country Report No. 21/165)
Guinea	The IMF staff report for the 2022 Article IV Consultation and Request for Disbursement Under the Rapid Credit Facility with Guinea states that, as of December 8, 2022, the foreign exchange system gives rise to an MCP because the reference rate can potentially deviate by more than 2% from the commercial banks' purchase and sales rates on a given day. (Country Report No. 23/43)

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Table 8 (continued)

Country[1]	Exchange Restrictions and/or Multiple Currency Practices[2]
Honduras	The IMF staff report for the Fourth Reviews under the Stand-by Arrangement and the Arrangement under the Standby Credit Facility, Requests for Augmentation of Access, Extension and Rephasing of the Arrangements, and Waivers of Nonobservance of Performance Criteria with Honduras states that, as of August 30, 2021, Honduras maintained two MCPs. The MCPs relate to the use of the previous days' official exchange rates in certain foreign exchange transactions (which could differ by more than 2% from the official rate in force and the interbank rate on a given day), and the fact that there is no mechanism to prevent a spread of more than 2% between the official exchange rate and the exchange rates resulting from a CB foreign exchange auction. (Country Report No. 21/207)
India	The IMF staff report for the 2022 Article IV Consultation with India states that, as of November 7, 2022, India maintains the following restrictions on the making of payments and transfers for current international transactions, which are subject to IMF approval under Article VIII, Section 2(a):restrictions related to the non-transferability of balances under the India-Russia debt agreement; restrictions arising from unsettled balances under inoperative bilateral payments arrangements with two Eastern European countries; and a restriction on the transfer of amortization payments on loans by nonresident relatives. (Country Report No. 22/386)
Iran, Islamic Republic of	The IMF staff report for the 2018 Article IV Consultation with Islamic Republic of Iran states that, as of March 7, 2018, Iran maintained MCPs and an exchange restriction subject to IMF jurisdiction under Article VIII, Sections 2(a) and 3: (1) An MCP and an exchange restriction arise from the establishment of an official exchange rate for use in some exchange transactions, which in practice differs by more than 2% from the rate used by foreign exchange bureaus. (2) An MCP arises from the differences of more than 2% between the current official and exchange bureaus rates and the preferential rates for certain imports for which foreign exchange commitments were made through LCs opened prior to March 21, 2002, under the previous multiple exchange rate system. (3) An MCP arises from the differences of more than 2% between the current official and exchange bureaus rates and the preferential rates for certain imports for which foreign exchange payment commitments were made through LCs or bank drafts prior to July 24, 2012. (Country Report No. 18/93)
Iraq	The IMF staff report for the 2020 Article IV Consultation with Iraq states that, as of January 22, 2021, Iraq continues to avail itself of the transitional arrangements under Article XIV, Section 2 but no longer maintains any exchange restrictions or MCPs subject to Article XIV, Section 2, and currently maintains one MCP subject to IMF approval under Article VIII, Section 3. The MCP arises from the lack of a mechanism to ensure that the exchange rate at the Central Bank of Iraq (CBI) foreign exchange window and the market rates (retail exchange rates of commercial banks and exchange bureaus for the sale of foreign currency from sources other than the CBI foreign exchange window) do not deviate from each other by more than 2%. (Country Report No. 21/38)
Jamaica	The IMF staff report for the 2021 Article IV Consultation with Jamaica states that, as of January 25, 2022, Jamaica maintains a multiple currency practice, subject to IMF approval under Article VIII, Section 3 of the IMF's Articles of Agreement, due to the absence of a mechanism to prevent the exchange rates used for the resale of foreign exchange auction funds (capped with a specified spread) by participants and the exchange rates at which such participants sell foreign exchange other than from the foreign exchange auction funds, from deviating by more than 2%. (Country Report No. 22/43)
Kyrgyz Republic	The IMF staff report for the 2021 Article IV Consultation with the Kyrgyz Republic states that, as of May 18, 2021, the Kyrgyz Republic maintained an MCP arising from the use of the official exchange rate for government transactions. The official rate may differ by more than 2% from market rates because it is based on the average transaction weighted rate of the preceding day. (Country Report No. 21/174)
Lesotho	The IMF staff report for the 2022 Article IV Consultation with Lesotho, states that, as of May 16, 2022, Lesotho maintains one exchange restriction arising from single discretionary allowances of LSL 1 million an individual a calendar year, for residents over 18, and of LSL 200,000 on the same basis for residents under 18. Foreign exchange transactions beyond these limits need Central Bank of Lesotho approval. (Country Report No. 22/161)
Maldives	The IMF staff report for the 2022 Article IV Consultation with Maldives, states that, as of November 23, 2022, Maldives has previously been found to maintain an MCP resulting from the deviation by more than 2 percent between the prevailing market exchange rates and the parallel market exchange rates, and an exchange restriction relating to the additional cost for market participants to obtain foreign exchange from the parallel market. Under the IMF's revised MCP policy adopted on July 1, 2022, MCPs resulting from the exchange rate spreads arising in illegal parallel markets are considered eliminated as of the approval date of the policy since these markets are legally prohibited and thus not the result of official action. Information received by staff recently confirmed that the parallel market in the Maldives is illegal under the national law, and therefore, the MCP arising from a spread between the parallel market and prevailing market exchange rates in the Maldives has been eliminated effective July 1, 2022. Further, the exchange restriction in connection with the additional cost for obtaining foreign exchange in the parallel market due to this spread has also been eliminated effective July 1, 2022. At the same time, the Maldives continues to maintain an exchange restriction arising from the Maldives Monetary Authority's rationing of its supply of foreign exchange to commercial banks, which also resulted in a channeling of foreign exchange for current international transactions to the illegal parallel market. In that regard, the authorities should continue undertaking reasonable efforts to eliminate the spread with the parallel market. In addition, the Maldives continues to maintain an MCP resulting from the lack of a mechanism to prevent the spread between the official exchange rate used by the Maldives Monetary Authority for government transactions and the prevailing market exchange rate from deviating by more than 2 percent. (Country Report No. 23/366)

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Table 8 (continued)

Country[1]	Exchange Restrictions and/or Multiple Currency Practices[2]
Nepal	The IMF staff report for the 2020 Article IV Consultation with Nepal states that as of February 27, 2020, the Industrial Enterprises Act places a 75% limit on the conversion and transfer to foreign currency of salaries of nonresidents from countries where convertible currency is in circulation. Because the limit applies to amounts that may be less than net salaries, it gives rise to an exchange restriction under Article VIII. (Country Report No. 20/96)
Nicaragua	The IMF staff report for the 2019 Article IV Consultation with Nicaragua states that, as of January 30, 2020, staff identified an exchange restriction arising from Nicaragua's participation in the SUCRE (Sistema Unitario de Compensación Regional de Pagos) regional payments arrangement. SUCRE gives rise to an exchange restriction because the period for settlement under this regional payment arrangement exceeds three months. See Decision No. 10749-(94/67). Under the SUCRE, Nicaragua made four commercial transactions between 2013 and 2015, and since 2015 no transactions have been made. (Country Report No. 20/59).
Nigeria	The IMF staff report for the 2021 Article IV Consultation with Nigeria states that, as of December 14, 2021, Nigeria maintained the following exchange restrictions subject to IMF approval under Article VIII, Section 2(a) of the IMF's Articles of Agreement: (1) an exchange restriction arising from the prohibition to access foreign exchange at the Nigerian foreign exchange markets for the payment of imports of 42 categories of items; (2) an exchange restriction arising from the rationing of foreign exchange by the Central Bank of Nigeria (CBN) in different foreign exchange windows, and its allocation based on the CBN's determination of priority categories of transactions; and (3) an exchange restriction arising from existing limits on the amounts of foreign exchange available when traveling abroad (business travel allowance/personal travel allowances), which cannot be exceeded even on verification of the bona fide nature of the transaction. In addition, Nigeria maintains the following MCPs subject to IMF approval under Article VIII, Section 3 of the IMF's Articles of Agreement: (1) an MCP arising from the practice of the CBN that results in the establishment of an exchange rate for use in official (government) transactions and some other transactions, which may differ by more than 2% from the rate used by commercial banks in other CBN foreign exchange windows (Secondary Market Intervention Sale (SMIS), Small and Medium Enterprises (SMEs), Investors' and Exporters' Foreign Exchange (IEFX), and Invisibles); (2) an MCP arising from the large spread between exchange rates used by the CBN in its foreign exchange windows and the rates in the parallel market, caused by the CBN's limitation on the availability of foreign exchange which channels current international transactions to such market; and (3) an MCP arising from the potential spread of more than 2% in the exchange rates at which the CBN sells foreign exchange to successful auction bidders in the SMIS window. (Country Report No. 2022/033).
Pakistan	The IMF staff report for the Seventh, and Eighth Reviews of the Extended Arrangement under the Extended Fund Facility, Requests for Waivers of Nonobservance of Performance Criteria, and for Extension, Augmentation, and Rephasing of Access with Pakistan states that as of August 16, 2022, Pakistan introduced new exchange restriction and import restriction for balance of payments purposes; and modified one existing exchange restriction and the MCP. Specifically, in early April 2022, the authorities extended the set of items subject to a 100% cash margin requirement (CMR) on imports by 177 items, bringing the share of items covered by CMRs to about 20% of total import values and missing the relevant performance criteria on non-intensification of exchange restrictions and on non-modification of MCPs. In addition, the authorities imposed a requirement to seek payment authorization from the State Bank of Pakistan (SBP) before initiating transactions for importing certain goods, with approval granted in a discretionary manner, thereby violating the performance criterion on the non-imposition of exchange restrictions. The authorities have partially repealed the import ban in August 2022 (leaving in place the ban on cars, mobile phones, and household appliances), and are committed to eliminate the requirement for import payment authorization at end-August 2022, depending on market conditions. Meanwhile, in early August 2022, CMRs were reduced on terms of payment above 90 days and CMRs introduced in April are set to lapse in December 2022. Finally, Pakistan also continues to maintain an exchange restriction resulting from the limitation on advance payments for imports against LCs and advance payments up to the certain amount per invoice (without LCs) for the import of eligible items (imposed in 2018). (Country Report No. 22/288)
Papua New Guinea	The IMF staff report for the 2022 Article IV and the Staff Monitored Program with Papua New Guinea states that as of May 25, 2022, Papua New Guinea maintains the following exchange restrictions subject to IMF approval under Article VIII, Section 2(a) of the IMF's Articles of Agreement arising from: (1) the requirement to obtain a tax clearance certificate (TCC) evidencing the payment of all taxes prior to making payments or transfers for certain current international transactions; and (2) the rationing of foreign exchange, which results in undue delays and arrears in current international payments. Papua New Guinea also maintains the following MCPs subject to IMF approval under Article VIII, Section 3: an MCP arising from the potential spread deviation of more than 2% between the rates set by the Bank of Papua New Guinea (BPNG) for its foreign exchange transactions with the government and embassies, and the rates used by authorized foreign exchange dealers (AFEDs) in transactions with their clients and an MCP arising from the spread of more than 2% between the rates set by the BPNG for its foreign exchange allocations to AFEDs and the rates used by AFEDs in transactions with their clients. (Country Report No. 22/305, Country Report No. 20/95)
São Tomé and Príncipe	The IMF staff report for the 2022 Article IV Consultation; Fourth Review Under the Extended Credit Facility Arrangement, Request for Waivers for Nonobservance of Performance Criteria, Modification of Performance Criteria and Financing Assurances Review with São Tomé and Príncipe states that as of March 14, 2022, São Tomé and Príncipe continues to avail itself of the transitional arrangements under Article XIV, but it does not maintain restrictions under Article XIV. However, it maintains restrictions subject to IMF approval under Article VIII. One exchange restriction regarding limitations on the transferability of net income from investment arises from Article 3(g) and Article 18 of the Investment Code (Law No. 19/2016). This restriction results from the requirement that taxes and other obligations to the government have to be paid/fulfilled as a condition for transfer, to the extent the requirement includes the payment of taxes and the fulfillment of obligations unrelated to the net income to be transferred. The second exchange restriction arises from limitations on the availability of foreign exchange through rationing of foreign exchange by Banco Central São Tomé and Príncipe. This exchange restriction also gives rise to an MCP as the rationing has channeled bona fide current transactions to the parallel market where the exchange rate is at a spread of more than 2 percent from the exchange rate in the formal market. (Country Report No. 2022/095)

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Table 8 (continued)

Country[1]	Exchange Restrictions and/or Multiple Currency Practices[2]
	The IMF staff report for the Fifth Review Under the Extended Credit Facility Arrangement Request for Waiver of Nonobservance of Performance Criterion and Financing Assurances Review with São Tomé and Príncipe states that as of August 8, 2022, São Tomé and Príncipe maintained measures that give rise to exchange restrictions under Article VIII. Based on available information that the parallel foreign exchange market in São Tomé and Príncipe is illegal, the existing MCP is therefore eliminated based on the transitional arrangements of the approved revised MCP policy. This change reflects the Board's adoption of a revised MCP policy effective July 1, 2022. While the policy will only become effective nine months from the date of approval of the revised policy, under transitional arrangements, some elements became effective immediately on the approval date, including that MCPs no longer arise from exchange rate spreads arising in illegal parallel markets. Existing MCPs based on certain types of official action which will no longer be covered under the revised MCP policy will be considered eliminated as of the approval date of the revised policy. (Country Report No. 22/306)
Serbia	The IMF staff report for the 2021 Article IV Consultation and Request for a 30-Month Policy Coordination Instrument with Serbia states that, as of June 3, 2021, Serbia maintained a system free of restrictions on payments and transfers for current international transactions, except with respect to blocked pre-1991 foreign currency savings deposits (IMF Country Report No. 02/105). (Country Report No. 21/132)
Sierra Leone	The IMF staff report for the 2022 Article IV Consultation and Fifth Review under the Extended Credit Facility Arrangement, Requests for Waivers of Nonobservance of Performance Criteria, Modifications of Performance Criteria, and Financing Assurance Review with Sierra Leone states that as of June 13, 2022, Sierra Leone maintains two MCPs, subject to IMF approval under Article VIII, Section 3 of the IMF's Articles of Agreement, because of (1) the use of the Bank of Sierra Leone (BSL) rate, which is not considered a prevailing market rate, because of the manner of its computation (it is calculated weekly and computed based on transactions over the previous five business days), and the BSL rate has exceeded the prevailing market rate by more than 2% at certain points in time, and (2) the use of an exchange rate for transactions under certain facilities, which is not considered a prevailing market exchange rate, as it is calculated based on commercial banks' weighted average exchange rates on the previous day, and there is no mechanism in place to ensure that the spread between this rate and the prevailing market rate at the time of the transactions does not exceed 2%. Sierra Leone maintains an exchange restriction, subject to IMF approval under Article VIII, Section 2(a) of the IMF's Articles of Agreement, arising from the prioritization of foreign exchange through various BSL facilities, which results in a limitation on the availability of foreign exchange for payments of current international transactions, where there is a shortage of foreign exchange in the market. (Country Report No. 22/259)
South Sudan	The IMF staff report for the 2022 Article IV Consultation and Second Review Under the Staff-Monitored Program with South Sudan states that as of July 19, 2022, South Sudan maintains one exchange restriction under the transitional arrangements of Article XIV. The exchange restriction arises from imposing absolute ceilings on the availability of foreign exchange for certain invisible transactions (travel, remittances for living expenses of students and families residing abroad, and transfers of salaries by foreign workers). South Sudan also maintains one exchange restriction subject to IMF approval under Article VIII. The exchange restriction arises because of prioritization of foreign exchange allocation by the Bank of South Sudan (BSS) for external government payments and payments for certain essential commodities. A few MCPs and an exchange restriction have been eliminated. At the time of the 2019 Article IV Consultation, South Sudan maintained exchange restrictions and a MCP under the transitional arrangements of Article XIV and also maintained MCPs and an exchange restriction under Article VIII. The IMF adopted a revised policy on MCPs effective July 1, 2022. While the revised MCP policy enters into force nine months from its date of approval, under transitional arrangements, two of South Sudan's MCPs maintained under Article VIII and Article XIV, respectively, arising from spreads with the parallel market have been eliminated given that the parallel market in South Sudan is illegal. An exchange restriction under Article XIV, in connection with the extra burden arising from the spread between the parallel market exchange rate and the formal commercial exchange market rate, has also been eliminated. In addition, as the official (indicative) rate has been discontinued and replaced with the reference rate, the MCP arising from spreads between the official (indicative) rate and the commercial banks' (market) rate has also been eliminated. All other exchange measures maintained by South Sudan remain unchanged. (Country Report No. 22/266)
Sri Lanka	The IMF staff report for the 2021 Article IV Consultation with Sri Lanka states that as of February 10, 2022, Sri Lanka maintains an MCP subject to IMF jurisdiction under Article VIII, Section 3. It arises from a temporary incentive scheme for inward worker remittances under which the authorities offer an additional incentive over the exchange rates used by banks for such remittances, with the deviation between the more favorable (effective) exchange rate used for qualifying inward workers remittances and the exchange rate used for other inward remittances being more than 2%. (Country Report No. 22/91)
Sudan	The IMF staff report for the Request for a 39-Month Arrangement Under the Extended Credit Facility with Sudan states that, as of June 21, 2021, Sudan continues to maintain the measures subject to IMF jurisdiction under Article VIII, Sections 2 (a) and 3 as set forth in the staff report for the 2019 Article IV Consultation. Sudan maintained the following measures subject to IMF jurisdiction under Article VIII, Sections 2 (a) and 3: (1) An exchange restriction arising from the government's limitations on the availability of foreign exchange and the allocation of foreign exchange to certain priority items; (2) an MCP and exchange restriction arising from the establishment of an official exchange rate (the Central Bank of Sudan (CBOS) rate) for use in all government exchange transactions which in practice differs by more than 2% from the rate used by commercial banks; (3) an MCP and exchange restriction arising from large spreads between the CBOS rate and the parallel market exchange rate because of the CBOS' limitation on the availability of foreign exchange which channels current international transactions to the parallel market; and (4) an exchange restriction and a MCP arising from the imposition by the government of a cash margin requirement for most imports (Country Report No. 20/72). (Country Report No. 21/142)

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Table 8 (continued)

Country[1]	Exchange Restrictions and/or Multiple Currency Practices[2]
Syria	The IMF staff report for the 2009 Article IV Consultation with Syria states that, as of February 12, 2010, Syria continued to maintain, under Article XIV, restrictions on payments and transfers for current international transactions, including administrative allocation of foreign exchange. Syria also maintained exchange measures that are subject to IMF approval under Article VIII: (1) prohibition against purchases by private parties of foreign exchange from the banking system for some current international transactions; (2) an MCP resulting from divergences of more than 2% between the official exchange rate and officially recognized market exchange rates; (3) a non-interest-bearing advance import deposit requirement of 75%–100% for public sector imports; and (4) an exchange restriction arising from the net debt under inoperative bilateral payments arrangements with the Islamic Republic of Iran and Sri Lanka. (Country Report No. 10/86)
Tajikistan	The IMF staff report for the 2021 Article IV Consultation with Tajikistan states that, as of January 3, 2022, the Republic of Tajikistan maintains one exchange restriction and two multiple currency practices subject to IMF approval under Article VIII, Sections 2(a) and 3, of the IMF's Articles of Agreement. Foreign exchange shortages, evidenced by market participants' reports of undue delays in obtaining foreign exchange and external payment arrears, persist in the commercial foreign exchange market as a result of the setting of exchange rates by commercial banks used in foreign exchange transactions, because of informal guidance by the National Bank of Tajikistan, which do not reflect market conditions. Because of this, not all demand for bona fide foreign exchange for current international transactions is satisfied, giving rise to an exchange restriction. One multiple currency practice arises because of the absence of a mechanism to prevent a potential deviation of more than 2% between: (1) the prevailing market exchange rate and (2) the official exchange rate, which is required to be used for converting domestic currency (somoni) to foreign currency, and vice-versa, between accounts of individuals and legal entities opened within the same commercial bank. The second multiple currency practice arises because of the absence of a mechanism to prevent a potential deviation of more than 2% between: (1) the somoni-Russian ruble exchange rate (calculated as a cross-rate using the official exchange rate of the USD to somoni), which is required to be used for mandatory ruble surrender transactions and for the purchase/sale in the interbank market of rubles derived from the mandatory surrender and (2) the market exchange rate banks may use for purchase/sale of Russian rubles derived from other sources. (Country Report No. 22/53)
Trinidad and Tobago	The IMF staff report for the 2021 Article IV Consultation with Trinidad and Tobago states that, as of January 21, 2022, Trinidad and Tobago maintains an exchange restriction and two MCPs subject to the IMF's approval under Article VIII, Sections 2(a) and 3. The exchange restriction arises from the authorities' restriction of the exchange rate (that is, by restricting the maximum market buy and sell rates, and prohibiting foreign exchange transactions beyond the maximum rates), while not providing enough foreign exchange (that is, through the Central Bank of Trinidad and Tobago's (CBTT's) foreign exchange interventions) to meet all demand for current transactions at that rate. The CBTT also limits sales of its foreign exchange intervention funds to meeting only "trade-related" demand, which do not include non-trade transactions that are, however, current international transactions as defined under Article XXX(d) of the IMF's Articles of Agreement and encourages ADs to similarly prioritize sales of foreign exchange obtained from other sources. Furthermore, the authorities prioritize provision of foreign exchange to certain manufacturers and importers of necessities (foods and medicines) through special foreign exchange facilities within the EximBank. These actions result in undue delays in accessing foreign exchange to make payments or transfers for current international transactions and external payment arrears. The two MCPs arise from the absence of a mechanism to prevent the potential deviation of more than 2% at any given time among several effective exchange rates regulated by the authorities, for spot exchange transactions; namely, (1) the potential 2% deviation between, (a) on the one hand, the CBTT's intervention rate and the ADs' sell rates (the maximum of which is anchored on the intervention rate plus fixed margins), and (b) on the other hand, the ADs' buy rates (the maximum of which is limited at the previous day's mid-rate); and (2) The potential 2% deviation between, (a) on the one hand, the buy and sell rates for foreign exchange transactions between the CBTT and the government, and (b) on the other hand, the ADs' sell rates. (Country Report No. 22/73)
Ukraine	The IMF staff report for the First Review under the Stand-By Arrangement, Requests for Extension and Rephasing of Access of the Arrangement, Waivers of Nonobservance of a Performance Criterion, Financing Assurances Review, and Monetary Policy Consultation with Ukraine states that, as of November 8, 2021, Ukraine continues to maintain one exchange restriction and two MCPs, but a roadmap is in place to gradually phase them out. The exchange restriction arises from limits on the availability of foreign exchange for certain non-trade current international transactions (the limit on individuals' and corporates' investments abroad may capture some current transactions). The MCPs arise from: (1) the use of multiple price foreign exchange auctions conducted by the National Bank of Ukraine (NBU) without a mechanism to prevent a spread deviation of more than 2% between the auction and market exchange rates and (2) the use of the official exchange rate for exchange transactions with the government without a mechanism to prevent a spread deviation of more than 2% between the official exchange rate and market exchange rates. (Country Report No. 21/250)
Zambia	The IMF staff report for the 2019 Article IV Consultation with Zambia, states that as of July 11, 2019, Zambia maintained an exchange restriction, which is subject to IMF approval under Article VIII, arising from limitations imposed by the government on access to foreign exchange for the making of payments and transfers for current international transactions, which is evidenced by the existence of external payments arrears accumulated prior to October 4, 1985. (Country Report No. 19/263)
Zimbabwe	The IMF staff report for the 2022 Article IV Consultation with Zimbabwe states that as of March 2, 2022, Zimbabwe maintains several exchange restrictions and MCPs, inconsistent with Article VIII, Sections 2(a), and 3, in particular: (1) The rationing of foreign exchange sales through weekly Reserve Bank of Zimbabwe (RBZ) auctions and earmarking of foreign exchange to finance letters of credit for certain imports constitute exchange restrictions as these measures limit the availability and use of foreign exchange for payments and transfers for current international transactions. (2) The RBZ's sale of foreign exchange to successful bidders during weekly auctions at exchange rates that may differ by more than 2% from each other and from exchange rates being used for official transactions, transactions to fulfill the foreign exchange surrender requirement, or market transactions constitute an MCP.

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Table 8 (concluded)

Country[1]	Exchange Restrictions and/or Multiple Currency Practices[2]
	(3) The use of the official rate for official transactions and transactions made to fulfill the surrender requirement, while this rate may be different by more than 2% from the market exchange rate also constitutes another MCP. Zimbabwe has also a longstanding exchange restriction subject to IMF jurisdiction arising from unsettled balances under an inoperative bilateral payment agreement with Malaysia. (Country Report No. 22/112)

Source: IMF staff reports.

[1] List those members and territories that maintain exchange restrictions and/or MCPs from the 190 member countries and the following territories—Aruba, Curaçao, and Sint Maarten (all in the Kingdom of the Netherlands: information for Curaçao and Sint Maarten is reported together as they have a common central bank) and Hong Kong SAR and Macao SAR (both in People's Republic of China)—that are covered in the IMF, AREAER database.

[2] The measures described in this table are quoted from IMF staff reports issued as of December 31, 2022, and may have changed subsequent to the date they were reported. The table does not include countries maintaining exchange restrictions and/or MCPs whose IMF staff reports are unpublished, unless the authorities have consented to publication.

[3] Argentina also maintains exchange restrictions and MCPs (described in the main text) as reflected in IMF Country Report 22/92 and IMF Country Report 22/322. See also footnote 42 to the main text.

Regulatory Framework for Foreign Exchange Transactions

This section surveys the measures reported by members with respect to the regulatory framework for foreign exchange transactions from January 2022 through December 2023.[46] The measures are divided into five major categories: trade-related measures, current invisible transactions and transfers, account transactions, capital controls, and provisions specific to commercial banks and institutional investors.

Trade-Related Measures

Members overall reported 420 actions of trade-related changes from January 2022 to December 2023, compared with an average of 229 measures in the previous three reporting periods. Easing measures increased then decreased from 2022–23. More than half of total measures were easing measures (224), most likely taken by member countries due to changes in economic and financial conditions. Tightening measures also increased then decreased in 2022–23, in part due to reversals of temporary easing related to tightening global economic and financial conditions.

In 2022, the total number of changes in import- and export-related exchange and trade controls increased to 275, of which 140 were easing (up from 108 in 2021—and more than half the number of *all* trade-related changes reported that year) (Figure 5, panel 1). The remaining measures included 108 tightening and 27 neutral measures. Although the number of countries implementing restrictive measures continued to rise from numbers reported in 2021 (to 108 in 2022), that number was eclipsed by the increase in countries taking easing measures (140) (Figure 5, panel 2).

In 2022–23, EMDEs reported an average of 9.29 measures per member, followed by low-income developing countries with 3.52 measures per member and advanced economies with just 2.14 measures per member. EMDEs saw a significant increase in average measures per member from previous years, while advanced economies and low-income developing economies saw a slight decrease.

Imports and Import Payments

Thirty-eight economies reported a total of 177 measures related to imports and import payments in 2022, compared to 40 economies reporting 145 measures in 2021 (Figure 6, panel 1). This increase in the number of measures can be explained by a rise in both easing (to 91 in 2022 from 73 in 2021) and tightening measures (to 67 in 2022 from 53 in 2021). Easing measures increased more in contrast to the drop in such measures in 2021. Following a decrease in previous years, there has a been a slight increase in tightening and neutral measures in 2022–23. EMDEs implemented the largest number of easing actions, but they also reported the highest proportion of tightening measures—compared to advanced economies, which tightened much more sparingly.

[46] Data for 2023 is partial: virtually all members report information as of June 30, 2023; about 18 percent of members' reporting periods end during the third quarter of 2023, and about the same number of members' reporting periods end during the fourth quarter of 2023.

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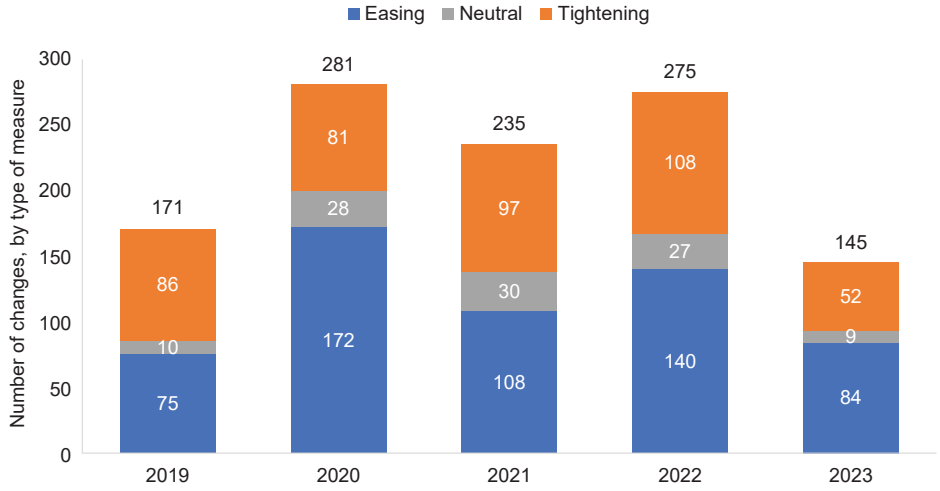
Figure 5. Trade-Related Measures

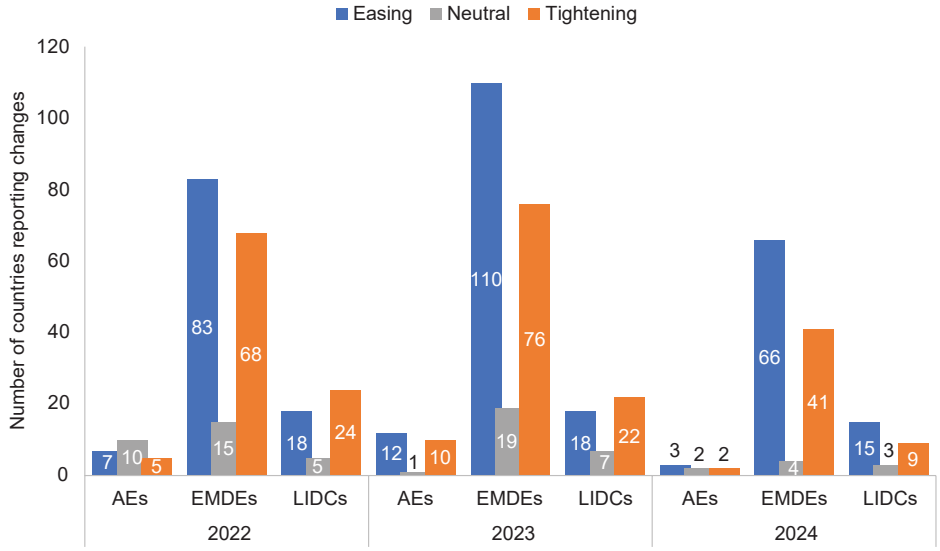
1. Total Number of Measures

In 2022, members reported an increase of easing measures, while data from the first half of 2023 present similar proportions of easing and tightening measures.



2. Total Number of Countries Reporting Measures by Country Groups

The number of countries implementing measures rose dramatically in 2022, and this trend appears to have stayed in 2023, with EMDEs dominating.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries with some members' reporting periods ending during the second half of 2023. AEs = advanced economies; EMDEs = emerging market and developing economies; LIDCs = low-income developing countries.

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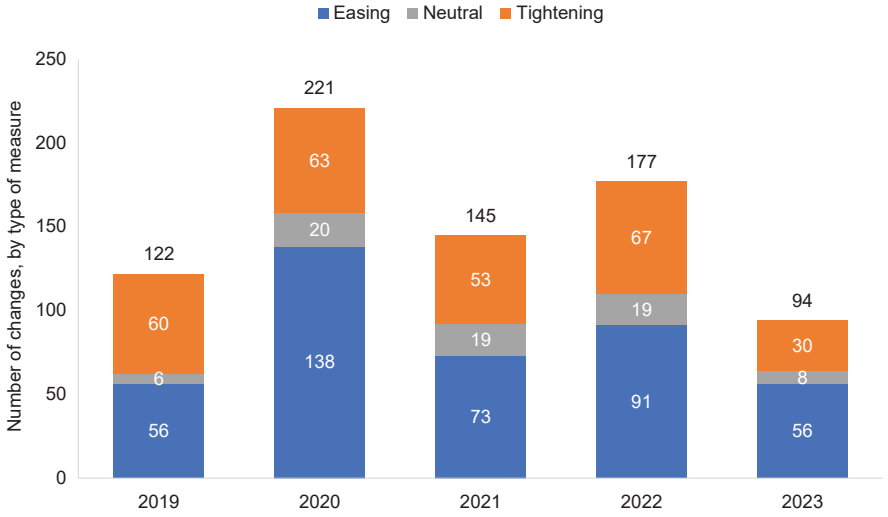
Figure 6. Import and Import Payments

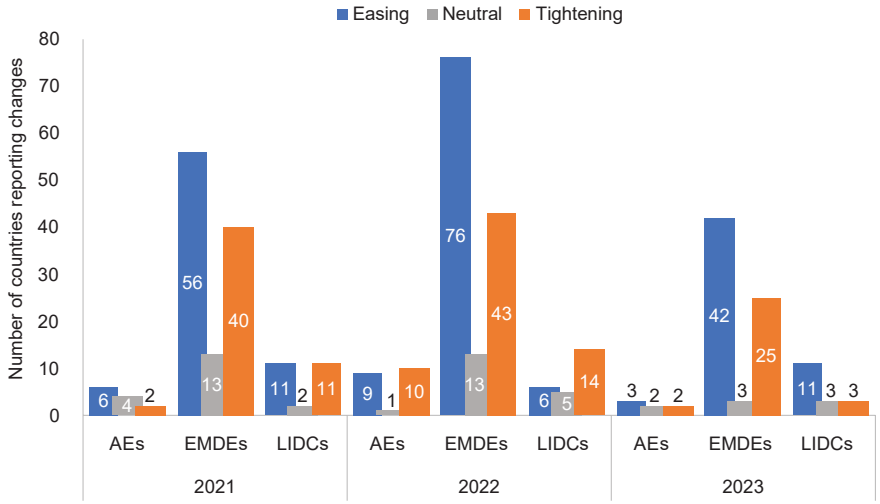
1. Total Number of Measures

Both easing and tightening measures increased in 2022 compared to 2021.



2. Total Number of Countries Reporting Measures by Country Groups

EMDEs dominated in both easing and tightening measures in 2022–23, while advanced economies tightened more sparingly.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries with some members' reporting periods ending during the second half of 2023. AEs = advanced economies; EMDEs = emerging market and developing economies; LIDCs = low-income developing countries.

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A total of 25 of the 38 countries enacting import-related measures took at least one liberalizing action in 2022, with a total of 91 easing measures reported. Among these countries, Argentina implemented the largest number of liberalization measures (17), followed by Sri Lanka (8), Ecuador (8), Colombia (5), El Salvador (5), Russia (5), and Pakistan (4).

Argentina underwent significant efforts to mobilize external financing and external sector activity. Argentina gradually relaxed measures during 2022, with a majority related to foreign exchange market access—under certain conditions, for example, importers no longer required prior approval from the Central Bank of Argentina to make import payments related to the cancellation of debts, payments on demand or commercial debts, or for payments with pending customs entry. Other measures were related to minimum financing requirements, where exemptions for the importation of certain types of goods were included in existing measures. Some of these relaxations by Argentina in part reflect the reversal of earlier tightening measures taken to deal with their weak balance-of-payments situations and pressures on its currency. Facing similar issues in 2022, Sri Lanka fluctuated between tightening and easing measures to counter the pressures on its balance of payments. Their easing measures related mainly to updating the importing schedule or removing items from the banned list.

Ecuador primarily changed measures related to taxes collected through the exchange system and other nontariff measures, where the capital outflow tax was gradually reduced, and various items were made easier to import. Colombia and El Salvador both liberalized import taxes and tariffs. Colombia made temporary reductions on tariffs related to agricultural inputs, consumer goods, and on the taxable base of customs duties. El Salvador reduced tariffs for specific agricultural and commodities to combat inflation, as well as reduced import duties. Russia removed various 30 percent limits on advance payments on certain foreign trade contracts and nonresident banks. Russia also removed the requirement to repatriate funds paid to nonresidents in the form of advance payment for non-imported goods and made it so that residents were not required to submit documents to a bank related to the performance of foreign exchange transactions under any contracts with nonresidents if the amount of obligations did not exceed 600,000 rubles. Facing external sector vulnerabilities, Pakistan eliminated the requirement of advance tax collected on the importation of various machinery and equipment, and eliminated requirements for obtaining 100 percent of cash margins where credit terms of imports are more than 90 days.

Most of the remaining easing measures were undertaken by 18 countries. For instance, advance payment requirement were eased (Morocco, Solomon Islands, Ukraine), conditions on the use of letters of credits (LCs) were relaxed (Bangladesh, Egypt [eased in December 2022 following a tightening in February 2022; see following discussion]), requirement for import licenses were eliminated for certain products (Armenia, Belgium, Myanmar [following a previous tightening; see following discussion]), tariffs were reduced or exempted related to agricultural products (Costa Rica, Mexico, Romania), temporary trade liberalization on imports from Moldova as a result of the war in Ukraine (Romania, Spain), and reductions in tariffs as a result of bilateral and regional trade agreements (Armenia, Australia).

A total of 23 countries implemented 67 tightening measures in 2022, which is a slight increase from 2021 (53). Eleven of these measures were put into place by Bangladesh, with the second highest each coming from Argentina and Sri Lanka (9), followed by Pakistan (6), and finally Ukraine (4). In response to balance-of-payment pressures, Bangladesh tightened the usance period for imports of industrial raw materials including back-to-back imports and imports of agricultural implements and chemical fertilizers under supplier/buyer credit up to 180 days (down from 270 days previously). On minimum financing requirements and advance import deposits, banks must ensure a minimum of 25 percent cash margin on imports except for certain essential products, and the margin for opening import LCs was increased to a minimum of 100 percent (previously 75 percent) for luxury products and 75 percent (previously 50 percent) for other products except for certain essential products. Finally, facilities related to COVID-19 ended as of the beginning of 2022.

In Argentina, minimum financing requirements were tightened (for example, an import monitoring system was introduced, which established limits for access to the foreign exchange market for import payments for different categories of goods, and these limits were adjusted so that the limit would be equivalent to the proportional part of the annual limit of each category accumulated up to the month in question). Additionally, customers must certify they had not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they had not acquired and will not acquire securities representing private debt issued in

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foreign jurisdictions, and they had not delivered and will not deliver funds in local currency or other local assets. Sri Lanka increased the value-added tax rate on the supply of financial services on financial institutions to 18 percent from 15 percent and the value-added tax rate on import and supply of goods and services gradually to 15 percent from 8 percent. Additionally, the value-added tax registration threshold was reduced to Rs80 million from Rs300 million. Sri Lanka also instituted a 100 percent cash margin requirement when importing selected goods, while also updating the list of items that require a licensing requirement. To support the balance-of-payments position and also reduce foreign currency outflows, Pakistan imposed a cash margin requirement on additional 177 items, announced that authorized dealers must seek prior permission from the Foreign Exchange Operations Department relating to payments before initiating transactions for imports of selected items, added 33 items deemed luxury and nonessential to the negative list, and increased import taxes and tariffs on certain items. Ukraine temporarily prohibited banks from conducting settlements on documentary and reserve credits/guarantees/counter-guarantees that were opened (confirmed, issued) after February 24, 2022. Additionally, Ukraine established that foreign currency purchased by a resident (other than banks) as of July 11, 2022, must be used within no more than two business days for the purposes indicated when purchasing the foreign currency, and introduced temporary restrictions on transactions to pay for imported goods. Ukraine also temporarily reduced the settlement deadlines for export and import transactions performed after April 5, 2022.

Most of the remaining tightening measures were undertaken by 18 countries. For example, requirements for import licenses for all or certain products were imposed (Belarus, Iran, Myanmar), certain goods were added to the negative list (Australia, Denmark), conditions on the use of LCs were tightened (Egypt, Iran), other nontariff measures related to public procurement issues (Hungary) and excise taxes on soft drinks were established (Kyrgyz Republic), and advance payment requirements were established (Russia).

Partial data for 2023 suggest that the trend appears to be similar for both liberalization and tightening measures as in 2022. Compared to 2022, thus far, there was a decrease in easing and tightening measures, at 56 and 30 measures, respectively. As was the case in 2022, easing measures dominated tightening measures. Members with the most easing measures are Argentina (12), Ecuador (6), and Bangladesh, Samoa, and Sri Lanka (4). For example, at the end of 2023, the new government in Argentina eased the rules on access to foreign exchange for the processing of import payments by eliminating any requirements in connection with obtaining authorizations through the Argentine Republic Import System (SIRA) and the Single Foreign Trade Account Certificate requirement and by lowering the minimum periods for access to the foreign exchange market to process import payments. In addition, to make the payments in connection with importers' accumulated stock of commercial debt more predictable, the Central Bank of Argentina announced the conditions for new instruments comprising three series of Bonds for the Reconstruction of a Free Argentina (BOPREAL). These bonds are being offered as a mechanism to channel foreign exchange demand from importers that have commercial debts in connection with operations involving customs registration or services effectively provided up to December 12, 2023. Ecuador gradually reduced the capital outflow tax to 3.5 percent with a series of measures, reduced 50 percent of the tariff rate for 5,801 transport vehicles, and temporarily reduced the tariff rate of rice to 0 percent due to a drop in rice production. Bangladesh increased the usance period of industrial materials, agricultural implements, and chemical fertilizers to 360 days for six months and allowed bankers to set margin requirements for LCs on imports of vehicle spare parts, tires, and other related products. Samoa reduced import duty rates of fruits such as apples, pears, and grapes to 0 percent, macadamia and wall nuts were reduced to 15 percent, and non-locally produced vegetables such as broccoli, asparagus, cauliflower, and garlic were reduced to 10 percent. Sri Lanka removed the 100 percent cash margin requirement because of subsiding balance-of-payment pressures as well as further updated the schedule of importing items toward easing import restrictions.

Most of the remaining easing measures were undertaken by 16 countries. For example, advance import deposits were lifted (Nepal, Pakistan), import taxes and tariffs were reduced or eliminated (Australia, Colombia, Costa Rica, El Salvador, India, Malaysia, Mexico, Mozambique, Philippines, Uzbekistan, Zambia), negative lists were updated (Denmark), and use of credit cards for the purpose of financing imports of materials was established (Libya).

Countries with the most tightening measures in 2023 are Argentina (5), Colombia (4), and Hungary, Mexico, and Türkiye (3). For instance, Argentina required institutions to have an affidavit from a customer to ensure that the amount of financing requested was within the monthly limit as specified in the regulation. Colombia

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added products related to mercury to the negative list, no longer allowed exclusion of freight from the tax base, and imposed an ad valorem tariff of 40 percent on certain imports originating from a most favored nation country. Hungary added and extended restrictive measures against Belarus and Russia, Mexico implemented and ad valorem tax of 50 percent to white corn imports and removed exemptions to wheat and spelt, and Türkiye added or restored customs duties to various agricultural imports such as red lentils, sunflower and safflower seeds, and wheat.

Most of the remaining tightening measures were undertaken by nine countries. New tariffs and import taxes were put into place (Moldova, Pakistan, Russia, Somalia, Spain, Sri Lanka), licenses with quotas were established (Ecuador), all imports again require licenses (Myanmar), and open general licenses were imposed (Australia).

Exports and Export Proceeds

There were 149 changes related to exports and export proceeds from January 2022 through December 2023, with easing measures (77) outnumbering tightening measures (63) and only a small number of neutral changes (9). Measures on repatriation requirements were the most numerous (39), followed by those on export licenses with quotas (32) and surrender to authorized dealers (22). However, the share of easing and tightening measures was quite different in 2022 and 2023 than in 2021: liberalizing measures (49) dominated tightening measures (41) in 2022. Partial year data suggest that the trend continued in 2023: there were 28 changes liberalizing exports and export payments; tightening measures were nearly half than 2022 at 22 measures and reached levels more comparable to before 2021 (Figure 7, panel 1).

In 2022, regulations on exports and export proceeds were eased and tightened in equal number of countries (17). This includes countries that simultaneously implemented easing and tightening measures in 2022. While easing measures peaked in 2022 compared to previous years, restrictive measures remained at comparable levels to 2021 (Figure 7, panel 2). Russia led with the most liberalizing measures (9), followed by Argentina and Uzbekistan (8), and by Kuwait and Belarus (5). Russia continued its liberalization trend with five measures relaxing surrender to authorized dealers and three measures aimed at easing repatriation requirements. Russia reduced the mandatory sale of foreign exchange by exporters to 50 percent in May 2022 after initially introducing an 80 percent surrender requirement in February 2022, increased the sale period from 60 days to 120 days, discontinued all surrender requirements for all exporters, and exempted resident exporters from the requirement to repatriate foreign currency. Argentina set the export duty rate at 0 percent for certain agricultural products and products that are environmentally friendly, biological, or organic, and relaxed both repatriation and surrender requirements to authorized dealers. Low-income developing countries also eased regulations on exports and export proceeds. Uzbekistan relaxed repatriation requirements by removing fines for a failure to repatriate foreign trade transaction assets in instances where there are no breaches of deadlines established in import contracts or in instances where a document from an authorized body is presented confirming the destruction or seizure of goods that have become unusable. Belarus and Kuwait lifted several bans on certain exports. At the same time, however, both Belarus and Kuwait together also had 12 tightening measures in this period, mostly implementing a ban on certain exports (see the following discussion).

Most of the remaining liberalizing measures were undertaken by 12 countries. These easing measures removed export regulations without quotas (Hungary, South Africa), relaxed repatriation requirements (Ukraine), granted exemptions or reductions from surrender requirements (Myanmar, Namibia, Sri Lanka, Zimbabwe), eliminated other export taxes (Pakistan), and removed export licenses (Bangladesh, Belgium, Czech Republic, Spain).

Most tightening measures introduced in 2022 were related to export licenses with quotas (11), surrender requirements to the central bank or authorized dealers (10), and repatriation requirements (5). Belarus led with the most restrictions (7), followed by Kuwait and Russia (5), and finally Pakistan (4). Almost all of the tightening actions by Belarus were related to instituting bans or licensing requirements on the export of certain products. For example, it introduced a ban on the export of over 250 industrial goods, as well as grains, cereals, meal, and cake. During the year, Belarus somewhat eased these restrictions (see earlier discussion) and then tightened them again as economic conditions worsened. Kuwait banned exports of iron scrap, chicken, sheep and goats, vegetable oils, and eggs. Russia implemented quantitative restrictions on exports of certain fertilizers, certain types of sulfurs, and recyclable paper. Russia also introduced a mandatory sale of 80 percent of foreign exchange earnings by exporters in the domestic market to increase the supply of foreign currency

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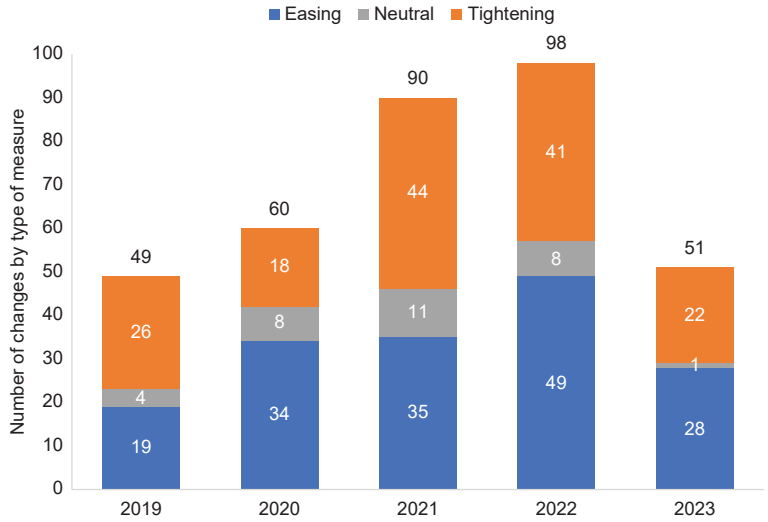
and required that registration in an authorized bank is required for various agreements related to certain loans or other foreign exchange transactions. Pakistan implemented various export taxes related to information technology services and computer software, and required that proceeds be repatriated through authorized dealers.

Most of the remaining tightening measures were implemented by 13 countries. These applied to surrender requirements to authorized dealers or the central bank (Bangladesh, Ethiopia, Myanmar, Sri Lanka, Suriname, Türkiye), export restrictions with quotas on precious metals (Kyrgyz Republic), tightening of repatriation requirements (Egypt, Iran, Morocco, Tanzania, Ukraine), and established other export taxes (Argentina).

Figure 7. Export and Export Proceeds

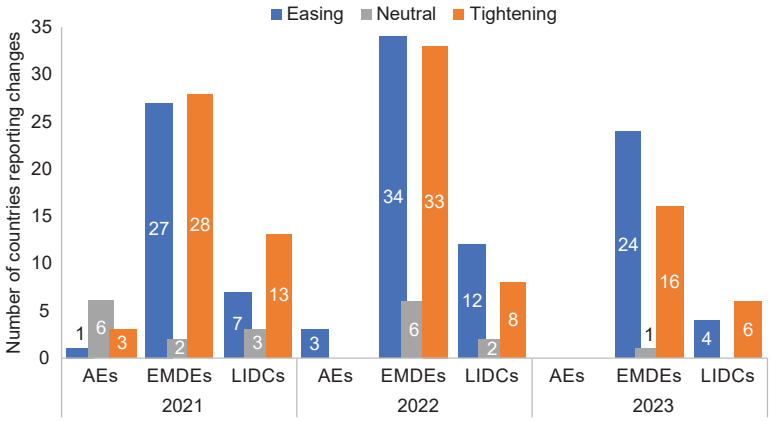
1. Total Number of Measures

The rise in easing actions in 2022 mostly contributed to the increase in total measures compared to 2021. Available data for 2023 shows a decline in overall measures.



2. Total Number of Countries Reporting Measures by Country Groups

EMDEs increased both easing and tightening actions in 2022 compared to 2021. The easing trend appears to have continued into 2023.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023. AEs = advanced economies; EMDEs = emerging market and developing economies; LIDCs = low-income developing countries.

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Based on partial data for 2023, members implemented fewer easing and tightening measures in exports and export proceeds, as in previous years. As was the case in 2022, easing measures seem to outweigh tightening measures. Members with the most easing measures are Argentina (11) and Kuwait (5). Argentina, despite imposing some restrictions, also continued liberalizing by suspending or lifting repatriation requirements and suspending or amending export duty rates. For example, certain export proceeds must enter the country in foreign exchange, where 50 percent must be traded in the Free Foreign Exchange Market, and for the remaining 50 percent, the exporter was required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency. Additionally, export duty rates for dairy products were suspended and rates on certain agro-industrial goods were reduced or eliminated. Similarly in a liberalizing trend, Kuwait lifted previously imposed bans on eggs, sheep, and goats. Additionally, restrictions regarding the export controls of goods manufactured by subsidized kerosene were revoked.

Most of the remaining liberalizing measures were implemented by 11 countries. Other countries eased the requirement to surrender to the central bank or authorized dealers, as was the case with Ethiopia, who reduced foreign exchange inflow from export goods to 50 percent (from 70 percent) required from banks to the central bank. Ethiopia also allowed exporters and inward remittances beneficiaries to retain 40 percent of export of goods and services earnings for an indefinite period in their domestic foreign exchange accounts. Pakistan increased the limit that software and service sector exports may retain in their net foreign exchange account to 50 percent, Sri Lanka discontinued the mandatory sales requirement of all licensed banks related to export and export proceeds, and in Zimbabwe the export surrender requirement was set at 25 percent on all export receipts. On export licenses, the temporary licensing requirement on the export of flax fiber expired in Belarus, and an advance declaration for exports with Guatemala and Honduras to further facilitate trade was implemented by El Salvador. Repatriation requirements were also reduced: Egypt increased the period for gold export proceeds to 30 days, Lao P.D.R. increased the number of days that exporters receive payments of goods and services by wire transfer to no longer than 180 days, and in Russia the repatriation requirement for Russian currency on foreign trade contracts for raw materials exports was lifted on 70 percent of the contract amount. Malaysia reduced tariff lines from 217 to 123.

Partial data for 2023 show fewer tightening measures than in 2022, but the trend may change once data for the entire year data become available. Countries with the most tightening measures are Argentina (4) and Kuwait (4), and Bangladesh (3). For example, some measures related to repatriation requirements and other export taxes in Argentina expired. Proceeds for some covered merchandise must enter the country in foreign exchange and be traded 80 percent through the foreign exchange market, while for the other 20 percent, the exporter is required to carry out purchase and sale transactions with negotiable securities with settlement in foreign exchange and sold with settlement in local currency. Kuwait introduced bans on the exports of certain types of goods such as methyl alcohol of all kinds, local and imported live sheep and goats (which was reversed with an easing later in the year), iron scrap, and cardboard paper waste. Bangladesh decreased retention limits for the Exporters' Retention Quota for merchandise exporters and instituted that in cases of export proceed realization beyond four months that exporters must receive proceeds at the exchange rate of the date within which the export proceeds should have been realized.

Most of the remaining tightening measures were implemented by nine countries. Hungary introduced restrictive measures against both Belarus and Russia. Colombia established measures for ferrous scrap, Montenegro extended the licensing regime exports of raw wood and certain products, and Russia established a nontariff quota for certain types of nitrogen and nitrogen-rich fertilizers. Honduras established that the foreign exchange currency agents must transfer 100 percent of foreign exchange income to the central bank no later than the following business day after the purchase. Indonesia tightened existing repatriation requirements related to natural resource export proceeds greater than $250,000 or the equivalent (free on board), by stipulating that at least 30 percent of the proceeds (net of the exporter's foreign exchange obligations) be retained for at least three months in the Indonesian financial system. Suriname reduced the deadline to surrender from five days to immediate surrender upon repatriation of export proceeds. Malawi established a requirement to complete an electronic customs declaration form for exports worth more than $2,000. Mexico applied an ad valorem tax of 50 percent to the export of white corn.

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Current Invisible Transactions and Current Transfers

This section discusses exchange controls on invisible transactions and transfers that are included in the current account of the balance of payments. This category includes income from investment (for example, profits, dividends, and interest); payments for travel, education, medical expenses, and subscription and membership fees; unrequited transfers (for example, remittance of nonresidents' salaries and wages); and payments related to services. The section also covers the repatriation and surrender requirements for proceeds from current invisible transactions and current transfers.

Tightening measures increased considerably in 2022, reversing the liberalization trend experienced in 2021 and surpassing levels seen in 2019–21 (Figure 8, panel 1). These restrictive actions accounted for 47 changes in 2022, although they were still fewer than the easing measures (71). This trend appears to continue in the available data for 2023.

Payment for Current Invisibles and Current Transfers

In 2022, 16 countries reported 98 measures related to payment for current invisibles and current transfers. Easing (58) measures were somewhat greater than tightening (39) actions, with one neutral measure (Figure 8, panel 2). However, the increase in tightening measures was quite significant, at around five times higher compared to 2021 (8).

A total of 12 countries were responsible for the 58 liberalization actions, with Ukraine and Ecuador accounting for almost half of the total actions: Ukraine with 14 and Ecuador with 12. Ukraine gradually implemented easing measures (reversing some of the strict controls implemented at the start of the war; see the following discussion) to facilitate currency transfers in and out of the country after the invasion, especially for personal payments (including educational, insurance, and child support payments) and travel-related payments. Ecuador gradually reduced the capital outflow tax from 5 percent to 4 percent in a year in four steps that affected three categories (trade-related payments, investment-related payments, and credit card use abroad), resulting in 12 total easing measures. Argentina took eight liberalization measures by allowing exceptions to central bank approval for certain service payments, simplifying declarations for foreign exchange market access, and permitting certificates for knowledge economy investments as conditions for accessing foreign exchange without prior approval. Tajikistan relaxed the threshold for which individuals needed to present supporting documents to verify the source of their foreign exchange, after changing the reference unit for this calculation. This resulted in seven measures since it affected all type of payments. Russia, with five measures, gradually reversed a complete ban on payments of dividends and coupons to nonresidents, by allowing some payments in rubles.

Eight countries introduced 39 tightening actions, with Argentina and Ukraine accounting for more than half of those measures: Argentina with 15 and Ukraine with 10. Argentina implemented additional conditions for foreign exchange market access based on the previous year's payments, the inclusion of Argentine Depositary Receipts in affidavits for market access, new conditions for certifying non-acquisition of certain assets, and restricting market access for customers receiving public utility subsidies. Ukraine also implemented several tightening measures at the outset of the war, including requiring resident clients to use purchased foreign currency within two days, restricting cross-border currency transfers, limiting individual sales of foreign cash, setting limits on payment card transactions, and imposing temporary restrictions on import payments. Similarly, Russia implemented four measures including banning dividends and coupons payments to nonresidents (which were later relaxed somewhat [see previous discussion]). Myanmar took five measures, including the requirement for approval for all foreign exchange transfers and new limits for international credit card spending.

In the available data for 2023, 11 countries were responsible for 75 actions, with 41 easing, 29 tightening, and 5 neutral ones. Argentina stood out with 45 measures. The country implemented 24 tightening actions by expanding the scope of affidavits to include affiliates within the same economic group, tightening the timeframe for delivering local currency and assets, and including cover operations with securities conducted directly or indirectly on behalf of third parties in affidavits. At the same time, Argentina also took 20 easing measures, including the allowance of affidavits to confirm nondelivery of local currency or assets to entities not associated with regular business operations, the exclusion of certain securities sales from currency usage calculations, and streamlined access to foreign exchange for nonresident services under specified conditions. Ukraine was responsible for five easing actions, exempting bond income transfers to foreigners and adding a special code for military-related

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transfers and health care payments. Other countries that took a considerable number of easing measures were Ecuador (with six actions as a result of reducing the capital outflow tax even further), Fiji (with four measures after increasing payment limits), and Nepal (with three actions on transfer limits and travel allowance).

Proceeds from Current Invisibles and Current Transfers

A total of 12 countries reported 24 changes in 2022, composed of 13 easing measures, 8 tightening measures, and 3 neutral changes, following the trend of 2021 (Figure 8, panel 3). Of the 24, 16 total changes concerned surrender requirements and 8 targeted repatriation requirements.

Eight countries were responsible for the 13 easing measures, with Russia leading with three actions aimed at liberalizing repatriation requirements for raw material exports and certain foreign trade and loans. Argentina also took three measures, mainly by relaxing surrender requirements to authorized dealers. Ukraine relaxed, in two steps, the repatriation requirements deadline to 180 days after having initially tightened to 90 days following the imposition of martial law. Surrender requirements were also relaxed by Bangladesh, Haiti, Myanmar, and Sri Lanka, while South Africa eased repatriation requirements.

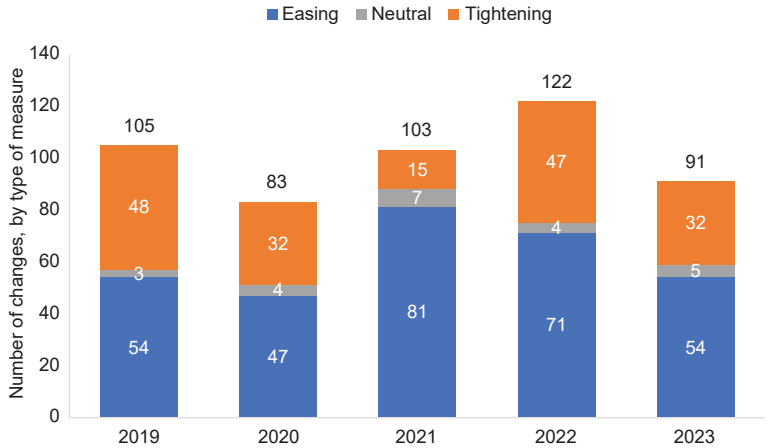
Seven countries introduced the eight tightening measures. Ethiopia took two actions, requiring commercial banks to send 70 percent of their foreign exchange inflow from export of goods, services, private transfers, and non-governmental organization transfers to the National Bank of Ethiopia. Similarly, Sri Lanka introduced a measure requiring all banks to sell 25 percent of remittances on a weekly basis to the Central Bank of Sri Lanka. Suriname obligated exporters to sell 35 percent of the export proceeds to commercial banks. Myanmar started to require that foreign exchange earnings entering bank accounts be surrendered within one working day. Guyana and Haiti also tightened surrender requirements, while Ukraine imposed restrictions on repatriation requirements.

So far in 2023, 11 countries have taken 16 measures, mainly easing actions (13). Argentina stands out with five actions, three of them related to repatriation requirements. Initially, they took two easing measures by allowing 70 percent instead of 100 percent (later further eased to 50 percent) of export proceeds to enter through the Free Foreign Exchange Market (official market), with the remainder handled via local currency securities transactions. However, by the end of the year, this measure was reversed, and the portion exchanged through the Free Foreign Exchange Market was increased to 80 percent. Lao P.D.R. eased the repatriation requirements, granting exporters an additional 60 days to repatriate funds. Five other countries took easing measures on surrender requirements—Bhutan, Ethiopia, Myanmar, Sri Lanka, and Zimbabwe—while Russia and South Africa liberalized repatriation requirements. Honduras and Suriname took tightening measures on surrender requirements.

Figure 8. Current Invisibles and Current transfers

1. Total Number of Measures

The number of actions in 2022 grew compared to 2021. However, in 2022, this was attributable to an increase in tightening measures rather than easing measures, unlike 2021.



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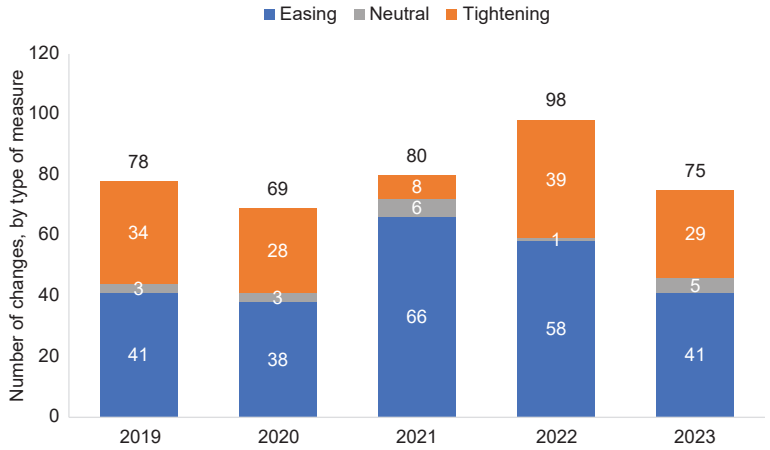
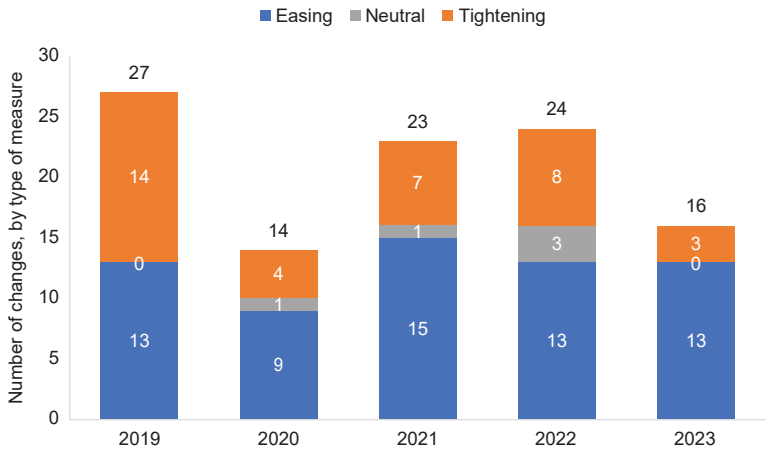
2. Payment for Current Invisibles and Current Transfers

There was a marked increase in the number of tightening measures in 2022, and the trend seems to continue with available data for 2023.



3. Proceeds from Current Invisibles and Current Transfers

The number of actions reflected roughly the same trend and proportions in 2022 compared to 2021. Although, 2023 thus far shows a drop in tightening actions.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023.

Account Transactions

This section details changes and regulations on resident and nonresident accounts transactions. Liberalization measures dominated regulatory changes in the reporting period. From January 2022 through December 2023,[47] 93 of the 196 changes in resident and nonresident account regulations were easing measures, followed

[47] Data for 2023 is partial: virtually all members report information as of June 30, 2023; about 18 percent of members' reporting periods end during the third quarter of 2023, and about the same number of members' reporting periods end during the fourth quarter of 2023.

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by 56 tightening and 47 neutral measures. These regulations were enacted by 36 countries,[48] mainly EMDEs taking liberalization measures (Figure 9, panel 1).

The number of changes in regulations in this category slightly decreased in 2022, compared with 2021, from 124 to 120. Among the 120 changes reported in 2022, 58 were liberalization efforts, while 37 were tightening measures and 25 neutral. This shows a strong increase in tightening measures and a drop in liberalization regulations compared with 2021, mainly driven by an increase in the number of countries taking tightening measures accompanied with a smaller number who eased.[49] So far, partial 2023 data shows 76 regulatory changes, with a more balanced distribution of easing, neutral, and tightening measures (Figure 9, panel 2).

Resident Accounts

Twenty members reported 70 measures concerning resident accounts in 2022, of which liberalization actions (40) outnumbered tightening (19) and neutral (11) measures (Figure 10, panel 1). While easing measures kept the same trend compared with 2021, tightening actions more than doubled from their previous levels.

Among the 40 easing measures, Russia dominated with 11 measures, followed by Ecuador with 8 measures. The former progressively lifted transfer and withdrawal controls imposed to foreign currencies accounts to limit the capital flight after the invasion of Ukraine. Ecuador's measures are all related to a progressive reduction (one per quarter) of the capital outflow tax. Because this tax affects both domestic and foreign currency accounts held abroad, these four reductions are counted as eight measures. Sri Lanka introduced four liberalization measures by allowing educational institutes to receive foreign tuition fees and by introducing facilities for the investment and payments in Colombo Port City. Curaçao and Sint Maarten lifted every control to foreign exchange accounts held domestically and eased the limits to transfers to accounts held abroad, going back to pre-COVID-19 rules. Ukraine gradually increased the limits for the withdrawal of foreign exchange in cash and allowed nonbank companies to open foreign currency payment accounts for their services. The rest of the easing measures were implemented by 10 countries, with roughly one measure made by each one of them.

The 19 tightening measures in 2022 were introduced by seven countries, with Russia dominating again (6). This country imposed several limits on the transfer and withdrawal of foreign currency, as well as restrictions on the exchange rate used to convert funds received as a transfer from a bank outside Russia, immediately after its invasion of Ukraine. Most of these measures were later eased or lifted (see previous discussion). Related to the invasion, Ukraine also incorporated three tightening measures by prohibiting any exchange transaction using Russian rubles or Belarusian rubles, as well as banned most cross-border transfers from the country, with some exceptions. Argentina tightened rules on accounts convertible into foreign currency by adding conditions for accessing foreign exchange, requiring affidavits for Argentine Depositary Receipts, and restricting market access for subsidized utility users. Myanmar also began to require approval of any foreign exchange transaction (either domestic or abroad) by a supervisory committee that allocates foreign exchange based on priorities. The rest of the tightening measures were enforced by Bangladesh and Kyrgyz Republic (one each), and Algeria (two).

So far in 2023, 41 measures were imposed. A total of 24 of them were easing measures, while 9 were tightening and 8 were neutral. These numbers reflect a similar trend as in 2022, where the total liberalization actions doubled the tightening ones. Argentina stood out with a total of 12 measures: 5 easing and 7 tightening. Among the easing measures, the country lifted yuan and renminbi authorization requirements and simplified affidavit requirements and certain funds and securities authorization. However, the tightening measures also include stricter affidavit rules for certain economic groups and the prohibition on social security and pension

[48] Note that the number of countries in Figure 9, panel 1, may not add up in the text because certain countries introduced tightening measures at the same time as neutral or easing measures.

[49] While only 6 countries implemented tightening measures in 2021, 12 countries did in 2022. At the same time, in 2021, 25 countries implemented easing measures, compared to 16 countries in 2022.

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debtors to access foreign exchange convertible accounts. Russia was responsible for seven neutral measures, all of them extensions of previous regulations, including US dollars and euros cash withdrawal limits. Sri Lanka, addressing domestic foreign exchange liquidity issues, limited outward remittances from personal and business foreign currency accounts. Lebanon took two easing measures by improving the exchange rate for conversions to Lebanese pounds in foreign currency accounts, due to the large depreciation of the local currency and the shortage of reserves.

Nonresident Accounts

Sixteen members reported 50 changes in 2022, a similar number as in 2021 (52). However, tightening measures (18) experienced a rapid growth, doubling the number of 2021 (9), and reaching the number of easing measures (Figure 10, panel 2). On the contrary, easing measures declined, from 25 in 2021 to 18 in 2022.

The increase of tightening measures was partially attributed to the conflict between Russia and Ukraine, accounting for 10 of the total actions. Russia was responsible of seven of them, including transfer limits and withdrawal restrictions on accounts held by residents from sanctioning countries, but also by limiting the number of operations performed from accounts that have debt obligations to creditors from sanctioning countries. It is worth mentioning that in the same year, the country progressives removed and relaxed the aforementioned limits on nonresidents from such countries. Ukraine took three tightening regulations, prohibiting foreign currency trading and cross-border transfers, with exceptions for specific transactions reviewed based on current conditions and government requirements. Andorra reported, in line with the adopted EU sanctions, that it took tightening measures after the Russian invasion of Ukraine by imposing restrictions on large deposit accounts held by Russian nationals residing in Russia or any country outside the European Economic Area. On the other hand, Argentina tightened rules on foreign exchange convertible accounts by implementing new conditions to certify that customers have not and will not engage in certain foreign securities and asset transactions. The rest of the tightening regulations were imposed by four other countries, taking one measure each: Hungary, Ireland, Kyrgyz Republic, and Myanmar.

Eighteen easing measures were enforced by seven countries. Russia, again, stands out with roughly half of those measures (eight). As mentioned, the country progressively eased rules for nonresident accounts by increasing transfer limits for individuals and entities from friendly countries, while maintaining lower limits for those from sanctioning countries, and allowing wage-related transfers for all nonresidents. Sri Lanka introduced three measures, allowing debits for Sri Lankan expatriates paying educational tuition fees and crediting earnings from authorized businesses in Colombo Port City. Argentina was also responsible for two easing measures, facilitating the access of social security agencies to the foreign exchange market. Brazil allowed nonresident account holders who are financial institutions to use their accounts for both receiving and remitting funds on behalf of a third party, whereas previously, only inbound transfers were permitted. The other four easing measures were enforced by three other countries: Lebanon (one), Morocco (two), and Ukraine (one).

So far in 2023, the rapid growth of tightening measures seems to have slowed down, accounting for 10 out of the total 35 measures in the available data. While there were 11 easing measures and 14 neutral ones. Argentina, again, stood out with three easing actions, simplifying access to the foreign exchange market by removing the need for affidavits if a customer's funds coming from debt security issues are deposited in foreign bank accounts or if the funds from the sale of securities settled in foreign currency are used or will be used within 10 days. However, the country was also responsible for two tightening measures, expanding affidavit requirements to more entities, and specifying additional coordination rules for securities operations. Lebanon took two easing actions by improving the exchange rate for conversions to Lebanese pounds in foreign currency accounts, but Lebanon also enforced one tightening measure, whereby nonresidents customers could no longer get US dollars when they withdrew money from their domestic currency accounts. Additionally, Fiji's central bank no longer requires approval for deposits of proceeds, up to a certain limit. Russia is responsible for 12 neutral measures, all of them extensions of previous withdrawal and transfer limits for residents from both friendly and sanctioning countries, for both foreign exchange and domestic currency accounts. Other measures included restrictions imposed by Norway on accounts held by citizens of Haiti and Moldova for security reasons.

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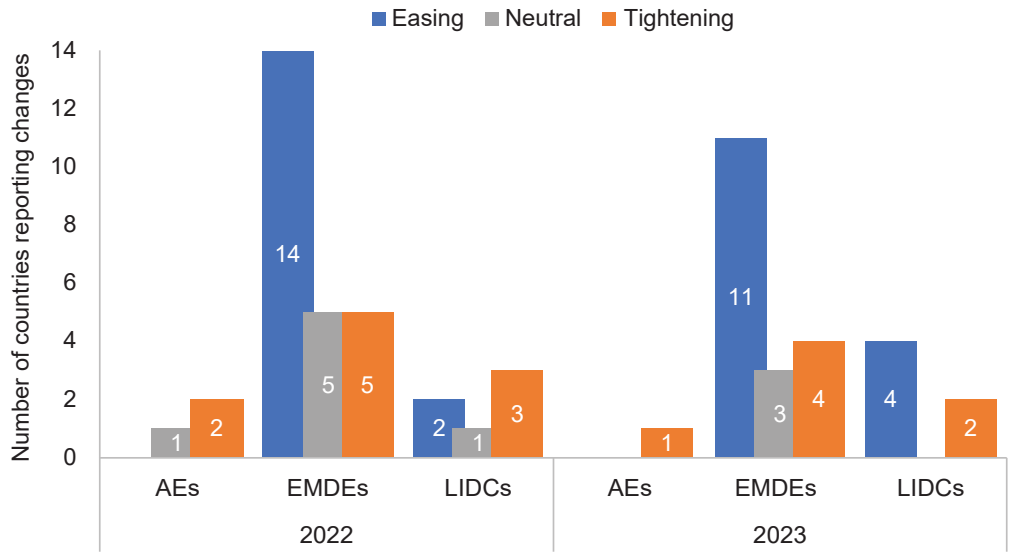
Figure 9. Account Transactions

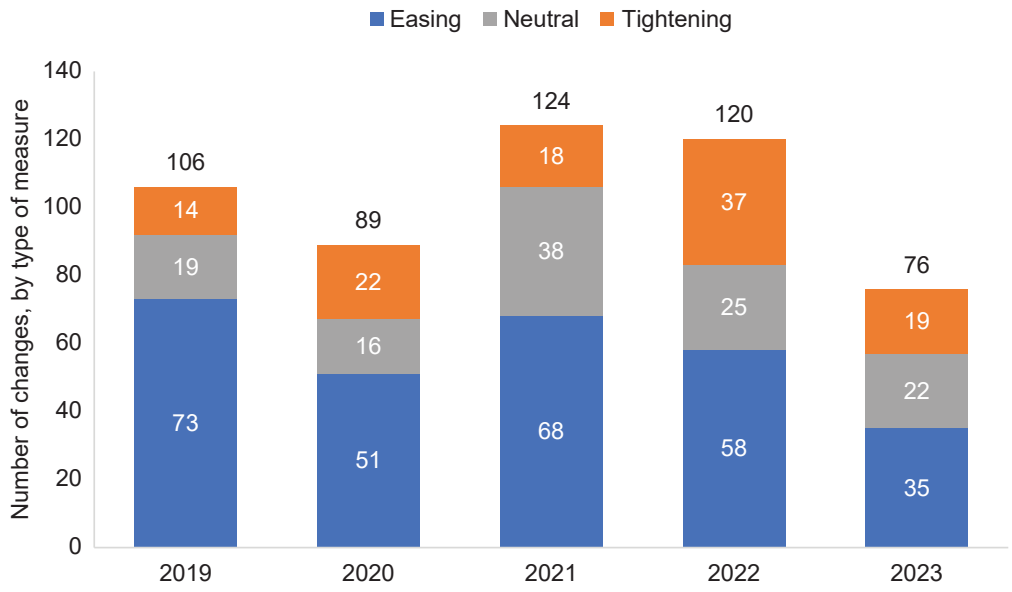
1. Total Number of Countries Reporting Measures by Country Groups

EMDEs stand out by taking easing measures, in 2022 and 2023.



2. Total Number of Measures

Tightening regulations in account transactions strongly increased in 2022, compared with 2021, whereas liberalization and neutral actions declined.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries with some members' reporting periods ending during the second half of 2023. AEs = advanced economies; EMDEs = emerging market and developing economies; LIDCs = low-income developing countries.

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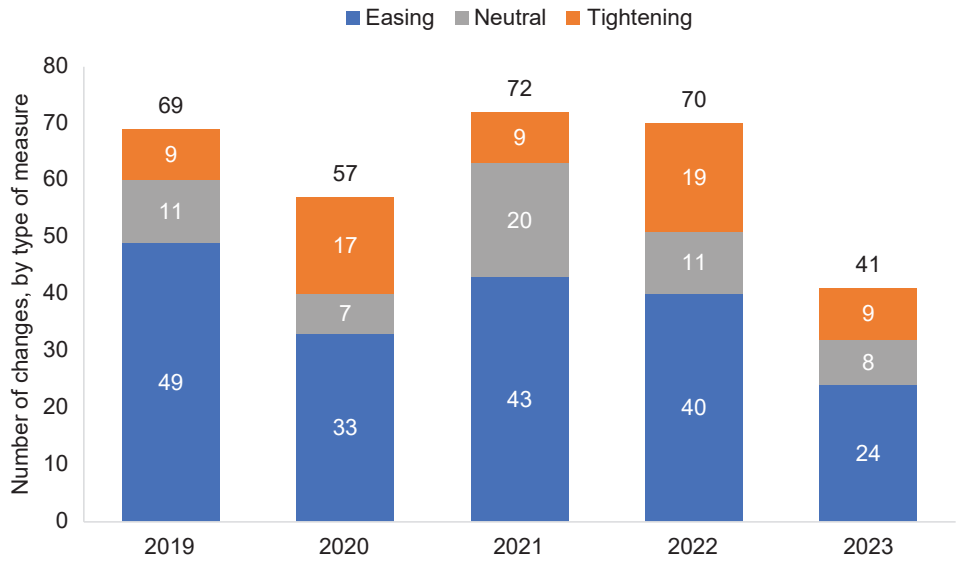
Figure 10. Resident and Nonresident Accounts

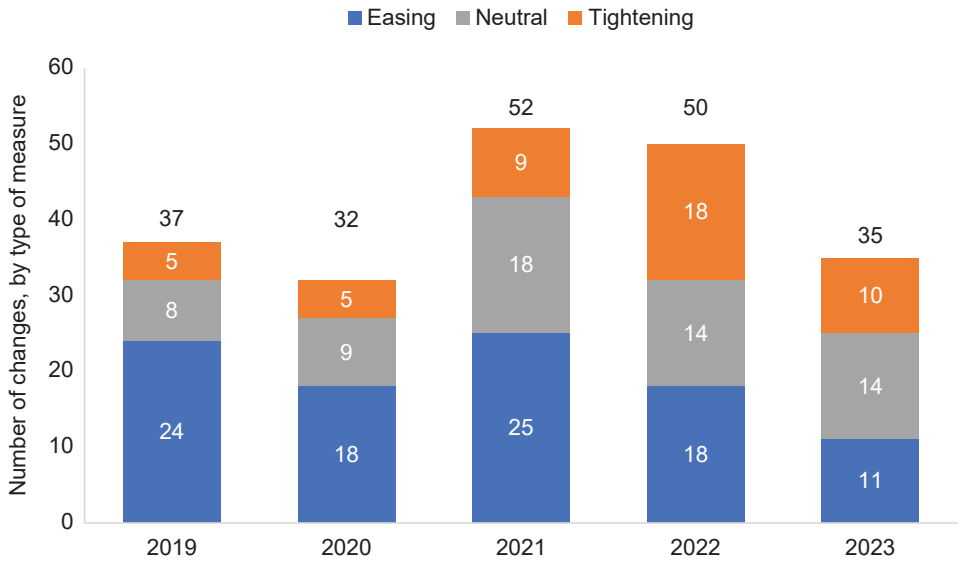
1. Resident Accounts

While easing measures kept the same trend in 2022 compared with 2021, tightening actions more than doubled from their previous levels.



2. Nonresident Accounts

Tightening measures experienced a notable growth in 2022, at the same time that easing actions declined, compared with 2021.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries with some members' reporting periods ending during the second half of 2023.

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Capital Controls

The major challenges the global economy faced during 2022 and 2023 had significant implications for capital flows. Economic activity still falls short of its prepandemic path, especially in EMDEs, with widening divergence among the regions. Major factors holding back the recoveries in 2022 were the long-term consequences of the pandemic and the rising geopolitical tension (see the January 2023, April 2023, and October 2023 vintages of the *World Economic Outlook*). The global economy continued to recover unevenly and slowly from the pandemic and were affected by cost-of-living crisis and the rising geopolitical tensions among major economies from Russia's invasion of Ukraine and amid diplomatic tensions between China and the United States. Food prices elevated by an escalation of the war in Ukraine, causing important hardship for many low-income countries. Global commodity prices in general became more volatile under the geopolitical tensions and disruptions linked to climate changes, causing higher external vulnerabilities for many net commodity-importing countries. The escalation of geopolitical tension raised concerns about a policy-driven reversal of economic and financial integration, and of allocation of cross-border capital, with investors generally allocating a smaller share of capital to recipient countries with more distant foreign policy outlooks to their country of origin, and higher restrictions placed on capital flows (see the April 2023 *Global Financial Stability Report*). The monetary tightening in major economies resulted in a decline in net capital flows to EMDEs. Countries with more concentrated foreign exposures experienced higher capital flow volatility.

EMDEs and low-income developing countries experienced a sharp drop in net capital inflows in 2022 (Figure 11, panel 1), which was largely explained by contraction in portfolio inflows, lower inflows to other investment (such as loans, deposits, trade credits), and a reduction in FDI flows (Figure 11, panel 2). Advanced economies in 2022–23 saw lower capital flows (both inflows and outflows) in all categories, especially portfolio outflows and outward direct investment, and started to accumulate reserve assets (Figure 11, panel 3). The lower volumes of financial flows and transactions in developed countries resulted in a decline in global FDI flows, which was attributable to investor uncertainty from the war in Ukraine, high food and energy prices, and debt pressures. International project finance and cross-border mergers and acquisitions were especially affected by tighter financing conditions, rising interest rates, and uncertainty in capital market.[50]

This section discusses measures that affect international capital flows. These measures are also considered to be capital flow management measures (CFMs) as defined by the IMF's institutional view on the liberalization and management of capital flows.[51] In addition to the capital controls included in this section, prudential-type measures discussed in the next section may also be CFMs if they were designed to limit capital flows. However, the AREAER does not use this terminology because classifying a measure as a CFM requires substantial background information and considerable judgment, which is beyond the scope of the analysis conducted in compiling the AREAER database.

[50] UN Trade and Development, 2023, *World Investment Report*.

[51] CFMs encompass a broad spectrum of measures. For the purposes of the IMF's institutional view, the term "capital flow management measures" refers to measures designed to limit capital flows. CFMs comprise residency-based CFMs, which encompass a variety of measures (including taxes and regulations) affecting cross-border financial activity that discriminate on the basis of residency—also generally referred to as capital controls—and other CFMs, which do not discriminate on the basis of residency but are nonetheless designed to limit capital flows. These other CFMs typically include measures, such as some prudential measures, that differentiate transactions on the basis of currency, as well as other measures that typically apply to the nonfinancial sector. The concept of capital controls in the AREAER is residency-based: it includes various measures that regulate the conclusion or execution of transactions and transfers and the holding of assets at home by nonresidents and abroad by residents. See IMF, 2022, *Review of The Institutional View on The Liberalization and Management of Capital Flows*, Washington, DC.

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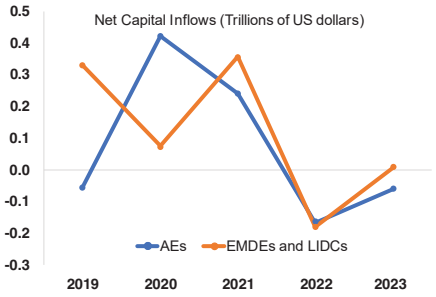
Figure 11. Capital Flows

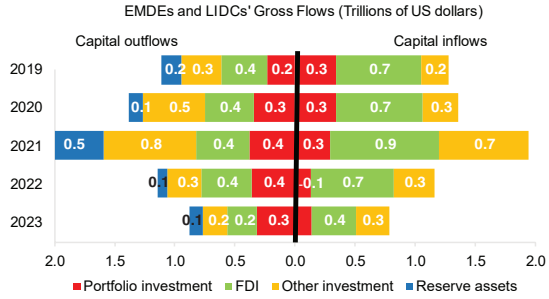
1. Net Capital Inflows

EMDEs and LIDCs experienced a sharp drop in net capital inflows in 2022, with a small recovery in 2023.



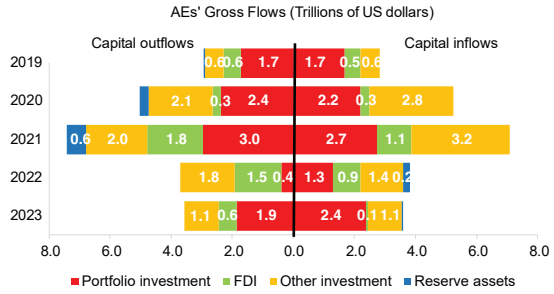
2. EMDE and LIDC Gross Flows

EMDEs and LIDCs in 2022–23 experienced lower capital flows (both inflows and outflows) in all categories, especially the sharp drop in net portfolio inflows.



3. AE Gross Flows

AEs in 2022–23 saw lower capital flows (both inflows and outflows) in all categories.



Sources: IMF, April 2024 *World Economic Outlook*; and IMF staff calculations.
Note: AEs = advanced economies; EMDEs = emerging market and developing economies; FDI = foreign direct investment; LIDCs = low-income developing countries. Data for 2023 are April 2024 *World Economic Outlook* projections with partial country coverage. Net capital flows exclude reserve assets.

The number of measures implemented in 2022 continued to rise significantly from previous years—509 measures compared with 380 measures and 434 measures in 2020 and 2021, respectively (Figure 12, panel 1).[52] Partial data for 2023 suggests that the pace of changes in capital controls continues to remain high. Of the 509 changes in 2022, there were 159 tightening actions, 320 easing actions, and 30 actions that were neutral or of an indeterminate nature.[53] There was a steep rise in tightening actions in 2022 compared with 2021, which comprises an increase in both tightening outflow controls (by almost three times) and inflow controls (by more than three times) (Figure 12, panel 2).[54] In 2022, almost one-third of the number of tightening actions was as a consequence of tensions from Russia's war on Ukraine; 52 of 159 total tightening actions were

[52] The AREAER records the imposition/removal of restrictions across all affected categories of transactions, thereby showing a large number of measures taken by some countries. The total number of measures in 2022 includes a relatively large number of changes reported by a few countries such as Argentina, Ecuador, and Russia, and in 2023 again by Argentina and Ecuador. While Argentina adjusted its regulation in response to its economic situation, Russia imposed controls as a consequence of its war with Ukraine, and Ecuador gradually reduced its tax on capital outflows. Hence, in the case of Ecuador, 116 easing measures are reported in 2022 because the change in its tax is recorded in the AREAER over many categories. Excluding measures attributed to Ecuador, in 2022, the total number of measures would drop below 2021, reflecting a slowdown in easing trend and a more pronounced tightening trend in 2022.

[53] The 30 neutral changes during 2022 and 42 in 2023 cannot be classified as easing or tightening of restrictions. Most either did not discriminate by residence or currency or involved changes in regulations that were not clearly either easing or tightening. To avoid counting the same measure more than once, as far as possible, measures that were extended were labeled neutral (for example, pandemic-related measures).

[54] In this section, restrictions on nonresidents' acquisition of domestic assets (including restrictions on repatriation of these assets) are referred to as "inflow controls"; restrictions on residents' acquisition of assets abroad (including repatriation restrictions on these assets) are referred to as "outflow controls."

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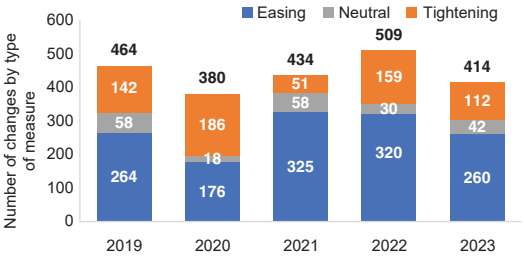
measures introduced in response to the Russia's war on Ukraine[55] implemented by Russia and Ukraine following Russia's invasion of Ukraine to prevent capital outflows, sanction measures from Russia to other countries, as well as the related international sanctions measures (Figure 12, panel 3). Changes to controls on outflows in response to the war in Ukraine were explicitly reported by Canada, Germany, and Japan. In partial year 2023, the tension-related measures were fewer. The number of easing actions in 2022 were roughly similar to previous year. Measures easing inflows increased, while measures easing outflows decreased compared to the previous year (Figure 12, panel 4). The number of COVID-19–related measures reported in 2022 were few. Of these, some were to unwind the pandemic-related measures, while some were extension of the measures.

Not only were there more actions taken in 2022 than in the preceding year, but also the number of countries reporting changes increased (mainly owing to the higher number of advanced economies reporting changes). The majority of actions were tightening on capital transactions taken by EMDEs, followed by advanced economies. The average number of controls per country increased gradually during 2020–23 (Figure 13). On average, controls on capital transactions during 2022–23 were implemented mostly by EMDEs, followed by low-income developing countries and advanced economies.

Figure 12. Overview of Controls on Capital Transactions, 2019–23

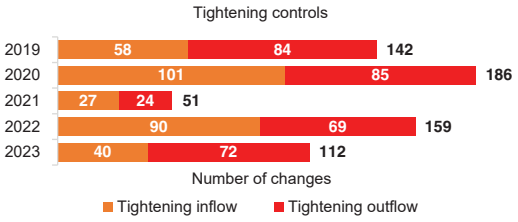
1. Total Number of Measures

2022 saw a sharp increase in tightening measures as a part of policy response to geopolitical tensions, while the number of easing measures were roughly similar to previous year.



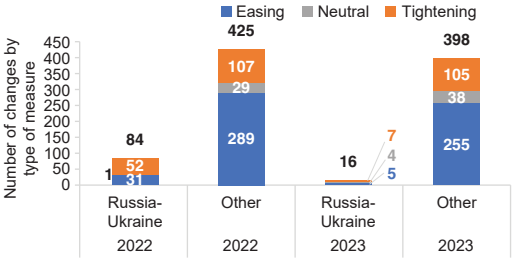
2. Tightening Controls

In 2022, the sharp rise in tightening measures were in both directions, with a larger number of tightening inflow measures.



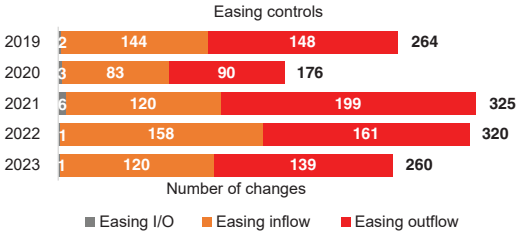
3. Geopolitical Impact

In 2022, almost one-third of the number of tightening actions was as a result of geopolitical tension. Partial year 2023 data show far fewer numbers of geopolitical tension–related measures than 2022.



4. Easing Controls

In 2022, measures easing inflows increased, while measures easing outflows decreased comparing to the previous year.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023. Tightening (Easing) I/O means that the measure can be tightening (easing) of both capital inflows and outflows. Geopolitical refers to changes made by Russia and Ukraine as well as changes reported by Canada, Germany, and Japan that are explicitly reported as measures in response to the geopolitical tension between Russia and Ukraine. "Other" refers to changes that are not related to the geopolitical tension.

[55] Figure 12, panel 3, may not list the full range of tensions-related measures because some countries may not explicitly identify the measures as related to Russia's war in Ukraine.

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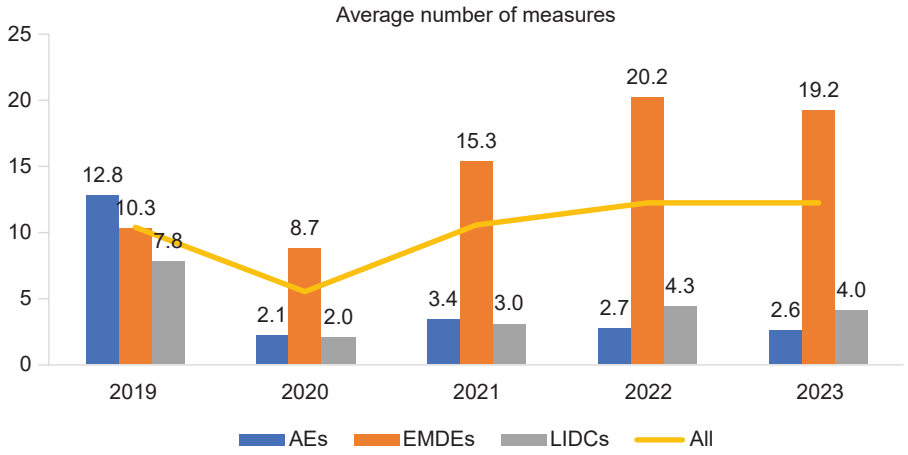
Figure 13. Controls on Capital Transactions by Income Groups—Overview, 2019–23

On average, controls on capital transactions during 2022–23 were implemented mostly by EMDEs, followed by LIDCs and AEs. The average number of controls increased gradually during 2020–23.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023. Some countries may have taken both tightening and easing actions. AEs = advanced economies; EMDEs = emerging market and developing economies; LIDCs = low-income developing countries.

Actions taken by advanced economies increased in 2022 driven mainly by the increase in the number of tightening measures, while the number of easing measures slightly decreased. The number of countries implemented actions also increased, mainly because of the higher number of countries taking tightening measures. In 2022, the total number of changes in the controls on capital transactions in advanced economies amounted to 38, of which 20 were tightening (by nine countries), 13 easing (by five countries), and 5 neutral (by three countries) (Figure 14, panels 1 and 2).

Most of the actions in 2022 and 2023 were reported by EMDEs, similar to past years. Overall changes in measures in 2022 reached their highest level since 2019, owing to a sharp increase in tightening measures, while the number of easing measures dropped slightly. The tightening measures in 2022 were roughly four times more than the previous year. The trend continued in 2023. The number of countries taking tightening actions also increased in 2022 compared with the previous year, while the number of countries easing controls decreased. In 2022, the total number of changes in the controls on capital transactions in EMDEs amounted to 445, of which 288 were easing (by 16 countries), 133 tightening (by 10 countries), and 24 neutral (by 5 countries) (Figure 14, panels 3 and 4).

Low-income developing countries reported more actions (increased in both tightening and easing actions) during 2022–23. Unlike EMDEs, reported measures continued to be largely dominated by easing controls on capital transactions (Figure 14, panels 5 and 6). The trend continued in 2023. Similarly to the past, only a few low-income developing countries implemented changes in 2022–23. The number of countries easing and tightening controls remained roughly the same in 2022–23. In 2022, the total number of changes in the controls on capital transactions in low-income developing countries amounted to 26, of which 19 were easing (by three countries), 6 tightening (by three countries), and 1 neutral (by one country).

The nature of new measures differed significantly among country income groups. The majority of the measures adopted in advanced economies were related to direct investment, real estate, capital and money market instruments, and derivatives. There was a sharp rise in real estate–related measures in 2022 (Figure 15, panel 1). For EMDEs, most changes continued to relate to capital and money market instruments, followed by personal capital transactions, credit operations, and derivative transactions (Figure 15, panel 2). Of the 42 economies that took action in 2022, 11 (mostly EMDEs) had 10 or more actions (Figure 15, panel 3). The majority of actions introduced in low-income developing countries continued to be related to capital and money market instruments, followed by credit operations and repatriation requirements (Figure 15, panel 4).

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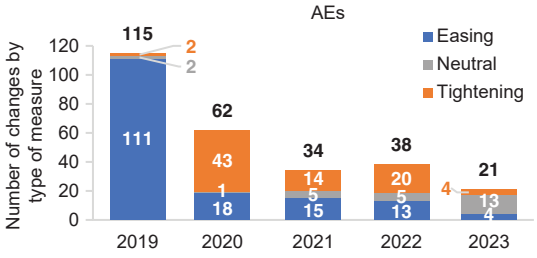
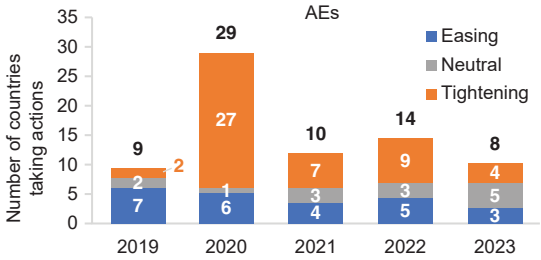
Figure 14. Controls on Capital Transactions by Income Groups, 2019–23

Advanced Economies

1. There was a rise in the number of tightening measures in 2022, while the number of easing measures slightly decreased.

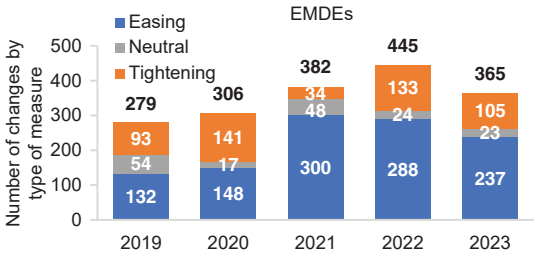


2. The number of countries taking tightening actions increased in 2022.

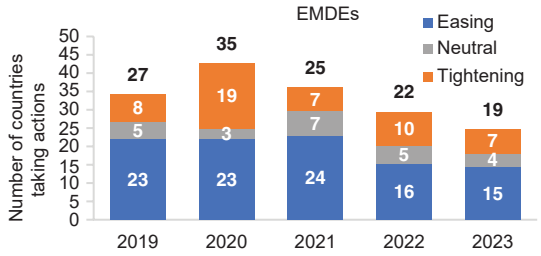


Emerging Market and Developing Economies

3. Overall changes in measures in 2022 reached their highest level since 2019, owing to a significant increase in tightening measures, while the number of easing measures dropped. The trend continued in 2023.

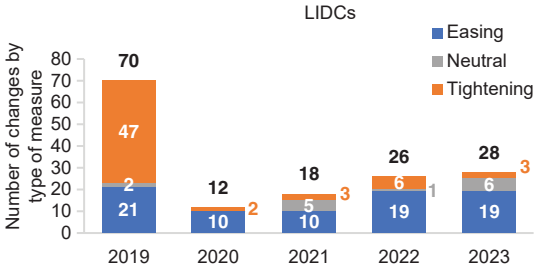


4. The number of countries taking tightening actions increased in 2022 compared with 2021, while the number of countries easing controls decreased.

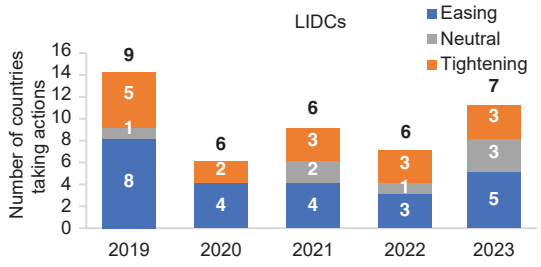


Low-Income Developing Countries

5. Total measures taken increased in 2022 compared to 2021, while easing measures continued to dominate. The easing trend continued in 2023.



6. Similarly to the past, only a few low-income developing countries implemented changes in 2022–23.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023. Some countries may have taken both tightening and easing actions; hence, the total number of countries taking actions is not the summation of number of countries taking easing/neutral/tightening measures.

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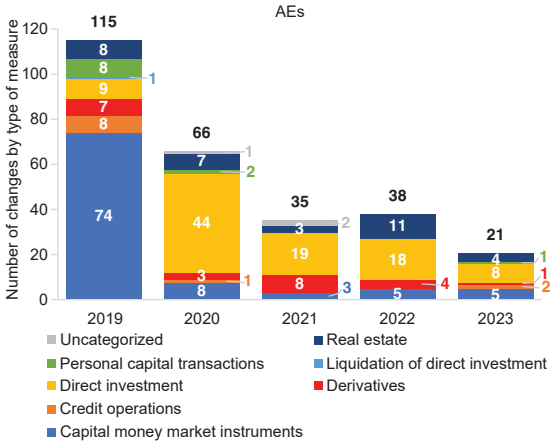
Figure 15. Controls on Capital Transactions, by Type and Region, 2019–23

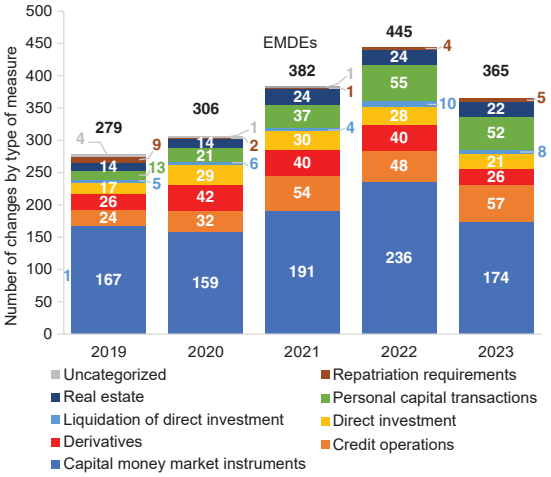
1.Advance Economies

Actions related to foreign direct investment continued to dominate in advanced economies in 2022–23, but the number of changes in controls on real estate transactions jumped in 2022.



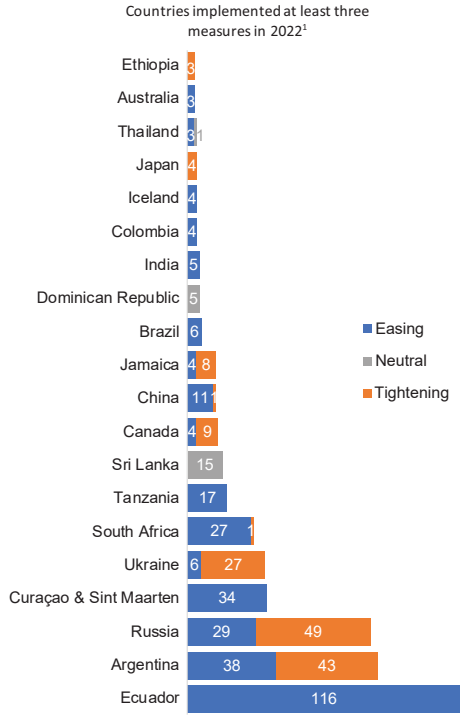
2. Emerging Market and Developing Economies

Number of actions in emerging market and developing economies continued to increase in 2022, with most changes continuing to be related to capital and money market instruments.



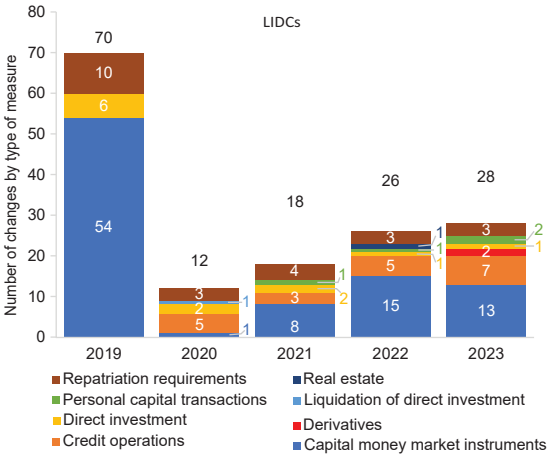
3. Countries Implementing at Least Three Measures in 2022[1]

Of 42 economies that took action in 2022, 11 (mostly emerging market and developing economies) had 10 or more actions.



4. Low Income and Developing Countries

Actions introduced by low-income developing countries in 2022 increased from the previous year dominated by measures in capital and money market instruments.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023.
[1]Countries that implemented one easing/tightening change in 2022 were Algeria, Angola, Armenia, France, Hong Kong SAR, Hungary, Italy, Maldives, Nepal, Portugal, Singapore, Slovak Republic, and United Kingdom. Countries that implemented two easing/tightening changes in 2022 were Bangladesh, Indonesia, Morocco, Myanmar, and New Zealand.

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Advanced Economies

In advanced economies, FDI-related measures continued to dominate and outnumber actions related to capital and money market instruments, real estate, and derivatives in 2022–23 (Figure 15, panel 1). In 2022, the number of real estate–related measures increased significantly, which were linked to the FDI-related measures arising from the implementation of the foreign investment screening frameworks and an extension of existing measures in some advanced economies (see following discussion).

Of the 20 tightening actions by advanced economies in 2022, 15 were measures related to restrictions on inward FDI and investment in property (Canada, France, Italy, New Zealand, Slovak Republic, United Kingdom), and five restricted capital outflows (Canada, Japan).[56] On capital inflow restrictions, stronger rules and enforcements with broader scope were introduced with respect to the national security screening of FDI in several countries such as Canada (more stringent approval requirement for foreign state-owned enterprise investment in Canada's critical mineral sectors as well as investments with ties to Russia), France (added production of renewable energy to the list of critical technologies that require FDI screening), Italy (making permanent the decree allowing the government to initiate Golden Power in reviewing FDI in several critical sectors to the country), New Zealand (applying the "benefit to New Zealand" test prior to investment in conversion of land to forestry production), and the United Kingdom (adopting mandatory notification and clearance requirement for several critical business sectors and assets such as land, physical assets, and intellectual property). In addition, several measures were introduced/tightened on foreign acquisition of local properties such as Slovak Republic (more stringent rule against the fragmentation of the agricultural land by modifying their prohibition of creating new land or new co-owner's deal agricultural land to include smaller size of land) and Canada (imposed a nonresident deed transfer tax and gradually increasing nonresident speculation tax and additional property transfer tax in some provinces as well as increasing coverage arear for applying tax). On capital outflow restrictions, Japan applied controls to outward direct investment by residents which pertains to a business conducted in, or controlled by, or established based on the laws and regulations of the Russian Federation. Japan also applied approval requirement on acquisition and transfer of securities newly issued by the commercial banks or Government of the Russian Federation. Canada prohibited residents and Canadians abroad from making an investment that involves dealing in any property located in, or owned, or held, or controlled by the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine.[57]

There were 13 easing actions reported in 2022 by Australia, Canada, Hong Kong SAR, Iceland, and Portugal. The reform on foreign investment review/screening framework in Canada not only results in aforementioned tighter restrictions, but also streamlines the process for certain less sensitive types of investment and continues increasing the review threshold for certain direct acquisition of control in enterprises from countries under particular trade and investment agreements. Iceland relaxed controls relating to derivative transactions between Icelandic commercial banks. Australia increased the monetary thresholds within the scope of the investment screening framework for direct investment and investment in developed commercial land. Purchase locally by nonresidents under certain conditions were relaxed, such as no registration and approval requirements for bids to buy bonds and other debt security (Portugal), and refund of residential stamp duty for permanent residents under designated talent admission schemes (Hong Kong SAR).

In 2023, there were four tightening measures and four easing measures that remain related to controls on inward FDI and investment in property. Tightening measures were reported by Australia (increasing land tax surcharge in New South Wales), Canada (temporary prohibiting non-Canadian citizens nor nonpermanent residents of Canada from purchasing residential property in Canada, with some exceptions), Japan (prior notification requirement for investment in business sectors contributing to securing stable supply chains of critical goods, such as metals and mineral products refining and storage battery manufacturing), and Singapore (increasing Additional Buyer's Stamp Duty on several categories of residential property). Easing measures were reported by Slovenia (abolishing notification requirement for acquiring land or real estate by foreign investors or their subsidiaries under Investment Promotion Act). There was also continued relaxation of the overall screening threshold (Australia) and for certain countries under particular trade and investment agreements (Canada).

[56] In addition, there were five neutral measures reported by advanced economies in 2022. These include extensions of measures taken earlier regarding FDI screening (Germany, Italy, Spain).

[57] Donetsk and Luhansk are the regions of Ukraine that are temporarily occupied by Russia.

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There were 13 neutral measures in 2023. For example, Spain continued to extend the duration of the existing prior authorization requirement for FDI and acquisition of shares from non-EU residents under its investment screening measures. In Slovenia, although the control on foreign acquisition of land and real estate under Investment Promotion Act in the previous year was relaxed, there was continued and uninterrupted operation of the inward direct investment screening mechanism. Germany established some new offenses that will be subject to fines and laid the foundation for an extensive digitalization of the investment review procedure.

Emerging Market and Developing Economies

The majority of actions in 2022 and 2023 taken by EMDEs remained largely related to capital and money market instruments (236 and 174, respectively), followed by personal capital transactions (55 and 52, respectively), credit operations (48 and 57, respectively), derivatives (40 and 26, respectively), and direct investment (28 and 21, respectively) (Figure 15, panel 2). The sharp increase in actions in 2022 were largely explained by measures related to capital and money market instruments.

There were 133 tightening measures in 2022 by Argentina (43), Russia (49), Ukraine (27), Jamaica (8), and 1 measure each by Armenia, Angola, China, Indonesia, Hungary, and South Africa (Figure 15, panel 3).[58] Argentina tightened the capital outflows by adopting more stringent criteria on access to the foreign exchange market to purchase foreign exchange and transfer funds abroad without prior approval by the central bank, which requires submission of an affidavit linked to their holdings of external assets in Argentina and abroad. The scope of affidavits was broadened to include that residents do not hold Argentine certificates of deposit representing foreign shares as well as certify that they have not—and will not—purchase Argentine certificates of deposit and securities representing private debt issued abroad during and after the period they apply for market access. As a consequence of Russia's war on Ukraine, Russia prohibited resident and nonresident outward capital transactions in several categories, introduced a ban on the payment of dividends to nonresidents and prohibited transfer of proceeds from the sale of securities, tightened certain conditions on debt repayment (foreign currency debt could be paid only in rubles, introduced certain limits and periods for debt repayment to creditors who are residents of the Russian Federation and creditors from countries that have not joined sanctions against Russia, and introduced special accounts opened with Russian and foreign credit institutions for ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia). In Ukraine, banks were prohibited from carrying out transfers of individuals related to current noncommercial transactions. A temporary ban on transfers of funds from Ukraine was imposed related to transactions involving the return of foreign investments to correspondent accounts of nonresident banks. Jamaica imposed a ban on foreign exchange debt issuance in Jamaica, which was lifted in less than a month and was replaced by an approval requirement. The issuer of foreign exchange debt in Jamaica must submit an attestation that the issuance of bonds via exempt distribution would not create a demand for foreign exchange. South Africa tightened outflows by unwinding the temporary measure imposed during COVID-19, by not extending the period in which residents must sell foreign currency to authorize dealers; Angola introduced repatriation requirement for distributed profits or dividends, as well as for liquidation of investments made abroad by foreign resident legal entities; and Armenia introduced controls on transfer of gambling proceeds such that these could no longer be done with cash. Indonesia reduced the threshold amount for underlying document requirement for purchase of derivatives, Hungary disallowed certain nonresident institutions/persons to purchase a Hungarian forint–denominated debt instrument issued by the central bank of a member state of the European Union, and China increased the macroprudential adjustment parameter for financial institutions and enterprises.

[58] There were 24 neutral changes reported by EMDEs in 2022, led by Sri Lanka (15). Most of these actions by Sri Lanka were initially implemented in response to the pandemic and then continued to defend the weak balance of payment situation it faced in subsequent years. For example, Sri Lanka extended the limit imposed on the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained a temporary residence visa, and payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission were further suspended with some exceptions.

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Among the 288 easing measures in 2022, 116 were implemented by Ecuador (which involved the gradual reduction [in four steps] of capital outflow tax[59]), 38 by Argentina (which eased controls on both capital inflows and outflows), and 34 by Curaçao and Sint Maarten (related to the elimination of the temporary maximum limits on residents' and nonresidents' outward capital transactions including on investments abroad by pension funds and insurance companies, bringing the regulations back to prepandemic state). Other major contributors to changes were Russia (29), South Africa (27), China (11), Ukraine (6), Brazil (6), India (5), Jamaica (4), Colombia (4), Thailand (3), Morocco (2), Maldives (1), Indonesia (1), and Algeria (1). Argentina eased capital outflows by broadening the scope of affidavit to include payments of external trade and financial credits under certain conditions: prior approval by the central bank was not required. Argentina eased capital inflows by allowing authorized institutions to receive foreign currency from nonresident tourists and to arrange, on their behalf, the purchase of securities with settlement in foreign currency for their subsequent sale with settlement in pesos. Further, Argentina provided exceptions for (1) the liquidation regime,[60] where nonresidents registered in the Regime for the Promotion of the Knowledge Economy and are enterprises that have no control on local financial institutions can repatriate their direct investments without the central bank authorization. In addition, nonresidents registered in this regime, provided they have certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas, are exempted from the central bank authorization to access the foreign exchange market for repatriations of direct investments. (2) Certain requirements are exempted for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor with the central bank authorization. Russia replaced the ban for brokerage firms with prior approval requirement for residents acquiring shares from a company of an unfriendly country under certain criteria. Russia also lifted the prior approval requirement for payment and transfer for investment in a friendly country in the currency of the friendly country or in rubles in a specified threshold amount, as well as for making a contribution to nonresidents under a simple partnership agreement within the specified threshold amount if the payment is made in the currency of unfriendly country, and regardless of the amount otherwise. South Africa eased regulations on both inward FDI (by increasing the limit on the transfer of foreign exchange from the parent company to its Domestic Treasury Management Company) and outward investment (by raising the permitted threshold for direct investments without the need for approval and by raising the limit for foreign portfolio investment by pension funds, life insurers, and qualified institutional investors). In addition, resident individuals were allowed to use their single discretionary allowance and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indexes using the online trading platform of the broker concerned) but may not use credit or debit cards to do so. Resident individuals no longer had to repatriate gifts, donations, or foreign inheritance received from nonresidents and could retain them offshore. China further eased certain regulations regarding nonresidents' participation in credit operations and capital money market instruments. In addition, China continued to open its economy to FDI by improving management of the negative lists for investment and market access and increasing openness in the manufacturing sector, for instance, by eliminating the foreign ownership limits on manufacturing passenger vehicles. Ukraine eased capital outflows by extending the deadline for settlements on transactions involving the export/import of goods. Brazil eased capital flows by allowing authorized institutions to allocate, invest, and set aside the fund raised in the country and abroad for credits and financing operations, in the country and abroad. Previously, financial institutions were forbidden to remit abroad (apply or promote the placement, including lending—except for some official programs) funds pooled in Brazil. In addition, the restriction where derivative transactions without an underlying operation were not allowed was lifted. Brazil also eased capital inflows by removing tax on financial transactions (Imposto sobre Operações Financeiras) for external loans with maturity less than 180 days, as well as allowing nonresidents to use borrowed securities/assets for margin purposes as collateral in the derivatives market. India further enhanced capital inflows and expanded the sources of foreign exchange funding by temporarily increasing the limit under the automatic route of External Commercial Borrowings and by allowing registered nonresident investors to participate in Indian debt markets, as well as expanding the coverage of eligible central government securities under a Fully

[59] While this may be seen as one policy action taken in four steps, the AREAER records each step in all affected categories of transactions, thereby showing a large number of measures taken by the country.

[60] In this section, restrictions on nonresidents' acquisition of domestic assets (including restrictions on repatriation of these assets) are referred to as "inflow controls"; restrictions on residents' acquisition of assets abroad (including repatriation restrictions on these assets) are referred to as "outflow controls."

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Accessible Route by foreign investors. Also, the investment limit under the Voluntary Retention Route for investment in government and corporate debt securities by foreign portfolio investors were increased. Jamaica lifted the ban on foreign exchange debt issuance in Jamaica. Colombia lifted the ban and allowed exchange market intermediaries to carry out financial derivative transactions denominated in domestic currency with authorized foreign agents, subject to certain restrictions and prohibitions. Thailand continued to liberalize capital outflows by abolishing approval requirements for residents lending to nonresidents, as well as eliminated the annual limit for residents' purchase of immovable assets including leasehold properties abroad and abolished the annual limit on the amount a Thai juridical person could lend to nonaffiliated companies abroad. Morocco increased the limit that authorized banks may transfer on behalf of qualified resident corporations to purchase shares in existing companies abroad. Maldives removed the approval requirement for profit repatriation by foreign investors. Indonesia allowed for transactions in local structured derivative products.

The 237 easing measures in 2023 were dominated by Argentina (94), Ecuador (58), and Aruba (37). Argentina added an exception in the affidavit required to access the foreign exchange market under certain conditions for payments of principal or interest on financial indebtedness, repatriation of capital and income associated with nonresident investments, and payments upon maturity of principal or interest on debt securities. Ecuador continued the gradual reduction (in two steps) of capital outflow tax. With the strengthening of the foreign exchange reserve position, Aruba further eased capital outflows by increasing the threshold amount for requirement of a foreign exchange license for executing capital transactions with nonresidents for both individual persons and legal entities.

The 105 tightening measures in 2023 were dominated by Argentina (85). Argentina tightened capital outflows by residents by placing prior approval requirement to make payment abroad for interest on commercial debts and/or financial loans abroad. Additional limitations were imposed such as further broadening the scope of the affidavits to include those legal entities which are part of the same economic group, and the requirement to provide affidavits that residents have not entered into securities transactions in Argentina nor delivered in the country any funds in local currency or other liquid assets, except funds in foreign currency deposited in local financial entities, to any controlling company or other companies with which they form part of the same economic group.

Low-Income Developing Countries

Actions introduced by low-income developing countries in 2022 increased from the previous year, dominated by measures in capital and money market instruments, followed by actions related to credit operations and repatriation requirements. A similar trend continued in 2023 (Figure 15, panel 4).

The liberalization trend seen in low-income developing countries in the previous four years continued in 2022–23. Easing of controls on capital transactions dominated during the period (19 easing measures both in 2022 and partial year of 2023, respectively), while the number of tightening actions continued to be small (6 and 3 tightening measure in 2022 and partial year of 2023, respectively) (Figure 14, panel 5).

In 2022, there were 19 easing measures by Tanzania (17), Myanmar (1), and Nepal (1). Tanzania liberalized both capital inflows and outflows. Tanzania liberalized residents' capital account transactions with the Southern African Development Community by allowing residents to purchase real estate and to do direct investment as well as to sell or issue collective investment schemes, bonds, and other debt securities, and shares or securities of a participating nature in Southern African Development Community countries. Residents of other Southern African Development Community countries were allowed access to Tanzania's domestic market to sell or issue as well as to purchase collective investment schemes, money market instruments, bonds, or other debt securities, and to sell or issue shares or securities of a participating nature. The requirement that these purchases are allowed only if funded fully by external sources or approved by the Bank of Tanzania does not apply if the purchase is within the Southern African Development Community. Nepal eased inflow by increasing the amount limit that resident individuals and entities can borrow abroad. Myanmar reduced the surrender requirement (both trade and nontrade) of foreign exchange earnings to banks, after previously imposing it during the year.

In 2023, there were 19 easing measures by Moldova (15) and 1 each by Bangladesh, Cambodia, Ethiopia, and Myanmar. Moldova eased capital inflows by allowing nonresidents to purchase government securities on the secondary market through the E-bond and Central Securities Depository system. Moldova also eased capital outflows by lifting the approval requirement for purchases by insurance or reinsurance companies and

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nonbank lending organizations of foreign financial instruments from nonresidents. Bangladesh increased the usance period for imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit. Cambodia lowered the reserve requirement on banks' external borrowing. Ethiopia eased restrictions by reducing surrender requirements to the central bank for all commercial banks' foreign exchange income, after previously increasing it during the year. Myanmar continued (from the previous year) to reduce surrender requirement of foreign exchange earnings to banks.

Provisions Specific to Commercial Banks and Institutional Investors

This section reviews developments in provisions specific to the financial sector; that is, commercial banks and institutional investors, with a focus on prudential measures that are also capital controls.[61] This category covers some monetary and prudential measures in addition to capital controls.[62] It includes, among other categories of financial institution transactions, borrowing abroad, lending to nonresidents, purchasing locally issued securities denominated in foreign exchange, and establishing regulations pertaining to banks' and institutional investors' investments. These provisions may be similar or identical to the measures described in the respective categories of controls on accounts, capital and money market instruments, credit operations, and direct investment if the same regulations apply to banks and institutional investors as to other residents. In such cases, the measure also appears in the relevant category in the sections on accounts and capital transactions.

Overall, in 2022, an almost equal number of easing and tightening measures were taken, similar to 2021. A total of 187 tightening or easing measures were implemented within the financial sector. This figure slightly surpasses the count of measures enacted in both 2019 and 2021, which were 172 and 164, respectively, yet falls short of the 240 measures imposed in 2020 (Figure 16).[63] Capital control measures hit their lowest level in 2022 compared to the period spanning 2019 to 2022, with most adjustments being relaxations, especially in terms of outflows as in 2021 (Figure 17, panel 1). However, capital control measures on banks and other credit institutions recorded a maximum in 2022. Although the analysis for 2023 does not encompass the entire year, the frequency of capital control measures in the financial sector was similar to that of 2022, yet the adjustments shifted to an even split between easing and tightening actions. As in previous years, in both 2022 and 2023, the predominant focus of the changes was on outflows. However, in 2023 the number of tightening measures was high on outflows, primarily owing to measures taken by Sri Lanka on institutional investors in response to its economic situation. The incidence of prudential measures in 2022 was significant, with tightening measures peaking within the 2019–23 timeframe (Figure 17, panel 2). As of 2023, the frequency of prudential measures appears elevated, already surpassing those in 2021 and 2019, with most being tightening measures. The high number of tightening prudential measures in 2022 and 2023 was driven by changes in reserves requirements, as countries were reversing reductions taken during the pandemic and in a tightening cycle fighting inflationary pressures.

In examining countries that implemented capital controls during 2022 and 2023, Ecuador led the group, accounting for 22 percent of the adjustments (24 out of 107; Figure 18, panel 1). This was followed by Ukraine and Sri Lanka, each with 13 changes in 2022 and 2023, respectively. Ecuador's adjustments pertained to the capital outflow tax, which saw a gradual reduction from 5 percent to 3.5 percent through successive amendments of 25 basis points.[64] The changes in Ukraine were primarily driven by the war, leading to a majority of the tightening measures on outflows, except two cases corresponding to exceptions applied to such tightening. Similarly, all of Sri Lanka's measures were tightening of outflows, reflecting the country's economic challenges. Iceland was the only advanced economy that implemented capital controls on the financial sector during 2022 and 2023.

[61] Capital controls and prudential measures are highly intertwined because of their overlapping application. For example, some prudential measures (such as different reserve requirements for deposit accounts held by residents and nonresidents) could also be regarded as capital controls because they distinguish between transactions with residents and nonresidents and hence influence capital flows.

[62] Inclusion of an entry in this category does not necessarily indicate that the aim of the measure is to control the flow of capital.

[63] The analysis in this section excludes neutral changes. Capital control neutral changes were 20 (all on outflows) and 0 in 2022 and 2023, respectively. Neutral changes for prudential measures were 25 and 23 in 2022 and 2023, respectively.

[64] The tax is included in four categories of this section and was reduced in six steps during 2022–23, resulting in 24 easing measures.

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In 2022 and 2023, a higher number of countries opted for prudential measures compared to capital control measures, with 63 countries implementing the former compared to 21 for the latter. Russia topped the list with 23 prudential measures (Figure 18, panel 2), followed by Peru with 13, the Republic of North Macedonia with 12, and Aruba with 11. During this period, advanced economies accounted for 11 percent of the prudential measure changes.

Commercial Banks and Other Credit Institutions

The number of capital controls affecting banks and other credit institutions recorded a maximum in 2022 (32; Figure 19, panel 1): 72 percent were easing measures, and 59 percent of the total were on outflows. So far, in 2023, 22 capital control changes were reported with most being easing measures, and 73 percent of the total changes were on inflows, in contrast to 2022.

The number of prudential measures in 2022 and 2023 recorded a high in comparison with pre- and post-pandemic years (2019 and 2021, respectively; Figure 19, panel 2). The number of tightening prudential measures was higher in 2022 (75) and 2023 (61) than previous years. Most of the tightening prudential measures were changes in reserves requirements (48 and 39 in 2022 and 2023, respectively), as countries were reversing reductions taken during the pandemic and in a tightening cycle fighting inflationary pressures.

Some notable country examples of changes to capital controls on banks and other credit institutions in 2022 and 2023 are the following:

- *Controls on capital inflows (27 changes):* In March 2022, Brazil reduced the tax on financial transactions (Imposto sobre Operações Financeiras) on external loans with maturity less than 180 days to 0 percent (previously 6 percent). In October 2022, China eliminated for overseas financial institutions as founders or strategic investors of a Chinese-funded commercial banking institution the requirement to have total year-end assets no less than $10 billion. In 2023, Bulgaria raised the percentage from 5 to 10 percent of the minimum required reserves on the funds attracted by banks from nonresidents, leveling the minimum required reserve rates for liabilities to nonresidents with the minimum required reserves for liabilities to residents, and China established an approval for commercial banks and other financial institutions borrowing loans from abroad with maturities of more than one year. In January 2023, Cambodia increased the banks' external borrowing reserve requirement from 7 to 9 percent, lowering it back to 7 percent in December 2023. In January 2023, to stimulate a change in the composition of credit institutions' foreign currency liabilities toward a higher proportion of friendly states' currencies, while maintaining conditions for a further overall decrease in the share of foreign currencies on the balance sheets of all credit institutions, the Bank of Russia introduced differentiated required reserve ratios for liabilities in unfriendly states' currencies or other foreign currencies: 7.5 percent (previously 7 percent) for all categories of reservable liabilities in unfriendly states' currencies and 5.5 percent (previously 7 percent) for all categories of reservable liabilities in all other foreign currencies. In June 2023, the reserve requirements for all categories of reservable liabilities in unfriendly states' currencies was increased to 8.5 percent and for all categories of reservable liabilities in all other foreign currencies to 6 percent.
- *Controls on capital outflows (25):* On the easing side, Brazil allowed financial institutions and other institutions authorized to operate by the Central Bank of Brazil to allocate, invest, and set aside the resources raised in the country and abroad for credits and financing operations. Previously, financial institutions were forbidden to remit abroad funds pooled in Brazil for lending, except for some official programs. China eliminated the approval requirement for domestic banks to conduct domestic and foreign currency cross-border financing within the established limits. Curaçao and Sint Maarten eliminated the limit of up to NA f.300,000 on outward transactions impacting banks' lending to nonresidents, as the final step in removing controls imposed due to the pandemic.[65] On the tightening side, Russia restricted loans in foreign currency to any nonresident, as well as for the provision of credits (in foreign currency and rubles) and loans (in rubles) to nonresidents from unfriendly countries by requiring a permit granted by the Government Commission on Monitoring Foreign Investment. Sri Lanka suspended payments through Outward

[65] Residents (including banks) must request a license per transaction with a nonresident if the amount is NA f.150,000 or more.

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Investment Accounts for the purpose of making overseas investments with some exceptions. And, Ukraine, due to the war, implemented the following banning measures for banks: (1) prepayments of foreign loans;[66] (2) credits to nonresidents, except to foreign financial institutions; and (3) granting loans in domestic currency to customers to repay the bank foreign exchange loans.

- *Controls on capital inflows and outflows (2):* Iceland replaced the ban on banks' derivative positions involving the Icelandic currency with limits on such activities.[67]

Most of the measures introduced in prudential regulations in the reporting period adjusted reserve requirements.

- *Reserve requirements (120 changes):* As noted earlier, increases in reserve requirements were a common policy in 2022 and 2023. Countries that tightened reserve requirements in 2022 on overall liabilities were Aruba, Costa Rica, Ghana, India, Indonesia, Seychelles, and Uganda; on domestic currency liabilities: Bahrain and Egypt; on foreign currency liabilities: Georgia, Haiti, and Republic of North Macedonia; and on both: Azerbaijan, Moldova, Mongolia, Peru, Russia, Suriname, and Türkiye. In 2023, countries that tightened reserve requirements on overall liabilities were Aruba, Rwanda, and United Arab Emirates; on foreign currency liabilities: Kyrgyz Republic, Lao P.D.R., and Republic of North Macedonia; and on both: Azerbaijan, Jamaica, Mozambique, Peru, Russia, Serbia, Suriname, Türkiye, and Ukraine.

Aruba (9), Indonesia (8), North Macedonia (10), and Peru (10) tightened their reserve requirements more than five times during 2022–23. Aruba increased reserve requirements above prepandemic levels to protect international reserves as it relaxed capital controls it had imposed at the start of the pandemic.[68] In addition, the increases aimed at fighting inflationary pressures and excess liquidity in the banking system. In September 2023, Aruba started reducing the reserve requirement. Indonesia tightened reserve requirements gradually in 2022 to fight inflationary pressures, for conventional and sharia banks—each four times. While tightening monetary policy, the Republic of North Macedonia increased the reserve requirement on foreign exchange deposits since June 2022 to incentivize the use of domestic currency. It also reduced on four occasions the percentage for the reserve requirement in euro that can be fulfilled in domestic currency after applying the reserve requirement rate on foreign currency liabilities. Peru complemented its hikes in the monetary policy rate with increases in reserve requirements for local currency liabilities and tightened the additional reserve requirement for foreign currency liabilities based on the stock of foreign currency loans in comparison to December 2018.

Other categories with a high number or changes were:

- *Provisions specific to commercial banks and other credit institutions*[69]*:* Most of the changes were tightening measures (12 out of 19). For example, Mexico incorporated the international total loss-absorbing capacity standard at a national level for credit institutions, updated the liquidity provisions and accounting criteria to make them consistent with the International Financial Reporting Standards, and strengthened the regulations surrounding electronic funds transfers. New Zealand returned the core funding ratio to 75 percent, tightened credit risk weights that apply to exposures of regulated banks to "connected persons," and introduced rules that provide for mutually structured regulated banks and nonbank deposit takers (credit unions, building societies, and cooperatives) to issue capital instruments that meet capital definitions for regulatory capital recognition.
- *Liquid asset requirements:* Most of the changes were easing (11 out of 16). Seven countries eased their liquid asset requirement. Jamaica reduced the liquid asset requirement for local and foreign currency liabilities in three occasions. Belarus reduced the liquidity coverage ratio to 80 percent and allowed systemically important banks to include an irrevocable credit line opened by the National Bank of the Republic of Belarus as part of the highly liquid assets for the liquidity coverage ratio calculation. Croatia reduced to 8.5 percent the foreign exchange liabilities that had to be covered by short-term foreign exchange assets with maturity of less than three months, and later eliminated this requirement.

[66] The measure restricts outflows, but because the measure is on borrowing from abroad, in the statistics it is counted as an "inflow control."

[67] This measure affects two categories: open foreign exchange position limits on resident assets and liabilities and open foreign exchange position limits on nonresident assets and liabilities.

[68] Reserve requirements in Aruba do not differentiate between domestic and foreign currency liabilities.

[69] This is a main category that includes measures that cannot be classified in the more specific subcategories.

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- *Interest rate controls:* Three countries changed interest rate controls for a total of 14 changes. Russia implemented three easing and three tightening actions. Among these, it established a moratorium on the application of the total cost of credit limitation between March and June 2022, and reinstated it in August 2023. Between March and June 2023, Vietnam decreased the maximum rates on deposits (demand and below one-month term deposits, term deposits between one and six months) and on loans provided by banks and microfinance institutions. Botswana eliminated the maximum allowed interest rate on 91-day deposits.
- *Lending locally in foreign exchange currency:* Four out of the twelve changes were implemented by Russia. In January 2022, Russia imposed back the surcharges to risk ratios on foreign currency credits and investments to/in companies producing medicines and material and equipment used for medical purposes, which they had stopped applying in response to the pandemic. And, at the start of the war, Russia eliminated add-ons to risk ratios for banks' credit claims to legal entities in foreign currency that arose on or after February 28, 2022, and released the accumulated macroprudential capital buffer for claims that arose before this date on loans in foreign currency granted to legal entities and on investments in debt securities denominated in foreign currency and for unsecured consumer loans and mortgages in rubles and foreign currency. All other countries with changes in this category made one change only, with five tightening and three easing measures.

Institutional Investors

Capital controls for institutional investors recorded the lowest level in 2022 (23 changes) compared to 2019–21, with most being easing measures on outflows (Figure 20, panel 1), similar to past years. While not covering the entire year, 2023 registered a shift in the trend, with greater number of overall measures (30 changes) compared to 2022, and an even split between tightening and easing measures on outflows. The tightening measures were driven by the two measures imposed by Sri Lanka, which count as 12 changes (explained subsequently).

Some notable country examples of changes to controls on capital outflows on institutional investors in 2022 and 2023 are the following:[70]

- *Easing of controls on capital outflows (32 changes):* In January 2022, Curaçao and Sint Maarten eliminated for pension funds and insurance companies the limit on investments abroad up to a maximum of 0.25 percent of the provisions and liabilities recorded in 2019, and for investments companies the general limit of NA f.300,000 on residents' outward transactions, as the final steps in removing controls imposed due to the pandemic.[71] In June 2023, Fiji lifted the suspension on investment abroad imposed due to the pandemic.[72] In February 2022, South Africa increased the limit on foreign portfolio investments to 45 percent of total assets for insurance companies, pension funds, and investment companies from 40 percent for insurance companies and investment firms and from 30 percent for pension funds.
- *Tightening of controls on capital outflows (21):* On June 2023, in view of the liquidity issues in the domestic foreign exchange market, Sri Lanka suspended for six months with some exceptions the payments through Outward Investment Accounts for the purpose of making overseas investments. In addition, and also for six months, it limited outward remittances on capital transactions through Business Foreign Currency Accounts up to a maximum of $100,000 for the purpose of expanding their core business overseas.[73] At the onset of the war, Ukraine prohibited investment transactions abroad.[74]

[70] The section on controls on institutional investors in the AREAER focuses mostly on capital outflows. In 2022 and 2023, there were no changes on capital inflows.

[71] Each measure affected the limits on securities issued by nonresidents and limits on investment portfolio held abroad, so the three measures counted as six changes.

[72] This measure affected insurance companies', pension funds', and investment firms' limits on securities issued by nonresidents and limits on investment portfolio held abroad, therefore counting as six changes.

[73] These two measures affected insurance companies', pension funds', and investment firms' limits on securities issued by nonresidents and limits on investment portfolio held abroad, therefore counting as twelve changes.

[74] This measure affected insurance companies', pension funds', and investment firms' limits on securities issued by nonresidents and limits on investment portfolio held abroad, therefore counting as six changes.

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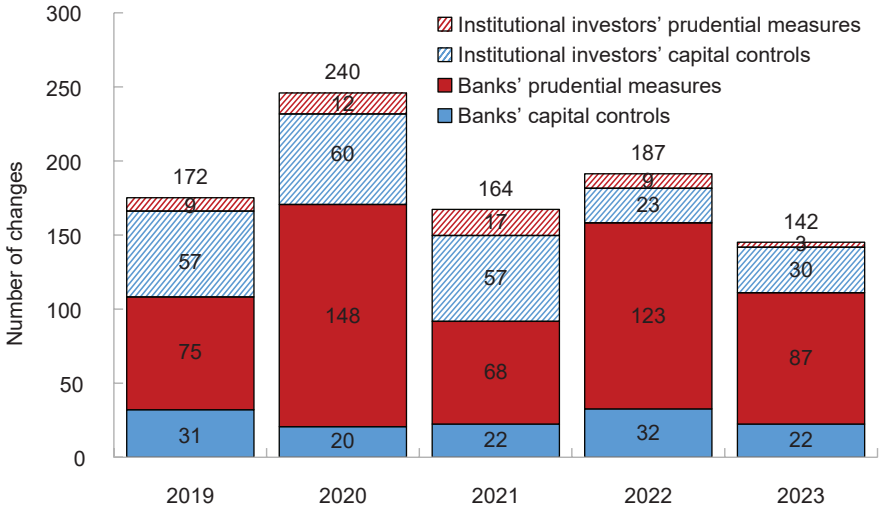
Prudential measures affecting institutional investors were low in 2022 and 2023 (nine and three, respectively; Figure 20, panel 2), with most being tightening. Costa Rica, New Zealand, Portugal, the United Arab Emirates, and Uruguay each reported one tightening measure, while Australia and Montenegro reported two tightening measures. In July 2022, Australia imposed financial reporting obligations on registrable superannuation entities—consistent with those that apply to public companies and registered schemes—and a regulatory regime for a new type of collective investment fund known as corporate collective investment vehicle was introduced. Montenegro distinctly specified further the limits for assets for insurance companies. In contrast, Albania, Costa Rica, and Estonia eased prudential measures, each with one change in 2022.

Figure 16. Capital Controls and Prudential Measures on Commercial Banks and Institutional Investors, 2019–23

2022 and 2023 were active years in terms of banks' prudential changes relative to 2021.

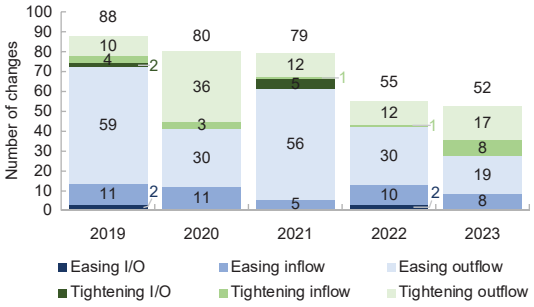


Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023.

Figure 17. Measures in the Financial Sector, 2019–23

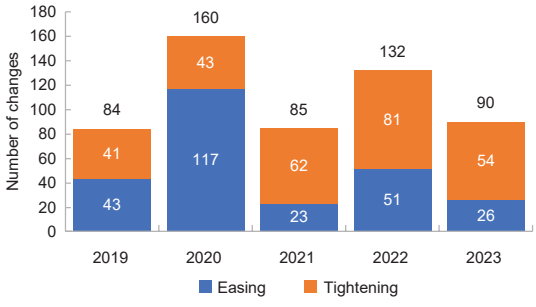
1. Capital Controls

In 2022, capital control measures reached their lowest level compared to the period between 2019 and 2022; however, the trend of easing outflow measures being the most common continued.



2. Prudential Measures

The number of prudential measures in 2022 was high, with tightening measures reaching a maximum since 2019.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023. Tightening (Easing) I/O refers to measures that affected both inflow and outflow of capital.

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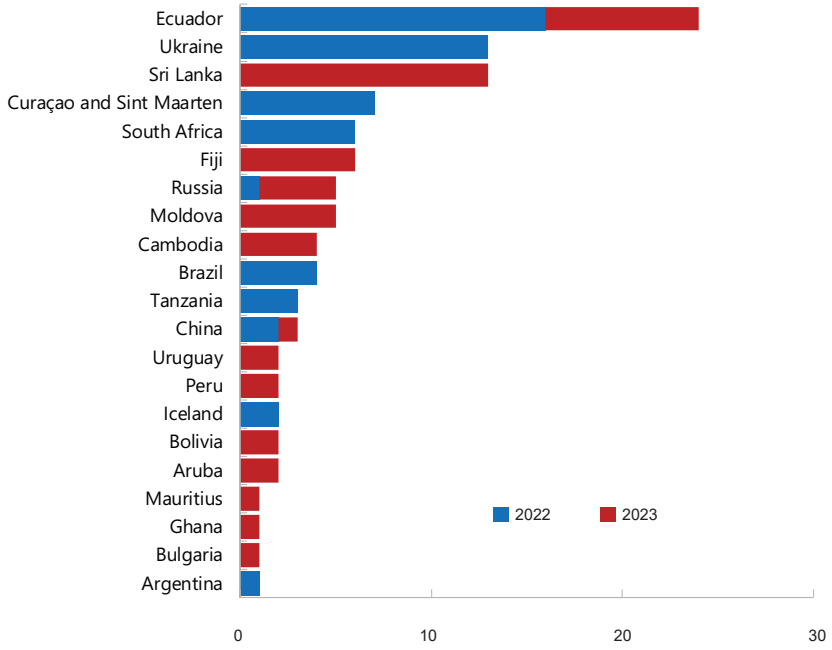
Figure 18. Countries Taking Policy Actions in 2022–23

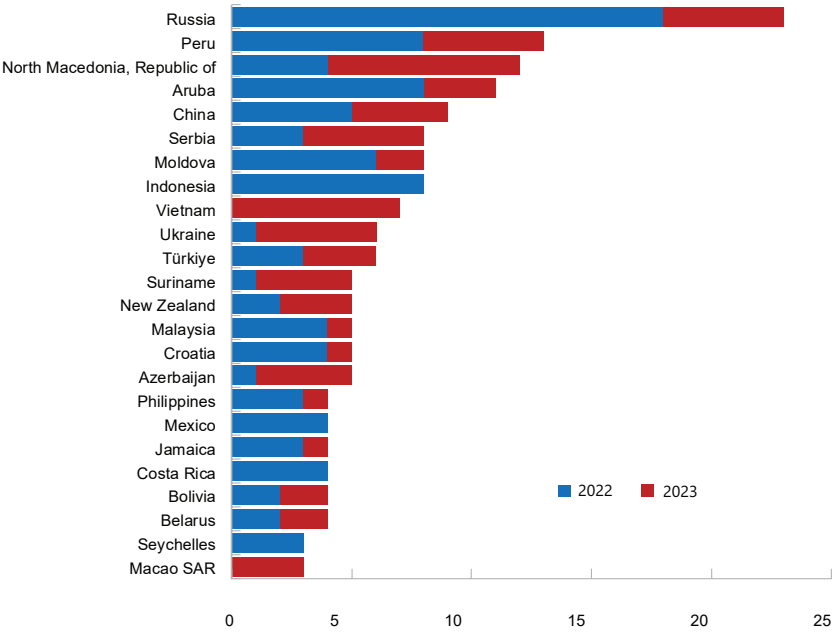
1. Capital Controls in the Financial System

(Number of changes)



2. Prudential Measures in the Financial System

(Number of changes[1])



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023.
[1]Excludes countries with only two or one reported changes in 2022 and 2023 (Albania, Angola, Argentina, Armenia, Australia, Austria, Bahrain, Bangladesh, Botswana, Bulgaria, Cyprus, Czech Republic, Dominican Republic, Egypt, El Salvador, Estonia, Fiji, Georgia, Ghana, Haiti, Hungary, India, Korea, Kyrgyz Republic, Lao P.D.R., Mongolia, Montenegro, Mozambique, Oman, Poland, Portugal, Romania, Rwanda, San Marino, Sri Lanka, Trinidad and Tobago, Uganda, United Arab Emirates, and Uruguay).

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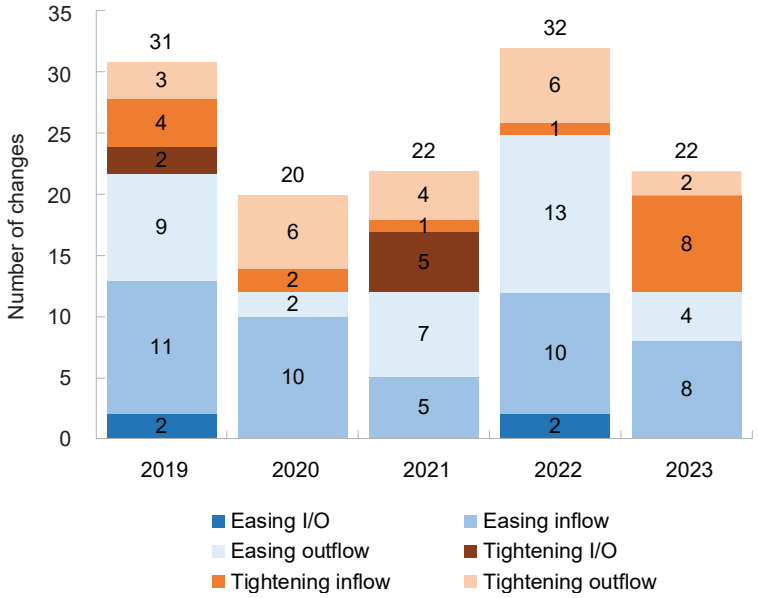
Figure 19. Measures on Commercial Banks and Other Credit Institutions, 2019–23

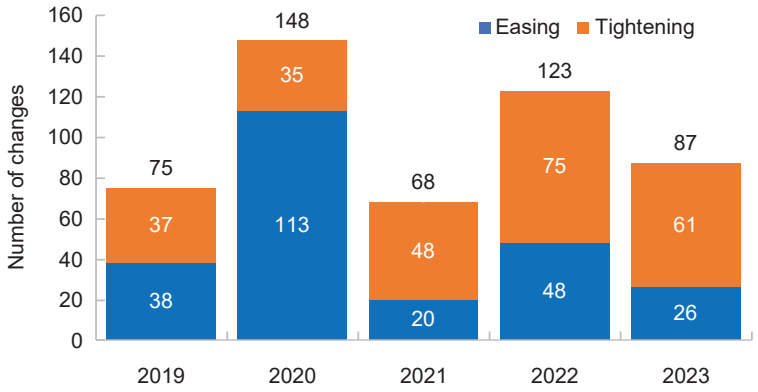
1. Capital Controls

Capital controls recorded a maximum in 2022.



2. Prudential Measures

The number of tightening prudential measures in 2022 and 2023 was higher than previous years.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023. Tightening (Easing) I/O refers to measures that affected both inflow and outflow of capital.

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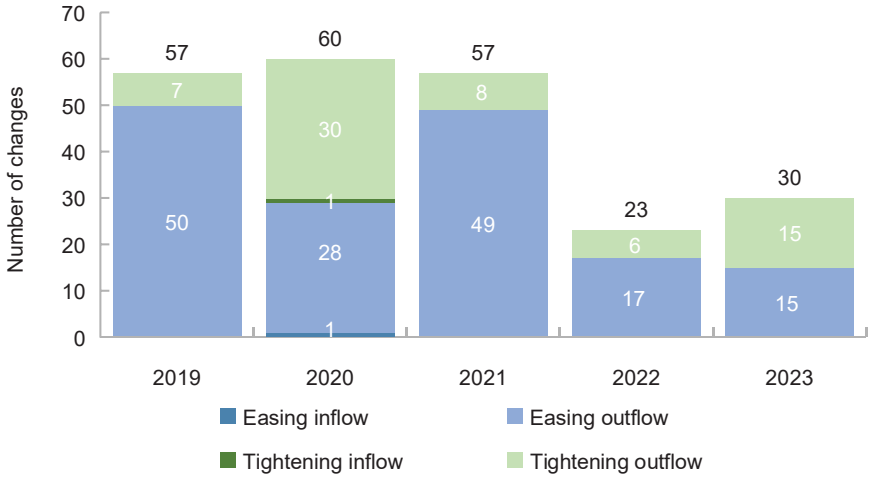
Figure 20. Measures on Institutional Investors, 2019–23

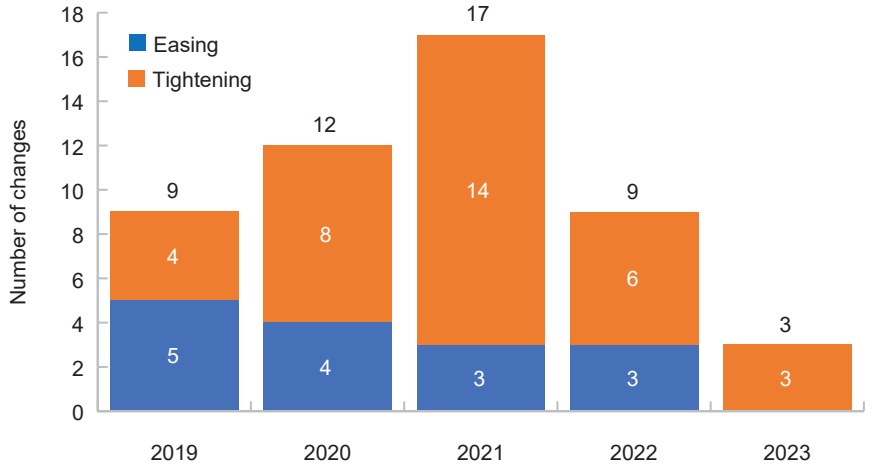
1. Capital Controls

Capital control measures reached a minimum in 2022, but most of the changes remained easing actions.



2. Prudential Measures

Prudential measures in 2022 were low in comparison with 2020 and 2021.



Sources: IMF, AREAER database; and IMF staff calculations.
Note: The position date for 2023 varies by country but is at least the end of June 2023 for most countries, with some members' reporting periods ending during the second half of 2023.

Digital Currencies and Crypto Assets

A new section titled "Digital Currencies and Crypto Assets" was added to the AREAER template starting with this 2023 AREAER. The questions on this topic cover those that are relevant in the context of the AREAER, namely whether there are any administrative measures (capital controls) that restrict the cross-border use of these assets or how residents can access and use these assets for such transactions. The main objective is to gather and publish information on whether and what kind of capital controls or similar restrictions apply on the acquisition and use of these assets in member countries to help the membership obtaining information on this new, rapidly evolving area and inform analytical work and policy decisions. The relevance of this new section is underlined by some evidence in the literature that the use of such assets in cross-border transactions are increasing and that they are often used to circumvent capital controls on transactions using fiat money.[75]

[75] See, for example, Pamela Cardozo, Andrés Fernández, Jerzy Jang, and Felipe Rojas, forthcoming, "On Cross-Border Crypto Flows: Measurement, Drivers and Policy Implications," IMF Working Paper, International Monetary Fund, Washington, DC;

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This new section is divided into five main subsections covering the following three broad topics: CBDC, crypto assets, and crypto exchanges and trading platforms. The questions on CBDC cover circulation of CBDCs, both launched domestically and by another jurisdiction and may be circulating in the reporting jurisdiction, controls on the use of domestic CBDC, and controls on CBDC launched by another jurisdiction. The questions on crypto assets are divided to capture controls on unbacked tokens, utility and security tokens, and stablecoins.[76] Questions include controls on residents' access and use of crypto assets, and the use of such assets between residents and nonresidents. In particular, questions for each of the three types of crypto assets include whether there are controls that affect the use of such assets for conducting current and capital account transactions. These questions mirror those in the section "Arrangements for Payments and Receipts" of the AREAER related to the use of domestic currency in the settlement of current and capital account transactions (see Country Table Matrix). The final subsection consists of two questions on controls on domestic crypto exchanges and residents' access to crypto exchange trading platforms. A total of 155 jurisdictions provided some responses to these new questions on digital currencies and crypto assets.

Three countries reported that a domestic CBDC was launched in their jurisdictions (the Bahamas, Jamaica, Nigeria). The Bahamas launched the SandDollar, a retail CBDC, in October 2020. Jamaica launched both a retail and wholesale CBDC in July 2022. Nigeria launched the eNaira, a retail CBDC, in October 2021. The Bahamas and Nigeria report controls on the use of their CBDC between residents and nonresidents. In addition, while no CBDC have been launched, both China and Russia report controls on the use of any domestic CBDC vis-à-vis its use between residents and nonresidents.

A majority of countries reported that they had no controls or had no regulations in place on the use of CBDCs launched by another jurisdiction (Figure 21). Eleven countries reported that there were some form of controls on CBDC launched by another jurisdiction. CBDCs launched by another jurisdiction appear to be less regulated than crypto assets (see the following discussion), likely because CBDCs are perceived as considerably less risky than crypto assets, as well as due to the very small number of such CBDCs that have been launched compared with the relatively more widespread use of crypto assets—thus, they are somewhat less of a concern for the authorities.

About half of the countries report that they have no controls or no regulations restricting the use of various types of tokens and stablecoins (Figure 22).[77] Approximately a quarter of the membership report some form of restrictions on the acquisition, and its use among residents and between residents and nonresidents. About half of these countries have imposed some form of prohibitions on the acquisition and use of tokens and stablecoins. A few countries report that financial institutions are prohibited, and others permit only licensed operators permitted to deal with crypto assets (such as virtual asset service providers) to transact with crypto

Clemens Graf von Luckner, Robin Koepke, and Silvia Sgherri, 2024, "Crypto as a Marketplace for Capital Flight," IMF Working Paper 24/133, International Monetary Fund, Washington, DC; Clemens Graf von Luckner, Carmen M. Reinhart, and Kenneth Rogoff, 2023, "Decrypting New Age International Capital Flows," *Journal of Monetary Economics* 138: 104–22; and Alexander Copestake, Anh H. Le, Evan Papageorgiou, and Brandon Joel Tan, 2023, "Macrofinancial Implications of Foreign Crypto assets for Small Developing Economies," IMF Fintech Note 2023/012, International Monetary Fund, Washington, DC.

[76] Unbacked tokens have no backing assets, are usually issued in a decentralized manner, are transferable, have no redemption pledge, and provide no direct claims on the issuer. With no backing assets, unbacked tokens have volatile prices and are thus generally not well suited to perform the main functions of money: store of value, medium of exchange, and unit of account. Utility tokens are crypto assets that are usually centrally issued and provide the token holder with access to an existing or prospective product or service. These are usually limited to a single network (that is, the issuer), or a closed network linked to the issuer, and have limited transferability. Security tokens are crypto assets that are usually centrally issued, transferable, and meet the definition of a security within respective jurisdictions. A stablecoin is a crypto asset that aims to maintain a stable value relative to a specified asset, or a pool or basket of assets. A multicurrency stablecoin is a stablecoin denominated in or pegged to a basket of fiat currencies. A global stablecoin is a stablecoin with a potential reach and use across multiple jurisdictions and which could become systemically important in and across one or many jurisdictions, including as a means of making payments and/or store of value. See the AREAER Compilation Guide.

[77] Respondents were requested to respond with a "yes" status to indicate existence of a control as described or "no" if there were no restrictions on the specific transaction. The lack of any regulation could be indicated with "n.r" or if the transaction was possible because there was no regulation preventing it to respond with a "no," and if the transaction was not possible because there was no regulation to respond with "yes" to indicate controls on said transaction. In the event the respondent did not provide a response and left the existence of control blank, it was compiled as "n.a.," indicating information was not available at the time of publication. In some cases, the respondent chose to provide an "n.a." response.

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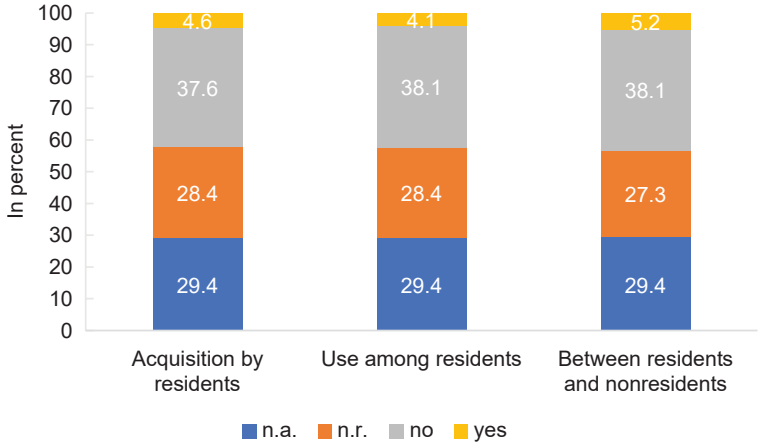
assets. Only a very small percentage of advanced economies report some form of control across the three types of crypto assets captured in the survey and over 80 percent report no controls or that they do not regulate it (Figure 22), whereas about a quarter of EMDEs and low-income developing countries each report some form of controls. For the most part, those that responded that there were controls did not generally distinguish among the types of crypto assets but covered them broadly under the umbrella of crypto or digital or virtual assets, including those that imposed an overall prohibition or ban on such transactions.

Figure 21. Controls on CBDC Launched by Another Jurisdiction



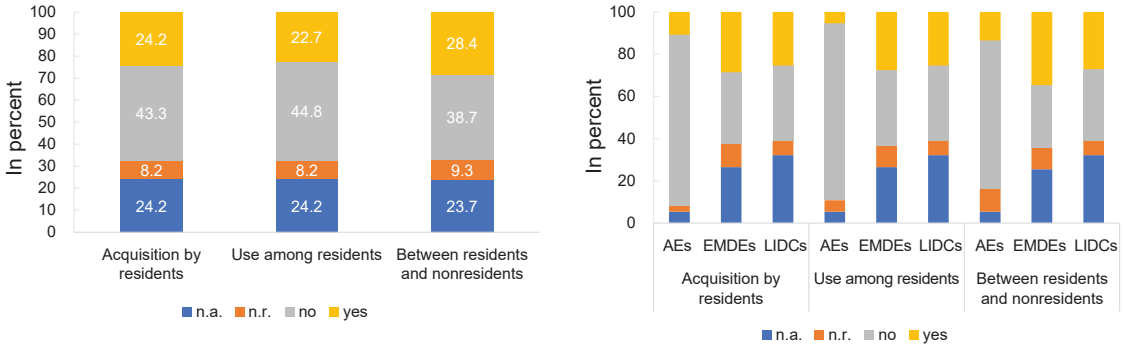
Sources: IMF, AREAER database; and IMF staff calculations.
Note: CBDC = central bank digital currency; "n.a." = pertinent information is not available; "n.r." = relevant transaction is not regulated; "no" = no controls on these transactions; "yes" = certain controls on these transactions.

Close to a third report some form of restriction on crypto exchanges and trading platforms, of which about a quarter indicate that such activity is prohibited. Just over half regulate the activity through approval requirement, licensing, or registration requirements.

Twenty jurisdictions reported changes in the regulatory framework related to digital currency and crypto assets during 2022–23. Most of these were on crypto assets, in part introducing regulation on virtual asset service providers through which such transactions should be routed, and in some cases to prohibit such transactions. Since this is a rapidly developing area, more changes can be expected going forward.

Figure 22. Controls on Crypto Assets

1. Controls on Unbacked Tokens



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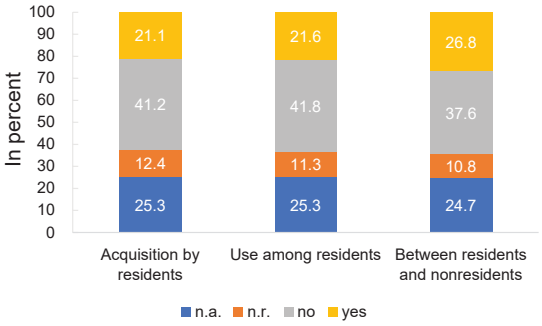
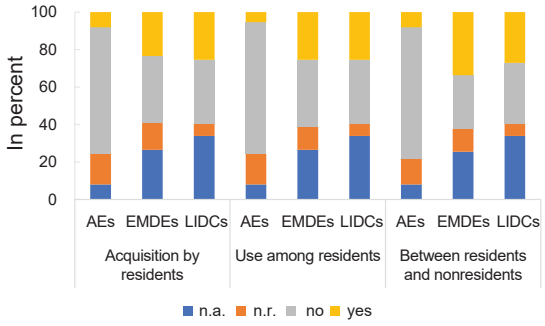
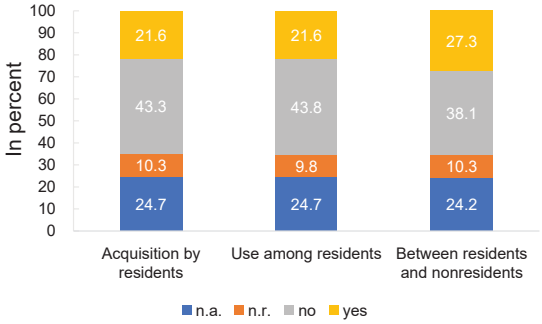
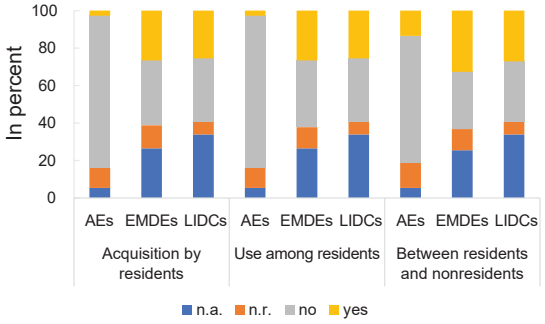
2. Controls on Utility and Security Tokens





3. Controls on Stablecoins





Sources: IMF, AREAER database; and IMF staff calculations.
Note: AEs = advanced economies; EMDEs = emerging market and developing economies; FDI = foreign direct investment; LIDCs = low-income developing countries; "n.a." = pertinent information is not available; "n.r." = relevant transaction is not regulated; "no" = no controls on these transactions; "yes" = certain controls on these transactions.

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Compilation Guide[1]

Status Under IMF Articles of Agreement

Article VIII	The member country has accepted the obligations of Article VIII, Sections 2, 3, and 4, of the IMF's Articles of Agreement.
Article XIV	The member country continues to avail itself of the transitional arrangements of Article XIV, Section 2.

Exchange Measures

Restrictions and/or multiple currency practices	Exchange restrictions and multiple currency practices (MCPs) maintained by a member country under Article VIII, Sections 2, 3, and 4, or under Article XIV, Section 2, of the IMF's Articles of Agreement, as specified in the latest IMF staff reports issued as of December 31, 2022. Information on exchange restrictions and MCPs or on the nonexistence of exchange restrictions and MCPs for countries with unpublished IMF staff reports are published only with the consent of the authorities. If no consent has been received, the AREAER indicates that "Information is not publicly available." Hence, "Information is not publicly available" does not necessarily imply that the country maintains exchange restrictions or MCPs. It indicates only that the country's relevant IMF staff report has not been published and that the authorities have not consented to the publication of the information on the existence of exchange restrictions and MCPs. Because the relevant IMF staff report may refer to years before the reporting period for this volume of the AREAER; therefore, more recent changes in the exchange system may not be included here. Changes in the category "Restrictions and/or multiple currency practices" are reflected in the edition of the AREAER that covers the calendar year during which the IMF staff report including information on such changes is issued. Changes in these measures which give rise to exchange restrictions or MCPs and that affect other categories of the country tables are reported under the relevant categories in the AREAER, in accordance with the normal reporting periods.
Exchange measures imposed for security reasons	Exchange measures on payments and transfers in connection with international transactions imposed by member countries for reasons of national or international security.
In accordance with IMF Executive Board Decision No. 144-(52/51)	Security restrictions on current international payments and transfers on the basis of IMF Executive Board Decision No. 144-(52/51), which establishes the obligation of members to notify the IMF before imposing such restrictions, or, if circumstances preclude advance notification, as promptly as possible.
Other security restrictions	Other restrictions imposed for security reasons (e.g., in accordance with UN or EU regulations) but not notified to the IMF under Board Decision 144-(52/51).

Exchange Arrangement

Currency	The official legal tender of the country.
Other legal tender	The existence of another currency that is officially allowed to be used in the country.
Exchange rate structure	If there is one exchange rate, the system is called unitary. If there is more than one exchange rate that may be used simultaneously for different purposes and/or by different entities, and if these exchange rates give rise to MCPs or differing rates for current and capital transactions, the system is called dual or multiple. Different effective exchange rates resulting from exchange taxes or subsidies, excessive exchange

[1] Specific references to the underlying legal materials and hyperlinks to the legal texts are included in a separate column (References to legal instruments and hyperlinks) at each category level in each section of the country chapters.

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rate spreads between buying and selling rates, bilateral payments agreements, and broken cross rates are not included in this category. Changes in measures within this category are reported in accordance with the normal reporting periods. Reclassification in cases related to changes in MCPs occurs in the edition of the AREAER, that covers the calendar year during which the IMF staff report that includes information on such changes is issued.

Classification

Describes and classifies the de jure and the de facto exchange rate arrangements.

De jure

The description and effective dates of the de jure exchange rate arrangements are provided by the authorities. By Article IV, Section 2(a) of the Fund's Articles of Agreement and Paragraph 25 of the 2012 Surveillance Decision No. 15203-(12/72), each member is required to notify the Fund of the exchange arrangements it intends to apply and to notify the Fund promptly of any changes in its exchange arrangements. Country authorities are also requested to identify, whenever possible, which of the existing categories of exchange rate arrangements below most closely corresponds to the de jure arrangement in effect. Country authorities may also wish to briefly describe their official exchange rate policy. The description includes officially announced or estimated parameters of the exchange arrangement (e.g., parity, bands, weights, rate of crawl, and other indicators used to manage the exchange rate). It also provides information on the computation of the exchange rate.

De facto

IMF staff classifies the de facto exchange rate arrangements according to the categories below. The name and the definition of the categories describing the de facto exchange rate arrangements have been modified in accordance with the revised classification methodology, as of February 1, 2009.[2] Where the description of the de jure arrangement can be empirically confirmed by the IMF staff over at least the previous six months, the exchange rate arrangement will be classified in the same way on a de facto basis.

Because the de facto methodology for classification of exchange rate regimes is based on a backward-looking approach that relies on past exchange rate movement and historical data, some countries are reclassified retroactively to a date when the behavior of the exchange rates changed and matched the criteria for reclassification to the appropriate category. For these countries, if the retroactive date of reclassification is prior to the period covered in this report, then the effective date of change to be entered in the country chapter and the changes section is deemed to be the first day of the year in which the decision of reclassification took place.

No separate legal tender

Classification as an *exchange rate arrangement with no separate legal tender* involves the confirmation of the country authorities' de jure exchange rate arrangement. The currency of another country circulates as the sole legal tender (formal dollarization).

Adopting such an arrangement implies the complete surrender by the monetary authorities of control over domestic monetary policy.

Exchange arrangements of countries that belong to a monetary or currency union in which the same legal tender is shared by the members of the union are classified under the arrangement governing the joint currency. This classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The classification thus reflects only a definitional change and is not based on a judgment that there has been a substantive change in the exchange arrangement or in other policies of the currency union or its members.

[2] For further details see IMF Working Paper 09/211.

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Currency board	Classification as a *currency board* involves the confirmation of the country authorities' de jure exchange rate arrangement. A currency board arrangement is a monetary arrangement based on an explicit legislative commitment to exchange domestic currency for a specified foreign currency at a fixed exchange rate, combined with restrictions on the issuing authority to ensure the fulfillment of its legal obligation. This implies that domestic currency is usually fully backed by foreign assets, eliminating traditional central bank functions such as monetary control and lender-of-last-resort and leaving little scope for discretionary monetary policy. Some flexibility may still be afforded, depending on the strictness of the banking rules of the currency board arrangement.
Conventional peg	Classification as a *conventional peg* involves the confirmation of the country authorities' de jure exchange rate arrangement. For this category the country formally (de jure) pegs its currency at a fixed rate to another currency or basket of currencies, where the basket is formed, for example, from the currencies of major trading or financial partners and weights reflect the geographic distribution of trade, services, or capital flows. The anchor currency or basket weights are public or notified to the IMF. The country authorities stand ready to maintain the fixed parity through direct intervention (i.e., via sale or purchase of foreign exchange in the market) or indirect intervention (e.g., via exchange rate related use of interest rate policy, imposition of foreign exchange regulations, exercise of moral suasion that constrains foreign exchange activity, or intervention by other public institutions). There is no commitment to irrevocably keep the parity, but the formal arrangement must be confirmed empirically: the exchange rate may fluctuate within narrow margins of less than ±1% around a central rate or the maximum and minimum value of the spot market exchange rate must remain within a narrow margin of 2% for at least six months.
Stabilized arrangement	Classification as a *stabilized arrangement* entails a spot market exchange rate that remains within a margin of 2% for six months or more (with the exception of a specified number of outliers or step adjustments) and is not floating. The required margin of stability can be met either with respect to a single currency or a basket of currencies, where the anchor currency or the basket is ascertained or confirmed using statistical techniques. Classification as a stabilized arrangement requires that the statistical criteria are met and that the exchange rate remains stable as a result of official action (including structural market rigidities). The classification does not imply a policy commitment on the part of the country authorities.
Crawling peg	Classification as a *crawling peg* involves the confirmation of the country authorities' de jure exchange rate arrangement. The currency is adjusted in small amounts at a fixed rate or in response to changes in selected quantitative indicators, such as past inflation differentials vis-à-vis major trading partners or differentials between the inflation target and expected inflation in major trading partners. The rate of crawl can be set to generate inflation-adjusted changes in the exchange rate (backward looking) or set at a predetermined fixed rate and/or below the projected inflation differentials (forward looking). The rules and parameters of the arrangement are public or notified to the IMF.
Crawl-like arrangement	For classification as a *crawl-like arrangement,* the exchange rate must remain within a narrow margin of 2% relative to a statistically identified trend for six months or more (with the exception of a specified number of outliers) and the exchange rate arrangement cannot be considered as floating. Normally, a minimum rate of change greater than allowed under a stabilized (peg-like) arrangement is required. However, an arrangement will be considered crawl-like with an annualized rate of change of at least 1%, provided that the exchange rate appreciates or depreciates in a sufficiently monotonic and continuous manner.

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Pegged exchange rate within horizontal bands	Classification as a *pegged exchange rate within horizontal bands* involves the confirmation of the country authorities' de jure exchange rate arrangement. The value of the currency is maintained within certain margins of fluctuation of at least ±1% around a fixed central rate, or the margin between the maximum and minimum value of the exchange rate exceeds 2%. It includes arrangements of countries in the ERM of the European Monetary System (EMS), which was replaced with the ERM II on January 1, 1999, for those countries with margins of fluctuation wider than ±1%. The central rate and width of the band are public or notified to the IMF.
Other managed arrangement	This category is a residual and is used when the exchange rate arrangement does not meet the criteria for any of the other categories. Arrangements characterized by frequent shifts in policies may fall into this category.
Floating	A *floating* exchange rate is largely market determined, without an ascertainable or predictable path for the rate. In particular, an exchange rate that satisfies the statistical criteria for a stabilized or a crawl-like arrangement will be classified as such unless it is clear that the stability of the exchange rate is not the result of official actions. Foreign exchange market intervention may be either direct or indirect, and such intervention serves to moderate the rate of change and prevent undue fluctuations in the exchange rate, but policies targeting a specific level of the exchange rate are incompatible with floating. Indicators for managing the rate are broadly judgmental (e.g., balance of payments position, international reserves, parallel market developments). Floating arrangements may exhibit more or less exchange rate volatility, depending on the size of the shocks affecting the economy.
Free floating	A floating exchange rate can be classified as *free floating* if intervention occurs only exceptionally and aims to address disorderly market conditions and if the authorities have provided information or data confirming that intervention has been limited to at most three instances in the previous six months, each lasting no more than three business days. If the information or data required are not available to the IMF staff, the arrangement will be classified as floating. Detailed data on intervention or official foreign exchange transactions will not be requested routinely from member countries, but only when other information available to IMF staff is insufficient to resolve uncertainties about the appropriate classification.
Official exchange rate	Provides information on the computation of the exchange rate and the use of the official exchange rate (accounting, customs valuation purposes, foreign exchange transactions with the government).
Monetary policy framework	The category includes a brief description of the monetary policy framework in effect according to the following subcategories:
Exchange rate anchor	The monetary authority buys or sell foreign exchange to maintain the exchange rate at its predetermined level or within a range. The exchange rate thus serves as the nominal anchor or intermediate target of monetary policy. These frameworks are associated with exchange rate arrangements with no separate legal tender, currency board arrangements, pegs (or stabilized arrangements) with or without bands, crawling pegs (or crawl-like arrangements), and other managed arrangements.
U.S. dollar	The U.S dollar is the nominal anchor or the only legal tender.
Euro	The euro is the nominal anchor or the only legal tender.
Composite	A currency composite consisting of two or more currencies is the nominal anchor.
Other	A currency other than the U.S dollar and the euro is the nominal anchor or the only legal tender.
Monetary aggregate target	The intermediate target of monetary policy is a monetary aggregate such as M0, M1, or M2, although the country may also set targets for inflation. The central bank may use a quantity (central bank reserves or base money) or price variable (policy rate) as operational target.

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Inflation-targeting framework	This involves the public announcement of numerical targets for inflation, with an institutional commitment by the monetary authority to achieve these targets, typically over a medium-term horizon. Additional key features normally include increased communication with the public and the markets about the plans and objectives of monetary policymakers and increased accountability of the central bank for achieving its inflation objectives. Monetary policy decisions are often guided by the deviation of forecasts of future inflation from the announced inflation target, with the inflation forecast acting (implicitly or explicitly) as the intermediate target of monetary policy.
Target setting body	The official body or organizational unit responsible for setting and/or adjusting the inflation targets.
Inflation target	The numerical targets for inflation which have been publicly announced by the Central Bank. Inflation targets are generally expressed as i) a point target, ii) targets with plus minus a certain numerical limit, and iii) as a band or range. The target measure is defined in terms of end-year inflation or as average annual inflation. CPI and core CPI are based on national definitions, which may vary from country to country. Target horizon is the term in years of inflation targets as publicly announced by the Central Bank.
Operating target (policy rate)	Policy rate is used as the operating target of the monetary policy to achieve the inflation target. Short-term policy interest rate target (for example, overnight, one week, two weeks, etc.) is generally expressed as i) a point target, ii) target with a certain numerical limit above and below the target, and iii) as a band or range (upper and lower limits).
Accountability	Accountability framework that requires the central bank to explain its conduct of monetary policy in the pursuit of achieving its inflation target. For example, the governor or representatives of the central bank are required to appear before Parliament or one of its committees to explain actions and views on monetary policy and economic developments. It may also require reporting inflation targets through *Open letters* on monetary policy. Usually written by the Governor on behalf of the Monetary Policy Committee to the government in the event that inflation misses the inflation target by a pre-specified amount.
Transparency	The manner and level of detail how monetary policy decisions are communicated to the public. Institutional transparency is gauged by the communication vehicles employed by the central bank, including the release of inflation reports and the frequency and detail of these reports, the announcement of changes in the stance of monetary policy via press release, reviews of inflation performance and changes in monetary policy, the publication of inflation forecasting models, and the use of media and other public presentations.
Other monetary framework	The country has no explicitly stated nominal anchor, but rather monitors various indicators in conducting monetary policy. This category is also used when no relevant information on the country is available.
Exchange tax	Foreign exchange transactions are subject to a special tax. Bank commissions charged on foreign exchange transactions are not included in this category; rather, they are listed under the exchange arrangement classification.
Exchange subsidy	Foreign exchange transactions are subsidized by using separate, nonmarket exchange rates.
Foreign exchange market	The existence of a foreign exchange market.
Spot exchange market	Institutional setting of the foreign exchange market for spot transactions and market participants. Existence and significance of the parallel market.

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Operated by the central bank

The role of the central bank in providing access to foreign exchange to market participants through a foreign exchange standing facility, allocation of foreign exchange to authorized dealers, or other legal and private persons, and the management of buy or sell auctions or fixing sessions. Price determination and frequency of central bank operations.

A foreign exchange standing facility allows market participants to buy foreign exchange from or sell it to the central bank at predetermined exchange rates at their own initiative and is usually instrumental in maintaining a hard or soft peg arrangement. The credibility of the facility depends to a large extent on the availability of foreign exchange reserves to back the facility.

Allocation involves redistribution of foreign exchange inflows by the central bank to market participants for specific international transactions or in specific amounts (rationing). Foreign exchange allocation is often used to provide foreign exchange for strategic imports such as oil or food when foreign exchange reserves are scarce. In an allocation system, companies and individuals often transact directly with the central bank, and commercial banks may buy foreign exchange only for their clients' underlying international transactions. Purchases of foreign exchange for the banks' own books typically are not permitted.

Auctions are organized by the central bank, usually for market participants to buy and /or sell foreign exchange. They can take the form of multiple-price auctions (all successful bidders pay the price they offer) or single-price auctions (all successful bidders pay the same price, which is the market-clearing/cut-off price). The authorities may exercise discretion in accepting or rejecting offers, and sometimes a floor price is determined in advance, below which offers are not accepted. The frequency of auctions depends mainly on the amount or availability of foreign exchange to be auctioned and on the role the auction plays in the foreign exchange market.

Fixing sessions are often organized by the central bank at the early stage of market development to establish a market-clearing exchange rate. The central bank monitors the market closely and often actively participates in price formation by selling or buying during the session to achieve a certain exchange rate target. The price determined at the fixing session is often used for foreign exchange transactions outside the session and/or for accounting and valuation purposes.

Interbank market

The organization and operation of the interbank market or interventions. Existence of brokerage, over the counter, and market-making arrangements.

Forward exchange market

The existence of a forward exchange market and the institutional arrangement and market participants.

Official cover of forward operations

An official entity (the central bank or the government) assumes the exchange risk of certain foreign exchange transactions.

Arrangements for Payments and Receipts

Prescription of currency requirements

The official requirements affecting the selection of currency and the method of settlement for transactions with other countries. When a country has payments agreements with other countries, the terms of these agreements often lead to a prescription of currency for specified categories of payments to, and receipts from, the countries concerned. This category includes information on the use of domestic currency in transactions between residents and nonresidents, both domestically and abroad; it also indicates any restrictions on the use of foreign currency among residents.

Payments arrangements

Bilateral payments arrangements

Two countries have an agreement to prescribe specific rules for payments to each other, including cases in which private parties are also obligated to use specific currencies. These agreements can be either operative or inoperative.

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Regional arrangements	More than two parties participate in a payments agreement.
Clearing agreements	The official bodies of two or more countries agree to offset with some regularity the balances that arise from payments to each other as a result of the exchange of goods, services, or—less often—capital.
Barter agreements and open accounts	The official bodies of two or more countries agree to offset exports of goods and services to one country with imports of goods and services from the same country, without payment.
Administration of control	The authorities' division of responsibility for monitoring policy, administering exchange controls, and determining the extent of delegation of powers to outside agencies (banks are often authorized to effect foreign exchange transactions).
Payments arrears	Official or private residents of a member country default on their payments or transfers in foreign exchange to nonresidents. This category includes only the situation in which domestic currency is available for residents to settle their debts but they are unable to obtain foreign exchange—for example, because of the presence of an officially announced or unofficial queuing system; it does not cover nonpayment by private parties owing to bankruptcy.
Controls on trade in gold (coins and/or bullion)	Separate rules for trading in gold domestically and with foreign countries.
Controls on exports and imports of banknotes	Regulations governing the physical movement of means of payment between countries. Where information is available, the category distinguishes between separate limits for the (1) export and import of banknotes by travelers and (2) export and import of banknotes by banks and other authorized financial institutions.

Resident Accounts

Indicates whether resident accounts that are maintained in the national currency or in foreign currency, locally or abroad, are allowed and describes how they are treated and the facilities and limitations attached to such accounts. When there is more than one type of resident account, the nature and operation of the various types of accounts are also described; for example, whether residents are allowed to open foreign exchange accounts with or without approval from the exchange control authority, whether these accounts may be held domestically or abroad, and whether the balances on accounts held by residents in domestic currency may be converted into foreign currency.

Nonresident Accounts

Indicates whether local nonresident accounts maintained in the national currency or in foreign currency are allowed and describes how they are treated and the facilities and limitations attached to such accounts. When there is more than one type of nonresident account, the nature and operation of the various types of accounts are described.

Blocked accounts	Accounts of nonresidents, usually in domestic currency. Regulations prohibit or limit the conversion and/or transfer of the balances of such accounts.

Imports and Import Payments

Describes the nature and extent of exchange and trade restrictions on imports.

Foreign exchange budget	Information on the existence of a foreign exchange plan, i.e., prior allocation of a certain amount of foreign exchange, usually on an annual basis, for the importation of specific types of goods and/or services. In some cases, also covers differentiations among individual importers.
Financing requirements for imports	Information on specific import-financing regulations limiting the rights of residents to enter into private contracts in which the financing options differ from those in the official regulations.

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Documentation requirements for release of foreign exchange for imports	
Domiciliation requirements	The obligation to domicile the transactions with a specified (usually domestic) financial institution.
Preshipment inspection	Most often a compulsory government measure aimed at establishing the veracity of the import contract in terms of volume, quality, and price.
Letters of credit	Parties are obligated to use letters of credit (LCs) as a form of payment for their imports.
Import licenses used as exchange licenses	Import licenses are used not for trade purposes but instead to restrict the availability of foreign exchange for legitimate trade.
Import licenses and other nontariff measures	
Positive list	A list of goods that may be imported.
Negative list	A list of goods that may not be imported.
Open general licenses	Indicates arrangements whereby certain imports or other international transactions are exempt from the restrictive application of licensing requirements.
Licenses with quotas	Refers to situations in which a license for the importation of a certain good is granted, but a specific limit is imposed on the amount to be imported.
Other nontariff measures	May include prohibitions on imports of certain goods from all countries or of all goods from a certain country. Several other nontariff measures are used by countries (e.g., phytosanitary examinations, setting of standards), but these are not covered fully in the report.
Import taxes and/or tariffs	A brief description of the import tax and tariff system, including taxes levied on the foreign exchange made available for imports.
Taxes collected through the exchange system	Indicates if any taxes apply to the exchange side of an import transaction.
State import monopoly	Private parties are not allowed to engage in the importation of certain products, or they are limited in their activity.

Exports and Export Proceeds

	Describes restrictions on the use of export proceeds, as well as regulations on exports.
Repatriation requirements	The obligation of exporters to repatriate export proceeds.
Surrender requirements	
Surrender to the central bank	Regulations requiring the recipient of repatriated export proceeds to sell, sometimes at a specified exchange rate, any foreign exchange proceeds in return for local currency to the central bank.
Surrender to authorized dealers	Regulations requiring the recipient of repatriated export proceeds to sell, sometimes at a specified exchange rate, any foreign exchange proceeds in return for local currency to commercial banks or exchange dealers authorized for this purpose or on a foreign exchange market.
Financing requirements	Information on specific export-financing regulations limiting the rights of residents to enter into private contracts in which the financing options differ from those in the official regulations.

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Documentation requirements	The same categories as in the case of imports are used.
Export licenses	Restrictions on the right of residents to export goods. These restrictions may take the form of quotas (where a certain quantity of shipment abroad is allowed) or the absence of quotas (where the licenses are issued at the discretion of the foreign trade control authority).
Export taxes	A brief description of the export tax system, including any taxes that are levied on foreign exchange earned by exporters.

Payments for Invisible Transactions and Current Transfers

Describes the procedures for effecting payments abroad in connection with current transactions in invisibles, with reference to prior approval requirements, the existence of quantitative and indicative limits, and/or bona fide tests. Detailed information on the most common categories of transactions is provided only when regulations differ for the various categories. Indicative limits establish maximum amounts up to which the purchase of foreign exchange is allowed upon declaration of the nature of the transaction, mainly for statistical purposes. Amounts above those limits are granted if the bona fide nature of the transaction is established by the presentation of appropriate documentation. Bona fide tests also may be applied to transactions for which quantitative limits have not been established.

Trade-related payments	Includes freight and insurance (including possible regulations on non-trade-related insurance payments and transfers), unloading and storage costs, administrative expenses, commissions, and customs duties and fees.
Investment-related payments	Includes profits and dividends, interest payments (including interest on debentures, mortgages, etc.), amortization of loans or depreciation of foreign direct investments, and payments and transfers of rent.
Payments for travel	Includes international travel for business, tourism, etc.
Personal payments	Includes medical expenditures abroad, study expenses abroad, pensions (including regulations on payments and transfers of pensions by both state and private pension providers on behalf of nonresidents, as well as the transfer of pensions due to residents living abroad), and family maintenance and alimony (including regulations on payments and transfers abroad of family maintenance and alimony by residents).
Foreign workers' wages	Transfer abroad of earnings by nonresidents working in the country.
Credit card use abroad	Use of credit and debit cards to pay for invisible transactions.
Other payments	Includes subscription and membership fees, authors' royalties, consulting and legal fees, etc.

Proceeds from Invisible Transactions and Current Transfers

Describes regulations governing exchange receipts derived from transactions in invisibles—including descriptions of any limitations on their conversion into domestic currency—and the use of those receipts.

Repatriation requirements	The definitions of repatriation and surrender requirements are similar to those applied to export proceeds.
Surrender requirements	
Surrender to the central bank	
Surrender to authorized dealers	
Restrictions on use of funds	Refers mainly to the limitations imposed on the use of receipts previously deposited in certain types of bank accounts.

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Capital Transactions

Describes regulations influencing both inward and outward capital flows. The concept of controls on capital transactions is interpreted broadly. Thus, controls on capital transactions include prohibitions; need for prior approval, authorization, and notification; dual and multiple exchange rates; discriminatory taxes; and reserve requirements or interest penalties imposed by the authorities that regulate the conclusion or execution of transactions or transfers; or the holding of assets at home by nonresidents and abroad by residents. The coverage of the regulations applies to receipts as well as to payments and to actions initiated by nonresidents and residents. In addition, because of the close association with capital transactions, information is also provided on local financial operations conducted in foreign currency, describing specific regulations in force that limit residents' and nonresidents' issuing of securities denominated in foreign currency or, generally, limitations on contract agreements expressed in foreign exchange.

Repatriation requirements	The definitions of repatriation and surrender requirements are similar to those applied to export proceeds.
Surrender requirements	
Surrender to the central bank	
Surrender to authorized dealers	
Controls on capital and money market instruments	Refers to public offerings or private placements on primary markets or their listing on secondary markets.
On capital market securities	Refers to shares and other securities of a participating nature and to bonds and other securities with an original maturity of more than one year.
Shares or other securities of a participating nature	Includes transactions involving shares and other securities of a participating nature if they are not effected for the purpose of acquiring a lasting economic interest in the management of the enterprise concerned. Investments for the purpose of acquiring a lasting economic interest are addressed under foreign direct investments.
Bonds or other debt securities	Refers to bonds and other securities with an original maturity of more than one year. The term "other securities" includes notes and debentures.
On money market instruments	Refers to securities with an original maturity of one year or less and includes short-term instruments such as certificates of deposit and bills of exchange. The category also includes treasury bills and other short-term government paper, bankers' acceptances, commercial papers, interbank deposits, and repurchase agreements.
On collective investment securities	Includes share certificates and registry entries or other evidence of investor interest in an institution for collective investment such as mutual funds, and unit and investment trusts.
Controls on derivatives and other instruments	Refers to operations in other negotiable instruments and nonsecured claims not covered under the above subsections. These may include operations in rights; warrants; financial options and futures; secondary market operations in other financial claims (including sovereign loans, mortgage loans, commercial credits, negotiable instruments originating as loans, receivables, and discounted bills of trade); forward operations (including those in foreign exchange); swaps of bonds and other debt securities; credits and loans; and other swaps (e.g., interest rate, debt/equity, equity/debt, foreign currency, as well as swaps of any of the instruments listed above). Also included are controls on operations in foreign exchange without any other underlying transaction (e.g., spot or forward trading on the foreign exchange markets, forward cover operations, etc.).

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Controls on credit operations	
Commercial credits	Covers operations directly linked with international trade transactions or with the rendering of international services.
Financial credits	Includes credits other than commercial credits granted by all residents, including banks, to nonresidents or vice versa.
Guarantees, sureties, and financial backup facilities	Includes guarantees, sureties, and financial backup facilities provided by residents to nonresidents and vice versa. Also includes securities pledged for payment or performance of a contract—such as warrants, performance bonds, and standby letters of credit—and financial backup facilities that are credit facilities used as a guarantee for independent financial operations.
Controls on direct investment	Refers to investments for the purpose of establishing lasting economic relations both abroad by residents and domestically by nonresidents. These investments are essentially for the purpose of producing goods and services, in particular, investments that allow investor participation in the management of the enterprise. The category includes the creation or extension of a wholly owned enterprise, subsidiary, or branch and the acquisition of full or partial ownership of a new or existing enterprise that results in effective influence over the operations of the enterprise.
Controls on liquidation of direct investment	Refers to the transfer of principal, including the initial capital and capital gains, of a foreign direct investment as defined above.
Controls on real estate transactions	Refers to the acquisition of real estate not associated with direct investment, including, for example, investments of a purely financial nature in real estate or the acquisition of real estate for personal use.
Controls on personal capital transactions	Covers transfers initiated on behalf of private persons and intended to benefit other private persons. Includes transactions involving property to which the promise of a return to the owner with payments of interest is attached (e.g., loans or settlements of debt in their country of origin by immigrants), and transfers effected free of charge to the beneficiary (e.g., gifts and endowments, loans, inheritances and legacies, or emigrants' assets).
	Provisions Specific to the Financial Sector
Provisions specific to commercial banks and other credit institutions	Describes regulations specific to these institutions, such as monetary, prudential, and foreign exchange controls. Inclusion of an entry in this category does not necessarily signify that the aim of the measure is to control the flow of capital. Some of these items (e.g., borrowing abroad, lending to nonresidents, purchase of locally issued securities denominated in foreign exchange, investment regulations) may be repetitions of the entries under respective categories of controls on capital and money market instruments, credit operations, or direct investments when the same regulations apply to commercial banks as well as to other residents.
Open foreign exchange position limits	Describes regulations on certain commercial bank balance sheet items (including capital) and on limits covering commercial banks' positions in foreign currencies (including gold).
Provisions specific to institutional investors	Describes controls specific to institutions, such as insurance companies, pension funds, investment firms (including brokers, dealers, or advisory firms), and other securities firms (including collective investment funds). Incorporates measures that impose limitations on the composition of the institutional investors' foreign or foreign currency assets (reserves, accounts) and liabilities (e.g., investments in equity capital of institutional investors or borrowing from nonresidents) and/or that differentiate between residents and nonresidents. Examples of such controls are

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	restrictions on investments because of rules regarding the technical, mathematical, security, or mandatory reserves; solvency margins; premium reserve stocks; or guarantee funds of nonbank financial institutions. Inclusion of an entry in this category does not necessarily signify that the aim of the measure is to control the flow of capital.
Insurance companies	
Pension funds	
Investment firms and collective investment funds.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	Describes whether a domestic CBDC has been launched in the reporting jurisdiction. CBDC is a form of money, issued digitally by the central bank and intended to serve as legal tender. It differs, however, from other forms of money typically issued by central banks: cash and reserve balances. CBDC may be designed for wholesale and retail payments. It could be widely accessible to a country's residents—and potentially to individuals and organizations abroad. CBDC could be used as easily for person-to-person, person-to-business, and business-to- business transactions of any amount. See Casting Light on Central Bank Digital Currencies
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	Describes whether CBDCs launched in other jurisdictions are legally permitted to circulate in the reporting jurisdiction.
Controls on the use of domestic CBDC—retail and/or wholesale	Describes regulations and controls on the acquisition, holding, trading or use in anyway of domestic CBDC among residents, between residents and nonresidents, and among nonresidents.
Controls on CBDC launched by another jurisdiction	Describes regulations and controls on the acquisition, holding, trading or use in anyway of CBDC launched by other jurisdictions among residents and between residents and nonresidents. Controls may include limitations on the direct acquisition of or obtaining foreign exchange for the purpose of acquiring CBDCs launched by other jurisdictions.
Crypto assets	Crypto assets, encompass many different products, are privately issued digital representations of value that are cryptographically secured and deployed using distributed ledger technology. These include unbacked tokens, stablecoins and other assets. See Elements of Effective Policies for Crypto Assets.
Controls on unbacked tokens	Describes regulations and controls on the acquisition, holding, trading or use in anyway of unbacked tokens among residents and between nonresidents. Controls may include limitations on the direct acquisition of or obtaining foreign exchange for the purpose of acquiring unbacked tokens. Unbacked tokens have no backing assets, are usually issued in a decentralized manner, are transferable, have no redemption pledge, and provide no direct claims on the issuer. With no backing assets, unbacked tokens have volatile prices, and are thus generally not well suited to perform the main functions of money: store of value, medium of exchange, and unit of account. Instead, they are mostly held in the hope that prices will rise. See Elements of Effective Policies for Crypto Assets and Regulating the Crypto Ecosystem: The Case of Unbacked Crypto Assets.

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Controls on utility and security tokens	Describes regulations and controls on the acquisition, holding, trading or use in anyway of utility and security tokens among residents and between residents and nonresidents. Controls may include limitations on the direct acquisition of or obtaining foreign exchange for the purpose of acquiring utility and security tokens. Utility tokens are crypto assets that are usually centrally issued and provide the token holder with access to an existing or prospective product or service. These are usually limited to a single network (that is, the issuer), or a closed network linked to the issuer, and have limited transferability. Use cases include loyalty programs and access to pre-launch discounts. Security tokens are crypto assets that are usually centrally issued, transferable, and meet the definition of a security within respective jurisdictions. Their use cases include tokenized equities, fractionalized non-fungible tokens, and initial coin offerings. See Elements of Effective Policies for Crypto Assets.
Controls on stablecoins	Describes regulations and controls on the acquisition, holding, trading or use in anyway of stablecoins among residents and between residents and nonresidents. Controls may include limitations on the direct acquisition of or obtaining foreign exchange for the purpose of acquiring stablecoins. A stablecoin is a crypto-asset that aims to maintain a stable value relative to a specified asset, or a pool or basket of assets. A multi-currency stablecoin is a stablecoin denominated in or pegged to a basket of fiat currencies. A global stablecoin (GSC) is a stablecoin with a potential reach and use across multiple jurisdictions and which could become systemically important in and across one or many jurisdictions, including as a means of making payments and/or store of value. See Review of the FSB High-level Recommendations of the Regulation, Supervision and Oversight of "Global Stablecoin" Arrangements: Consultative report.
Controls on crypto exchanges and trading platforms	Describes regulations and controls on the establishment and operations of domestic crypto exchanges and/or trading platforms or on local operations of foreign crypto exchanges/trading platforms. Include information on controls on the use by residents of such exchanges/platforms to acquire, hold and trade crypto assets. Crypto-trading platforms typically execute and receive orders from investors for the "exchange" or secondary market sale or purchase of crypto assets against fiat currency or other crypto assets. Crypto-trading platforms may provide brokerage services to retail investors in a manner similar to that of stock brokerage firms. However, unlike many stock brokerage firms, which can just pass the client orders to a stock exchange, crypto-trading platforms generally need to provide liquidity to support the transactions among their client investors (by selling their own inventories to match purchase orders from their clients). Crypto-trading platforms may also perform other functions, including custody (similar to wallet providers) and margin lending and provision of liquidity. Many crypto-trading platforms may also provide margin trading and financing platforms to investors (for example, Coincheck, Bitfinex). Trading platforms may also play the role of underwriters in initial coin offerings. See Regulation of Crypto Assets.

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Listing conventions used in the report are as follows:

- When it is unclear whether a particular category or measure exists—because pertinent information is not available at the time of publication—the category is displayed with the notation "n.a."
- If a measure is known to exist the category is displayed with the notation "yes." The measure is described under the "Description" column.
- If no measure exists, the category is displayed with the notation "no."
- If members have provided the IMF staff with information indicating that a category or an item is not regulated, these are marked by "n.r."
- When relevant documents have not been published and the authorities have not consented to the publication of the information as included in the IMF staff report, the text reads "Information is not publicly available."

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

International Financial Statistics (IFS) code:		512	914	612	171	614	311	213	911	193	122	912	313	419	513
	Total number of Member Countries with these features[1]	Afghanistan, I.R. of	Albania	Algeria	Andorra	Angola	Antigua and Barbuda	Argentina	Armenia	Australia	Austria	Azerbaijan, Republic of	The Bahamas	Bahrain, Kingdom of	Bangladesh
Status Under IMF Articles of Agreement															
Article VIII	174		●	●	●		●	●	●	●	●	●	●	●	●
Article XIV	16	●				●									
Exchange Rate Arrangements															
No separate legal tender	14				▲										
Currency board	10						◊								
Conventional peg	38												◊	◊	
Stabilized arrangement	22								◊			◊			
Crawling peg	3							◊							
Crawl-like arrangement	21	◊		◊											
Pegged exchange rate within horizontal bands	1														
Other managed arrangement	18					●									●
Floating	32		●												
Free floating	31									●	⊕				
Exchange rate structure															
Dual exchange rates	11												●		
Multiple exchange rates	10					●									
Arrangements for Payments and Receipts															
Bilateral payments arrangements	61	●		●		●		●	●			●			●
Payments arrears	22					●	●	●							
Controls on payments for invisible transactions and current transfers	94			●		●	●	●				●	●		●
Proceeds from exports and/or invisible transactions															
Repatriation requirements	85		●	●		●	–	●				●	●		●
Surrender requirements	67			●		●		●					●		●
Capital Transactions															
On capital market securities	155		●	●		●	●	●	●	●	●	●	●	●	●
On money market instruments	127	●	●	●		●		●			●		●		●
On collective investment securities	131		●	●		●		●	●	●	●	●	●		●
Controls on derivatives and other instruments	105		●	●		●		●			●	●	●	●	●
Commercial credits	85			●				●					●		●
Financial credits	113			●		●	●	●			●		●		●
Guarantees, sureties, and financial backup facilities	76			●		●		●					●		●
Controls on direct investment	154			●		●		●		●	●	●	●	●	●
Controls on liquidation of direct investment	35							●							●
Controls on real estate transactions	150	●	●	●		●	●	●	●	●	●		●	●	●
Controls on personal capital transactions	96			●		●	–	●	●	●		●	●		●
Provisions specific to:															
Commercial banks and other credit institutions	174	●	●	●		●	●	●	●	●	●	●	●	●	●
Institutional investors	156		●	●		●	–	●	●	●	●	●	●		●

[1] Total excludes information on the following territories: Aruba, Curaçao and Sint Maarten (all in the Kingdom of the Netherlands: information for Curaçao and Sint Maarten is reported together as they have a common central bank) and Hong Kong SAR and Macao SAR (both in the People's Republic of China).

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	316	913	124	339	638	514	218	963	616	223	516	918	748	618	624	522	622
	Barbados	Belarus	Belgium	Belize	Benin	Bhutan	Bolivia	Bosnia and Herzegovina	Botswana	Brazil	Brunei Darussalam	Bulgaria	Burkina Faso	Burundi	Cabo Verde	Cambodia	Cameroon
Status Under IMF Articles of Agreement																	
Article VIII	●	●	●	●	●		●		●	●	●	●	●		●	●	●
Article XIV						●		●						●			
Exchange Rate Arrangements																	
No separate legal tender																	
Currency board								▲			✚	▲					
Conventional peg	◊			◊	▲	✚							▲		▲		▲
Stabilized arrangement							◊										
Crawling peg									*								
Crawl-like arrangement														◊		◊	
Pegged exchange rate within horizontal bands																	
Other managed arrangement																	
Floating		●								●							
Free floating			⊕														
Exchange rate structure																	
Dual exchange rates														●			
Multiple exchange rates																	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	●	●		●		●			●	●		●		●	●	●	
Payments arrears															●	●	
Controls on payments for invisible transactions and current transfers	●			●	●	●	●	●		●	●	●	●	●			●
Proceeds from exports and/or invisible transactions																	
Repatriation requirements		●		●	●	●		●					●	●			●
Surrender requirements	●			●	●	●				●			●	●			●
Capital Transactions																	
On capital market securities	●	●	●	●	●	●	●	●	●	●		●	●	●		●	●
On money market instruments	●	●	●	●	●	●	●	●	●	●		●	●	●			●
On collective investment securities	●	●	●	●	●	●	●	●	●	●		●	●	●			●
Controls on derivatives and other instruments	●	●	●	●	●	●				●			●	●			
Commercial credits	●	●		●	●	●	●						●	●			●
Financial credits	●	●	●	●	●	●	●	●					●	●		●	●
Guarantees, sureties, and financial backup facilities	●	●		●	●	●							●				
Controls on direct investment	●	●	●	●	●	●		●		●	●	●	●	●		●	●
Controls on liquidation of direct investment	●			●		●											●
Controls on real estate transactions	●	●		●	●	●		●		●	●	●	●	●		●	●
Controls on personal capital transactions	●	●		●	●	●		●			●		●	●			●
Provisions specific to:																	
Commercial banks and other credit institutions	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●
Institutional investors	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	156	626	628	228	924	233	632	636	634	238	662	960	423	935	128	611	321
	Canada	Central African Republic	Chad	Chile	China, People's Rep. of	Colombia	Comoros	Congo, Dem. Rep. of	Congo, Republic of	Costa Rica	Côte d'Ivoire	Croatia	Cyprus	Czech Republic	Denmark	Djibouti	Dominica
Status Under IMF Articles of Agreement																	
Article VIII	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Article XIV																	
Exchange Rate Arrangements																	
No separate legal tender																	
Currency board																◊	◊
Conventional peg		▲	▲				▲		▲		▲				❖		
Stabilized arrangement																	
Crawling peg																	
Crawl-like arrangement								◊									
Pegged exchange rate within horizontal bands																	
Other managed arrangement					●												
Floating				●		●				●				●			
Free floating	●											⊕	⊕				
Exchange rate structure																	
Dual exchange rates																	
Multiple exchange rates																	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements								●				●					
Payments arrears							●	●								●	●
Controls on payments for invisible transactions and current transfers		●	●		●		●	●	●		●						
Proceeds from exports and/or invisible transactions																	
Repatriation requirements		●	●		●	●	●	●	●		●						●
Surrender requirements		●	●				●		●		●						●
Capital Transactions																	
On capital market securities	●	●	●	●	●	●	●	●	●	●	●	●		●		●	●
On money market instruments		●	●	●	●	●		●	●		●	●		●			
On collective investment securities		●	●	●	●	●		●	●		●	●		●		●	●
Controls on derivatives and other instruments		■	■	●	●	●	■	●	■		●	●		●			–
Commercial credits		●	●		●	●	●	●	●		●					●	●
Financial credits		●	●	●	●	●		●	●	●	●			●		●	●
Guarantees, sureties, and financial backup facilities		■	■	●	●		●	●	■		●					●	●
Controls on direct investment	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●
Controls on liquidation of direct investment		●	●		●	●	●	●	●								
Controls on real estate transactions	●	●	●	●	●			●	●		●	●	●	●	●		●
Controls on personal capital transactions		●	●		●	●	●	●	●	●	●						●
Provisions specific to:																	
Commercial banks and other credit institutions		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Institutional investors		●	●	●	●	●	–		●	●	●	●	●	●	●	●	●

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	243	248	469	253	642	643	939	734	644	819	172	132	646	648	915	134	652
	Dominican Republic	Ecuador	Egypt	El Salvador	Equatorial Guinea	Eritrea	Estonia	Eswatini	Ethiopia	Fiji	Finland	France	Gabon	Gambia, The	Georgia	Germany	Ghana
Status Under IMF Articles of Agreement																	
Article VIII	●	●	●	●	●		●	●		●	●	●	●	●	●	●	●
Article XIV						●			●								
Exchange Rate Arrangements																	
No separate legal tender		◊		◊													
Currency board																	
Conventional peg					▲	◊		✚		*			▲				
Stabilized arrangement																	
Crawling peg																	
Crawl-like arrangement			◊						◊					◊			
Pegged exchange rate within horizontal bands																	
Other managed arrangement	●																●
Floating															●		
Free floating							⊕				⊕	⊕				⊕	
Exchange rate structure																	
Dual exchange rates						●											●
Multiple exchange rates																	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	●	●					●										●
Payments arrears						●	●										
Controls on payments for invisible transactions and current transfers					●	●		●	●	●		●	●				●
Proceeds from exports and/or invisible transactions																	
Repatriation requirements			●		●	●		●	●	●			●				●
Surrender requirements					●	●		●	●	●			●				●
Capital Transactions																	
On capital market securities	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●
On money market instruments	●	●	●	●	●	●		●	●	●	●	●	●			●	●
On collective investment securities	●	●	●	●	●	–		●	●	●	●	●	●			●	●
Controls on derivatives and other instruments	●	●	●	●	■	–			●	●	●		■			●	●
Commercial credits		●			●	●		●	●	●			●				
Financial credits		●		●	●	●		●	●	●	●		●	●		●	
Guarantees, sureties, and financial backup facilities	●	●			■	–		●	●	●			■				
Controls on direct investment	●		●	●	●	●	●	●	●	●	●	●	●			●	●
Controls on liquidation of direct investment					●				●	●			●				
Controls on real estate transactions		●		●	●		●	●	●	●	●		●		●	●	●
Controls on personal capital transactions		●			●	●	●	●	●	●			●				
Provisions specific to:																	
Commercial banks and other credit institutions	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Institutional investors	●	●	●	●	●	–	●	●	●	●	●	●	●	●	●	●	●

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	174	328	258	656	654	336	263	268	944	176	534	536	429	433	178	436	136
	Greece	Grenada	Guatemala	Guinea	Guinea-Bissau	Guyana	Haiti	Honduras	Hungary	Iceland	India	Indonesia	Iran, I.R. of	Iraq	Ireland	Israel	Italy
Status Under IMF Articles of Agreement																	
Article VIII	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●
Article XIV														●			
Exchange Rate Arrangements																	
No separate legal tender																	
Currency board		◊															
Conventional peg					▲									◊			
Stabilized arrangement			◊	◊		◊		◊									
Crawling peg																	
Crawl-like arrangement																	
Pegged exchange rate within horizontal bands																	
Other managed arrangement							●						●				
Floating									●	●	●	●				●	
Free floating	⊕														⊕		⊕
Exchange rate structure																	
Dual exchange rates													●	●			
Multiple exchange rates				●													
Arrangements for Payments and Receipts																	
Bilateral payments arrangements			●	●		●		●			●	●		●			
Payments arrears				●		●								●			
Controls on payments for invisible transactions and current transfers		●		●	●			●			●		●	●			
Proceeds from exports and/or invisible transactions																	
Repatriation requirements		●		●	●	●		●			●	●	●				
Surrender requirements		●			●	●	●	●			●						
Capital Transactions																	
On capital market securities	●	●	●	●	●	●		●	●	●	●	●	●	●		●	
On money market instruments		●		●	●	●		●	●		●	●	●	●			
On collective investment securities	●	●		●	●	●		●	●		●	●	●	●			●
Controls on derivatives and other instruments		●		●	●	●				●	●	●	●	●			
Commercial credits		●		●	●	●		●			●	●	●				
Financial credits		●		●	●	●		●	●		●	●	●	●			
Guarantees, sureties, and financial backup facilities				●	●	●		●			●	●	●				
Controls on direct investment	●	●	●	●	●			●	●	●	●	●	●	●	●	●	●
Controls on liquidation of direct investment		●									●			●			
Controls on real estate transactions	●	●		●	●			●	●	●	●	●	●	●	●	●	
Controls on personal capital transactions		●		●	●						●		●	●			
Provisions specific to:																	
Commercial banks and other credit institutions	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Institutional investors	●		●	–	●	●		●	●	●	●	●	–			●	●

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	343	158	439	916	664	826	542	967	443	917	544	941	446	666	668	672	946
	Jamaica	Japan	Jordan	Kazakhstan	Kenya	Kiribati	Korea, Republic of	Kosovo	Kuwait	Kyrgyz Republic	Lao People's Dem. Rep.	Latvia	Lebanon	Lesotho	Liberia	Libyan Arab Jamahiriya	Lithuania
Status Under IMF Articles of Agreement																	
Article VIII	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●
Article XIV															●		
Exchange Rate Arrangements																	
No separate legal tender						✚		▲									
Currency board																	
Conventional peg			◊											✚		○	
Stabilized arrangement													◊				
Crawling peg																	
Crawl-like arrangement	◊				◊					◊							
Pegged exchange rate within horizontal bands																	
Other managed arrangement									●		●						
Floating				●			●								●		
Free floating		●										⊕					⊕
Exchange rate structure																	
Dual exchange rates										●							
Multiple exchange rates																	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements			●							●	●					●	
Payments arrears																	
Controls on payments for invisible transactions and current transfers	●	●		●							●		●	●		●	
Proceeds from exports and/or invisible transactions																	
Repatriation requirements				●		■					●			●		●	
Surrender requirements	●			●										●	●	●	
Capital Transactions																	
On capital market securities	●	●	●	●	●	●	●		●	●	●		●	●		●	
On money market instruments	●			●	●	●			●	●	●		●	●		●	
On collective investment securities	●			●	●	●				●	●		●	●		●	
Controls on derivatives and other instruments	●			●	●	●	●		●	●	●		●	●		●	
Commercial credits	●					●			●		●		●	●		●	
Financial credits	●			●		●			●	●	●		●	●		●	
Guarantees, sureties, and financial backup facilities	●					●				●			●			●	
Controls on direct investment	●	●	●	●	●	●	●		●	●	●	●	●	●		●	●
Controls on liquidation of direct investment						■										●	
Controls on real estate transactions			●	●	●	●			●	●	●	●	●	●		●	●
Controls on personal capital transactions	●			●		■					●			●		●	
Provisions specific to:																	
Commercial banks and other credit institutions	●		●	●	●	■	●	●	●	●	●	●	●	●	●	●	●
Institutional investors	●		●	●	●	–	●	●		●	●	●	●	●	●	●	●

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	137	674	676	548	556	678	181	867	682	684	273	868	921	948	943	686	688
	Luxembourg	Madagascar	Malawi	Malaysia	Maldives	Mali	Malta	Marshall Islands, Rep. of the	Mauritania	Mauritius	Mexico	Micronesia, Fed. States of	Moldova	Mongolia	Montenegro, Rep. of	Morocco	Mozambique
Status Under IMF Articles of Agreement																	
Article VIII	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●
Article XIV					●												
Exchange Rate Arrangements																	
No separate legal tender								◊				◊			▲		
Currency board																	
Conventional peg						▲											
Stabilized arrangement			◊		◊												◊
Crawling peg																	
Crawl-like arrangement									◊					◊			
Pegged exchange rate within horizontal bands																*	
Other managed arrangement																	
Floating		●		●						●			●				
Free floating	⊕						⊕				●						
Exchange rate structure																	
Dual exchange rates					●												
Multiple exchange rates														●			
Arrangements for Payments and Receipts																	
Bilateral payments arrangements		●		●									●	●			
Payments arrears																	
Controls on payments for invisible transactions and current transfers		●	●			●			●				●			●	●
Proceeds from exports and/or invisible transactions																	
Repatriation requirements		●	●	●		●			●				●			●	●
Surrender requirements		●	●			●										●	●
Capital Transactions																	
On capital market securities	●	●	●	●	●	●	●	–	●	●	●	●	●	●	●	●	●
On money market instruments	●	●	●	●		●		–	●	●	●	■	●		●	●	●
On collective investment securities	●	●	●	●		●		–	●	●	●		●	●		●	●
Controls on derivatives and other instruments	●	●	●	●		●		–	■		●		●			●	●
Commercial credits		●	●	●		●		–				■	●			●	●
Financial credits		●	●	●		●		–	●		●	■	●			●	●
Guarantees, sureties, and financial backup facilities		●	●	●		●		–	●		●	■	●			●	●
Controls on direct investment	●	●	●	●	●	●		●	●	●	●	●	●	●		●	●
Controls on liquidation of direct investment								–									●
Controls on real estate transactions	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Controls on personal capital transactions		●	●	●	●	●		–	●		●	■	●			●	●
Provisions specific to:																	
Commercial banks and other credit institutions	●	●	●	●	●	●	●	–	●	●	●	●	●	●		●	●
Institutional investors	●	●	●	●	–	●		●	●	●	●	–	●		●	●	●

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	518	728	836	558	138	196	278	692	694	962	142	449	564	565	283	853
	Myanmar	Namibia	Nauru	Nepal	Netherlands	New Zealand	Nicaragua	Niger	Nigeria	North Macedonia, Rep. of	Norway	Oman	Pakistan	Palau	Panama	Papua New Guinea
Status Under IMF Articles of Agreement																
Article VIII	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●
Article XIV									●							
Exchange Rate Arrangements																
No separate legal tender			✚											◊	◊	
Currency board																
Conventional peg		✚		✚				▲				◊				
Stabilized arrangement	◊									▲						◊
Crawling peg							◊									
Crawl-like arrangement									◊							
Pegged exchange rate within horizontal bands																
Other managed arrangement													●			
Floating						●										
Free floating					⊕						●					
Exchange rate structure																
Dual exchange rates																
Multiple exchange rates									●							●
Arrangements for Payments and Receipts																
Bilateral payments arrangements									●	●						●
Payments arrears	●						●									
Controls on payments for invisible transactions and current transfers	●	●		●				●	●	●			●	●		●
Proceeds from exports and/or invisible transactions																
Repatriation requirements	●	●		●				●	●				●			●
Surrender requirements	●	●		●				●	●				●			●
Capital Transactions																
On capital market securities	●	●		●		●		●	●	●	●	●	●			
On money market instruments	●	●		●				●	●	●		●	●			
On collective investment securities	●	●		●				●		●		●	●			
Controls on derivatives and other instruments		●		●				●		●	●	●	●			●
Commercial credits	●	●		●			●	●	●				●			●
Financial credits	●	●		●			●	●					●			●
Guarantees, sureties, and financial backup facilities	●	●		●				●					●			●
Controls on direct investment	●	●	●	●	●	●	●	●		●	●	●	●	●		
Controls on liquidation of direct investment	●			●												
Controls on real estate transactions	●	●	●	●		●		●		●	●	●	●	●		
Controls on personal capital transactions	●	●		●			●	●	●	●	●		●			
Provisions specific to:																
Commercial banks and other credit institutions	●	●		●	●		●	●	●	●	●	●	●			●
Institutional investors	●	●		●		●	●	●	●	●	●	●	●	●		●

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	288	293	566	964	182	453	968	922	714	862	135	716	456	722	942	718
	Paraguay	Peru	Philippines	Poland	Portugal	Qatar	Romania	Russian Federation	Rwanda	Samoa	San Marino	São Tomé and Príncipe	Saudi Arabia	Senegal	Serbia, Rep. of	Seychelles
Status Under IMF Articles of Agreement																
Article VIII	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●
Article XIV												●				
Exchange Rate Arrangements																
No separate legal tender											▲					
Currency board																
Conventional peg						◊				*		▲	◊	▲		
Stabilized arrangement							▲								▲	
Crawling peg																
Crawl-like arrangement									◊							
Pegged exchange rate within horizontal bands																
Other managed arrangement																
Floating	●	●	●													●
Free floating				●	⊕			●								
Exchange rate structure																
Dual exchange rates												●				
Multiple exchange rates																
Arrangements for Payments and Receipts																
Bilateral payments arrangements	●	●		●		●	●	●				●				
Payments arrears												●			●	
Controls on payments for invisible transactions and current transfers	●		●					●	●	●		●		●	●	
Proceeds from exports and/or invisible transactions																
Repatriation requirements								●		●				●	●	
Surrender requirements										●				●		
Capital Transactions																
On capital market securities	●		●	●		●	●	●		●	●		●	●	●	
On money market instruments	●		●	●			●	●		●	●		●	●	●	
On collective investment securities			●	●	●		●	●		●	●		●	●	●	
Controls on derivatives and other instruments	●		●	●		●	●	●			●	–	●	●	●	
Commercial credits	●		●	●				●			●	–	●	●		
Financial credits	●		●	●			●	●		●	●	–	●	●	●	
Guarantees, sureties, and financial backup facilities	●		●				●	●				–	●	●	●	
Controls on direct investment			●	●	●	●	●	●		●	●	●	●	●	●	
Controls on liquidation of direct investment								●		●						
Controls on real estate transactions	●		●	●	●	●	●	●		●	●	●	●	●	●	●
Controls on personal capital transactions			●			●		●		●	●	●	●	●	●	
Provisions specific to:																
Commercial banks and other credit institutions	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Institutional investors	●	●	●	●	●	●	●	●	●	●	●	■	●	●	●	

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	724	576	936	961	813	726	199	733	184	524	361	362	364	732	366	144	146
	Sierra Leone	Singapore	Slovak Republic	Slovenia	Solomon Islands	Somalia	South Africa	South Sudan	Spain	Sri Lanka	St. Kitts and Nevis	St. Lucia	St. Vincent and the Grenadines	Sudan	Suriname	Sweden	Switzerland
Status Under IMF Articles of Agreement																	
Article VIII	●	●	●	●	●		●		●	●	●	●	●	●	●	●	●
Article XIV						●		●									
Exchange Rate Arrangements																	
No separate legal tender																	
Currency board											◊	◊	◊				
Conventional peg																	
Stabilized arrangement														◊			
Crawling peg																	
Crawl-like arrangement		*								◊							
Pegged exchange rate within horizontal bands																	
Other managed arrangement	●				●			●									
Floating							●								●		●
Free floating			⊕	⊕		●			⊕							●	
Exchange rate structure																	
Dual exchange rates								●									
Multiple exchange rates														●			
Arrangements for Payments and Receipts																	
Bilateral payments arrangements				●				–						●			
Payments arrears								–									
Controls on payments for invisible transactions and current transfers	●		●		●		●	●		●	●	●	●		●		
Proceeds from exports and/or invisible transactions																	
Repatriation requirements	●				●		●	–		●	●		●	●	●		
Surrender requirements					●		●	–		●	●		●	●	●		
Capital Transactions																	
On capital market securities	●		●	●	●		●	–	●	●	●	●	●	●	●	●	●
On money market instruments	●		●	●	●		●	–	●	●		●	●	●	●	●	●
On collective investment securities	●		●	●	●		●	–	●	●	●	●	●	■	●	●	●
Controls on derivatives and other instruments	●		●	●	●		●	–	●	●		●		■	●	●	●
Commercial credits	●				●		●	–		●		●	●		●		●
Financial credits	●	●		●	●		●	–	●	●	●	●	●		●	●	●
Guarantees, sureties, and financial backup facilities	●				●		●	–		●		●	●		●		
Controls on direct investment	●		●	●	●		●	–	●	●	●	●	●		●	●	●
Controls on liquidation of direct investment	●				●			–		●		–			●		
Controls on real estate transactions	●	●	●	●	●		●	–	●	●	●	●	●		●	●	●
Controls on personal capital transactions	●				●		●	–		●		●	●	●	●		
Provisions specific to:																	
Commercial banks and other credit institutions	●	●	●	●	●		●	–	●	●	●	●	●	●	●	●	
Institutional investors	●	●	●	●	●		●	–	●	●	●	●	●	●	●	●	●

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	463	923	738	578	537	742	866	369	744	186	925	869	746	926	466	112	111
	Syrian Arab Republic	Tajikistan	Tanzania	Thailand	Timor-Leste, Dem. Rep. of	Togo	Tonga	Trinidad and Tobago	Tunisia	Türkiye	Turkmenistan	Tuvalu	Uganda	Ukraine	United Arab Emirates	United Kingdom	United States
Status Under IMF Articles of Agreement																	
Article VIII		●	●	●	●	●	●	●	●	●		●	●	●	●	●	●
Article XIV	●										●						
Exchange Rate Arrangements																	
No separate legal tender					◊							✚					
Currency board																	
Conventional peg						▲					◊				◊		
Stabilized arrangement		◊	◊					◊						◊			
Crawling peg																	
Crawl-like arrangement									▲	◊							
Pegged exchange rate within horizontal bands																	
Other managed arrangement	●						●										
Floating				●									●				
Free floating																●	●
Exchange rate structure																	
Dual exchange rates	●																
Multiple exchange rates		●						●						●			
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	●		●	●						●	●		●	●	●		
Payments arrears			●										●				
Controls on payments for invisible transactions and current transfers	●	●	●			●	●		●	●	●		●	●			
Proceeds from exports and/or invisible transactions																	
Repatriation requirements	●	●	●	●		●	●		●	●	●			●			
Surrender requirements	●	●				●	●		●	●	●						
Capital Transactions																	
On capital market securities	●	●	●	●		●	●	●	●	●	●			●	●	●	●
On money market instruments	●	●	●	●		●	●	●	●	●	●			●		●	●
On collective investment securities	●	●	●	●		●	●	●	●	●	●			●	●	●	●
Controls on derivatives and other instruments	●		●	●		●	●		●	●				●			●
Commercial credits	●					●			●	●	●			●			
Financial credits	●		●	●		●			●	●	●			●			
Guarantees, sureties, and financial backup facilities	●		●	●		●			●		●			●			●
Controls on direct investment	●		●	●		●	●	●	●	●	●			●	●	●	●
Controls on liquidation of direct investment							●				●			●			
Controls on real estate transactions	●		●	●	●	●	●	●	●	●	●		●	●	●	●	●
Controls on personal capital transactions	●	●	●	●		●	●		●		●			●			
Provisions specific to:																	
Commercial banks and other credit institutions	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	
Institutional investors	–		●	●		●		●	●	●	●			●	●	●	●

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Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries

(As of date shown on first page of country chapter; symbol key at end of table)

	298	927	846	299	582	474	754	698	314	532	546	354
	Uruguay	Uzbekistan	Vanuatu	Venezuela, Rep. Bolivariana de	Vietnam	Yemen, Republic of	Zambia	Zimbabwe	Aruba	China, P.R.: Hong Kong SAR	China, P.R.: Macao SAR	Curaçao and Sint Maarten
Status Under IMF Articles of Agreement												
Article VIII	●	●	●	●	●	●	●	●	●	●	●	●
Article XIV												
Exchange Rate Arrangements												
No separate legal tender												
Currency board										◊	✚	
Conventional peg									◊			◊
Stabilized arrangement					◊							
Crawling peg												
Crawl-like arrangement		◊					◊					
Pegged exchange rate within horizontal bands												
Other managed arrangement			●	●				●				
Floating	●					●						
Free floating												
Exchange rate structure												
Dual exchange rates												
Multiple exchange rates				●								
Arrangements for Payments and Receipts												
Bilateral payments arrangements	●		■		●			●				
Payments arrears			■			●	●					
Controls on payments for invisible transactions and current transfers		●		●					●			●
Proceeds from exports and/or invisible transactions												
Repatriation requirements		●		●	●			●	●			
Surrender requirements				●				●	●			
Capital Transactions												
On capital market securities		●	●	●	●			●	●			●
On money market instruments		●	●	●	●			●	●			●
On collective investment securities		●	●	●	●			●	●			●
Controls on derivatives and other instruments		●		●	●			●	●			●
Commercial credits		●		●	●			●	●			●
Financial credits		●		●	●	●		●	●			●
Guarantees, sureties, and financial backup facilities		●		●	●			●	●			●
Controls on direct investment		●		●	●	●		●	●			●
Controls on liquidation of direct investment				●				●	●			●
Controls on real estate transactions		●		●	●			●	●	●	●	
Controls on personal capital transactions		●		●	●			●	●			●
Provisions specific to:												
Commercial banks and other credit institutions	●	●	●	●	●	●	●	●	●	●	●	●
Institutional investors	●	●	●	●	●	●	●	●	●	●	●	●

Key

- ● Indicates that the specified practice is a feature of the exchange system.
- – Indicates that data were not available at the time of publication.
- ■ Indicates that the specified practice is not regulated.
- ⊕ Indicates that the country participates in the euro area.
- ❖ Indicates that the country participates in the European Exchange Rate Mechanism (ERM II).
- ◊ Indicates that flexibility is limited vis-à-vis the U.S. dollar.
- ▲ Indicates that flexibility is limited vis-à-vis the euro.
- ✚ Indicates that flexibility is limited vis-à-vis another single currency.
- ○ Indicates that flexibility is limited vis-à-vis the SDR.
- * Indicates that flexibility is limited vis-à-vis another basket of currencies.

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Country Table Matrix

(Position as of "DATE")

I. Status under IMF Articles of Agreement

A. Date of membership

1. Article VIII
2. Article XIV

II. Exchange Measures

A. Restrictions and/or Multiple Currency Practices

B. Exchange measures imposed for security reasons

1. In Accordance with IMF Executive Board Decision No. 144-(52/51)
2. Other Security Restrictions

III. Exchange Arrangement

A. Currency

1. Other Legal Tender

B. Exchange rate structure

1. Unitary
2. Dual
3. Multiple

C. Classification

1. No Separate Legal Tender
2. Currency Board
3. Conventional Peg
4. Stabilized Arrangement
5. Crawling Peg
6. Crawl-like arrangement
7. Pegged Exchange Rate within Horizontal Bands
8. Other Managed Arrangement
9. Floating
10. Free Floating

D. Official Exchange Rate

E. Monetary Policy Framework

1. Exchange rate anchor
   - *a. US Dollar*
   - *b. Euro*
   - *c. Composite*
   - *d. Other*
2. Monetary Aggregate Target

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3. Inflation-targeting Framework
   a. Target Setting Body
      1. Government
      2. Central Bank
         i. Monetary Policy Committee
         ii. Central Bank Board
         iii. Other
      3. Government and Central Bank
   b. Inflation Target
      1. Target Number
         i. Point Target
         ii. Target with Tolerance Band
         iii. Band/Range
      2. Target Measure
         i. CPI
         ii. Core Inflation
      3. Target Horizon
   c. Operating Target (Policy Rate)
      1. Policy Rate
      2. Target Corridor Band
      3. Other
   d. Accountability
      1. Open Letter
      2. Parliamentary Hearings
      3. Other
   e. Transparency
      1. Publication of Votes
      2. Publication of Minutes
      3. Publication of Inflation Forecasts
4. Other Monetary Framework

F. Exchange Tax

G. Exchange Subsidy

H. Foreign Exchange Market

1. Spot Exchange Market
   a. Operated by the central bank
      1. Foreign exchange standing facility
      2. Allocation
      3. Auction
      4. Fixing
   b. Interbank Market
      1. Over the Counter
      2. Brokerage
      3. Market making

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2. Forward exchange market
   a. Official cover of forward operations

IV. Arrangements for Payments and Receipts

A. Prescription of currency requirements
1. Controls on the use of domestic currency
   a. For current transactions and payments
   b. For capital transactions
      1. Transactions in capital and money market instruments
      2. Transactions in derivatives and other instruments
      3. Credit operations
2. Use of foreign exchange among residents

B. Payments arrangements
1. Bilateral payments arrangements
   a. Operative
   b. Inoperative
2. Regional arrangements
3. Clearing agreements
4. Barter agreements and open accounts

C. Administration of control

D. Payments arrears
1. Official
2. Private

E. Controls on trade in gold (coins and/or bullion)
1. On domestic ownership and/or trade
2. On external trade

F. Controls on exports and imports of banknotes
1. On exports
   a. Domestic currency
   b. Foreign currency
2. On imports
   a. Domestic currency
   b. Foreign currency

V. Resident Accounts

A. Foreign exchange accounts permitted
1. Held domestically
   a. Approval required
2. Held abroad
   a. Approval required

B. Accounts in domestic currency held abroad

C. Accounts in domestic currency convertible into foreign currency

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VI. Nonresident Accounts

A. Foreign exchange accounts permitted

1. Approval required

B. Domestic currency accounts

1. Convertible into foreign currency
2. Approval required

C. Blocked accounts

VII. Imports and Import Payments

A. Foreign exchange budget

B. Financing requirements for imports

1. Minimum financing requirements
2. Advance payment requirements
3. Advance import deposits

C. Documentation requirements for release of foreign exchange for imports

1. Domiciliation requirements
2 Preshipment inspection
3. Letters of credit
4. Import licenses used as exchange licenses
5. Other

D. Import licenses and other nontariff measures

1. Positive list
2. Negative list
3. Open general licenses
4. Licenses with quotas
5. Other nontariff measures

E. Import taxes and/or tariffs

1. Taxes collected through the exchange system

F. State import monopoly

VIII. Exports and Export Proceeds

A. Repatriation requirements

1. Surrender requirements
   a. Surrender to the central bank
   b. Surrender to authorized dealers

B. Financing requirements

C. Documentation requirements

1. Letters of credit
2. Guarantees

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3. Domiciliation
4. Preshipment inspection
5. Other

D. Export licenses

1. Without quotas
2. With quotas

E. Export taxes

1. Collected through the exchange system
2. Other export taxes

IX. Payments for Invisible Transactions and Current Transfers

A. Controls on these transfers

1. Trade-related payments
   a. Prior approval
   b. Quantitative limits
   c. Indicative limits/bona fide test
2. Investment-related payments
   a. Prior approval
   b. Quantitative limits
   c. Indicative limits/bona fide test
3. Payments for travel
   a. Prior approval
   b. Quantitative limits
   c. Indicative limits/bona fide test
4. Personal payments
   a. Prior approval
   b. Quantitative limits
   c. Indicative limits/bona fide test
5. Foreign workers' wages
   a. Prior approval
   b. Quantitative limits
   c. Indicative limits/bona fide test
6. Credit card use abroad
   a. Prior approval
   b. Quantitative limits
   c. Indicative limits/bona fide test
7. Other payments
   a. Prior approval
   b. Quantitative limits
   c. Indicative limits/bona fide test

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X. Proceeds from Invisible Transactions and Current Transfers

A. Repatriation requirements

1. Surrender requirements
   a. Surrender to the central bank
   b. Surrender to authorized dealers

B. Restrictions on use of funds

XI. Capital Transactions

A. Controls on capital transactions

1. Repatriation requirements
   a. Surrender requirements
      1. Surrender to the central bank
      2. Surrender to authorized dealers
2. Controls on capital and money market instruments
   a. On capital market securities
      1. Shares or other securities of a participating nature
         i. Purchase locally by nonresidents
         ii. Sale or issue locally by nonresidents
         iii. Purchase abroad by residents
         iv. Sale or issue abroad by residents
      2. Bonds or other debt securities
         i. Purchase locally by nonresidents
         ii. Sale or issue locally by nonresidents
         iii. Purchase abroad by residents
         iv. Sale or issue abroad by residents
   b. On money market instruments
      1. Purchase locally by nonresidents
      2. Sale or issue locally by nonresidents
      3. Purchase abroad by residents
      4. Sale or issue abroad by residents
   c. On collective investment securities
      1. Purchase locally by nonresidents
      2. Sale or issue locally by nonresidents
      3. Purchase abroad by residents
      4. Sale or issue abroad by residents
3. Controls on derivatives and other instruments
   a. Purchase locally by nonresidents
   b. Sale or issue locally by nonresidents
   c. Purchase abroad by residents
   d. Sale or issue abroad by residents

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4. Controls on credit operations
   a. Commercial credits
      1. By residents to nonresidents
      2. To residents from nonresidents
   b. Financial credits
      1. By residents to nonresidents
      2. To residents from nonresidents
   c. Guarantees, sureties, and financial backup facilities
      1. By residents to nonresidents
      2. To residents from nonresidents
5. Controls on direct investment
   a. Outward direct investment
   b. Inward direct investment
6. Controls on liquidation of direct investment
7. Controls on real estate transactions
   a. Purchase abroad by residents
   b. Purchase locally by nonresidents
   c. Sale locally by nonresidents
8. Controls on personal capital transactions
   a. Loans
      1. By residents to nonresidents
      2. To residents from nonresidents
   b. Gifts, endowments, inheritances, and legacies
      1. By residents to nonresidents
      2. To residents from nonresidents
   c. Settlement of debts abroad by immigrants
   d. Transfer of assets
      1. Transfer abroad by emigrants
      2. Transfer into the country by immigrants
   e. Transfer of gambling and prize earnings

XII. Provisions Specific to the Financial Sector

A. Provisions specific to commercial banks and other credit institutions

1. Borrowing abroad
2. Maintenance of accounts abroad
3. Lending to nonresidents (financial or commercial credits)
4. Lending locally in foreign exchange
5. Purchase of locally issued securities denominated in foreign exchange
6. Differential treatment of deposit accounts in foreign exchange
   a. Reserve requirements
   b. Liquid asset requirements
   c. Interest rate controls
   d. Credit controls

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7. Differential treatment of deposit accounts held by nonresidents
   a. Reserve requirements
   b. Liquid asset requirements
   c. Interest rate controls
   d. Credit controls
8. Investment regulations
   a. Abroad by banks
   b. In banks by nonresidents
9. Open foreign exchange position limits
   a. On resident assets and liabilities
   b. On nonresident assets and liabilities

B. Provisions specific to institutional investors

1. Insurance companies
   a. Limits (max.) on securities issued by nonresidents
   b. Limits (max.) on investment portfolio held abroad
   c. Limits (min.) on investment portfolio held locally
   d. Currency-matching regulations on assets/liabilities composition
2. Pension funds
   a. Limits (max.) on securities issued by nonresidents
   b. Limits (max.) on investment portfolio held abroad
   c. Limits (min.) on investment portfolio held locally
   d. Currency-matching regulations on assets/liabilities composition
3. Investment firms and collective investment funds
   a. Limits (max.) on securities issued by nonresidents
   b. Limits (max.) on investment portfolio held abroad
   c. Limits (min.) on investment portfolio held locally
   d. Currency-matching regulations on assets/liabilities composition

XIII. Digital Currencies and Crypto Assets

A. Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale

1. Retail
2. Wholesale

B. CBDC launched by another jurisdiction in circulation—retail and/or wholesale

1. Retail
2. Wholesale

C. Controls on the use of domestic CBDC—retail and/or wholesale

1. Use among residents
2. Between residents and nonresidents
   a. For current transaction
   b. For capital transactions
      1. Transactions in capital and money market instruments
      2. Transactions in derivatives and other instruments

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3. Credit operations

3. Between nonresidents

D. Controls on CBDC launched by another jurisdiction

1. Acquisition by residents

2. Use among residents

3. Between residents and nonresidents

a. For current transaction

b. For capital transactions

1. Transactions in capital and money market instruments

2. Transactions in derivatives and other instruments

3. Credit operations

E. Crypto assets

1. Controls on unbacked tokens

a. Acquisition by residents

b. Use among residents

c. Between residents and nonresidents

1. For current transaction

2. For capital transactions

i. Transactions in capital and money market instruments

ii. Transactions in derivatives and other instruments

iii. Credit operations

2. Controls on utility and security tokens

a. Acquisition by residents

b. Use among residents

c. Between residents and nonresidents

1. For current transaction

2. For capital transactions

i. Transactions in capital and money market instruments

ii. Transactions in derivatives and other instruments

iii. Credit operations

3. Controls on stablecoins

a. Acquisition by residents

b. Use among residents

c. Between residents and nonresidents

1. For current transaction

2. For capital transactions

i. Transactions in capital and money market instruments

ii. Transactions in derivatives and other instruments

iii. Credit operations

F. Controls on crypto exchanges and trading platforms

1. Domestic exchanges

2. Access to crypto exchange/trading platform by residents

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AFGHANISTAN

(Position as of June 30, 2021)

Status under IMF Articles of Agreement

Date of membership	July 14, 1955.	
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Afghanistan is the Afghani.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is managed floating. The Da Afghanistan Bank (DAB) deals with ADs only through the auction. The primary goal of these auctions is to regulate the growth of reserve money and/or currency in circulation. Subject to meeting this goal, the DAB also seeks to minimize intra-auction exchange rate volatility. The de facto exchange rate arrangement is classified as crawl-like. This classification is based on the information as of end-April 2021.
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The DAB reports official exchange rates of the Afghani vis-à-vis ten major currencies. The DAB staff conducts an online foreign exchange rate survey of between 40 and 50 licensed exchange dealers in Kabul at the start of each business day and acquires data on buying and selling rates for the nine currencies. The DAB's official reference rates are then determined as the average of the market rates for each currency. The official exchange rate is provided as a daily benchmark or reference point for commercial banks, private sector entities, and government agencies to use in their transactions.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The DAB follows a reserve money target.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		

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Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The foreign exchange market consists of commercial banks and foreign exchange dealers. Commercial banks and bureaus are free to set their exchange rates and commissions in transactions with their clients and with each other.
Spot exchange market	Yes.	According to the Foreign Exchange Dealers and Money Service Providers Regulation, 2017, both foreign exchange dealers and money service providers licensed by the DAB may operate in the foreign exchange market. In addition, commercial banks and licensed foreign exchange dealers must register and pay a fee to participate in DAB auctions. There were 1,630 foreign exchange dealers and 1,567 licensed money service providers overall, as of December 2022. Money service providers, including Hawaladars, provide remittances and related services including transfer of payments, while foreign exchange dealers are only allowed to exchange currency.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The DAB conducts online foreign currency auction three times a week on a first-price basis with same-day settlement. The amount of foreign exchange offered at the auction is announced in the local press and magazines one working day in advance, and the results are published on the DAB website immediately after each auction. All bidders are required to submit their bids before 9:20 a.m. of the auction day. The Foreign Currency Auction Regulations allow bidders to set their maximum bid amounts at 3% of the total announced amount of the auction day, respectively. Bids are awarded based on the bidding prices. The auction includes commercial banks and foreign exchange dealers. There is no requirement for auction

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		participants to finance specific international transactions with the foreign currency obtained at the auctions. Successful bidders who fail to settle their accounts within the same day of the auction are fined the total cash collateral of Af 500,000. The DAB may elect to revoke the auction privileges or license of a bidder if it fails to settle.
Fixing	No.	
Interbank market	Yes.	The DAB does not impose restrictions on the interbank foreign exchange market, but it is not active. Most foreign exchange transactions are made between commercial banks/exchange dealers and their clients. There are 12 licensed commercial banks. Commercial banks and bureaus are free to set their exchange rates and commissions in transactions with their clients and with each other.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Article 46 of the DAB Law provides for freedom of currency—that is, residents may use any mutually agreed currency in their transactions. In the absence of an agreed currency, Article 45 of the DAB Law stipulates that contracts should be deemed to be denominated in Afghanis. There are some incentives to promote use of national currency, but no formal restrictions apply.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	An agreement with Russia has been superseded, following the Paris Club rescheduling agreement of July 31, 2006, and the authorities are in the process of concluding agreements with the Paris Club members.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	

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Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Imports and exports of gold are permitted; however, procedures under the Minerals Law and Customs Law may be applicable. Gold may be exported for a limited period by certain traders registered with Afghanistan Central Business Registry and Intellectual Property (previously called AISA), Afghanistan International Chamber of Commerce (AICC), and Ministry of Commerce (MOC). According to the customs policy, the sender must bring the gold back to Afghanistan.
Controls on exports and imports of banknotes	Yes.	There is no restriction on the inflow of banknotes. Based on a Cabinet decision (Council of Ministers Resolution No. 47), the amount of cash a person may take out of the country is limited to US $20,000 or its equivalent to a trip. Cash transfers above US$20,000 must take place through the banking system. In addition, under Article 6 of the Anti-Money Laundering and Proceeds of Crime Law, anyone who (1) leaves or enters Afghanistan with or (2) imports or exports by mail, courier, or otherwise more than Af 1 million in cash or negotiable bearer instruments, without first reporting it to the relevant authority, will be fined an amount equal to the cash involved, or the difference between the actual amount and the amount declared, as the case may be.
On exports	Yes.	Based on a Cabinet decision (Council of Ministers Resolution No. 47), the amount of cash a person may take out of the country is limited to US$20,000 or its equivalent to a trip. Cash transfers above US$20,000 must take place through the banking system. In addition, under Article 6 of the Anti-Money Laundering and Proceeds of Crime Law, anyone who (1) leaves or enters Afghanistan with or (2) imports or exports by mail, courier, or otherwise more than Af 1 million in cash or negotiable bearer instruments, without first reporting it to the relevant authority, will be fined an amount equal to the cash involved, or the difference between the actual amount and the amount declared, as the case may be.
Domestic currency	Yes.	Based on a Cabinet decision (Council of Ministers Resolution No. 47), the amount of cash a person may take out of the country is limited to US$20,000 or its equivalent to a trip. Cash transfers above US$20,000 must take place through the banking system. In addition, under Article 6 of the Anti-Money Laundering and Proceeds of Crime Law, anyone who (1) leaves or enters Afghanistan with or (2) imports or exports by mail, courier, or otherwise more than Af 1 million in cash or negotiable bearer instruments, without first reporting it to the relevant authority, will be fined an amount equal to the cash involved, or the difference between the actual amount and the amount declared, as the case may be.
Foreign currency	Yes.	Based on a Cabinet decision (Council of Ministers Resolution No. 47), the amount of cash a person may take out of the country is limited to US$20,000 or its equivalent to a trip. Cash transfers above US$20,000 must take place through the banking system. In addition, under Article 6 of the Anti-Money Laundering and Proceeds of

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		Crime Law, anyone who (1) leaves or enters Afghanistan with or (2) imports or exports by mail, courier, or otherwise more than Af 1 million in cash or negotiable bearer instruments, without first reporting it to the relevant authority, will be fined an amount equal to the cash involved, or the difference between the actual amount and the amount declared, as the case may be.
On imports	Yes.	Any person who arrives with or imports by mail, courier, or otherwise more than Af 1 million in cash, either foreign or domestic, or negotiable bearer instruments without first submitting a written report to the relevant authority, is in violation of the law and will be fined an amount equal to the actual amount of cash, or the difference between the actual amount and the amount declared, as the case may be. Cash transfers above US$20,000 must take place through the banking system.
Domestic currency	Yes.	Any person who arrives with or imports by mail, courier, or otherwise more than Af 1 million in cash, either foreign or domestic, or negotiable bearer instruments without first submitting a written report to the relevant authority, is in violation of the law and will be fined an amount equal to the actual amount of cash, or the difference between the actual amount and the amount declared, as the case may be. Cash transfers above US$20,000 must take place through the banking system.
Foreign currency	Yes.	Any person who arrives with or imports by mail, courier, or otherwise more than Af 1 million in cash, either foreign or domestic, or negotiable bearer instruments without first submitting a written report to the relevant authority, is in violation of the law and will be fined an amount equal to the actual amount of cash, or the difference between the actual amount and the amount declared, as the case may be. Cash transfers above US$20,000 must take place through the banking system.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	There are no restrictions on foreign exchange accounts in Afghanistan.
Approval required	No.	
Held abroad	Yes.	There are no restrictions on commercial banks' foreign exchange accounts abroad.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	There are no restrictions on Afghani accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	There are no restrictions on the conversion of domestic currency to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There is no preferential treatment, and there are no restrictions with respect to nonresidents holding foreign currency bank accounts.
Approval required	No.	
Domestic currency accounts	Yes.	There is no preferential treatment, and there are no restrictions with respect to nonresidents holding Afghani bank accounts.
Convertible into foreign currency	Yes.	There are no restrictions on the conversion of Afghanis to foreign currency.
Approval required	No.	

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Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	There are no restrictions or limits on import payments.
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	The Ministry of Commerce and Industry is responsible for issuing trade licenses.
Import taxes and/or tariffs	Yes.	Import taxes and tariffs are applicable.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	There are no restrictions on the use of export proceeds.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	

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Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Traders must obtain a license from the Ministry of Commerce and Industry to engage in export activities.
Without quotas	Yes.	
With quotas	No.	There are no export quotas.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	There are no restrictions on invisible payments and current transfers. Such payments are freely permitted through banks, money service providers, credit/debit cards, and informal channels. However, such transfers are subject to AML requirements.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	There are no restrictions or requirements on the repatriation or retention of foreign exchange.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	No.	There are currently no capital market securities transactions.
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Capital notes (issued by the DAB) and/or auctions are restricted to commercial banks and licensed money changers.
Sale or issue locally by nonresidents	Yes.	Capital notes (issued by the DAB) and/or auctions are restricted to commercial banks and licensed money changers.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	Collective investment securities do not exist and by definition are not controlled.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	Derivatives and other like instruments do not exist and by definition are not controlled.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	These transactions are not controlled.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	These transactions are not controlled.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	These transactions are not controlled.
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	These transactions are not controlled.

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Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Noncitizens may not purchase real estate in Afghanistan, pursuant to Article 41 of the Constitution. Nonresident Afghan citizens may purchase real estate.
Sale locally by nonresidents	Yes.	Noncitizens may not sell real estate. Nonresident Afghan citizens may sell real estate.
Controls on personal capital transactions	No.	These transactions are not controlled.
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The Related Person Regulation includes requirements when entering into related person transactions that prohibit doing business with the related person on certain terms, limitations on maximum size of related party exposures, and roles of Board of Supervisors. The Assets Classification and Provisioning Regulation was revised and came into force January 1, 2018. The major changes include addition of Repossessed Assets, changes in the maturity dates of Standard, Watch, Doubtful, and Loss categories, 1% reserve for losses (Optional) on Standards category of loans, addition of limitations to Micro, Small, and Medium credits, and changes in the definition of "past due."
Borrowing abroad	No.	There are no restrictions on commercial banks' borrowing from abroad.
Maintenance of accounts abroad	No.	There are no restrictions on commercial banks' maintenance of accounts abroad.
Lending to nonresidents (financial or commercial credits)	No.	Banks may lend to nonresidents domestically.
Lending locally in foreign exchange	No.	Under Article 46 (Freedom of Currency) of the DAB Law, "parties to a contract or any other voluntary transaction, including a party to a bill, note, instrument, or security for money, may denominate a payment obligation in any currency agreed upon."
Purchase of locally issued securities denominated in foreign exchange	No.	These instruments do not exist.
Differential treatment of deposit accounts	Yes.	

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in foreign exchange		
Reserve requirements	Yes.	Commercial banks must hold the required reserves in the currency of deposits. The reserve requirement is 8% of deposits denominated in national currency and 10% of deposits denominated in foreign currencies.
Liquid asset requirements	No.	There is no differential treatment of deposit accounts for liquidity ratios with respect to currency. Regulations set the quick liquidity ratio and broad liquidity ratio at 15% and 20%, respectively.
Interest rate controls	No.	There are no interest rate controls.
Credit controls	No.	There are no credit controls.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	There is no differential treatment of deposit accounts held by nonresidents for reserve requirement purposes.
Liquid asset requirements	No.	There is no differential treatment of deposit accounts held by nonresidents for liquidity purposes.
Interest rate controls	No.	There are no interest rate controls for accounts held by nonresidents.
Credit controls	No.	There are no credit rate controls for accounts held by nonresidents.
Investment regulations	Yes.	
Abroad by banks	Yes.	Commercial banks may not issue loans, commercial or otherwise, if the collateral is outside Afghanistan's legal jurisdiction, except in cases where the loans are invested in government-issued securities.
In banks by nonresidents	No.	There is no restriction on investment by nonresidents in local banks.
Open foreign exchange position limits	Yes.	Article 2.2 of the Open Position in Foreign Currency Regulation prescribes individual currency limits of ±20% of regulatory capital for convertible currencies and ±5% of regulatory capital for nonconvertible currencies. The overall limit is ±40% for all currencies and ±10% for nonconvertible currencies. There is no differential treatment on resident and nonresident assets and liabilities.
On resident assets and liabilities	Yes.	Article 2.2 of the Open Position in Foreign Currency Regulation prescribes individual currency limits of ±20% of regulatory capital for convertible currencies and ±5% of regulatory capital for nonconvertible currencies. The overall limit is ±40% for all currencies and ±10% for nonconvertible currencies.
On nonresident assets and liabilities	Yes.	Article 2.2 of the Open Position in Foreign Currency Regulation prescribes individual currency limits of ±20% of regulatory capital for convertible currencies and ±5% of regulatory capital for nonconvertible currencies. The overall limit is ±40% for all currencies and ±10% for nonconvertible currencies.
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	There are no limits on investments by insurance companies in securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	The insurance law does not contain any currency-matching regulations.

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Pension funds	No.	There are no private pension funds. The government's Retirement Treasury is overseen by the MOF.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	There are no controls specifically on investment firms and collective investment funds.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.

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Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.

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Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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ALBANIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		October 15, 1991.
Article VIII	Yes.	Date of acceptance, February 21, 2015.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation with Albania states that, as of November 14, 2022, Albania continues to maintain an exchange restriction in the form of outstanding debit balances on inoperative bilateral payment agreements with two IMF member countries. Those debit balances were in place before Albania became an IMF member in 1991 and relate to debt in nonconvertible and formerly nonconvertible currencies. Despite repeated efforts by the Albanian authorities, no agreement has been reached with the counterparties. (Country Report No. 22/362)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Albania is the Albanian lek.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The Bank of Albania (BOA) does not target any level or band for the exchange rate. The BOA interventions in the foreign exchange market are limited to the following situations: (1) maintaining adequate levels of foreign reserves; (2) avoiding harmful short-term fluctuations in the market; and (3) meeting monetary policy or financial stability objective when such interventions are deemed crucial. Excess volatility in the domestic foreign exchange market is considered on a case-by-case basis by the Committee for Implementing and Advising the Monetary Policy. The BOA uses auctions only for the purpose of accumulating foreign exchange reserves in small amount and based on a pre-announced schedule. When the BOA intervenes in the domestic foreign exchange market, its counterparties are the commercial banks; if necessary, it may carry out its intervention with foreign exchange bureaus. The BOA intervenes through (1) verbal intervention, in the form of press releases in the print or electronic media and/or press conferences and (2) transactional intervention. The latter can take two forms, direct intervention and intervention via pre-announced auctions. In the case of direct intervention, the exchange rate is determined by commercial banks' quotes and the BOA Monetary Operations Department's quotes. When the intervention exchange rate is uniform for all counterparties, the BOA publishes that rate on its Reuters page and simultaneously communicates the rate to commercial banks that do not participate in the Reuters system and to foreign exchange bureaus with which it has contact. When different exchange rates are used, the BOA announces only the fact that it has intervened. It publishes with a three-month lag the amount of the intervention in a quarterly bulletin that summarizes its foreign exchange operations with banks and the public sector. The regulation regarding foreign exchange interventions includes the option to carry out transactional interventions via auctions announced in advance with the aim of increasing/decreasing the reserves. The BOA announces the date, amount, and currency it wants to buy at least one month before the auction, and the banks submit up to 3 bids with no limitation of the amount. The BOA decides how much to buy based on the rates offered and its target amount. Following the auction, the BOA publishes the amount offered by commercial banks, the amount accepted by the BOA, the range of offered bids, the range of accepted bids, and the prorate at the maximum accepted bid. The BOA aims to avoid disruptions from large and irregular demand of foreign exchange by MOF, to better manage liquidity. The Ministry of Finance and Economy has not conducted outright purchases of foreign exchange in the market via auctions since 2014. The BOA offers a euro/Albanian lek (EUR/ALL) swap facility for the Ministry of Finance and Economy to be able to use foreign exchange cash balances for lek payments. The swap is priced on the basis of the interest rate differential between the foreign currency and ALL. In the last years, the BOA's interventions to manage the level of foreign reserves are guided by a framework incorporating also an optimization model, which accounts for the macroeconomic and financial conditions and the opportunity cost of holding reserves. At the end of each year, the BOA publishes a calendar of the interventions for the upcoming year, announcing the dates and the volumes of such interventions. The BOA briefly intervened a small amount (10.7 million euro) in

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the foreign exchange market on March 8, 2022, in response to disorderly market conditions on the onset of the war in Ukraine.

During 2022, 15 interventions through auctions were scheduled to be held. After the turmoil in the markets related to the war in Ukraine, 3 pre-announced interventions were cancelled (respectively, March 17, April 13, and April 27, 2022). Starting from May 2022, the interventions through auctions return as previously scheduled. As of August 2022, 7 foreign exchange purchase auctions have been organized and 5 auctions are yet to follow.

The agreement No. 12574 (protocol of Ministry of Finance and Economy), dated June 27, 2022 (No. 2778 protocol of BOA, dated June 30, 2022) "For some changes in the agreement on the instruments offered by the BOA for liquidity management of the Ministry of Finance and Economy, dated January 20, 2015, amended" between BOA and MFE, offers an Albanian LEK/Euro (ALL/EUR) swap facility for the Ministry of Finance and Economy to be able to use LEK exchange cash balances for foreign currency payments [which are covered during 2022 from the EUROBOND issues on November 2021 (637 million EUR in TSA)].

The maximum amount of unpaid LEK/Euro SWAP contracts cannot be more than 200 (two hundred) million Euros, calculated at the BOA's official exchange rate on the day of conclusion of each contract. The maximum duration of the LEK/Euro SWAP contract is 6 months.

Since the beginning of 2023, the Euro/Lek (EURALL) exchange rate has been constantly appreciating, and in July, the EURALL exchange rate reached its historical minimum of 100.5 lek, a decrease by 14.4% compared to the first days of January. After averaging 115.5 in the first quarter, only 0.8% lower than the fourth quarter of 2022, eur/lek began a steady decline.

The strengthening of the Lek has reflected the improvements in the balance of payments, as shown by the reduction of the current account deficit, mainly as a result of the high surplus of services and remittances. At the same time, the inflows in the financial account, mainly in the form of FDIs, have been sufficient to cover the deficit of the current account.

Current account deficit decreased to 3.3% of GDP in the first half of the year, from 6.0% in 2022. Its reduction was determined by high tourism inflows and strong growth in remittances. On the other hand, FDIs have maintained a high growth momentum, covering 170% of the current account deficit in the first half of 2023.

Another factor influencing the appreciation of the exchange rate has been the monetary and fiscal policy stance. The increase in interest rates by the BOA, accompanied by the slowdown in lending activity, has led to a tighter monetary supply of the Lek, an effect that has been more emphasized by the parallel tightening nature of the fiscal policy, reflected in a high budget surplus and the issuance of the Eurobond in the foreign markets.

Considering the rapid appreciation and at the same time the widening of spreads by commercial banks, with the objective of avoiding disturbances in the internal foreign exchange market, the BOA took several measures. BOA has:

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		- Realized in two cases direct interventions for the purchase of the foreign currency; - Realized verbal intervention; - Revised the currency purchase calendar by increasing the target purchase amount and adding an auction for the purchase of the foreign currency. Although the purchases of the BOA were not in large amounts (17.10 mio euro in total), they were decisive in stabilizing the exchange rate. Since July, the euro has strengthened, being traded at the end of August around the level of 108.20 lek. The de facto exchange rate arrangement is classified as floating.
Free floating		
Official exchange rate	Yes.	The BOA sets the official rate of the lek against the US dollar and the euro every day, based on rates quoted by the 10 most active commercial banks. Rates for other currencies are based on US dollar cross-rates observed in international foreign exchange markets. The official rate of the lek vis-à-vis the principal foreign currencies is the rate used to settle customs obligations and reevaluate the foreign exchange positions of the BOA. Participants in the domestic foreign exchange market are not required to use the official rate in their transactions; however, the BOA requires commercial banks to use the official rate to convert foreign currency positions reported in their monthly balance sheet data.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	
Target setting body	Yes.	BOA Supervisory Council is the highest decision-making and supervisory body of the BOA. By law, the BOA is independent in formulating and implementing the monetary policy, including setting a numerical target for inflation. The Supervisory Council has decided that the inflation target is 3.0% over the medium term. Only the Supervisory Council can change the target. The decisions are taken by a majority vote. This degree of independence is outweighed through increased transparency and accountability of its actions. The Supervisory Council meets on a regular schedule published in the beginning of every year. It conducts eight regular meetings for monetary policy decision-making. The monetary policy decisions of the BOA are guided by the deviation of the medium-term inflation forecast from the target. The inflation analysis is broadly based on the assessment of current and expected economic, monetary, and financial conditions.
Government		
Central Bank	Yes.	

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Monetary Policy Committee		
Central Bank Board	Yes.	BOA Supervisory Council is the highest decision-making and supervisory body of the BOA. The council meets on a regular schedule. The BOA is independent in formulating and implementing the monetary policy, including setting a numerical target for inflation. This degree of independence is outweighed through increased transparency and accountability of its actions. The monetary policy decisions of the BOA are guided by the deviation of the medium-term inflation forecast from the target. The inflation analysis is broadly based on the assessment of current and expected economic, monetary, and financial conditions.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target	Yes.	In quantitative terms, the BOA defines price stability as keeping the annual change in consumer prices at 3%, on average terms, and for long time periods. To achieve its objective, the BOA employs the following market-based monetary policy instruments: open-market operations, standing facilities, and reserve requirements. The main policy instrument is a repo (reverse repo) transaction with a seven-day maturity. (The credit for liquidity support is not classified as a monetary policy instrument; it is intended to address financial stability.) Since June 2010, the objective of monetary operations has been to steer and keep short-term interest rates in the interbank market near the base rate set by the BOA Governing Council and minimize their volatility.
Target with tolerance band		
Band/Range		
Target measure	Yes.	The primary objective of the BOA is to achieve and maintain price stability. The annual inflation rate is calculated as the annual change in the CPI, measured and published by the Institute of Statistics, the public institution in charge of compiling statistics. Average year-over-year is used.
CPI	Yes.	The primary objective of the BOA is “to achieve and maintain price stability.” The annual inflation rate is calculated as the annual change in the CPI, measured and published by the Institute of Statistics, the public institution in charge of compiling statistics. Average year-over-year is used. The CPI is computed by the Institute of Statistics.
Core inflation		
Target horizon	Yes.	The monetary policy relevant horizon is estimated at around 1–3 years. The BOA aims at achieving its target over this horizon.
Operating target (policy rate)	Yes.	Repurchase Agreement rate is the policy rate. The rate is implicitly bounded by the overnight deposit window rate and the overnight credit window rate. Both rates are set by the BOA Supervisory Council.
Policy rate	Yes.	Repurchase Agreement rate is the policy rate.
Target corridor band	Yes.	The rate is implicitly bounded by the overnight deposit window rate and the overnight credit window rate. Both rates are set by the BOA Supervisory Council.
Other	No.	

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Accountability	Yes.	The BOA is accountable to the parliament for its decisions, via submission of regular quarterly monetary policy reports and yearly hearings.
Open letter	No.	
Parliamentary hearings	Yes.	The BOA is accountable to the parliament for its decisions, via submission of regular quarterly monetary policy reports and yearly hearings.
Other	Yes.	The BOA is accountable to the parliament for its decisions, via submission of regular quarterly monetary policy reports and yearly hearings.
Transparency	Yes.	
Publication of votes	No.	
Publication of minutes	No.	
Publication of inflation forecasts	Yes.	The medium-term inflation forecasts are performed quarterly. BOA publishes the description of inflation trajectory over the medium term as the baseline scenario as well as the balance of risks in the quarterly monetary policy reports.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs are allowed to freely determine their bid-ask spreads and foreign exchange commissions with their clients.
Spot exchange market	Yes.	In addition to banks, exchange bureaus are allowed to deal in foreign exchange with the public. As of December 31, 2022, 574 foreign exchange bureaus were licensed as foreign exchange operators. The BOA is the only institution that grants such licenses. The exchange bureaus may engage in the following activities: currency trading, trading of traveler's checks, and acting as an agent for nonbank financial institutions licensed by the BOA to conduct payment services and money transfers. Exchange bureaus are allowed to engage in operations within Albania and are subject to BOA's supervision and regulatory framework. Their accounts are held within the country only, and there are no restrictions on the volume of their transactions. The BOA deals with exchange bureaus under its intervention policies only in exceptional circumstances, which last occurred in 1998.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The regulation regarding foreign exchange interventions includes the option to carry out transactional interventions via auctions announced in advance. The BOA uses pre-announced auctions for the purpose of accumulating foreign exchange reserves. The BOA announces the date, amount, and currency it wants to buy at least one month before the auction, and the banks may offer at auction an unlimited amount, in a maximum of three bids, with a minimum value of 100,000 Euros per bid. There is a second-round option, which allows banks to offer a maximum amount equal to the amount awarded in the first-round auction. Banks have the option to

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		offer in the second round at the weighted average price of the winning bids in the auction. There is a provision for forward auctions in addition to the classic spot agreements, which aims to further the development of the money market. The BOA decides how much to buy based on the rates offered and its target amount. Following the auction, the BOA publishes the amount offered by commercial banks, the amount accepted by the BOA, the range of offered bids, the range of accepted bids, and the prorate at the maximum accepted bid. The frequency of the auctions is slightly over 1 auction per month, with a higher frequency in July, August, and December when the supply of the foreign currency in the market increases. There are penalties in case of violations of the auction procedures by commercial banks; a suspension is applied pursuant to Article 12, paragraph IV of the regulation.
Fixing	No.	
Interbank market	Yes.	Banks operate mainly through bilateral payments arrangements and use their own Reuters pages to announce some indicative rates, which usually apply to amounts of at least €50,000. According to the intervention regulation, the BOA may call on each bank to buy/sell up to a limit (trading lot) predetermined by each bank at the price the bank quotes on its Reuters page. Currently, the sum of three largest trading lots is €9 million and all other eight banks have a total limit of €4.1 million. There were 12 banks participating in the interbank foreign exchange market as of December 31, 2022.
Over the counter	Yes.	The domestic foreign exchange market operates over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Payment for all traded merchandise is made in convertible currencies. All contracts denominated and payable in foreign currency are valid.
Controls on the use of domestic currency	No.	There are no local restrictions on using domestic currency to settle international transactions.
For current transactions and payments	No.	There are no local restrictions on using domestic currency for current transactions and payments.
For capital transactions	No.	There are no local restrictions on using domestic currency for capital transactions.
Transactions in capital and money market instruments	No.	There are no local restrictions on using domestic currency for capital transactions.
Transactions in derivatives and other instruments	No.	There are no local restrictions on using domestic currency for capital transactions.
Credit operations	No.	There are no local restrictions on using domestic currency for capital transactions.
Use of foreign exchange among residents	No.	There are no restrictions on the use of foreign exchange among residents.
Payments arrangements	Yes.	All transactions under bilateral payments agreements were suspended in 1992, and the settlement of remaining clearing accounts is awaiting the outcome of reconciliation process.

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Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	Yes.	Albania maintains outstanding balances under inoperative bilateral payments agreements in nonconvertible currencies with Cuba, the Democratic People's Republic of Korea, and Vietnam. Albania also maintains outstanding balances under inoperative bilateral clearing agreements in convertible currencies with Algeria, Cuba, the Democratic People's Republic of Korea, and Vietnam.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BOA is vested with the power to administer exchange controls. The BOA is the only authority with the right to (1) license, authorize, regulate, supervise, and revoke the licenses of foreign exchange market participants, as well as those of commercial banks; (2) define the limits of their activities; and (3) regulate and supervise foreign exchange operations and international payments to prevent any participants from dominating the market and undermining the value of the lek through speculation. In accordance with anti-money-laundering legislation, banks are required to maintain records of all cash transactions in excess of the equivalent of lek 1 million and to report these to the authority in the MOF responsible for the prevention of money laundering.
Payments arrears	No.	
Official	No.	There are no official external arrears. The outstanding balance from bilateral agreements of payments—dating from the communist regime, with Algeria, Cuba, and Vietnam, can be recognized as liabilities only on signing of the respective debt rescheduling agreements and their ratification by the parliament of the Republic of Albania. Under Albanian law, the outstanding balances were only considered liabilities if they entered into an agreement by 2009. On official communication to the respective governments, no request or response is provided.
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	There are no restrictions on domestic ownership of gold, and trading activity is allowed under the license granted by the appropriate authorities.
On external trade	Yes.	In accordance with Article 12.1 of the regulation on foreign exchange activities, residents and nonresidents may transfer standardized gold and precious metals to and from Albania only through entities licensed by the BOA. In accordance with Article 12.2 of the regulation on foreign exchange activities, residents and nonresidents may transfer nonstandardized gold and precious metals to and from Albania in accordance with documentary requirements regarding the source, the purpose of the transfer, the quantity, and whether the transfer involves the return of the precious metals and, if so, the form in which they must be returned. The requirement does not apply to transfers of jewelry for personal use.
Controls on exports and imports of banknotes	Yes.	
On exports		

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	Yes.	
Domestic currency	Yes.	Natural and juridical persons are allowed to export up to lek 50,000 in domestic banknotes and coins.
Foreign currency	Yes.	In accordance with Article 11.1 of the regulation on foreign exchange activities, residents and nonresidents must declare to customs authorities the source and purpose of funds in amounts exceeding €10,000 or its equivalent in foreign currency. In accordance with Article 11.2 of the regulation on foreign exchange activities, nonresidents visiting Albania may take out foreign currency in cash and traveler's checks in the amount declared to customs authorities on entry. This amount must be supported by (1) a declaration made at the time of entry and (2) exchange documents, if available.
On imports	Yes.	
Domestic currency	Yes.	Natural and juridical persons are allowed to import up to lek 50,000 in domestic banknotes and coins.
Foreign currency	Yes.	In accordance with Article 11 of the regulation on foreign exchange activities, residents and nonresidents must declare to customs authorities the source and the purpose of funds exceeding €10,000 or its equivalent in foreign currency.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open bank accounts in foreign currency. Foreign exchange accounts are not subject to specific rules or constraints and are treated like domestic currency accounts. Pursuant to Regulation No. 70 of September 30, 2009, "On Foreign Exchange Transactions," Article 7, Paragraphs 2 and 3, transfers carried out between residents and nonresidents, and which are recorded in the current account of the balance of payments, may be carried out in freely convertible currency units. Current transfers and transactions between residents and nonresidents are conducted freely in line with the documentation stipulated in Appendix No. 1 of the Regulation.
Approval required	No.	
Held abroad	Yes.	Residents are allowed to open foreign exchange accounts abroad, and the balances may be transferred to their home country freely; supporting/declaration documents are required (Law No. 9917 on the Prevention of Money Laundering and Terrorism Financing, as amended) for the purpose of client identification.
Approval required	No.	
Accounts in domestic currency held abroad	No.	There are no local restrictions on opening/holding accounts in domestic currency abroad; however, the lek is not convertible and so it is not used for this purpose.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Deposit-taking institutions have specific rules for opening and operating foreign exchange accounts, in compliance with the requirements of Law No. 9917 of May 19, 2008, on the Prevention of Money Laundering and Terrorism Financing, as amended, for the purpose of client identification.

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		Pursuant to Regulation No. 70 of September 30, 2009, "On Foreign Exchange Transactions," Article 7, Paragraphs 2 and 3, transfers carried out between residents and nonresidents, and which are recorded in the current account of the balance of payments, may be carried out in freely convertible currency units. Current transfers and transactions between residents and nonresidents are conducted freely in line with the documentation stipulated in Appendix No. 1 of the Regulation.
Approval required	No.	
Domestic currency accounts	Yes.	Deposit-taking institutions have specific rules for opening and operating foreign exchange accounts, in compliance with the requirements of Law No. 9917 of May 19, 2008, on the Prevention of Money Laundering and Terrorism Financing, as amended, for the purpose of client identification.
Convertible into foreign currency	Yes.	Nonresidents may convert the balances of their domestic currency accounts into foreign currency and transfer them abroad freely.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	The BOA is the licensing authority in the country that grants the license for performing foreign exchange activity, respectively, for banks, nonbank financial institutions, and foreign exchange offices. This license is a separate one and in no case can the import license be used as a license for performing the foreign exchange transactions in the country.
Other	Yes.	Appendix No. 1 of Regulation of BOA No. 70 on Foreign Exchange Activities, as amended, stipulates the following: Advance payment in lek or the equivalent in foreign currency calculated at the daily exchange rate must be accompanied by the following documentation: (1) an application describing the nature and purpose of the transaction, signed by the applicant and including a declaration that the submitted documentation was not previously used for other transfers for the same goods and value; and (2) a pro forma invoice and/or a contract with the terms of payment. For transfers related to commercial services, as stipulated in Article 7, Paragraph 1, of the regulation, license holders must obtain from each customer the following documentation: (1) the application stipulated in Paragraph 1a (Part I) of the appendix and (2) the invoice or a document

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		certifying the purpose of the transfer and/or the respective contract or agreement. For transfers related to noncommercial transactions, the following documents are required: (1) the application stipulated in Paragraph 1a (Part I of the appendix) and (2) a declaration of the source of income for the transfer.
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Currently, there are approximately 88 types of legal fees and charges for certificates, licenses, and permits (and for controls in international trade) issued by various government agencies involved in the Albanian customs process. Eighty-four types are charged with a fee.
Negative list	No.	
Open general licenses	Yes.	Currently, there are approximately 147 types of legal fees and charges for certificates, licenses, and permits (and for controls in international trade) issued by various government agencies involved in the Albanian customs process. Sixty-six types are charged with a fee. In compliance with Law No. 10081 of February 23, 2009, on Licenses, Authorizations, and Permits in the Republic of Albania, anyone meeting the criteria specified in this law and other pertinent legislation is licensed to exercise a specific activity. Once the license to exercise the activity is granted, the importer may import any product without an additional import license, including for products such as narcotic and psychotropic drugs, live animals, biological materials on animal insemination, veterinary drugs and vaccines, medicinal products, plant protection products, military goods.
Licenses with quotas	Yes.	In compliance with Law No. 10081 on Licenses, Authorizations, and Permits in the Republic of Albania, anyone meeting the criteria specified in this law and other pertinent legislation is licensed to exercise a specific activity. Once the license to exercise the activity is granted, the importer may import any product without an additional import license, except for specific products that require a nonautomatic license, such as ozone depleting substances.
Other nontariff measures	Yes.	The only import prohibitions relate to products considered to be hazardous or to threaten public health. The importation of dangerous waste is prohibited, unless it can be used, processed, or recycled, in which case an import license is required. Import prohibitions also apply to imports of strong poisons, chemical weapons, narcotics, and animal products from certain countries. Import prohibitions apply to bioproducts and veterinary drugs recognized as dangerous to human or animal health by relevant international organizations; imports from countries or areas within a country infected by a contagious disease; live microorganisms pathogenic to animals and plants; and infected plant products and other objects.
Import taxes and/or tariffs	Yes.	Excise taxes on domestic and imported goods are unified. Customs tariffs are applied to the c.i.f. value at rates of 0%, 2%, 5%, 6%, 10%, and 15%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	All private and public companies or individuals operating in the export sector are required to repatriate their foreign exchange receipts.

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Export licenses must be obtained only for a handful of mostly sensitive products. These include firearms, ammunition, dual-use goods and technologies, military goods, explosive materials, and radioactive materials. Licenses and special export permits are required for medicines, ozone layer depletion, precious metals, antiques, national clothing of artistic or folkloric value, and books and works of art that form part of Albania's national heritage and culture.
Without quotas	Yes.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	Supporting documents are required. According to the Regulation on Foreign Exchange Activities approved by Decision No. 70 of September 30, 2009, of the Supervisory Council of the BOA (as amended), there are no specific provisions regarding invisible transactions. Article 7 of the regulation applies to "current transactions." Article 7, Paragraph 3, stipulates that "current transfers and transactions between residents and nonresidents are conducted freely in line with the documentation stipulated in Appendix No. 1 of this Regulation."
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	Because of COVID-19, the BOA approved Decision No. 6, effective February 2, 2022, which provisioned the suspension until December 31, 2022, of the distribution of profits by banks carried over the year 2021 and the profit that will be realized during the year 2022.

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		Decision No. 6 followed three previous BOA decisions on the suspension of the distribution of profits by banks carried over from previous periods in relevance to COVID-19 first introduced on April 8, 2020. Decision No. 31, effective February 28, 2022, repealed restrictions regarding dividend distribution by insurance companies. The Board of the Albanian Financial Supervisory Authority (AFSA) introduced previous decisions, initially on April 10, 2020, to protect consumers and maintain the insurance market financial stability in light of COVID-19, which required insurance companies to temporary suspend any procedure for dividend distribution, as well as to have a careful approach regarding variable renumeration policies and postpone them in time.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	In accordance with the regulation on foreign exchange activities, the transfer of capital from abroad by residents and/or nonresidents may be carried out freely and without restrictions. Capital transfers outside Albania for account holders licensed by the BOA may be performed on the authority of their respective institutions and in accordance with the regulatory and supervisory requirements of the BOA. License holders may make transfers outside Albania for their customers with the requisite documentation in the BOA's regulation on foreign exchange activities.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Transactions with securities and other similar instruments, and the exercise of rights arising from the latter, may be carried out only through banks and/or other institutions authorized by law, on the basis of a contract. For prudential reasons and money-laundering prevention, the FIU and the BOA monitor and review these transactions.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Law No. 62 of May 14, 2020, "On capital markets" requires the regulated market to establish rules and criteria relating to transactions on the market and the admission to trading of shares or other securities. The rules of the Albanian Securities Exchange, which operates a regulated market, specify the criteria for the listing and admission to trading of shares and other securities, as well as the characteristics of different classes of financial instruments for the admission to trading on the different market segments which it operates. Where a shareholder acquires or disposes shares of an issuer whose shares are admitted to trading on a regulated market, such shareholder notifies the issuer if the proportion reaches, exceeds, or falls below the thresholds as specified in Regulation No. 5 of January 26, 2023, "On transparency requirements of listed companies".
Purchase locally by nonresidents	No.	Law No. 62/2020 "On Capital Markets," in force since September 1, 2020, does not impose any restrictions on the local purchase of securities by nonresidents.
Sale or issue locally by nonresidents	Yes.	Issuing securities with purpose of soliciting funds from the public is not allowed in Republic of Albania, without a valid prospectus in accordance with the Capital Market Law and respective bylaws. Securities may only be offered to the public and admitted to trading in the Republic of Albania after prior publication of a prospectus in accordance with the applicable capital market law and regulations. The obligation to publish a prospectus applies to both equity and

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		non-equity securities offered to the public or admitted to trading on regulated markets. Pursuant to Article 247 of Law No. 62/2020 "On Capital Markets" and Articles 29 and 30 of Regulation No. 4 of January 26, 2023, "On the Form and Content of a prospectus to be published when securities are offered to the public and/or admitted to trading on a regulated market," an issuer based outside the territory of the Republic of Albania may offer securities to the public in the Republic of Albania, provided: (1) The prospectus drawn up in accordance with the requirements of the home country has been approved by the competent authority of home country; (2) The information requirements of the prospectus imposed by the home country are equivalent to the requirements under the Albanian prospectus regulation and capital market law; (3) The competent authority of the home country has signed a cooperation agreement with AFSA in the framework of the International Organization of Securities Commissions' (IOSCO's) Multilateral Memorandum of Understanding (MMoU) pursuant to Article 247 (1b) and (2a) of the capital market law. Where an issuer established in one of the EU member states intends to offer securities to the public in the Republic of Albania or to seek admission to trading of securities on a regulated market established in the Republic of Albania, the prospectus approved by the home Member State is valid for the offer to the public or the admission to trading in the Republic of Albania provided AFSA is notified.
Purchase abroad by residents	Yes.	The Law on Capital Markets does not restrict purchases abroad by residents. Pursuant to the Law on Banks, No. 9662 of December 18, 2006, as amended, banks may invest in the purchase of shares of commercial companies which are not banks or financial institutions or may be a partner of a commercial company, for an amount not exceeding 10% of the capital of that company, but the investment at any time may not exceed 15% of the regulatory capital of the bank. The maximum allowed investment of a bank in several commercial companies which are not banks or financial institutions or the maximum holdings as a partner in such commercial companies may not exceed 60% of the regulatory capital of a bank. Pursuant to Regulation No. 1 of January 28, 2010, as amended, the assets of a pension fund may not be invested more than (1) 30% in shares or units in investment funds licensed in an EU Member State, and (a) the assets of which are invested in the following indices: CAC 40, DAX, FTSE 100, S&P 500, Dow Jones Industrial Average, Nikkei 225 (Japan), Sensex (India), All Ordinaries (Australia), and Hang Seng Index (Hong Kong); or (b) the assets of which are invested in bonds, treasury bills, and other securities issued or guaranteed by EU Member States; (2) 100% in bonds, treasury bills, or other securities issued or guaranteed by the ECB, the EIB, and the World Bank; (3) 100% in bonds, treasury bills, and other securities issued or guaranteed by EU Member States or OECD countries or by the relevant CBs but (a) no more than 30% in a single issuer. The ceiling may be increased to 100% in a single issuer, after receiving approval by the AFSA, based on the arguments provided for such an investment policy.
Sale or issue abroad by residents	No.	Law No. 62 of May 14, 2020, "On capital markets" does not restrict the sale or issue abroad by residents. The rules of the host competent authority may apply.
Bonds or other debt securities	Yes.	Following the approval of the prospectus, bonds may be admitted to the market segments of the regulated market in accordance with the provisions of law No. 62/2020 "On Capital Markets" and the rules of

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		the Albanian Securities Exchange.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Issuing securities with purpose of soliciting funds from the public is not allowed in Republic of Albania, without a valid prospectus in accordance with the Capital Market Law and respective bylaws. Securities may only be offered to the public and admitted to trading in the Republic of Albania after prior publication of a prospectus in accordance with the applicable capital market law and regulations. The obligation to publish a prospectus applies to both equity and non-equity securities offered to the public or admitted to trading on regulated markets. Pursuant to Article 247 of Law No. 62/2020 "On Capital Markets" and Articles 29 and 30 of Regulation No. 4 of January 26, 2023, "On the Form and Content of a prospectus to be published when securities are offered to the public and/or admitted to trading on a regulated market," an issuer based outside the territory of the Republic of Albania may offer securities to the public in the Republic of Albania, provided: (1) The prospectus drawn up in accordance with the requirements of the home country has been approved by the competent authority of home country; (2) The information requirements of the prospectus imposed by the home country are equivalent to the requirements under the Albanian prospectus regulation and capital market law; (3) The competent authority of the home country has signed a cooperation agreement with AFSA in the framework of the IOSCO's MMoU pursuant to Article 247 (1b) and (2a) of the capital market law. Where an issuer established in one of the EU member states intends to offer securities to the public in the Republic of Albania or to seek admission to trading of securities on a regulated market established in the Republic of Albania, the prospectus approved by the home Member State is valid for the offer to the public or the admission to trading in the Republic of Albania provided AFSA is notified
Purchase abroad by residents	Yes.	The Law on Capital Markets does not restrict purchases abroad by residents. Pursuant to Regulation No. 1 of January 28, 2010, as amended, the assets of a pension fund may not be invested more than (1) 30% in shares or units in investment funds licensed in an EU Member State, and (a) the assets of which are invested in the following indices: CAC 40, DAX, FTSE 100, S&P 500, Dow Jones Industrial Average, Nikkei 225 (Japan), Sensex (India), All Ordinaries (Australia), and Hang Seng Index (Hong Kong); or (b) the assets of which are invested in bonds, treasury bills, and other securities issued or guaranteed by EU Member States; (2) 100% in bonds, treasury bills, or other securities issued or guaranteed by the ECB, the EIB, and the World Bank; (3) 100% in bonds, treasury bills, and other securities issued or guaranteed by EU Member States or OECD countries or by the relevant CBs but (a) no more than 30% in a single issuer. The ceiling may be increased to 100% in a single issuer, after receiving approval by the AFSA, based on the arguments provided for such an investment policy.
Sale or issue abroad by residents	No.	Law No. 62 of May 14, 2020, "On capital markets" does not restrict the sale or issue abroad by residents. The rules of the host competent authority may apply.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Local sales or issue of securities, including money market

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		instruments by nonresidents, should be performed in accordance with Article 247 of the Law on Capital Markets. Issuing securities with purpose of soliciting funds from the public is not allowed in Republic of Albania, without a valid prospectus in accordance with the Capital Market Law and respective bylaws. Securities may only be offered to the public and admitted to trading in the Republic of Albania after prior publication of a prospectus in accordance with the applicable capital market law and regulations. The obligation to publish a prospectus applies to both equity and non-equity securities offered to the public or admitted to trading on regulated markets. Pursuant to Article 247 of Law No. 62/2020 "On Capital Markets" and Articles 29 and 30 of Regulation No. 4 of January 26, 2023, "On the Form and Content of a prospectus to be published when securities are offered to the public and/or admitted to trading on a regulated market," an issuer based outside the territory of the Republic of Albania may offer securities to the public in the Republic of Albania, provided: (1) The prospectus drawn up in accordance with the requirements of the home country has been approved by the competent authority of home country; (2) The information requirements of the prospectus imposed by the home country are equivalent to the requirements under the Albanian prospectus regulation and capital market law; (3) The competent authority of the home country has signed a cooperation agreement with AFSA in the framework of the IOSCO's MMoU pursuant to Article 247 (1b) and (2a) of the capital market law. Where an issuer established in one of the EU member states intends to offer securities to the public in the Republic of Albania or to seek admission to trading of securities on a regulated market established in the Republic of Albania, the prospectus approved by the home Member State is valid for the offer to the public or the admission to trading in the Republic of Albania provided AFSA is notified.
Purchase abroad by residents	Yes.	The Law on Capital Markets does not restrict purchases abroad by residents. The residents may purchase financial instruments in the international markets by accessing such markets by themselves (no license is required when they deal on their own account), or they may purchase financial instruments abroad through a licensed investment firm or bank providing investment services established in the Republic of Albania. Foreign investment firms may provide investment services to residents only through the establishment of a branch, or through a representative office or agent, which has to be registered by the AFSA. Pursuant to the capital market law, where a resident seeks on its own exclusive initiative the provision of an investment service or activity by a third-country firm, the requirement for authorization does not apply. However, transactions must conform to BOA Regulation No. 70 on Foreign Exchange Activities. Pursuant to Regulation No. 1 of January 28, 2010, as amended, the assets of a pension fund may not be invested more than (1) 30% in shares or units in investment funds licensed in an EU Member State, and (a) the assets of which are invested in the following indices: CAC 40, DAX, FTSE 100, S&P 500, Dow Jones Industrial Average, Nikkei 225 (Japan), Sensex (India), All Ordinaries (Australia), and Hang Seng Index (Hong Kong); or (b) the assets of which are invested in bonds, treasury bills, and other securities issued or guaranteed by EU Member States; (2) 100% in bonds, treasury bills, or other securities issued or guaranteed by the ECB, the EIB, and the World Bank; (3) 100% in bonds, treasury bills, and other securities

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		issued or guaranteed by EU Member States or OECD countries or by the relevant CBs but (a) no more than 30% in a single issuer. The ceiling may be increased to 100% in a single issuer, after receiving approval by the AFSA, based on the arguments provided for such an investment policy.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	The Law on Collective Investment Undertakings (CIUs) does not restrict local purchases of units by nonresidents.
Sale or issue locally by nonresidents	Yes.	CIUs licensed by the appropriate authority in an EU may issue or sell units/shares in Albania after going through an AFSA recognition process.
Purchase abroad by residents	Yes.	The Law on CIUs does not restrict purchases of units abroad by residents. The law and Regulation No. 106 specify the investments limits that a licensed CIU scheme with public offer may invest in any investment type but do not restrict purchases abroad by a CIU scheme. Regulation No. 1 of January 28, 2010, as amended, specifies the restrictions on investment of the assets of pension funds in securities issued abroad, including limits based on debt securities ratings, issuing financial institutions, issuing countries, such as EU or OECD countries, concentration on single issuers, etc. The assets of a pension fund may not be invested more than (1) 30% in shares or units in investment funds licensed in an EU Member State, and (a) the assets of which are invested in the following indices: CAC 40, DAX, FTSE 100, S&P 500, Dow Jones Industrial Average, Nikkei 225 (Japan), Sensex (India), All Ordinaries (Australia), and Hang Seng Index (Hong Kong); or (b) the assets of which are invested in bonds, treasury bills, and other securities issued or guaranteed by EU Member States; (2) 100% in bonds, treasury bills, or other securities issued or guaranteed by the ECB, the EIB, and the World Bank; (3) 100% in bonds, treasury bills, and other securities issued or guaranteed by EU Member States or OECD countries or by the relevant CBs but (a) no more than 30% in a single issuer. The ceiling may be increased to 100% in a single issuer, after receiving approval by the AFSA, based on the arguments provided for such an investment policy.
Sale or issue abroad by residents	Yes.	A management company wishing to establish a branch in an EU country, or another country outside the EU if specifically permitted by the AFSA, must notify the AFSA, indicating the EU country or another permitted country in which it intends to establish a branch.
Controls on derivatives and other instruments	Yes.	Controls on derivatives and other instruments are the same as on capital market securities.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Issuing securities with purpose of soliciting funds from the public is not allowed in Republic of Albania, without a valid prospectus in accordance with the Capital Market Law and respective bylaws. Securities may only be offered to the public and admitted to trading in the Republic of Albania after prior publication of a prospectus in accordance with the applicable capital market law and regulations. The obligation to publish a prospectus applies to both equity and non-equity securities offered to the public or admitted to trading on regulated markets. Pursuant to Article 247 of Law No. 62/2020 “On Capital Markets” and Articles 29 and 30 of Regulation No. 4 of January 26, 2023, “On the Form and Content of a prospectus to be published when securities

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		are offered to the public and/or admitted to trading on a regulated market," an issuer based outside the territory of the Republic of Albania may offer securities to the public in the Republic of Albania, provided: (1) The prospectus drawn up in accordance with the requirements of the home country has been approved by the competent authority of home country; (2) The information requirements of the prospectus imposed by the home country are equivalent to the requirements under the Albanian prospectus regulation and capital market law; (3) The competent authority of the home country has signed a cooperation agreement with AFSA in the framework of the IOSCO's MMoU pursuant to Article 247 (1b) and (2a) of the capital market law. Where an issuer established in one of the EU member states intends to offer securities to the public in the Republic of Albania or to seek admission to trading of securities on a regulated market established in the Republic of Albania, the prospectus approved by the home Member State is valid for the offer to the public or the admission to trading in the Republic of Albania provided AFSA is notified.
Purchase abroad by residents	Yes.	The Law No. 62/2020 "On Capital Markets" does not restrict purchases abroad by residents. Pursuant to Regulation No. 1 of January 28, 2010, as amended, the assets of a pension fund may not be invested more than (1) 30% in shares or units in investment funds licensed in an EU Member State, and (a) the assets of which are invested in the following indices: CAC 40, DAX, FTSE 100, S&P 500, Dow Jones Industrial Average, Nikkei 225 (Japan), Sensex (India), All Ordinaries (Australia), and Hang Seng Index (Hong Kong); or (b) the assets of which are invested in bonds, treasury bills, and other securities issued or guaranteed by EU Member States; (2) 100% in bonds, treasury bills, or other securities issued or guaranteed by the ECB, the EIB, and the World Bank; (3) 100% in bonds, treasury bills, and other securities issued or guaranteed by EU Member States or OECD countries or by the relevant CBs but (a) no more than 30% in a single issuer. The ceiling may be increased to 100% in a single issuer, after receiving approval by the AFSA, based on the arguments provided for such an investment policy.
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	

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Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Controls relate only to the purchase of land.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	These transactions are subject only to anti-money-laundering regulations.
To residents from nonresidents	No.	These transactions are subject only to anti-money-laundering regulations.
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	These transactions are subject only to anti-money-laundering regulations.
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Banks are required to maintain reserves at their accounts with the BOA. The reserve requirement ratio varies by currency as a measure to increase the use of domestic currency in the financial system. The following are applied to the liabilities included in the reserve base to which a 0 reserve ratio is not applied: The reserve ratio in lek is 7.5%

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		for liabilities with a maturity up to 12 months, and 5% for those with an initial maturity between 12 months and two years. The reserve ratio in foreign currency is 12.5% when the bank's ratio of liabilities in the relevant currency included in the reserve base to which a 0 reserve ratio is not applied to the total of liabilities is up to 50%, and 20% if the ratio is higher than 50%. Reserves in lek are remunerated at the repo rate. The euro required reserves are remunerated at the ECB overnight deposit rate, and the US dollar required reserves are remunerated at 0%. The maintenance period of the required reserve is one month. It starts on the 24th day of the month succeeding the base period and ends on the 23rd day of the following month. The BOA applies the averaging system of maintaining reserves over the maintenance period. Banks are allowed to use every day up to 70% of the reserve requirements' amount in lek.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Pursuant to the Law on Banks, No. 9662 of December 18, 2006, as amended, bank exposures may not be higher than 20% of their regulatory capital with a single counterparty or a group of connected clients. If the counterparty is the parent bank or one or more subsidiaries of a parent bank, banks may not invest more than 25% of their regulatory capital. The bank may not undertake large exposures, which together exceed 700% of regulatory capital. Pursuant to the Law on Banks, No. 9662 of December 18, 2006, as amended, banks may invest in the purchase of shares of commercial companies which are not banks or financial institutions or may be a partner of a commercial company, for an amount not exceeding 10% of the capital of that company, but the investment at any time may not exceed 15% of the regulatory capital of the bank. The maximum allowed investment of a bank in several commercial companies which are not banks or financial institutions or the maximum holdings as a partner in such commercial companies may not exceed 60% of the regulatory capital of a bank.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The limit is 20% of the bank's regulatory capital for a single currency and 30% for all currencies. No different treatment is provisioned for resident or nonresident assets and liabilities.
On nonresident assets and liabilities	Yes.	The limit is 20% of the bank's regulatory capital for a single currency and 30% for all currencies. No different treatment is provisioned for resident or nonresident assets and liabilities.

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Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Effective February 28, 2022, the Board of AFSA issued Decision No. 31 removing all restrictions regarding COVID-19-related dividend distribution. Even though COVID-19 is no longer an emergency, Guideline No. 94 of July 29, 2020, "On regulatory expectations towards the entities under supervision, due to the situation caused by COVID-19," is still in force.
Limits (max.) on securities issued by nonresidents	Yes.	The Insurance Law, No. 52 (Articles 97 and 103), specifies permissible investments and limits for investment of assets covering technical or mathematical provisions. Assets covering technical provisions, or mathematical provisions, may, with AFSA approval, be invested in (1) long-term bonds and long-term securities issued by an EU member country or an OECD member country; (2) long-term bonds and long-term securities issued by a nongovernmental entity in an EU member country or an OECD member country; (3) shares issued by a foreign joint-stock company that are traded on a regulated capital market in an EU member country or an OECD member country; and (4) units/shares of CIUs that are traded in an EU member country or an OECD member country. Before acquiring a qualified holding in another foreign (member or nonmember country) insurance company or financial institution, an insurance company must inform the AFSA in writing. Insurance companies must also inform the AFSA in writing of subsequent holdings equal to or exceeding 20%, 33%, 50%, or 75% of the voting rights or participation in the capital of a foreign financial institution (Article 50, Law No. 52). Regulation No. 19 (Article 4, Point 2) of April 28, 2015, "On the Assets Covering Technical Provisions and the Types of the Permitted Investments of These Assets" stipulates additional requirements, other than limits, regarding the permissible investments of assets covering technical provisions. On Albania's accession to the EU, insurance companies will be allowed to invest their assets covering technical provisions and mathematical provisions in an EU or an OECD member country, as specified in the insurance law (Article 263, Law No. 52).
Limits (max.) on investment portfolio held abroad	Yes.	The Insurance Law, No. 52 (Articles 97 and 103), specifies permissible investments and limits for investment of assets covering technical or mathematical provisions. Assets covering technical provisions, or mathematical provisions, may, with AFSA approval, be invested in (1) long-term bonds and long-term securities issued by an EU member country or an OECD member country; (2) long-term bonds and long-term securities issued by a nongovernmental entity in an EU member country or an OECD member country; (3) shares issued by a foreign joint-stock company that are traded on a regulated capital market in an EU member country or an OECD member country; and (4) units/shares of CIUs that are traded in an EU member country or an OECD member country. Before acquiring a qualified holding in another foreign (member or nonmember country) insurance company or financial institution, an insurance company must inform the AFSA in writing. Insurance companies must also inform the AFSA in writing of subsequent holdings equal to or exceeding 20%, 33%, 50%, or 75% of the voting rights or participation in the capital of a foreign financial institution (Article 50, Law No. 52). Regulation No. 19 (Article 4, Point 2) stipulates additional requirements, other than limits, regarding the permissible investments of assets covering technical provisions. On Albania's accession to the EU, insurance companies will be allowed to invest their assets covering technical provisions and mathematical provisions in an EU or an OECD member country, as specified in the

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		insurance law (Article 263, Law No. 52).
Limits (min.) on investment portfolio held locally	No.	There is no limit on investments held locally. Insurance companies may invest 100% of their technical and mathematical provisions in Albania as long as the restrictions regarding investment type and diversification are met. Insurance companies may invest their technical and mathematical provisions in treasury bills and notes, as well as in other market instruments issued by the central government of Albania.
Currency-matching regulations on assets/liabilities composition	Yes.	The Insurance Law, No. 52 (Article 98), requires insurance companies to appropriately match the amount of investment of assets covering technical and mathematical provisions which are exposed to risk of potential losses because of changes in interest rates, exchange rates, and other market risks with its liabilities from insurance contracts dependent on the same changes. When investing assets covering technical and mathematical provisions, insurance companies must take into consideration the maturity of the liabilities under individual insurance contracts. Insurance companies must match no less than 80% of the assets covering mathematical provisions with the liabilities under insurance contracts dependent on changes in foreign exchange rates.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Regulation No. 1 of January 28, 2010, as amended, specifies the restrictions on investment of assets of pension funds in securities issued abroad. This regulation specifies limits based on debt securities ratings, issuing financial institutions, issuing countries, such as EU or OECD countries, concentration on single issuers, etc.
Limits (max.) on investment portfolio held abroad	Yes.	Regulation No. 1 of January 28, 2010, as amended, specifies the restrictions on investment of the assets of pension funds in securities issued abroad, including limits based on debt securities ratings, issuing financial institutions, issuing countries, such as EU or OECD countries, concentration on single issuers, etc. The assets of a pension fund may not be invested more than (1) 30% in shares or units in investment funds licensed in an EU Member State, and (a) the assets of which are invested in the following indices: CAC 40, DAX, FTSE 100, S&P 500, Dow Jones Industrial Average, Nikkei 225 (Japan), Sensex (India), All Ordinaries (Australia), and Hang Seng Index (Hong Kong); or (b) the assets of which are invested in bonds, treasury bills, and other securities issued or guaranteed by EU Member States; (2) 100% in bonds, treasury bills, or other securities issued or guaranteed by the ECB, the EIB, and the World Bank; (3) 100% in bonds, treasury bills, and other securities issued or guaranteed by EU Member States or OECD countries or by the relevant CBs but (a) no more than 30% in a single issuer. The ceiling may be increased to 100% in a single issuer, after receiving approval by the AFSA, based on the arguments provided for such an investment policy.
Limits (min.) on investment portfolio held locally	No.	Regulation No. 1 of January 28, 2010, as amended, stipulates that 100% of assets of pension funds may be invested in notes, treasury bills, and other government papers issued and backed by the Republic of Albania. However, there are limits regarding bank deposits and concentration of investment in a single issuer. The assets of a pension fund may not be invested more than: 100% in Treasury Bills, bonds, and other securities issued or guaranteed by the Republic of Albania; 20% in bank deposits in the same bank; 30% in debt securities with a rating of BBB or higher as rated by Standard & Poor's or Fitch, a rating of Baa3 or higher as rated by Moody's, a rating of BBB (low) or higher as rated by DBRS (Dominion Bond Rating Service), but no more than 10% in a single

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		issuer.
Currency-matching regulations on assets/liabilities composition	No.	There is no currency-matching regulation.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Articles 139 and 140 of the Law on Collective Investments, No. 56/2020 of June 20, 2020, stipulate restrictions on publicly offered investment funds' holdings. These include the maturities, transferability, investments in EU countries only (except with AFSA permission), issuer concentration, etc. The restrictions are expressed as a percentage of the fund's total assets. The limits are the same as in the UCITS IV directive.
Limits (max.) on investment portfolio held abroad	Yes.	The Law on Collective Investments, No. 56/2020 of June 20, 2020, states that there are no limits on the percentage of investments held abroad. However, Articles 139 and 140 stipulate restrictions on publicly offered investment of funds' assets. There are restrictions on maturities, transferability, investments in EU countries only (except with AFSA permission), issuer concentration, etc. The restrictions are expressed as a percentage of the fund's total assets. Pursuant to Law No. 56/2020 "On Collective Investment Undertakings," the limits on maturities, transferability, issuer concentration, etc., are the same as in the UCITS IV Directive.
Limits (min.) on investment portfolio held locally	No.	There is no minimum on the investment portfolio held locally. Articles 139 and 140 of the Law on Collective Investments, No. 56/2020 of June 20, 2020, restrict the types of assets, maturities, transferability, etc.
Currency-matching regulations on assets/liabilities composition	No.	There is no currency-matching regulation.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.

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Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.

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Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	The establishment of centralized and decentralized distributed ledger technology (DLT) exchanges and custodians that facilitate trading and digital storage of crypto assets is regulated by the Law No. 66/2020 "On financial markets based in DLT" and its supporting bylaws that specify detailed procedures and measures for the licensing of these activities. Foreign entities must notify the competent authorities and follow the licensing procedures to conduct trading and custody for crypto assets. A DLT service provider (that is, exchange/trading platform) and the responsible DT Agent (supervising the exchange/trading platform) must employ a dedicated person to comply with AML requirements.
Access to crypto exchange/trading platform by residents	No.	Residents are required to complete know your customer (KYC)/AML procedures before placing any trades on licensed exchanges. Exchanges may have other risk management controls and internal policies.

Changes during 2022 and 2023

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments	*02/02/2022*	Because of COVID-19, the Bank of Albania (BOA) approved Decision No. 6, which provisioned the suspension until December 31, 2022, of the distribution by banks of profits carried over the year 2021 and the profit that will be realized during the year 2022. Decision No. 6 followed three previous BOA decisions on the suspension of the distribution of profits by banks carried over from previous periods in relevance to COVID-19 first introduced on April 8, 2020.
	02/28/2022	The Board of Albanian Financial Supervisory Authority issued Decision No. 31, removing all restrictions regarding dividend distribution.

Provisions Specific to the Financial Sector

Provisions specific to institutional investors

Insurance companies	*02/28/2022*	The Board of Albanian Financial Supervisory Authority issued Decision No. 31, removing all restrictions regarding COVID-19-related dividend distribution.

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ALGERIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 26, 1963.
Article VIII	Yes.	Date of acceptance: September 15, 1997.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Algeria is the Algerian dinar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is managed floating. The Bank of Algeria (BA) does not announce the path of the exchange rate. The external value of the dinar is determined in the interbank foreign exchange market, in which the BA is the main seller. This is because of inflows related to commodity exports, including hydrocarbons, which, under current law, must be surrendered to the BA. The BA manages the dinar with reference to a basket of currencies, and the rate of the dinar relative to the currencies in the basket is based on balance of payments data. The BA has not set a target range for fluctuation of the dinar outside or within any particular band, and the observed exchange rate movements do not

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		confirm any constant weights of the currency composite. The de facto exchange rate arrangement is classified as a crawl-like arrangement.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	No.	There is no official exchange rate determined outside the market. The exchange rate used by the customs administration is the market-determined rate of the dinar against the respective currency on the customs clearance date.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The monetary policy framework adjusts to reflect the developments of the economic environment caused by oil price fluctuations. Since 2003, base money has been the main intermediate instrument of monetary policy, and liquidity management tools dominated the monetary policy toolkit. In March 2017, the BA introduced open market operations for the first time. Until November 2017, open market lending operations served as the main policy tool. With the introduction of monetary financing in October 2017, excess liquidity reappeared, and the BA reintroduced liquidity absorption facilities in January 2018. At present, the decline in liquidity has led to greater use of bank refinancing instruments, particularly through open market operations. The exchange rate policy targets a real effective exchange rate in line with its fundamental value but has occasionally been used to contain price pressures.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		

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Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized exchange bureaus may not freely determine their bid-ask spread. Their rates may vary by no more than 1% from the rate used by the BA. Exchange bureaus may charge a commission in dinars, which must be posted, on foreign exchange purchases and sales.
Spot exchange market	Yes.	The governor of the BA issues licenses to banks and financial institutions to engage in banking operations, including foreign exchange transactions. These licenses are conditional on authorization from the Council on Money and Credit (CMC, a monetary authority). As of December 31, 2022, 19 banks and 4 financial institutions, all authorized intermediaries, participated in the interbank foreign exchange market. Exchange bureaus must obtain a license from the BA. As of December 31, 2022, the BA had granted licenses to 46 exchange bureaus, but only 3 bureaus were active. Exchange bureaus may only buy and sell banknotes and traveler's checks denominated in freely convertible foreign currencies against dinars. Exchange bureaus may sell foreign currency to authorized banks and financial institutions or to the BA, but they may not buy foreign currency from the BA, and they may

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		not hold accounts abroad. They may not make payments or transfers in foreign currency for the accounts of their customers.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BA intervenes in the foreign exchange market directly by proposing its own rates and by making foreign exchange available to banks at their request. The BA sets the buying and selling rates of the dinar against the US dollar in this market within a margin of 0.015 dinar. The BA sells foreign exchange only to authorized banks and financial institutions. The government and other public institutions do not deal directly with the BA. They deal with financial institutions operating in the interbank foreign exchange market.
Allocation	No.	
Auction	No.	The BA allocates foreign exchange at the request of authorized banks and financial institutions.
Fixing	No.	
Interbank market	Yes.	No margin limits are imposed on the buying and selling exchange rates in the interbank foreign exchange market. As of December 31, 2022, 19 banks had been licensed to engage in banking operations, including foreign exchange transactions; they therefore participate in the interbank foreign exchange market. The governor of the BA issues the licenses, which are conditional on authorization from the CMC.
Over the counter	Yes.	The exchange rates applicable to OTC trades are set on the basis of the interbank market exchange rate.
Brokerage	No.	
Market making	Yes.	Transactions take place between traders (market makers), all of which are authorized banks and financial institutions that are directly and exclusively authorized to operate in the system, and negotiations take place by mutual agreement. The BA continuously quotes buying and selling prices to the other market participants. These transactions are conducted under a BA instruction organizing the foreign exchange market.
Forward exchange market	Yes.	Authorized banks and financial institutions may provide forward cover to clients. Banks are authorized to carry out interbank borrowing and lending operations in freely convertible foreign currency and make deposits in freely convertible foreign currency at the BA. These borrowing and lending operations in foreign currency must be performed exclusively on the forward exchange market. However, foreign exchange forward hedging transactions are still rarely performed.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Domestically, transactions between residents and nonresidents are denominated and settled in Algerian dinars, except in cases provided for by the regulations in force.
For current transactions and payments	Yes.	Current transactions between residents and nonresidents are payable in convertible currencies, except in the following two cases, in which payment may be made in convertible dinars: (1) A nonresident has an account in Algeria in convertible dinars and wishes to pay or be paid via this account; and (2) Payment is for a nonresident employee.

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For capital transactions	Yes.	Payments for capital transactions are made in convertible currencies.
Transactions in capital and money market instruments	Yes.	Payments for capital transactions are made in convertible currencies.
Transactions in derivatives and other instruments	Yes.	Payments for capital transactions are made in convertible currencies.
Credit operations	Yes.	Payments for capital transactions are made in convertible currencies.
Use of foreign exchange among residents	Yes.	All invoicing and sale of goods and services in the national customs territory must be made in Algerian dinars, except in cases provided for by the regulations in force.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	Bilateral payments arrangements with Arab Maghreb Union countries are still in effect. However, operators may choose to settle their payments within the framework of these arrangements or opt for payment on a contract-by-contract basis in the settlement currency indicated in each contract.
Inoperative	Yes.	Payments arrangements with Arab Maghreb Union countries are inoperative; operators have opted to settle their payments on a contract-by-contract basis in the settlement currency indicated in each contract.
Regional arrangements	No.	
Clearing agreements	Yes.	Specified commercial settlements with Morocco and Tunisia are made through a Moroccan dirham account at the Bank of Morocco and a Tunisian dinar account at the Bank of Tunisia.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CMB delegates implementation of the exchange regulations to banks and financial institutions, which are authorized intermediaries exclusively allowed to handle foreign trade and exchange operations. The Algerian Post Office is authorized, within the limits of the law applicable to these services, to make some payments and transfers and repatriation of funds. The BA provides ex post control to ensure the legitimacy of transactions.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may purchase, hold, and sell worked gold. Unworked gold for industrial and professional use is distributed by the National Agency for the Distribution and Transformation of Gold and Other Precious Metals (Agence nationale pour la distribution et la transformation de l'or et des autres métaux précieux— AGENOR).
On external trade	Yes.	The importation of worked or unworked gold is subject to approval by the MOF.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Resident travelers may export up to DA 10,000 a person a trip for an unlimited number of trips a year.

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Foreign currency	Yes.	Nonresident travelers may reexport any amount of foreign currency that they have declared on entering Algeria, less any transfers they have made to authorized foreign exchange dealers and bureaus. Resident and nonresident travelers leaving Algeria may also export the foreign exchange equivalent of up to €7,500 a trip withdrawn from their foreign exchange accounts, with an unlimited number of trips a year.
On imports	Yes.	
Domestic currency	Yes.	Resident travelers may import up to DA 10,000 a person a trip for an unlimited number of trips a year.
Foreign currency	No.	Resident travelers must declare imports of banknotes and/or any negotiable instrument denominated in freely convertible foreign currencies that amounts to or exceeds the equivalent of €1,000. Nonresident travelers must declare their imports of banknotes when the amount exceeds €5,000 euros or their equivalent in other currencies.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	The foreign exchange accounts of natural persons do not require authorization. They may be used freely by their holders. Merchants and non-trading professionals may open foreign exchange accounts designated as a "merchant foreign exchange account" or a "nontrading professional foreign exchange account," respectively, without authorization. The use of these accounts is subject to a specific regulation, specified in the BA Instruction No. 06-2021 of June 29, 2021, which specifies the transactions allowed to be credited and debited from these accounts. The balance of the foreign exchange account for merchants and non-merchants may only be transferred abroad to pay for the import of goods and services or to pay expenses related to the account holder's activity. Effective January 2, 2022, assets in merchant and exporter foreign currency accounts may not be the subject of a term deposit and do not give rise to any remuneration. The foreign currency deposits of individuals are remunerated at the investment rate set by the BA. Effective January 2, 2022, the maximum duration of a term deposit is set to 12 months.
Approval required	No.	
Held abroad	No.	Asset building abroad by residents from their activities in Algeria, particularly in the form of bank deposits, is prohibited.
Approval required	No.	There are no exceptions to the prohibition against opening bank accounts abroad.
Accounts in domestic currency held abroad	No.	Asset building abroad by residents from their activities in Algeria, particularly in the form of bank deposits, is prohibited.
Accounts in domestic currency convertible into foreign currency	No.	Foreign exchange accounts in convertible dinars may be opened only by nonresidents.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts of nonresident natural and legal persons do not require authorization. They may be used freely by their holders.
Approval required	No.	
Domestic currency accounts	Yes.	The accounts of nonresident natural and legal persons in convertible dinars do not require authorization. They may be used freely by their

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		holders.
Convertible into foreign currency	Yes.	The accounts of nonresident natural and legal persons in convertible dinars do not require authorization. They may be used freely by their holders.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments are limited to 15% of the value of the import. Authorization must be obtained from the BA if this ceiling is exceeded.
Advance import deposits	No.	Effective July 28, 2022, an advance deposit of at least 120% of the value of imports of goods for resale in an unaltered state is no longer required. Previously, such a deposit was required at least 30 days before the merchandise was shipped.
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Except as indicated in Article 33 of Regulation No. 07-01 of February 3, 2007, as amended and supplemented, imports are subject to obligatory domiciliation at an authorized intermediary bank, which an importer must establish by submitting to an authorized bank a commercial contract or pro forma invoice.
Preshipment inspection	Yes.	
Letters of credit	No.	All universal methods of payment are permitted.
Import licenses used as exchange licenses	No.	
Other	No.	An insurance certificate is not required for import operations. However, a resident importer wishing to take out insurance for the importation of goods may do so only from an authorized company in Algeria.
Import licenses and other nontariff measures	No.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Bank domiciliation tax and customs duties on import operations apply. The fiscal taxes applicable to the direct debit of import operations are as follows: 0.5% of the amount of the import for goods or merchandise intended for resale in the state; 1% for complete knocked down (CKD)/semi knocked down (SKD) imports; and 4% for imports of services.

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Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	For proceeds from exports of hydrocarbons and mineral products, the repatriation period is 30 days, which may be exceptionally extended to 90 days. For proceeds from other exports, the repatriation period is 180 days, with the possibility of an extension to 360 days if the exporter takes out export credit insurance.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	All export proceeds from hydrocarbons and mineral products must be surrendered to the BA.
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	All universal methods of payment are permitted.
Guarantees	No.	
Domiciliation	Yes.	Apart from the exceptions specified in Articles 33 and 58 of the CMC Regulation No. 07-01 of February 3, 2007, as amended and supplemented, as well as Article 2 of the CMC Regulation No. 2021-01 of March 28, 2021, amending and supplementing CMC Regulation No. 07-01, domiciliation of an export transaction must be done with an authorized intermediary bank prior to the shipment of the merchandise and the repatriation of the export proceeds. Domiciliation of export operations of fresh products, perishable, and dangerous products may be done within 15 working days following the date of customs clearance and shipment of the goods.
Preshipment inspection	Yes.	Inspection is carried out by customs staff.
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	There are customs duties.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	Prior authorization from the CMB is required for foreign investments to be made by resident economic operators. For other investment-related payments, no authorization is required.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Dividends and profits from the disposal of foreign investments in Algeria are transferred freely through authorized intermediaries on presentation of the required documents pursuant to Regulation No. 2005-03 of June 6, 2005, and Instruction 01-2009 of February 15, 2009.
Payments for travel	Yes.	
Prior approval	Yes.	Bona fide requests for amounts in excess of all established limits are authorized by the BA on a case-by-case basis.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The indicative limit for tourism travel is DA 15,000 a person a year. For business travel, the per diem and flat travel allowances, respectively, are as follows: (1) DA 16,000 and DA 10,000 for senior executives; (2) DA 12,000 and DA 8,000 for middle managers; and (3) DA 10,000 and DA 6,000 for technical staff. Bona fide requests for amounts in excess of established limits are authorized by the BA on a case-by-case basis.
Personal payments	Yes.	
Prior approval	Yes.	Transfers of alimony payments are permitted, provided the arrangement was authorized by an Algerian court and is enforceable in Algeria.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The allocation for medical expenses is limited to the equivalent of DA 120,000 per calendar year in accordance with Article 3 of Instruction No. 10-96 of December 19, 1996. The allocation for studies abroad is DA 9,000 a month from September 1 to June 30 of the school year.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no limits for this type of transaction. The transferable portion of the salary is determined freely under the contract of employment between the resident employer and nonresident employee.
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	The repatriation requirement applies to proceeds from exports of services. This period is identical to that of goods other than hydrocarbons, that is, 180 days with the possibility of an extension to 360 days if the exporter takes out export credit insurance.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	The proceeds from capital transactions must be repatriated to Algeria as soon as the transactions are carried out.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Residents are required to surrender to the BA all foreign exchange proceeds from capital transactions abroad. Bilateral, multilateral, or official borrowings to finance the balance of payments must be surrendered to the BA. The surrender occurs on the repatriation of funds.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Nonresidents may invest in shares or other investment securities. Transfers abroad of proceeds from the sale of these investments on the stock exchange or of the revenue generated by these investments are allowed, as long as they are conducted through an authorized intermediary.
Sale or issue locally by nonresidents	Yes.	Nonresidents are not authorized to issue securities on the domestic market.
Purchase abroad by residents	Yes.	Authorization from the CMC is required, and the purchase must involve more than 10% of the voting shares.
Sale or issue abroad by residents	Yes.	The sale or issuance of securities abroad by residents is not permitted.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	Nonresidents may invest in securities. Transfers abroad of proceeds from the sale of these investments on the stock exchange or of the revenue generated by these investments are allowed, as long as they are conducted through an authorized intermediary. There is no minimum holding period for such bonds.

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Sale or issue locally by nonresidents	Yes.	Nonresidents are not authorized to issue securities on the domestic market.
Purchase abroad by residents	Yes.	Investment abroad by residents in debt securities is not authorized.
Sale or issue abroad by residents	Yes.	These transactions are prohibited.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Purchases of money market instruments by nonresidents are not regulated: these transactions are not authorized.
Sale or issue locally by nonresidents	Yes.	Nonresidents are not authorized to issue or sell securities on the domestic market.
Purchase abroad by residents	Yes.	Investment abroad by residents in money market instruments is not authorized.
Sale or issue abroad by residents	Yes.	The sale or issuance of debt securities abroad by residents is prohibited.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	There are no exchange controls on collective investment securities and other collective saving instruments. Institutions providing these types of securities do not exist in Algeria. In addition to the fact that collective investment securities do not exist in Algeria, the investment of foreigners' portfolios in Algeria is not authorized.
Sale or issue locally by nonresidents	Yes.	Nonresidents are not authorized to issue securities on the domestic market.
Purchase abroad by residents	Yes.	These transactions are prohibited.
Sale or issue abroad by residents	Yes.	These transactions are not authorized.
Controls on derivatives and other instruments	Yes.	There is no market for derivatives. Purchases and sales of these products by residents and nonresidents domestically or abroad are not subject to exchange controls. There is one exception pertaining to foreign exchange risk hedging instruments (swap, forward contracts, etc.) traded on the Algerian foreign exchange interbank market.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Nonresidents are not authorized to issue securities on the domestic market.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Residents may grant commercial credits to nonresidents for a maximum duration of 360 days.
To residents from nonresidents	No.	There are no restrictions on this type of transaction.
Financial credits	Yes.	
By residents to nonresidents	Yes.	This type of transaction is not authorized.
To residents from nonresidents	Yes.	Only parent-company-subsidiary advances are permitted.

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Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Only authorized intermediary banks may issue guarantee and counter-guarantee instruments to nonresidents without authorization as a commitment by residents to foreign countries.
To residents from nonresidents	No.	There are no restrictions on this type of transaction.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Residents may invest abroad following CMC authorization.
Inward direct investment	Yes.	Effective January 1, 2022, FDI in the production of goods and services is authorized without the obligation of association with a local partner. Investments in activities of import of raw materials, products and goods intended for the resale in the state, and those having a strategic character, falling under the sectors defined in the Article 166 of Law No. 21-16 of December 30, 2021, establishing the Budget Law for 2022, remain subject to a 51% resident national shareholding.
Controls on liquidation of direct investment	No.	The proceeds from the liquidation of investments are freely transferable by authorized intermediary banks on presentation of a file in accordance with Article 4 of Instruction No. 01-2009 of February 15, 2009.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	This type of transaction is prohibited.
Purchase locally by nonresidents	Yes.	Purchases may be freely made by nonresident nationals. Purchases by nonresident foreign nationals must be authorized by the wali (prefect) of the jurisdiction.
Sale locally by nonresidents	Yes.	These transactions require authorization by the relevant government agency and joint valuation by the property and tax departments.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	These operations are not authorized.
To residents from nonresidents	Yes.	Loans to residents by nonresidents are authorized only for financing strategic and structuring projects for the national economy originating from international development financial institutions after advice from the competent authorities.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Authorization is required for transfers of inheritances. Gifts and endowments may be transferred without authorization.
To residents from nonresidents	Yes.	These transactions require authorization by the relevant government agency for grants.
Settlement of debts abroad by immigrants	Yes.	These operations are not authorized.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	The use of foreign currency assets by emigrants is unrestricted. Transfers of assets in dinars are subject to authorization.
Transfer into the country by immigrants	No.	There are no limits or restrictions on these operations.
Transfer of gambling and prize earnings	Yes.	Prize transfers are authorized only for those earned during official events.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Borrowing abroad is not permitted.
Maintenance of accounts abroad	Yes.	Only reciprocal accounts are permitted.
Lending to nonresidents (financial or commercial credits)	Yes.	Banks and financial institutions are not authorized to lend to nonresidents.
Lending locally in foreign exchange	Yes.	Banks are authorized to carry out lending operations among themselves in freely convertible currencies. Banks are also authorized to grant foreign currency loans to their customers to cover external contracted commitments.
Purchase of locally issued securities denominated in foreign exchange	Yes.	The issuance of securities denominated in foreign exchange is not authorized.
Differential treatment of deposit accounts in foreign exchange	Yes.	Foreign exchange accounts may be opened freely with authorized intermediary banks.
Reserve requirements	Yes.	Reserve requirements apply only to dinar deposits.
Liquid asset requirements	No.	
Interest rate controls	Yes.	The BA determines the interest rates, and commercial banks manage these accounts on its behalf.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks and financial institutions may transfer capital abroad to finance foreign activities that are complementary to those undertaken in Algeria, subject to authorization from the CMC.
In banks by nonresidents	Yes.	Investments by nonresidents in local banks are permitted under the investment law, provided they are authorized by the CMB.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Authorized financial institutions may have open foreign exchange positions up to (1) 10% of their regulatory capital for any individual currency (short or long positions, whichever is higher) and (2) 30% of regulatory capital for all currencies combined (short or long positions, whichever is higher).
On nonresident assets and liabilities	Yes.	Authorized financial institutions may have open foreign exchange positions up to (1) 10% of their regulatory capital for any individual currency (short or long positions, whichever is higher) and (2) 30% of regulatory capital for all currencies combined (short or long positions, whichever is higher).
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	There are no specific exchange control provisions applicable to institutional investors. Reinsurance operations, which are equated

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		with purchases of services, are authorized, provided a minimum number of these services are purchased from local reinsurance agencies. Investments by nonresidents in insurance activities are subject to authorization by the Insurance Supervision Commission, the regulatory authority for the insurance sector.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	FDI by insurance companies is governed by the same rules that apply to other companies: outward transfers of capital are authorized for financing activities abroad that are complementary to the company's production of goods and services in Algeria. The CMC determines the applicable conditions and grants authorization under these conditions (Article 126 of the Law on Money and Credit). Under Article 8 of Regulation No. 07-01, residents are not allowed to hold monetary, financial, or real estate assets abroad, except with the approval of the CMC.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	There are no private pension funds in Algeria. Public pension funds may invest only in domestic securities. Outward transfers of capital to finance the investment of pension funds abroad are authorized only if these investments are supplementary to the pension fund's activities in Algeria and approved by the currency board.
Limits (max.) on securities issued by nonresidents	Yes.	There are no private pension funds in Algeria. Public pension funds may invest only in domestic securities. Outward transfers of capital to finance the investment of pension funds abroad are authorized only if these investments are supplementary to the pension fund's activities in Algeria and approved by the currency board.
Limits (max.) on investment portfolio held abroad	Yes.	There are no private pension funds in Algeria. Public pension funds may invest only in domestic securities. Outward transfers of capital to finance the investment of pension funds abroad are authorized only if these investments are supplementary to the pension fund's activities in Algeria and approved by the currency board.
Limits (min.) on investment portfolio held locally	Yes.	There are no private pension funds in Algeria. Public pension funds may invest only in domestic securities. Outward transfers of capital to finance the investment of pension funds abroad are authorized only if these investments are supplementary to the pension fund's activities in Algeria and approved by the currency board.
Currency-matching regulations on assets/liabilities composition	Yes.	These funds have no foreign currency liabilities or assets.
Investment firms and collective investment funds	Yes.	There are no exchange control provisions specific to investment firms and collective investment funds. Collective investment funds are not yet subject to exchange controls in Algeria.
Limits (max.) on securities issued by nonresidents	Yes.	There are no exchange control provisions specific to investment firms and collective investment funds. Collective investment funds are not yet subject to exchange controls in Algeria.
Limits (max.) on investment portfolio held abroad	Yes.	Collective investment funds are not yet subject to exchange controls in Algeria.
Limits (min.) on investment portfolio held locally	Yes.	Collective investment funds are not yet subject to exchange controls in Algeria.
Currency-matching regulations on assets/liabilities composition	Yes.	Collective investment funds are not yet subject to exchange controls in Algeria.

Digital Currencies and Crypto Assets

Circulation of domestic central bank	No.	Central bank digital currency is provided for in the law, but it is not

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digital currency (CBDC)—retail and/or wholesale	yet put into circulation.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.

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Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*01/02/2022*	Assets in merchant and exporter foreign currency accounts may not be the subject of a term deposit and do not give rise to any remuneration. The foreign currency deposits of individuals are remunerated at the investment rate set by the Bank of Algeria.
	01/02/2022	The maximum duration of a term deposit is set to 12 months.

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Imports and Import Payments

Financing requirements for imports		
Advance import deposits	*07/28/2022*	An advance deposit of at least 120% of the value of imports of goods for resale in an unaltered state is no longer required. Previously, such a deposit was required at least 30 days before the merchandise was shipped.

Capital Transactions

Controls on capital transactions		
Controls on direct investment		
Inward direct investment	*01/01/2022*	FDI in the production of goods and services is authorized without the obligation of association with a local partner.

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ANDORRA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		October 16, 2020.
Article VIII	Yes.	Date of acceptance: October 16, 2020.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	On May 4, 2022, the Government of Andorra approved the Decree 179/2022, updating the list of individuals and entities to be in line with the Council Implementing Regulation (EU) 2022/658 of April 21, 2022, concerning restrictive measures in respect of actions undermining or threating the territorial integrity, sovereignty, and independence of Ukraine.
Other security restrictions	n.a.	

Exchange Arrangement

Currency	Yes.	The euro is legal tender in Andorra.
Other legal tender	No.	There is no other legal tender or coins issued by Andorra.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. The euro is legal tender. On June 30, 2011, the Principality of Andorra signed a Monetary Agreement with the EU which was deposited with the European Commission in Brussels on February 23, 2012, and came into force April 1, 2012. The Monetary Agreement between the Principality of Andorra and the EU recognizes the euro as the official legal tender of the Principality and grants the right to coinage. The Regulation developing Law No. 17/2013 of October 10, 2013, on the introduction of the euro within the framework of the Monetary Agreement signed between Principality of Andorra and the EU, was approved on December 17, 2014, and came into force January 28, 2015.
Currency board		

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Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The euro is legal tender in Andorra. Andorra does not have its own monetary policy; the use of the euro as official currency is provided by the Monetary Agreement with the EU.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		

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Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	To carry out activities related to the foreign exchange market derived from certain banking and financial activities, Law No. 17/2013 requires to obtain a banking license. As of December 31, 2022, there were 5 commercial banks in Andorra. In addition, Article 21(d) of Law No. 17/2013 establishes that other financial entities, such as financial investment companies and financial investment agencies, may carry out ancillary services, including currency exchange services, when related to the supply of investment services. No foreign exchange bureaus are authorized.
Operated by the central bank	No.	There is no CB in Andorra.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The system is broker-based, that is, any bank or financial entity authorized for exchange intermediation may trade currencies for its own account or on behalf of its clients. The main source of foreign exchange for banks and their customers is the interbank market.

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		Because of a consolidation process of the banking sector, as of December 31, 2022, there are 3 commercial banks participating in the interbank market. The Andorran Financial Authority (AFA) has the competence to grant licenses to banking entities. There are neither rules nor limitations imposed by the authorities for banks and financial entities concerning exchange rates, bid/ask spreads, fees/commissions that banks may set and apply in their foreign exchange transactions with customers and other counterparties.
Over the counter	No.	
Brokerage	Yes.	The system is broker-based, that is, any bank or financial entity authorized for exchange intermediation may trade currencies for its own account or on behalf of its clients.
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	There is no official cover of forward operations.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.
Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.
Barter agreements and open accounts	No.
Administration of control	No.
Payments arrears	No.
Official	No.
Private	No.
Controls on trade in gold (coins and/or bullion)	No.

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On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	Any natural person entering or leaving the Principality of Andorra bearing a cash sum equal to or greater than €10,000 (or its equivalent in foreign currency) must declare it to Customs in the terms established in the law. The concept "cash" includes: Bearer-negotiable instruments including monetary instruments in bearer form such as traveler's checks, negotiable instruments (including checks, promissory notes, and money orders) that are either in bearer form, endorsed without restriction, made out to a fictitious payee, or in such form that title thereto passes on delivery and incomplete instruments (including checks, promissory notes, and money orders) signed, but with the payee's name omitted; currency (banknotes and coins that are in circulation as a medium of exchange). According to the economic sanctions imposed to the Russian Federation, effective March 26, 2022, it is prohibited to sell, supply, or export euros to Russia or Bielorussia.
On exports	No.	
Domestic currency	No.	Any natural person entering or leaving the Principality of Andorra bearing a cash sum equal to or greater than €10,000 (or its equivalent in foreign currency) must declare it to Customs in the terms established in the law.
Foreign currency	No.	Any natural person entering or leaving the Principality of Andorra bearing a cash sum equal to or greater than €10,000 (or its equivalent in foreign currency) must declare it to Customs in the terms established in the law.
On imports	No.	
Domestic currency	No.	Any natural person entering or leaving the Principality of Andorra bearing a cash sum equal to or greater than €10,000 (or its equivalent in foreign currency) must declare it to Customs in the terms established in the law.
Foreign currency	No.	Any natural person entering or leaving the Principality of Andorra bearing a cash sum equal to or greater than €10,000 (or its equivalent in foreign currency) must declare it to Customs in the terms established in the law.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents of Andorra can freely open foreign exchange accounts with local banks, and there are no limitations on the use of such accounts/their transactions, including transfers abroad. However, limitations are established by the anti-money laundering (AML) national regulations, as well as by the internal AML policies and procedures of each particular bank regarding what is considered or not an acceptable customer/transaction, as well as other established internal requirements and controls, such as prior authorizations from Senior Management or the Internal Control and Communication Body to be able to accept a specific client or carry out a transaction, always subject to the level of risk assigned the profile and knowledge of the customer and/or the transaction, as well as the origin of the funds.

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Approval required	No.	
Held abroad	Yes.	Residents are allowed to open accounts abroad in both domestic and foreign currency without it being subject to governmental approval.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents are permitted to open accounts in domestic and foreign currency without governmental approval being required. Nonresident accounts can be freely credited with the proceeds from current international transactions, and such amounts may be freely transferred abroad. Nonresident accounts are considered high-risk accounts, which are subject to enhanced diligence measures, based on the provisions of current AML regulations. Examples of specific requirements for nonresidents are the following: Limitations linked to jurisdiction (both residence and nationality or development of its activity, for example), in accordance with the provisions of international lists such as the FATF or the EU, as well as the particular lists of each bank, consistent with the declared risk appetite; documentary requirements related to the traceability of the funds and their tax compliance; application of enhanced diligence measures and greater requirement and volume of supporting documentation for a better knowledge of the customer, beneficial owner, and operational profile; specific risk assessment of each entity (which may limit business relationships with certain nonresident clients, such as foreign Politically Exposed Persons (PEPs)). Effective March 26, 2022, restrictions have been imposed to deposit accounts over 100.000€ of national Russians, residing in Russia or in a third country not being part of the European Union, the European Economic Area, Monaco, San Marino, Switzerland, or Andorra according to Regulation No. 111/2022, of restrictive measures in relation to the conflict between Ukraine and the Russian Federation and its subsequent modifications.
Approval required	No.	
Domestic currency accounts	Yes.	Effective March 26, 2022, restrictions have been imposed to deposit accounts over 100.000€ of national Russians, residing in Russia or in a third country not being part of the European Union, the European Economic Area, Monaco, San Marino, Switzerland, or Andorra according to Regulation No. 111/2022, of restrictive measures in relation to the conflict between Ukraine and the Russian Federation and its subsequent modifications.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	Taking into account Andorra’s AML legal framework abides with the UN sanction program, there could be frozen or blocked bank accounts.

Imports and Import Payments

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Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	No.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Imports are subject to the General Indirect Tax (IGI). Non-taxable subjects: if the amount of deliveries of goods or services is less than €40,000 a year, or of agricultural activities is less than €150,000 a year. Tax rates are as follows: General rate of 4.5%; Reduced rate of 1% for foods (including non-alcoholic drinks), water, books, and newspapers and magazines; Special rate of 2.5% for cultural activities private entities and art objects; Super reduced rate of 0% on hospitalization and public health services, liberal health activities with Social Security agreement, social assistance benefits, education, benefits for the sport of non-profit organizations, public cultural activities and/or non-profit organizations, medical transport or with adapted vehicles, housing rental, medicines paid by the Social Security, sale of property (not subject to Property Transfer Tax), support courses, and the delivery of stamps; Increased rate of 9.5% for banking and financial services.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	There are no requirements to repatriate to Andorra the proceeds from

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	exports or to surrender in Andorra foreign currency received from exports.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.
Other	No.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	There are no requirements to repatriate to Andorra the proceeds of transactions abroad or to surrender in Andorra foreign currency received for such transactions.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	No.	
Repatriation requirements	No.	There are no requirements to repatriate to Andorra the proceeds of transactions abroad or to surrender in Andorra foreign currency received for such transactions.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	

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Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on derivatives and other instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on credit operations	No.
Commercial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Financial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.

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Guarantees, sureties, and financial backup facilities	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Controls on direct investment	No.
Outward direct investment	No.
Inward direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Purchase abroad by residents	No.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.
Controls on personal capital transactions	No.
Loans	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Borrowing abroad	No.
Maintenance of accounts abroad	No.
Lending to nonresidents (financial or commercial credits)	No.
Lending locally in foreign exchange	No.
Purchase of locally issued securities denominated in foreign exchange	No.

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Differential treatment of deposit accounts in foreign exchange	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Differential treatment of deposit accounts held by nonresidents	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Investment regulations	No.
Abroad by banks	No.
In banks by nonresidents	No.
Open foreign exchange position limits	No.
On resident assets and liabilities	No.
On nonresident assets and liabilities	No.
Provisions specific to institutional investors	No.
Insurance companies	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Pension funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.

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Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	As of September 30, 2022, the AFA will be the competent body to require, evaluate, register, authorize, monitor, and control offers of digital assets that have been issued in jurisdictions other than the of the Principality of Andorra and that wish to be marketed or traded on trading platforms authorized in their jurisdiction.
Wholesale	No.	As of September 30, 2022, the AFA will be the competent body to require, evaluate, register, authorize, monitor, and control offers of digital assets that have been issued in jurisdictions other than the of the Principality of Andorra and that wish to be marketed or traded on trading platforms authorized in their jurisdiction.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	It is not regulated, but the ministry responsible for finances will have the authority for its creation, acquisition, distribution, withdrawal, and amortization, as well as to establish its operation through regulations.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	

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Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Effective September 30, 2022, Law No. 24/2022 requires prior authorization from the AFA for the digital asset representation issuances. Issuances of digital assets up to the amount of EUR 2,000,000 do not require authorization by the AFA, although issuers will have to register them and provide the corresponding documentation as if they were a public offering. In any case, they will be subject to the corresponding control, follow-up, and monitoring by the AFA on the same terms as other types of issuances.
Acquisition by residents	Yes.	Effective September 30, 2022, in the case of retail customers, the issuance will be offered to a maximum number of 150 persons, and with a maximum issue amount of 8,000,000 per issuance, to be calculated over a twelve-month period. Retail customers cannot access private token issuances.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on utility and security tokens	Yes.	Regarding utility tokens, Effective September 30, 2022, Law No. 24/2022 requires prior authorization from the AFA for the digital asset representation issuances. Issuances of digital assets up to the amount of EUR 2,000,000 do not require authorization by the AFA, although issuers will have to register them and provide the corresponding documentation as if they were a public offering. In any case, they will be subject to the corresponding control, follow-up, and monitoring by the AFA on the same terms as other types of issuances. Security tokens are excluded from the scope of application of the Law No. 24/2022.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other	n.r.	

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instruments		
Credit operations	n.r.	
Controls on stablecoins	Yes.	Effective September 30, 2022, Law No. 24/2022 requires prior authorization from the AFA for the digital asset representation issuances. Issuances of digital assets up to the amount of EUR 2,000,000 do not require authorization by the AFA, although issuers will have to register them and provide the corresponding documentation as if they were a public offering. In any case, they will be subject to the corresponding control, follow-up, and monitoring by the AFA on the same terms as other types of issuances.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Effective September 30, 2022, Law No. 24/2022 requires prior authorization from the AFA for the following activities: - Digital asset trading platforms performing trading functions that serve as a direct counterparty between two parties. - Digital asset trading platforms that buy and sell digital assets on behalf of the client. - Digital asset trading platforms for the purchase and sale of digital assets for legal tender. - Trading platforms buying and selling one or more digital assets for other digital assets. - The execution of orders for digital assets on behalf of third parties. - The receipt and transmission of orders for digital assets on behalf of third parties.
Access to crypto exchange/trading platform by residents	No.	It is specifically excluded from the application of Law No. 24/2022 to trade directly and on own account with trading platforms or with platforms for the purchase and sale of digital assets where this is the only activity carried out.

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*05/04/2022*	The Government of Andorra approved the Decree 179/2022, updating the list of individuals and entities to be in line with the Council Implementing Regulation (EU) 2022/658 of April 21, 2022, concerning restrictive measures in respect of actions undermining or threating the territorial integrity, sovereignty, and independence of Ukraine.

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Arrangements for Payments and Receipts

Controls on exports and imports of banknotes	*03/26/2022*	According to Regulation No. 111/2022, it is prohibited to sell, supply, or export euros to Russia or Bielorussia according to the economic sanctions imposed to the Russian Federation.

Nonresident Accounts

Foreign exchange accounts permitted	*03/26/2022*	According to Regulation No. 111/2022, restrictions have been imposed to deposit accounts over 100.000€ of national Russians, residing in Russia or in a third country not being part of the European Union, the European Economic Area, Monaco, San Marino, Switzerland, or Andorra.
Domestic currency accounts	*03/26/2022*	According to Regulation No. 111/2022, restrictions have been imposed to deposit accounts over 100.000€ of national Russians, residing in Russia or in a third country not being part of the European Union, the European Economic Area, Monaco, San Marino, Switzerland, or Andorra.

Digital Currencies and Crypto Assets

Crypto assets		
Controls on unbacked tokens	*09/30/2022*	Prior authorization from the Andorran Financial Authority (AFA) for the digital asset representation issuances is required. Issuances of digital assets up to the amount of EUR 2,000,000 do not require authorization by the AFA, although issuers will have to register them and provide the corresponding documentation as if they were a public offering. In any case, they will be subject to the corresponding control, follow-up, and monitoring by the AFA on the same terms as other types of issuances.
Acquisition by residents	*09/30/2022*	In the case of retail customers, the issuance will be offered to a maximum number of 150 persons, and with a maximum issue amount of 8,000,000 per issuance, to be calculated over a twelve-month period. Retail customers cannot access private token issuances.
Controls on utility and security tokens	*09/30/2022*	Regarding utility tokens, Law No. 24/2022 requires prior authorization from the Andorran Financial Authority (AFA) for the digital asset representation issuances. Issuances of digital assets up to the amount of EUR 2,000,000 do not require authorization by the AFA, although issuers will have to register them and provide the corresponding documentation as if they were a public offering. In any case, they will be subject to the corresponding control, follow-up, and monitoring by the AFA on the same terms as other types of issuances. Security tokens are excluded from the scope of application of the Law No. 24/2022.
Controls on stablecoins	*09/30/2022*	Prior authorization from the Andorran Financial Authority (AFA) for the digital asset representation issuances is required. Issuances of digital assets up to the amount of EUR 2,000,000 do not require authorization by the AFA, although issuers will have to register them and provide the corresponding documentation as if they were a public offering. In any case, they will be subject to the corresponding control, follow-up, and monitoring by the AFA on the same terms as other types of issuances.
Controls on crypto exchanges and trading platforms		
Domestic exchanges	*09/30/2022*	Law No. 24/2022 requires prior authorization from the Andorran

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Financial Authority (AFA) for the following activities:
- Digital asset trading platforms performing trading functions that serve as a direct counterparty between two parties.
- Digital asset trading platforms that buy and sell digital assets on behalf of the client.
- Digital asset trading platforms for the purchase and sale of digital assets for legal tender.
- Trading platforms buying and selling one or more digital assets for other digital assets.
- The execution of orders for digital assets on behalf of third parties.
- The receipt and transmission of orders for digital assets on behalf of third parties.

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ANGOLA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 19, 1989.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation and Sixth Review under the Extended Arrangement of the Extended Fund Facility and Request for a Waiver of Nonobservance of a Performance Criterion with Angola states that, as of December 7, 2021, Angola maintained two MCPs that are subject to approval under Article VIII, Section 3, that arise from the lack of a mechanism to prevent potential spreads in excess of 2% emerging (1) between successful bids within the National Bank of Angola's (Banco Nacional de Angola – BNA's) foreign exchange auction and (2) for transactions that take place at the reference rate in place and the rate at which transactions take place in the foreign exchange auction on that day remain. Angola maintains restrictions on the making of payments and transfers for current international transactions under the transitional arrangements of Article XIV, Section 2. The measures maintained pursuant to Article XIV are (1) limits on the availability of foreign exchange for invisible transactions, that is travel expenses and (2) limits on unrequited transfers to foreign-based individuals and institutions. Exchange restrictions subject to IMF jurisdiction under Article VIII, Section 2(a) were removed, specifically (1) the discriminatory application of the 0.1% stamp tax on foreign exchange operations by natural persons, (2) the operation of the priority list for access to US dollars at the official exchange rate, and (3) a special tax of 10% on transfers to nonresidents under contracts of foreign technical assistance or management services. The MCP subject to approval under Article VIII, Section 3, arising from the discriminatory application of the 0.1% stamp tax on foreign exchange operations by natural persons was also removed. (Country Report No. 22/11)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Angola is the Angolan kwanza.
Other legal tender	No.	
Exchange rate structure		
Unitary		

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Dual		
Multiple	Yes.	The exchange rate structure is considered multiple owing to the lack of a mechanism to prevent potential spreads in excess of 2% emerging (1) between successful bids within the BNA foreign exchange auction; and (2) for transactions that take place at the prevailing reference rate and the rate at which transactions take place in the foreign exchange auction on that day. The BNA publishes a reference exchange rate daily; and, since April 1, 2020, its portal has displayed the market exchange rates of the euro and the US dollar in relation to the kwanza. These exchange rates are calculated as the arithmetic mean of the bid and ask rates published on Bloomberg.
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is floating. However, the BNA closely monitors exchange rate variation with the aim of maintaining price stability in the economy; and it intervenes in the foreign exchange market by conducting currency auctions. The BNA sells foreign currency to the commercial banks. Companies and banks wishing to trade in foreign currency must transact through Bloomberg's "FXGO" trading platform. The BNA may also limit the daily variations of the exchange rate by arbitrarily classifying certain bids. The BNA publishes the results of the auctions and the respective reference exchange rates on its website. In the Extraordinary Session of the MPC, the BNA decided to implement a floating exchange rate regime in which the exchange rate is freely defined by the market, that is, according to the demand and supply of foreign currency. Given that the exchange rate has reduced its flexibility since June 2022 with several adjustments and short periods of stability, the de facto exchange rate arrangement was reclassified to other managed from floating, effective June 9, 2022.
Floating		
Free floating		
Official exchange rate	Yes.	The BNA publishes a reference exchange rate daily; and, since April 1, 2020, its portal has displayed the market exchange rates of the euro and the US dollar in relation to the kwanza. These exchange rates are calculated as the arithmetic mean of the bid and ask rates published on Bloomberg.
Monetary policy framework		
Exchange rate anchor		

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U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The BNA uses base money as its monetary policy anchor. The BNA's operational target is reserve money, and its intermediate target is the money supply (M2). Under the operational framework, the BNA mainly uses the following instruments: open market operations and the reserve ratio, and the marginal lending; and liquidity absorption facilities. Although the regime remains focused on monetary aggregates, the use of the key interest rate (taxa diretora) serves as a complement to the signaling effect. The BNA does not use interest rate targets. The monetary policy interest rate was implemented at the first MPC meeting held October 28, 2011.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		

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Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	The foreign exchange operations subject to a stamp duty of 0.1% were eliminated on January 1, 2021.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Banks may trade freely in foreign exchange at rates established among themselves, with the public, and in secondary market operations. The market is liberalized as of March 30, 2020. Definition of specific commands for operating foreign exchange on Bloomberg, where the BMatch is related to spot operations between oil and mining sector companies, establishing the RFQ (Request for Quote) and STA (Single Tenor Auction) exclusively reserved for the CB and the Treasury. Foreign exchange bureaus must be licensed by the BNA and may deal in banknotes and traveler's checks, at freely negotiable rates and provide remittance and cash collection services, with individuals, with institutions and nonfinancial entities authorized to engage in foreign exchange activities. As of December 31, 2022, about 67 licensed currency exchange bureaus were in operation; 47 of them are authorized to deal in banknotes and travelers checks, as well as to provide money remittance and acceptance services, while the other 20 are authorized to deal only in banknotes and travelers checks. Besides the exchange bureaus, there are also money transfer bureaus, which may send money abroad. These are mostly attached to commercial banks. There are currently about 13 such authorized money transfer bureaus in operation.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	Free auctions are held on Bloomberg's FXGO platform. These operations were made by auction. Only Financial Institutions authorized by BNA can participate in the auctions. Prior to participating in the auction section, the banking financial institution must ensure that it is in compliance with the legislation and regulations applicable to banking activities. The commission is set freely. Settlement of procedures for the insertion of indicative rates (both buying and Selling rates) by Financial Institutions on the Bloomberg Platform. Commercial Banks must submit them daily, at 8:30 a.m.

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		and 1:30 p.m.
Fixing	No.	
Interbank market	Yes.	Banks and exchange bureaus may deal in foreign exchange among themselves and with their customers at freely negotiated rates. Only Commercial Banks can participate in the interbank market. As of March 30, 2020, e commercial bank rates cannot not exceed 2% of the reference rate set by the BNA.
Over the counter	Yes.	The interbank market is still in the early stages of development and operates on an OTC basis, but some banks include their quotes on Reuters platform.
Brokerage	No.	This does not currently take place.
Market making	No.	This does not currently take place.
Forward exchange market	Yes.	Commercial banks may contract forward exchange operations with their clients, legal entities, importers, exporters, oil and diamond companies and state entities for the hedging of the exchange risk related to specific and identified transactions for the import or export of goods. Forward exchange transactions must have a maximum term of 1 (one) year.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments under contracts concluded with foreign exchange nonresidents may be made in any currency freely agreed on between the parties. However, the amount payable should be equivalent to the amount specified in the contract. Domestic payments are restricted to kwanza according to Law No. 2/12 of January 13.
Controls on the use of domestic currency	Yes.	The kwanza is not used in international payments.
For current transactions and payments	Yes.	The kwanza is not used in international payments.
For capital transactions	Yes.	The kwanza is not used in international payments.
Transactions in capital and money market instruments	Yes.	The kwanza is not used in international payments.
Transactions in derivatives and other instruments	Yes.	The kwanza is not used in international payments.
Credit operations	Yes.	The kwanza is not used in international payments.
Use of foreign exchange among residents	Yes.	The kwanza is currency of legal tender in Angola, and transactions in foreign exchange among residents are only permitted when not used for making any kind of payment.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	The arrangement in effect with China and Israel is based on oil as collateral. The arrangement with Brazil has been extinguished since February 14, 2020. There is a reciprocal acceptance agreement with Namibia, whereby commercial transactions at the border could be undertaken in domestic currency. This arrangement is currently under review.
Inoperative	No.	The Agreement with Namibia was terminated with the settlement of the debt that Angola had with Namibia, so there are no inoperative arrangements.

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Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BNA is the exchange authority of the Republic of Angola.
Payments arrears	Yes.	Guidelines were defined to regularize arrears up to December 31, 2017.
Official	Yes.	As part of the program with the IMF, the holders of public debt were circularized. This made it possible to clarify the status of amounts registered in the system as liabilities, from the 1980s and 1990s, owed to countries such as Portugal and others from Eastern Europe. In the latter case, the creditor has been identified and the debt regularization agreement has been initiated and is in the payment phase.
Private	Yes.	Guidelines were defined to regularize arrears up to December 31, 2017.
Controls on trade in gold (coins and/or bullion)	Yes.	Under the Foreign Exchange Law, the BNA has exclusive responsibility for controlling trade in monetary gold.
On domestic ownership and/or trade	Yes.	Residents are permitted to hold and trade gold only in the form of jewelry. In 2014, the Gold Agency was created to execute, monitor, control, and manage gold sales and pricing policies. The Agency is also responsible for guaranteeing the purchase of gold on the artisanal market and reselling it on the domestic and international markets.
On external trade	Yes.	Imports and exports of gold in the form of coins and bullion are subject to a BNA monopoly.
Controls on exports and imports of banknotes	Yes.	Banks are permitted to import/export banknotes without authorization from the BNA.
On exports	Yes.	Banks are authorized to export banknotes without authorization from the BNA.
Domestic currency	Yes.	The BNA has exclusive authority for the issuance, storage, destruction, and putative export of domestic currency. Effective March 3, 2022, resident individuals may leave the country carrying national currency of a total amount equivalent to US$10,000, except individuals under 18 years of age traveling unaccompanied may carry national currency equivalent to US$1,000. Previously, resident travelers could carry up to Kz 50,000. Nonetheless, within the scope of their authority, the border authorities may prevent national currency from being taken out of the country, whenever the traveler carrying the currency is suspected of a criminal offense.
Foreign currency	Yes.	Banks are authorized to import/export banknotes without authorization from the BNA. Effective March 3, 2022, residents may leave the country carrying foreign currency of a total amount equivalent to US$10,000, except individuals under 18 years of age traveling unaccompanied may carry foreign currency equivalent to US$1,000. Nonresidents may carry foreign currency on their way out of the country in a value equal to the currency with which they entered the country. Nonresidents carrying foreign currency equal to or greater than the equivalent of US$10,000, is subject to proof of entry of that value in the country, by delivering a duplicate of the currency entry declaration to the customs services on exit.
On imports	Yes.	Banks are permitted to import/export banknotes without authorization from the BNA.

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Domestic currency	Yes.	Domestic currency may be imported by the BNA, or by a bank with BNA authorization, resulting from the export of domestic currency by individuals traveling abroad. Effective March 3, 2022, residents and nonresidents, who carry national currency on entry into the country in a total value equal to or greater than the equivalent of US$10,000 must mandatorily declare these amounts on entry by filling in a declaration form provided by the customs services.
Foreign currency	Yes.	Commercial banks may import foreign currency in accordance with Notice No. 1/15 of January 29. Effective March 3, 2022, residents and nonresidents, who carry foreign currency on entry into the country in a total value equal to or greater than the equivalent of US$10,000 must mandatorily declare these amounts on entry by filling in a declaration form provided by the customs services.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange residents are permitted to open accounts in foreign exchange subject to the conditions applicable to their transactions (Notice No. 01/23 of January 30).
Held domestically	Yes.	Effective March 1, 2023, (1) transactions with foreign exchange accounts must comply with the legislation and regulations governing financial foreign exchange and capital transactions, current invisibles, and importing and exporting of merchandise, including the regulations applicable to specific sectors. (2) Unless otherwise provided in specific regulations, intrabank and interbank transfers between accounts domiciled with banks on national territory, debited to foreign exchange accounts in favor of entities resident on national territory may only be executed in foreign exchange in the following cases; (a) between legal entities in group relationships; (b) between individuals in family relationships; and (c) when the originating party and the beneficiary are the same individual or legal entity; (3) Except as provided in specific regulations, credit cannot be granted in accounts denominated in foreign exchange in favor of non-exporting entities.
Approval required	Yes.	Withdrawals of foreign currency by residents are de facto restricted in some commercial banks. Customers of some commercial banks may only withdraw foreign currency from their account if traveling, and this also depends on the bank's foreign currency availability. Commercial banks have set monthly or weekly limits on the withdrawal of foreign currency.
Held abroad	Yes.	Individuals may hold these accounts without BNA approval. Legal entities may open foreign exchange accounts abroad, with BNA approval, which may be credited with export receipts and debited with payments for imports of goods and services and debt-service payments. Diamond and other mineral companies may, with BNA approval, open escrow accounts in banks abroad as security for foreign borrowing.
Approval required	Yes.	Legal entities may open foreign exchange accounts abroad with BNA approval. Individuals may hold such accounts without BNA approval.
Accounts in domestic currency held abroad	No.	As the kwanza is not a convertible currency, accounts in kwanzas cannot be opened abroad.
Accounts in domestic currency convertible into foreign currency	No.	Accounts in kwanzas cannot be converted to foreign currency.

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	These accounts may be credited with foreign currency imported from abroad and with the accrued interest. They may be debited for sales of foreign currency, payments to residents in domestic currency, foreign currency expenditures abroad, interbank transfers to resident entities belonging to the same group, the use of international credit and debit cards, and/or the repatriation of amounts authorized by the BNA.
Approval required	No.	
Domestic currency accounts	Yes.	Effective March 1, 2023, nonresident individuals or legal entities may hold accounts in domestic currency and/or foreign exchange with banks based in Angola.
Convertible into foreign currency	No.	
Approval required	Yes.	For nonresidents, BNA approval is not required to open an account in domestic currency.
Blocked accounts	No.	The terms and conditions are defined in Notice No. 02/17 of February 3.

Imports and Import Payments

Foreign exchange budget	No.	There are no regulations in this area.
Financing requirements for imports	No.	There are no regulations in this area.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Prior to any foreign exchange operation involving an import, export, or reexport, banks must verify the nature, economic rationale, and legitimacy of the resident importer or exporter for foreign exchange purposes, in accordance with the obligations of identification and due diligence set out in the tax legislation and in the AML/CFT legislation. Banks must also verify that the foreign exchange operation complies with the applicable legislation and should request all the necessary documentation to confirm this. The documentation required will also depend on the type of payment. Under the terms of the Notice, there are four payment mechanisms: documentary credit, advance payment, remittance, and documentary collection. To improve the competitiveness of the economy and expedite the import process, a “Simplified Regime” was approved, in which companies do not have to submit the documentation supporting import operations to the banks, but instead are required to submit to the BNA, through commercial banks, certain documents such as audited financial statements for the last three fiscal years and letters of engagement from the management administration/body.
Domiciliation requirements	No.	
Preshipment inspection	No.	Preshipment inspection is optional, pursuant to Presidential Decree No. 63/13 of June 11, which repeals Articles 10, 11, and 12 of Council of Ministers Decree No. 41/06 of June 17.
Letters of credit	Yes.	This is one of the payment methods allowed by the law and can take the form of advance payment or post-payment.
Import licenses used as exchange licenses	No.	

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Other	No.	
Import licenses and other nontariff measures	Yes.	Only three types of transactions do not require import licenses: Imported goods valued at US$5,000 or less. Goods imported as luggage. Other goods as specified in Presidential Decree No. 126-20 of May 5. Import licensing restrictions on a basket of 54 basic goods have been in place since 2019 to discourage imports, with the aim of fostering domestic production of the goods that Angola is capable of producing.
Positive list	No.	
Negative list	Yes.	The legal framework lists goods that are subject to import restriction, which include plants and animals from infected areas, toxic products, and certain drugs. There is a list of goods that require specific licenses from the Ministries of Health, Industry, or Agriculture and Rural Development. Imports of arms and ammunition must be authorized by the Ministry of the Interior. Imports for specific purposes may be exempt from customs tariffs.
Open general licenses	No.	Foreign exchange operations involving merchandise trade are not subject to foreign exchange licensing; however, the document that originates the foreign exchange operation is licensed by the Ministry of Commerce (MINDECOM), through the Integrated System of Foreign Trade (Sistema Integrado de Comércio Exterior – SICOEX).
Licenses with quotas	Yes.	Under the quota system, three provinces (Cabinda, Cunene, and Cuando Cubango) are each allowed to import on an exceptional basis 150,000 tons of cement a year.
Other nontariff measures	Yes.	
Import taxes and/or tariffs	Yes.	Presidential Legislative Decree No. 10/19 of November 29 approves the new tariff schedule, the full text of which was republished on October 30, 2019. The tax system consists of 12 rates: 2%, 3%, 5%, 10%, 15%, 20%, 30%, 40%, 50%, 55%, 60%, and 70%.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Under Presidential Decree No. 208/19 of July 1, petroleum products can be imported by public or private law institutions, provided they meet the requirements set forth in the aforementioned regulations, as currently in force. The state oil company currently satisfies the requirements and has been the only firm to import diesel and gasoline. Arms and ammunition for warfare may be imported only by the government.

Exports and Export Proceeds

Repatriation requirements	Yes.	Foreign exchange earnings deriving from each export operation must be deposited , in full in a foreign currency bank account held by the exporter. Moreover, pursuant to Notice No. 04/21 of April 14, such earnings must be converted to domestic currency for payments to resident entities. Diamond companies may retain export proceeds in Angolan banks to pay for imports of goods and services. They may also hold part of their receipts abroad in escrow accounts, with BNA authorization, as security for foreign borrowing.
Surrender requirements	Yes.	Foreign exchange earnings must be converted to domestic currency for payments to resident entities. Diamond companies may retain export proceeds in Angolan banks to pay for imports of goods and services. They may also retain part of their receipts abroad in escrow accounts, with BNA authorization, as security for foreign borrowing.

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		With BNA approval, foreign companies may retain their export receipts abroad for payment of imports of goods and services, transfer of interest and profits, and the amortization of capital. These companies must use funds from abroad for the payment of royalties, taxes, and local expenses. According to Law No. 2/12 of January 13, the foreign exchange law applicable to the oil sector, foreign companies in the oil sector may retain export proceeds in foreign accounts for the deposit of balances after payment of current expenses, profits and dividends, incentives and other capital remuneration, and the amortization of investments. The BNA issued a regulation (No. 7/2014) reversing the previous decision that allowed foreign companies in the oil sector to retain export proceeds in foreign accounts for deposit of balances after payment of current expenses, profits and dividends, incentives and other capital remuneration, and the amount of investment amortization.
Surrender to the central bank	Yes.	Tax payments by oil companies must be surrendered to the BNA from deposits on account with banks in Angola. The BNA issued a regulation (No. 7/2014) reversing the previous decision that allowed foreign companies in the oil sector to retain export proceeds in foreign accounts for the deposit of balances after payment of current expenses, profits and dividends, incentives and other capital remuneration, and the amount of investment amortization.
Surrender to authorized dealers	Yes.	Foreign exchange earnings deriving from each export operation must be deposited in full in a foreign currency bank account held by the exporter. In addition, the funds must be converted to kwanzas to make payments to resident entities. Diamond enterprises may retain export revenue in local bank accounts to make payments for imports of goods and services. With authorization from the BNA, they may also retain some of their earnings abroad in escrow accounts to guarantee loans obtained abroad.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	This is one of the payment mechanisms provided in the regulatory texts.
Guarantees	No.	
Domiciliation	Yes.	Banks must create an individual file for each merchandise import and export operation, containing all of the relevant documents. These must be kept on file pursuant to the provisions of the Basic Law of Financial Institutions.
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Goods exports must be licensed by the Ministry of Commerce through the Integrated Foreign Trade System. Exports of cultural artifacts are prohibited. Special export regimes apply to aircraft, animals and animal products, works of art, and petroleum. According to the preliminary instruction of the customs tariff currently in force, the items listed in cultural artifacts may not be exported; it should be noted that exports of the other products (aircraft, weapons and ammunition, live animals) are governed by a special export regime that requires authorization from the competent bodies.
With quotas	No.	

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Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	The tax system comprises six rates: 1%, 2%, 3%, 4%, 5%, and 10%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	As of January 9, 2020, the licensing requirement applicable to foreign exchange operations in respect of current invisibles in all sectors, was eliminated as part of the lifting of foreign exchange restrictions as per Notice No. 02/20 of January 9, 2020. Previously, under Notice No. 13/13 of August 6, 2013, approval was required for service agreements with nonresidents related to trade and foreign workers' wages exceeding Kz 300 million or the equivalent in another currency, if the originators were companies that provided services to the oil sector, as well as for service agreements involving more than Kz 100 million or the equivalent in another currency.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	Foreign investors are authorized by the BNA to remit profits and dividends, after payment of taxes and fulfillment of other legal requirements. The remittance of profits and dividends is subject to BNA approval if the annual amount is higher than Kz 500,000. In this case, companies must present the CRIP (Private Investment Registration Certificate) and audited financial statements.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	The amount of unilateral bank transfers may not exceed US $250,000.00 (two hundred and fifty thousand US dollars) an originating party, a calendar year.
Prior approval	No.	
Quantitative limits	Yes.	(1) The total amount of foreign exchange transactions of each originating party may not exceed the party's financial capacity, regardless of the purpose or the payment instrument used; (2) In addition to the limit referred to in the above paragraph, the amount of unilateral bank transfers may not exceed US$250,000.00 an originating party, a calendar year.
Indicative limits/bona fide test	No.	
Personal payments	Yes.	(1) The total amount of foreign exchange transactions of each originating party may not exceed the party's financial capacity, regardless of the purpose or the payment instrument used; (2) In addition to the limit referred to in the above paragraph, the amount of unilateral bank transfers may not exceed US$50,000.00 an originating party, a calendar year.

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Prior approval	No.	
Quantitative limits	Yes.	(1) The total amount of foreign exchange transactions of each originating party may not exceed the party's financial capacity, regardless of the purpose or the payment instrument used; (2) In addition to the limit referred to in the above paragraph, the amount of unilateral bank transfers may not exceed US$250,000.00 an originating party, a calendar year.
Indicative limits/bona fide test	No.	
Foreign workers' wages	Yes.	
Prior approval	Yes.	Effective April 8, 2023, (1) foreign exchange nonresidents having a relationship with an entity established in the country, and specifically workers and members of the corporate bodies or equivalent thereto, may transfer their legally earned income abroad, at any level, with any frequency exceeding that of its receipt, notwithstanding the recording requirement. (2) Opening of bank accounts in Angola by foreign exchange nonresidents is optional, with the exception referred to in the paragraph below, and the paying entity may transfer the relevant earnings directly to the bank account of the nonresident abroad; (3) Workers having a labor relationship with an entity established in the country and a labor contract with a term of more than 12 months must open an account in their name with a bank based in Angola, with which their income must be domiciled before its outward transfer; (4) Outward transfers of income from capital, including interest and dividends, and the repatriation of capital imported into the country may be freely executed with the submission of the relevant supporting documentation.
Quantitative limits	No.	In the foreign exchange purchase operations referred to in the above paragraph, banks must verify the: (1) existence of the labor relationship or membership in the corporate body or equivalent thereof, in respect of the paying entity, duly verified and documented, and, when applicable, approved by the relevant ministry or other authority empowered for that purpose, as well as the relevant term; and the (2) consistency of the amounts to be transferred with the income earned under the contractual relationship.
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	Only banks may issue credit cards.
Prior approval	No.	
Quantitative limits	Yes.	The limits apply to each customer and to all cards belonging to the same cardholder. In defining the credit card limit and its use, the commercial bank must also ensure compliance with the annual limit set for foreign exchange transactions for individuals. By contrast, the decision to issue a credit card and the definition of its limit must be based on the customer's credit risk assessment.
Indicative limits/bona fide test	No.	It is the responsibility of the issuing financial institutions, according to their risk analysis, to define and enforce credit limits for individual

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		cardholders.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Foreign exchange resident individuals over the age of 18 may purchase foreign currency or use their own foreign currency funds, for any purposes abroad, including investments, and personal and family expenses, up to a cumulative amount equivalent to US$250,000.00 a calendar year, irrespective of the payment instrument used. The BNA may authorize, on an exceptional basis, duly justified requests for transfers of amounts exceeding the limit of US$250,000. For this purpose, the interested parties should justify the request through a bank for prior review and subsequent submission to the BNA for decision.
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	All foreign currency income resulting from services rendered by foreign exchange residents to foreign exchange nonresidents, even if received by their representatives abroad in the case of revenue from hotel, tourism or any other activities, must be deposited in a foreign currency bank account, held by the foreign exchange resident entity, at a bank domiciled in the country.
Surrender requirements	n.r.	
Surrender to the central bank	n.r.	
Surrender to authorized dealers	n.r.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Only the purchase of public debt securities by nonresidents and capital transactions of US$250,000.00 or more by individuals require prior licensing by the BNA. Previously, all capital transactions were subject to prior licensing by the BNA, except those related to transfers of profits and dividends, incentives and other types of return on capital, and the amount of investment amortization of foreign corporate investors in the oil sector. Capital transactions must be conducted through banks, which must submit them to the BNA for approval and issuance of a capital import (LIC) or export (LEC) license.
Repatriation requirements	Yes.	Effective July 5, 2022, distributed profits or dividends, as well as the amount of disinvestment arising from investments made abroad by foreign resident legal entities, must be repatriated to an account domiciled in a commercial bank headquartered in the country, within 60 days from the date of payment thereof.
Surrender requirements	n.r.	
Surrender to the central bank	n.r.	
Surrender to authorized dealers	n.r.	
Controls on capital and money market	Yes.	

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instruments		
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	As of December 23, 2021, foreign exchange transactions by nonresidents involving the purchase of public debt securities require prior licensing by the BNA. Nonresidents purchase of nonpublic debt and other nonpublic securities do not require BNA approval.
Sale or issue locally by nonresidents	Yes.	Nonresidents may sell or issue securities, according to the nature of the operation.
Purchase abroad by residents	Yes.	Foreign exchange resident individuals over the age of 18 may purchase foreign currency or use their own foreign currency funds, for any purposes abroad, including investments, up to a cumulative amount equivalent to US$250,000.00 a calendar year, irrespective of the payment instrument used. Amounts greater than US$250,000 require prior approval from the BNA.
Sale or issue abroad by residents	Yes.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase securities, according to the nature of the operation. Foreign exchange transactions by nonresidents involving the purchase of public debt securities require prior licensing by the BNA.
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	Foreign exchange resident individuals over the age of 18 may purchase foreign currency or use their own foreign currency funds, for any purposes abroad, including investments, up to a cumulative amount equivalent to US$250,000.00 a calendar year, irrespective of the payment instrument used. Amounts greater than US$250,000 require prior approval from the BNA.
Sale or issue abroad by residents	Yes.	
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Foreign exchange transactions by nonresidents involving the purchase of public debt securities require prior licensing by the BNA.
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	(1) The total amount of each paying party's foreign exchange transactions (for individuals) may not exceed the party's financial capacity, regardless of the purpose or the payment instrument used; (2) In accordance with the current regulations, the BNA delegates authority to commercial banks so that legal entities resident for foreign exchange purposes may execute their capital operations without prior licensing requirements.
Sale or issue abroad by residents	Yes.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	Foreign exchange resident individuals over the age of 18 may purchase foreign currency or use their own foreign currency funds,

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		for any purposes abroad, including investments, up to a cumulative amount equivalent to US$250,000.00 a calendar year, irrespective of the payment instrument used. Amounts greater than US$250,000 require prior approval from the BNA.
Sale or issue abroad by residents	Yes.	
Controls on derivatives and other instruments	Yes.	Derivative instruments are supervised by the Capital Markets Commission (CMC), under the terms of Article 2(e) and Article 17 (b), both of Law No. 22/15 of August 31 – Approving the Securities Code (CódVM). Currently, two types of derivatives are traded: foreign currency swaps and foreign exchange forwards. Pursuant to Article 18.1 of Regulation No. 3/15, counterparties must report the details of all derivative contracts they have entered into, as well as any modification or termination of such contracts, to a transaction repository registered with the CMC. In the absence of a repository they must be reported to the CMC.
Purchase locally by nonresidents	Yes.	Investments in derivative instruments, by foreign exchange nonresidents, require prior licensing by the BNA, with exceptions.
Sale or issue locally by nonresidents	Yes.	Investments in derivative instruments, by foreign exchange nonresidents, require prior licensing by the BNA, with exceptions.
Purchase abroad by residents	Yes.	Foreign exchange resident individuals over the age of 18 may purchase foreign currency or use their own foreign currency funds, for any purposes abroad, including investments, up to a cumulative amount equivalent to US$250,000.00 a calendar year, irrespective of the payment instrument used. Amounts greater than US$250,000 require prior approval from the BNA.
Sale or issue abroad by residents	Yes.	
Controls on credit operations	Yes.	
Commercial credits	No.	These operations do not require prior BNA licensing but must be registered. There is no foreign exchange commitment on the part of the BNA.
By residents to nonresidents	No.	Supplier credits must be reported to the BNA for statistical purposes.
To residents from nonresidents	No.	Supplier credits do not require licensing, but must be reported to the BNA for statistical purposes.
Financial credits	Yes.	Financial credit operations are subject to prior BNA licensing.
By residents to nonresidents	Yes.	BNA approval and authorization are not required.
To residents from nonresidents	Yes.	BNA approval and authorization are not required.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Pursuant to Article 63 of Law No. 14/15 of August 11, Private Investment Law, the government must regulate outward investment by residents. Foreign exchange resident individuals over the age of 18 may purchase foreign currency or use their own foreign currency funds, for any purposes abroad, including investments, up to a cumulative amount equivalent to US$250,000.00 a calendar year, irrespective of the payment instrument used. Amounts greater than US$250,000 require prior approval from the BNA.

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Inward direct investment	Yes.	Foreign investment is subject to the provisions of the Private Investment Law as well as to foreign exchange laws and regulations, implemented by APIEX (Angolan Agency for the Promotion of Investment and Exports). Special laws regulate investment in certain areas, including (1) oil and mineral exploration and (2) financial institutions. Foreign investment is prohibited in the following sectors: (1) defense, domestic public order, and state security; (2) central banking and currency issuance; and (3) other areas reserved for the government.
Controls on liquidation of direct investment	No.	Foreign investors are guaranteed the right to transfer abroad the proceeds of the sale of investments, including capital gains and amounts owed to them after the payment of taxes due.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Foreign exchange resident individuals over the age of 18 may purchase foreign currency or use their own foreign currency funds, for any purposes abroad, including investments in real estate, up to a cumulative amount equivalent to US$250,000.00 a calendar year, irrespective of the payment instrument used. Amounts greater than US$250,000 require prior approval from the BNA.
Purchase locally by nonresidents	n.r.	
Sale locally by nonresidents	n.r.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	The total amount of foreign exchange operations of each originating party (for individuals) may not exceed the party's financial capacity, regardless of the purpose or the payment instrument used; authorization from the BNA is not required.
To residents from nonresidents	Yes.	Only transactions for the purchase of public debt securities by nonresidents; authorization from the BNA is required.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	These operations may be carried out freely by banks authorized to engage in foreign exchange trading, with the knowledge of the BNA.
To residents from nonresidents	Yes.	Only transactions by nonresidents to purchase public debt securities are subject to prior licensing by the BNA.
Settlement of debts abroad by immigrants	Yes.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Strict requirement of mandatory compliance with the Law of the BNA, the Foreign Exchange Law, and the Law on the Basis of Financial Institutions has to be adhered to by commercial banks and other credit institutions. Law No. 24/21 of October 18; Law No. 05/97 of June 27, and Law No. 14/21 of May 1.
Borrowing abroad	Yes.	Not all transactions are subject to licensing.

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Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	Since January 1, 2015, institutions have been prohibited from engaging in credit operations in the country for disbursement in foreign exchange with any terms and for any purposes, except for credit operations transferred to the Angolan government, to exporters, and to exporters holding revenue in foreign exchange. Loans cannot be issued with capital indexed to a foreign currency. For reasons of de-dollarization of the economy and the elimination of exchange rate risk in operations where the source of income is in local currency.
Purchase of locally issued securities denominated in foreign exchange	Yes.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Effective May 31, 2022, the reserve ratio on deposits by private individuals and municipal administrations (local governments) in kwanzas was lowered from 22% to 19%. A specific reserve account has been set up for central government balances in the real time gross settlement system, to which all balances under this heading are deposited. The reserve ratio on deposits by private individuals and municipal administrations (local governments) in foreign exchange is 22%, and the reserve requirement on deposits of central governments in foreign exchange is set at 100%. The instruments eligible to comply with national currency required reserve are only balances relating to the daily closing of the deposit account open in the BNA on behalf of each bank financial institution. Instruments eligible to comply with required reserves in foreign currency are the following assets: • The balances of the foreign currency deposit account opened in the BNA on behalf of each financial institution and • 50% with obligations of the treasury in foreign currency belonging to the own portfolio registered in the Integrated Markets and Asset Management System (SIGMA) issued from 2015.
Liquid asset requirements	Yes.	Securities having shorter maturities are the most liquid.
Interest rate controls	Yes.	The following interest rate controls were implemented: (1) The total cost of credit granted by international payment cards at the annual nominal rate of interest and fees cannot exceed 7.5%. (2) Banks may apply fixed or variable interest rates, and the latter must be indexed to the Luibor less a margin, although it should be ensured at all times that the total cost of credit granted does not exceed 7.5% an annum. The Luibor rate to be applied should correspond to the periodicity of the interest payments. Instruction No. 4/2019 on the Granting of Credit defines the following rules for credits unrelated to international payment cards: (1) Banks must apply differentiated interest rates to their customers, defined to reflect the specific risk rating of each operation, determined based, inter alia, on the level of risk attributed to each customer, the features of the instrument, and the collateral provided. (2) In the cases of loans with variable interest rates, banks should preferably use the indexing factor that is generally used for credit agreements in the currency in question, and a margin may be added to or subtracted from this factor to reflect the level of risk associated with each operation determined based on the factors referred to in

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		Item 1.1 (a) of Instruction No. 4/2019. (3) For credits denominated in domestic currency with variable interest rates, banks should preferably apply the Luibor as an indexing factor. (4) The term of the indexing factor should correspond to the interest payment period.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	Does not require approval from the BNA.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	There is a limit on the liquidity position in foreign exchange. The liquidity position is calculated taking into consideration only liquid foreign exchange assets and liabilities, excluding among others foreign exchange-indexed government bonds. The calculation must be carried in euros or euro equivalents. The commercial banks must submit daily reports on their foreign exchange liquidity position to the BNA and the net open position cannot exceed 10% of their capital. Banks have been required to sell their surplus foreign exchange positions pursuant to Notice No. 12/2018 of December 3, 2018.
On resident assets and liabilities	Yes.	There is a limit on the liquidity position in foreign exchange. The liquidity position is calculated taking into consideration only liquid foreign exchange assets and liabilities, excluding among others foreign exchange-indexed government bonds. The calculation must be carried in euros or euro equivalents. The commercial banks must submit daily reports on their foreign exchange liquidity position to the BNA and the net open position cannot exceed 10% of their capital. Banks have been required to sell their surplus foreign exchange positions pursuant to Notice No. 12/2018 of December 3, 2018.
On nonresident assets and liabilities	Yes.	There is a limit on the liquidity position in foreign exchange. The liquidity position is calculated taking into consideration only liquid foreign exchange assets and liabilities, excluding among others foreign exchange-indexed government bonds. The calculation must be carried in euros or euro equivalents. The commercial banks must submit daily reports on their foreign exchange liquidity position to the BNA and the net open position cannot exceed 10% of their capital. Banks have been required to sell their surplus foreign exchange positions pursuant to Notice No. 12/2018 of December 3, 2018.
Provisions specific to institutional investors	Yes.	Institutional investors are defined by Law No. 22/15 – Securities Code – of August 31, 2015, and by the CMC Rules, No. 1/15 of May 15.
Insurance companies	n.r.	
Limits (max.) on securities issued by	n.r.	

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nonresidents	
Limits (max.) on investment portfolio held abroad	n.r.
Limits (min.) on investment portfolio held locally	n.r.
Currency-matching regulations on assets/liabilities composition	n.r.
Pension funds	n.r.
Limits (max.) on securities issued by nonresidents	n.r.
Limits (max.) on investment portfolio held abroad	n.r.
Limits (min.) on investment portfolio held locally	n.r.
Currency-matching regulations on assets/liabilities composition	n.r.
Investment firms and collective investment funds	n.r.
Limits (max.) on securities issued by nonresidents	n.r.
Limits (max.) on investment portfolio held abroad	n.r.
Limits (min.) on investment portfolio held locally	n.r.
Currency-matching regulations on assets/liabilities composition	n.r.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.

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Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Other managed arrangement	*06/09/2022*	Given that the exchange rate has reduced its flexibility since June 2022 with several adjustments and short periods of stability, the de facto exchange rate arrangement was reclassified to other managed from floating.

Arrangements for Payments and Receipts

Controls on exports and imports of banknotes

On exports

Domestic currency	*03/03/2022*	Resident individuals may leave the country carrying national currency of a total amount equivalent to US$10,000, except individuals under 18 years of age traveling unaccompanied may carry national currency equivalent to US$1,000. Previously, resident travelers could carry up to Kz 50,000. Nonetheless, within the scope of their authority, the border authorities may prevent national currency from being taken out of the country, whenever the traveler carrying the currency is suspected of a criminal offense.
Foreign currency	*03/03/2022*	Residents may leave the country carrying foreign currency of a total amount equivalent to US$10,000, except individuals under 18 years of age traveling unaccompanied may carry foreign currency equivalent to US$1,000. Nonresidents may carry foreign currency on their way out of the country in a value equal to the currency with which they entered the country. Nonresidents carrying foreign currency equal to or greater than the equivalent of US$10,000, is subject to proof of entry of that value in the country, by delivering a duplicate of the currency entry declaration to the customs services on exit.

On imports

Domestic currency	*03/03/2022*	Residents and nonresidents, who carry national currency on entry into the country in a total value equal to or greater than the equivalent of US$10,000 must mandatorily declare these amounts on entry by filling in a declaration form provided by the customs services.
Foreign currency	*03/03/2022*	Residents and nonresidents, who carry foreign currency on entry into the country in a total value equal to or greater than the equivalent of

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US$10,000 must mandatorily declare these amounts on entry by filling in a declaration form provided by the customs services.

Resident Accounts

Foreign exchange accounts permitted

Held domestically — *03/01/2023*

(1) Transactions with foreign exchange accounts must comply with the legislation and regulations governing financial foreign exchange and capital transactions, current invisibles, and importing and exporting of merchandise, including the regulations applicable to specific sectors. (2) Unless otherwise provided in specific regulations, intrabank and interbank transfers between accounts domiciled with banks on national territory, debited to foreign exchange accounts in favor of entities resident on national territory may only be executed in foreign exchange in the following cases; (a) between legal entities in group relationships; (b) between individuals in family relationships; and (c) when the originating party and the beneficiary are the same individual or legal entity. (3) Except as provided in specific regulations, credit cannot be granted in accounts denominated in foreign exchange in favor of non-exporting entities.

Nonresident Accounts

Domestic currency accounts — *03/01/2023*

Nonresident individuals or legal entities may hold accounts in domestic currency and/or foreign exchange with banks based in Angola.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Foreign workers' wages

Prior approval — *04/08/2023*

(1) Foreign exchange nonresidents having a relationship with an entity established in the country, and specifically workers and members of the corporate bodies or equivalent thereto, may transfer their legally earned income abroad, at any level, with any frequency exceeding that of its receipt, notwithstanding the recording requirement. (2) Opening of bank accounts in Angola by foreign exchange nonresidents is optional, with the exception referred to in the paragraph below, and the paying entity may transfer the relevant earnings directly to the bank account of the nonresident abroad. (3) Workers having a labor relationship with an entity established in the country and a labor contract with a term of more than 12 months must open an account in their name with a bank based in Angola, with which their income must be domiciled before its outward transfer. (4) Outward transfers of income from capital, including interest and dividends, and the repatriation of capital imported into the country may be freely executed with the submission of the relevant supporting documentation.

Capital Transactions

Controls on capital transactions

Repatriation requirements — *07/05/2022*

Distributed profits or dividends, as well as the amount of disinvestment arising from investments made abroad by foreign resident legal entities, must be repatriated to an account domiciled in a commercial bank headquartered in the country, within 60 days from the date of payment thereof.

Provisions Specific to the Financial Sector

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Provisions specific to commercial banks and other credit institutions Differential treatment of deposit accounts in foreign exchange *Reserve requirements*	*05/31/2022*	The reserve ratio on deposits by private individuals and municipal administrations (local governments) in kwanzas was lowered from 22% to 19%.

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ANTIGUA AND BARBUDA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		February 25, 1982.
Article VIII	Yes.	Date of acceptance: November 22, 1983.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with UNSC resolutions, measures have been taken to freeze the assets of terrorists and organizations associated with terrorism.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Antigua and Barbuda is the Eastern Caribbean dollar, issued by the ECCB.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The de jure and de facto exchange rate arrangements are classified as a currency board. Antigua and Barbuda participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar, the common currency, is pegged to the US dollar at EC$2.70 per US dollar. The ECCB officially covers at least 60% of base money with its foreign reserves. The operational guideline is set at 80%, although in practice the coverage has been maintained at 95%–100%.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Eastern Caribbean dollar is pegged to the US dollar under a currency board arrangement at EC$2.70 per US dollar. This rate applies to the ECCB transactions as well as accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		

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Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The ECCB sets an indicative rate for commercial banks to follow. This rate has been EC$2.6882–EC$2.7169 per US dollar for a long time. Commercial banks may freely set their commissions in transactions with their clients.
Spot exchange market	Yes.	The ECCB participates in the foreign exchange market mainly trading US currency with Bank of America.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The ECCB is committed to selling and buying US dollars at a fixed exchange rate of EC$2.7 per US dollar. Actual rates may differ slightly so that the ECCB can cover its administrative expenses. There is no bid-ask spread. The ECCB deals directly with the government and other public entities.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks may trade with each other, but there is no formal interbank foreign exchange market. Foreign exchange bureaus are subject to licensing by the ECCB. These bureaus may deal in foreign exchange transactions directly with the ECCB; conduct spot, forward, and swap transactions; maintain accounts abroad; and make foreign payments and transfers on behalf of clients.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Settlements with residents of the CARICOM countries must be made either in the currency of the country concerned or in Eastern Caribbean dollars. Exports to Jamaica are settled in US dollars. Settlements with residents of other countries may be made in any foreign currency or in Eastern Caribbean dollars.
For current transactions and payments	Yes.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Antigua and Barbuda is a member of CARICOM and the OECS.
Clearing agreements	Yes.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The MOF applies controls to all foreign exchange transactions.
Payments arrears	Yes.	
Official	Yes.	The government has accumulated arrears with domestic suppliers and banks, as well as with external creditors.
Private	n.a.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	The exportation of Eastern Caribbean dollar notes and coins outside the ECCB area is limited to EC$10,000 as prescribed by the ECCB.
Foreign currency	Yes.	
On imports	Yes.	
Domestic currency	No.	

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Foreign currency	Yes.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	External accounts may be opened, especially in tourism-oriented industries or in export trade when receipts are primarily in foreign currency and a large number of inputs are imported or financed with foreign currency.
Held domestically	Yes.	Commercial banks are required to report external account operations to the Ministry of Finance and the Economy (MOFE) on a monthly basis.
Approval required	Yes.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Within the ECCU.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	External accounts may be maintained in any currency and may be credited with receipts from sales of merchandise (whether from exports or local sales) or from remittances. Commercial banks are required to report external account operations to the MOFE on a monthly basis.
Approval required	Yes.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	No.	
Approval required	Yes.	
Blocked accounts	n.a.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Payments for authorized imports are permitted on application and submission of documentary evidence. All bona fide import payments are approved.
Domiciliation requirements	Yes.	
Preshipment inspection	No.	
Letters of credit	Yes.	
Import licenses used as exchange	No.	

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licenses		
Other	No.	
Import licenses and other nontariff measures	Yes.	Certain goods require individual licenses, unless imported from the CARICOM countries. Antigua and Barbuda complies with the CARICOM rules of origin.
Positive list	No.	
Negative list	No.	
Open general licenses	Yes.	Most goods may be freely imported under OGLs granted by the MOFE. Nonautomatic licensing is applied to products subject to quantitative restrictions.
Licenses with quotas	Yes.	Quantitative restrictions are applied to carbonated beverages, beer, stout, ale, and porter. In agriculture, quantitative restrictions are applied if there is domestic supply.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Customs duty rates range from 0% to 35% for nearly all items. The CARICOM CET is applied. As a result, tariffs on imports from the CARICOM countries range from 0% to 20%. There are no customs duties on a number of items, including milk and poultry. Some goods, including basic foods and agricultural goods, are exempt from customs duties. Other exemptions for machinery, equipment, and raw materials are granted on a case-by-case basis. There is a customs service charge with a maximum rate of 10%.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	There is a monopoly on imports of petroleum products.

Exports and Export Proceeds

Repatriation requirements	n.a.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	n.a.
Documentation requirements	Yes.
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	Yes.
Preshipment inspection	No.
Other	Yes.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	Yes.

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Collected through the exchange system	n.a.	
Other export taxes	Yes.	Reexports are not subject to tax if transactions take place within the bonded area.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments for certain categories of invisible transactions (related to authorized imports) do not require MOFE approval. Approval is granted for all bona fide payments for invisible transactions. No controls apply to payments for freight, insurance, unloading, and storage costs; administrative expenses; commissions; profits; and dividends.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	Profits may be remitted in full after payment of taxes. Verification is not applied in practice; the authorities, however, may decide to undertake such verification.
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	Yes.	
Prior approval	Yes.	Payments related to family maintenance are permitted. Payments for alimony are allowed, if provided for by contract.
Quantitative limits	Yes.	Payments related to medical expenses and studies abroad are permitted.
Indicative limits/bona fide test	Yes.	
Foreign workers' wages	Yes.	
Prior approval	Yes.	These remittances are allowed, if provided for by contract.
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	
Credit card use abroad	n.a.	
Prior approval	n.a.	
Quantitative limits	n.a.	
Indicative limits/bona fide test	n.a.	

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Other payments	Yes.	
Prior approval	Yes.	Payments for consulting and legal fees are allowed, if provided for by contract.
Quantitative limits	Yes.	The limit for subscriptions and membership fees is EC$10,000 a year.
Indicative limits/bona fide test	Yes.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	MOFE approval is required for lending to nonresidents by commercial banks.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	Large transfers abroad for investment purposes may be made in phases over time by the financial secretary.
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	

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Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	An alien landholding license is required, and the purchase must be approved by the cabinet.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	n.a.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	n.a.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Under the laws governing offshore financial institutions, (1) the International Financial Sector Authority has the responsibility for licensing offshore financial institutions; (2) annual inspections of offshore financial institutions must be conducted; (3) the minimum capital requirement for offshore banks is the equivalent of US$5 million, of which US$1.5 million must be deposited in the domestic banking system; (4) all directors of a bank must be natural persons, and at least one must be a national of Antigua and Barbuda; and (5) offshore banks are allowed to extend credit to the government of Antigua and Barbuda.
Borrowing abroad	n.a.	
Maintenance of accounts abroad	n.a.	
Lending to nonresidents (financial or commercial credits)	Yes.	MOFE approval is required for these transactions.
Lending locally in foreign exchange	n.a.	
Purchase of locally issued securities denominated in foreign exchange	n.a.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
In banks by nonresidents	No.	The Banking Act further specifies and strengthens the conditions dealing with fit and proper tests under which the CB can grant a license to nonresidents to operate in the ECCU (whether through a branch, subsidiary, or newly acquired bank).
Open foreign exchange position limits	n.a.	
On resident assets and liabilities	n.a.	
On nonresident assets and liabilities	n.a.	
Provisions specific to institutional investors	n.a.	
Insurance companies	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Pension funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective	n.a.	

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investment funds	
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

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Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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ARGENTINA

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 20, 1956.
Article VIII	Yes.	Date of acceptance: May 14, 1968.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the Third Review under the Extended Arrangement under the Extended Fund Facility, Request for Waivers of Nonobservance of Performance Criteria, and Financing Assurances Review with Argentina states that as of December 12, 2022, Argentina has taken a number of measures since early October 2022 with respect to its foreign exchange regime that give rise to new MCPs, exchange restrictions, and intensify pre-existing exchange restrictions. These measures also amount to nonobservance of the continuous PCs on the introduction or intensification/modification of exchange restrictions/MCPs. More specifically, the key changes fall within the following categories: (1) Foreign Exchange Incentive Scheme: On November 28, the Argentine government reinstated its Foreign Exchange Incentive Scheme to encourage soy exporters and producers to sell their stocks that was introduced on a temporary basis, and which expired in September. Under the current scheme, exporters of soybean and derivates can fulfill their surrender requirement by exchanging their dollar receipts at a more preferential exchange rate of 230 pesos per dollar. Because of the large spread between the preferential exchange rate and the official exchange rate (which trades at around 168 pesos per dollar), which exceeds 2%, and given that the old measure had expired before the reintroduction, this measure constitutes a new MCP subject to Fund jurisdiction. (2) Exchange Tax: Argentina maintains (a) an exchange restriction and an MCP arising from a 30% tax on the purchase of foreign exchange by individuals and on payments for consumption abroad. Under Decree No. 682/2022, the 30% tax has been extended to purchases of foreign currency for the payment of (i) personal, cultural, and recreational services and (ii) the importation of a list of luxury goods. The extension of the coverage of the 30% tax amounts to an intensification of the existing exchange restriction. It also amounts to a modification of the MCP. (Country Report No. 22/388)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Argentina notified the IMF that it maintains restrictions in accordance with UNSC resolutions on preventing the financing of terrorism.
Other security restrictions	Yes.	The Central Bank of the Argentine Republic (BCRA) has established that financial and exchange institutions are subject to the provisions of Law Nos. 25.246 and 26.734 as amended and supplemented, Decree No. 918/12, and FIU Resolution No. 12/11 as amended, 30-E/2017, and FIU Resolution No. 29/2013. Under these laws, decrees, and resolutions, regulated institutions must follow the regulatory

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		guidelines of the FIU for the prevention of money laundering, financing of terrorism, and other unlawful activities "without delay," including Argentine Executive Branch decrees regarding UNSC resolutions on combating terrorism and resolutions (and their annexes) of the Ministry of Foreign Affairs and Worship. Article 1 of Executive Decree No. 918/12 regulates the measures and procedures for the administrative freezing of goods linked to the criminal activities specified in Article 306 of the Criminal Code (financing of terrorism), as well as the procedure for inclusion and exclusion from the lists established in accordance with UNSC resolutions.
		Communication "A" 6244 and now Paragraph 5.5 of the TO de EyC retained the minimum information that ADs must verify when funds are transferred to and from abroad, including the messages that pertain to these transfers (as well as various control mechanisms) to include: – the payer's and recipient's information, – having procedures to detect information missing in transfers and, in such cases, keeping them pending settlement until omissions are remedied.

Exchange Arrangement

Currency	Yes.	The currency of Argentina is the Argentine peso.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg	Yes.	Effective March 15, 2022, the BCRA reclassified the de jure exchange rate arrangement to crawling peg from floating. In 2022, the exchange rate policy carried out by the BCRA was aimed at maintaining the levels of external competitiveness, gradually readjusting the crawl rate to the pace of inflation. In this way, an effort was made to strengthen the international reserves position, based on real foreign currency inflows from the external sector. On the contrary, the BCRA has carried out prudent management of the current regulatory framework, adapting it to the needs of the economic environment, to preserve monetary and exchange rate stability. As macroeconomic conditions allow, regulations will be relaxed, with the objective of maintaining in the medium and long term a set of macroprudential standards compatible with the stimulation of capital flows directed to the real economy. The foreign

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		exchange intervention data can be consulted in the Daily Monetary Report, which is available on the CB's webpage. This report publishes intervention data on net purchases from the private sector and the National Treasury on a daily basis with a 3-day lag (business days) because of the time required for appropriate processing of the information prior to its dissemination. The de facto exchange rate arrangement was reclassified to a crawling peg arrangement from crawl-like, effective March 15, 2022.
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	No.	Foreign exchange operations are carried out at the exchange rate that is freely agreed between the parties (Paragraph 1.3 of the TO de EyC). The reference exchange rate (TCR) is calculated as specified in Communication "A" 3500, used for information purposes only, and is intended to reflect the wholesale market price based on average buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		

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Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	In January 2022, the BCRA announced a set of measures that reconfigure its monetary policy instruments. These changes were aimed at achieving better liquidity management for financial institutions, increasing the average term of sterilization instruments, and refocusing the policy rate signal on the Liquidity Bill (LELIQ) rate. On the one hand, effective January 17, 2022, the interest rate on 7-day repo liabilities was gradually reduced to match that of 1-day repo liabilities, in an attempt to eliminate incentives for financial institutions to use this instrument. In addition, the maximum holding limit of 28-day term LELIQs was increased up to an amount equivalent to the stock of term deposits of the private sector of each financial institution, focusing the policy interest rate signal on this instrument. Two new instruments were also created, 180-day term LELIQs (effective January 6, 2022) and, effective February 17, 2022, 190-day term Liquidity Notes (NOTALIQs), which will have a variable rate defined as the monetary policy rate plus a spread. The new instruments are auctioned once a week.
		After the change of government, the monetary policy system and the instruments used for its implementation were reformulated. Effective

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December 18, 2023, the BCRA decided to discontinue LELIQ auctions in the future and began to use reverse repurchase operations as its main instrument to absorb monetary surpluses.

By centralizing its operations with one instrument, and as its policy rate is the only reference interest rate, it aims to send a clearer monetary policy signal and to strengthen its transmission to the rest of the interest rates in the economy.

In the short term, as a result of the inherited imbalances, and as the economy goes through a period of stagflation, demand for money is expected to take some time to recover. In this context, monetary equilibrium requires simultaneously addressing the two main sources of monetary issuance: financing (direct and indirect) of the fiscal deficit and the BCRA's own quasi-fiscal deficit.

The BCRA will continue to direct all monetary policy tools toward achieving monetary stability and reducing inflation. It will also continue to monitor trends in the general price level, the dynamics of the foreign exchange market, and the monetary aggregates so that its policy interest rate can be calibrated and liquidity conditions managed.

Where liquidity injection operations are concerned, the BCRA will continue to exercise the option of engaging in repurchase operations and offering puts on Treasury instruments that the monetary authority deems appropriate. The Central Bank decided that securities eligible for sale to the BCRA through the put mechanism to be auctioned from December 18, 2023, onward will not be included in calculating the limit on credit division for the sector, as the BCRA is the option buyer for banks.

In 2022, the 2022/2023 quota was approved with the same provisions as the 2022 quota, under which financial institutions in Group A are subject to nominal annual fixed rates of up to 64.5% to finance investment projects and up to 74.50% to finance working capital, discounted deferred payment checks, and other special documents and instruments, and institutions should maintain, from October 1, 2022 until March 31, 2023, a balance of such financing that is at least equivalent to 7.5% of their deposits from the nonfinancial private sector in pesos, excluding deposits from customers resident in the country that engage in agricultural activity and that sell merchandise in the framework of Decree No. 576/22, 787/22, Chapter I of Decree No. 194/23, Decree No. 443/23, and Chapter I of Decree No. 492/23 for those who export directly or as a result of a production process carried out in the country (including the parties indicated in Communication "C" 93169). (Paragraph 3.13.1.2. Consolidated Text Savings deposits, payroll, and special accounts).

In 2023, the 2023 quota was approved with the same provisions as the 2022/2023 quota, under which financial institutions included in Group A must grant financing at nominal annual fixed rates of up to 64.5% to finance investment projects and up to 74.50% to finance working capital and discounting of deferred payment checks and other special documents and instruments, and from April 1, 2022, until September 30, 2023, institutions must maintain a balance of such financing that is at least equivalent to 7.5% of their deposits from the nonfinancial private sector in pesos.

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Exchange tax	Yes.	Article 35 of Law No. 27541 on Social Solidarity and Productive Recovery as of December 23, 2019, established the Tax for an Inclusive and Caring Argentina (PAIS), regulated by Decree No. 99/19 and Federal Public Revenue Administration (Administración Federal de Ingresos Públicos – AFIP) General Resolution for 659/20. Subsequently, AFIP General Resolution No. 4815/2020 established a collection regime that applied to transactions covered by the PAIS. In addition to the PAIS (30%), an advance payment of income tax/capital gains tax is paid for certain operations. This advance was initially set at 35% and covered the purchase of foreign currency intended for hoarding and payment of foreign travel and tourism services (these taxes began on September 16, 2020. General Resolution No. 4815/2020). Subsequently, effective July 14, 2022, the rate corresponding to the payment of foreign travel and tourism services was raised to 45% (General Resolution No. 5232/2022).
Exchange subsidy	No.	
Foreign exchange market	Yes.	Under the provisions of Article 132 of Law No. 27444 (repealing Article 188 of Decree No. 27/18), which replaced Article 1 of Decree No. 260/2002 and Paragraph 1.1 of the TO de EyC, all foreign exchange operations must be carried out in the Free Foreign Exchange Market (MLC). The exchange rate is determined by market forces. ADs freely set their bid-ask spreads and the commissions on foreign exchange transactions with their customers. Since September 1, 2019, Decree No. 609/2019, amended by Article 1 of Decree No. 91/2019 (Official Bulletin – Boletín Oficial (B.O.) of December 28, 2019), establishes: Article 1 – The equivalent value of the exports of goods and services must be repatriated in foreign exchange and/or traded on the foreign exchange market under the conditions and terms established by the BCRA. Article replaced by Article 1 of Decree No. 91/2019 B.O. December 28, 2019. Effective as of the date of its publication in the Official Gazette (B.O.). Article 2 – The BCRA, in accordance with its Charter, will establish the circumstances in which access to the foreign exchange market for the purchase of foreign exchange and minted precious metals and transfers abroad will require prior approval, based on objectives and guidelines established in accordance with prevailing conditions on the foreign exchange market and distinguishing between the situations of individuals and legal entities. Article 3 – The BCRA is authorized to establish regulations to prevent practices and operations that are intended to circumvent, through the use of public securities or other instruments, the provisions of this measure. The indicated provision was regulated by Com “A” 6770 and supplementary provisions, which are now found in the TO de EyC. Paragraph 1.1 of the TO de EyC establishes that financial institutions

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		or exchange dealers authorized to deal in foreign exchange by the BCRA may intervene in all foreign exchange operations, swaps, and/or arbitrage on the foreign exchange market.
Spot exchange market	Yes.	The MLC operates on a spot basis and transactions are settled within 48 hours (Paragraph 6.3 of the TO de EyC). It is the only formal mechanism for foreign exchange transactions (Paragraph 1.1 of the TO de EyC). As of June 30, 2023, 77 financial institutions were licensed to operate and 107 exchange dealers were registered. By law, the BCRA is responsible for authorizing the operation of these institutions and for establishing their operating powers and reporting requirements. Foreign exchange institutions (foreign exchange bureaus and agencies) may operate on the foreign exchange market. Foreign exchange bureaus may carry out all the operations provided for in the rules on "External Affairs and Foreign Exchange." Exchange bureaus may simultaneously carry out only activities related to tourism and sales of travel tickets. Exchange offices may buy and sell foreign coins and banknotes; buy, sell, and exchange traveler's checks; buy and sell gold coins and "good delivery" bars and deal in the instruments in which they are permitted to operate. They may use only local foreign exchange funds received through transactions with their customers, ADs, and exchange bureaus or agencies for their operations. Exchange bureaus and offices may only simultaneously perform activities related to tourism and sales of travel tickets. The retail exchange rates offered in Buenos Aires by institutions in the system may be consulted at the BCRA's website. The information includes "reference retail exchange rates" calculated on the basis of the rates announced by institutions. These rates are intended to provide information regarding quotations in the MLC (Communication "B" 9791). Communication "A" 3500 established the mechanisms for calculating the TCR on each bank business day for wholesale operations that can be settled in pesos and US dollars on the quotation date.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The BCRA may conduct foreign exchange auctions in accordance with the following guidelines: (1) announcement of the auction: by BCRA press release and through the electronic trading platform (SIOPEL) press release; (2) total amount of the auction: will be established by the BCRA in each case; (3) time of auction: variable (the BCRA will establish the time and duration); (4) number of bids: up to a maximum of three bids per dealer; (5) amount of each bid: minimum of 1 million and no maximum; (6) award system: bids may be awarded at multiple prices or a single price; in both cases, an

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		apportionment system will be used if necessary; and (7) settlement: spot. The most recent auction was conducted on October 25, 2019. Auctions are currently not being held, but the regulation remains in effect.
Fixing	No.	
Interbank market	Yes.	As of June 30, 2023, a total of 63 banks were operating on the interbank market. To operate as a financial institution, institutions must have the prior authorization of the BCRA. Foreign exchange market transactions comprise the transactions of ADs with their customers, with each other, and with the BCRA. Customer foreign exchange transactions must involve an authorized institution. Foreign exchange transactions between authorized institutions must be conducted through the SIOPEL (Paragraph 5.11 of the TO). The BCRA conducts its foreign exchange transactions with authorized institutions through SIOPEL. The CB does not use market makers and intervenes directly with market participants at their quoted rates, or through auctions on the market (Communication "A" 6527).
Over the counter	No.	Foreign exchange transactions between authorized institutions must be conducted using SIOPEL when agreed to directly between the parties. (Paragraph 5.11 of the TO). Communication "A" 7828 of August 24, 2023, eliminated the second item under Paragraph 5.11. that allowed foreign exchange purchases and sales between authorized institutions outside the SIOPEL when one or both parties are not authorized to operate in this system, in a daily amount not exceeding the equivalent of US$800,000, considering the sum of each institution's purchases and sales (Paragraph 5.11. of the TO de EYC).
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The Central Bank operates in the forward markets as a policy instrument for exchange/currency regulation purposes. At the end of 2023, the most important forward market was the Matba Rofex (Argentina's Futures and Options Exchange), which had a participation rate of 89%. Transactions are settled by daily netting in domestic currency. The foreign exchange futures market uses the TCR published by the BCRA for final settlement.
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	There are no restrictions on the use of the domestic currency in transactions not subject to repatriation and sale on the foreign exchange market. By custom, international payments are not normally settled in domestic currency. Resident customers are allowed to channel certain transactions through the Local Monetary System (Sistema de Monedas Locales) implemented by the BCRA with the CBs of the Federative Republic of Brazil (as of October 3, 2008, according to Communication "A" 4847), the Eastern Republic of Uruguay (as of April 3, 2017, according to Communication "A" 6213, supplemented by Communication "A" 7834), and the Republic of Paraguay (Communication "A" 7308). These transactions are currently regulated by Paragraph 4.2 of the TO.
For current transactions and payments	No.	Foreign transactions are settled in freely usable currencies.
For capital transactions	Yes.	Foreign transactions are settled in freely usable currencies.
Transactions in capital and money market instruments	No.	Foreign transactions are settled in freely usable currencies.
Transactions in derivatives and other instruments	Yes.	All domestic settlements of futures operations on regulated markets, forwards, options, and any other type of derivative contracted in Argentina by institutions as of September 11, 2019, must take place in domestic currency (Paragraph 4.3.1. of the TO de EyC).
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Foreign exchange purchased by residents in accordance with the foreign exchange regulations is freely available as long as they do not have a specific subsequent application. Paragraph 9 of Com "A" 6770, now Paragraph 3.6.1 of the TO de EyC, prohibits access to the foreign exchange market for the payment of debt and other foreign currency obligations between residents originated as from September 1, 2019, with the following exceptions: - foreign currency financing granted by local financial institutions, including payments for foreign currency consumer purchases via credit or charge cards (Paragraph 3.6.1.1); - issues of debt securities that are performed from September 1, 2019, onward and are intended to refinance debt included in Paragraph 3.6.2 and involve an increase in the average term of the obligations (Paragraph 3.6.1.2); - issues as from November 29, 2019, denominated and subscribed in foreign currencies, the servicing of which is payable in Argentina in foreign currencies, as long as all of the funds obtained have been sold on the foreign exchange market (Paragraph 3.6.1.3); -from October 9, 2020, issues of debt securities publicly registered in Argentina and denominated in foreign exchange, the servicing of which is payable abroad or in foreign currencies in Argentina, as long as their average term is not less than 2 years and their delivery to the creditors has made it possible to achieve the refinancing parameters set out in Paragraph 3.17 (Paragraph 3.6.1.4);

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- issues of debt securities publicly registered in Argentina and denominated in foreign exchange, the servicing of which is payable in foreign exchange in Argentina, as long as they were delivered to the creditors for refinancing of pre-existing debt with an extension of the average term, when it corresponds to the amount of the refinanced principal, the interest accrued to the date of refinancing and the new debt securities do not involve a principal maturity date in the first two years, the amount equivalent to the interest that would accrue in the first two years for the debt subject to early refinancing and/or the extension of the refinanced principal and/or interest accrued on the amounts thus refinanced (Paragraph 3.6.1.5).

Access to the exchange market is allowed to settle obligations in foreign currency between residents taking the form of public instruments or entries in registries as of August 30, 2019 (Paragraph 3.6.2) and financing in foreign currency granted by local financial institutions outstanding as of August 30, 2019 (Paragraph 3.6.3).

In accordance with Paragraph 3.6.4, access to the foreign exchange market prior to maturity requires the prior approval of the BCRA, except if the transaction is included in any of the exceptions indicated.

The amount of foreign currency purchases made by individuals for the purpose of paying debts between residents, including the repayment of financing granted by local financial institutions for consumption in foreign currency made through credit or debit cards, as from the following calendar month and for the subsequent months necessary to complete the amount acquired as from September 1, 2020, will be deducted from the limit established in Paragraph 3.8 for the purchase of foreign currency by individuals for the formation of foreign assets, the remittance of family assistance, and for transactions with derivatives. Regardless of the above, as long as the conditions provided for are met, the individual may continue to access the foreign exchange market for the repayment of foreign currency financing granted by other residents. (Paragraph 3.6.5, which incorporates Paragraph 1 of Communication “A” 7106.) Issues of debt securities with public registration in Argentina, denominated in foreign currency and whose servicing is payable abroad or in foreign currency in Argentina, may be used to make principal and interest payments on their maturity through the application of proceeds from exports of goods and services, provided the requirements set forth in Communication “A” 7123 are met.

In the event that a debtor has scheduled principal maturities up to December 31, 2023, for issues of debt securities with public registration in Argentina that are denominated in foreign currency, it would be required to comply with the provisions of Paragraph 3.17. (Paragraph 3.6.7, which incorporates Paragraph 7 of Communication “A” 7106).
As well, Paragraph 3.16 of the TO de EyC establishes additional requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication “A” 7030 of May 28, 2020, as amended and/or supplemented by Communications “A” 7042 of June

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11, 2020, 7094 of August 27, 2020, and “A” 7327 of July 10, 2021, "A” 7552 of July 21, 2022, “A” 7833 of September 5, 2023, “A” 7845 of September 20, 2023, and “A” 7852 of September 28, 2023). Until 12.31.24, additional requirements are provided when the customer is a local jurisdiction (established under Communications “A” 7911 of December 7, 2023 and “A” 7935 of December 28, 2023);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) they have not acquired and will not acquire Argentine certificates of deposit (CEDEARs) representing foreign shares;
(f) they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, “A” 7552 of July 21, 2022, “A” 7586 of August 25, 2022, “A” 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, “A” 7766 of May 11, 2023, “A” 7772 of May 19, 2023, “A” 7838 of September 7, 2023, and “A” 7852 of September 28, 2023).
Communications “A” 7925 of December 22, 2023, and “A” 7935 of December 28, 2023 (according to Errata Communication “C” 96983 of December 28, 2023) on operations with Bonds for the Reconstruction of a Free Argentina (BOPREAL) were subsequently issued.

(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication “A” 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the “Registry of Foreign Exchange Information of Exporters and Importers of Goods” and that are not indicated as “NOT REGISTERED” (Paragraph 3.16.5, which incorporates Communication “A” 7200 amended by Communication “A” 7273 of April 29, 2021);
(5) verification, before proceeding with transactions involving the

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		outflow of funds abroad, whether the customer is included in the list of unique tax identification codes (CUITs) with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	The domestic currency payments system (–) is voluntary and intended for trade-related transactions between Argentina and Brazil (as of October 3, 2008, according to Communication "A" 4847), Paraguay (as of June 22, 2021, according to Communication "A" 7308) or Uruguay (as of April 3, 2017, according to Communications "A" 6213 and "A" 7834). It allows importers and exporters in the three countries to make and collect payments in their respective currencies. In the case of the agreement with Paraguay and Uruguay, they are also permitted to receive payments in the currency of the counterparty, including service and remittance transactions. These transactions are channeled through the financial system, and the CBs clear the balances on a daily basis through correspondents.
Inoperative	Yes.	The BCRA has a reciprocal payments and credit arrangement with the National Bank of Cuba. In accordance with BCRA Communication "A" 2284, collections for any purpose must be made in freely available foreign exchange, while payments for any purpose must on a mandatory basis be made through the arrangement. Although the arrangement is in force, it is inactive as it has not been used to carry out any transactions for at least two decades.
Regional arrangements	Yes.	Within the framework of the multilateral clearing system of the LAIA or in Spanish: ALADI (Asociación Latioamericana de Integración), payments between Argentina and other LAIA countries are settled voluntarily under payments agreements and a reciprocal credit mechanism.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange regulations are established by the BCRA in accordance with the applicable laws. Exchange transactions must be carried out through authorized institutions, including banks, exchange agencies, and exchange bureaus, which are subject to separate regulations (Paragraph 1.1 of the TO de EyC). In all cases, intervening institutions are subject to all applicable rules for the identification and recording of transactions and verification of compliance with the general provisions and, if appropriate, any specific provisions on the topic in question in the consolidated text, verification of the authenticity of the transaction to be conducted, its proper categorization in the foreign exchange regulations and compliance with the rules on the prevention of money laundering, terrorism financing, and other unlawful activities (Paragraphs 1.6, 1.2 , and 1.7 of the TO de EyC, respectively). Transactions that do not have access under the foreign exchange regulations may request prior approval from the BCRA via a financial institution (Paragraph 1.8 of the TO de EyC).

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		In general, institutions must also exercise due diligence in the identification of customers.
Payments arrears	Yes.	
Official	No.	
Private	Yes.	The foreign exchange regulations allow access to the foreign exchange market for payment of financial debts on maturity as long as all applicable requirements are met (Paragraph 3.5. of the TO EyC, which incorporates Communication "A" 6770 of January 1, 2019, as of September 1, 2019). Access is also allowed for payment on maturity of commercial debts for imports of goods and services that are covered by Paragraphs 10.2.4 and 3.2.4. of the TO de EyC and meet all applicable requirements (Communication "A" 6818 of October 28, 2019, as of November 1, 2019, and Communication "A" 6770 of January 1, 2019, as of September 1, 2019, respectively). Paragraph 10.11 as of May 27, 2020 (which incorporates Paragraph 2 of Communication "A" 7030 and supplementary provisions) establishes that until December 31, 2023, access to the foreign exchange market for payments for imports of goods or principal payments on debts originating from imports of goods are subject to prior approval of the BCRA, unless the requirements set out in Paragraphs 10.11.1 to 10.11.12 are met. Paragraph 10.11.13 increased by 50% the amount (since October 2, 2020) provided for in Item 10.11 from the payment of advances and prefinancing of exports from abroad. Paragraph 3.18 (Communication "A" 7301 and related Communication "A" 7416 of December 9, 2021) allows access with a "Certificate of Increase in Exports of Goods" without the requirement of prior approval from the BCRA to access the foreign exchange market, when it is required by Paragraph 10.11. Paragraph 3.19 (Communication "A" 7348) allows access with Certificate of entry of new foreign financial debt without prior approval of import payments that do not comply with Paragraph 10.11 under the conditions. Paragraph 3.21 allows access with Certificate for the regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) (Communication "A" 7626 of October 28, 2022) without the prior approval provided in Paragraph 10.11. Paragraph 3.22 allows access with Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22), and provided the swap and/or arbitrage operation is carried out with funds deposited to a special account held by the customer for the regime to promote the knowledge economy, Decree No. 679/22 (Communication "A" 7664 of December 29, 2022), without the prior approval provided in Paragraph 10.11. Paragraphs 10.11, 3.19, and 3.20 of TO were repealed effective December 13, 2023, by Communication "A" 7917.

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		Communication "A" 7917 established a set of minimum time limits for foreign exchange market access for payments of new imports of goods and services taking place from December 13, 2023, onward, whereas, for access to the payment of debts deriving from these previously arranged operations, the prior agreement of the BCRA was provided, with certain exceptions. When the importer intends to gain access before the provided period (payments with customs entry registration beginning on December 13, 2023, or for payments without recording of customs entry), the customer may request prior approval from the BCRA, or the institution may grant access to the foreign exchange market, provided the payment is made on a financed basis. This primarily includes payments with funds from the financing of imports of goods granted by a local financial institution from a credit line from abroad, or simultaneous accesses with the settlement of funds in the form of advances or export prefinancing from abroad, or export prefinancing granted by local financial institutions funded with credit lines from abroad, subject to conditions or with the settlement of a new external financial debt, inter alia. For debts in connection with imports of goods and services pending at December 12, 2023, access to the foreign exchange market is subject to the prior approval of the BCRA, except when the payment corresponds to transactions financed or guaranteed by local or foreign financial institutions or by international organizations and/or official credit agencies, or those having Certificates in the framework of Decrees No. 277/22 and No. 679/22. Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no inflow of funds to the foreign exchange market has taken place and/or no future access to this market is planned.
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Sales of gold coins and good delivery gold bars are subject to the foreign exchange regulations as they are instruments transacted on the foreign exchange market pursuant to Paragraphs 6.1.3 and 6.1.4 of the TO de EyC.
On external trade	Yes.	There are no restrictions on imports of gold bars. Exports of coins and minted precious metals exceeding US$10,000 must be made through institutions subject to supervision by the Superintendency of Financial and Exchange Institutions. Article 133 of Law No. 27.444 (repealing Article 189 of Decree No. 27/18), which replaced Article 7 of Decree No. 1570/01, eliminated the prior approval of the BCRA for the export of foreign currency banknotes and coins and minted precious metals, in accordance with the regulatory provisions issued by the BCRA.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Paragraph 5.13 of the TO de EyC provides that institutions may conduct transactions that involve exporting domestic currency provided the counterparties are listed in Paragraph 5.12 (foreign branch or agency of an official local bank or a foreign financial

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		institution that is wholly or majority owned by a foreign government; or a foreign financial institution or exchange agency not established in countries or territories that do not apply or insufficiently apply the Recommendations of the FATF; or a foreign company that is dedicated to the purchase and sale of banknotes from specific countries and/or minted precious metals or good delivery bars, whose head office is located in a member country of the Basel Banking Supervision Committee). As well, it is established that the sale of foreign exchange remitted to the local institution by the counterparty for the purchase of domestic currency banknotes is exempt from the provisions of the first paragraph of Paragraph 2.8 (credit of the proceeds of the sale of the foreign exchange to a local account) as long as that there is a commitment from the counterparty that the said funds will be used to meet tourism and travel demand and export will take place no more than 30 calendar days following the date of foreign exchange contract. In addition, since November 21, 2009, in accordance with the provisions of Article 4 of AFIP General Resolution No. 2.705, passengers and crew members must declare the amount of the national currency of legal tender and monetary instruments issued in that currency or in foreign exchange leaving Argentine territory when the total is valued at the equivalent of US$10,000 or more.
Foreign currency	Yes.	Exports of foreign currency exceeding the equivalent of US$10,000 must be made through institutions subject to the supervision of the Superintendency of Financial and Exchange Institutions. Exports of foreign banknotes and coins must be reported to the federal tax agency, with the exception of outflows of up to US$10,000 made pursuant to Article 1 of AFIP General Resolution No. 2.705. Article 133 of Law No. 27.444 (repealing Article 189 of Decree No. 27/18), which replaced Article 7 of Decree No. 1570/01, eliminated the prior approval of the BCRA for the export of foreign currency banknotes and coins and minted precious metals, in accordance with the regulatory provisions issued by the BCRA. Paragraph 5.12 of the TO de EyC regulates foreign swap and arbitrage operations, which institutions may enter into as long as the counterparty is one of those listed.
On imports	Yes.	
Domestic currency	Yes.	The importing of domestic currency implies a foreign currency sale to a nonresident, which requires the prior approval of the BCRA under the provisions of Paragraph 3.13 to the TO de EyC. As well, Paragraph 5.12 of the TO de EyC requires fulfillment of the counterparty requirements listed.
Foreign currency	No.	Imports of foreign currency exceeding the equivalent of US$10,000 must be reported to the AFIP. As well, Paragraph 5.12 of the TO de EyC requires fulfillment of the counterparty requirements listed.

Resident Accounts

Foreign exchange accounts permitted	Yes.	

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Held domestically	Yes.	Banks are authorized to accept funds in: (1) US dollar and euro term deposits; (2) deposits in US dollar, euro, and Yuan Renminbi savings accounts; and (3) deposits in US dollars and euro public and private securities and term investments. Appropriate identification is required in all cases to prevent money laundering, the financing of terrorism, and other unlawful activities, among other reasons.
Approval required	Yes.	Authorized banks may collect funds on a fixed-term basis and deposits in savings funds in other foreign currencies (other than US dollar, euro, and Yuan Renminbi), subject to authorization from the BCRA. The Yuan Renmimbi inclusion is effective June 30, 2023.
Held abroad	Yes.	There are no restrictions in the exchange regulations on residents opening and maintaining foreign exchange accounts abroad. The funds held abroad are freely available to the customer as long as the transactions are not subject to the requirement for sale on the foreign exchange market and are not funds provided as guarantees for commercial or financial transactions (with unconnected counterparties) in accordance with Paragraph 3.11 of the TO de EyC. Under the provisions of Paragraph 3.16.2 (which incorporates Paragraph 1 of Communication "A" 7030 of May 28, 2020), access to the foreign exchange market for transactions involving flows of funds abroad requires the customer to submit an affidavit, indicating that they do not have liquid foreign assets abroad or outside the Argentine financial system, except in the situations specifically contemplated. In the event that the resident decides to repatriate these funds, for amounts exceeding US$2 million a month, the transactions are covered by Decree No. 616/05, Article 3, with the requirement to credit the proceeds from the sale of the foreign exchange to a local account (Paragraph 2.9 of the TO de EyC). Regarding the remaining provisions of Article 4 of the aforementioned decree, Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of the said article to 0, and Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (Paragraph 2.8 of the TO de EyC). In the case of transactions not subject to the obligation of settlement in the foreign exchange market, in accordance with Paragraph 2.8 of the TO de EyC, institutions may conduct swaps and exchanges with customers in the event of foreign currency inflows from abroad and allow the crediting of these transactions to foreign currency accounts opened by the customer.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	There are no Argentine peso accounts held with institutions abroad. However, they are not prohibited under the foreign exchange regulations.
Accounts in domestic currency convertible into foreign currency	Yes.	Communication "A" 6770 and supplementary provisions added various regulations to the previously existing regulations. Currently, Paragraph 3.10 of the TO de EyC (which incorporates Paragraph 5 of Com "A" 6770) establishes prior approval of the BCRA for access to the foreign exchange market by legal entities, local governments, mutual funds, and certain trusts and other estates

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established in Argentina for the formation of external assets (purpose codes A01, A02, A03, A04, A06, A07, A08, A09, A14, A16, and A17) and for operations involving derivatives, with the exception of those indicated in Paragraph 3.12.1.

Paragraph 3.8 of the TO de EyC (which incorporates Paragraph 6 of Communication "A" 6770, as amended by Paragraph 1 of Communication "A" 6815) establishes that resident individuals may access the market for the purchase of foreign currency banknotes for the purposes indicated without the prior approval of the BCRA under certain conditions, among them, Paragraph 3.8.1 provides that they must not exceed the equivalent of US$200 (since October 28, 2019; Com "A" 6815) in a calendar month for all institutions and for all the purposes indicated, net of the following deductions:

- the settlement of obligations between residents within the framework of the provisions of Paragraph 3.6, including financing granted by local financial institutions for foreign currency purchases made by means of credit or debit cards (Item 3.8.1.1, which incorporates Paragraph 1 of Communication "A" 7106 of September 15, 2020).
- the purchase of foreign currency to be applied simultaneously to the purchase of real estate in Argentina with mortgage loans under the terms of Paragraph 3.9. (Paragraph 3.8.1.2, which incorporates Paragraph 1.iv of Communication "A" 6787 of September 19, 2019).
- cash withdrawals with debit cards made abroad with debit to local peso accounts of the customer as provided for in Paragraph 4.1.1 (Paragraph 3.8.1.3, which incorporates Paragraph 4 of Communication "A" 6948 of March 28, 2020).
- purchases made with a debit card abroad with debit to a local account in pesos as provided for in Paragraph 4.1.2 (Paragraph 3.8.1.4, which incorporates Paragraph 1 of Communication "A" 7106 dated September 15, 2020).

Paragraph 3.8.2 establishes that the transaction must be made by debit to the customer's accounts at local financial institutions, allowing the use of cash in local currency in transactions up to the equivalent of US$100 in a calendar month at all institutions.

Paragraph 3.8.4 provides that the customer must undertake not to enter into securities transactions with settlement in foreign currency, in Argentina, directly or indirectly, or on account and by order of third parties, from the moment access is requested and for 90 calendar days thereafter for securities issued under Argentine law, or 180 days thereafter for securities issued under foreign law, and Paragraphs 3.8.5 and 3.8.6 provide that the customer does not have certain financing pending repayment and that the customer is not a beneficiary of the quota value update under the provisions of Article 2 of Decree No. 319/2020 and supplementary and regulatory rules, respectively.
Paragraphs 3.8.7. and 3.8.8. provide that the customer cannot be a national public civil servant with the rank of Deputy Secretary of State (or equivalent rank) or a member of the board of directors of national public banks or the BCRA, and not subject to Joint Resolution of the President of the National Senate and the President of the National Chamber of Deputies No. 12/2020 of October 1, 2020.
Effective September 16, 2022, Paragraph 3.8.9. provides that the customer cannot be a public utility user that is a beneficiary of the subsidy on the tariffs for the supply of natural gas by the grid, and/or

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electricity, whether obtained by request or automatically, and/or the subsidy on drinking water tariffs.
Effective March 30, 2023, Paragraph 3.8.10. provides that the customer cannot have debt pending cancellation as a beneficiary of the "Social Security Debt Payment Plan" provided in Law No. 27.705 or another regularization plan for social security debt.
Effective July 20, 2023, Paragraph 3.8.11. provides that the customer cannot maintain debt pending cancelation as a beneficiary of "ANSES CREDITS" provided in Resolution No. 144/2023 of the National Social Security Administration (Administración Nacional de la Seguridad Social – ANSES).
Effective September 12, 2023, Paragraph 3.8.12. provides that the customer cannot have debt pending repayment from financing provided in Decree No. 463/23 for beneficiaries of the Argentine Integrated Pension System (SIPA) and workers contributing to the SIPA as indicated above.

Paragraph 3.8.15. provides that the institution must deliver the banknotes or traveler's checks in foreign currency or credit the funds to a foreign currency account held by the customer in local financial institutions or to a bank account held by the customer abroad, as the case may be.
In all cases, the institution must verify that the applicable requirements for the crediting of funds to a foreign currency account held by the customer at local financial institutions are met (Paragraph 3 of Communication "A" 7401).

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, and "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023, the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.

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Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, “A” 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication “A”

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7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points).;

(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021);
(5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Banks can accept funds in: (1) US dollar and euro term deposits; (2) deposits in US dollar and euro savings accounts; and (3) deposits in US dollars and euro public and private securities and term investments. Appropriate identification is required in all cases to prevent money laundering, the financing of terrorism, and other unlawful activities, among other reasons.

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Approval required	Yes.	Authorized banks may accept funds at fixed terms and deposits in savings accounts in other foreign currencies (other than US dollar, euro, and Yuan Renminbi) with the prior approval of the BCRA. Pursuant to Paragraph 1 of Communication "A" 7401, Paragraph 3.14 of the TO de EyC included as an operation exempted from the BCRA's prior approval, swaps and trades of nonresident individuals as long as the resulting funds are credited to a "Tourist Savings Bank" provided for in the rules on "Saving deposits, salary account, and special deposits." Pursuant to the provisions of Paragraph 2 of the said regulation, such transactions were also exempted from the filing of the affidavit provided for in Paragraph 3.16.3 regarding transactions with securities, duly established by Communication "A" 7001 and supplementary provisions.
Domestic currency accounts	Yes.	Authorized banks may accept funds from foreigners not yet established in Argentina in demand accounts (savings and current accounts) and peso term deposits as well as deposits in peso public and private securities and term investments. In addition, they may open special investment accounts and special current accounts for legal entities, exclusively for the acquisition of public and private securities and BCRA monetary regulation instruments. Appropriate identification is required to prevent money laundering, the financing of terrorism, and other unlawful activities. Accounts opened with temporary documentation require final documentation by the established deadline for further operations. Bank current accounts require a special domicile in Argentina, which is taken into consideration for legal and regulatory purposes associated with the operation of the account, including check-related disputes.
Convertible into foreign currency	Yes.	Currently, according to the provisions of Paragraph 3.13 of the TO de EyC (which incorporates Paragraph 7 of Communication "A" 6770 as amended by Communications "A" 6815 and 6855), access to the foreign exchange market by nonresident customers is subject to prior approval from the BCRA for the purchase of foreign currency, except for, among others, international organizations and institutions that perform the functions of official export credit agencies, diplomatic and consular offices, and diplomatic personnel accredited in Argentina for transfers made in the exercise of their functions, and representative offices in Argentina of tribunals, authorities, or offices, special missions, bilateral agencies, or commissions established by international treaties or agreements to which Argentina is a party, as long as the transfers are conducted in the performance of their functions, transfers abroad on behalf of individuals who receive retirement benefits and/or pensions from the ANSES or other social security agencies and/or social security annuities provided for under Article 101 of Law No. 24241, up to the amount received under such items in the last 30 calendar days and provided the transfer is made to a bank account owned by the beneficiary in his or her registered country of residence (Paragraph 4 of Communication "A" 7528 effective June 16, 2022). In addition, Paragraph 3.16 of the TO de EyC establishes additional requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA: (1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, and "A" 7327 of July 10,

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2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the

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instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities– except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points);

(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200 amended by Communication "A" 7273 of April 29, 2021);
(5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021,

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		taking into account the provisions of Communication "B" 12082 of October 28, 2020).
Approval required	Yes.	Paragraph 3.13 of the TO de EyC establishes that access to the foreign exchange market by nonresident customers for the purchase of foreign exchange will require the prior approval of the BCRA, with the exceptions indicated in the said paragraph.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	For purposes of access to the foreign exchange market, commercial debts for the financing of imports of goods should be considered among the debts indicated in Paragraph 10.2.4 of the TO de EyC (Communication "A" 6818 dated October 28, 2019, in place since November 1, 2019).
Minimum financing requirements	Yes.	Paragraphs 10.3.2.5 and 10.3.2.6 established that for goods with tariff positions indicated in Paragraphs 10.10.1 and 10.10.2 (luxury consumer goods or sumptuous goods), access to the foreign exchange market must take place as of 90 and 365 calendar days, respectively, of the date of registration of clearance through customs of the said goods. Effective March 4, 2022, the 90-day time period was extended to 180 days by Communication "A" 7466 of March 3, 2022, for goods shipped on or after March 4, 2022. Paragraphs 10.3.2.5. and 10.3.2.6 of TO were repealed effective December 13, 2023 by Communication "A" 7917. Effective March 4, 2022, Paragraph 5 of Communication "A" 7466 dated March 3, 2022, issued requirements for cases in which the imported goods are not included in the time periods set forth in Paragraphs 10.3.2.5 or 10.3.2.6 and declaration in the SIMI is a requirement for registration of the customs entry of the goods. In this regard, it was established, within the framework of the SIMI, how the BCRA would assign the categories to each one that is officially registered in the SIMI as from March 4, 2022, once the latter has obtained the "EXITED" status based on the intervention of the competent agencies in the matter, and how the said category defined the minimum time periods for access to the foreign exchange market to make payments for the goods included in the SIMI. A Category A, which maintained the same regulatory treatment for the associated transactions, and a Category B, which meant that the associated imports of goods must be financed at least 180 days from the date of registration of the customs entry of the goods into Argentina. The BCRA assigned to each importer for the year 2022 a limit for SIMI Category A, for goods not included in the exceptions provided, which would be equivalent to the lesser of the following two amounts:

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(1) The free on board (FOB) value of its imports for the year 2021 plus 5% of the said value.
(2) The FOB value of its imports for the year 2020 plus 70% of the said value.

In the calculation of the FOB value of imports for the years 2020 and 2021, imports registered in the importer's name in the Import Payments Tracking System (SEPAIMPO) that granted access to the foreign exchange market were taken into account, except those that corresponded to temporary imports or goods included in the exceptions provided.

The amount of Category A assigned by the BCRA was the equivalent of US$50,000 when the customer has not registered imports in the last two years or when the amount resulting from the indicated calculation was lower.

The limit for SIMI Category A at each point would be equivalent to the proportional part of the annual limit of each category accumulated up to and including the current month. The equivalent of 20% of the corresponding annual limit would be added to the said amount, not to exceed the said limit. In the event that the amount indicated for a category should be less than US$250,000, the latter amount or the corresponding annual limit, whichever is lower, would be adopted.

Among the exceptions provided for, the following were contemplated: payments for imports with SIMI Category B declaration and the goods paid for were capital goods or consisted of kits for the detection of the COVID-19 coronavirus or other goods whose tariff positions were included in the list published by Decree No. 333/2020 and its supplementary provisions or concerned goods subject to non-automatic import licenses.

Later, considering the particularities of certain goods to be imported, exceptions to the 180-day period were included (Communications "A" 7469, effective March 11, 2022: petroleum or bituminous mineral oils, their preparations and their waste or petroleum gases and other gaseous hydrocarbons, exceptions to the 180-day period were included and "A" 7471 effective March 18, 2022: non-agglomerated bituminous coal).

Communication "A" 7472, effective March 22, 2022, reduced the time period for a group of goods (import of fertilizers and/or phytosanitary products and/or inputs that are necessary for the local elaboration of the same) to 90 calendar days.

Subsequently, pursuant to Communication "A" 7488, effective April 7, 2022, SIMI Category C was introduced, whereby, for certain tariff positions of raw materials and standardized inputs and under certain conditions, a treatment similar to Category A was established.

The annual limit of SIMI Category C that was assigned by the BCRA was the difference between the limit assigned by the BCRA to Category A and the higher of the two amounts considered for the purposes of establishing the said limit. It was also established that the limit for SIMI Category C at each point in time would be equivalent to the proportional part of the annual limit accumulated up to and including the current month. The equivalent of 20% of the annual limit would be added to the said amount, not to exceed said limit. In

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the event that the amount indicated were less than US$250,000, the latter amount or the annual limit, whichever is lower, would be adopted.

Later, as indicated in Communication “A” 7490 of April 12, 2022, the TO de EyC was updated and these rules were included in Paragraph 10.14.

Communications “A” 7507 effective May 5, 2022, “A” 7516 of May 19, 2022, and “A” 7528 of June 16, 2022, included transactions related with pharmaceutical products, its production inputs and other items related with health exempted (under the conditions specifically provided for in each case) from compliance with the minimum financing period.

Then, by means of Paragraph 1 of Communication “A” 7532 incorporated into Paragraph 10.12 of the TO, effective June 27, 2022, certain modifications were announced, among them:

(1) It was established that the limit of SIMI Category A or C at each point in time would be equivalent to the proportional part of the annual limit of each category accumulated up to and including the current month. In the event that the amount indicated for a category was less than US$250,000, the latter amount or the corresponding annual limit, whichever is lower, would be adopted. Meaning that up to September 30, 2022, the equivalent of 20% of the annual limit would not be added to the said amount. Effective October 1, 2022, the 20% was added again.

(2) The exception foreseen for goods subject to non-automatic import licenses was suspended, establishing that while such suspension lasts, imports of such goods for the years 2020 and 2021 would be taken into consideration for the computation of the limits for Categories A and C.

(3) Effective July 1, 2022, it was established that the annual limit of Category A for an importer would be, at a minimum, equivalent to 115% of the computable FOB value of its imports for the year 2021, when the amount imported in the said year was less than or equal to the equivalent of US$1,000,000.

From the implementation of the Argentine Republic Import System (SIRA) to replace the Integrated Import Monitoring System (SIMI) and the provisions of Communication “A” 7622 of October 17, 2022, and supplementary provisions reflected in Paragraph 10.10. of the TO, a scheme is presented in which, for operations supported with SIRA with “EXITED” status, entities may, provided compliance with the other applicable regulatory requirements is verified, provide customers with access to the exchange market to carry out:
10.10.1.1. Payments with customs entry registration that are carried out after the period in calendar days stated in the SIRA declaration, from the date of said recording, has ended; or 10.10.1.2. Payments with customs entry registration or payments with pending customs entry registration that are carried out through a swap and/or arbitrage against a local account in foreign exchange of the customer, provided the importer has reported the use of this option in the SIRA declaration; or
10.10.1.3. Payments with customs entry registration or payments with pending customs entry registration for operations subject to any of the conditions provided in Paragraphs 10.10.2. and 10.10.3.; or

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10.10.1.4. Payments with pending customs entry registration or payments with customs entry registration before the deadline provided in the SIRA declaration, when the customer is situated within the available amount of up to the equivalent of US$50,000 during the calendar year, in all entities combined.

If the SIRA declaration indicates that the payment will be made in the currency of a country with which the BCRA has a current Bilateral Currency Swap Agreement, the entity will be required to verify that the payment is made in that currency.

In operations supported by SIMI carried out while it is in force, or in operations for which the presentation of a SIRA declaration is not a requirement for the customs entry registration of the goods, access to the foreign exchange market was governed by the provisions in force until October16, 2022.

Effective January 1, 2023, Communication "A" 7638 replaced Paragraph 2.1 of Communication "A" 7532, providing that institutions were required to have an affidavit from the customer in which they confirm that the figure obtained by adding the amount of the payment whose execution is being requested to the total payments executed as of January 1, 2022, not corresponding to operations listed in Paragraph 2.2 of that Communication, did not exceed the equivalent of the amount obtained by multiplying one-twelfth of the annual limit of SIMI Category A provided in Paragraph 10.14.1 of the External Affairs and Foreign Exchange Regulations by the number of months between January 2022 and the current month, inclusively. The regulations disseminated under Paragraph 2 of Communication "A" 7532 and concordant provisions were incorporated into Paragraph 10.12. of the TO.

Effective December 13, 2023, paragraphs 10.10., 10.12., and 10.14. of the TO were repealed by Communication "A" 7917 and it introduced new rules on access to foreign exchange for the processing of import payments as follows:

Paragraph 1.1. provided it would not be necessary to have a declaration prepared through the SIRA with "EXITED" status as a requirement for access to the foreign exchange market, or to validate the operation in the computerized Single Foreign Trade Current Account System.

Paragraph 1.2. established different minimum periods for access to the foreign exchange market to process import payments with customs entry registration from December 13, 2023, according to the following system:

Energy and fuel: 0 days.
Medicines, fertilizers, phytosanitary products, and/or their inputs: 30 days.
Finished automobiles and luxury goods: 180 days.
All other goods: 25% a month as of day 30.

According to Paragraph 1.3., access before these periods have ended requires prior approval from the BCRA, except when the payment is subject to any of the conditions provided in Paragraph 3, which primarily involves payments made on a financed basis, with funds from goods import financing granted by a local financial institution from a foreign credit facility (Paragraph 3.1) or simultaneous access

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with settlement of funds in the form of external advances or prefinancing of exports, or export prefinancing granted by local financial institutions funded with foreign credit facilities, subject to conditions (Paragraph 3.2) or with settlement of a new external financial debt (Paragraph 3.3), inter alia.

According to Paragraph 1.4., access to the foreign exchange market for import payments pending customs entry registration required the prior approval of the BCRA, unless the payment was subject to one of the conditions provided in Paragraph 3.

According to Paragraph 1.5., access to the foreign exchange market to execute import payments for goods for which the customs entry registration was made by December 12, 2023, in addition to the remaining applicable requirements, is subject to the prior approval of the BCRA, except when:
- The payment corresponds to transactions financed or guaranteed by local or foreign financial institutions or by international organizations and/or official credit agencies; or
- For the equivalent of the amount payable, the customer has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21.; or
- The customer has the equivalent of the amount payable with a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22), issued in the framework of Paragraph 3.2.2., and the payment is arranged with a swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22.

All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA (Paragraph 1.6.).

Communication “A” 7925 effective December 22, 2023, regulated the conditions for importers of goods to subscribe BOPREAL up to the amount of the outstanding debt for their imports of goods with registration of customs entry until December 12, 2023.
The entity that finalizes the subscription offer on behalf of the customer must have the relevant certifications for the outstanding payment amount issued by the entity responsible for monitoring the relevant SEPAIMPO formalizations, and must verify that:
1.1. The obligation qualifies as a goods import debt pursuant to Paragraph 10.2.4. of the TO;
1.2. The operation must be declared, if applicable, in the most recent required submission of the External Assets and Liabilities Statement;
1.3. Certain conditions provided in Paragraph 10.3.2.1 of the TO must be met;
1.4. The customer must meet the additional requirements provided in Paragraphs 3.16.2. to 3.16.6. of the TO;
1.5. An affidavit is available from the customer stating the debt for which the subscription is requested is pending payment.

In accordance with Paragraph 3 of such regulations, importers of goods subscribing BOPREALs corresponding to the longest term offered by the BCRA, prior to December 31, 2023, and for an amount greater than or equal to 50% of the total outstanding amount of their eligible debts, will be able to access the foreign exchange market as of February 1, 2024, to pay such commercial debts for

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		imports of goods and services prior to December 13, 202,3 in a total amount equivalent to 5% of the subscribed amount under this mechanism. Communication "A" 7935 of December 28, 2023, subsequently extended the BOPREAL subscription deadline until January 31, 2024. Paragraph 4 provides that institutions may give customers access to the foreign exchange market for the payment of eligible debts, provided the applicable requirements are met, through a swap and/or arbitrage operation with funds deposited to a local account and deriving from principal and interest in foreign exchange from BOPREAL. Paragraph 5 provides that, in preparing the affidavits provided in Paragraph 3.16.3. of the TO, sales with settlement in foreign exchange in the country or abroad in connection with BOPREALs or transfers of these bonds to depositaries abroad should not be reflected when executed in amounts up to the amount acquired in the primary subscription by those who participated in that process. Paragraph 4 of Communication "A" 7935 (pursuant to "C" 96983) effective December 28, 2023, provides that importers of goods that have purchased BOPREALs in a primary subscription, for the purpose of preparing the affidavits provided in Paragraph 3.16.3. of the TO, must not include sales of securities with settlement in foreign exchange abroad or transfers of securities to depositaries abroad, both completed from April 1, 2024, when the market value of these operations does not exceed the difference between the amount obtained from the sale with settlement abroad in foreign exchange of BOPREALs acquired in the primary subscription and their nominal value, if the former amount is lower.
Advance payment requirements	Yes.	Advance payments for imports of goods are allowed on condition that the importer submits an affidavit committing to demonstrate entry of the goods into the country within 270 days for advance payments on capital goods and 90 days for other goods. In the event that the foreign supplier is a counterparty connected with the importer or longer time periods are needed for formalization of the clearance of the imports, the prior approval of the BCRA is required for access to the foreign exchange market (Paragraph 10.4.2.4). These periods may be extended by the institutions for reasons of force majeure (Paragraph 10.5.5). Importers that have made sight and/or advance payments and have not demonstrated the entry of the goods within the required period, nor have they requested an extension or repatriation of the foreign exchange via the foreign exchange market, may not make further advance payments until the pending operations have been regularized. The public sector and trusts established with national public sector contributions, as well as legal entities responsible for the supply of critical medicines that are brought in by Specific Request are exempt from this provision (Paragraph 10.4.2.6). Paragraph 10.4.2.9. provided institutions were required to confirm that the payment to be made was in one of the following circumstances: (1) The import was associated with a declaration in the SIRA with "EXITED" status and the payment corresponded to one of the conditions of Paragraph 10.10.1.;

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(2) The import was associated with a declaration in the Integrated Import Monitoring System (SIMI) and compliance with the provisions of Paragraphs 10.11. and 10.12. and any of the conditions provided in Paragraph 10.14.2. has been verified; or
(3) The import did not require a SIMI or SIRA declaration with "EXITED" status for the customs entry registration of the goods, compliance with the provisions of Paragraphs 10.11. and 10.12. was verified, and the payment was subject to one of the conditions provided in Paragraph 10.10.3.

According to Paragraph 10.4.2.10., at the time of access to the foreign exchange market, the entity was required to have the following in all cases:
The status of the operation must be verified in the online system implemented by the BCRA for that purpose.
A validation of the operation must be created in the computerized Single Foreign Trade Current Account system implemented by the AFIP on the same day as access or on the previous business day, except for transactions subject to Paragraph 10.10.3.

On implementation of the SIRA to replace the Integrated Import Monitoring System (SIMI), in accordance with Paragraph 10.10. of the TO incorporating Communication "A" 7622 of October 17, 2022, and supplementary provisions, a system was presented in which, for operations supported by SIRA with "EXITED" status, entities could, subject to verification of compliance with the remaining applicable regulatory requirements, provide access to the foreign exchange market to enable the customer to execute:
10.10.1.1. Payments with customs entry registration finalized after the period in calendar days stated in the SIRA declaration, from the date of the said registration, has ended; or 10.10.1.2. Payments with customs entry registration or payments with pending customs entry registration that were carried out by performing a swap and/or arbitrage against a local account in foreign exchange held by the customer, provided the importer has reported the use of this option in the SIRA Declaration; or 10.10.1.3. Payments with customs entry registration or payments with pending customs entry registration for operations that were subject to any of the conditions provided in Paragraphs 10.10.2. and 10.10.3.; or
10.10.1.4. Payments with pending customs entry registration or payments with customs entry registration before the end of the period provided in the SIRA declaration, when the customer is situated within the available amount of up to the equivalent of US$50,000 during the calendar year, in all entities combined.

Under Paragraph 10.10.2., transactions authorized for access before the deadline provided in the SIRA declaration with validation in the Single Foreign Trade Current Account system under which entities could provide access to the foreign exchange market to make payments with pending customs registration in the circumstances provided in Paragraphs 10.10.2.1. to 10.10.2.6. (public health goods, energy and fuel, inputs required for national government infrastructure works, and capital goods), provided the operation involved is supported by a SIRA declaration with "EXITED" status to which a period of 0 (zero) calendar days was assigned, the conditions provided in each case were verified, and the remaining applicable regulatory requirements have been met, including validation in the AFIP computerized Foreign Trade Single Current Account system on the same day as access, or on the previous business day.

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Paragraph 10.10.3. provided the transactions authorized for access without validation in the Single Foreign Trade Current Account System, in which institutions were allowed to provide access to the foreign exchange market to make payments before the minimum period required for the operation, provided the conditions in Paragraphs 10.10.3.1 to 10.10.3.13. and the remaining applicable regulatory requirements have been met.

From January 6, 2021, if the intended advance payment corresponded to goods whose tariff positions were included in Paragraphs 12.1 (luxury consumer goods) and 12.2 (sumptuous goods) and the conditions for exclusion provided for the position were not met, access to the foreign exchange market was subject to the prior approval of the BCRA (Paragraph 10.4.2.9, which incorporated Communication "A" 7201).

Paragraph 10.11.7 incorporated payment with pending customs entry registration for the purchase of capital goods, provided any of the following conditions were met: (1) the customer was an enterprise in the energy sector and/or a company engaged in the construction of infrastructure works for that sector, and the institution had an affidavit from the customer stating that the amount pending settlement for payments made under this paragraph as of December 1, 2021, including the payment whose execution is being requested, did not exceed the equivalent of US$1,000,000; and if that amount were exceeded, the following should be verified: (a) that the sum of the advance payments processed under this paragraph did not exceed 30% of the total amount of goods to be imported; and that (b) the sum of advance, demand, and commercial debt payments without registration of customs entry made under this paragraph did not exceed 80% of the total amount of the goods to be imported.

(2) Effective June 27, 2022, payments on demand or on commercial debt intended for the acquisition of capital goods without customs entry registration, and there is verification that the sum of the advance payments, on demand and on commercial debt without customs entry registration, made under this paragraph, did not exceed 80% of the total amount of the goods to be imported. Previously, the institution must had an affidavit from the customer stating that the amount pending settlement for payments as of December 1, 2021, including the payment whose execution is being requested, does not exceed the equivalent of US$1,000,000. In the event that this amount was exceeded, the institution had to verify that the payment complied with the established conditions (30% and 80%).

Effective December 13, 2023, paragraphs 10.4.2.9., 10.4.2.10., 10.10., 10.11., 10.12., 10.14., 12.1., and 12.2. of the TO were repealed by Communication "A" 7917 .and it established a number of conditions for foreign exchange market access for the processing of payments for new imports of goods and services as follows:

Paragraph 1.1. provides that it will not be necessary to have a declaration prepared through the SIRA with "EXITED" status as a requirement for access to the foreign exchange market, or to validate the operation in the Single Foreign Trade Current Account System.

According to Paragraph 1.4., access to the foreign exchange market to make payments with pending registration of customs entry

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		requires prior approval from the BCRA, except when the payment is in any of the circumstances provided in Paragraph 3, which primarily involves payments made on a financed basis, with funds from goods import financing granted by a local financial institution from a foreign credit facility (Paragraph 3.1) or simultaneous access with settlement of funds in the form of external advances or prefinancing of exports, or export prefinancing granted by local financial institutions funded with foreign credit facilities, subject to conditions (Paragraph 3.2) or with settlement of a new external financial debt (Paragraph 3.3), inter alia. All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA (Paragraph 1.6.).
Advance import deposits	No.	There are no foreign exchange regulations covering this topic.
Documentation requirements for release of foreign exchange for imports	Yes.	Under Paragraph 1.2 of the TO de EyC, the institution must have all of the documentation needed to demonstrate the authenticity of the import operation and its appropriate classification under the declared purpose. Sections 10 and 11 establish the specific provisions for operations for the import of goods. Section 10 establishes the requirements for access to the foreign exchange market, including documentation for: (1) payment of the import formalizations included in Import Payments Tracking System (SEPAIMPO) (Paragraph 10.3.2); (2) payments for imports of goods brought in under an Specific Request or by Courier that are not shown in SEPAIMPO (Paragraph 10.3.3); (3) additional requirements for payments for imports of secret military supplies (Paragraph 10.3.4); (4) payments for imports of goods entering from free zones with customs transfer of ownership from the exporter to the importer (Paragraph 10.3.5); (5) payments for imports using LCs or guaranteed drafts issued or granted by local financial institutions (Paragraph 10.3.6); (6) advance payment for imports (Paragraph 10.4.2); (7) payments for commercial debts or debts payable on demand against the presentation of the shipping documents (Paragraph 10.4.3); (8) payment of commercial guarantees for imports of goods granted by local financial institutions (Paragraph 10.4.4); (9) domestic sales prior to customs registration (Paragraph 10.4.4); (10) goods donated to the Ministry of Health (Paragraph 10.6.5); and (11) other purchases of goods abroad as set out in Paragraph 10.9.
Domiciliation requirements	No.	There are no foreign exchange regulations covering this topic.
Preshipment inspection	No.	
Letters of credit	Yes.	Payments for imports by LCs or guaranteed drafts issued or granted by local financial institutions are also authorized under Paragraph 10.3.6 of the TO de EyC, and the institution may access the foreign exchange market as long as they demonstrate customs registration of the goods, regardless of whether the remaining requirements established in the regulation are met. LCs are not required for the release of foreign exchange for imports. Effective March 4, 2022 (date of Paragraph 5 of Communication “A” 7466), institutions have been required to have documentation proving that, at the time of opening or issuance by the institution, any of the conditions set forth in Paragraph 10.14.2 were met (minimum period). In accordance with Paragraph 2 of Communication “A” 7472

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		effective March 22, 2022, the institution could consider that the provisions of Paragraph 10.14.2.5 have been met (minimum financing term of 180 or 90 calendar days) provided, at the time of opening or issuance, the following conditions were met: (1) the maturity date established was equal to or greater than the date that arose from the sum of the term applicable to the goods in the aforementioned paragraph plus the estimated transportation time from the country of origin plus 15 calendar days and (2) the institution had an affidavit from the importer stating that he undertook, except in situations of force majeure beyond his control, to register the customs entry of the goods within 15 calendar days of their arrival in Argentina.
Import licenses used as exchange licenses	No.	No prior import license is required for access to the foreign exchange market; only the customs documentation giving access for the transaction is required. Paragraph 10.3 of Section 10 of the TO de EyC indicates the transactions that are considered Import Payments for Goods with registration of customs entry, establishing the requirements for access to the foreign exchange market, which include, among the documents required, evidence of registration of the customs entry into Argentina of the goods for which the payment is to be made for: (1) payment of the import formalizations included in the SEPAIMPO (Paragraph 10.3.2); (2) payments for imports of goods under Specific Requests or by Courier not included in the SEPAIMPO (Paragraph 10.3.3); (3) additional requirements for payments for imports of secret military supplies (Paragraph 10.3.4); (4) payments for imports of goods entering from free zones with customs transfer of ownership from the exporter to the importer (Paragraph 10.3.5); and (5) payments for imports using LCs or guaranteed drafts issued or granted by local financial institutions (Paragraph 10.3.6).
Other	Yes.	Paragraph 10.11 (which incorporated Paragraph 2 of Communication "A" 7030, supplemented and/or amended by Communications "A" 7042, "A" 7052, "A" 7068, "A" 7079, "A" 7094, "A" 7151, "A" 7193, "A" 7201, "A" 7239, "A" 7253, "A" 7272, "A" 7293, "A" 7301, "A" 7308, "A" 7313, 7348, 7375, 7385, 7408, 7416, 7433, 7466, 7469, 7471, 7472, 7488, 7490, 7507, 7532, 7547, 7553, 7601, 7622, 7626, 7638, 7664, and "B" 12083) established that until December 31, 2023, access to the foreign exchange market for payments for imports of goods or principal payments on debts originating from imports of goods was subject to the prior approval of the BCRA, unless it is confirmed that the requirements set out in Paragraphs 10.11.1 to 10.11.14 have been met. Paragraph 10.11.1 allowed access as long as, among other conditions, the institution has an affidavit from the customer indicating that the total amount of the payments associated with their imports of goods transacted via the foreign exchange market as of January 1, 2020, including the payment requested, did not exceed, by more than the equivalent of US$1 million, the amount resulting from considering imports in their name in the SEPAIMPO as of the date indicated, payments under the provisions of Paragraphs 10.11.2 to 10.11.8 not associated with imports already showing in SEPAIMPO, and the amount of the payments made via the foreign exchange market as from July 6, 2020, that corresponded to imports of goods brought in by individual request or courier or operations that are not included in Paragraphs 10.9.1 through 10.9.3, which were loaded as from July 1, 2020, or were loaded prior to this but have not arrived in Argentina prior to this date and the payments associated with goods donated to the National Ministry of Health to improve the nation's

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medical or health capacity, as provided in Paragraph 10.6.5. As well, the amount of access was reduced by the amount pending settlement of the sum of the payments with outstanding customs registration carried out between September 2, 2019, and December 31, 2019. Communication "A" 7375 reduced the exemption from US$1 million to US$250,000.

Paragraph 10.11.2 provided for deferred payments or payments on demand for imports of goods shipped on or after July 1, 2020, or goods that were previously shipped, but had not arrived in the country prior to that date. Effective March 4, 2022, payments on demand for imports were required to comply with one of the conditions set forth in Paragraph 10.14.2 (see Paragraph 12 of Communication "A" 7466).

Paragraph 10.11.3 provided for settlements of commercial debts for imports of goods with an export credit agency or foreign financial institution or that have a guarantee granted by such institutions, as long as the portion of such imports being paid has not been previously counted for purposes of payments under the threshold set in Paragraph 10.11.1.
Pursuant to Paragraph 9 of Communication "A" 7416 import debts covered by guarantees issued by private insurers on behalf and by order of national governments of other countries were included in Paragraph 10.11.3.

Paragraphs 10.11.4 through 10.11.6 contemplated payments by the public sector, business organizations in which the federal government has a majority shareholding or a majority voice in corporate decisions, or trusts established with contributions from the national public sector, payments of imports of goods by a legal entity responsible for the provision of critical medicines to be brought in under a Specific Request by the beneficiary of the said medical coverage, and payments of imports with registration of customs clearance pending intended for the purchase of COVID-19 detection kits or other goods whose tariff positions were included in the list in Decree No. 333/2020 and its supplementary provisions.

Paragraph 10.11.8 allowed principal payments on commercial debts for imports of goods, in accordance with Paragraph 10.2.4, when the customer has a (1) "Certificate of Increase in Exports of Goods in 2021" issued in accordance with Paragraph 3.18 (according to Communication "A" 7301) for the equivalent of the value of the amount that was to be paid. This mechanism was extended under the same conditions for the year 2022 by Paragraph 6 of Communication "A" 7416 dated December 9, 2021 and for the year 2023 by Communication "A" 7553 of July 21, 2022. (2) a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22 effective May 28, 2022) issued as provided in Paragraph 3.21.; or (3) a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) issued in the framework of Paragraph 3.22., and the operation is carried out with a swap and/or arbitrage with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22 effective October 11, 2022.

Paragraph 10.11.9 (according to Communication "A" 7348 dated

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August 26, 2021, and Paragraph 7 of Communication "A" 7416 dated December 9, 2021) allowed access to the foreign exchange market for those customers who comply with the mechanism set forth in Paragraph 3.19 (Certificate of Entry of Financial Debt from Abroad). It should be noted that Paragraph 3.19 mentioned above stated that customers who register settlements on new financial debt abroad and who had a certificate issued by an institution regarding compliance with the requirements set forth in Paragraph 3.19.2 could access the foreign exchange market to, among other things, make payments for the import of goods without the prior approval required in Paragraph 10.11.

Paragraph 10.11.10 allowed the surplus of US$250,000 established for the threshold in Paragraph 10.11.1 to be increased up to US$3 million as long as advance payments for the import of products related to the provision of medicines or other goods related to the medical treatment and/or health care of the population or inputs necessary for the local production of the same are involved.

Under Paragraph 10.11.11 (included pursuant to Paragraph 1.1. of Communication "A" 7385), payments on demand or commercial debts without customs entry registration were allowed subject to the following conditions: Paragraph 10.11.11.1: the operation involved the importation of inputs to be used for the production of goods in Argentina; and Paragraph 10.11.11.2: the payments made under this paragraph did not exceed, in the current calendar month and for the institutions as a whole, the amount obtained by considering the average of the total amount of imports of goods eligible for the purposes of Paragraph 10.11.1 in the last 12 calendar months, net of the amount pending settlement for payments with customs entry registration pending when there is a delay recorded by the importer. Then, pursuant to Paragraph 1 of Communication "A" 7433 effective January 6, 2022, Paragraph 10.11.11.2 was modified, replacing the average amount of total imports eligible for the purposes of Paragraph 10.11.1 with the average amount of imports of inputs eligible for the purposes of Paragraph 10.11.1.

As of the dates of the rules set forth in Paragraph 5 of Communication "A" 7466 effective March 4, 2022, the following requirement was introduced: In those cases in which a declaration made through the SIMI was a requirement for the registration of the customs entry of goods, any of the conditions set forth in Paragraph 10.14.2, which were compatible with the operations referred to in this paragraph (10.11.11), should be met.

Paragraph 10.11.12 (introduced by Paragraph 3 of Communication "A" 7507 effective May 5, 2022) provided for payments with pending customs entry registration made with funds originating from financing for imports of goods granted by a local financial institution from a commercial credit line from abroad, provided the maturity date of the financing granted is equal to or later than the estimated date of arrival of the goods in Argentina plus 15 calendar days. The institution must have an affidavit from the importer in which he undertakes, except in situations of force majeure beyond his control, to register the goods for customs entry within 15 days of their arrival in Argentina.

From October 2, 2020, the amount of funds that importers could access on the foreign exchange market under the conditions

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established in Paragraph 10.11 was increased by the equivalent of 50% of the amounts that the importer repatriates and sells on the foreign exchange market from advance payments from exports or prefinancing of exports from abroad with a minimum term of 180 days (Paragraph 10.11.13).

From January 4, 2021 (Communication "A" 7193), access to the foreign exchange market was also allowed for the remaining 50% of the increase to the extent that the additional portion corresponded to payments for imports of capital goods. On March 19, 2021 (Communication "A" 7239), goods deemed to be necessary inputs for the production of exportable goods were added to the remaining 50% of the increase, with the institution being required to have an affidavit from the customer on the type of goods involved and its status as an input in the production of goods for export (Paragraph 10.11.13.).

In addition, Paragraph 10.11.14. provided this involved the repayment of the principal in external financial debt deriving from refinancing of commercial debt for imports of goods registered with the BCRA in the framework of Paragraph 3.20.

Before making payments for imports of goods under the terms of Paragraphs 10.11.1, 10.11.10, and 10.11.11, the institution was required, in addition to requesting an affidavit from the customer, to establish that the said affidavit was consistent with the data in the online system implemented for that purpose in the BCRA.

Effective June 28, 2022, until September 30, 2022 (Communication "A" 7532), the client must submit an affidavit statement in which they record that by adding the amount of the payment whose course is being requested to the total payments made as of January 1, 2022, that do not correspond to some operations (Paragraph 2.2 of Communication "A" 7532, for example, temporary imports, imports paid with funds originated in the financing of imports of goods granted by a local financial entity from a foreign commercial line of credit), the equivalent to the proportional part of the annual limit of SIMI Category A that has accrued up to and including the current month is not exceeded. Effective October 1, 2022, the client's affidavit, in which they record that by adding the amount of the payment whose course was being requested to the total payments made as of January 1, 2022, that do not correspond to some operations (Paragraph 2.2 of Communication "A" 7532, for example, temporary imports, imports paid with funds originated in the financing of imports of goods granted by a local financial entity from a foreign commercial line of credit), the equivalent to the proportional part of the annual limit of SIMI Category A that has accrued up to and including the current month was not exceeded, was eliminated.

Paragraph 10.12. which incorporated Communication "A" 7532 and concordant provisions, provided, in the case of imports in connection with an operation that would not require a SIRA or SIMI declaration for the registration of customs entry of goods or supported with a SIMI declaration, in addition to the remaining requirements, for access to the foreign exchange market to be given for payments of imports of goods or for the repayment of the principal of financial debts deriving from imports of goods (Code P13), the entity would require the prior approval of the BCRA, except when:

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(1) the entity has an affidavit from the customer stating that, if the amount of the payment requested and the total amount of payments for imports of goods carried out from January 1, 2022, not subject to Paragraphs 10.12.2.1. to 10.12.2.9 were added, the equivalent of the value resulting from multiplying one-twelfth of the annual limit under SIMI Category A as provided in Paragraph 10.14.1. by the number of months between January 2022 and the current month inclusively would not be exceeded.
If the customer met the conditions to process a SIMI Category C payment in the framework of Paragraph 10.14.2.3., the entity could also consider this requirement to be met with an affidavit from the customer stating that, if the amount of the payment requested were added, the total amount of payments made previously under that paragraph and the total amount of payments for imports of goods made since January 1, 2022, not covered by Paragraphs 10.12.2.1. to 10.12.2.8., the equivalent of the figure obtained by multiplying one-twelfth of the sum of the annual SIMI Category A and C limits, as provided in Paragraph 10.14.1., by the number of months between January 2022 and the current month, inclusively, was not exceeded.

(2) The payment was in one of the situations provided in Paragraphs 10.12.2.1.to 10.12.2.10.

Paragraph 3.19 (according to Communication “A” 7348) allowed access to the foreign exchange market for the cancellation of commercial debts with debt from abroad for the import of goods and services without prior approval by the BCRA. Communication “A” 7416 (Paragraph 7) effective January 3, 2022, allowed access to the foreign exchange market for the cancellation of debts (not just commercial) with debt from abroad for the import of goods and services without prior approval by the BCRA.

Effective December 13, 2023, paragraphs 3.19., 3.20., 10.10., 10.11., 10.12., and 10.14. of the TO were repealed by Communication “A” 7917 and it introduced new rules on access to the foreign exchange market for the processing of import payments as follows:

Paragraph 1.1. provided it would not be necessary to have a declaration prepared through the SIRA with “EXITED” status as a requirement for access to the foreign exchange market, or to validate the operation in the computerized Single Foreign Trade Current Account System.

Paragraph 1.2. established different minimum periods for access to the foreign exchange market to process import payments with customs entry registration from December 13, 2023, according to the following system:

Energy and fuel: 0 days.
Medicines, fertilizers, phytosanitary products, and/or their inputs: 30 days.
Finished automobiles and luxury goods: 180 days.
All other goods: 25% a month as of day 30.

According to Paragraph 1.3., access before these periods requires prior approval from the BCRA, except when the payment is subject to any of the conditions provided in Paragraph 3, which primarily involves payments made on a financed basis, with funds from goods import financing granted by a local financial institution from a

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foreign credit facility (Paragraph 3.1) or simultaneous access with settlement of funds in the form of external advances or prefinancing of exports, or export prefinancing granted by local financial institutions funded with foreign credit facilities, subject to conditions (Paragraph 3.2) or with settlement of a new external financial debt (Paragraph 3.3), inter alia.

According to Paragraph 1.4., access to the foreign exchange market for import payments pending customs entry registration required the prior approval of the BCRA, unless the payment was subject to one of the conditions provided in Paragraph 3.

According to Paragraph 1.5., access to the foreign exchange market to execute import payments for goods for which the customs entry registration was made by December 12, 2023, in addition to the remaining applicable requirements, is subject to the prior approval of the BCRA, except when:
- The payment corresponds to transactions financed or guaranteed by local or foreign financial institutions or by international organizations and/or official credit agencies; or
- For the equivalent of the amount payable, the customer has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21.; or
- The customer has the equivalent of the amount payable with a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22), issued in the framework of Paragraph 3.2.2., and the payment is arranged with a swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22.

All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA (Paragraph 1.6.).

Communication “A” 7925 effective December 22, 2023, regulated the conditions for importers of goods to subscribe BOPREAL up to the amount of the outstanding debt for their imports of goods with registration of customs entry until December 12, 2023.
The entity that finalizes the subscription offer on behalf of the customer must have the relevant certifications for the outstanding payment amount issued by the agency responsible for monitoring the relevant SEPAIMPO formalizations, and must verify that:
1.1. The obligation qualifies as a goods import debt pursuant to Paragraph 10.2.4. of the TO;
1.2. The operation must be declared, if applicable, in the most recent required submission of the External Assets and Liabilities Statement;
1.3. Certain conditions provided in Paragraph 10.3.2.1 of the TO must be met;
1.4. The customer must meet the additional requirements provided in Paragraphs 3.16.2. to 3.16.6. of the TO;
1.5. An affidavit is available from the customer stating that the debt for which the subscription is requested is pending payment.

In accordance with Paragraph 3 of such regulations, importers of goods subscribing BOPREALs corresponding to the longest term offered by the BCRA, prior to December 31 2023, and for an amount greater than or equal to 50% of the total outstanding amount of their eligible debts, will be able to access the foreign exchange market as

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of February 1, 2024, to pay such commercial debts for imports of goods and services prior to December 13, 2023, in a total amount equivalent to 5% of the subscribed amount under this mechanism. Communication “A” 7935 of December 28, 2023, subsequently extended the BOPREAL subscription deadline until January 31, 2024.

Paragraph 4 provides that institutions may give customers access to the foreign exchange market for the payment of eligible debts, provided the applicable requirements are met, through a swap and/or arbitrage operation with funds deposited to a local account and deriving from principal and interest in foreign exchange from BOPREAL.

Paragraph 5 provides that, in preparing the affidavits provided in Paragraph 3.16.3. of the TO, sales with settlement in foreign exchange in the country or abroad in connection with BOPREALs or transfers of these bonds to depositaries abroad should not be reflected when executed in amounts up to the amount acquired in the primary subscription by those that participated in that process.

Paragraph 4 of Communication “A” 7935 (pursuant to “C” 96983) effective December 28, 2023, provides that importers of goods that have purchased BOPREALs in a primary subscription, for the purpose of preparing the affidavits provided in Paragraph 3.16.3. of the TO, must not include sales of securities with settlement in foreign exchange abroad or transfers of securities to depositaries abroad, both completed as of April 1, 2024, when the market value of these operations does not exceed the difference between the amount obtained from the sale with settlement abroad in foreign exchange of BOPREALs acquired in the primary subscription and their nominal value, if the former amount is lower.

In addition, Paragraph 3.16 of the TO de EyC establishes additional requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating paragraph 1 of Communication “A” 7030 of May 28, 2020, as amended and/or supplemented by Communications “A” 7042 of June 11, 2020, “A” 7094 of August 27, 2020, and “A” 7327 of July 10, 2021, "A” 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, “A” 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023, the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered, and effective September 28, 2023, Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for

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example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024); (2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

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		It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points).;
		(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).
Import licenses and other nontariff measures	Yes.	By Resolution of the AFIP No. 3823/2015, the SIMI is intended to facilitate information-sharing and monitoring of the import process from its start through to customs clearance. Resolution No. 523/2017 of the Ministry of Commerce established a system of automatic and non-automatic import licenses. After December 31, 2017, Resolution AFIP No. 3823/2015 was

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superseded by Joint AFIP and Commerce Department Resolution No. 4185/2018, which redesigned the SIMI system in terms of specific operational factors for importers.

The SIMI was subsequently replaced by the SIRA, approved by Joint Resolution No. 5.271/2002 of AFIP and the Commerce Department. The purpose of the SIRA is to obtain in advance the information required to ensure that import operations can be predicted and traced, and to identify in advance operations that are unrelated to the economic and financial capacity of the importer. This approach makes it possible to improve and enhance the transparency of the administrative procedure required to monitor imports and to ensure compliance with the security regulations for imported products, while facilitating the exchange of information with the external agencies involved in the customs clearance of merchandise, and that are members of the Argentine Single Foreign Trade Window (VUCEA).

Communication "A" 7466 and supplementary provisions (Paragraph 10.14, amended by Communication "A" 7532 and supplementary provisions) provided within the framework of the SIMI, the BCRA was required to assign a category (A, B, or C) to each officially registered SIMI, effective March 4, 2022, once the latter has obtained the "EXITED" status as of the intervention of the relevant competent agencies. The category assigned by the BCRA, considering the limits set for Categories A and C based on the values imported in 2020 and 2021, defined the minimum terms for access to the foreign exchange market to make payments for goods included in the SIMI.
In particular, it was established that the limit of SIMI Category A or C at each point in time would be equivalent to the proportional part of the annual limit of each category accumulated up to and including the current month. In the event that the amount indicated for a category is less than US$250,000, the latter amount or the corresponding annual limit, whichever is lower, was adopted.
In addition, the goods included in a SIMI Category A or in a SIMI Category C, provided the additional conditions were met, or that fell under the exceptions specified in Paragraph 10.14.2, could access the foreign exchange market to make advance, on demand, or deferred payments provided they met the requirements established in each case.
The remaining goods included in a SIMI Category B or C, unless they had prior approval from the BCRA, could only access the foreign exchange market, provided the other applicable requirements were met, once the minimum term had elapsed from the date of customs entry registration, which was established in general at 180 calendar days and in particular at 60 calendar days for fertilizers, phytosanitary products, or inputs for processing in Argentina and 90 days for the tariff positions listed in Paragraph 10.14.8 (Paragraph 10.14.2.5).
On implementation of the SIRA to replace the Integrated Import Monitoring System (SIMI), in accordance with Paragraph 10.10. of the TO (incorporating Communication "A" 7622 of October 17, 2022, and supplementary provisions), a system was presented in which, for operations supported by SIRA with "EXITED" status, agencies could, subject to verification of compliance with the remaining applicable regulatory requirements, provide access to the foreign exchange market so that the customer can execute:
10.10.1.1. Payments with customs entry registration finalized after the period in calendar days stated in the SIRA declaration, from the date of the said registration, has ended; or 10.10.1.2. Payments with

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customs entry registration or payments with pending customs entry registration that are carried out by performing a swap and/or arbitrage against a local account in foreign exchange held by the customer, provided the importer has reported the use of this option in the SIRA Declaration; or 10.10.1.3. Payments with customs entry registration or payments with pending customs entry registration for operations subject to any of the conditions provided in Paragraphs 10.10.2. and 10.10.3.; or
10.10.1.4. Payments with pending customs entry registration or payments with customs entry registration before the deadline provided in the SIRA declaration, when the customer is within the available amount of up to the equivalent of US$50,000 during the calendar year, in all entities combined.

Under paragraph 10.10.2., transactions authorized for access before the deadline provided in the SIRA declaration with validation in the Single Foreign Trade Current Account system under which entities could provide access to the foreign exchange market to make payments with pending customs registration in the circumstances provided in Paragraphs 10.10.2.1. to 10.10.2.6. (public health goods, energy and fuel, inputs required for national government infrastructure works, and capital goods), provided the operation involved is supported by a SIRA declaration with "EXITED" status to which a period of 0 (zero) calendar days was assigned, the conditions provided in each case were verified, and the remaining applicable regulatory requirements have been met, including the validation in the AFIP computerized Foreign Trade Single Current Account system on the same day as access, or on the previous business day.

Paragraph 10.10.3. provided the transactions authorized for access without validation in the Single Foreign Trade Current Account System, in which entities were allowed to provide access to the foreign exchange market to make payments before the minimum term required for the operation, provided the conditions in Paragraphs 10.10.3.1 to 10.10.3.13. and the remaining applicable regulatory requirements have been met.

Regarding access to the foreign exchange market to process payments for imports of goods for operations in connection with a declaration in the Integrated Import Monitoring System (SIMI) made while it was in force, or to operations for which the filing of a SIRA declaration was not required for the registration of customs entry of goods, access was governed by the rules provided in Paragraphs 10.11., 10.12., and 10.14.

Effective December 13, 2023, paragraphs 10.10., 10.11., 10.12., 10.13., 10.14., and 12.1. of the TO were repealed by Communication "A" 7917 and in accordance with Paragraph 1.1., a declaration through the SIRA with "EXITED" status will not be required for access to the foreign exchange market, nor will the operation have to be validated in the "Single Foreign Trade Current Account" system, and for purposes of foreign exchange market access for the payment of imports of goods, the conditions provided in Paragraphs 1.2 to 1.6. of that text must be verified.

Positive list	No.	
Negative list	Yes.	Restrictions are in effect for security, hygiene, environmental protection, and public health reasons. The list of prohibited imports is included in the regulations issued by

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		the competent bodies in each case (Ministry of Health, AFIP, National Administration of Drugs, Foods and Medical Devices, Ministry of Agriculture, Livestock and Fisheries, National Food Safety and Quality Service, Ministry of the Environment and Sustainable Development).
Open general licenses	No.	OGLs are not used.
Licenses with quotas	Yes.	Trade with Brazil in the automobile sector is subject to an administered trade regime. Under bilateral agreements, there are quotas with preferential tariffs for automobile sector products.
Other nontariff measures	Yes.	Argentina applies a special regime to sugar imports pending agreement on a common regime for this sector. Imports of used and retreaded tires, some used capital goods, and secondhand clothing are prohibited, except by nonprofit organizations.
Import taxes and/or tariffs	Yes.	As a member of MERCOSUR, Argentina applies CET to imports from the rest of the world for almost all products (except automobiles and sugar). The CET rates range from 0% to 35%. The national list of CET exceptions under Decision No. 11/2021 of the Common Market Council (CMC) allows Argentina to increase or decrease import duties from outside the zone on up to 100 tariff items, until December 31, 2028. On the contrary, CMC Decision No. 8/2021 authorizes the States Parties to apply a different rate of the CET for imports of capital goods and information technology and telecommunications goods until December 31, 2028. Both texts were incorporated into the Consolidated National Legislation, and the current lists are provided in the annexes to Decree No. 910/2021. In addition, CMC Decision No. 9/2021 extends until December 31, 2028, the term provided for in Article 11 of CMC Decision No. 27/15, which authorizes a temporary increase in import duties from outside the zone above the CET for 100 tariff positions. The list of tariff positions with import duty levels higher than the CET are contained in Decree No. 541/2019. The current Statistical Rate (for the entire universe of goods, with a few exceptions linked to FTAs, including imports from MERCOSUR, and capital goods used for the hydrocarbon industry) is at a level of 3% (Decree No. 99/2019; by Decree No. 37/1998 it was 0.5%. Decree No. 332/2019 changed it to 2.5%). This rate will be in force, according to the successive extensions established by Decrees No. 1057/2020 and No. 901/2021, at least until December 31, 2024. The 3% tax rate is applied as long as the operations do not exceed certain amounts. That is, there are specific limits that can be charged as a fee, according to the amount of the import operation, these being updated for the last time through the aforementioned Decree No. 99/2019, which are the following: For amounts lower than US$10,000 in imports, the maximum amount to be paid as tariff is the lower of 3% and US$180; For amounts between US$10,000 and US$100,000, the maximum amount to be paid as tariff is the lower of 3% and US$3,000; For amounts between US$100,000 and US$1,000,000, the maximum amount to be paid as tariff is the lower of 3% and US$30,000; For amounts higher than US$1,000,000, the maximum amount to be paid as tariff is the lower of 3% and US$150,000.
Taxes collected through the exchange system	No.	There are no foreign exchange regulations covering this topic.

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State import monopoly	No.	There are no foreign exchange regulations covering this topic.

Exports and Export Proceeds

Repatriation requirements	Yes.	Under Decree No. 609/2019, governed by Communication "A" 6770, the equivalent in foreign currency of exports with shipping licenses formalized on or after September 2, 2019, up to the invoiced value, depending on the agreed terms of sale, must be repatriated and sold on the foreign exchange market within the periods established in Paragraph 7.1.1 of the TO de EyC (incorporating Paragraph 1 of Communication "A" 6770). In accordance with the provisions of Paragraph 7.1.1 of the TO de EyC, the time periods for compliance with the repatriation and sale requirements are: - 15 calendar days for exports of goods under the following tariff positions: 1001.19.00, 1001.99.00, 1005.90.10 (except hominy corn), 1201.90.00, 1208.10.00, 1507.10.00, 1507.90.19, 1517.90.90 (except those that do not contain soy), 2304.00.10, and 2304.00.90. Effective August 24, 2023, under Communication "A" 7826, tariff position 1104.23.00.000D was incorporated. - 30 calendar days for exports of goods under tariff positions 1003.90.10, 1003.90.80, 1007.90.00, and those under Chapter 27 (except position 2716.00.00). - 60 calendar days for transactions with related counterparties that do not involve goods referred to under Paragraphs 7.1.1.1 and 7.1.1.2 and exports under Chapters 26 (except positions 2601.11.00, 2603.00.90, 2607.00.00, 2608.00.10, 2613.90.90, 2616.10.00, 2616.90.00, and 2621.10.00) and 71 (except positions 7106.91.00, 7108.12.10, and 7112.99.00). Exporters who carried out transactions with related counterparties involving goods included in Item 7.1.1.4, in which the importer is a company controlled by the Argentine exporter, may request an extension of the time period up to: - the period provided for in the said paragraph when the exporter has not registered exports with a total value of more than the equivalent of US$50,000,000 in the calendar year immediately preceding the official recording of the destination; - a period of 120 calendar days when the exporter has exceeded the amount indicated in the preceding paragraph and the exported goods fall under the positions listed below: 0202.30.00.111D, 0202.30.00.115M, 0202.30.00.117R, 0202.30.00.118U, 0202.30.00.121G, 0202.30.00.124N, 0202.30.00.126T, 0202.30.00.131K, 0202.30.00.133P, 0202.30.00.136W, 0202.30.00.137Y, 0202.30.00.141N, 0202.30.00.142Q, 0202.30.00.146Z, 0202.30.00.147B, 0202.30.00.151R, 0202.30.00.943L, 0202.30.00.991Y, 0202.30.00.992A, 0202.30.00.995G, 0203.21.00.000J, 0206.29.90.300P, 0207.14.00.100K, and 1901.90.20 (in ready-to-ship packaging with a net content of 1 kg or less); 7.1.1.4. 180 (one hundred and eighty) calendar days for the rest of the goods. 7.1.1.5. 365 (three hundred and sixty-five) calendar days for

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transactions carried out under the “SIMPLE EXPORT” system, regardless of the type of goods exported.

Regardless of these maximum periods, export proceeds must be repatriated and sold on the foreign exchange market within 5 business days of the date of receipt or collection abroad.

Advance payments, prefinancing, and post-financing abroad must be repatriated and sold on the foreign exchange market within 5 business days of the date of receipt or disbursement abroad (Paragraph 7.1.3). Paragraph 8 of Communication “A” 7532 effective June 27, 2022, established an additional period of 10 calendar days for their settlement in the foreign exchange market.

While Decree No. 597/23 is in force, the exporter must, under the conditions provided in the above-mentioned Decree, bring in and settle on the foreign exchange market an amount no less than the minimum required percentage of the equivalent amount of the advances, prefinancing, and post-financing, and for the portion that has not been settled, it must carry out purchase and sale transactions with securities, in which the securities are acquired with settlement in foreign exchange and sold with settlement in local currency in the country.

Communication “A” 7570, effective August 5, 2022, modified Paragraph 7.1.3.1., establishing the deadline for entry and settlement of this type of transaction to be extended to 180 calendar days from the date of collection or disbursement abroad when the customer meets all of the following conditions:
(1) The foreign exchange was transferred into the correspondent account of the local entity between August 4, 2022, and November 4, 2022. Effective December 1, 2022, Communication “A” 7649 established that foreign exchange transferred between November 28, 2022, and December 30, 2022, were also considered. Effective April 13, 2023, Communication “A” 7740 established that foreign exchange transferred between April 10, 2023, and December 31, 2023, were also considered.
(2) The customer has registered foreign exchange settlements on the foreign exchange market for advances, prefinancing, and/or post-financing from abroad in 2022 for an amount greater than or equal to the equivalent of US$100,000,000.
(3) The customer must credit the funds to its Special Export Financing Credit Account until the foreign exchange is settled or it is agreed that the funds will be credited to the entity’s correspondent account until the entry through the foreign exchange market has been confirmed.

Prefinancing, post-financing, and financing for foreign importers granted by local financial institutions must be sold on the foreign exchange market at the time of disbursement (Paragraph 7.1.4).

Extensions may be granted to the period for the repatriation and sale of the foreign exchange when the oversight entities note specific situations (cases that do not meet these requirements must have the prior approval of the BCRA):
(1) when there is a minimum period for the financing of the import in the destination country (Paragraph 7.5.1); (2) exports entirely prefinanced locally or abroad through the term of the financing

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(Paragraph 7.5.2); Communication “A” 7229 replaced Paragraph 7.5.2, incorporating local or foreign post-financing, establishing that if the exporter demonstrates sale on the foreign exchange market prior to the end of the term, post-financing of exports that cover the entire amount pending payment on the license, without verification of the conditions provided in Paragraphs 9.3.4 and 9.3.5 for the issuance of the corresponding application of funds certificate, the time period for the sale of the foreign exchange may be extended from shipment until the date of maturity of the longer-term loan discounted and/or assigned by the exporter. The latter will also apply when the exporter has partially prefinanced the transaction and provides evidence that it has settled post-financing of exports covering the remaining amount pending payment in the foreign exchange market prior to maturity;

Effective February 10, 2023, provided for the extension of the term for exports of goods covered by the provisions of Decree No. 492/23 provided the customer demonstrates that, under the conditions stipulated in the said Decree, the foreign exchange entered and was settled on the foreign exchange market in an amount at least equal to the minimum required percentage of the advance, prefinancing, or post-financing and the portion pending settlement was applied to securities purchase and sale transactions in which the securities are acquired with settlement in foreign exchange and sold with settlement in local currency in the country.

Effective October 23, 2023, provided for the extension of the term for exports of goods covered by the provisions of Decree No. 549/23 provided the customer demonstrates that, under the conditions stipulated in the said Decree, the foreign exchange entered and was settled on the foreign exchange market in an amount at least equal to the minimum required percentage of the advance, prefinancing, or post-financing and the portion pending settlement was applied to securities purchase and sale transactions in which the securities are acquired with settlement in foreign exchange and sold with settlement in local currency in the country.

Effective November 11, 2023, provided for the extension of the term for exports of goods covered by the provisions of Decree No. 597/23 provided the customer demonstrates that, under the conditions stipulated in the said Decree, the foreign exchange entered and was settled on the foreign exchange market in an amount at least equal to the minimum required percentage of the advance, prefinancing, or post-financing and the portion pending settlement was applied to securities purchase and sale transactions in which the securities are acquired with settlement in foreign exchange and sold with settlement in local currency in the country.

(3) licenses for which the funds are held in accounts associated with the financial debts (Paragraph 7.5.3); (4) operations with related counterparties eligible for an extension, defaults in collection management or delinquent debtors (Paragraph 7.5.4); (5) lack of determination of the definitive price in exports under the adjustable price or mineral concentrate regimes (Paragraph 7.5.5 included pursuant to Paragraph 3 of Communication “A” 7374 of September 30, 2021);
(6) receipts eligible for the mechanism provided in Paragraph 7.10. (Operations authorized for the application of charges for the

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exporting of goods under the investment promotion system for exports (Decree No. 234/21) are kept on deposit until they are applied to the accepted uses (Paragraph 7.5.6.);
(7) receipts covered by the settlement exception for beneficiaries of the regime to promote exports from the knowledge economy (Paragraph 7.5.7.).

Broadly speaking, the provisions regulating operations for exports of goods and their tracking are found in Sections 7, 8, and 9 of the TO de EyC.

Decree No. 443/23 (B.O. September 5, 2023) restored, on an extraordinary, temporary basis, until September 30, 2023, the Exporter Increase Program created by Decree No. 576 effective September 4, 2022, for parties that, at some time during the 18 months immediately preceding the entry into force of this Decree, have exported merchandise for which the tariff positions of the MERCOSUR Common Nomenclature (NCM) are listed in Annex I of Decree No. 576/22-SOY.
Article 4 of Decree No. 443 effective May 9, 2023, provided 75% of the equivalent export value of the merchandise listed in Annex I of Decree No. 576/22, including cases of prefinancing and/or post-financing of foreign exports or a settlement advance, which are subject to participation in the Program, must enter the country in foreign exchange and be traded through the MLC, while the remaining 25% will be freely available. Effective October 1, 2023, this provision expired.
This Decree was regulated by Communication “A” 7833 and Decree No. 492/23 (B.O. October 2, 2023) extended until October 25, 2023, inclusively the Exporter Increase Program created by Decree No. 576 of September 4, 2022 and ultimately restored by Decree No. 443 of September 4, 2023. Article 5 of the said Decree extended, on an extraordinary, temporary basis, the Exporter Increase Program created by Decree No. 576/22, which was ultimately restored by Decree No. 443/23 and extended by Article 1, for parties that, at some time during the 18 months immediately preceding the entry into force of this Decree, have exported goods included in the NCM determined for that purpose by the Ministry of Economy through the Secretariat having competence for that purpose, that are not included in Article 1 of the said Decree No. 443/23.
Article 6 provided 75% of the equivalent export value of the merchandise referred to in Article 5 will be required to enter the country in foreign exchange and be traded through the MLC, and for the balance of 25%, the exporter will be required to execute purchase and sale operations with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency.
This Decree was regulated by Communication “A” 7853.

Effective October 23, 2023, Article 1 of Decree No. 549/23 (B.O. October 23, 2023) established until November 17, 2023, inclusively, that the equivalent export value of services covered by Paragraph 2 (c) of Article 10 of Law No. 22.415 (Customs Code) as amended, and exports of merchandise covered by the NCM, including cases in which exports are prefinanced, post-financed from abroad, or settled in advance, must enter the country in foreign exchange and/or be traded, 70% through the MLC, and, for the remaining 30%, the exporter is required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange

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		and sold with settlement in local currency. Article 3 provided the BCRA will implement the necessary mechanisms to ensure that the result of any foreign exchange settlement carried out under this measure is, as elected by the exporter: (1) credited to a special account for which the remuneration is determined on the basis of fluctuations in the TCR in Communication "A" 3500 of the said entity, and may be opened without any maturity date; or (2) applied to the direct subscription of internal drafts of the BCRA in US dollars subject to settlement in pesos with the TCR of Communication "A" 3500 (LEDIV), under the terms and conditions established by the supplementary regulations of that institution. This Decree was regulated by Communication "A" 7867. Effective November 21, 2023, Article 1 of Decree No. 597/23 (B.O. November 21, 2023) extended the validity of the provisions of Decree No. 549 of October 23, 2023, until December 10, 2023, inclusively. Article 2 provides that, from the date this measure enters into force, and until the end of the term provided in Article 1 above, the equivalent of exports of services covered by Article 10, Paragraph 2, subparagraph (c) of Law No. 22.415 (Customs Code), as amended, and exports of goods covered by the NCM, including cases of prefinancing and/or post-financing from abroad of exports or advance settlement, must enter the country in foreign exchange and/or be traded, 50% (before 70%) through the (MLC, and for the remaining 50% (before 30%), the exporter will be required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency. The rules on monitoring the collection of exports pending settlement under the said decrees are provided in Paragraphs 8.5.19. and 8.5.20 of the TO. Effective December 13, 2023, Article 1 of Decree No. 28/23 (B.O. December 13, 2023) later established that the equivalent export value of the services covered by Paragraph 2 (c) of Article 10 of Law No. 22.415 (Customs Code), as amended, and the export of merchandise covered by the NCM, including cases of external prefinancing and/or post-financing of exports or settlement in advance, must enter the country in foreign exchange and/or be traded, 80% through the MLC, and for the remaining 20%, the exporter is required to carry out purchase and sale transactions with negotiable securities with settlement in foreign exchange and sold with settlement in local currency.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Under Decree No. 609/2019, regulated by Communication "A" 6770, the equivalent in foreign exchange of exports with shipping licenses formalized since September 2, 2019, up to the invoiced value, depending on the agreed terms of sale, must be repatriated and sold on the foreign exchange market within the periods established in Paragraph 7.1.1 (incorporating Paragraph 1 of Communication "A" 6770). Communications "A" 6770, "A" 6776, "A" 6780, and "A" 6882 established the time periods for compliance with the aforementioned

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		obligation; they were incorporated in Paragraph 7.1.1 of the TO de EyC. The time periods for compliance with the repatriation and sale requirements are 15, 30, 60, 120, 180, and 365 calendar days, depending on the type of good exported, whether operations between related companies are involved (in the case of operations between related companies it also depends on the type of merchandise exported), the volume of exports recorded by the exporter in the previous year, and the export regime. For exports in the framework of Decree Nos. 492/23, 549/23, 597/23, and 28/23, the exporter must, under the conditions provided in the above-mentioned Decrees, bring into the country and settle on the foreign exchange market an amount at least equal to the minimum required percentage of the amount of the equivalent of advances, prefinancing, and post-financing and for the portion that has not been settled, to carry out purchase and sale transactions with securities, in which the securities are acquired with settlement in foreign exchange and sold with settlement in local currency in the country. Paragraph 2.6. effective December 29, 2022, regulates the exception for the settlement of export charges for goods and services for beneficiaries of the Promotion regime for exports from the knowledge economy; it establishes that legal entities registered in the National Registry of Beneficiaries of the Regime for the Promotion of the Knowledge Economy and that are beneficiaries of the provisions of Chapter II of Decree No. 679/22 will be exempted from the obligation to settle the charges for exports of goods and services corresponding to activities of the knowledge economy, subject to all of the following conditions: 2.6.1.1. They entered through the foreign exchange market within the time limits established in each case; 2.6.1.2. They have a Certificate of Increase in Exports in Connection with the Knowledge Economy (Decree No. 679/22) as provided in Paragraph 2.6.2.; 2.6.1.3. All other requirements established in Paragraph 2.2.2.2. or 7.8.4., as applicable, have been met. Under Paragraphs 1.1, 1.2, and 7.1 of the TO de EyC, local financial institutions intervene when sale of the foreign exchange is required.
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	The foreign exchange regulations do not require financing by means of LCs.
Guarantees	No.	The foreign exchange regulations do not require guarantees.
Domiciliation	No.	There are no foreign exchange regulations covering this topic.
Preshipment inspection	No.	There are no foreign exchange regulations covering this topic.
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Licenses are required for exports of arms, sensitive goods, military equipment, and, on a transitional basis, until (effective) January 23, 2023, for certain essential medical supplies in the framework of

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		COVID-19.
With quotas	Yes.	There are quantitative restrictions on exports of protected animal species.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	As well, Law No. 27.541 on "Solidarity and the Reactivation of Production" established a universal export duty of 5% until December 31, 2021, on exports of services, repealing Article 2 of Decree No. 1.201 of December 28, 2018, which established the limit of 4 pesos per dollar, but maintaining the exemption for small- and medium-sized enterprises exporting less than US$600,000. Effective January 1, 2022, the universal export duty of 5%, on exports of services, with the exemption for small- and medium-sized enterprises exporting less than US$600,000, established by Law No. 27.541 expired, reverting to the limit of 4 pesos per dollar. Under Decree No. 785/2020, export duties were established at 8% for mining products until December 31, 2021, and were then extended until December 31, 2023, by Decree No. 908/2021, only for certain positions. Article 1 of Decree No. 789/2020 amended export duty rates for goods provided in detail in Annex I, increasing the taxation for some processed industrial inputs and setting a rate of 0% for certain industrial finished goods. Similarly, Article 2 of Decree No. 789 established a 100% reduction of export duties for incremental extra- MERCOSUR exports of finished goods in the automotive sector, in terms of their FOB value, considering 2020 as the base period. This measure was extended until 2023 by Decree No. 81/2023. Effective December 31, 2023, the 100% reduction of export duties for incremental extra-MERCOSUR exports of finished goods in the automotive sector, in terms of their FOB value, considering 2020 as the base period, expired. Decree No. 790/2020, amends the export duty rates for soybeans and their derivatives through a gradual scheme that increases export duties to as much as 33% in some cases. Decree No. 131/2022, effective March 19, 2022, subsequently suspended the provisions of Decree No. 790/2020 and established the export duty rates defined by Decree No. 230/2020 until December 31, 2022, involving an increase in duties. Effective January 1, 2023, Decree No. 790/2020 is back in force again. Decree No. 410/2021 reduced the duty on certain regional products, such as bees, eggs, aromatic plants, potato seeds, sunflowers, and rice to 0%. Decree No. 851/2021, effective January 1, 2022, set the export duty rate at 0% for certain agricultural products, such as wheat, soybeans, sorghum, and maize. In addition, Decree No. 852/2021 effective January 15, 2022 set at 0% the rate for products that are environmentally friendly, biological, or organic and that present the certificate from the certifying company authorized by the National Agrofood Safety and Quality Service. Decree No. 783/2021 establishes at 0% the rate of export duty for export operations processed under the simplified export regime known as "EXPORTA SIMPLE."

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Decree No. 462/2023 effective September 1, 2023, introduced amendments to the rates of export duties on certain agroindustrial goods. Many of the goods were subject to reductions to 0%, and others were subject to reductions to 2%, 3%, 4%, and 5% in export duties.

Decree No. 506/2023 effective October 4, 2023, suspends the export duty rates for dairy products. Accordingly, the goods are now subject to a rate of 0%. This text was extended by Decree No. 9/2024 until June 31, 2024.

Income tax
General Resolution (AFIP) No. 3577/2014 establishes the collection of income tax for export operations in which the exporter invoices a party located at a different destination than the goods. The rate is 0.5% of the taxable base that is considered in the settlement of customs duties.

General Resolution (AFIP) No. 5322/2023 establishes that taxpayers subject to General Resolution (AFIP) No. 3577/2014 may use the Certificate of Exclusion to be excluded. However, this certificate may not be submitted when the invoice is issued in the name of parties domiciled in non-cooperating countries for the purposes of tax transparency, and a surcharge of 1.5% will be added.

Substitute tariff

Under General Resolution (AFIP) No. 4508/2019, the General Directorate of Customs serves as a holding agent for the substitute tariff for export operations of merchandise in tariff positions 0805.50.00 and 3301.13.00.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	Yes.	Effective January 7, 2022, Communication “A” 7433 established that institutions were required to verify that a customer has a declaration made through the Integrated System for Monitoring Payments for Services Abroad (SIMPES) with “APPROVED” status, except for transactions involving services provided under codes S02 (Freight services), S03 (Passenger transportation services), S06 (Travel and other card payments), S25 (Government services), S26 (Health services by travel assistance companies), and S27 (Other health services). The preceding requirement did not apply in the event of payment by: (1) the public sector; (2) all business organizations, regardless of their corporate form, in which the national government has a majority stake in the capital or in the adoption of corporate decisions; (3) trusts constituted with contributions from the national public sector; (4) financial institutions for their own imports of services performed by the same institution; or (5) institutions for the cancellation of LCs or guarantee letters issued or granted up through January 6, 2022. In the case of LCs or guarantee letters issued or granted on or after January 7, 2022, the institution was required to have documentation

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proving that, at the time of opening or issuance by the institution, the customer had the declaration made through the SIMPES with "APPROVED" status, with the exceptions indicated above.

Paragraph 3 of Communication "A" 7532 effective June 27, 2022, introduced as an additional requirement for customer transactions covered by the SIMPES or the institution's own transactions involving items for which a declaration in the said system was required for customers, that the institution could only grant access to the foreign exchange market if one of the following conditions were met:

- the institution had an affidavit from the customer stating that the accumulated amount, including the payment to be made, of the payments made by the customer through the foreign exchange market for the services items covered by the SIMPES, in the current calendar year and among the institutions as a whole, did not exceed the amount resulting from the following elements:

- the proportional part, accumulated through the current month, of the total amount of payments made by the importer during the year 2021 for all the items included.

In the event that the latter amount is less than US$50,000, the latter amount or the annual limit, whichever is lower, would be adopted, minus the amount outstanding to date under LCs or guarantee letters issued in its name by local financial institutions for the importation of services.

For the purpose of calculating payments made through the foreign exchange market in the current year and those made in the previous year, no account was required to be taken of those transactions that have been included in the mechanisms set forth in Paragraphs 3.18 and 3.19, or those that corresponded to Items "S08. Insurance premiums" and "S09. Payment of claims."

If the customer has not made payments for the items covered through the foreign exchange market in the previous calendar year, or the payments made were less than the equivalent of US$20,000, the latter value would be taken as the annual limit for the purposes of the provisions of the paragraph in reference. The payment fell under the mechanisms provided for in Paragraphs 3.18. (Certificate of Increase in Exports) and 3.19 (Certificate of Entry of New Financial Debt from Abroad). The payment pertained to Items "S08. Insurance premiums" and "S09. Payment of claims."
Payment would be made 180 calendar days after the date of the effective delivery of the service.
The customer had access simultaneously with the settlement of a new financial debt abroad for which the total principal amount came due after the date of effective delivery of the service plus the time period specified in Paragraph (d);
The customer had access with funds arising from financing of imports of services granted by a local financial institution from a commercial line of credit from abroad and the total principal amount under the financing has a maturity date after the date of effective delivery of the service plus the time period specified in Paragraph (d).

To access the foreign exchange market to make their own payments under LCs or guarantee letters issued or granted as of June 27, 2022,

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in connection with the importation of services, financial institutions were required to have an affidavit from the customer, made at the time of opening or issuance, stating that this date fell within any of the situations set forth in Paragraphs (a) to (d) of the preceding paragraph.

Access was also allowed for payment on maturity of debts for services, conditional on verification that the operation was declared, if appropriate, in the most recent required submission of the "Survey of External Assets and Liabilities."

The BCRA's prior approval was required for access to the foreign exchange market to prepay debts for services (unless the transaction falls under Paragraph 3.19.1.3 as established by Paragraph 3 of Communication "A" 7516 dated May 19, 2022) and to make payments for services to related foreign counterparties, except for:
- Credit card issuers by transfers for tourism and travel as long as they do not correspond to operations that require the prior approval of the BCRA, such as participation in gambling and betting and/or the transfer of funds to accounts with Payment Services Providers (PSPs) and/or to investment accounts with investment managers established abroad and/or for foreign exchange operations abroad and/or the purchase of cryptoassets, as set out in Paragraph 4.1.4;
- Local agents collecting funds in Argentina for services provided by nonresidents to residents;
- Expenditures paid by entities to entities abroad for regular operations; Payments of reinsurance premiums abroad, with the transfer abroad having to take place in the name of the foreign beneficiary approved by the National Superintendency of Insurance;
- Transfers by traveler assistance companies for payments of health coverage claims originating in services provided abroad by third parties to their resident customers.
-Payments of services related to the operational leasing of ships, subject to conditions, added as Paragraph 3.2.6 by Communication "A" 6972 of April 16, 2020;
-Payments of debt principal on maturity, when the customer has a "Certificate of Increase in Exports of Goods" issued in accordance with Paragraph 3.18 for the equivalent of the amount being paid, incorporated as Paragraph 3.2.7 by Communication "A" 7301 of June 4, 2021; mechanism extended to the year 2022 by Paragraph 6 of Communication "A" 7416 of December 9, 2021.
Payment on maturity of the outstanding debt principal as of June 30, 2021, when the customer has a certificate from an institution issued in accordance with the provisions of Paragraph 3.19, for the equivalent of the amount to be paid (Paragraph 3.2.8. incorporated by Communication "A" 7348). Then, Communication "A" 7416 dated December 9, 2021, effective January 3, 2022, payments on maturity of an obligation for a service rendered at least 180 calendar days prior to access or derived from a contract that has been signed a similar period in advance.

Under Paragraph 3.3 of the TO de EyC, access to the foreign exchange market is allowed on maturity to make interest payments on debts for imports of goods and services to the extent that it is verified that the operation has been declared, where appropriate, in the most recent required submission of the "Survey of External Assets and Liabilities," and prior approval of the BCRA is required to access the foreign exchange market for the prepayment of interest on commercial debts for imports of goods and services.

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Until December 31, 2023 (Communication "A" 7746), the prior approval of the BCRA will be required when the creditor is a counterparty related to the borrower, effective April 20, 2023. Effective December 28, 2023, it was extended until December 31, 2024 (Communication "A" 7935). This requirement will not be applicable when the operation meets any of the following criteria:
(1) Own operations by local financial institutions are involved.
(2) The customer has a Certificate of increases in exports of goods as provided in Paragraph 3.18 for the equivalent of the amount paid, or
(3) A Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21., for the equivalent of the amount payable, or
(4) A Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22), issued in the framework of Paragraph 3.2.2., with the equivalent to the amount credited and paid with a swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22.

Similarly, effective December 13, 2023, Paragraph 2 of Communication "A" 7917 (according to Errata Communication "C" 96844), established new conditions for access to the foreign exchange market for payment of services provided by nonresidents, while, for access to the payment of debts arising from previously arranged operations, prior agreement of BCRA was provided, in addition to certain exceptions.

Paragraph 2.1. of Communication "A" 7917 provided it will not be necessary to have a declaration prepared through the Argentine Republic Import and External Service Payments System (SIRASE) with "APPROVED" status or to validate the operation in the computerized Single Foreign Trade Current Account system.

Paragraph 2.2 established conditions for access to the foreign exchange market without requiring approval, to make payments for services provided by nonresidents, provided the remaining applicable regulatory requirements are confirmed:
(1) Access is allowed to process transactions corresponding to S03. Passenger transportation services; S06. Travel (excluding operations in connection with withdrawals and/or consumption with cards of residents with nonresident suppliers or those of nonresidents with Argentine suppliers); S23. Audiovisual services; S25. Government services; S26. Health services by travel assistance companies; S27. Other health services; S29. Transactions associated with withdrawals and/or consumption with cards of residents with nonresident suppliers or those of nonresidents with Argentine suppliers and expenses paid by financial institutions abroad for their customary operations.
(2) For services provided or accrued from December 13, 2013, access is provided after a minimum period has been completed, subject to the following conditions:
(a) in the case of freight, within periods compatible with those established for payments for imports of goods under Paragraph 1.2. of Communication "A" 7917 that varied from 30 to 120 calendar days depending on the type of good.
(b) For code S24. Other personal, cultural, and recreational services: 90 calendar days.

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(c) For all other services: 30 calendar days if the foreign counterparty is not related to the resident, or 180 calendar days when the foreign counterparty is related to the resident.

In Paragraph 2.3., access without prior approval of the BCRA is permitted to make payments for new imports of services provided or accrued from December 13, 2023, before the deadlines provided in Paragraph 2.2. when, in addition to the other applicable regulatory requirements, the payment is in the conditions provided in Paragraph 4 (in which different external financing is provided, or with certifications obtained under Decrees No. 277/22 and No. 679/22).

According to Paragraph 2.4., access to the foreign exchange market for the payment of nonresident services provided and/or accrued until December 12, 2023, in addition to the other applicable requirements, is subject to prior approval from the BCRA, except when: the payment corresponds to transactions financed or guaranteed by local or foreign financial institutions or international organizations and/or official credit agencies, or if the customer has a certification issued in the framework of Decrees No. 277/22 or No. 679/22.

All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA, in respect of minimum periods for access to the foreign exchange market (Paragraph 2.5.).

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication “A” 7030 of May 28, 2020, as amended and/or supplemented by Communications “A” 7042 of June 11, 2020, “A” 7094 of August 27, 2020, and 7327 of July 10, 2021, “A” 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, “A” 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023, the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered, and effective September 28, 2023, Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).

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(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, “A” 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4.

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		has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points); (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200 amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). For debts, Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.
Quantitative limits	Yes.	Paragraph 3 of Communication "A" 7532 effective June 27, 2022, introduced as an additional requirement for customer transactions covered by the SIMPES with "APPROVED" status or the institution's own transactions involving items for which a declaration in the said system was required for customers, that the institution would only grant access to the foreign exchange market if one of the following conditions were met: - the institution has an affidavit from the customer stating that the

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		accumulated amount, including the payment to be made, of the payments made by the customer through the foreign exchange market for the services items covered by the SIMPES, in the current calendar year and among the institutions as a whole, did not exceed the amount resulting from the following elements: - the proportional part, accumulated through the current month, of the total amount of payments made by the importer during the year 2021 for all the items included. In the event that the latter amount is less than US$50,000, the latter amount or the annual limit, whichever was lower, would be adopted, minus the amount outstanding to date under LCs or guarantee letters issued in its name by local financial institutions for the importation of services. If the customer had not made payments for the items covered through the foreign exchange market in the previous calendar year, or the payments made were less than the equivalent of US$20,000, the latter value was applied as the annual limit for purposes of this paragraph. The payment fell under any of the exceptions provided for in the said regulation, such as, for example, that the payment is made more than 180 calendar days from the date of the effective delivery of the service or is financed with foreign debt whose principal matures after the date of the effective delivery of the service plus the term indicated. Paragraph 3 of Communication “A” 7622 of October 13, 2022 replaced, effective October 17, 2022, the declaration in the SIMPES system with a declaration made in the SIRASE establishing that, in cases in which, to give access to the foreign exchange market to make payments for services provided by nonresidents, a declaration would be required in SIMPES with "APPROVED" status; entities could also accept the filing of a declaration prepared in SIRASE reflecting that status. Paragraph 3.1. of Communication “A” 7532 does not apply to transactions for which the customer submits a SIRASE declaration. Regardless of whether a SIMPES or SIRASE declaration is submitted, entities should consult, in the online system implemented by the BCRA for that purpose, the status of the transaction with respect to the applicable requirements. Further, when access is provided to the foreign exchange market, the entity is required to validate the operation in the computerized Single Foreign Trade Current Account system implemented by AFIP.
Indicative limits/bona fide test	Yes.	Under Paragraph 1.2 of the TO de EyC, the institution must have all of the documentation needed to demonstrate the genuine nature of the operation and its appropriate classification under the declared purpose.
Investment-related payments	Yes.	
Prior approval	Yes.	Paragraph 3.4 of the TO de EyC authorizes access for transfers of foreign exchange abroad to nonresident shareholders for profits and dividends under the conditions set out in 3.4.1 through 3.4.6 of Paragraph 3.4 of the TO de EyC. Other cases require the prior approval of the BCRA to access the foreign exchange market for

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transfers abroad for these purposes, as long as: they correspond to closed and audited balances (Paragraph 3.4.1), the total amount paid for this purpose to nonresident shareholders including the payment requested does not exceed the corresponding amount in domestic currency according to the distribution determined by the Meeting of Shareholders (Paragraph 3.4.2); if appropriate, the most recent required submission of the “Survey of External Assets and Liabilities” has been made for the transactions involved (Paragraph 3.4.3) and the institution meets the following criteria:
- it records direct investment contributions paid as of January 17, 2020 (Paragraph 3.4.4.1), allowing the transfer abroad of profits and dividends up to 30% of the amount paid as of that date;
- it involves profits generated by projects included in the “Plan Gas” corresponding to direct foreign investment contributions repatriated and sold on the foreign exchange market as of November 16, 2020 (Paragraph 3.4.4.2, which incorporates Com “A” 7168 of November 19, 2020);
- it has a “Certificate of Increase in Exports of Goods” (Paragraph 3.4.4.3, which incorporates Communication “A” 7301 of June 4, 2021, and Paragraph 6 of Communication “A” 7416 of December 9, 2021).

Paragraph 3.18 allows access with a “Certificate of Increase in Exports of Goods” without prior approval of the BCRA for payments of profits and dividends under certain conditions (according to Communication “A” 7301, mechanism extended under the same conditions for the year 2022 by Paragraph 6 of Communication “A” 7416 of December 9, 2021.
- It has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) (Paragraph 3.4.4.4. that incorporates Communication "A" 7626 effective October 28, 2022).
- It has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) (Paragraph 3.4.4.5. which incorporates Communication “A” 7664 effective December 29, 2022).

Access to the foreign exchange market is allowed for the payment of principal and interest on foreign financial debts as long as compliance with the conditions indicated in Paragraph 3.5 of the TO de EyC is verified.

Prepayment more than 3 days before the due date requires prior approval except when such prepayment is made simultaneously with the settlement of funds under a new financial debt and compliance with the other conditions indicated in Paragraph 3.5.3 is verified.
Communication “A” 7904 effective December 1, 2023, established the required authorization between December 1, 2023, and December 31, 2023, from the maturity date of the principal or interest service payable or the next business day when that date is not a business day and up to 3 business days before the maturity date, provided the payment is made through a swap or arbitrage operation against a local foreign exchange account held by a customer that is authorized to make such payment.
Communication “A” 7904 was repealed by Communication “A” 7917 effective December 13, 2023.

Foreign financial debts disbursed as from September 1, 2019, must be repatriated and sold on the foreign exchange market as a requirement for later access to that market for principal and interest

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payments. In the case of institutions, the provisions of the previous paragraph are considered to be met when the funds are included in the General Exchange Position (PGC) (Paragraph 2.4 of the TO de EyC).

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not

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delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.

It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point

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		3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200 amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). For debts, Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.
Quantitative limits	Yes.	Under Paragraph 7 of Communication "A" 7106 (as of September 16, 2020), which is incorporated in Paragraph 3.17 of the TO de EyC, debtors of the nonfinancial private sector and financial institutions with maturities up to a date that was extended to December 31, 2023, because of transactions completed, were requested to submit a refinancing plan based on the following criteria: (1) the net amount of access to the foreign exchange market may not exceed 40% of the principal coming due; and (2) the remaining principal has been, at a minimum, refinanced with new external debt with an average maturity of 2 years. Exceptions are provided for. Paragraph 3.18 of the TO de EyC allows access with a "Certificate of Increase in Exports of Goods" without prior approval of the BCRA for principal payments on financial debts as of their maturity under certain conditions. It also considered that the refinancing scheme provided for in Paragraph 7 of Communication "A" 7106 (Paragraph 3.17 of the TO de EyC) complies with the said Certificate.
Indicative limits/bona fide test	Yes.	Under Paragraph 1.2 of the TO de EyC, the institution must have all of the documentation needed to demonstrate the authenticity of the operation and its appropriate classification under the declared purpose.
Payments for travel	Yes.	
Prior approval	Yes.	Paragraph 3.2 of the TO de EyC allowed access to the foreign exchange market for service payments to counterparties unconnected with the customer as long as documentation was provided to verify the existence of the service.

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Effective January 7, 2022, Communication "A" 7433 established that institutions were required to verify that a customer had a declaration made through the SIMPES with "APPROVED" status, except for transactions involving services provided under codes S02 (Freight services), S03 (Passenger transportation services), S06 (Travel and other card payments), S25 (Government services), S26 (Health services by travel assistance companies), and S27 (Other health services).

The preceding requirement did not apply in the event of payment by: (1) the public sector; (2) all business organizations, regardless of their corporate form, in which the national government has a majority stake in the capital or in the adoption of corporate decisions; (3) trusts constituted with contributions from the national public sector; (4) financial institutions for their own imports of services performed by the same institution; or (5) institutions for the cancellation of LCs or guarantee letters issued or granted up through January 6, 2022.

In the case of LCs or guarantee letters issued or granted on or after January 7, 2022, the institution was required to have documentation proving that, at the time of opening or issuance by the institution, the customer had a declaration made through the SIMPES with "APPROVED" status, with the exceptions indicated above.

Effective June 27, 2022, paragraph 3 of Communication "A" 7532 dated June 27, 2022, introduced as an additional requirement for customer transactions covered by the SIMPES or the institution's own transactions involving items for which a declaration in the said system was required for customers, that the institution could only grant access to the foreign exchange market if one of the following conditions were met:

- the institution had an affidavit from the customer stating that the accumulated amount, including the payment to be made, of the payments made by the customer through the foreign exchange market for the services items covered by the SIMPES, in the current calendar year and among the institutions as a whole, did not exceed the amount resulting from the following elements:

- the proportional part, accumulated through the current month, of the total amount of payments made by the importer during the year 2021 for all the items included.

In the event that the latter amount is less than US$50,000, the latter amount or the annual limit, whichever is lower, was adopted, minus the amount outstanding to date under LCs or guarantee letters issued in its name by local financial institutions for the importation of services.

For the purpose of calculating payments made through the foreign exchange market in the current year and those made in the previous year, no account would be taken of those transactions that have been included in the mechanisms set forth in Paragraphs 3.18 and 3.19, or those corresponding to Items "S08. Insurance premiums" and "S09. Payment of claims."

If the customer has not made payments for the items covered through the foreign exchange market in the previous calendar year, or the payments made were less than the equivalent of US$20,000, the

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latter value was taken as the annual limit for the purposes of the provisions of this paragraph.

The payment fell under the mechanisms provided for in Paragraphs 3.18. (Certificate of Increase in Exports) and 3.19. (Certificate of Entry of New Financial Debt from Abroad).
The payment pertained to Items “S08. Insurance premiums” and “S09. Payment of claims.”
The payment was made 180 calendar days after the date of the effective delivery of the service.
The customer had access simultaneously with the settlement of a new financial debt abroad for which the total principal amount matured after the date of effective delivery of the service plus the time period specified in Paragraph (d);
- the customer had access with funds arising from financing of imports of services granted by a local financial institution from a commercial line of credit from abroad and the total principal amount under the financing had a maturity date after the date of effective delivery of the service plus the time period specified in Paragraph (d).

To access the foreign exchange market to make their own payments under LCs or guarantee letters issued or granted as of June 27, 2022, in connection with the importation of services, financial institutions were required to have an affidavit from the customer, made at the time of opening or issuance, stating that this date fell within any of the situations set forth in Paragraphs (a) to (d) of the preceding paragraph.

Access was also allowed for payment of debts for services, conditional on verification that the operation was declared, where appropriate, in the most recent required submission of the “Survey of External Assets and Liabilities.”

The BCRA’s prior approval was required for access to the foreign exchange market for early repayment of debts for services (unless the transaction falls under Paragraph 3.19.1.3 as established by Paragraph 3 of Communication “A” 7516 dated May 19, 2022) and to make payments for services to related foreign counterparties, except for, among others:
- Credit card issuers by transfers for tourism and travel as long as they do not correspond to operations that require the prior approval of the BCRA, such as participation in gambling and betting and/or the transfer of funds to accounts with PSPs and/or to investment accounts with investment managers established abroad and/or for foreign exchange operations abroad and/or the purchase of cryptoassets, as set out in Paragraph 4.1.4;
- Local agents collecting funds in Argentina for services provided by nonresidents to residents;
- Transfers by traveler assistance companies for payments of health coverage claims originating in services provided abroad by third parties to their resident customers.

Paragraph 3 of Communication “A” 7622 of October 13, 2022, replaced, from October 17, 2022, the declaration in the SIMPES system with a declaration made in the SIRASE establishing that, in cases in which, to give access to the foreign exchange market to make payments for services provided by nonresidents, a declaration would be required in SIMPES with “APPROVED” status; entities

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could also accept the filing of a declaration prepared in SIRASE reflecting that status.

Paragraph 3.1. of Communication "A" 7532 did not apply to transactions for which the customer submitted a SIRASE declaration.

Regardless of whether a SIMPES or SIRASE declaration has been submitted, entities were required to consult the status of the transaction with respect to the applicable requirements in the online system implemented by the BCRA for that purpose.

Further, at the time of access to the foreign exchange market, the institution was required to validate the operation in the Computerized Single Foreign Trade Current Account system implemented by AFIP.

Communication "A" 7914 of December 7, 2023, updated the TO, and Paragraph 3.2 was updated to include the amendments released through Communications "A" 7532, 7542, 7547, 7553, 7594, 7606, 7622, 7626, 7664, 7746, 7762, 7771, 7815, 7864, 7866, 7893, 7903, and 7914.

Paragraph 3.2 of the TO de EyC provided payments for services provided by nonresidents not related to the customer could be made, subject to the following requirements:

(1) The existence of the service can be documented. (Paragraph 3.2.1.).

(2) The customer has the declaration prepared through the SIRASE with "APPROVED" status, except for operations that corresponded to the services that were carried out with Codes
S03. Passenger transportation services,
S06. Travel (excluding transactions associated with withdrawals and/or consumption with cards of residents with nonresident suppliers or of nonresidents with Argentine suppliers),
S25. Government services,
S26. Health services by travel assistance companies,
S27. Other health services,
S29. Operations associated with withdrawals and/or consumption with cards of residents with nonresident suppliers or of nonresidents with Argentine suppliers,
This requirement will not be applicable when the following payments are involved:
(a) imports of own services by financial institutions, or
(b) institutions for the cancellation of LCs or guarantee letters issued or granted up through January 6, 2022 (Paragraph 3.2.2.).

(3) Access is also allowed for payment on maturity of commercial debts for services, conditional on verification that the operation was declared, if appropriate, in the most recent required submission of the "Survey of External Assets and Liabilities" (Paragraph 3.2.4.).

The BCRA's prior approval is required for access to the foreign exchange market to prepay debts for services, unless the transaction falls under Paragraph 3.19.1.3.

For purposes of access to the foreign exchange market, commercial debts for service imports should be considered debts arising from the acquisition of services from nonresidents that are similar to those provided in Paragraph 10.2.4. for imports of goods.

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(4) For payment of services to related counterparties abroad, Paragraph 3.2.5. established the deadline of December 13, 2023 (pursuant to Paragraph 2 of Communication "A" 7917) for which prior approval of the BCRA was required, except for:
(a) Credit card issuers with transfers for tourism and travel, as long as they do not correspond to operations that require the prior approval of the BCRA, as provided in Paragraph 4.1.4; (3.2.5.1.),
(b) Transfers by traveler assistance companies for payments of health coverage claims originating with services provided abroad by third parties to their resident customers (3.2.5.5.).
(c) Payment of debt principal from maturity, when the customer has a Certificate of Increased Exports of Goods issued under Paragraph 3.18., for the equivalent of the amount paid (3.2.5.7.).
(d) Payment from the maturity of an obligation for a service provided at least 180 (one hundred and eighty) calendar days prior to access or arising from a contract signed with a similar advance period, and the customer has a Certificate of entry of new external financial debt" issued pursuant to Paragraph 3.19., for the equivalent of the value to be paid (3.2.5.8.).

Debts arising from the provision of services by related counterparties will continue to be covered by the requirement for prior approval, even when the creditor or debtor has been amended so that no connection remains between the creditor and the resident debtor.

(5) Financial institutions will have access to the foreign exchange market to make their own payments by LC or endorsed letter issued or granted to guarantee imports of services, provided they are confirmed to have met the conditions that were applicable according to the date on which the LC or endorsed letter was issued or granted.
(a) issued from October 17, 2022, onward, subject to the provision of documentation to show that, at the time of the opening or issuance by the institution, the customer had a SIRASE declaration with "APPROVED" status, when such declaration was a requirement for the customer's access for the guaranteed transaction;
(b) issued between January 7, 2022 and October 16, 2022, subject to documentation showing that, at the time of opening or issuance by the institution, the customer had the declaration made through the Integrated System for Monitoring Payments for Services Abroad (SIMPES) with "APPROVED" status, when the declaration was required for the customer to have access for the guaranteed operation. Those issued between June 27, 2022, and October 16, 2022, on the basis of a SIMPES declaration also required an affidavit from the customer prepared at the time of opening or issuance, stating that the guaranteed transaction was consistent with the provisions of Paragraph 3.1. of Communication "A" 7532 and supplementary provisions. (Paragraph 3.2.6.)

Paragraph 3.19. of the TO was repealed by Communication "A" 7917 effective December 13, 2023.

Similarly, effective December 13, 2023, Paragraph 2 of Communication "A" 7917 (according to Errata Communication "C" 96844) established new conditions for access to the foreign exchange market for payments of services provided by nonresidents from December 13, 2023, onward, while access for the payment of debts arising from the previously arranged operations, prior agreement of BCRA was provided, along with certain exceptions.

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Paragraph 2.1. of Communication "A" 7917 provided it will not be necessary to have a declaration prepared through the SIRASE with "APPROVED" status or to validate the operation in the computerized Single Foreign Trade Current Account system.

Paragraph 2.2 established conditions for access to the foreign exchange market without requiring approval, to make payments for services provided by nonresidents, provided the remaining applicable regulatory requirements are confirmed:
(1) Access is allowed to process payments for transactions corresponding to:
S03. Passenger transportation services.
S06. Travel (excluding operations in connection with withdrawals and/or consumption with cards of residents with nonresident suppliers or of nonresidents with Argentine suppliers).
S23. Audiovisual services.
S25. Government services.
S26. Health services by travel assistance companies.
S27. Other health services.
S29. Transactions associated with withdrawals and/or consumption with cards of residents with nonresident suppliers or of nonresidents with Argentine suppliers and expenses paid by financial institutions abroad for their customary operations.
(2) For services provided or accrued from December 13, 2013 onward, access is provided after a stipulated minimum period.

According to Paragraph 2.4., access to the foreign exchange market for the payment of nonresident services provided and/or accrued until December 12, 2023, in addition to the other applicable requirements, is subject to prior approval from the BCRA, except when: the payment corresponds to transactions financed or guaranteed by local or foreign financial institutions or international organizations and/or official credit agencies, or if the customer has a Certificate issued in the framework of Decrees No. 277/22 or No. 679/22.

All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA, in respect of the minimum terms for access to the foreign exchange market (Paragraph 2.5.).

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds

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deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the

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instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;
(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication “A” 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the “Registry of Foreign Exchange Information of Exporters and Importers of Goods” and that are not indicated as “NOT REGISTERED” (Paragraph 3.16.5, which incorporates Communication “A” 7200 amended by Communication “A” 7273 of April 29, 2021);
(5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication “A” 7422 of December 16, 2021, taking into account the provisions of Communication “B” 12082 of

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		October 28, 2020).
Quantitative limits	Yes.	Paragraph 3 of Communication "A" 7532 effective June 27, 2022, introduced as an additional requirement for customer transactions covered by the SIMPES with "APPROVED" status or the institution's own transactions involving items for which a declaration in the said system was required for customers, that the institution could only grant access to the foreign exchange market if one of the following conditions were met: - the institution had an affidavit from the customer stating that the accumulated amount, including the payment to be made, of the payments made by the customer through the foreign exchange market for the services items covered by the SIMPES, in the current calendar year and among the institutions as a whole, did not exceed the amount resulting from the following elements: - the proportional part, accumulated through the current month, of the total amount of payments made by the importer during the year 2021 for all the items included. In the event that the latter amount is less than US$50,000, the latter amount or the annual limit, whichever is lower, would be adopted, minus the amount outstanding to date under LCs or guarantee letters issued in its name by local financial institutions for the importation of services. If the customer has not made payments for the items covered through the foreign exchange market in the previous calendar year, or the payments made were less than the equivalent of US$20,000, the latter value was taken as the annual limit for the purposes of the provisions of this paragraph. The payment fell under any of the exceptions provided for in the said regulation, such as, for example, that the payment was made more than 180 calendar days from the date of the effective delivery of the service or was financed with foreign debt whose principal matured after the date of the effective delivery of the service plus the term indicated. Paragraph 3 of Communication "A" 7622 of October 13, 2022 replaced, from October 17, 2022, the declaration in the SIMPES system with a declaration made in the SIRASE establishing that, in cases in which, to give access to the foreign exchange market to make payments for services provided by nonresidents, the filing of a declaration would be required in SIMPES with "APPROVED" status; entities could also accept the filing of a declaration prepared in SIRASE reflecting that status. Paragraph 3.1. of Communication "A" 7532 did not apply to transactions for which the customer submitted a SIRASE declaration. Regardless of whether a SIMPES or SIRASE declaration is submitted, entities were required to consult the status of the transaction with respect to the applicable requirements in the online system implemented by the BCRA for that purpose. Further, when access was provided to the foreign exchange market, the institution was required to validate the operation in the computerized Single Foreign Trade Current Account system implemented by AFIP.

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Indicative limits/bona fide test	Yes.	Under Paragraph 1.2 of the TO de EyC, the entity must have all of the documentation needed to demonstrate the genuine nature of the operation and its appropriate classification under the declared purpose.
Personal payments	Yes.	
Prior approval	Yes.	These transactions are regulated by Paragraph 3.8 of the TO de EyC. In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA: (1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024). (2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties: (a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange; (b) they have not carried out and will not carry out swaps of securities issued by residents for external assets; (c) they have not carried out and will not carry out transfers of securities to foreign depositary entities; (d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos; (e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares; (f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions; (g) effective July 22, 2022 (Communication 7552), they have not

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delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.

It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country - except funds in foreign currency deposited in local financial entities -, except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point

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3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;
(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).

Paragraph 3.8 of the TO de EyC regulates access to the foreign exchange market for resident individuals for the formation of external assets, family support, and operations in derivatives without the prior approval of the BCRA under certain conditions:
- the equivalent of US$200 is not exceeded in the calendar month for all the institutions and for all the items mentioned above, net of the deductions applicable for the following transactions (Paragraph 3.8.1 of the TO de EyC);

- the settlement of obligations between residents under the provisions of Paragraph 3.6, including financing granted by local financial institutions for foreign currency purchases made by means of credit or debit cards (Paragraph 3.8.1.1, which incorporates Communication "A" 7106 of September 15, 2020);

- the purchase of foreign currency to be applied simultaneously to the purchase of real estate in Argentina with mortgage loans under the provisions of Paragraph 3.9 (Paragraph 3.8.1.2, which incorporates Communication "A" 6787 of September 19, 2019);
- cash withdrawals with debit cards made abroad debited to the customer's local accounts in pesos as provided in Item 4.1.1 (Paragraph 3.8.1.3, which incorporates Communication "A" 6948 of March 28, 2020);

- purchases made with a debit card abroad debited to a local account in pesos in accordance with the provisions of Paragraph 4.1.2. (Paragraph 3.8.1.4, which incorporates Communication "A" 7106 of September 15, 2020);

- the transaction is made by debiting the customer's accounts with local financial institutions, allowing the use of cash in local currency in transactions up to the equivalent of US$100 in a calendar month at all institutions (Paragraph 3.8.2);

- in the previous calendar month the customer has not exceeded the

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limits mentioned above (Paragraph 3.8.3);

- the customer undertakes not to enter into securities transactions in Argentina, directly or indirectly, or on the account and by order of third parties , with settlement in foreign currency in Argentina from the moment the access is requested and for the following 90 calendar days for securities issued under Argentine law and for the subsequent 180 calendar days for securities issued under foreign law (Paragraph 3.8.4, which incorporates Communication "A" 7106 of September 15, 2020). By Communication "A" 7746 effective April 20, 2023, it was established that the said commitment has the character of a sworn declaration and Communication "A" 7838 effective September 7, 2023 established that the operations carried out by clients correspond to their own operations (and that they are not channeling third-party operations).

- the customer does not have any financing pending repayment that corresponds to (Paragraph 3.8.5):
(1) that provided for in Paragraph 2.1.1 of the rules on "Financial services within the framework of the public health emergency provided for by Decree No. 260/2020 Coronavirus (COVID-19)" (Paragraph 3.8.5.1, which incorporates Communication "A" 7106 of September 15, 2020);
(2) "Zero Rate Loans," "Zero Rate Cultural Loans," or "Subsidized Rate Loans for Companies," provided for in Paragraphs 2.1.2 and 2.1.3 of the rules on "Financial services within the framework of the public health emergency provided for by Decree No. 260/2020 Coronavirus (COVID-19)" (Paragraph 3.8.5.2, which incorporates Communications "A" 6993 of April 24, 2020, and "A" 7082 of August 6, 2020, respectively);
(3) financing in pesos included in Paragraph 2 of Communication "A" 6937, in Paragraphs 2 and 3 of Communication "A" 7006 and supplementary provisions (Paragraph 3.8.5.3, which incorporates Communications "A" 7001 of April 30, 2020, and "A" 7001 of May 8, 2020, respectively).

- the customer is not a beneficiary of indexing of the amount of the installment payment under the terms of Article 2 of Decree No. 319/2020 and related provisions and regulations (Paragraph 3.8.6, which incorporates Communication "A" 7106 of September 15, 2020);

- the customer is not a national public civil servant with the rank of Deputy Secretary of State (or equivalent rank) or above, nor is a member of the boards of directors of national public banks or the BCRA (Paragraph 3.8.7, which incorporates Communication "A" 7126 of October of 2020);

- the customer is not covered by Joint Resolution of the President of the Honorable Senate of the Nation and the President of the Honorable Chamber of Deputies of the Nation No. 12/2020 of October 1, 2020 (Paragraph 3.8.8, which incorporates Communication "A" 7126 of October of 2020);

- the customer is not a public utility user that is a beneficiary of the subsidy in the tariffs for the supply of natural gas through the grid, and/or electricity, whether obtained by request or automatically, and/or the subsidy applied to drinking water tariffs (Paragraph 3.8.9. which incorporates Communication "A" 7606 effective September 16, 2022);

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		- the customer has no pending debt as a beneficiary of the Social Security Debt Payment Plan provided in Law No. 27.705 or any other regularization plan for social security debt (Paragraph 3.8.10. which incorporates Communication "A" 7735 effective March 30, 2023); - the customer has no pending debt as a beneficiary of the "ANSES CREDITS" provided in Resolution No. 144/2023 of the ANSES (Paragraph 3.8.11 which incorporates Communication "A" 7810 effective July 20, 2023); - the customer has no pending debt for financing provided in Decree No. 463/23 for beneficiaries of the Argentine Integrated Pension System (SIPA) and workers contributing to the SIPA in reference (Paragraph 3.8.12 which incorporates Communication "A" 7840 effective September 12, 2023); - the institution has an affidavit from the customer indicating that the customer complies with the previously mentioned requirements (Paragraph 3.8.13); - the institution has verified in the online system implemented for that purpose that the affidavit of the customer is consistent with the data held by the BCRA (Paragraph 3.8.14); - in the event that the transaction corresponds to items included in the formation of the customer's external assets, the selling authorized institution must deliver the banknotes or traveler's checks in foreign currency or credit the funds to a foreign currency account held by the customer in local financial institutions or a bank account held by the customer abroad, as appropriate (Paragraph 3.8.15). In any case, the institution must verify that the applicable requirements for the crediting of funds to a foreign currency account held by the customer at local financial institutions are complied with (requirement included in Paragraph 3.8.15. pursuant to Paragraph 3 of Communication "A" 7401 of November 18, 2021).
Quantitative limits	Yes.	Paragraph 3.8 of the TO de EyC establishes that resident individuals may access the market for the purchase of foreign banknotes and foreign exchange for the purposes indicated without the prior approval of the BCRA under certain conditions, including that they do not exceed the equivalent of US$200 in a calendar month at all institutions and for all of the purposes indicated (Paragraph 3.8.1 of the TO de EyC) and that the operation takes place by debiting the accounts of the customer with local financial institutions, with the use of domestic currency cash allowed for operations up to the equivalent of US$100 a calendar month at all institutions (Paragraph 3.8.2). Paragraph 3.14.3 allows transfers abroad by individuals from their local foreign currency accounts to their own bank accounts abroad (Paragraph 3.14.1) and the accounts of money remittance agencies abroad up to the equivalent of US$500 a calendar month with all institutions, for the purpose of support for Argentine residents who have had to remain abroad owing to the measures adopted in the context of the COVID-19 pandemic (Paragraph 3.14.3, which incorporates Communication "A" 6948 of March 28, 2020). Paragraph 3.13.1.5 (which incorporates Communication "A" 6883) established that nonresidents may purchase up to a maximum

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		equivalent to US$100 from all entities for tourism and travel without prior approval from the BCRA, on the condition that the entity has verified in the BCRA online system that the customer has paid an amount equal to or exceeding the amount they wish to purchase within the previous 90 calendar days.
Indicative limits/bona fide test	Yes.	Under Paragraph 1.2 of the TO de EyC, the entity must have all of the documentation needed to demonstrate the genuine nature of the operation and its appropriate classification under the declared purpose.
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	The use of credit cards abroad is allowed, with some conditions set by Paragraphs 4.1.1 and 4.1.4 (which incorporate Communications "A" 6948 and "A" 6823, respectively). Paragraph 4 of Communication "A" 6815 establishes that, since October 28, 2019, cash withdrawals abroad using local debit cards had to be debited from the local foreign currency accounts of the customer. Subsequently, Paragraph 4 of Communication "A" 6948 of March 28, 2020, allows cash withdrawals abroad using local debit cards with debit from local peso accounts of customers, said withdrawal being considered a formation of foreign assets by the resident and included in the limits set in Paragraph 3.8, with the institution being required to first verify in the online system indicated in Paragraph 3.8.4 and record the operation as a purchase of foreign currency banknotes (code A09). These provisions are found in Paragraph 4.1.1 of the TO de EyC.
Prior approval	Yes.	Paragraph 1 of Communication "A" 6823 provides that financial institutions and other local card issuers must have the prior approval of the BCRA to access the foreign exchange market to make payments abroad relating to the use of credit, debit, or prepaid cards issued in Argentina, resulting directly or indirectly from the use of international payment networks in the following transactions: participation in specific types of gambling and betting and/or transfers of funds to PSPs and/or transfers of funds to investment accounts with investment managers established abroad and/or foreign exchange operations abroad and/or the purchase of various types of cryptoassets and/or purchases of jewels, precious stones, and precious metals – gold, silver, platinum, etc. (incorporated by Communication "A" 7001 of April 30, 2020) and the acquisition of gift cards or equivalent mechanisms from shops or establishments located abroad (incorporated by Communication "A" 7766 effective May 11, 2023). These provisions are found in Paragraph 4.1.4 of the TO de EyC and supplementary provisions.
Quantitative limits	Yes.	Paragraph 2 of Communication "A" 6823 establishes that financial institutions and other local credit or debit card issuers may grant cash advances to cardholders abroad up to a maximum of US$50 a transaction. Communication "A" 6948 increased that limit to US $200 a transaction for cash withdrawals in countries not bordering on Argentina. These provisions are found in Paragraph 4.1.1 of the TO de EyC and supplementary provisions.

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Indicative limits/bona fide test	Yes.	Under Paragraph 1.2 of the TO de EyC, the entity must have all of the documentation needed to demonstrate the genuine nature of the operation and its appropriate classification under the declared purpose.
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	In accordance with Decree No. 609/2019 (amended by Article 1 of Decree No. 91/2019, B.O. of December 28, 2019), Paragraph 4 of Communication "A" 6770 establishes that proceeds from the provision of services by residents to nonresidents must be repatriated and sold on the foreign exchange market within a maximum of 5 business days following their receipt abroad or in Argentina or their credit to accounts abroad; these provisions are found in Paragraph 2.2.1 of the TO de EyC. Effective October 23, 2023, Article 1 of Decree No. 549/23 (B.O. October 23, 2023) established until November 17, 2023, inclusively, that the equivalent export value of services covered by Paragraph 2 (c) of Article 10 of Law No. 22.415 (Customs Code) as amended, and exports of merchandise covered by the NCM, including cases in which exports are externally prefinanced, post-financed, and/or settled in advance, must enter the country in foreign exchange and/or be traded, 70% through the MLC, and, for the remaining 30%, the exporter is required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency. Article 3 provided the BCRA will implement the necessary mechanisms to ensure that the result of any foreign exchange settlement carried out under this measure is, as elected by the exporter: (1) credited to a special account for which the remuneration is determined on the basis of fluctuations in the TCR in Communication "A" 3500 of the said agency, and may be opened without any maturity date; or (2) applied to the direct subscription of internal drafts of the BCRA in US dollars subject to settlement in pesos with the TCR of Communication "A" 3500 (LEDIV), under the terms and conditions established by the supplementary regulations of that institution. The said Decree was regulated by Communication "A" 7867. Effective November 21, 2023, Article 1 of Decree No. 597/23 (B.O. November 21, 2023) extended the validity of the provisions of Decree No. 549 of October 23, 2023, until December 10, 2023, inclusively. Article 2 provides that, from the date this measure enters into force, and until the end of the term provided in the foregoing Article 1, the equivalent of exports of services covered by Article 10, Paragraph 2, subparagraph (c) of Law No. 22.415 (Customs Code), as amended, and exports of goods covered by the NCM, including cases of external prefinancing and/or post-financing of exports or advance settlement, must enter the country in foreign exchange and/or be traded, 50% through the MLC, and for the remaining 50%, the exporter will be required to carry out purchase and sale transactions

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		with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency. We observe in Paragraph 2.2.1 of the TO that, provided the service exports are covered by Decree No. 597/23, the exporter must, under the conditions provided in the said Decree, bring in and settle on the foreign exchange market an amount no less than the minimum required percentage of the equivalent collected, and for the portion that has not been settled, the exporter must carry out purchase and sale transactions with securities, in which the securities are acquired with settlement in foreign exchange and sold with settlement in local currency in the country. Effective December 13, 2023, Article 1 of Decree No. 28/23 (B.O. December 13, 2023) established that the equivalent export value of the services covered by Paragraph 2 (c) of Article 10 of Law No. 22.415 (Customs Code), as amended, and exports of merchandise covered by the NCM, including cases of external prefinancing and/or post-financing of exports or an advanced payment, must enter the country in foreign exchange and/or be traded, 80% through the MLC, and for the remaining 20%, the exporter is required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency. The foreign exchange amounts resulting from the payments of claims under contracted coverage, to the extent that they cover the value of the exported goods, are covered by this obligation.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	In accordance with Decree No. 690/1029 (amended by Article 1 of Decree No. 91/2019 B.O. December 28, 2019), Paragraph 4 of Communication “A” 6770 establishes that proceeds from the provision of services by residents to nonresidents must be repatriated and sold on the foreign exchange market within a maximum of 5 business days following their receipt abroad or in Argentina or their credit to accounts abroad; these provisions are found in Paragraph 2.2.1 of the TO de EyC. When service exports are not covered by Decree No. 597/23, the exporter must, under the conditions provided in the above-mentioned Decree, bring into the country and settle on the foreign exchange market an amount no less than the minimum required percentage of the equivalent collected, and for the portion that has not been settled, the exporter must carry out purchase and sale transactions with securities, in which the securities are acquired with settlement in foreign exchange and sold with settlement in local currency in the country (Paragraph 2.2.1. of the TO). According to Paragraph 2.2.2. of the TO, receipts from exports of services that enter within the prescribed regulatory deadlines and that meet the following criteria are not subject to the settlement obligation: Paragraph 2.2.2. which incorporates Paragraph 2. of Communication “A” 7518 effective June 2, 2022, involving charges for exports of services provided by individuals and that meet all of the following conditions: S01 Maintenance and repair.

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S07 Construction services.
S12 Telecommunications services.
S13 Computer services.
S14 Information services.
S15 Charges for use of intellectual property.
S16 Research and development services.
S17 Legal, accounting, and management services.
S18 Advertising, market research, and public opinion polling services.
S19 Architectural, engineering, and other technical services.
S21 Trade-related services.
S22 Other business services.
S23 Audiovisual and related services.
S24 Other personal, cultural, and recreational services (includes educational classes).
S27 Other health services.
S28 Educational lessons.

The funds should be credited to foreign currency accounts held by the customer at local financial institutions and the use of this mechanism should be tax neutral. If the exporter is an individual, Paragraph 2 provides that he may use this mechanism up to the equivalent of US$12,000 in a calendar year, for all the institutions and for all the items included; he must sell in the market any income in excess of the said amount and submit an affidavit stating that he has not exceeded the annual limit and with respect to the performance of certain transactions with securities.

Paragraph 2.2.2.2. which incorporates Communications “A” 7664 of December 29, 2022, and “"A"” 7762 of May 4, 2023 address charges for exports of services provided by legal entities that are beneficiaries of the Regime to Promote Exports from the Knowledge Economy (Chapter II of Decree No. 679/22), provided all of the following conditions are met:
(1) The operations correspond to the same codes as provided for individuals in Paragraph 2.2.2.1.
(2) For the equivalent amount for which nonsettlement is claimed, the customer has a Certificate of Increase in Exports in connection with the Knowledge Economy (Decree No. 679/22) issued pursuant to Paragraph 2.6.2.
(3) Funds in foreign exchange must be credited to a special account for the regime to promote the knowledge economy, Decree No. 679/22 held by the customer until payment, in foreign exchange, earmarked for staff remuneration, duly registered, assigned to knowledge economy activities in accordance with the criteria established in Decree No. 679/22 and Resolution No. 234/22 of the Ministry of Economy.

Paragraph 2.2.2.3. which incorporates Communication “A” 7630, that involves exceptions for charges for exports of services corresponding to the following operations associated with international tourism in the country, effective November 4, 2022:
(1) charges for consumption in the country by nonresidents through debit, credit, purchase, or prepaid cards issued abroad;
(
(2) charges for any type of tourist service in the country contractually arranged by nonresidents, including those contractually arranged through wholesale and/or retail travel and tourism agencies in the country;
(3) charges for passenger transportation services for nonresidents

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travelling to the country by land, air, or water.
Effective November 5, 2023, Communication "A" 7762 incorporates the following operations in Paragraph 2.2.2.3:
4) charges for consumption in the country by nonresidents through electronic wallets or any other payment mechanism involving an immediate debit to an account with a financial institution abroad or a virtual account with an enterprise abroad. Should the mechanism through which the consumption is channeled include the option to use virtual accounts, the party that pays the funds in must demonstrate that the payment mechanism used provides for such accounts to be opened with institutions licensed to operate by the monetary authority or equivalent body of the country in which it is based, and that having a tax code in that country is a condition for opening the account.

Paragraph 2.6. effective December 30, 2022 under Communication "A" 7664, regulates the exception for the settlement of export charges for goods and services for beneficiaries of the Promotion regime for exports from the knowledge economy; it establishes that legal entities registered in the National Registry of Beneficiaries of the Regime for the Promotion of the Knowledge Economy and that are beneficiaries of the provisions of Chapter II of Decree No. 679/22 will be exempted from the obligation to settle the charges for exports of goods and services corresponding to activities of the knowledge economy, subject to all of the following conditions:
2.6.1.1. They entered through the foreign exchange market within the time limits established in each case
2.6.1.2. They have a Certificate of Increase in Exports in Connection with the Knowledge Economy (Decree No. 679/22) as provided in Paragraph 2.6.2.
2.6.1.3. All other requirements established in Paragraph 2.2.2.2. or 7.8.4., as applicable, have been met.

Paragraph 3. of Communication "A" 7518 was repealed, effective January 1, 2023, by Paragraph 5. of Communication "A" 7664, under which, if the exporter is a legal entity, it was required to have a "Certificate of Increase in Proceeds from Exports of Services in 2022," which is issued by a local financial institution when it verifies, among other conditions, that:
(1) the value of the proceeds from exports of services for the projected items entering the foreign exchange market in the year 2022 is greater than the value of its export proceeds for the same set of items received in all of 2021;
(2) the amount of the certificates issued, including the one requested, does not exceed the equivalent in foreign currency of the lesser of the following two values:
(a) 50% of the amount by which the income entering the foreign exchange market from the proceeds from exports of services under the items mentioned in Paragraph 1 in the year 2022 exceeds the amount received for such items during the entire previous year;
(b) the amount in foreign currency equivalent to 20% of the gross wages paid to workers in the previous calendar month multiplied by the number of months remaining until the end of the year including the current month.
(3) the institution has an affidavit from the exporter stating its commitment to ensure that the funds not sold through this mechanism will be used to pay net wages of workers in foreign

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		currency within the limit of 20% provided for in Article 107 of the Labor Contract Law, and it does not have any record of non-compliance with respect to the entry and sale of proceeds from exports of services and with respect to the performance of certain transactions with securities. Under Paragraphs 1.1, 1.2, and 2.2 of the TO de EyC, local financial institutions intervene in cases in which sale of the foreign exchange on the foreign exchange market is required.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Broadly speaking, as indicated in Article 1 of Decree No. 616/05, regardless of whether there is repatriation on the foreign exchange market or not, any borrowing operation by residents that implies a future payment in foreign exchange to nonresidents must be registered with the BCRA, and, in accordance with Paragraph 1.9 of the TO de EyC, the "Survey of External Assets and Liabilities" must be completed, even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned. In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of the foreign exchange must be credited to a local account (Paragraph 2.9 of the TO de EyC). For the remaining requirements set out in Article 4 of the aforementioned decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (Paragraph 2.9 of the TO de EyC).
Repatriation requirements	Yes.	Since September 1, 2019, Paragraph 1.7 of Communication "A" 6780 establishes that the receipt by residents of foreign currency amounts from sales to nonresidents of nonproduced nonfinancial assets must be repatriated and sold on the foreign exchange market within 5 business days of the date of receipt of the funds abroad or in Argentina or their credit to accounts abroad (found in Paragraph 2.3 of the TO de EyC). Effective November 24, 2023, the obligation may be considered fully met, when, before December 10, 2023, at least 50% of the amount received has been settled through the foreign exchange market, and for the remaining percentage, the customer has arranged purchase and sale transactions with securities acquired with settlement in foreign exchange and sold with settlement in local currency (Communication "A" 7894 of November 23, 2023, incorporated into Paragraph 2.3. of the TO). Effective December 10, 2023, this condition expired. Foreign financial debts disbursed as from September 1, 2019, must be repatriated and sold on the foreign exchange market as a prerequisite for subsequent access to the market for principal and interest payments. Communication "A" 6776 of September 5, 2019, provides that, in the case of institutions, this requirement is deemed to be met when the funds are included in the PGC. These provisions

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		are found respectively in Paragraphs 2.4. and 5.10.4 of the TO de EyC and supplementary provisions. Paragraph 1 of Communication "A" 6838 establishes that issues of debt securities by residents that are registered in Argentina as from November 29, 2019, denominated and subscribed in foreign currencies and the capital and interest of which are payable in Argentina in foreign currency, must be sold on the foreign exchange market as a requirement for subsequent access to the market for principal and interest payments. In the case of legal entities, the requirement is deemed to be met when the funds are included in the PGC (Paragraphs 2.5 and 5.10.4. of the TO de EyC). Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned. In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (now Paragraph 2.9 of the TO de EyC).
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Since September 1, 2019, Paragraph 1.7 of Communication "A" 6780 establishes that the receipt by residents of foreign currency amounts from sales to nonresidents of nonproduced nonfinancial assets must be repatriated and sold on the foreign exchange market within 5 business days of the date of receipt of the funds abroad or in Argentina or their crediting to accounts abroad (incorporated in Paragraph 2.3 of the TO de EyC). Effective November 24, 2023, the obligation may be considered fully met, when, before December 10, 2023, at least 50% of the amount received has been settled through the foreign exchange market, and for the remaining percentage, the customer has arranged purchase and sale transactions with securities acquired with settlement in foreign exchange and sold with settlement in local currency (Communication "A" 7894 of November 23, 2023, incorporated into Paragraph 2.3. of the TO). Effective December 10, 2023, this condition expired. Foreign financial debts disbursed as from September 1, 2019, must be repatriated and sold on the foreign exchange market as a prerequisite for subsequent access to the market for principal and interest payments. Communication "A" 6776 of September 5, 2019, provides that, in the case of institutions, this requirement is deemed to be met when the funds are included in the PGC. These provisions are found respectively in Paragraphs 2.4. and 5.10.4 of the TO de EyC and supplementary provisions.

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		Paragraph 1 of Communication "A" 6838 establishes that issues of debt securities by residents that are registered in Argentina as from November 29, 2019, denominated and subscribed in foreign currencies and the capital and interest of which are payable in Argentina in foreign currency, must be sold on the foreign exchange market as a requirement for subsequent access to the market for principal and interest payments. In the case of legal entities, the requirement is deemed to be met when the funds are included in the PGC (Paragraphs 2.5 and 5.10.4 of the TO de EyC, respectively). Paragraph 2.7 allows exceptions to sale on the foreign exchange market under certain conditions. In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (now Paragraph 2.9 of the TO de EyC). Under Paragraphs 1.1 and 1.2 of the TO de EyC, local financial institutions intervene in cases in which sale of the foreign exchange on the foreign exchange market is required.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	There are no limitations on purchase by nonresidents of shares or other securities of a participating nature in the local market. For direct investment or portfolio investment by a nonresident, the foreign exchange regulations do not establish a requirement for the sale of the foreign exchange. Under Paragraph 2.8 of the TO de EyC, entities may conduct swaps and arbitrage with customers in the case of the repatriation of foreign exchange from abroad and allow these operations to be credited to accounts opened by the customer in foreign exchange, as long as these are not operations covered by the requirement for sale on the foreign exchange market. Under Paragraph 1.9 of the TO de EyC, the "Survey of External Assets and Liabilities" must be completed. Portfolio investments are operations covered by Article 3 of Decree No. 616/05, under which the proceeds from the sale of the foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616 as amended to 0 days, are

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applicable (Paragraph 2.9 of the TO de EyC).

Paragraph 4.3. of the TO de EyC, introduced by Communication "A" 7340, establishes that securities purchase and sale transactions with settlement in foreign currency must be paid through one of the following mechanisms:
by transferring funds to and from demand accounts in the customer's name at local financial institutions;
by wire transfer to bank accounts in the customer's name at a foreign institution that is not incorporated in countries or territories where the FATF Recommendations are not applied or not sufficiently applied.
Under no circumstances may these transactions be settled through payment in foreign currency banknotes or through their deposit in custodial accounts or in accounts of third parties.
Communication "A" 7551 effective July 21, 2022, incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the National Securities Commission (CNV). The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US$5,000.

Securities transactions with settlement in foreign currency are carried out in the capital market and allow the entry and exit of cross-border capital transactions through securities transactions at an exchange rate arising from the purchase and sale of securities in that market.

Residents and nonresidents can do transactions known as "Contado Con Liquidación" (CCL). These transactions are carried out exclusively in the capital market and consist of the purchase of negotiable instruments (notes or securities) traded in pesos in the local market (markets regulated by the CNV) and then sold in foreign markets where such negotiable instruments are also traded, and there they are settled in foreign currency.

In accordance with the CNV Regulations (T.O. 2013), a reporting system is established with respect to investments from nonresidents, that provide for: (1) trading and settlement and clearing agents;(2) mutual fund collective investment instrument managers. When resources are channeled on the national market, investments from individuals and and/or legal entities nonresident in the Argentine Republic and the total amount of such investments exceeds five million pesos (Arg$5,000,000), they must – within 10 business days after the end of each calendar month – remit through the financial information highway the balance of the investments mentioned at the close of the immediately preceding month, valuated at market price at the closing date of the reporting month. Agents that manage collective investment products for mutual funds will continue to report on the composition of the net assets of the fund and the holdings of shares of nonresidents, for each country. (3) Collective deposit agents must submit the following information, on a monthly basis, within 10 business days from the end of each calendar month, through the financial information highway: (a) Balances of

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investments on the national market, by residents and nonresidents in the Argentine Republic, by mechanism. (b) The number of investors by country of residence, registered in the collective deposit system for which they are responsible; (4) In the case of issuers, the25 companies with the highest levels of capitalization at the close of each month, for which the collective deposit agents or other relevant category of agents are not responsible for the register of shareholders; they must, within 10 business days after the end of the calendar month, submit through the financial information highway the list of shareholders resident and nonresident in the Argentine Republic, indicating country of residence, and a detailed listing of their shareholdings, with respect to their own register of shareholders.

The above-mentioned regulations also provide the following:

(1) a reporting system for customers that have a Identification Code (C.D.I.) or Foreign Investor Code (C.I.E.), requiring Trading Agents and Settlement and Clearing Agents, on a weekly basis, within 3 business days after the end of the calendar week, to submit to this Commission the following information regarding customers that are individuals or legal entities that have a C.D.I. or C.I.E. and that become holders and/or joint holders of one or more customer subaccounts: (a) detailed listing of all transactions carried out by these parties in the framework of the markets authorized by the Commission, in pesos and/or in foreign exchange, indicating the timing (the date of agreement and settlement), trading sector, type of transaction, mechanism or instrument, quantity, price, settlement currency, customer identification (C.D.I. or C.I.E. number), counterparty, and any other circumstances related to or required for their identification; (b) details of the issuing and receiving transfers of negotiable securities made by parties not corresponding to the settlement of transactions, indicating the timing, mechanism or instrument, amount, currency, customer identification (C.D.I. or C.I.E. number), counterparty, and any other relevant or necessary circumstances for their identification; and (c) detailed listing of receipts or withdrawals of pesos and/or foreign exchange, bank transfers and physical checks or e-checks, made by the said parties, indicating the date, amount, currency, and customer identification (C.D.I. or C.I.E. number), destination or origin, as appropriate, for bank transfers, and in case of checks or e-checks, details of the drawing party or beneficiary, as applicable.

(2) Certain limits and conditions regarding transactions of customers with C.D.I. or C.I.E. and (CUIT) (Pursuant to Article 6 TER of Chapter V of Title XVIII of the CNV Regulations).

In this connection, to carry out orders and/or to record transactions in connection with markets authorized by this Commission, in the framework of the operations provided in Paragraphs 3.16.3.1. and 3.16.3.2. of the Consolidated Text on External Affairs and Foreign Exchange of the BCRA, Trading Agents, Settlement and Clearing Agents, and Securities Brokers must, effective November 10, 2023, under General Resolution 981:

(a) with respect to each of their customers from abroad— individuals and/or legal entities— that have a C.D.I. or C.I.E. and that are not intermediaries and/or similar institutions based abroad regulated by the Securities Commissions or other supervision bodies, they must confirm that the operations to be carried out by such

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customers are for their own portfolio and involve their own funds, and that the daily transaction volume does not exceed the amount of one hundred million pesos (AR$100,000,000). This daily limit will not apply to transfers of negotiable securities (issued by residents) to foreign depositary institutions. In all cases, such agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved; or
(b) with respect to customers that are intermediaries and/or similar institutions based abroad and regulated by Securities Commissions or other supervision bodies, they must confirm that the intermediaries from abroad in reference are only acting: (i) on behalf and account of local Argentine third party customers, and that the daily transaction volume of each third party customer does not exceed the amount of one hundred million pesos (AR$100,000,000), and such Agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved; or (ii) on own account and with own funds. In this case, if the daily transaction volume exceeds the amount indicated in Item (i) of this paragraph, the Agents must forward to the Commission the information as provided, with the same advance and detail; or (iii) as depositaries of shares of local issuing companies to comply with the payment of dividends to holders, local Argentine or foreign nationals, of CDs in custodianship abroad (GDS/American Depositary Receipt (ADR)/ADS) corresponding to such issuers, by carrying out one or more transactions with negotiable securities intended to implement such payment abroad, and that: (a) such dividends have been approved by the shareholders' meeting in respect of holders of certificates with authorized trading on foreign markets; and (b) the local issuers in question are authorized to list on a market authorized by the Commission and to be listed on a foreign market with the deposit of their shares with a bank that issues CDs, and such agents must forward the following information to this Commission 5 business days in advance: (1) data on the local issuer and the amount of dividends involved; (2) type(s) of operation(s); (3) amount(s) involved; and (4) mechanism(s) and/or instrument(s) involved; or (c) For customers that have a C.U.I.T: (i) they must confirm that, when said customers act on behalf and by order of third parties, the daily transaction volume of all third parties does not exceed the amount of one hundred million pesos (AR$100,000,000), and such Agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved, with indication of the respective final customer(s) of such operations (actual beneficiary); including but not limited to their identification data, the C.U.I.T./C.U.I..L., C.D.I., C.I.E., or any identification code that may be created in the future by the AFIP, or its equivalent for foreign persons, if applicable; and (ii) when such customers act on their own account and with their own funds and the daily transaction volume exceeds the amount of two hundred million pesos (AR$200.000.000), the information provided in Item (i) of this paragraph must be submitted to this Commission with the same advanced notice and details. With relation to Paragraphs (a) and (b), the provisions of the FIU and Article 4 of Title XI of the Regulations must be observed in particular. The reporting systems established above are applicable to every customer subaccount and for all customer subaccounts held or jointly held by a single party.
Agents must confirm that the limits referred to in Paragraphs (a) to (c) have been met in accordance with the provisions for each case,

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		for the following purposes: (i) the conversion between common stock and CEDEARs or ADRs, regardless of the direction of the conversion, will also be considered as a transfer of negotiable securities to or from foreign depositaries; and (ii) in purchase transactions, the purchase price agreed in said transaction will be considered; and for outward transfers, conversions, and sales of negotiable securities with settlement in foreign exchange, the price in pesos of the asset in question on the previous day will be used. Agents will not be required to comply with the provisions of this Article to process transfers from issuers of negotiable securities to foreign depositary institutions when their prior crediting has been derived from a placement or primary tendering process.
Sale or issue locally by nonresidents	Yes.	Under the CNV regulations, foreign and Argentine issuers must meet the same requirements for public offerings of securities in Argentina. Foreign issuers must establish a permanent representative office and a domicile in Argentina to receive notices. Foreign issuers must state whether the securities are also being offered to the public in their country of origin and indicate all initial and periodic reporting requirements applicable to them. If the CNV determines that the regulations in the country of origin properly protect local investors and ensure an adequate flow of information, it may relax the requirements for those issuers. The CNV may authorize foreign issuers on a case-by-case basis to submit only such information as they would periodically submit to the corresponding authority in their jurisdiction of origin. Issuers of securities offered publicly in Argentina and abroad must submit all information required by the entities authorizing the foreign public offering and listing to the CNV in Spanish. The financial statements at the close of the fiscal year, in all cases, must be presented to include supplementary information to reconcile the effects on net equity and net earnings of accounting mechanisms other than those current in the Republic of Argentina, stating the exchange rate used to convert the items mentioned to Argentine pesos. Where the annual financial information is concerned, and for intermediate periods, publications may be issued without the indicated reconciliation. In such case, it should be clearly stated that the information was prepared in accordance with the current accounting standards in the country of origin, and that they are presented without being reconciled with Argentina's accounting standards. Nonresidents are subject to the same conditions as residents with regard to the sale or issue of shares or other equity securities. Paragraph 3.13 (which incorporates Paragraph 7 of Com "A" 6770, as amended by Communications "A" 6815 and 6855) establishes that access to the foreign exchange market by nonresident customers for the purchase of foreign exchange for the repatriation of portfolio investments requires the prior approval of the BCRA, with various exceptions including international organizations, official export credit agencies, and diplomatic and consular offices. Residents and nonresidents can do transactions known as CCL. These transactions are carried out exclusively in the capital market and consist of the purchase of negotiable instruments (notes or securities) traded in pesos in the local market (markets regulated by the CNV) and then sold in foreign markets where such negotiable instruments are also traded, and there they are settled in foreign currency.

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Paragraph 3.14.1 of the TO de EyC allows the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, and "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which

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incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.

It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;

(3) the customer is not an individual or legal entity included by the

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AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);
(4) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).

Paragraph 4.3. of the TO de EyC, introduced by Communication, establishes that securities purchase and sale transactions with settlement in foreign currency must be paid through one of the following mechanisms:
- by transferring funds to and from demand accounts in the customer's name at local financial institutions;
- by wire transfer to bank accounts in the customer's name at a foreign institution that is not incorporated in countries or territories where the FATF Recommendations are not applied or not sufficiently applied.
Under no circumstances may these transactions be settled through payment in foreign currency banknotes or through their deposit in custodial accounts or in accounts of third parties.
Communication "A" 7551 effective July 21, 2022, incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the CNV. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US$5,000.

The CNV Regulations (T.O. 2013.) established a reporting system with respect to investments from nonresidents, covering (1) trading and settlement agents and clearing agents; (2) administrative agents for mutual fund collective investment instruments. When they channel investments to the national market, from individuals and and/or legal entities nonresident in the Argentine Republic and the total amount of such investments exceeds five million pesos (Arg$5,000,000), they must – within 10 business days after the end of each calendar month – submit through the financial information highway the balance of the investments mentioned at the close of the immediately preceding month, valuated at market price at the closing date of the reporting month. Agents that manage collective investment instruments of mutual funds will continue to report on the composition of the net assets of the fund and the holdings of quotas of nonresidents, for each country. (3) Collective deposit agents must submit the following information, on a monthly basis, within 10

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business days from the end of each calendar month, through the financial information highway: (a) Balances of investments on the national market, by residents and nonresidents in the Argentine Republic, by mechanism; (b) Number of investors by country of residence, registered in the collective deposit system for which they are responsible. (4) In the case of issuers, the 25 companies with the highest levels of capitalization at the close of each month, for which the collective deposit agents or other category of agents concerned are not responsible for the register of shareholders; they must, within 10 business days after the end of the calendar month, submit through the financial information highway the list of shareholders resident and nonresident in the Argentine Republic, indicating the country of residence, and a detailed listing of their shareholdings, with respect to their own register of shareholders.

In addition, the above-mentioned regulations provide the following:

(1) a reporting system for customers that have a C.D.I. or C.I.E., requiring Trading Agents and Settlement and Clearing Agents, on a weekly basis, within 3 business days after the end of the calendar week, to submit to this Commission the following information regarding customers that are individuals or legal entities that have a C.D.I. or C.I.E. and that become holders and/or joint holders of one or more customer subaccounts: (a) detailed listing of all transactions carried out by these parties in the framework of markets authorized by the Commission, in pesos and/or in foreign exchange, indicating the timing (the date of agreement and settlement), trading sector, type of operation, mechanism or instrument, quantity, price, settlement currency, customer identification (C.D.I. or C.I.E. number), counterparty, and any other circumstances related to or required for their identification; (b) details of the issuing and receiving transfers of negotiable securities made by such parties not corresponding to the settlement of transactions, indicating the timing, mechanism or instrument, amount, currency, customer identification (C.D.I. or C.I.E. number), counterparty, and any other relevant or necessary circumstances for their identification; and (c) detailed listing of receipts or withdrawals of pesos and/or foreign exchange, bank transfers and physical checks or e-checks, made by the said parties, indicating the date, amount, currency, and customer identification (C.D.I. or C.I.E. number), destination or originating account, as appropriate, for bank transfers, and in case of checks or e-checks, details of the drawing party or beneficiary, as applicable.

(2) certain limits and conditions for carrying out transactions involving the sale of negotiable securities with settlement in foreign exchange, in any jurisdiction and regardless of the law governing their issue, as well as for processing issuance transfers to external depositary entities of negotiable securities acquired with settlement in domestic currency, regardless the law applicable to their issue (pursuant to Article 2, Chapter V, Title XVIII of the CNV Regulations).

In this connection, it is provided, to carry out transactions for the sale of negotiable securities with settlement in foreign exchange, in any jurisdiction, and regardless of the law applicable to their issue, a minimum holding period in the of 1 business day must be observed, from their credit to the Central Depositary Agent of Negotiable Securities (ADCVN). This minimum holding period will not be applicable to purchases of negotiable securities with settlement in foreign exchange in any jurisdiction. Settlement and Clearing Agents

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and Trading Agents may not carry out or settle transactions for the sales of negotiable securities with settlement in foreign exchange, in local and foreign jurisdictions, corresponding to ordering customers when the latter maintain borrowing positions with guarantees and/or swaps, regardless of the currency of settlement. For that purpose, said Agents: (a) may not under any circumstances grant financing for the acquisition of such securities that will be the subject of the sale transactions referred to in the preceding paragraph; and (b) they must require each ordering customer to issue an affidavit expressly stating that they do not hold borrower positions in any of the forward operations listed in the previous paragraph, as holders and/or joint holders, or with any registered Agent, and that they have not obtained any type of financing, in the form of funds and/or negotiable securities, and such affidavits must be kept on file with the relevant records. To make transfers to foreign depositaries of negotiable securities acquired with settlement in domestic currency, regardless of the law under which they were issued, they must be held in the portfolio for a minimum of 1 business day from their credit to the ADCVN, except in cases in which the crediting with said depositary agent derives from the primary placement of negotiable securities issued by the National Treasury, or when shares and/or CEDEAR are involved, with trading on markets regulated by this Commission. Settlement and Clearing Agents and Trading Agents must demonstrate compliance with the above-mentioned minimum holding period for the negotiable instruments in reference.

(3) Certain limits and conditions regarding transactions of customers with a C.D.I., C.I.E., or (CUIT) (Pursuant to Article 6 TER of Chapter V of Title XVIII of the CNV Regulations).

In this connection, to carry out orders and/or to record transactions in connection with markets authorized by this Commission, in the framework of the operations provided in Paragraphs 3.16.3.1. and 3.16.3.2. of the Consolidated Text on External Affairs and Foreign Exchange of the BCRA, Trading Agents, Settlement and Clearing Agents, and Securities Brokers must:

(a) with respect to each of their customers from abroad, individuals and/or legal entities that have a C.D.I. or C.I.E. and that are not intermediaries and/or similar institutions based abroad regulated by the Securities Commissions or other supervision bodies, they must confirm that the operations to be carried out by such customers are for their own portfolio and involve their own funds, and that the daily transaction volume does not exceed the amount of one hundred million pesos (AR$100,000,000). This daily limit will not apply to transfers of negotiable securities (issued by residents) to foreign depository institutions. In all cases, such Agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved; or
(b) with respect to customers that are intermediaries and/or similar institutions located abroad regulated by Securities Commissions or other supervision bodies, they must confirm that the intermediaries from abroad in reference are only acting: (i) on behalf and account of local Argentine third party customers, and that the daily transaction volume of each third party customer does not exceed the amount of one hundred million pesos (AR$100,000,000), and such agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and

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		(3) mechanism(s) and/or instrument(s) involved; or (ii) on own account and with own funds. In this case, if the daily transaction volume exceeds the amount indicated in Item (i) of this paragraph, the Agents must forward to the Commission the information as provided, with the same advance and detail; or (iii) as depositories of shares of local issuing companies to pay dividends to holders, local Argentine or foreign nationals, of CDs in custodianship abroad (GDS/ADR/ADS) corresponding to such issuers, by carrying out one or more transactions with negotiable securities intended to implement such payment abroad, and that: (a) such dividends have been approved by the shareholders' meeting in respect of holders of certificates with authorized trading on foreign markets; and (b) the local issuers in question are authorized to list on a market authorized by the Commission and to be listed on a foreign market with the deposit of their shares with a bank that issues CDs, and such Agents must forward the following information to this Commission 5 business days in advance: (1) data on the local issuer and the amount of dividends involved; (2) type(s) of operation(s);(3) amount(s) involved; and (4) mechanism(s) and/or instrument(s) involved; or (c) For customers that have a C.U.I.T: (i) confirmation that when said customers act on behalf and by order of third parties, the daily transaction volume does not exceed the amount of one hundred million pesos (AR$100,000,000), and such Agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved, with indication of the respective final customer(s) of such operations (actual beneficiary); including but not limited to their identification data, the C.U.I.T./C.U.I..L., C.D.I., C.I.E., or any identification code that may be created in the future by the AFIP, or its equivalent for foreign persons, if applicable; and (ii) when such customers act on their own account and with their own funds and the daily transaction volume exceeds the amount of two hundred million pesos (AR$200.000.000), the information provided in Paragraph (i) of this paragraph must be submitted to this Commission with the same advanced notice and details. With relation to Paragraphs (a) and (b), the provisions of the FIU and Article 4 of Title XI of the Regulations must be observed in particular. The reporting systems established above are applicable to each customer subaccount and for all customer subaccounts they hold or that one person holds jointly. Agents must confirm that the limits referred to in Paragraphs (a) to (c) have been met in accordance with the provisions for each case, for the following purposes: (i) the conversion between common stock and CEDEARs or ADRs, regardless of the direction of the conversion, will also be considered as a transfer of negotiable securities to or from foreign depositaries; and (ii) in purchase transactions, the purchase price agreed in said transaction will be considered; and for outward transfers, conversions and sales of negotiable securities with settlement in foreign exchange, the price in pesos of the asset in question on the previous day will be used. Agents are not required to comply with the provisions of this Article to proceed with issuance transfers of negotiable securities to foreign depositary institutions, when their prior crediting derived from a placement or primary tendering process.
Purchase abroad by residents	Yes.	Portfolio investments by residents abroad are subject to the provisions of Paragraphs 3.8 (individuals) and 3.10 (legal entities). This means that for individuals there is a limit of US$200 a month with all institutions, the remaining requirements established in the aforementioned paragraph must be met, and amounts above this limit are subject to prior approval. Legal entities require prior approval.

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However, residents can do transactions known as CCL. These transactions are carried out exclusively in the capital market and consist of the purchase of negotiable instruments (notes or securities) traded in pesos in the local market (markets regulated by the CNV) and then sold in foreign markets where such negotiable instruments are also traded, and there they are settled in foreign currency.

Paragraph 3.14.1 authorizes the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, and "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;

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(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in

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		local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200 amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). Effective October 5, 2023, the requirements imposed by General Resolution 979 and General Resolution 981 established that the Agents must, for the purposes of the provisions of the Communication "A" 7030, report for each of the subaccounts involved, as an affidavit and on a weekly basis within the 3 business days after the end of the calendar week, the details of the operations (involved in article 4 paragraph I and II), indicating: a) with respect to the provisions of section I, the date of agreement/settlement, client, counterparty, type, quantity and price, b) with respect to the provisions of section II, the date of settlement, counterparty, species, quantity and price. The affidavit had to be signed by the Agent legal representative and be sent to the Market of which the Agent is a member. These requirements were repealed by General Resolution 988 effective December 13, 2023.
Sale or issue abroad by residents	Yes.	The foreign exchange regulations do not establish a repatriation requirement for direct and portfolio investment sales operations abroad by residents. If the funds are repatriated, under Paragraph 2.8 of the TO de EyC, entities may conduct swaps and arbitrage with customers and allow credit of the proceeds of these operations to the foreign currency accounts of the customer, as long as these are not operations covered by the requirement for sale on the foreign exchange market. Under Paragraph 4.3.1 of the TO de EyC (incorporates Paragraph 6 of Communication "A" 7106 of September 15, 2020, in force as of September 16, 2020), transactions in securities contracted abroad

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may not be paid in pesos in Argentina; only operations contracted in Argentina may be paid in pesos in Argentina.

In the case of operations covered by Article 3 of Decree No. 616/05 (operations exceeding US$2 million by residents), the proceeds of the sale of the foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (Paragraph 2.9 of the TO de EyC).

For operations involving the purchase and sale of negotiable securities arranged on foreign markets, the Interim Provisions of the CNV Regulations provide that such transactions arranged on foreign markets as a customer with subaccounts held by registered Agents supervised by the Commission carried out:

I.- In accordance with instructions from third party customers:
(b) With respect to negotiable instruments or securities admitted to listing and/or trading in the Argentine Republic, they must, on a mandatory basis, be carried out in sectors to reflect offers using price/time priority from authorized markets under the oversight and supervision of a government regulatory agency, from a country that is not included on the list of non-cooperating jurisdictions for purposes of fiscal transparency pursuant to Article 24 of the Annex incorporating Decree No. 862/2019, as amended, and that is not considered high risk by the International FATF, and that regulatory entity must have a signed, current MoU for mutual assistance, collaboration, and information under the bilateral or multilateral mechanism (MoU/MMoU) with this Commission; and
(b) With respect to other negotiable instruments or securities not admitted to listing and/or trading in the Argentine Republic and the underlying assets of CDs, they may be carried out in the segment and markets referred to in Section I.-(a) or in areas of trading between counterparties outside of the markets authorized under the oversight and supervision of a government regulatory agency (over the counter); and/or

II.- For the own portfolio and with the own funds of the above-mentioned Agents: they may be carried out (a) in the sector and markets indicated in Section I.-(a); or (b) in areas of trading between counterparties outside of the markets authorized under the oversight and supervision of a government regulatory authority (over the counter), provided they are carried out with intermediaries and/or entities based abroad and regulated under the oversight and supervision of a government regulatory agency, corresponding to countries that meet the conditions provided in Section I.-(a) above, and the provisions of the FIU must be observed in any case.

Bonds or other debt securities — Yes.

Purchase locally by nonresidents — Yes. The foreign exchange regulations do not establish a requirement for the sale of the foreign exchange for portfolio investments by nonresidents.

Under Paragraph 2.8 of the TO de EyC, entities may conduct swaps and arbitrage with customers in the case of the repatriation of foreign exchange and allow credit of the proceeds of these operations to the

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foreign currency accounts of the customer, as long as these are not operations covered by the requirement for sale on the foreign exchange market.

Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities."

Portfolio investments are operations covered by Article 3 of Decree No. 616/05, that is, the proceeds of the sale of the foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616 to 0 days, are applicable (Paragraph 2.9 of the TO de EyC).

Paragraph 4.3. of the TO de EyC, introduced by Communication "A" 7340, establishes that securities purchase and sale transactions with settlement in foreign currency must be paid through one of the following mechanisms:
- by transferring funds to and from demand accounts in the customer's name at local financial institutions;
- by wire transfer to bank accounts in the customer's name at a foreign institution that is not incorporated in countries or territories where the FATF Recommendations are not applied or not sufficiently applied.
Under no circumstances may these transactions be settled through payment in foreign currency banknotes or through their deposit in custodial accounts or in accounts of third parties.

Communication "A" 7551 effective July 21, 2022, incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the CNV. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US$5,000.

Residents and nonresidents can do transactions known as CCL. These transactions are carried out exclusively in the capital market and consist of the purchase of negotiable instruments (notes or securities) traded in pesos in the local market (markets regulated by the CNV) and then sold in foreign markets where such negotiable instruments are also traded, and there they are settled in foreign currency.

It should be ensured that purchases of negotiable securities are subject to the provisions indicated on the CNV regulations in Paragraph XI.A.2.a.1.i.

Sale or issue locally by nonresidents Yes. Under the CNV regulations, foreign and Argentine issuers must meet the same requirements for public offerings of securities in Argentina. Foreign issuers must establish a permanent representative office and a domicile in Argentina to receive notices. Foreign issuers must state

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whether the securities are also being offered to the public in their country of origin and indicate all initial and periodic reporting requirements applicable to them. If the CNV determines that the regulations in the country of origin properly protect local investors and ensure an adequate flow of information, it may relax the requirements for those issuers. The CNV may authorize foreign issuers on a case-by-case basis to submit only such information as they would periodically submit to the corresponding authority in their jurisdiction of origin. Issuers of securities offered publicly in Argentina and abroad must submit all information required by the entities authorizing the foreign public offering and listing to the CNV in Spanish.
The financial statements at the close of the fiscal year, in all cases, must be presented to include supplementary information to reconcile the effects on net equity and net earnings of accounting mechanisms other than those current in the Republic of Argentina, stating the exchange rate used to convert the items mentioned to Argentine pesos. Where the annual financial information is concerned, and for intermediate periods, publications may be issued without the indicated reconciliation. In such case, it should be clearly stated that the information was prepared in accordance with the current accounting standards in the country of origin, and that they are presented without being reconciled with Argentina's accounting standards.

Nonresidents are subject to the same conditions as residents with regard to the sale or issue of bonds or other debt securities.

Paragraph 3.13 (which incorporates Paragraph 7 of Communication "A" 6770, as amended by Communications "A" 6815 and "A" 6855) establishes that access to the foreign exchange market by nonresident for the purchase of foreign exchange requires the prior approval of the BCRA, with various exceptions including international organizations, official export credit agencies, and diplomatic and consular offices, and transfers to individuals' bank accounts abroad of funds received in Argentina associated with the benefits granted by the National Government under Laws Nos. 24043, 24411, and 25914 and related provisions.

Paragraph 3.14.1 of the TO de EyC allows transfers of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad and Paragraph 3.14.2 allows transfers abroad by local depositary agencies of foreign currency funds received for principal and interest payments on National Treasury securities, the operation of which forms part of the payment process at the request of depositaries abroad. Same as above.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, and 7327 of July 10, 2021,

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"A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the

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instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;
(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and their procedure is not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, as amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included on the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for that purpose, and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).

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		Transactions with securities contractually arranged abroad may not be paid in pesos in Argentina; only operations contracted in Argentina may be paid in pesos in Argentina (Paragraph 4.3.1, which incorporates Communication "A" 7106 of September 15, 2020, in force as of September 16, 2020). Paragraph 4.3 of the TO EyC, introduced by Communication "A" 7340, establishes that securities purchase and sale transactions with settlement in foreign currency must be paid through one of the following mechanisms: - by transferring funds to and from demand accounts in the customer's name at local financial institutions; - by wire transfer to bank accounts in the customer's name at a foreign institution that is not incorporated in countries or territories where the FATF Recommendations are not applied or not sufficiently applied. Under no circumstances may these transactions be settled through payment in foreign currency banknotes or through their deposit in custodial accounts or in accounts of third parties. Communication "A" 7551 effective July 21, 2022, incorporated in Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the CNV. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US$5,000. Residents and nonresidents can do transactions known as CCL. These transactions are carried out exclusively in the capital market and consist of the purchase of negotiable instruments (notes or securities) traded in pesos in the local market (markets regulated by the CNV) and then sold in foreign markets where such negotiable instruments are also traded, and there they are settled in foreign currency. It should be ensured that sales of negotiable securities are subject to the provisions indicated on the CNV regulations in Paragraph XI.A.2.a.1.i.
Purchase abroad by residents	Yes.	Portfolio investments by residents abroad are subject to the provisions of Paragraphs 3.8 (individuals) and 3.10 (legal entities). This means that for individuals there is a limit of US$200 a month with all institutions, the remaining requirements established in the aforementioned paragraph must be met, and amounts above this limit are subject to prior approval. Legal entities require prior approval. However, residents can do transactions known as CCL. These transactions are carried out exclusively in the capital market and consist of the purchase of negotiable instruments (notes or securities) traded in pesos in the local market (markets regulated by the CNV) and then sold in foreign markets where such negotiable instruments are also traded, and there they are settled in foreign currency. Paragraph 3.14.1 authorizes the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own

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bank accounts abroad.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, and 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a

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related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, “A” 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.

It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with

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		securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200 amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). Transactions in securities contracted abroad may not be paid in pesos in Argentina; only operations contracted in Argentina may be paid in pesos in Argentina (Paragraph 4.3.1, which incorporates Communication "A" 7106 of September 15, 2020, in force as of September 16, 2020). It should be ensured that purchases and sales of negotiable securities are subject to Paragraph XI.A.2.a.1.iii of the CNV regulations.
Sale or issue abroad by residents	Yes.	Portfolio investment sales abroad by residents are not subject to a repatriation requirement. If the funds are repatriated, under Paragraph 2.8 of the TO de EyC, institutions may conduct swaps and arbitrage with customers and allow credit of the funds from these operations to the foreign currency accounts of the customer. In the case of issues of debt securities, Com "A" 6770 establishes that foreign financial debts disbursed as from September 1, 2019, must be repatriated and the funds sold on the foreign exchange market as a requirement for later access to that market for purposes of principal and interest payments. Communication "A" 6776 of September 5, 2019, provides that, in the case of institutions, this requirement is deemed to be met when the funds are included in the PGC. These provisions are found in Paragraphs 2.4 and 5.10.4. of the TO de EyC and supplementary provisions. Paragraph 1 of Communication "A" 6838 establishes that issues of debt securities by residents that are registered in Argentina as from November 29, 2019, denominated and subscribed in foreign currencies and the capital and interest of which are payable in Argentina in foreign currency, must be sold on the foreign exchange market as a requirement for subsequent access to the market for principal and interest payments. In the case of legal entities, the requirement is deemed to be met when the funds are included in the PGC (Paragraphs 2.4. and 5.10.4. of the TO de EyC). Paragraph 2.7 allows exceptions to sale on the foreign exchange market under certain conditions. Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal and interest payments on foreign financial debt as long as the following conditions are met:

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(1) the debtor demonstrates the repatriation and sale of foreign exchange on the foreign exchange market in an amount equivalent to the nominal value of the financial debt abroad. It is considered to be met:
- for funds disbursed prior to September 1, 2019;
- foreign debts originating as from September 1, 2019, that do not generate disbursements as they consist of refinancing of foreign financial debts that would have had access under the applicable regulations, as long as the refinancing does not occur prior to the maturity of the original debt;
- for the amount of the applicable issuance expenses and other expenses debited abroad for the bank transactions involved;
- for the difference between the actual issue value and the nominal value of issues of debt securities publicly registered abroad that are placed below par;
- for the portion corresponding to a capitalization of interest provided in the debt contract;
- for the portion of issues of debt securities registered publicly abroad as from October 9, 2020, with an average term of not less than two years that were delivered to financial creditors abroad and/or debt securities publicly registered in Argentina denominated in foreign exchange with maturities between October 15, 2020, and December 31, 2023, which made it possible to reach the refinancing parameters provided in Paragraph 3.17 (incorporating Communication "A" 7133 of October 9, 2020, 7230 of February 25, 2021, and Communication "A" 7621 of October 13, 2022. The latter extended the period until December 31, 2013);
- for the portion of issues of debt securities publicly registered abroad as from January 7, 2021, that were delivered to creditors for the refinancing of pre-existing financial debts with an extension of the average term, when this corresponds to the amount of refinanced principal, interest accrued until the date of refinancing and, provided the principal of the new debt securities does not fall due during the first two years, the amount equivalent to the interest that would accrue in the first two years on the debt refinanced in advance and/or for the extension of the refinanced principal and/or for interest that would accrue on the amounts thus refinanced (incorporating Communication "A" 7196 of January 6, 2021, and Communication "A" 7416 of December 9, 2021);
- for the portion subscribed in foreign currencies in Argentina of issues of debt securities publicly registered abroad as from February 5, 2021, as long as all of the conditions established are met (incorporating Communication "A" 7218 of February 4, 2021);
- for external financial debt originating from September 1, 2019, for the refinancing of the principal and/or interest in commercial debts with an external creditor, when the new debt does not entail maturities in connection with the refinanced debt or involve the execution of payments before the date on which the customer could have had access for commercial debt under the applicable regulations (Paragraph 20. of Communication "A" 7626 effective October 28, 2022).
- for external debt covered by Paragraphs 7.11.1.3. and 7.11.1.5. when the recording of customs revenue for goods is demonstrated to have a value equivalent to the financing received (Paragraph 5. of Communication "A" 7770 and Paragraph 5. of Communication "A" 7845 effective September 20, 2023).
- external financial debt covered by Paragraph 7.10.2.2. (ii) when the customs entry registration of goods is demonstrated to have a value equivalent to the financing received (Paragraph 3. of Communication "A" 7799 effective June 26, 2023).

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(2) The operation is declared, if appropriate, on the most recent required "Survey of External Assets and Liabilities;"

(3) Access to the foreign exchange market by residents, including entities, for prepayments of principal and interest more than 3 business days prior to their due date will require the prior approval of the BCRA (Communication "A" 7904 effective December 1, 2023 established the required authorization between December 1, 2023, and December 31, 2023, from the maturity date of the principal or interest service payable or the next business day when that date is not a business day and up to 3 business days before the maturity date provided the payment is made through a swap or arbitrage operation against a local foreign exchange account held by a customer that is authorized to make such payment. Communication "A" 7904 was repealed by Communication "A" 7917 effective December 13, 2023), unless all of the conditions provided in each case are met:
- prepayment is made simultaneously with the settlement of the funds from a new financial debt disbursed as from October 17, 2019;
- prepayment of interest in the context of a debt instrument swap (incorporates Com "A" 7133 of October 9, 2020);
- prepayment in the context of a refinancing process as provided by Paragraph 3.17 (incorporating Com "A" 7133 of October 9, 2020, and "A" 7196 of January 6, 2021).

(4) if the requirement for the prior approval of the BCRA is in effect for access to the foreign exchange market for payments at maturity of the principal of foreign financial debts of the nonfinancial private sector, this requirement will not be applicable as long as the funds have been repatriated and sold on the foreign exchange market as of November 16, 2020, the debt has an average term of no less than two years, and the purpose of the funds was the financing of projects included in the "Plan for the Promotion of the Production of Argentine Natural Gas – 2020–2024 Supply and Demand Scheme" established in Article 2 of Decree No. 892/20 (GAS PLAN) (Paragraph 3.5.4 which incorporates Communication "A" 7168 of November 19, 2020).
(5) principal and interest payments may be made on foreign financial debts as from their due date through the application of proceeds from exports of goods and services, as long as the requirements set out in Paragraph 7.9 (Financial operations authorized for application of proceeds from exports of goods and services) are met (Paragraph 3.5.5, which incorporates Communication "A" 7196 of January 6, 2021).

(6) Up to December 31, 2023 (extended until December 31, 2024 by Communication "A" 7935 of December 28, 2023), access to the foreign exchange market for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor with the BCRA authorization. (Paragraph 3.5.6, which incorporates Communication "A" 7030 and supplementary provisions, extended by Paragraph 1 of Communication "A" 7416 of December 9, 2021, Paragraph 1 of Communication "A" 7466 of March 3, 2022, and Communication "A" 7746 of April 20, 2023). This requirement does not apply to:
(1) Own operations of local financial institutions (Communication

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"A" 7052 of June 25, 2020);
(2) External financial debt having an average term of at least 2 years, and funds that have been brought in and settled through the foreign exchange market from October 2, 2020 (Communication "A" 7123 of October 1, 2020);
(3) External financial debt earmarked to finance projects in the framework of the Plan for the Promotion of the Production of Argentine Natural Gas – 2020–2024 Supply and Demand Scheme established in Article 2 of Decree No. 892/20 (GAS PLAN), when the funds have been repatriated and sold on the foreign exchange market as from November 16, 2020, and the debt has an average term of no less than two years (Communication "A" 7168 of November 19, 2020);
(4) The customer has a "Certificate of Increase in Exports of Goods" issued under Paragraph 3.18 for the equivalent of the principal amount being paid (Communication "A" 7301 of June 4, 2021).
(5) External financial debt which resulted in the issuance of a Certificate of Entry of External Financial Debt pursuant to Paragraph 3.19. (Communication "A" 7348 of August 26, 2021).

(6) It involves an external financial debt included in the mechanism of Paragraph 7.11. and the date of access is consistent with the conditions required to be eligible for such a mechanism (Paragraph 6. of Communication "A" 7770 effective May 18, 2023).

Effective December 13, 2023. Communication "A" 7917 repealed Paragraphs 3.19 and 3.20.
Paragraph 3.19 contemplated a mechanism that allowed clients who registered settlements of new financial debts abroad and who had a certification issued by an entity regarding compliance with the requirements provided for in Paragraph 3.19.2., could access the exchange market to process:
(1) payments for imports of goods without the prior approval required in Paragraph 10.11., Paragraph 10.12. and Paragraph 10.14.;
(2) payments for services to related counterparties without the prior consent of the BCRA required in Paragraph 3.2.5., to the extent that it is a payment from the expiration of an obligation for a service provided at least 180 calendar days before access or derived from a contract signed with similar advance notice;
(3) capital payments in advance of the maturity of commercial debts for the importation of goods and services that fall under Paragraph 10.2.4., to the extent that the average life of the new debt is at least 2 years greater than the life average remaining prepaid debt.
Paragraph 3.20 contemplated a mechanism that allowed, under conditions, access to the exchange market to make payments of capital and interest on financial debts abroad originated in a refinancing of commercial liabilities for the importation of goods and services signed as of August 27, 2021 and the new financial debt from abroad has an average life of no less than 2 years and does not register capital maturities until at least three months after the refinancing is completed.

(7) In the event that the debtor records scheduled principal due dates up to December 31, 2023 (extended by Paragraph 3. of Communication "A" 7416 of December 9, 2021, Paragraph 3. of Communication "A" 7466 of March 3, 2022, and Paragraph 2. of Communication "A" 7621 of October 13, 2022) on financial debts

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included in Paragraph 3.5 of the TO de EyC, they must comply with the provisions of Paragraph 3.17.

The provisions of Paragraph 3.17 (which incorporates Communication "A" 7106 of September 15, 2020, and supplementary provisions) established that nonfinancial private sector debtors and financial institutions that had maturities through to December 31, 2023, for the indicated operations, were required to present a refinancing plan based on the criteria set out in Paragraph 3.17.3. (provisions extended by Paragraph 3 of Communication "A" 7416 of December 9, 2021, Paragraph 3. of Communication "A" 7466 of March 3, 2022, and Paragraph 2. of Communication "A" 7621 of October 13, 2022).

Institutions may provide access to the foreign exchange market for the payment of principal and/or interest to trusts established in Argentina by a resident to guarantee principal and interest payments on their liability, as long as it is verified that the debtor had had access for payments in their name through compliance with the applicable regulatory provisions (Paragraph 3.7 of the TO de EyC).

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with

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settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each

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person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;
(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200 amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).

Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.

In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (now Paragraph 2.9 of the TO de EyC).

It should be ensured that purchases and sales of negotiable securities are subject to Paragraph XI.A.2.a.1.iv of the CNV Regulations.

On money market instruments Yes.

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Purchase locally by nonresidents	Yes.	The foreign exchange regulations do not establish a requirement for the sale of the foreign exchange for portfolio investments by nonresidents. Under Paragraph 2.8 of the TO de EyC, institutions may conduct swaps and arbitrage with customers in the case of the repatriation of foreign exchange and allow crediting of the proceeds of these operations to the foreign currency accounts of the customer. Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities." Portfolio investments are operations covered by Article 3 of Decree No. 616/05, that is, the proceeds of the sale of the foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616 to 0 days, are applicable (Paragraph 2.9 of the TO de EyC). Paragraph 4.3. of the TO de EyC, introduced by Communication "A" 7340, establishes that securities purchase and sale transactions with settlement in foreign currency must be paid through one of the following mechanisms: - by transferring funds to and from demand accounts in the customer's name at local financial institutions; - by wire transfer to bank accounts in the customer's name at a foreign institution that is not incorporated in countries or territories where the FATF Recommendations are not applied or not sufficiently applied. Under no circumstances may these transactions be settled through payment in foreign currency banknotes or through their deposit in custodial accounts or in accounts of third parties. Communication "A" 7551 effective July 21, 2022, incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and order of nonresident tourists, that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the CNV. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US$5,000. Residents and nonresidents can do transactions known as CCL. These transactions are carried out exclusively in the capital market and consist of the purchase of negotiable instruments (notes or securities) traded in pesos in the local market (markets regulated by the CNV) and then sold in foreign markets where such negotiable instruments are also traded, and there they are settled in foreign currency. It should be ensured that purchases of negotiable securities are subject to Paragraph XI.A.2.a.1.i of the CNV regulations.
Sale or issue locally by nonresidents	Yes.	CNV approval is required for public offerings, including both the issuance and sale of securities (CNV 2013 Consolidated Regulations,

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Title II, Chapter V, Section I). Issues of commercial paper must have a minimum maturity of seven business days.
Branches of stock companies established abroad pursuant to Article 118 of Law No. 19.550 may apply to the Commission to be listed in a special register to establish global programs for the issue of debt securities having amortization terms of up to one year, to be offered publicly, exclusively for qualified investors.
The same requirements are applicable to nonresidents as for issuers that are resident in Argentina with respect to the sale or issuance of money market instruments.
Nonresidents are authorized to issue debt instruments denominated both in foreign currency and in pesos, with the same scope and under the same rules to which residents are subject.

Paragraph 3.13 (which incorporates Paragraph 7 of Communication "A" 6770, as amended by Communications "A" 6814 and "A" 6855) establishes that access to the foreign exchange market by nonresident customers for the purchase of foreign exchange requires the prior approval of the BCRA, with various exceptions including international organizations, official export credit agencies, and diplomatic and consular offices.

Paragraph 3.14.1 of the TO de EyC allows the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "Ä" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of

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securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of

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what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;
(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);
(4) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).

Paragraph 4.3. of the TO de EyC, introduced by Communication "A" 7340, establishes that securities purchase and sale transactions with settlement in foreign currency must be paid through one of the following mechanisms:
- by transferring funds to and from demand accounts in the customer's name at local financial institutions;
- by wire transfer to bank accounts in the customer's name at a foreign institution that is not incorporated in countries or territories where the FATF Recommendations are not applied or not sufficiently applied.
Under no circumstances may these transactions be settled through payment in foreign currency banknotes or through their deposit in custodial accounts or in accounts of third parties.
Communication "A" 7551 effective July 21, 2022, incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists, that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the CNV. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US$5,000.

Residents and nonresidents can do transactions known as CCL. These transactions are carried out exclusively in the capital market and consist of the purchase of negotiable instruments (notes or

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		securities) traded in pesos in the local market (markets regulated by the CNV) and then sold in foreign markets where such negotiable instruments are also traded, and there they are settled in foreign currency. It should be ensured that sales of negotiable instruments are subject to Paragraph XI.A.2.a.1.ii of the CNV Regulations.
Purchase abroad by residents	Yes.	Portfolio investments abroad by residents are subject to the provisions of Paragraphs 3.8 (individuals) and 3.10 (legal entities). This means that for individuals there is a limit of US$200 a month with all institutions, the remaining requirements established in the aforementioned paragraph must be met, and amounts above this limit are subject to prior approval. Legal entities require prior approval. However, residents can do transactions known as CCL. These transactions are carried out exclusively in the capital market and consist of the purchase of negotiable instruments (notes or securities) traded in pesos in the local market (markets regulated by the CNV) and then sold in foreign markets where such negotiable instruments are also traded, and there they are settled in foreign currency. Paragraph 3.14.1 authorizes the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad. In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA: (1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024); (2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under

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Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those

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		directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication “A” 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the “Registry of Foreign Exchange Information of Exporters and Importers of Goods” and that are not indicated as “NOT REGISTERED” (Paragraph 3.16.5, which incorporates Communication “A”, amended by Communication “A” 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication “A” 7422 of December 16, 2021, taking into account the provisions of Communication “B” 12082 of October 28, 2020). Transactions in securities contracted abroad may not be paid in pesos in Argentina; only operations contracted in Argentina may be paid in pesos in Argentina (Paragraph 4.3.1, which incorporates Paragraph 6 of Communication “A” 7106 from September 16, 2020).
Sale or issue abroad by residents	Yes.	The foreign exchange regulations do not establish a repatriation requirement for sales abroad of portfolio investments by residents. If the funds are repatriated, under Paragraph 2.8 of the TO de EyC entities may conduct swaps and arbitrage with customers and allow credit of the proceeds of these operations to the foreign currency accounts of the customer. In the case of issues, Communication “A” 6770 establishes that foreign financial debts disbursed as from September 1, 2019, must be repatriated and the funds sold on the foreign exchange market as a requirement for later access to that market for principal and interest payments. Communication “A” 6776 of September 5, 2019, provides

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that, in the case of institutions, this requirement is deemed to be met when the funds are included in the PGC. These provisions are collected in Paragraphs 2.4 and 5.10.4 of the TO de EyC.

Paragraph 2.7 allows exceptions to sale on the foreign exchange market under certain conditions.

Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal and interest payments on foreign financial debt as long as the conditions set out therein are met.

Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
Effective September 5, 2023, an exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.

Effective October 21, 2023, the exception that funds related to Decree No. 443/23 are of free usage expired.

Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024.

(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with

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settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following

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		situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). Transactions in securities contracted abroad may not be paid in pesos in Argentina; only operations contracted in Argentina may be paid in pesos in Argentina (Paragraph 4.3.1). In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (now Paragraph 2.9 of the TO de EyC).
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	The foreign exchange regulations do not establish a requirement for the sale of the foreign exchange for portfolio investments by nonresidents.

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		Under Paragraph 2.8 of the TO de EyC, institutions may conduct swaps and arbitrage with customers in the case of the repatriation of foreign exchange and allow crediting of the proceeds of these operations to the foreign currency accounts of the customer. Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities." Portfolio investments are operations covered by Article 3 of Decree No. 616/05, that is, the proceeds of the sale of the foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616 to 0 days, are applicable (Paragraph 2.9 of the TO de EyC). Paragraph 4.3. of the TO de EyC, introduced by Communication "A" 7340, establishes that securities purchase and sale transactions with settlement in foreign currency must be paid through one of the following mechanisms: - by transferring funds to and from demand accounts in the customer's name at local financial institutions; - by wire transfer to bank accounts in the customer's name at a foreign institution that is not incorporated in countries or territories where the FATF Recommendations are not applied or not sufficiently applied. Under no circumstances may these transactions be settled through payment in foreign currency banknotes or through their deposit in custodial accounts or in accounts of third parties. Communication "A" 7551 effective July 21, 2022, incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists, that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the CNV. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations exceeding the equivalent of US$5,000.
Sale or issue locally by nonresidents	Yes.	CNV approval is required for public offerings of the following securities, including current issues and previous issues to be offered for sale: (1) negotiable instruments (CNV Consolidated Regulations, Title II, Chapter VIII); (2) financial trusts (Title V, Chapter IV); and (3) mutual funds (Title V, Chapters I, II, and III). Collective investment securities that wish to be issued from outside Argentina must follow the following provisions set out in Chapter VIII of Title II, Sections I and II of the CNV Regulations. If they wish to be incorporated in the country, they are not subject to conditions different from those required of residents (Title V of the CNV Regulations for Mutual Funds and Financial Trusts). The provisions of Paragraph 3.13 (which incorporates Paragraph 7 of Communication "A" 6770, as amended by Communications "A" 6815 and "A" 6855) establish that access to the foreign exchange market by nonresident customers for the purchase of foreign exchange requires the prior approval of the BCRA, with various

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exceptions including international organizations, official export credit agencies, and diplomatic and consular offices.

Paragraph 3.14.1 of the TO de EyC authorizes the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad, and Paragraph 3.14.2 allows the transfer abroad of foreign currency by local securities depositories of foreign currency funds received for principal and interest payments on National Treasury securities, the operation of which forms part of the payment process at the request of the securities depositories abroad.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:

(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, and "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local

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financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.

It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the

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		TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). Paragraph 4.3 of the TO de EyC, introduced by Communication "A" 7340, establishes that securities purchase and sale transactions with settlement in foreign currency must be paid through one of the following mechanisms: - by transferring funds to and from demand accounts in the customer's name at local financial institutions; -by wire transfer to bank accounts in the customer's name at a foreign institution that is not incorporated in countries or territories where the FATF Recommendations are not applied or not sufficiently applied. Under no circumstances may these transactions be settled through payment in foreign currency banknotes or through their deposit in custodial accounts or in accounts of third parties. Communication "A" 7551 effective July 21, 2022, incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists, that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the CNV. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations exceeding the equivalent of US$5,000. Foreign exchange for these transactions can be accessed through the CCL market.
Purchase abroad by residents	Yes.	Portfolio investments by residents abroad are subject to the provisions of Paragraphs 3.8 (individuals) and 3.10 (legal entities). This means that for individuals there is a limit of US$200 a month with all entities, the remaining requirements established in the aforementioned paragraph must be met, and amounts above this limit are subject to prior approval. Legal entities require prior approval. Foreign exchange for these transactions can be accessed through the CCL market. Paragraph 3.14.1 (incorporating Paragraph 1.6.1 of Communication "A" 6776 of September 5, 2019) authorizes the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad. In addition, Paragraph 3.16 of the TO de EyC establishes further

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requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, and "A" 7327 of July 10, 2021, "A" 7552, effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May

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28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.

It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;

(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of

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		Communication “A” 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the “Registry of Foreign Exchange Information of Exporters and Importers of Goods” and that are not indicated as “NOT REGISTERED” (Paragraph 3.16.5, which incorporates Communication “A” 7200 amended by Communication “A” 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication “A” 7422 of December 16, 2021, taking into account the provisions of Communication “B” 12082 of October 28, 2020). Under Paragraph 4.3.1 of the TO de EyC (incorporates Paragraph 6 of Communication “A” 7106 from September 16, 2020), transactions in securities contracted abroad may not be paid in pesos in Argentina; only operations contracted in Argentina may be paid in pesos in Argentina.
Sale or issue abroad by residents	Yes.	The foreign exchange regulations do not establish repatriation requirement sales operations for portfolio investments abroad by residents. If the funds are repatriated, under Paragraph 2.8 of the TO de EyC (incorporates Paragraph 1.6.2 of Communication “A” 6776 of September 5, 2019), institutions may conduct swaps and arbitrage with customers and allow crediting of the proceeds of these operations to the foreign currency accounts of the customer. In the case of issues, Communication “A” 6770 establishes that foreign financial debts disbursed as from September 1, 2019, must be repatriated and the funds sold on the foreign exchange market as a requirement for later access to that market for principal and interest payments. Communication “A” 6776 of September 5, 2019, provides that, in the case of institutions, this requirement is deemed to be met when the funds are included in the PGC. These provisions are found in Paragraphs 2.4 and 5.10.4 of the TO de EyC and supplementary provisions. Paragraph 2.7 allows exceptions to sale on the foreign exchange market under certain conditions. Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal and interest payments on foreign financial debt as long as the conditions set out therein are met. Paragraph 1.9 of the TO de EyC requires completion of the “Survey of External Assets and Liabilities,” even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned. In addition to the requirements specifically established for transactions involving flows of funds abroad, the customer must comply with the additional requirements set out in Paragraph 3.16 of the TO de EyC mentioned previously. Under Paragraph 4.3.1 of the TO de EyC (incorporates Paragraph 6

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		of Communication "A" 7106 from September 16, 2020), transactions in securities contracted abroad may not be paid in pesos in Argentina; only operations contracted in Argentina may be paid in pesos in Argentina. In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (now Paragraph 2.9 of the TO de EyC).
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Under Paragraph 3.12.3 of the TO de EyC (incorporates Paragraph 1.4 of Communication "A" 6780 of September 11, 2019), all settlements of futures, forwards, options, and any other type of derivative contracted in Argentina by institutions as from September 11, 2019, must take place in domestic currency. In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (now Paragraph 2.9 of the TO de EyC). Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned. Foreign exchange for these transactions can be accessed through the CCL market.
Sale or issue locally by nonresidents	Yes.	Derivatives may be traded for hedging, speculation, or arbitrage purposes. In the case of speculation and arbitrage, exposure of the underlying assets is not necessary. CNV approval is required. Specifically, in the case of futures and options contracts (standardized derivatives), the requirements set out in Article 22, Section IX, Chapter V, Title VI of the consolidated text of the CNV Regulations (N.T. 2013, as amended) must be met for CNV approval and subsequent trading on the authorized markets. In the case of derivatives between national and/or foreign counterparties not traded in markets authorized by the CNV, Article 189 of Law No. 27.440 established that the CNV will require registration, indicating that the contracts in question will be enforceable against third parties and will have a specific date as from the date of their registration. Article 10 bis of Section V, Chapter V, Title VI of the CNV Regulations (N.T. 2013 as amended) establishes that institutions for the registration of derivative operations or, in

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		their absence, markets and/or clearinghouses must register bilateral derivative contracts entered into outside the authorized markets. It provides that the parties required to register are entities under the jurisdiction of the Commission and agents registered with the Commission. Registration is voluntary for third parties, that is, for any individual or legal entity not under the jurisdiction of the Commission, which may register the contract, final settlement, and cancellation of bilateral derivative contracts outside the markets authorized by the CNV. Under Paragraph 3.12.3 of the TO de EyC, all settlements of futures, forwards, options, and any other type of derivative contracted in Argentina by institutions as from September 11, 2019, must take place in domestic currency. Paragraph 3.13 (which incorporates Paragraph 7 of Communication "A" 6770, as amended by Communications "A" 6815 and "A" 6855) establishes that access to the foreign exchange market by nonresident customers for any reason, including repatriation, requires the prior approval of the BCRA for the purchase of foreign currency, with various exceptions including international organizations, official export credit agencies, and diplomatic and consular offices. Foreign exchange for these transactions can be accessed through the CCL market.
Purchase abroad by residents	Yes.	Paragraph 3.12.1 (which incorporates Paragraph 3 of Communication "A" 6814) allows access to the foreign exchange market for the payment of premiums, constitution of guarantees, and settlements corresponding to interest rate hedging contracts on foreign obligations of residents that have been declared and validated, if appropriate, in the "Survey of External Assets and Liabilities," as they do not cover risks exceeding the foreign liabilities registered by the debtor at the interest rate for which the risk is covered in the said contracts. A customer accessing the foreign exchange market using this mechanism must appoint an entity to track the operation and sign an affidavit in which they commit to repatriating and selling the funds payable to the local customer as a result of the said operation or as a result of the release of the guarantee funds, within 5 business days. The remaining financial derivatives operations that are to be conducted by means of access to the foreign exchange market by residents that are not entities authorized to deal in foreign exchange must comply with the conditions set out in Paragraphs 3.8 (Individuals) and 3.10 (Legal Entities) or, failing this, have the prior approval of the BCRA. Foreign exchange for these transactions can be accessed through the CCL market by residents.
Sale or issue abroad by residents	Yes.	Paragraph 3.12.1 (which incorporates Paragraph 3 of Communication "A" 6814) allows access to the foreign exchange market for the payment of premiums, constitution of guarantees, and settlements corresponding to interest rate hedging contracts on foreign obligations of residents that have been declared and validated, if appropriate, in the "Survey of External Assets and Liabilities," as they do not cover risks exceeding the foreign liabilities registered by the debtor at the interest rate for which the risk is covered in the said contracts. A customer accessing the foreign exchange market using this mechanism must appoint an entity to track the operation and sign an affidavit in which they commit to repatriating and selling the funds

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		payable to the local customer as a result of the said operation or as a result of the release of the guarantee funds, within 5 business days. The remaining financial derivatives operations that are to be conducted by means of access to the foreign exchange market by residents that are not entities authorized to deal in foreign exchange must comply with the conditions set out in Paragraphs 3.8 (individuals) and 3.10 (legal entities) or, failing this, have the prior approval of the BCRA.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	No.	The foreign exchange regulations allow exporters to grant credits within the period of receipt of the proceeds.
To residents from nonresidents	Yes.	The foreign exchange regulations allow importers to be financed under the conditions set out in Paragraph 10.2.4. Access to the foreign exchange market for the payment of interest on debts for imports of goods and services when due is authorized as long as the institution verifies that the operation has been declared, if appropriate, in the most recent "Survey of External Assets and Liabilities." The prior approval of the BCRA is required for the prepayment of interest on commercial debts for imports of goods and services (Paragraph 3.3 of the TO de EyC). Until 12.31.23 (Communications "A" 7746, extended until 12.31.24 by Communication "A" 7935 of 12.28.23), the prior approval of the BCRA will be required when the creditor is a counterparty related to the debtor. This requirement will not be applicable when the operation meets any of the following criteria: (1) Own operations by local financial institutions are involved. (2) The customer has a Certificate of increase in exports of goods as provided in Paragraph 3.18 for the equivalent of the value paid, or (3) A Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21., for the equivalent of the amount payable, or (4) A Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22), issued in the framework of Paragraph 3.22., for the equivalent to the amount credited and paid, through a swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22." In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA: (1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A"

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7770 should not be considered, and effective September 28, 2023, Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
Effective September 5, 2023, an exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
Effective October 21, 2023, the exception that funds related to Decree No. 443/23 are of free usage expired.

Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).

(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to

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the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO -and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;
(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200 amended by Communication "A" 7273 of April 29, 2021);
(5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it

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		must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned. Foreign exchange for these transactions can be accessed through the CCL market.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These operations are governed by the regulations on the formation of assets, specifically the provisions in Paragraphs 3.8 (individuals, which incorporates Paragraph 6 of Communication "A" 6770 of September 1, 2019, and Paragraph 1 of Communication "A" 6815 of October 28, 2019) and 3.10 (legal entities, which incorporates Paragraph 5 of Communication "A" 6770 of September 1, 2019). This means that individuals are subject to a limit of US$200 a month from all entities, are subject to the remaining requirements established in the aforementioned paragraph, and amounts above this limit are subject to prior approval. Legal entities require prior approval. Paragraph 3.14.1 (incorporates Paragraph 1.6.1 of Communication "A" 6776 of 9.5.2019) authorizes the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad. In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA: (1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552, effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of

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capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, “A” 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication “A”

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		7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).
To residents from nonresidents	Yes.	Communication "A" 6770 establishes that foreign financial debts disbursed as from September 1, 2019, must be repatriated and sold on the foreign exchange market as a requirement for subsequent access to the market for principal and interest payments. Communication "A" 6776 of September 5, 2019, provides that, in the case of institutions, this requirement is deemed to be met when the funds are included in the PGC. These provisions are found in Paragraphs 2.4 and 5.10.4 of the TO de EyC and supplementary provisions. Paragraph 2.7 allows exceptions to sale on the foreign exchange

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market under certain conditions.

Paragraph 3.5 of the TO de EyC establishes that entities may provide access to the foreign exchange market for principal and interest payments on foreign financial debt as long as the following conditions are met:
(1) the debtor demonstrates the repatriation and sale of foreign exchange on the foreign exchange market in an amount equivalent to the nominal value of the financial debt abroad. It is considered to be met:
- for funds disbursed prior to September 1, 2019;
- foreign debts originating as from September 1, 2019, that do not generate disbursements as they consist of refinancing of foreign financial debts that would have had access under the applicable regulations, as long as the refinancing does not occur prior to the maturity of the original debt;
- for the amount of the applicable issuance expenses and other expenses debited abroad for the bank transactions involved;
- for the difference between the actual issue value and the nominal value of issues of debt securities publicly registered abroad that are placed below par;
- for the portion corresponding to a capitalization of interest provided in the debt contract;
- for the portion of issues of debt securities registered publicly abroad as from October 9, 2020, with an average term of not less than two years that were delivered to financial creditors abroad and/or debt securities publicly registered in Argentina denominated in foreign exchange with maturities between October 15, 2020, and December 31, 2023, which made it possible to reach the refinancing parameters provided in Paragraph 3.17. (incorporating Communication “A” 7133 of October 9, 2020, “A” 7230 of February 25, 2021, and Communication “A” 7621 of October 13, 2022. The latter extended the period until December 31, 2013);
- for the portion of issues of debt securities publicly registered abroad as from January 7, 2021, that were delivered to creditors for the refinancing of pre-existing financial debts with an extension of the average term, when this corresponds to the amount of refinanced principal, interest accrued until the date of refinancing and, provided the principal of the new debt securities does not fall due during the first two years, the amount equivalent to the interest that would accrue in the first two years on the debt refinanced in advance and/or for the extension of the refinanced principal and/or for interest that would accrue on the amounts thus refinanced (incorporating Communication “A” 7196 of January 6, 2021, and Communication “A” 7416 of December 9, 2021);
- for the portion subscribed in foreign currencies in Argentina of issues of debt securities publicly registered abroad as from February 5, 2021, as long as all of the conditions established are met (incorporating Com “A” 7218 of February 4, 2021);
- for financial debt abroad from 9.1.19 for the refinancing of the principal and/or interest of commercial debts with an external creditor, when the new debt does not provide maturities in connection with the refinanced debt or involve the execution of payments before the date on which the customer would have had access for commercial debt under the applicable regulations (Paragraph 20. of Communication “A” 7626 effective October 28, 2022).
- for debts abroad covered by Paragraphs 7.11.1.3. and 7.11.1.5. when the recording of customs entry for goods is demonstrated to have a value equivalent to the financing received (Paragraph 5. of

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Communication “A” 7770 and Paragraph 5. of Communication “A” 7845 effective September 20, 2023).
- financial debts abroad covered by Paragraph 10.2.2. ii) when the customs entry registration of goods is demonstrated for a value equivalent to the financing received (Paragraph 3. of Communication “A” 7799 effective June 26, 2023).

(2) The operation is declared, if appropriate, on the most recent required “Survey of External Assets and Liabilities;”

(3) Access to the foreign exchange market by residents, including entities, for prepayments of principal and interest more than 3 business days prior to their due date will require the prior approval of the BCRA, unless all of the conditions provided in each case are met:
- prepayment is made simultaneously with the settlement of the funds from a new financial debt disbursed as from October 17, 2019;
- prepayment of interest in the context of a debt instrument swap (incorporates Communication “A” 7133 of October 9, 2020);
- prepayment in the context of a refinancing process as provided by Paragraph 3.17 (incorporating Com “A” 7133 of October 9, 2020, and “A” 7196 of January 6, 2021).

Communication “A” 7904 effective December 1, 2023 provided the replacement, between December 1, 2023, and December 31, 2023, of Paragraph 3.5.3 establishing that access to the foreign exchange market occurs from the maturity date of the principal or interest service payable or the next business day when that date is not a business day. It may also be accessed up to 3 business days before the maturity date provided the payment is made through a swap or arbitrage operation against a local account in foreign exchange held by the customer that is authorized to make such payment. Communication “A” 7917 effective December 13, 2023 repealed Communication “A” 7904.

(4) If the requirement for the prior approval of the BCRA is in effect for access to the foreign exchange market for payments at maturity of the principal of foreign financial debts of the nonfinancial private sector, this requirement will not be applicable as long as the funds have been repatriated and sold on the foreign exchange market as of November 16, 2020, the debt has an average term of no less than two years, and the purpose of the funds has been the financing of projects included in the “Plan for the Promotion of the Production of Argentine Natural Gas – 2020–2024 Supply and Demand Scheme” established in Article 2 of Decree No. 892/20 (GAS PLAN) (Paragraph 3.5.4, which incorporates Com “A” 7168 of November 19 , 2020).

(5) Principal and interest payments may be made on foreign financial debts as from their due date through the application of proceeds from exports of goods and services, as long as the requirements set out in Paragraph 7.9 (Financial operations authorized for application of proceeds from exports of goods and services) are met (Paragraph 3.5.5, which incorporates Communication “A” 7196 of January 6, 2021).

(6) Up to December 31, 2023 (extended until December 31, 2024 by

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Communication “A” 7935 of December 28, 2023), access to the foreign exchange market with the authorization of the BCRA for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor. (Paragraph 3.5.6, which incorporates Communication “A” 7030 and supplementary provisions, extended by Paragraph 1 of Communication “A” 7416 of December 9, 2021, Paragraph 1 of Communication “A” 7466 of March 3, 2022, and Communication “A” 7746 of April 20, 2023). This requirement does not apply to:
(1) Own operations of local financial institutions (Communication “A” 7052 of June 25, 2020);
(2) External financial debt having an average term of at least 2 years, and funds that have been brought in and settled through the foreign exchange market from October 2, 2020 (Communication "A" 7123 of October 1, 2020);
(3) External financial debt earmarked to finance projects in the framework of the Plan for the Promotion of the Production of Argentine Natural Gas – 2020–2024 Supply and Demand Scheme established in Article 2 of Decree No. 892/20 (GAS PLAN), when the funds have been repatriated and sold on the foreign exchange market as from November 16, 2020, and the debt has an average term of no less than two years (Communication “A” 7168 of November 19, 2020);
(4) The customer has a Certificate of Increase in Exports of Goods issued in accordance with Paragraph 3.18 for the equivalent of the value of the amount of principal to be paid (Communication “A” 7301 of June 4, 2021);
(5) External financial debt in connection with the issuance of a Certificate of Entry of External Financial Debt pursuant to Paragraph 3.19., (Communication “A” 7348 of August 26, 2021);
(6) External financial debt in connection with refinancing directly with the creditor of commercial debts for the importing of goods and services covered by Paragraph 3.20. (Paragraph 20 of Communication “A” 7626 effective October 28, 2022);
(7) The customer has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21. for the equivalent of the amount of principal paid (Paragraph 8. of Communication “A” 7626 effective October 28, 2022).
(8) A swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22, and the customer has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) issued in the framework of Paragraph 3.22., for the equivalent of the amount to be paid (Communication “A” 7664 effective December 29, 2022).
(9) External financial debt under the mechanism of Paragraph 7.11. and the date of access is consistent with the conditions required to be eligible for such a mechanism (Paragraph 6. of Communication “A” 7770 effective May 18, 2023).

Paragraphs 3.19. and 3.20. were repealed as of December 13, 2023, by Communication “A” 7917.

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In the event that the debtor records scheduled principal due dates up to December 31, 2023 (extended by Paragraph 3 of Communication "A" 7416 of December 9, 2021, Paragraph 3 of Communication "A" 7466 of March 3, 2022, and Paragraph 2 of Communication "A" 7621 of October 13, 2022) on financial debts included in Paragraph 3.5 of the TO de EyC, they were required to comply with the provisions of Paragraph 3.17.

The provisions of Paragraph 3.17 (which incorporates Communication "A" 7106 of September 15, 2020, and supplementary provisions) established that nonfinancial private sector debtors and financial institutions that have maturities through to December 31, 2023, for the indicated operations must present a refinancing plan based on the criteria set out in Paragraph 3.17.3 (provisions extended by Paragraph 3 of Communication "A" 7416 of December 9, 2021, Paragraph 3 of Communication "A" 7466 of March 3, 2022, and Paragraph 2 of Communication "A" 7621 of October 13, 2022. The latter extended the period until December 31, 2013).

Institutions may provide access to the foreign exchange market for the payment of principal and/or interest to trusts established in Argentina by a resident to guarantee principal and interest payments on their liability, as long as it is verified that the debtor had had access for payments in their name through compliance with the applicable regulatory provisions (Paragraph 3.7 of the TO de EyC).

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);

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(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, “A” 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets

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in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in aforeign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;
(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication “A” 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the “Registry of Foreign Exchange Information of Exporters and Importers of Goods” and that are not indicated as “NOT REGISTERED” (Paragraph 3.16.5, which incorporates Communication “A” 7200, amended by Communication “A” 7273 of April 29, 2021);
(5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication “A” 7422 of December 16, 2021, taking into account the provisions of Communication “B” 12082 of October 28, 2020).

Paragraph 1.9 of the TO de EyC requires completion of the “Survey of External Assets and Liabilities,” even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.

In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (now

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		Paragraph 2.9 of the TO de EyC).
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Entities may give access to the foreign exchange market for principal and/or interest payments to trusts established in Argentina by a resident to ensure the capital and interest payments on its liability, as long as it verifies that the debtor had access for payments in its name to comply with the applicable regulatory provisions (Paragraph 3.7 of the TO de EyC). Under Paragraph 3.11.1 of the aforementioned TO de EyC, entities may give access to the foreign exchange market to residents with foreign debts or trusts established in Argentina to ensure capital and interest payments on such debt, for the purchase of foreign exchange to establish guarantees for the amounts owed under debt contracts when: (1) it involves commercial debts for the import of goods and/or services to a foreign financial institution or official export credit agency or foreign financial debts to unrelated creditors that under the regulations have access to the foreign exchange market for their repayment, the contracts of which provide for the crediting of the funds to guarantee accounts for future debt service on foreign debts; (2) the funds purchased will be deposited in accounts opened with local financial institutions under the conditions established in the contracts. The establishment of guarantees in accounts opened with foreign financial institutions will only be allowed when it is the only and exclusive option provided in the debt contracts entered into prior to August 31, 2019; (3) cumulative guarantees in foreign currencies that will be used for service payments do not exceed the amount to be paid on the next service payment due; (4) the daily excess amount does not exceed 20% of the amount indicated in (3); and (5) the intervening entity has verified the foreign debt documentation of the debtor and has the information needed to ensure that access is taking place under the conditions established in these provisions. The foreign currency funds not used for the settlement of contracted debt service payments must be sold on the foreign exchange market within 5 business days following the due date (Paragraph 3.11.4 of the TO de EyC). Paragraph 3.11.2. allows institutions to grant access to the foreign exchange market to residents that are required to make external financial debt service payments pursuant to Paragraph 3.5. or in respect of local debt instruments with access to the foreign exchange market as provided in Paragraph 3.6. for the purchase of foreign exchange before the deadline allowed by the regulations for each case, under the following conditions: 3.11.2.1. the funds acquired are deposited to foreign exchange accounts they hold with local financial institutions; 3.11.2.2. access is made no more than 5 business days before the deadline allowed in each case; 3.11.2.3. access is made with a daily amount not exceeding 20% of the amount to be paid at maturity; and 3.11.2.4. the intervening institution has verified that the debt for which the service will be paid using such funds is compliant with the current foreign exchange regulations under which such access is permitted. This paragraph was suspended until December 31, 23, by Communication “A” 7904, effective November 30, 2023 and subsequently, by Communication “A” 7917 effective December 13, 2023, Communication “A” 7904 was repealed.

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Communication “A” 7196 incorporated the following conditions: Entities may provide access to the foreign exchange markets to residents with debts originating as from January 7, 2021, that are covered by Paragraph 7.9 or to trusts established in Argentina to guarantee the payment of principal and interest on such debt for the purchase of foreign exchange for the establishment of guarantees in foreign currency accounts opened with local financial institutions or foreign financial institutions (in the case of a foreign debt) for the amounts owing on the debt agreements under the following conditions: the purchases take place simultaneously with the settlement of the foreign exchange and/or funds deposited in the name of the exporter in a correspondent account abroad of a local institution are used; and the guarantees established in foreign currencies do not exceed the equivalent of 125% of the principal and interest to be paid in the current month and the following six calendar months, in accordance with the schedule of service due dates agreed with the creditors (Paragraph 3.11.3 of the TO de EyC).

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication “A” 7030 of May 28, 2020, as amended and/or supplemented by Communications “A” 7042 of June 11, 2020, “A” 7094 of August 27, 2020, “A” 7327 of July 10, 2021, “A” 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, “A” 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered, and effective September 28, 2023, Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of

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securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of

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what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in said points;
(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021).
(5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020.

Communication "A" 7374, incorporated into Paragraph 3.15 of the TO, permitted local financial institutions to access the foreign exchange market to meet their obligations to nonresidents under financial guarantees granted on or after October 1, 2021, provided all of the following conditions are met:
(1) The granting of the guarantee was a requirement for the execution of a contract for the performance of work or delivery of goods and/or services that entailed, directly or indirectly, the export of goods and/or services of Argentine residents;
(2) The guarantee is issued at the request of the resident that will provide the goods or services and is associated with the performance of the contracts for work or delivery of goods and/or services by the resident or by a nonresident company under its control that will be responsible for execution of the contract;
(3) The counterparty to the aforementioned contract is a nonresident not related to the resident that will export the goods and/or services;
(4) The beneficiary of the payment is the nonresident counterparty or a foreign financial institution that has granted guarantees for the proper performance of contracts for work or delivery of goods and/or services by the exporter or a nonresident company that it controls;
(5) The amount of the guarantee granted by the local financial institution does not exceed the value of the exports of goods and/or

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		services to be performed by the resident based on the execution of the contract for work or the delivery of goods and/or services; (6) The term of the guarantee does not exceed 180 calendar days from the date of shipment of local goods or completion of the performance of services related to the contract covered by the guarantee.
To residents from nonresidents	No.	If appropriate, the provisions of Paragraph 2.9 of the TO de EyC applicable to certain foreign debts and repatriations by nonresidents must be met. In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (now Paragraph 2.9 of the TO de EyC).
Controls on direct investment	Yes.	Direct investments are exempt from the provisions of Articles 2 through 4 of Decree No. 616/05 and supplementary provisions (the amendments in Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance and Resolution No. 1/17 of the former MOF are currently applicable) and are not subject to the repatriation requirement. Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.
Outward direct investment	Yes.	These operations are governed by the regulations on the formation of assets, specifically the provisions in Paragraphs 3.8 (individuals) and 3.10 (legal entities). This means that individuals are subject to a limit of US$200 a month from all entities, are subject to the remaining requirements established in the aforementioned paragraph, and amounts above this limit are subject to prior approval. Legal entities require prior approval. However, for outward direct investment, foreign exchange can be accessed through the CCL market by residents. Paragraph 3.8 of the TO de EyC regulates access to the foreign exchange market for resident individuals for the formation of external assets, family support, and operations in derivatives without the prior approval of the BCRA under certain conditions: -it does not exceed the equivalent of US$200 a calendar month with all institutions and for all of the purposes indicated, net of the appropriate deductions for the subsequent operations (Paragraph 3.8.1 of the TO de EyC); - payment of debts between residents under the terms of Paragraph 3.6, including consumer financing granted by local financial institutions in foreign currency by means of credit or charge cards (Paragraph 3.8.1.1, which incorporates Communication "A" 7106 of September 15, 2020); - the purchase of foreign exchange for application simultaneously to the purchase of real property in Argentina with mortgage financing under the terms of Paragraph 3.9 (Paragraph 3.8.1.2, which

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incorporates Communication “A” 6787 of September 19, 2019);
- withdrawals of cash abroad using debit cards with debit to the customer’s local account in pesos under the terms of Paragraph 4.1.1 (Paragraph 3.8.1.3, which incorporates Communication “A 6948 of March 28, 2020);
- consumer payments made with debit cards abroad with debit to the local account in pesos under the terms of Paragraph 4.1.2 (Paragraph 3.8.1.4, which incorporates Communication “A” 7106 of September 15, 2020);
- the operation takes place by debiting the customer’s accounts in local financial institutions, with the use of domestic currency cash allowed for operations up to the equivalent of US$100 a calendar month with all institutions (Paragraph 3.8.2);
- the customer did not exceed the limits indicated in the previous calendar month (Paragraph 3.8.3);
- the customer undertakes not to conduct securities operations, directly or indirectly, or on the account and by order of third parties, with settlement in foreign currency in Argentina from the time access is requested for the subsequent 90 (ninety) calendar days for securities issued under Argentine law and for the subsequent 180 calendar days for securities issued under foreign law (Paragraph 3.8.4, which incorporates Communications “A” 7106 of September 15, 2020;. By Communication “A” 7746 effective April 20, 2023, it was established that said commitment has the character of a sworn declaration and Communication “A” 7838 effective September 7, 2023 established that the operations carried out by clients correspond to their own operations (and that they are not channeling third-party operations);

- the customer does not have outstanding financing corresponding to (Paragraph 3.8.5):
(1) that provided in Paragraph 2.1.1 of the regulations on “Financial Services in the Context of the Health Emergency set out in Decree No. 260/2020 Coronavirus (COVID-19)” (Paragraph 3.8.5.1, which incorporates Com “A” 7106 of September 15, 2020);
(2) “zero-rate loans,” “zero-rate cultural loans,” or “subsidized-rate loans for Businesses,” as set out in Paragraphs 2.1.2 and 2.1.3 of the regulations on “Financial Services in the Context of the Health Emergency set out in Decree No. 260/2020 Coronavirus (COVID-19)” (Paragraph 3.8.5.2, which incorporates Communications “A” 6993 of April 24, 2020, and “A” 7082 of August 6, 2020, respectively);
(3) financing in pesos included in Paragraph 2 of Communication “A” 6937, Paragraphs 2 and 3 of Communication “A” 7006 and supplementary provisions (Paragraph 3.8.5.3, which incorporates Communications “A” 7001 of April 30, 2020, and “A” 7001 of May 8, 2020, respectively).

- the customer is not a beneficiary of indexing of the amount of the installment payment under the terms of Article 2 of Decree No. 319/2020 and related provisions and regulations (Paragraph 3.8.6, which incorporates Communication “A” 7106 of September 15, 2020);

- the customer is not a national public civil servant with the rank of Deputy Secretary of State (or equivalent rank) or above, nor is a member of the boards of directors of national public banks or the BCRA (Paragraph 3.8.7, which incorporates Communication “A” 7126 of October 2, 2020);

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- the customer is not covered by Joint Resolution of the President of the Honorable Senate of the Nation and the President of the Honorable Chamber of Deputies of the Nation No. 12/2020 of October 1, 2020 (Paragraph 3.8.8, which incorporates Communication “A” 7126 of October 2, 2020);

- the customer is not a public utility user that is a beneficiary of the subsidy in the tariffs for the supply of natural gas through the grid, and/or electricity (Paragraph 3.8.9. which incorporates Communication "A" 7606 effective September 16, 2022);

- the customer has no outstanding debt as a beneficiary of the Social Security Debt Payment Plan provided in Law No. 27.705 or any other regularization plan for social security debt (Paragraph 3.8.10. which incorporates Communication “A” 7735 effective March 30, 2023).

- the customer has no outstanding debt as a beneficiary of “ANSES CREDITS” provided for in Resolution No. 144/2023 of the ANSES (Paragraph 3.8.11 which incorporates Communication “A” 7810 effective July 20, 2023);

- the customer has no outstanding debt for financing provided in Decree No. 463/23 for beneficiaries of the Argentine Integrated Pension System (SIPA) and workers contributing to the SIPA in reference (Paragraph 3.8.12 which incorporates Communication “A” 7840 effective September 12, 2023);

- the institution has an affidavit from the customer indicating that the customer complies with the previously mentioned requirements (Paragraph 3.8.13);

- the institution has verified in the online system implemented for that purpose that the affidavit of the customer is consistent with the data held by the BCRA (Paragraph 3.8.14);

- if the operation corresponds to the purposes included in the formation of external assets by the customer, the authorized selling institution must deposit the foreign currency banknotes or travelers checks in foreign currencies to a foreign currency account held by the customer in a local financial institution or a bank account held by the customer abroad, as appropriate (Paragraph 3.8.15). In any case, the institution must verify that the applicable requirements for the crediting of funds to a foreign currency account held by the customer at local financial institutions are complied with (requirement included pursuant to Paragraph 3 of Communication “A” 7401 of November 18, 2021).

Paragraph 3.14.1 authorizes the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:

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(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A"

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7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.

It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;

(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020);

(4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not

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		indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).
Inward direct investment	Yes.	Under Paragraph 2.8 of the TO de EyC, entities may conduct swaps and arbitrage with customers in the case of the repatriation of foreign exchange from abroad and allow the credit of these operations to accounts opened by the customer in foreign exchange. Effective December 29, 2022, Paragraph 2.10. of the TO, which incorporates Communication "A" 7664 of December 29, 2022, provides that a beneficiary of the Regime to Promote Investments for Exports from Activities of the Knowledge Economy provided in Chapter I of Decree No. 679/22, that record FDI contributions entering through the foreign exchange market are exempt from the requirement for the settlement of FDI contributions, provided the requirement is current, for an amount up to the equivalent to 20% of the contributions entering on the foreign exchange market when the following conditions have been met: (1) The exempted currencies are deposited into demand accounts known as "Special accounts for the regime to promote the knowledge economy, Decree No. 679/22"; and (2) The entity has an affidavit from the customer in which it undertakes to use the funds exclusively for the applications permitted in Paragraph 3.22.1. and to submit the documentation on the final capitalization of the contribution within 365 calendar days from the date of entry. Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities."
Controls on liquidation of direct investment	Yes.	The liquidation of direct investments of nonresidents: Paragraph 3.13.1 of the TO de EyC establishes that access to the foreign exchange market by nonresident customers for the purchase of foreign exchange will require the prior approval of the BCRA, with certain exceptions such as: - repatriations of direct investments of nonresidents in businesses that do not control local financial institutions, as long as the capital contribution has been repatriated and sold on the foreign exchange market as of October 2, 2020, and the repatriation takes place at least 2 years following entry (Paragraph 3.13.1.7). - repatriation of direct investments of nonresidents up to the amount of the investment contributions repatriated and sold on the foreign exchange market as of November 16, 2020, as long as the purpose of the funds was the financing of projects included in the "Plan for the Promotion of the Production of Argentine Natural Gas – 2020–2024 Supply and Demand Scheme" established in Article 2 of Decree No. 892/20; access must not take place until two years following the date of settlement on the foreign exchange market of the operation that meets the condition in this paragraph, among other conditions (Paragraph 3.13.1.8).

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- repatriations of direct investments of nonresidents in enterprises that do not control local financial institutions, provided they have a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21., for the equivalent of the amount to be repatriated (Paragraph 3.13.9. of Communication “A” 7626 effective October 28, 2022).
- repatriations of direct investments of nonresidents in businesses that do not control local financial institutions, as long as the customer has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) issued in the framework of Paragraph 3.2.2., for the equivalent of the amount to be repatriated, and access is made with a swap and/or arbitrage operation with funds deposited to a special account for the Regime to Promote the Knowledge Economy, Decree No. 679/22” in the name of the customer (Paragraph 3.13.1.10. which incorporates Communication "A" 7664 effective December 29, 2022).

The repatriation of direct investment contributions through the application of foreign exchange from collections on exports of goods and services will also be allowed as long as the requirements set out in Paragraph 7.9 (Paragraph 3.13.2, which incorporates Com “A” 7123 of October 1, 2020) are met.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication “A” 7030 of May 28, 2020, as amended and/or supplemented by Communications “A” 7042 of June 11, 2020, 7094 of August 27, 2020, and 7327 of July 10, 2021, “A” 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, effective September 20, 2023, Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered, and effective September 28, 2023, Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;

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(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of

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		what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points, (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.
		However, foreign exchange for the liquidation of direct investments can be accessed through the CCL market by nonresidents.
Controls on real estate transactions	Yes.	The rules governing direct investment apply. Direct investment encompasses real estate investments.
Purchase abroad by residents	Yes.	These operations are governed by the regulations on the formation of assets, specifically the provisions in Paragraphs 3.8 (individuals) and 3.10 (legal entities). This means that individuals are subject to a limit of US$200 a month from all entities, are subject to the remaining requirements established in the aforementioned paragraph, and amounts above this limit are subject to prior approval. Legal entities require prior approval. Paragraph 3.14.1 authorizes the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad. In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market

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without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, 7094 of August 27, 2020, and 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11,

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2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, “A” 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.

It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;

(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication “A” 7193 of December 30, 2020);

(4) individuals or legal entities that are considered regulated entities

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		having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). However, foreign exchange for the purchase of real estate abroad can be accessed through the CCL market by residents.
Purchase locally by nonresidents	No.	Direct investments are exempt from the provisions of Articles 2 through 4 of Decree No. 616/05 and supplementary provisions (the amendments in Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance and Resolution No. 1/17 of the former MOF are currently applicable) and are not subject to the repatriation requirement. Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.
Sale locally by nonresidents	Yes.	Paragraph 3.13 (which incorporates Paragraph 7 of Communication "A" 6770, amended by Communications "A" 6815 and "A" 6855) establishes that the liquidation of direct investments by nonresidents for the purchase of foreign exchange requires the prior approval of the BCRA, with various exceptions such as: - repatriations of direct investments of nonresidents in businesses that do not control local financial institutions, as long as the capital contribution has been repatriated and sold on the foreign exchange market as of October 2, 2020, and the repatriation takes place at least 2 years following entry (Paragraph 3.13.1.7). - repatriation of direct investments of nonresidents up to the amount of the investment contributions repatriated and sold on the foreign exchange market as of November 16, 2020, as long as the purpose of the funds was the financing of projects included in the "Plan for the Promotion of the Production of Argentine Natural Gas – 2020–2024 Supply and Demand Scheme" established in Article 2 of Decree No. 892/20; access must not take place until two years following the date of settlement on the foreign exchange market of the operation that meets the condition in this paragraph, among other conditions (Paragraph 3.13.8.). - repatriations of direct investments of nonresidents in businesses that do not control local financial institutions, as long as the customer has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22), issued as provided in Paragraph 3.21., for the equivalent of the amount to be repatriated (Paragraph 3.13.9. which incorporates Communication "A" 7626 effective October 28, 2022). - repatriations of direct investments of nonresidents in businesses that do not control local financial institutions, as long as the customer has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No.

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679/22), issued as provided in Paragraph 3.2.2., for the equivalent of the amount to be repatriated, and access is made with a swap and/or arbitrage operation with funds deposited to a special account for the Regime to Promote the Knowledge Economy, Decree No. 679/22 in the name of the customer (Paragraph 3.13.1.10. which incorporates Communication "A" 7664 effective December 29, 2022).

The repatriation of direct investment contributions through the application of foreign exchange from collections on exports of goods and services will also be allowed as long as the requirements set out in Paragraph 7.9 (Paragraph 3.13.2, which incorporates Communication "A" 7123 of October 1, 2020) are met.

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, 7094 of August 27, 2020, and 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local

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financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.

It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the

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		TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020). Paragraph 1.9 of the TO de EyC requires completion of the "Survey of External Assets and Liabilities," even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	These operations are governed by the regulations on the formation of assets, specifically the provisions in Paragraphs 3.8 (individuals) and 3.10 (legal entities). This means that individuals are subject to a limit of US$200 a month from all entities, are subject to the remaining requirements established in the aforementioned paragraph, and amounts above this limit are subject to prior approval. Legal entities require prior approval. Paragraph 3.14.1 authorizes the transfer of foreign exchange abroad by individuals from their local foreign currency accounts to their own bank accounts abroad. In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA: (1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, 7094 of August 27, 2020, and 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit

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provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(c) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, “A” 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the

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		same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO -and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).
To residents from nonresidents	Yes.	Communication "A" 6770 establishes that foreign financial debts disbursed as from September 1, 2019, must be repatriated and sold on the foreign exchange market as a requirement for subsequent access to the market for principal and interest payments. Communication "A" 6776 of September 5, 2019, provides that, in the case of institutions, this requirement is deemed to be met when the funds are included in the PGC. These provisions are found in

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Paragraphs 2.4 and 5.10.4 of the TO de EyC and supplementary provisions.

Paragraph 2.7 allows exceptions to sale on the foreign exchange market under certain conditions.

Paragraph 3.5 of the TO de EyC establishes that entities may provide access to the foreign exchange market for principal and interest payments on foreign financial debt as long as the following conditions are met:
(1) The debtor demonstrates the repatriation and sale of foreign exchange on the foreign exchange market in an amount equivalent to the nominal value of the financial debt abroad. It is considered to be met:
- for funds disbursed prior to September 1, 2019;
- foreign debts originating as from September 1, 2019, that do not generate disbursements as they consist of refinancing of foreign financial debts that would have had access under the applicable regulations, as long as the refinancing does not occur prior to the maturity of the original debt;
- for the amount of the applicable issuance expenses and other expenses debited abroad for the bank transactions involved;
- for the difference between the actual issue value and the nominal value of issues of debt securities publicly registered abroad that are placed below par;
- for the portion corresponding to a capitalization of interest provided in the debt contract; - for the portion of issues of debt securities registered publicly abroad as from October 9, 2020, with an average term of not less than two years that were delivered to financial creditors abroad and/or debt securities publicly registered in Argentina denominated in foreign exchange with maturities between October 15, 2020, and December 31, 2023, which made it possible to reach the refinancing parameters provided in Paragraph 3.17. (incorporating Communication “A” 7133 of October 9, 2020, “A” 7230 of February 25, 2021, and Communication “A” 7621 of October 13, 2022. The latter extended the period until December 31, 2013);
- for the portion of issues of debt securities publicly registered abroad as from January 7, 2021, that were delivered to creditors for the refinancing of pre-existing financial debts with an extension of the average term, when this corresponds to the amount of refinanced principal, interest accrued until the date of refinancing and, provided the principal of the new debt securities does not fall due during the first two years, the amount equivalent to the interest that would accrue in the first two years on the debt refinanced in advance and/or for the extension of the refinanced principal and/or for interest that would accrue on the amounts thus refinanced (incorporating Communication “A” 7196 of January 6, 2021, and Communication “A” 7416 of December 9, 2021);
- for the portion subscribed in foreign currencies in Argentina of issues of debt securities publicly registered abroad as from February 5, 2021, as long as all of the conditions established are met (incorporating Communication “A” 7218 of February 4, 2021);
- for financial debt abroad from 9.1.19 for the refinancing of the principal and/or interest of commercial debts with an external creditor, when the new debt does not provide maturities in connection with the refinanced debt or involve the execution of payments before the date on which the customer would have had access for commercial debt under the applicable regulations (Paragraph 20. of Communication “A” 7626 effective October 28,

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2022).
- for debts abroad covered by Paragraphs 7.11.1.3. and 7.11.1.5. when the recording of customs entry for goods is demonstrated to have a value equivalent to the financing received (Paragraph 5. of Communication "A" 7770 and Paragraph 5. of Communication "A" 7845 effective September 20, 2023).
- financial debts abroad covered by Paragraph 10.2.2. ii) when the customs entry registration of goods is demonstrated for a value equivalent to the financing received (Paragraph 3. of Communication "A" 7799 effective June 26, 2023).

(2) The operation is declared, if appropriate, on the most recent required "Survey of External Assets and Liabilities;"

(3) Access to the foreign exchange market by residents, including entities, for prepayments of principal and interest more than 3 business days prior to their due date will require the prior approval of the BCRA, unless all of the conditions provided in each case are met:
- prepayment is made simultaneously with the settlement of the funds from a new financial debt disbursed as from October 17, 2019;
- prepayment of interest in the context of a debt instrument swap (incorporates Communication "A" 7133 of October 9, 2020);
- prepayment in the context of a refinancing process as provided by Paragraph 3.17 (incorporating Com "A" 7133 of October 9, 2020, and "A" 7196 of January 6, 2021).

Communication "A" 7904 effective December 1, 2023 provided the replacement, between December 1, 2023, and December 31, 2023, of paragraph 3.5.3 establishing that access to the foreign exchange market occurs from the maturity date of the principal or interest service payable or the next business day when that date is not a business day. It may also be accessed up to 3 business days before the maturity date, provided the payment is made through a swap or arbitrage operation against a local account in foreign exchange held by the customer that is authorized to make such payment. Communication "A" 7917 effective December 13, 2023 repealed Communication "A" 7904.

(4) If the requirement for the prior approval of the BCRA is in effect for access to the foreign exchange market for payments at maturity of the principal of foreign financial debts of the nonfinancial private sector, this requirement will not be applicable as long as the funds have been repatriated and sold on the foreign exchange market as of November 16, 2020, the debt has an average term of no less than two years, and the purpose of the funds has been the financing of projects included in the "Plan for the Promotion of the Production of Argentine Natural Gas – 2020–2024 Supply and Demand Scheme" established in Article 2 of Decree No. 892/20 (GAS PLAN) (Paragraph 3.5.4, which incorporates Communication "A" 7168 of November 19, 2020).

(5) Principal and interest payments may be made on foreign financial debts as from their due date through the application of proceeds from exports of goods and services, as long as the requirements set out in Paragraph 7.9 (Financial operations authorized for application of proceeds from exports of goods and services) are met (Paragraph 3.5.5, which incorporates Communication "A" 7196 of January 6, 2021).

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(6) Up to December 31, 2023 (extended until December 31, 2024 by Communication “A” 7935 of December 28, 2023), access to the foreign exchange market with the authorization of the BCRA for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor. (Paragraph 3.5.6, which incorporates Communication “A” 7030 and supplementary provisions, extended by Paragraph 1 of Communication “A” 7416 of December 9, 2021, Paragraph 1 of Communication “A” 7466 of March 3, 2022, and Communication “A” 7746 of April 20, 2023). This requirement does not apply to:
1) Own operations of local financial institutions (Communication “A” 7052 of June 25, 2020);
(2) External financial debt having an average term of at least 2 years, and funds that have been brought in and settled through the foreign exchange market from October 2, 2020 (Communication “A” 7123 of October 1, 2020);
(3) External financial debt earmarked to finance projects in the framework of the Plan for the Promotion of the Production of Argentine Natural Gas – 2020–2024 Supply and Demand Scheme established in Article 2 of Decree No. 892/20 (GAS PLAN), when the funds have been repatriated and sold on the foreign exchange market as from November 16, 2020, and the debt has an average term of no less than two years (Communication “A” 7168 of November 19, 2020);
(4) The customer has a Certificate of Increase in Exports of Goods issued in accordance with Paragraph 3.18 for the equivalent of the value of the amount of principal to be paid (Communication “A” 7301 of June 4, 2021).
(5) External financial debt in connection with the issuance of a Certificate of Entry of External Financial Debt pursuant to Paragraph 3.19., (Communication “A” 7348 of August 26, 2021);
(6) External financial debt in connection with refinancing directly with the creditor of commercial debts for the importing of goods and services covered by Paragraph 3.20. (Paragraph 20 of Communication “A” 7626 effective October 28, 2022);
(7) The customer has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21. for the equivalent of the amount of principal paid (Paragraph 8. of Communication “A” 7626 effective October 28, 2022).
(8) A swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22, and the customer has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) issued in the framework of Paragraph 3.22., for the equivalent of the amount to be paid (Communication “A” 7664 effective December 29, 2022).
(9) External financial debt under the mechanism of Paragraph 7.11. and the date of access is consistent with the conditions required to be eligible for such a mechanism (Paragraph 6. of Communication “A” 7770 effective May 18, 2023).

Paragraphs 3.19. and 3.20. were repealed as of December 13, 2023 by Communication “A” 7917.

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In the event that the debtor records scheduled principal due dates up to December 31, 2023 (extended by Paragraph 3 of Communication "A" 7416 of December 9, 2021, Paragraph 3 of Communication "A" 7466 of March 3, 2022, and Paragraph 2 of Communication "A" 7621 of October 13, 2022) on financial debts included in Paragraph 3.5 of the TO de EyC, they were required to comply with the provisions of Paragraph 3.17.

The provisions of Paragraph 3.17 (which incorporates Communication "A" 7106 of September 15, 2020, and supplementary provisions) established that nonfinancial private sector debtors and financial institutions that have maturities through to December 31, 2023, for the indicated operations must present a refinancing plan based on the criteria set out in Paragraph 3.17.3 (provisions extended by Paragraph 3 of Communication "A" 7416 of December 9, 2021, Paragraph 3 of Communication "A" 7466 of March 3, 2022, and Paragraph 2 of Communication "A" 7621 of October 13, 2022. The latter extended the period until December 31, 2013).

Institutions may provide access to the foreign exchange market for the payment of principal and/or interest to trusts established in Argentina by a resident to guarantee principal and interest payments on their liability, as long as it is verified that the debtor had had access for payments in their name through compliance with the applicable regulatory provisions (Paragraph 3.7 of the TO de EyC).

In addition, Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA:
(1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, "A" 7094 of August 27, 2020, "A" 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of

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capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024);
(2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties:
(a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange;
(b) they have not carried out and will not carry out swaps of securities issued by residents for external assets;
(d) they have not carried out and will not carry out transfers of securities to foreign depositary entities;
(d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos;
(e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares;
(f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication “A” 7001 of April 30, 2020, replaced by Paragraph 4 of Communication “A” 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication “A” 7042 of June 11, 2020, Communication “A” 7327 of July 10, 2021, “A” 7385 of October 28, 2021, effective August 25, 2022, Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, “A” 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication “A”

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7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points;
(3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication “A” 7193 of December 30, 2020);
(4) individuals or legal entities that are considered regulated entities having complied with the “Registry of Foreign Exchange Information of Exporters and Importers of Goods” and that are not indicated as “NOT REGISTERED” (Paragraph 3.16.5, which incorporates Communication “A” 7200, amended by Communication “A” 7273 of April 29, 2021);
(5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication “A” 7422 of December 16, 2021, taking into account the provisions of Communication “B” 12082 of October 28, 2020).

Paragraph 1.9 of the TO de EyC requires completion of the “Survey of External Assets and Liabilities,” even when no funds have been repatriated on the foreign exchange market and/or future access to this market is not planned.

In the case of the operations covered by Article 3 of Decree No. 616/05, the proceeds from the sale of foreign exchange must be credited to a local account. For the remaining requirements set out in Article 4 of the said decree, the provisions of Resolution No. 3/15 of the former Ministry of the Treasury and Public Finance, which

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		reduced the percentage of the deposit indicated in Paragraph (c) of this article to 0, and the provisions of Resolution No. 1/17 of the MOF, which reduced the term indicated in Articles 2 and 4(a) of Decree No. 616, as amended, to 0 days, are applicable (now Paragraph 2.9 of the TO de EyC).
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	There are no restrictions or specific requirements for processing these transactions. Paragraph 3.16 of the TO de EyC establishes further requirements applicable to transactions involving flows of funds abroad via the foreign exchange market that customers must, if relevant, meet for purposes of access to the foreign exchange market without the prior approval of the BCRA: (1) submission of an affidavit linked to their holdings of external assets in Argentina and abroad (Paragraph 3.16.2, incorporating Paragraph 1 of Communication "A" 7030 of May 28, 2020, as amended and/or supplemented by Communications "A" 7042 of June 11, 2020, 7094 of August 27, 2020, and 7327 of July 10, 2021, "A" 7552 effective July 21, 2022, included Argentine Depositary Receipts in the said affidavit, "A" 7833 effective September 5, 2023, included an exception stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023, effective October 21, 2023 the exception that funds related to Decree No. 443/23 are of free usage expired, effective September 20, 2023, Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered, and effective September 28, 2023, Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital. Effective December 7, 2023, local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024) (2) submission of an affidavit indicating that on the day on which the request for access to the market is submitted, during the previous 90 days, or during the subsequent 90 days for securities issued under Argentine law, and during the previous 180 days, or during the subsequent 180 days for securities issued under foreign law, directly or indirectly, or on behalf and by order of third parties: (a) they have not sold and will not sell in Argentina securities with settlement in foreign exchange; (b) they have not carried out and will not carry out swaps of securities issued by residents for external assets; (c) they have not carried out and will not carry out transfers of securities to foreign depositary entities; (d) they have not acquired and will not acquire in Argentina securities issued by nonresidents with settlement in pesos; (e) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire CEDEARs representing foreign shares; (f) effective July 22, 2022 (Communication 7552), they have not acquired and will not acquire securities representing private debt

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issued in foreign jurisdictions;
(g) effective July 22, 2022 (Communication 7552), they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad. (Paragraph 3.16.3, which incorporates Paragraph 3 of Communication "A" 7001 of April 30, 2020, replaced by Paragraph 4 of Communication "A" 7030 of May 28, 2020, which extended the time period indicated from 30 days to 90 days, supplemented by Communication "A" 7042 of June 11, 2020, Communication "A" 7327 of July 10, 2021, "A" 7385 of October 28, 2021, effective August 25, 2022, Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary, "A" 7746 of April 20, 2023, that established the different terms according to the legislation applicable to the instrument, effective May 11, 2023, Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities, effective May 19, 2023, Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have

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		come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., effective September 8, 2023, Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points; (3) the customer is not an individual or legal entity included by the AFIP in the database of invoices or equivalent documents deemed to be fictional (Paragraph 3.16.4, which incorporates Paragraph 5 of Communication "A" 7193 of December 30, 2020); (4) individuals or legal entities that are considered regulated entities having complied with the "Registry of Foreign Exchange Information of Exporters and Importers of Goods" and that are not indicated as "NOT REGISTERED" (Paragraph 3.16.5, which incorporates Communication "A" 7200, amended by Communication "A" 7273 of April 29, 2021); (5) verification, before proceeding with transactions involving the outflow of funds abroad, whether the customer is included in the list of CUITs with inconsistent transactions in the online system implemented by the BCRA for such purpose and, if this is the case, it must strengthen the control measures to determine the reasonableness and genuineness of the transactions (Paragraph 3.16.6 introduced by Communication "A" 7422 of December 16, 2021, taking into account the provisions of Communication "B" 12082 of October 28, 2020).
To residents from nonresidents	No.	There are no restrictions or specific requirements for processing these transactions.
Settlement of debts abroad by immigrants	Yes.	Under Paragraph 6.5 of the TO de EyC, the exchange regulations apply based on residence or nonresidence in Argentina. In the case of residents, the provisions on the payment of foreign liabilities by residents set forth in Paragraph 3.5 of the TO de EyC apply; nonresidents remain subject to the prior approval specified in Paragraph 3.13 of the TO de EyC.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Under Paragraph 6.5 of the TO de EyC, the exchange regulations apply based on residence or nonresidence in Argentina. Transfers of foreign exchange abroad by resident individuals are governed by Paragraph 3.8 and transfers by nonresidents by Paragraph 3.13 of the TO de EyC. Nonresidents remain subject to the previous provision set out in Paragraph 3.13 of the TO de EyC.
Transfer into the country by immigrants	No.	Under Paragraph 6.5 of the TO de EyC, the exchange regulations apply based on residence or nonresidence in Argentina. There are no restrictions or specific foreign exchange requirements for these transactions. There is no repatriation obligation, but if the funds are repatriated under Paragraph 2.8 of the TO de EyC, entities may conduct swaps and arbitrage with customers and allow the credit of these operations to foreign currency accounts opened by the customer.
Transfer of gambling and prize earnings	No.	There are no restrictions or specific foreign exchange requirements for these transactions. There is no repatriation obligation, but if the funds are repatriated under Paragraph 2.8 of the TO de EyC, entities may conduct swaps and arbitrage with customers and allow the credit of these operations to foreign currency accounts opened by the customer.

Provisions Specific to the Financial Sector

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Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Financial institutions may obtain lines of credit from abroad. The use of the funds must comply with the provisions of the general rules in force regarding "Credit Policy" and "Credit Management." The TO de EyC does not regulate borrowing abroad. On foreign exchange aspects, Communication "A" 6770 establishes that foreign financial debts disbursed as from September 1, 2019, must be repatriated and the funds sold on the foreign exchange market as a requirement for later access to that market for principal and interest payments. Communication "A" 6776 of September 5, 2019 provides that, in the case of institutions, this requirement is deemed to be met when the funds are included in the PGC. These provisions are collected in Paragraphs 2.4. and 5.10.4. of the TO de EyC.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Financial intermediaries are permitted to grant credit assistance to residents in the country to finance investment, production, marketing, or consumption of goods and services for domestic consumption or export, or outward FDI by enterprises resident in the country. Financial assistance will only be granted to residents abroad if this general criterion is met and in certain specific cases (credit facilities to foreign banks, whether or not they are correspondents, for the purpose of facilitating local exports, credits to residents abroad corresponding to lags in the payment of operations involving quoted foreign currencies or securities, inter alia).
Lending locally in foreign exchange	Yes.	Lending capacity based on foreign exchange deposits and other liabilities through financial intermediation in foreign exchange (with the exception of inward commercial credit facilities) may be applied to the following: (1) prefinancing and financing of exports directly or through principals, trustees, or other brokers; (2) other financing for exporters expecting future foreign currency income streams and demonstrating, in the year prior to when the financing is granted, invoices reasonably comparable to the amount of financing; (3) financing of investment projects, working capital, or goods that increase the value of or are related to the production of goods to be exported; (4) financing for the producers of goods to be exported, whether as is or as part of other goods, by third-party purchasers, provided they have total assurances or guarantees in foreign currency from those third parties and/or firm sales contracts in foreign currency and/or in exportable goods; (5) financing for providers of goods and/or services that are part of the production process for fungible goods regularly and customarily quoted in foreign currency in domestic or foreign markets and widely disseminated and easily known to the public, provided they have firm sales contracts for those goods and/or services in foreign currency and/or in those goods; (6) commercial financing for commercial portfolio customers that is treated as consumer or housing loans – in accordance with the provisions established in the regulations on "Borrower Classification" – for the purpose of importing capital goods ("BK" in accordance with the NCMs as indicated in Annex I to Decree No. 690/02 and other supplementary provisions) that increase the production of goods intended for the domestic market; (7) loans made from one financial institution to another; (8) foreign currency debt securities or financial trust investment certificates publicly quoted with CNV authorization whose underlying assets are securities acquired by the trust and guaranteed by reciprocal guarantee companies, to finance export transactions; (9) financing of

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		producers, processors, or storage operators, provided they have contracts for the outright sale of the goods to an exporter at a price set or to be set in foreign currency that is customary in local or foreign markets and is widely published and easily accessible to the public; (10) other financing included in the credit program referred to in Inter-American Development Bank (IADB) Loan No. 1192/OC-AR, not to exceed 10% of borrowing capacity; (11) letters and notes of the BCRA denominated in US dollars; (12) direct investments abroad by companies resident in Argentina, the purpose of which is to develop productive activities in goods and/or nonfinancial services, whether through contributions or through purchases of shares in companies, provided they are established in countries or territories considered cooperative for purposes of fiscal transparency based on the provisions of Article 1 of Decree No. 589/13 and supplementary provisions; (13) financing of investment projects, including working capital, that allow increased production in the energy sector and have firm sales contracts and/or total assurances or guarantees in foreign currency; (14) primary subscription of foreign currency debt instruments of the National Treasury, up to an amount equal to one-third of the applications made; (15) financing of investment projects focusing on cattle ranching, including working capital, not to exceed 5% of the institution's deposits in foreign exchange; (16) financing of foreign importers for the acquisition of goods and/or services produced in the country, directly or through credit facilities to external banks; and (17) financing to residents in the country guaranteed with standby LCs issued by foreign banks or multilateral development banks having investment grade international risk ratings, provided these credit portfolios are unrestricted and that the funds are credited immediately on the simple request of the beneficiary. For purposes of such financing, whatever the source of the funds, financial institutions must verify that customers have sufficient payment capacity. To that end, they must consider at least two scenarios involving significant fluctuations in the exchange rate of different magnitudes within up to one year.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Financial institutions may freely determine the level of their PGC (Paragraph 5.9.1 of the TO de EyC) while foreign exchange bureaus and agencies may not increase their holdings in foreign currencies from the higher of the average of their holdings in August 2019 or the stock at the close of the day before September 2, 2019, without the prior approval of the BCRA (Paragraph 5.9.2. of the TO de EyC). Under Paragraph 5.9.3 of the TO de EyC, which incorporates Communication "A" 7551 effective July 21, 2022, entities may only purchase securities on the secondary market with settlement in foreign exchange up to the equivalent in USD of the foreign exchange received from nonresident customers in connection with the operations provided in Paragraph 4.4. (Operations with securities on account and by order of nonresident tourists).
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Saving deposits including payroll/social security and special deposits are subject to a minimum cash requirement of 45% or 20% (based on the category of financial institution) if denominated in pesos, or 25% if denominated in foreign currency. Fixed-term deposits are subject to a requirement that differs for pesos and foreign currencies (and based on the type of institution) and decreases according to the residual term. For fixed-term deposits with maturities of up to 29 days, the

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		minimum cash requirement is 32% or 11% for peso deposits depending on the type of institutions and 23% for foreign currency deposits. For fixed-term deposits with maturities from 30 to 59 days, the minimum cash requirement is 22% or 7% for peso deposits depending on the type of institutions and 17% for foreign currency deposits. For fixed-term deposits with maturities from 60 to 89 days, the minimum cash requirement is 4% or 2% for peso deposits depending on the type of institutions and 11% for foreign currency deposits. For fixed-term deposits in pesos with maturities of 90 days or more, the minimum cash requirement is 0%. For fixed-term deposits in foreign exchange with maturities from 90 to 179 days, the minimum cash requirement is 5%. For fixed-term deposits in foreign exchange with maturities from 180 to 365 days, the minimum cash requirement is 2%. For fixed-term deposits in foreign exchange with maturities more than 365 days, the minimum cash requirement is 0%. In accordance with Communication "A" 7561, effective July 29, 2022, decrease in the minimum cash requirement in pesos applicable to financial institutions subject to the regulations on the line of credit for financing the productive investments of micro-, small-, and medium-sized enterprises for financing granted from July 29, 2022 was changed to 40% (previously 34%). Classification of institutions: (1) institutions in Group A (made up of institutions with assets whose value is equal to or greater than 1% of the total assets of the financial system); (2) institutions in Group "B" (made up of institutions with assets whose value is less than 1% and equal to or greater than 0.25% of the total assets of the financial system); (3) institutions in Group "C" (made up of institutions with assets whose value is less than or equal to 0.25% of the total assets of the financial system). The indicator is the average of the assets corresponding to the months of July, August, and September of the previous year.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Transactions are prohibited by general policies on lending. Holdings of foreign public and private securities, including debt

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		instruments or holdings corresponding to asset portfolios, including foreign securities or CEDEAR, may not be recorded, except for investments in external public securities issued by OECD member countries whose sovereign debt has a minimum international rating of AA. In addition, the holding of debt instruments or stakes corresponding to asset portfolios established abroad is permitted, provided they are composed exclusively of Argentine national public and/or private securities, as well as depository receipts that correspond to these securities.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The net global foreign exchange position comprises total assets and liabilities, commitments and other instruments and financial intermediation operations in foreign currencies or linked to changes in the exchange rate, including spot and forward transactions and other derivatives contracts, the position in gold, deposits in the said currency in accounts at the BCRA, as well as BCRA bills in US dollars, BCRA monetary regulation instruments in foreign currency, subordinate debt in foreign currency and instruments representing foreign currency debt. Also included are forward operations entered into under framework agreements within authorized markets in Argentina in which settlement is by netting, without physical delivery of the underlying asset. In addition, equity certificates or debt securities issued by financial trusts and credit rights in respect of ordinary trusts when their underlying asset consists of assets in foreign currency, and the amount of transactions with raw materials or commodities (Paragraphs 3.6. and 6.1.3. of the rules on “Spot and forward transactions, repos, guarantees, other derivatives, and transactions with mutual funds”) will be computed. The position in currencies other than US dollars is expressed in the currency in question by applying the exchange rate published by the BCRA. Assets deductible for purposes of determining regulatory capital (RPC) and items recorded by financial institutions in their branches abroad are not included. The positive net global foreign exchange position may not exceed 5% of regulatory capital but may reach up to 30% of regulatory capital if under certain conditions National Treasury Notes denominated in US dollars are included. Any variation resulting from swaps by the National Executive Branch may only be covered by one of the applications provided in Section 2 of the Regulations on Credit Policy or by foreign currency forward transactions payable in pesos. The positive net global foreign exchange position must be measured on a daily basis instead of as the monthly average of daily balances. The decrease in foreign exchange assets as a result of the prepayments of local financing to private sector customers that began on September 5, 2019, under Communication “A” 6776. can only be offset in the overall net foreign exchange position (PGNME) up to the original maturity, with the net increase in holdings of National Treasury securities in foreign exchange. Effective June 9, 2023, Communication "A" 7786 established that sales on the secondary market of foreign-exchange negotiable bonds acquired as of June 9, 2023, by primary subscription will not be subject to the settlement mechanism provided in the foregoing paragraph when sales are executed 300 calendar days after the date of primary subscription. At the original maturity of the local

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		financing in foreign exchange, they may be offset with the purchase of any foreign exchange assets computable in the PGNME. There is also a limit on the positive spot position, which, measured daily, may not exceed an amount equivalent to 0% of the regulatory capital of the month prior to the month to which it corresponds. The negative net global foreign exchange position, expressed as a monthly average of the daily balances, should not exceed 30% of the financial institution's regulatory capital for the previous month. Overruns are subject to a charge equivalent to 1.5 times the average rate resulting from auctions of BCRA instruments in Argentine pesos for shorter terms. Financial institutions may freely determine the level and use of their PGC, under Paragraph 5.9.1 of the TO de EyC while foreign exchange bureaus and agencies may not increase their foreign currency holdings from the higher of their average holdings in August 2019 or the stock as of the close of the day before September 2, 2019 (Paragraph 5.9.2 of the TO de EyC). The PGC includes all of the institution's liquid external assets, net of debit balances of correspondents deriving from foreign exchange market transactions. It also includes buying and selling arranged on the foreign exchange market and pending settlement. The following, inter alia, are considered institutions' liquid external assets: banknotes and coins in foreign exchange, good delivery holdings in monetary gold or gold bars, correspondents' credit balances (including transfers to third parties without arranged settlement), other demand deposits with foreign financial institutions, investments in external public securities, and time CDs. PGCs do not include FDI, third-party external assets under custodianship, forward buying and selling of foreign exchange or foreign assets, deposits with the BCRA in foreign exchange in accounts in the name of the institution, and other local assets in foreign exchange, under Paragraph 6.7 of the TO de EyC.
On resident assets and liabilities	Yes.	The net global foreign exchange position comprises total assets and liabilities, commitments and other instruments and financial intermediation operations in foreign currencies or linked to changes in the exchange rate, including spot and forward transactions and other derivatives contracts, the position in gold, deposits in the said currency in accounts at the BCRA, as well as BCRA bills in US dollars, BCRA monetary regulation instruments in foreign currency, subordinate debt in foreign currency and instruments representing foreign currency debt. Also included are forward operations entered into under framework agreements within authorized markets in Argentina in which settlement is by netting, without physical delivery of the underlying asset. In addition, equity certificates or debt securities issued by financial trusts and credit rights in respect of ordinary trusts when their underlying asset consists of assets in foreign currency, and the amount of transactions with raw materials or commodities (Paragraphs 3.6 and 6.1.3 of the rules on "Spot and forward transactions, repos, guarantees, other derivatives, and transactions with mutual funds") [will be computed]. The position in currencies other than US dollars is expressed in the currency in question by applying the exchange rate published by the BCRA. RPC and items recorded by financial institutions in their branches abroad are not included. The positive net global foreign exchange position may not exceed 5% of regulatory capital but may reach up to 30% of regulatory capital if under certain conditions National Treasury Notes denominated in US dollars (Paragraphs 6 and 8 of Communication

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		"A" 6526 and Communications "A" 6699, 6735, and 7093) are included. Any variation resulting from swaps by the National Executive Branch may only be covered by one of the applications provided in Section 2 of the Regulations on Credit Policy or by forward transactions in foreign currency payable in pesos. The positive net global foreign exchange position must be measured on a daily basis instead of as the monthly average of daily balances. The decrease in foreign exchange assets as a result of prepayments of local financing to private sector customers that began on September 5, 2019, can only be offset in the PGNME up to the original maturity, with the net increase in holdings of National Treasury securities in foreign exchange. Sales on the secondary market of foreign-exchange negotiable bonds acquired as of June 9, 2023, by primary subscription will not be subject to the clearing mechanism provided in the above paragraph when sales are executed 300 calendar days after the date of the primary subscription. At the original maturity of the local financing in foreign exchange, they may be offset with the purchase of any foreign exchange assets computable in the PGNME. There is also a limit on the positive spot position, which, measured daily, may not exceed an amount equivalent to 0% of the regulatory capital of the month prior to the month to which it corresponds. The negative net global foreign exchange position, expressed as a monthly average of the daily balances, should not exceed 30% of the financial institution's regulatory capital for the previous month. Overruns are subject to a charge equivalent to 1.5 times the average rate resulting from auctions of BCRA instruments in Argentine pesos for shorter terms. Financial institutions may freely determine the level and use of their PGC, under Paragraph 5.9.1 of the TO de EyC while foreign exchange bureaus and agencies may not increase their foreign currency holdings from the higher of their average holdings in August 2019 or the stock as of the close of the day before September 2, 2019 (Paragraph 5.9.2 of the TO de EyC). The PGC includes all of the institution's liquid external assets, net of debit balances of correspondents deriving from foreign exchange market transactions. It also includes buying and selling arranged on the foreign exchange market and pending settlement. The following, inter alia, are considered institutions' liquid external assets: banknotes and coins in foreign exchange, good delivery holdings in monetary gold or gold bars, correspondents' credit balances (including transfers to third parties without arranged settlement), other demand deposits with foreign financial institutions, investments in external public securities, and time CDs. PGCs do not include FDI, third-party external assets under custodianship, forward buying and selling of foreign exchange or foreign assets, deposits with the BCRA in foreign exchange in accounts in the name of the institution, and other local assets in foreign exchange, under Paragraph 6.7 of the TO de EyC.
On nonresident assets and liabilities	Yes.	The net global foreign exchange position comprises total assets and liabilities, commitments and other instruments and financial intermediation operations in foreign currencies or linked to changes in the exchange rate, including spot and forward transactions and other derivatives contracts, the position in gold, deposits in the said currency in accounts at the BCRA, as well as BCRA bills in US dollars, BCRA monetary regulation instruments in foreign currency,

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subordinate debt in foreign currency and instruments representing foreign currency debt. Also included are forward operations entered into under framework agreements within authorized markets in Argentina in which settlement is by netting, without physical delivery of the underlying asset. In addition, equity certificates or debt securities issued by financial trusts and credit rights in respect of ordinary trusts when their underlying asset consists of assets in foreign currency, and the amount of transactions with raw materials or commodities (Paragraphs 3.6. and 6.1.3. of the rules on "Spot and forward transactions, repos, guarantees, other derivatives, and transactions with mutual funds") will be computed. The position in currencies other than US dollars is expressed in the currency in question by applying the exchange rate published by the BCRA. RPC and items recorded by financial institutions in their branches abroad are not included.
The positive net global foreign exchange position may not exceed 5% of regulatory capital but may reach up to 30% of regulatory capital if under certain conditions National Treasury Notes denominated in US dollars (Paragraphs 6 and 7 of Communication "A" 6526 and Communications "A" 6699, 6735, and 7093) are included. Any variation resulting from swaps by the National Executive Branch may only be covered by one of the applications provided in Section 2 of the Regulations on Credit Policy or by forward transactions in foreign currency payable in pesos. The positive net global foreign exchange position must be measured on a daily basis instead of as the monthly average of daily balances.

The decrease in foreign exchange assets as a result of prepayments of local financing to private sector customers that began on September 5, 2019, can only be offset in the PGNME up to the original maturity, with the net increase in holdings of National Treasury securities in foreign exchange.

Sales on the secondary market of foreign-exchange negotiable bonds acquired as of June 9, 2023, by primary subscription will not be subject to the clearing mechanism provided in the above paragraph when sales are executed 300 calendar days after the date of the primary subscription. At the original maturity of the local financing in foreign exchange, they may be offset with the purchase of any foreign exchange assets computable in the PGNME.

There is also a limit on the positive spot position, which, measured daily, may not exceed an amount equivalent to 0% of the regulatory capital of the month prior to the month to which it corresponds.
The negative net global foreign exchange position, expressed as a monthly average of the daily balances, should not exceed 30% of the financial institution's regulatory capital for the previous month. Overruns are subject to a charge equivalent to 1.5 times the average rate resulting from auctions of BCRA instruments in Argentine pesos for shorter terms.

Financial institutions may freely determine the level and use of their PGC, under Paragraph 5.9.1 of the TO de EyC while foreign exchange bureaus and agencies may not increase their foreign currency holdings from the higher of their average holdings in August 2019 or the stock as of the close of the day before September 2, 2019 (Paragraph 5.9.2 of the TO de EyC).
The PGC includes all of the institution's liquid external assets, net of debit balances of correspondents deriving from foreign exchange

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		market transactions. It also includes buying and selling arranged on the foreign exchange market and pending settlement. The following, inter alia, are considered institutions' liquid external assets: banknotes and coins in foreign exchange, good delivery holdings in monetary gold or gold bars, correspondents' credit balances (including transfers to third parties without arranged settlement), other demand deposits with foreign financial institutions, investments in external public securities, and time CDs. PGCs do not include FDI, third-party external assets under custodianship, forward buying and selling of foreign exchange or foreign assets, deposits with the BCRA in foreign exchange in accounts in the name of the institution, and other local assets in foreign exchange, under Paragraph 6.7 of the TO de EyC.
Provisions specific to institutional investors	Yes.	In foreign exchange aspects, the regulations governing resident legal entities in Paragraph 3.10 of the TO de EyC apply.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	All investments and funds of insurance companies must be located in Argentina. For this purpose, local investments are defined as those issued and transacted domestically as detailed in Item 35.5 of the General Insurance Regulations implementing Law No. 20.091, for each particular instrument. The Superintendency of Insurance may grant its authorization for the maintenance of an operating account abroad for the sole purpose of expediting business operations. This account may not hold more than the minimum amount required for operational purposes, nor may it be operated to make any form of profit. Specialist reinsurers and branches of foreign reinsurance companies established in Argentina may hold investments and funds abroad not exceeding 50% of the capital to be credited. For purposes of meeting the institutions' operational commitments, the special report of the acting auditor must verify the existence of available funds in the foreign bank accounts that can be used to make the payment requested.
Limits (max.) on investment portfolio held abroad	Yes.	All investments and funds of insurance companies must be located in Argentina. For this purpose, local investments are defined as those issued and transacted domestically as detailed in Item 35.5 of the General Insurance Regulations implementing Law No. 20.091, for each particular instrument. The Superintendency of Insurance may grant its authorization for the maintenance of an operating account abroad for the sole purpose of expediting business operations. This account may not hold more than the minimum amount required for operational purposes, nor may it be operated to make any form of profit. Specialist reinsurers and branches of foreign reinsurance companies established in Argentina may hold investments and funds abroad not exceeding 50% of the capital to be credited.
Limits (min.) on investment portfolio held locally	Yes.	The minimum for reinsurance companies is determined by the parameters in the previous Item.
Currency-matching regulations on assets/liabilities composition	Yes.	The nature of the liabilities and the currency in which they were assumed: Insurers and reinsurers must maintain the investments portfolio based on the currency of the commitments assumed.
Pension funds	Yes.	There is a single public pension regime, the Argentine Integrated Pension System ("SIPA"), established by Law No. 26.425 of December 4, 2008. Law No. 27.260, Article 30 supersedes Article 74 of Law No. 24.241.

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Authorized investments of the Sustainability Guarantee Fund ("FGS" or the "Fund"): Article 30. Article 74 of Law No. 24.241 as amended must be superseded with the following text:
Article 74: The assets of the FGS of the SIPA must be invested according to the criteria of adequate returns and security in compliance with the limits established under this law and the regulatory texts. The FGS must be permitted to invest in:
(1) Public credit operations as a result of which Argentina becomes a debtor via the Finance Secretariat of the Ministry of Economy are permitted, whether they involve public securities, treasury bills, or loans, up to 50% of the Fund's total assets. This may be raised to 100% net of the ceilings, provided in this Article, as long as the surplus funds involve either resources intended specifically to enable their fulfillment of collateral or guarantees granted by international organizations or entities of which Argentina is a member. Holdings of securities representing Argentina's public debt that were received in swaps by retirement and pension fund administrators in the context of the restructuring of public debt under the terms of Article 65 of Law No. 24.156 as amended and Article 62 of Law No. 25.827 as amended are excluded from the ceiling established in this paragraph, independently of their not having the guarantees indicated therein.
Transitionally, until December 31, 2023, up to 70% of the portfolio of the FGS of the SIPA may be held in public securities, with or without guarantees, and at the end of this period, the holdings of these assets must be regularized to comply with the limits set in the previous paragraph (Text amended by Article 57 of Law No. 27.541);
(2) Securities issued by provinces, the Autonomous City of Buenos Aires, municipalities, the BCRA, other autonomous national and municipal government bodies, and national, provincial, and municipal government-owned companies are permitted up to 30% of the Fund's total assets;
(3) Corporate bonds, debentures, and other debt securities issued by domestic stock companies, financial institutions, cooperatives and civil associations, and branches of foreign companies, if authorized for public offering by the CNV, are authorized up to 40% of the Fund 's total assets;
(4) Fixed-term deposits with financial institutions governed by Law No. 21.526 as amended, up to 30% of the Fund's total assets;
(5) Shares and/or negotiable bonds that can be converted to shares in domestic quasi-governmental or private stock companies, if authorized for public listing by the CNV and that are listed in markets authorized by the CNV, the purpose of which is to organize operations with negotiable instruments that are offered publicly, for a minimum of 7% and up to a maximum of 50% of the Fund's total assets.
Operations in shares include futures and options on these securities, subject to the limits stipulated in the regulations.
Transfers and/or any other act or action that limits, alters, eliminates, or changes the purpose, interest, ownership, or nature of the assets indicated in this paragraph are prohibited, provided the result is Fund holdings lower than established in the first paragraph of the present section, without the express prior approval of the National Congress, with the following exceptions:
(1) START Tender offers directed to all those holding such assets at a fair price authorized by the CNV, under the terms of Chapters II, III, and IV of Title III of Law No. 26.831;
(2) Swaps of shares for other shares in the same or another corporation within the context of corporate mergers, splits, or

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reorganizations;
(3) Shares of government-held corporations and stock companies with majority government participation up to 20% of the Fund's total shares;
(4) Shares of open or closed capital mutual funds authorized by the CNV for up to 20% of the Fund's total assets;
(5) Contracts traded on futures and options markets as determined by the Executive Committee of the SIPA FGS, up to 10% of the Fund's total assets;
(6) Mortgage-backed securities, mortgage-covered bonds, and other securities secured by a mortgage or those whose service is guaranteed through holdings in mortgage loans and authorized for public offering by the CNV, up to 25% of the Fund's total assets;
(7) Securities representing participation shares in direct investment funds of a fiduciary and singular nature, whose public offering is authorized by the CNV, up to 10% of the Fund's total assets;
(8) Securities issued by financial trusts not included in Paragraphs (9) or (j), up to 30% of the Fund's total assets;
(9) Debt securities, certificates of participation, shares, assets, or other securities and loans intended to finance medium- and long-term production, real estate, or infrastructure projects in Argentina are authorized. "A" minimum of 5% and a maximum of 50% of the Fund's total assets should be allocated to these investments;
(10) Financing to recipients of the SIPA up to 20% of the Fund's total assets, subject to the terms and conditions established by the ANSES.
Prohibitions:
Law No. 27.260, Article 31. Article 75 of Law No. 24.241 as amended must be superseded with the following text:
Article 75: Assets of the FGS of the SIPA (FGS) may not be invested in shares of investment fund management companies, whether mutual or direct funds, trusts, or special funds, nor may they invest in shares in risk rating companies.
Limits:
Law No. 27.260, Article 32. Article 76 of Law No. 24.241 as amended must be superseded with the following text:
Article 76:
Law No. 27.260, Article 32. Article 75 of Law No. 24.241 as amended must be superseded with the following text:
The investments of the SIPA (FGS) will be subject to the following limits:
(1) Risk rating. The following assets or institutions must have a rating granted by a duly authorized risk rating agency:
(a) The assets in Paragraph (b) of Article 74, except for securities issued by the BCRA;
(b) The assets in Paragraphs (c), (i), and (k) of Article 74;
(c) Financial institutions in which the investments indicated in Paragraph (d) of Article 74 are made or that maintain assets indicated in Article 77;
(d) Negotiable bonds that can be converted to shares as set out in Paragraph (e) of Article 74;
(e) The assets in Paragraph (g) of Article 74, when the purpose of the mutual investment fund involved is primarily to invest in.
(2) Other investments: The Executive Committee of the SIPA FGS may establish additional minimum requirements that must be met by each of the investments indicated in Article 74 to be subject to investment by the SIPA FGS.
(3) Guarantees: When the SIPA FGS engages in securitized operations with its assets or financial operations that require that its assets be pledged or encumbered, it may only do so up to a

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		maximum of 20% of the Fund's total assets.
Limits (max.) on securities issued by nonresidents	Yes.	The Fund's resources must be invested in Argentine financial assets, including, among others, Argentine interest-bearing accounts and the purchase of government securities or local securities recognized as solvent.
Limits (max.) on investment portfolio held abroad	Yes.	The Fund's resources must be invested in Argentine financial assets, including, among others, Argentine interest-bearing accounts and the purchase of government securities or local securities recognized as solvent.
Limits (min.) on investment portfolio held locally	Yes.	The Fund's resources must be invested in Argentine financial assets, including, among others, Argentine interest-bearing accounts and the purchase of government securities or local securities recognized as solvent.
Currency-matching regulations on assets/liabilities composition	No.	The FGS has no liabilities. The Fund's resources must be invested in Argentine financial assets, including, among others, Argentine interest-bearing accounts and the purchase of government securities or local securities recognized as solvent.
Investment firms and collective investment funds	Yes.	The following limitations apply to stock exchange transactions by local market intermediaries involving foreign exchange operations: (1) Sale of negotiable securities with settlement in foreign exchange. Minimum holding periods . Collateralized borrowing and other operating procedures. Issuer transfers. Article 2.-To carry out transactions for the sale of negotiable securities with settlement in foreign exchange, in any jurisdiction, regardless of the law applicable to them, they must be held in the portfolio for a minimum of 1 business day from their credit to the ADCVN. Said minimum holding period will not be applicable in the case of purchases of negotiable securities with settlement in foreign exchange in any jurisdiction. Settlement and Clearing Agents and Trading Agents may not carry out or settle transactions for the sales of negotiable securities with settlement in foreign exchange, in local and foreign jurisdictions, corresponding to ordering customers, when the latter maintain taking positions with guarantees and/or swaps, regardless of the settlement currency. For that purpose, said Agents: (a) may not under any circumstances grant financing for the acquisition of negotiable securities that will be involved in the sale transactions referred to in the preceding paragraph; and (b) they must require every ordering customer to issue an affidavit expressly stating that they do not hold borrowing positions in any of the forward operations listed in the above paragraph, as holders and/or joint holders, or with any registered Agent, and that they have not obtained any type of financing, in the form of funds and/or negotiable securities, and such affidavits must be kept on file with the relevant records. To conduct transfers of negotiable securities purchased with settlement in domestic currency to foreign depositary agencies, regardless of the law under which they were issued, they must be held in the portfolio for a minimum of 1 business day from their credit to the ADCVN, except in cases in which the credit with said agent derives from the primary placement of negotiable securities issued by the National Treasury, or when shares and/or CEDEAR are involved, with trading on markets regulated by this Commission. Settlement and Clearing Agents and Trading Agents must demonstrate compliance with the aforementioned minimum holding period for the negotiable securities in reference.

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(2) Inward transfers. Minimum term.
Article 3. – Negotiable securities credited to the ADCVN by depositary agencies abroad may not be applied to the settlement of transactions in foreign exchange in any jurisdiction, regardless of the law under which they were issued, until ONE (1) business day after their credit to the subaccount or subaccounts with the aforementioned local custodian.

(3) Contracting and settlement of transactions in domestic currency. Purchase and sale transactions of negotiable securities contracted on foreign markets
Article 4. – The contracting and settlement of transactions in domestic currency with negotiable securities accepted for listing and/or trading in the Argentine Republic by subaccounts in the own portfolio of the registered agents and other parties subject to the oversight of the Commission, may only take place on authorized markets and/or clearinghouses registered with the Commission. Purchase and sale transactions of negotiable securities contracted in foreign markets as a customer through subaccounts held by registered Agents subject to the oversight of the Commission, carried out:
I.- In accordance with instructions from third party customers:
(a) with respect to negotiable securities admitted to listing and/or trading in the Argentine Republic, they must, on a mandatory basis, be carried out with competing offers using price/time priority from authorized markets under the oversight and supervision of a government regulatory agency from a country that is not included on the list of non-cooperating jurisdictions for purposes of fiscal transparency pursuant to Article 24 of the Annex incorporating Decree No. 862/2019, as amended, and that is not considered high risk by the International FATF, and that regulatory entity must have a signed, current MoU for mutual assistance, collaboration, and mutual information under the bilateral or multilateral mechanism (memorandum of understanding—MoU/MMoU) with this Commission; and
(b) In respect of other negotiable securities or instruments not admitted to listing and/or trading in the Argentine Republic and the underlying assets of CDs, they may be carried out in the sector and on the markets referred to in Section I.-(a), or in areas of trading between counterparties outside of the markets authorized under the oversight and supervision of a government regulatory agency (over the counter); and/or
II.- For the own portfolio and with the own funds of the above-mentioned Agents: they may be carried out (a) in the sector and on the markets indicated in Section I.-(a); or (b) in areas of trading between counterparties outside of the markets authorized under the oversight and supervision of a government regulatory agency (over the counter), provided they are carried out with intermediaries and/or entities based abroad and regulated under the oversight and supervision of a government regulatory agency, corresponding to countries that comply with the conditions set out in Paragraph I.-(a) above, and, in any case, they must observe the provisions of the FIU.

(4) Registered agents. Own portfolio, operations with operations CEDEAR.

Article 5 BIS. - In purchase and sale operations in the competing offers sector using price/time priority by subaccounts subject to Article 6, Chapter V, Title VI and that also have status as qualified

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investors as provided in Article 12, Chapter VI, Title II of these Regulations, of the following:
I.- Negotiable nominal fixed income securities payable in US dollars issued by the Argentine Republic, the following must be observed:
a.-For all of these negotiable securities, the amount of nominal securities sold with settlement in US dollars in the local jurisdiction may not exceed the amount of nominal securities purchased with settlement in the said currency and jurisdiction on the same day and for each mechanism and settlement term, for each subaccount; and
b.-For all of the securities, the amount of nominal securities sold with settlement in US dollars in foreign jurisdictions may not exceed the amount of nominal securities purchased with settlement in that currency and jurisdiction on the same day and for each mechanism and settlement term, for each customer subaccount; and
c.-For all of these negotiable securities, the amount of nominal securities sold with settlement in Yuan Renminbi in foreign jurisdictions may not exceed the amount of nominal securities purchased with settlement in foreign exchange in local jurisdictions, on the same day, for each mechanism and settlement term, for each customer subaccount. For this purpose, the quantity of said nominal securities purchased with settlement in US dollars that would have been applied to compliance with the limits set out in subparagraphs a- and b.- of this Article may not in any case be calculated.
Transactions involving the sale of negotiable securities with settlement in foreign exchange, in local or foreign jurisdictions, in the bilateral trading sector, with own portfolio subaccounts held by Agents registered under the Commission's supervision will not be required to observe the minimum holding periods provided in Article 2 of this Chapter, provided all of the proceeds from the above-mentioned sale are applied to the purchase of local assets -or those underlying CEDEARs - for subsequent sale in local currency.
The above-mentioned agents must submit an affidavit to this Commission, on a weekly basis, within 3 business days after the end of the calendar week, expressly stating that the conditions required in the foregoing paragraph have been observed.
All affidavits must be submitted to this Commission in electronic form and through the Commission's incoming communications facility (mesadeentradasreginf@cnv.gov.ar); and
II.- CEDEAR For these negotiable securities the amount of purchases with settlement in local currency must not exceed the amount of sales with settlement in that currency, for each corresponding subaccount and for each day on which transactions are arranged.

(5) Operations WITH customers having a C.D.I. or C.I.E. and C.U.I.T.
Article 6º TER. To carry out orders and/or to record transactions in connection with markets authorized by this Commission, in the framework of the operations provided in Paragraphs 3.16.3.1. and 3.16.3.2. of the Consolidated Text of the Regulations on External Affairs and Foreign Exchange of the BCRA, Trading Agents, Settlement and Clearing Agents, and Securities Brokers must:
(a) With respect to each of their external customers, individuals and/or legal entities that have a C.D.I. or C.I.E. and that are not intermediaries and/or similar institutions based abroad, regulated by the Securities Commissions or other supervision bodies, they must confirm that the operations to be carried out by said customers are for their own portfolio and involve their own funds, and that the daily transaction volume does not exceed the amount of one hundred

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million pesos (AR$100,000,000). This daily limit will not apply to transfers of negotiable securities (issued by residents) to foreign depositary institutions. In all cases, such agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved; or
(b) With respect to customers that are intermediaries and/or similar institutions based abroad, regulated by Securities Commissions or other supervision bodies, they must confirm that the intermediaries from abroad in reference are only acting: (i) on behalf and account of local Argentine third party customers, and that the daily transaction volume of each third party customer does not exceed the amount of one hundred million pesos (AR$100,000,000), and such agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved; or (ii) on their own account and with their own funds. In this case, if the daily transaction volume exceeds the amount indicated in Item (i) of this paragraph, the agents must forward to the Commission the information as provided, with the same advance and detail; or (iii) as depositaries of shares of local issuing companies to comply with the payment of dividends to holders (local Argentine or foreign nationals) of CDs in custodianship abroad (GDS/ADR/ADS) corresponding to such issuers, by carrying out one or more transactions with negotiable securities intended to implement such payment abroad, and that: (a) such dividends have been approved by the shareholders' meeting in respect of holders of certificates with authorized trading on foreign markets; and (b) the local issuers in question are authorized to list on a market authorized by the Commission and to be listed on a foreign market with the deposit of their shares with a bank that issues CDs, and such agents must forward the following information to this Commission 5 business days in advance: (1) data on the local issuer and the amount of dividends involved; (2) type(s) of operation(s); (3) amount(s) involved; and (4) mechanism(s) and/or instrument(s) involved; or
(c) For customers that have a C.U.I.T: (i) confirm that when said customers act on behalf and by order of third parties, the daily transaction volume does not exceed the amount of one hundred million pesos (AR$100,000,000), and such agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved, with indication of the respective final customer(s) of such operations (actual beneficiary); including but not limited to their identification data, the C.U.I.T./C.U.I.L., C.D.I., C.I.E., or any identification code that may be created in the future by the AFIP, or its equivalent for foreign persons, if applicable; and (ii) when said customers act on their own account and with their own funds and the daily transaction volume exceeds the amount of two hundred million pesos (AR$200.000.000), the information provided in Item (i) of this paragraph must be submitted to this Commission with the same advanced notice and details.
With relation to paragraphs a) and b), the provisions of the FIU and Article 4 of Title XI of the Regulations must be observed in particular. The reporting systems established above are applicable to each customer subaccount, and for all customer subaccounts held or jointly held by a single party.

The requirements provided in this Article will begin to apply from the effective date of (1) General Resolution No. 981, with respect to

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the provisions of Paragraphs a), b) (i) and (ii), and c); and (2) General Resolution No. 984, with respect to the provisions of Paragraph b) (iii).
Agents must confirm that the limits referred to in paragraphs a) to c) have been met in accordance with the provisions for each case, for the following purposes: (1) the conversion between common stock and CEDEARs or ADRs, regardless of the direction of the conversion, will also be considered as a transfer of negotiable securities to or from foreign depositaries; and (2) in purchase transactions, the purchase price agreed in said transaction will be considered; and for outward transfers, conversions, and sales of negotiable securities with settlement in foreign exchange, the price in pesos of the asset in question on the previous day will be used.
Agents will not be required to comply with the provisions of this Article to process issuer transfers of negotiable securities to foreign depositary institutions, when their prior crediting derived from a primary auction or placement process.
Agents must submit an affidavit containing the information required in Paragraphs a) to c) to the Commission in electronic form, through the Commission's incoming communication facility (mesadeentradasreginf@cnv.gov.ar), duly signed by the legal representative of the Agent in question.
The CNV will acknowledge compliance, supplement, and verify the information provided in this Article for all of the corresponding subaccounts held or jointly held by the same party in the framework of current Memorandums of Understanding for Mutual Assistance, Collaboration, and Mutual Information it has signed.

Interpretational criterion CNV No. 84: In light of the provisions of Chapter V “TRANSITIONAL PROVISIONS” of Title XVIII of the CNV Regulations (N.T. 2013, as amended) and considering the provisions of Paragraph (ii) of Article 2, Paragraph 6., the reference to “any type of financing, whether funds and/or negotiable securities” made therein, refers to any financing that is channeled through operations in the framework of the capital market, with the exception of debt issues with authorized public offerings issued by the CNV. Notwithstanding the above, and in accordance with the justification leading to the issuance of this CNV General Resolution No. 959, we recall the validity of the provisions regarding the obligations and rules of conduct for Trading Agents and settlement and clearing agents of Articles 12 (j) of Chapter I, and 16 (j) of Chapter II, both of Title VII of the CNV Regulations (N.T. 2013, as amended) with relation to the requirement to report the customer risk profile, and particularly the investment objective, financial position, and percentage of the customer’s savings earmarked for such investments, inter alia.

Interpretational criterion CNV No. 87:

The transitional provisions - chapter V, Article 6 TER will not be applicable to open-ended mutual funds denominated in foreign exchange which, for the sole purpose of responding to bailout requests, must carry out any of the operations referred to in Article 6 TER of Chapter V, Title XVIII of the Regulations (N.T. 2013, as amended). The obligation to report such operations to this Agency without advance notice will remain for these mutual funds, as indicated in the penultimate paragraph of the Article in reference.

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Interpretational criterion CNV No. 88:

In line with the criteria adopted by the BCRA regarding the ANSES – FGS and its performance in the framework of the provisions of the Consolidated Text of the Regulations on External Affairs and Foreign Exchange, it is clarified that the holding periods, limits, and other conditions required to carry out operations under the terms provided for in Articles 2°, 3°, 6° BIS, and 6° TER, Paragraph c), Chapter V of Title XVIII of the Regulations will not be applicable to the ANSES – FGS.

Title XI. Payment methods and control procedures for the receipt and delivery of funds from and to customers.
Article 3 – Settlement and Clearing Agents and individuals and/or legal entities registered with the Commission that act in the placement of mutual funds and other collective investment products authorized by the Commission will abide by the following for the receipt of funds from and delivery of funds to customers:
(1) Cash:
(a) Received from customers. Only the value in pesos or its equivalent in foreign exchange established in Article 1 of Law No. 25.345 may be received per customer and per day in cash;
(b) Paid to customers. Only the value in pesos or its equivalent in foreign exchange established in Article 1 of Law No. 25.345 may be paid per customer and per day in cash.
When the funds received or paid, per customer and per day, for these items exceed the amount established in the above-mentioned law, delivery by the customer or payment to the customer must be take one of the forms indicated below:
(2) Checks:
(a) Received from customers. Must be paid from current accounts opened with financial institutions in Argentina authorized by the BCRA, held or jointly held by the customer. As well, as long as irrefutable documentation is provided by the customer, the checks may be paid in favor of the customer, with full endorsement;
(b) Payments to customers. Checks used to pay customers must be crossed checks paid to the order of the customer for deposit in the account or include the words “not to order.” For (a) and (b) together, the regulated parties indicated may make no more than two payments of funds per customer per day.
(3) Transfers in Argentina:
(a) Received from customers. These must be made from sight bank accounts held or jointly held by the customer, opened with institutions in Argentina authorized by the BCRA or using the Uniform Virtual Key of the CUIT of the customer as long as it allows identification and traceability of the transfers of funds from sight accounts opened with institutions in Argentina authorized by the BCRA belonging to a PSP;
(b) Payments to customers. These must be made to sight bank accounts held or jointly held by the customer, opened with institutions in Argentina authorized by the BCRA or to the Uniform Virtual Key of the CUIT of the customer as long as it allows identification and traceability of the transfers of funds to sight accounts opened with institutions in Argentina authorized by the BCRA belonging to a PSP.
As well, Settlement and Clearing Agents and individuals or legal entities registered with the Commission that act in the placement of

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Mutual Funds or other collective investment products authorized by the Commission, may make transfers, on the account and by order of their customers, to sight bank accounts held by one of the aforementioned regulated parties for credit to the subaccount that the same issuer has opened with the regulated party receiving the funds. Similarly, the receiver of the funds may credit the transfer to the customer's account when it comes from sight bank account held by another of the regulated parties mentioned in this article and is transferred on account and by order of the same customer.
Without prejudice to the above, foreign investors subject to special due diligence, in accordance with provisions established by the FIU in the special regulations on this topic, may:
(4) Receive and send bank transfers to and from institutions regulated by the BCRA that act as local custodian for the said investors. For this purpose, the said foreign investors must provide the Settlement and Clearing Agents with a special or permanent instruction containing the data on the account opened with a local custodian.
(5) Receive and send bank transfers from and to institutions regulated by the BCRA that act as local custodian for a foreign institution that participates as a "Financial Institution/Foreign Bank" for such investors, as defined in the specific FIU Resolution on this topic. For this purpose, the said foreign investors must provide the Settlement and Clearing Agents with a special or permanent instruction containing the data on the account opened with a local custodian – entity regulated by the BCRA – in the name of the foreign institution that participates as a "Foreign Banks/Financial Institution" for such investors, as defined in the specific FIU Resolution on this topic.
Section III:
Transactions conducted by foreign investors.
Article 4 – The regulated parties contemplated in Article 20(4), (5), and (22) of Law No. 25.246, as amended, may only conduct transactions under public offerings of negotiable securities, term contracts, futures or options of any kind and other financial products and instruments when they are made or ordered by regulated parties constituted, domiciled or residing in associated dominions, jurisdictions, territories or states that are not considered Non-Cooperative or High Risk by the FATF. The regulated parties contemplated in Article 20(4) and (5) of Law No. 25.246, as amended, may apply special due diligence measures for identification to foreign investors in the Argentine Republic at the time of the remote opening of special investment accounts, in accordance with the provisions of the specific Resolution on this topic issued by the FIU.

FIU Resolution No. 21/18, applicable to regulated parties on the capital market, was replaced by FIU Resolution No. 78/23.
The purpose of this Resolution is to establish the minimum requirements for identification, assessment, monitoring, administration, and mitigation of the risks of money laundering and financing of terrorism (ML/FT) that the regulated parties included in Article 20 (4), (5), and those under Paragraph 22 that are financial trusts, of Law No. 25.246, as amended, must adopt and apply, in accordance with their policies, procedures and controls, to avoid the risk of being used by third parties with criminal objectives of ML/FT.
Resolution No. 78/23 in reference did not incorporate a specific article on supervised customers abroad, although the spirit of the said

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		regulation is incorporated into Article 8 (w) and Article 24 (d) with the objective of harmonizing the text of the Resolution with the Resolution issued by the FIU to financial institutions. Similarly, FIU Resolution No. 4/2017, which regulates, among other factors, the application of special due diligence to the opening of remote accounts by foreign investors, is in force. This text is also reflected in the last paragraph of Article 4 of Title XI of the CNV Regulations T.O. 2013.
Limits (max.) on securities issued by nonresidents	Yes.	Open-Ended Mutual Funds: There is a 25% limit on mutual fund portfolio investments in securities issued by nonresidents. Exceptions to this limit include negotiable securities issued pursuant to authorization in a MERCOSUR member country or Chile. The aforementioned exception does not apply in the case of Mutual Funds whose currency is legal tender in the Argentine Republic. Closed-Ended Mutual Funds: Closed-Ended Mutual Funds must invest directly and/or indirectly in assets located, established, originating, issued and/or based in Argentina, not resulting from the application of the provisions of the final part of the fifth paragraph of Article 6 of Law No. 24.083 as amended. This requirement will not be applied in the case of Closed-Ended Mutual Funds intended for financing technological innovation projects developed by companies established in Argentina with the potential for regional or international expansion by virtue of their activity. When at least 75% of a Fund's investment portfolio consists of assets authorized for open-ended mutual funds, it will be exempt from the requirement in the previous paragraph regarding their investments in these assets.
Limits (max.) on investment portfolio held abroad	Yes.	Open-Ended Mutual Funds: There is a 25% limit on mutual fund portfolio investments in securities issued abroad. Exceptions to this limit include negotiable securities issued pursuant to authorization in a MERCOSUR member country or Chile. The aforementioned exception does not apply in the case of Mutual Funds whose currency is legal tender in the Argentine Republic. Closed-Ended Mutual Funds: Closed-Ended Mutual Funds must invest directly and/or indirectly in assets located, established, originating, issued and/or based in Argentina, not resulting from the application of the provisions of the final part of the fifth paragraph of Article 6 of Law No. 24.083 as amended. This requirement will not be applied in the case of Closed-Ended Mutual Funds intended for financing technological innovation projects developed by companies established in Argentina with the potential for regional or international expansion by virtue of their activity. When at least 75% of a Fund's investment portfolio consists of assets authorized for open-ended mutual funds, it will be exempt from the requirement in the previous paragraph regarding their investments in these assets.
Limits (min.) on investment portfolio held locally	Yes.	Open-Ended Mutual Funds: Mutual funds must invest a minimum of 75% in assets issued and negotiated in Argentina. Assets issued in Argentina are defined as negotiable securities authorized to be issued in a MERCOSUR member country and in the Republic of Chile. In the event that the

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		currency of the Fund is legal tender in the Argentina Republic, at least 75% of the capital of the said Fund must be invested in negotiable securities and financial instruments issued in Argentina, exclusively in that currency. Closed-Ended Mutual Funds: Closed-Ended Mutual Funds must invest directly and/or indirectly in assets located, established, originating, issued and/or based in Argentina, not resulting from the application of the provisions of the final part of the fifth paragraph of Article 6 of Law No. 24.083 as amended. This requirement will not be applied in the case of Closed-Ended Mutual Funds intended for financing technological innovation projects developed by companies established in Argentina with the potential for regional or international expansion by virtue of their activity. When at least 75% of a Fund's investment portfolio consists of assets authorized for open-ended mutual funds, it will be exempt from the requirement in the previous paragraph regarding their investments in these assets.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	In May 2021, the BCRA and the CNV issued an alert to provide information on possible implications and risks in connection with cryptoassets, and to recommend a prudent approach to mitigate a potential source of vulnerability for users and investors. Said publication pointed out that "cryptoassets can be defined as a digital representation of value or rights that are transferred and stored electronically using Distributed Ledger Technology (DLT) or another similar technology. While these technologies could contribute to improving financial efficiency and innovation, cryptoassets are not legal tender." In addition, some of the risks associated with this type of operation were mentioned: their high level of volatility, the risks associated with operational disruptions and cyberattacks, ML/FT and potential noncompliance with foreign exchange regulations, the absence of safeguards and full information under the current regulations for persons who use financial services, and the cross-border nature of the transactions. In addition, the information in Paragraph 3 of the November 2019 Financial Stability Report is mentioned, which identifies certain issues regarding the risks of what is known as stable cryptoassets or stablecoins. According to Communication "A" 7504, it was provided through the

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		regulations on "Supplementary services for financial activity and permitted activities," that financial institutions may not carry out or assist their customers in carrying out transactions with digital assets – including cryptoassets and those for which the returns are determined based on their fluctuations – that are not authorized by a competent national regulatory authority or by the BCRA.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Acquisition by residents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Use among residents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Between residents and nonresidents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
For current transaction	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The central bank issued regulations targeting banks and nonbank

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		account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Transactions in derivatives and other instruments	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Credit operations	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Controls on utility and security tokens	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Acquisition by residents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Use among residents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Between residents and nonresidents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
For current transaction	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Transactions in derivatives and other instruments	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Credit operations	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Controls on stablecoins	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Acquisition by residents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Use among residents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Between residents and nonresidents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
For current transaction	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Transactions in derivatives and other instruments	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.

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Credit operations	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.
Controls on crypto exchanges and trading platforms	Yes.	Financial institutions may not carry out or assist their customers in carrying out transactions with digital assets – including cryptoassets and those for which the returns are determined based on their fluctuations – that are not authorized by a competent national regulatory authority or by the BCRA.
Domestic exchanges	No.	Crypto exchanges can be established in the country. In this regard, Law No.27,739 was recently approved which, among other issues, modifies Law No. 25,246 by incorporating the definitions of Virtual Assets (VA) and Virtual Asset Service Providers (VASP) recommended by the FATF and includes the VASP as Regulated Entities (SO, by its acronym in Spanish) under the Financial Information Unit (UIF, by its acronym in Spanish) of Argentina. This new law also provides for the creation of a PSAV Registry in charge of the National Securities Commission (CNV, by its acronym in Spanish), with the CNV being the regulator of the capital market. Although Resolution No. 994/24 of the CNV currently provides for the mandatory registration of PSAVs; it does not yet contemplate any type of control or supervision by the agency over said providers. For its part, Resolution No. 49/24 of the UIF, which incorporates PSAVs as obligated entities, contains more regulatory requirements as well as various definitions, including virtual assets, blockchain, self-custody wallets, public key, and AML/CFT Prevention System, among others.
Access to crypto exchange/trading platform by residents	Yes.	The central bank issued regulations targeting banks and nonbank account providers prohibiting the purchase of cryptoassets both on their own account and on behalf of their customers.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Crawling peg	*03/15/2022*	The Central Bank of the Argentine Republic reclassified the de jure exchange rate arrangement to crawling peg from floating. The de facto exchange rate arrangement was reclassified to a crawling peg arrangement from crawl-like.
Monetary policy framework		
Other monetary framework	*01/06/2022*	The 180-day term Liquidity Bills was created.
	01/17/2022	The interest rate on 7-day repo liabilities was gradually reduced to match that of 1-day repo liabilities, in an attempt to eliminate incentives for financial institutions to use this instrument.
	01/17/2022	The maximum holding limit of 28-day term Liquidity Bills was increased up to an amount equivalent to the stock of term deposits of the private sector of each financial institution, focusing the policy interest rate signal on this instrument.
	02/17/2022	The 190-day term Liquidity Bills was created.
	12/18/2023	The Central Bank of the Argentine Republic decided to discontinue Liquidity Bill auctions in the future and began to use reverse repurchase operations as its main instrument to absorb monetary surpluses.
Exchange tax	*07/14/2022*	The advance payment of income tax/capital gains tax for the purchase of foreign currency intended for hoarding and payment of foreign travel and tourism services was raised to 45% (from 35%).
Foreign exchange market		

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Spot exchange market

Interbank market

Over the counter	*08/24/2023*	Communication “A” 7828 eliminated the second item under Paragraph 5.11. that allowed foreign exchange purchases and sales between authorized institutions outside the SIOPEL when one or both parties are not authorized to operate in this system, in a daily amount not exceeding the equivalent of US$800,000, considering the sum of each institution’s purchases and sales (Paragraph 5.11. of the TO de EYC).

Arrangements for Payments and Receipts

Payments arrears

Private	*12/13/2023*	Paragraphs 10.11, 3.19, and 3.20 of TO were repealed by Communication “A” 7917.

Resident Accounts

Foreign exchange accounts permitted

Held domestically

Approval required	*06/30/2023*	The Yuan Renmimbi was included as a currency that does not need authorization.
Accounts in domestic currency convertible into foreign currency	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	09/16/2022	If the customer is not a public utility user that is a beneficiary of the subsidy in the tariffs for the supply of natural gas through the grid, and/or electricity, whether obtained by request or automatically, and/or the subsidy applied to drinking water tariffs, the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.
	03/30/2023	If the customer has no pending debt as a beneficiary of the Social Security Debt Payment Plan provided in Law No. 27.705 or any other regularization plan for social security debt, the customer can access

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the foreign exchange market without prior approval and satisfying all the other conditions.

05/11/2023 Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/19/2023 Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. It can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.

07/20/2023 If the customer has no pending debt as a beneficiary of the "ANSES CREDITS" provided in Resolution No. 144/2023 of the National Social Security Administration (Administración Nacional de la Seguridad Social), the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.

09/05/2023 An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.

09/08/2023 Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772– refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.

09/12/2023 If the customer has no pending debt for financing provided in Decree No. 463/23 for beneficiaries of the Argentine Integrated Pension System (SIPA) and workers contributing to the SIPA in reference, the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.

09/20/2023 Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
Communication "A" 7852 established that for the purposes of

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	09/28/2023	preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).

Nonresident Accounts

Domestic currency accounts

Convertible into foreign currency	*06/16/2022*	Social security agencies (besides the National Social Security Administration (Administración Nacional de la Seguridad Social) which had access to the foreign exchange market) and/or social security annuities provided for under Article 101 of Law No. 24241, were authorized to access the foreign exchange market up to the amount received under such items in the last 30 calendar days and provided the transfer is made to a bank account owned by the beneficiary in his or her registered country of residence.
	07/21/2022	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.

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		It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
	05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.

Imports and Import Payments

Financing requirements for imports		
Minimum financing requirements	*03/04/2022*	Goods with tariff positions indicated in Paragraphs 10.10.1 (luxury consumer goods) access to the foreign exchange market must take place as of 180 (previously 90) calendar days of the date of registration of clearance through customs of the said goods.
	03/04/2022	Paragraph 5 of Communication "A" 7466 dated March 3, 2022, issued requirements for cases in which the imported goods are not included in the time periods set forth in Paragraphs 10.3.2.5 or 10.3.2.6 and declaration in the Integrated Import Monitoring System (SIMI) is a requirement for registration of the customs entry of the goods.

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In this regard, it was established, within the framework of the SIMI, how the Central Bank of the Argentine Republic (BCRA) assigns the categories to each one that is officially registered in the SIMI as from March 4, 2022, once the latter has obtained the "EXITED" status based on the intervention of the competent agencies in the matter, and how the said category will define the minimum time periods for access to the foreign exchange market to make payments for the goods included in the SIMI.

A Category A, which maintains the same regulatory treatment for the associated transactions, and a Category B, which means that the associated imports of goods must be financed at least 180 days from the date of registration of the customs entry of the goods into Argentina.

The BCRA assigns to each importer for the year 2022 a limit for SIMI Category A, for goods not included in the exceptions provided for, which will be equivalent to the lesser of the following two amounts:

(1) The free on board (FOB) value of its imports for the year 2021 plus 5% of the said value.
(2) The FOB value of its imports for the year 2020 plus 70% of the said value.

In the calculation of the FOB value of imports for the years 2020 and 2021, imports registered in the importer's name in the Import Payments Tracking System that granted access to the foreign exchange market will be taken into account, except those corresponding to temporary imports or goods included in the exceptions provided for.

The amount of Category A assigned by the BCRA will be the equivalent of US$50,000 when the customer has not registered imports in the last two years or when the amount resulting from the indicated calculation is lower.

The limit for SIMI Category A at each point will be equivalent to the proportional part of the annual limit of each category accumulated up to and including the current month. The equivalent of 20% of the corresponding annual limit will be added to the said amount, provided this does not mean that said limit will be exceeded. In the event that the amount indicated for a category is less than US$250,000, the latter amount or the corresponding annual limit, whichever is lower, will be adopted.

Among the exceptions provided for, the following are contemplated: payments for imports with SIMI Category B declaration and the goods paid for are capital goods or consist of kits for the detection of the COVID-19 coronavirus or other goods whose tariff positions are included in the list published by Decree No. 333/2020 and its supplementary provisions or concern goods subject to non-automatic import licenses.

03/11/2022 Considering the particularities of certain goods to be imported: petroleum or bituminous mineral oils, their preparations and their waste or petroleum gases and other gaseous hydrocarbons, exceptions to the 180-day period were included.

03/18/2022 Considering the particularities of certain goods to be imported: non-agglomerated bituminous coal, exceptions to the 180-day period were

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included.

03/22/2022 The time period for a group of goods (import of fertilizers and/or phytosanitary products and/or inputs that are necessary for the local elaboration of the same) was reduced to 90 calendar days.

04/07/2022 Integrated Import Monitoring System (SIMI) Category C was introduced, whereby, for certain tariff positions of raw materials and standardized inputs and under certain conditions, a treatment similar to Category A was established.

The annual limit of SIMI Category C to be assigned by the Central Bank of the Argentine Republic (BCRA) will be the difference between the limit assigned by the BCRA to Category A and the higher of the two amounts considered for the purposes of establishing the said limit. It was also established that the limit for SIMI Category C at each point in time will be equivalent to the proportional part of the annual limit accumulated up to and including the current month. The equivalent of 20% of the annual limit will be added to the said amount, provided this does not mean that the said limit will be exceeded. In the event that the amount indicated is less than US$250,000, the latter amount or the annual limit, whichever is lower, will be adopted.

Later, as indicated in Communication "A" 7490 of April 12, 2022, the TO de EyC was updated and these rules were included in Paragraph 10.14.

05/05/2022 Communications "A" 7507 of May 5, 2022, "A" 7516 of May 19, 2022, and "A" 7528 of June 16, 2022, included transactions exempted related with pharmaceutical products, its production inputs and other items related with health (under the conditions specifically provided for in each case) from compliance with the minimum financing period.

06/27/2022 (1) It was established that up to September 30, 2022, the limit of Integrated Import Monitoring System (SIMI) Category A or C at each point in time will be equivalent to the proportional part of the annual limit of each category accumulated up to and including the current month. In the event that the amount indicated for a category is less than US$250,000, the latter amount or the corresponding annual limit, whichever is lower, will be adopted. Meaning that up to September 30, 2022, the equivalent of 20% of the annual limit will not be added to the said amount.
(2) The exception foreseen for goods subject to non-automatic import licenses was suspended until September 30, 2022, establishing that while such suspension lasts, imports of such goods for the years 2020 and 2021 will be taken into consideration for the computation of the limits for Categories A and C.

07/01/2022 The annual limit of Category A for an importer must be, at a minimum, equivalent to 115% of the computable Free on Board value of its imports for the year 2021, when the amount imported in the said year was less than or equal to the equivalent of US $1,000,000. The new calculation form is more flexible.

10/01/2022 The conditions that were set up until September 30, 2022, expired. Therefore, the equivalent of 20% of the annual limit is added to the limit of Integrated Import Monitoring System Category A or C, and the exception for goods subject to non-automatic import licenses became effective again.

01/01/2023 Communication "A" 7638 replaced Paragraph 2.1 of Communication "A" 7532, providing that institutions were required to have an affidavit from the customer in which they confirm that the figure obtained by adding the amount of the payment whose execution is being requested to the total payments executed as of January 1, 2022,

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not corresponding to operations listed in Paragraph 2.2 of that Communication, did not exceed the equivalent of the amount obtained by multiplying one-twelfth of the annual limit of SIMI Category A provided in Paragraph 10.14.1 of the External Affairs and Foreign Exchange Regulations by the number of months between January 2022 and the current month, inclusively.

12/13/2023 Paragraphs 10.10., 10.12., and 10.14. of the TO were repealed by Communication "A" 7917 and it introduced new rules on access to foreign exchange for the processing of import payments as follows:

Paragraph 1.1. provided it would not be necessary to have a declaration prepared through the Argentine Republic Import System with "EXITED" status as a requirement for access to the foreign exchange market, or to validate the operation in the computerized Single Foreign Trade Current Account System.

Paragraph 1.2. established different minimum periods for access to the foreign exchange market to process import payments with customs entry registration from December 13, 2023, according to the following system:

Energy and fuel: 0 days.
Medicines, fertilizers, phytosanitary products, and/or their inputs: 30 days.
Finished automobiles and luxury goods: 180 days.
All other goods: 25% per month as of day 30.

According to Paragraph 1.3., access before these periods have ended requires prior approval from the Central Bank of the Argentine Republic (BCRA), except when the payment is subject to any of the conditions provided in Paragraph 3, which primarily involves payments made on a financed basis, with funds from goods import financing granted by a local financial institution from a foreign credit facility (Paragraph 3.1) or simultaneous access with settlement of funds in the form of external advances or prefinancing of exports, or export prefinancing granted by local financial institutions funded with foreign credit facilities, subject to conditions (Paragraph 3.2) or with settlement of a new external financial debt (Paragraph 3.3), inter alia.

According to Paragraph 1.4., access to the foreign exchange market for import payments pending customs entry registration required the prior approval of the BCRA, unless the payment was subject to one of the conditions provided in Paragraph 3.

According to Paragraph 1.5., access to the foreign exchange market to execute import payments for goods for which the customs entry registration was made by December 12, 2023, in addition to the remaining applicable requirements, is subject to the prior approval of the BCRA, except when:
- The payment corresponds to transactions financed or guaranteed by local or foreign financial institutions or by international organizations and/or official credit agencies; or
- For the equivalent of the amount payable, the customer has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21.; or
- The customer has the equivalent of the amount payable with a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22),

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	issued in the framework of Paragraph 3.2.2., and the payment is arranged with a swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22. All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA (Paragraph 1.6.).
12/22/2023	Communication "A" 7925 regulated the conditions for importers of goods to subscribe Bonds for the Reconstruction of a Free Argentina (BOPREAL) up to the amount of the outstanding debt for their imports of goods with registration of customs entry until December 12, 2023. The entity that finalizes the subscription offer on behalf of the customer must have the relevant certifications for the outstanding payment amount issued by the entity responsible for monitoring the relevant Import Payments Tracking System formalizations, and must verify that: 1.1. The obligation qualifies as a goods import debt pursuant to Paragraph 10.2.4. of the TO; 1.2. The operation must be declared, if applicable, in the most recent required submission of the External Assets and Liabilities Statement; 1.3. Certain conditions provided in Paragraph 10.3.2.1 of the TO must be met; 1.4. The customer must meet the additional requirements provided in Paragraphs 3.16.2. to 3.16.6. of the TO; 1.5. An affidavit is available from the customer stating the debt for which the subscription is requested is pending payment. In accordance with Paragraph 3 of such regulations, importers of goods subscribing BOPREALs corresponding to the longest term offered by the Central Bank of the Argentine Republic, prior to December 31, 2023, and for an amount greater than or equal to 50% of the total outstanding amount of their eligible debts, will be able to access the foreign exchange market as of February 1, 2024, to pay such commercial debts for imports of goods and services prior to December 13, 2023, in a total amount equivalent to 5% of the subscribed amount under this mechanism. Communication "A" 7935 of December 28, 2023 subsequently extended the BOPREAL subscription deadline until January 31, 2024. Paragraph 4 provides that institutions may give customers access to the foreign exchange market for the payment of eligible debts, provided the applicable requirements are met, through a swap and/or arbitrage operation with funds deposited to a local account and deriving from principal and interest in foreign exchange from BOPREAL. Paragraph 5 provides that, in preparing the affidavits provided in Paragraph 3.16.3. of the TO, sales with settlement in foreign exchange in the country or abroad in connection with BOPREALs or transfers of these bonds to depositaries abroad should not be reflected when executed in amounts up to the amount acquired in the primary subscription by those who participated in that process.
12/28/2023	Paragraph 4 of Communication "A" 7935 (pursuant to "C" 96983) provides that importers of goods that have purchased Bonds for the Reconstruction of a Free Argentina (BOPREALs) in a primary subscription, for the purpose of preparing the affidavits provided in Paragraph 3.16.3. of the TO, must not include sales of securities with settlement in foreign exchange abroad or transfers of securities to

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		depositaries abroad, both completed from April 1, 2024, when the market value of these operations does not exceed the difference between the amount obtained from the sale with settlement abroad in foreign exchange of BOPREALs acquired in the primary subscription and their nominal value, if the former amount is lower.
Advance payment requirements	*06/27/2022*	For the access of the foreign exchange market without the prior approval of the Central Bank of the Argentine Republic, payments on demand or on commercial debt intended for the acquisition of capital goods without customs entry registration, and there is verification that the sum of the advance payments, on demand and on commercial debt without customs entry registration made under this paragraph, when they were included does not exceed 80% of the total amount of the goods to be imported, were allowed. Previously, the institution must had an affidavit from the customer stating that the amount pending settlement for payments as of December 1, 2021, including the payment whose execution is being requested, does not exceed the equivalent of US$1,000,000. In the event that this amount was exceeded, the institution had to verify that the payment complied with the established conditions (30% and 80%).
	12/13/2023	Paragraphs 10.4.2.9., 10.4.2.10., 10.10., 10.11., 10.12., 10.14., 12.1., and 12.2. of the TO were repealed by Communication "A" 7917 .and it established a number of conditions for foreign exchange market access for the processing of payments for new imports of goods and services as follows: Paragraph 1.1. provides that it will not be necessary to have a declaration prepared through the Argentine Republic Import System (SIRA) with "EXITED" status as a requirement for access to the foreign exchange market, or to validate the operation in the Single Foreign Trade Current Account System. According to Paragraph 1.4., access to the foreign exchange market to make payments with pending registration of customs entry requires prior approval from the Central Bank of the Argentine Republic (BCRA), except when the payment is in any of the circumstances provided in Paragraph 3, which primarily involves payments made on a financed basis, with funds from goods import financing granted by a local financial institution from a foreign credit facility (Paragraph 3.1) or simultaneous access with settlement of funds in the form of external advances or prefinancing of exports, or export prefinancing granted by local financial institutions funded with foreign credit facilities, subject to conditions (Paragraph 3.2) or with settlement of a new external financial debt (Paragraph 3.3), inter alia. All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA (Paragraph 1.6.).
Documentation requirements for release of foreign exchange for imports		
Letters of credit	*03/04/2022*	Institutions must have documentation proving that, at the time of opening or issuance by the institution, any of the conditions set forth in Paragraph 10.14.2 were met (minimum period).
	03/22/2022	The institution may consider that the provisions of Paragraph 10.14.2.5 have been met (minimum financing term of 180 or 90 calendar days) provided, at the time of opening or issuance, the following conditions were met: (1) the maturity date established was equal to or greater than the date that arose from the sum of the term applicable to the goods in the aforementioned paragraph plus the estimated transportation time from the country of origin plus 15

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		calendar days and (2) the institution had an affidavit from the importer stating that he undertook, except in situations of force majeure beyond his control, to register the customs entry of the goods within 15 calendar days of their arrival in Argentina.
Other	*01/03/2022*	Access to the foreign exchange market was allowed without Central Bank of the Argentine Republic prior approval for the cancellation of debts (not just commercial) with debt from abroad for the import of goods and services.
	01/06/2022	The limit for access to the foreign exchange market without Central Bank of the Argentine Republic prior approval for payments on demand or commercial debts without customs entry registration was modified by eliminating the subtraction of the amount pending settlement for payments with customs entry registration pending when there is a delay recorded by the importer.
	03/04/2022	For the access to the foreign exchange market without Central Bank of the Argentine Republic prior approval, the following requirement was introduced: in those cases in which a declaration made through the SIMI is a requirement for the registration of the customs entry of goods, any of the conditions set forth in Paragraph 10.14.2, which are compatible with the operations referred to in Paragraph 10.11.11, must be met.
	03/04/2022	Payments on demand were allowed for access the foreign exchange market without the requirement of prior approval from the Central Bank of the Argentine Republic if they comply with one of the conditions set forth in Paragraph 10.14.2.
	05/05/2022	Access to the foreign exchange market without the requirement of prior approval from the Central Bank of the Argentine Republic was allowed for payments with pending customs entry registration made with funds originating from financing for imports of goods granted by a local financial institution from a commercial credit line from abroad, provided the maturity date of the financing granted is equal to or later than the estimated date of arrival of the goods in Argentina plus 15 calendar days. The institution must have an affidavit from the importer in which he undertakes, except in situations of force majeure beyond his control, to register the goods for customs entry within 15 days of their arrival in Argentina.
	05/28/2022	Access to the foreign exchange market without the requirement of prior approval from the Central Bank of the Argentine Republic was allowed for principal payments on commercial debts for imports of goods, in accordance with Paragraph 10.2.4, when the customer has a certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21.
	06/28/2022	The client must submit an affidavit in which they record that by adding the amount of the payment whose course is being requested to the total payments made as of January 1, 2022, that do not correspond to some operations (Paragraph 2.2 of Communication “A” 7532, for example, temporary imports, imports paid with funds originated in the financing of imports of goods granted by a local financial entity from a foreign commercial line of credit), the equivalent to the proportional part of the annual limit of Integrated Import Monitoring System Category A that has accrued up to and including the current month is not exceeded.
	07/21/2022	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign

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	shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
10/01/2022	The client's affidavit, in which they record that by adding the amount of the payment whose course was being requested to the total payments made as of January 1, 2022, that do not correspond to some operations (Paragraph 2.2 of Communication "A" 7532, for example, temporary imports, imports paid with funds originated in the financing of imports of goods granted by a local financial entity from a foreign commercial line of credit), the equivalent to the proportional part of the annual limit of Integrated Import Monitoring System Category A that has accrued up to and including the current month was not exceeded, was eliminated.
10/11/2022	Access to the foreign exchange market without the requirement of prior approval from the Central Bank of the Argentine Republic was allowed for principal payments on commercial debts for imports of goods, in accordance with Paragraph 10.2.4, when the customer has a certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) issued in the framework of Paragraph 3.22., and the operation is carried out with a swap and/or arbitrage with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22.
05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following

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	situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities– except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
12/13/2023	Paragraphs 3.19., 3.20., 10.10., 10.11., 10.12., and 10.14. of the TO were repealed by Communication "A" 7917 and it introduced new rules on access to the foreign exchange market for the processing of import payments as follows: Paragraph 1.1. provided it would not be necessary to have a declaration prepared through the Argentine Republic Import System (SIRA) with "EXITED" status as a requirement for access to the foreign exchange market, or to validate the operation in the computerized Single Foreign Trade Current Account System. Paragraph 1.2. established different minimum periods for access to the foreign exchange market to process import payments with customs entry registration from December 13, 2023, according to the following system: Energy and fuel: 0 days. Medicines, fertilizers, phytosanitary products, and/or their inputs: 30 days. Finished automobiles and luxury goods: 180 days.

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All other goods: 25% a month as of day 30.

According to Paragraph 1.3., access before these periods requires prior approval from the Central Bank of the Argentine Republic (BCRA), except when the payment is subject to any of the conditions provided in Paragraph 3, which primarily involves payments made on a financed basis, with funds from goods import financing granted by a local financial institution from a foreign credit facility (Paragraph 3.1) or simultaneous access with settlement of funds in the form of external advances or prefinancing of exports, or export prefinancing granted by local financial institutions funded with foreign credit facilities, subject to conditions (Paragraph 3.2) or with settlement of a new external financial debt (Paragraph 3.3), inter alia.

According to Paragraph 1.4., access to the foreign exchange market for import payments pending customs entry registration required the prior approval of the BCRA, unless the payment was subject to one of the conditions provided in Paragraph 3.

According to Paragraph 1.5., access to the foreign exchange market to execute import payments for goods for which the customs entry registration was made by December 12, 2023, in addition to the remaining applicable requirements, is subject to the prior approval of the BCRA, except when:
- The payment corresponds to transactions financed or guaranteed by local or foreign financial institutions or by international organizations and/or official credit agencies; or
- For the equivalent of the amount payable, the customer has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21.; or
- The customer has the equivalent of the amount payable with a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22), issued in the framework of Paragraph 3.2.2., and the payment is arranged with a swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22.

All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA (Paragraph 1.6.).

12/22/2023

Communication “A” 7925 regulated the conditions for importers of goods to subscribe Bonds for the Reconstruction of a Free Argentina (BOPREAL) up to the amount of the outstanding debt for their imports of goods with registration of customs entry until December 12, 2023.
The entity that finalizes the subscription offer on behalf of the customer must have the relevant certifications for the outstanding payment amount issued by the entity responsible for monitoring the relevant Import Payments Tracking System formalizations, and must verify that:
1.1. The obligation qualifies as a goods import debt pursuant to Paragraph 10.2.4. of the TO;
1.2. The operation must be declared, if applicable, in the most recent required submission of the External Assets and Liabilities Statement;
1.3. Certain conditions provided in Paragraph 10.3.2.1 of the TO must be met;
1.4. The customer must meet the additional requirements provided in Paragraphs 3.16.2. to 3.16.6. of the TO;

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		1.5. An affidavit is available from the customer stating the debt for which the subscription is requested is pending payment. In accordance with Paragraph 3 of such regulations, importers of goods subscribing BOPREALs corresponding to the longest term offered by the BCRA, prior to December 31, 2023, and for an amount greater than or equal to 50% of the total outstanding amount of their eligible debts, will be able to access the foreign exchange market as of February 1, 2024, to pay such commercial debts for imports of goods and services prior to December 13, 2023, in a total amount equivalent to 5% of the subscribed amount under this mechanism. Communication "A" 7935 of December 28, 2023, subsequently extended the BOPREAL subscription deadline until January 31, 2024. Paragraph 4 provides that institutions may give customers access to the foreign exchange market for the payment of eligible debts, provided the applicable requirements are met, through a swap and/or arbitrage operation with funds deposited to a local account and deriving from principal and interest in foreign exchange from BOPREAL. Paragraph 5 provides that, in preparing the affidavits provided in Paragraph 3.16.3. of the TO, sales with settlement in foreign exchange in the country or abroad in connection with BOPREALs or transfers of these bonds to depositaries abroad should not be reflected when executed in amounts up to the amount acquired in the primary subscription by those who participated in that process.
	12/28/2023	Paragraph 4 of Communication "A" 7935 (pursuant to "C" 96983) provides that importers of goods that have purchased Bonds for the Reconstruction of a Free Argentina (BOPREALs) in a primary subscription, for the purpose of preparing the affidavits provided in Paragraph 3.16.3. of the TO, must not include sales of securities with settlement in foreign exchange abroad or transfers of securities to depositaries abroad, both completed from April 1, 2024, when the market value of these operations does not exceed the difference between the amount obtained from the sale with settlement abroad in foreign exchange of BOPREALs acquired in the primary subscription and their nominal value, if the former amount is lower.
Import licenses and other nontariff measures	*03/04/2022*	Communication "A" 7466 and supplementary provisions (Paragraph 10.14, amended by Communication "A" 7532 and supplementary provisions) provides that within the framework of the Integrated Import Monitoring System (SIMI), the Central Bank of the Argentine Republic (BCRA) must assign a category (A, B, or C) to each one that is officially registered in the SIMI, once the latter has obtained the "EXITED" status as of the intervention of the relevant competent agencies. The category assigned by the BCRA, considering the limits set for Categories A and C based on the values imported in 2020 and 2021, defines the minimum terms for access to the foreign exchange market to make payments for goods included in the SIMI. In particular, it is established that up to September 30, 2022, the limit of SIMI Category A or C at each point in time will be equivalent to the proportional part of the annual limit of each category accumulated up to and including the current month. In the event that the amount indicated for a category is less than US$250,000, the latter amount or the corresponding annual limit, whichever is lower, will be adopted. In addition, the goods included in a SIMI Category A or in a SIMI Category C, provided the additional conditions are met, or that fall under the exceptions specified in Paragraph 10.14.2, may access the

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		foreign exchange market to make advance, on demand, or deferred payments provided they meet the requirements established in each case. The remaining goods included in a SIMI Category B or C, unless they have prior approval from the BCRA, may only access the foreign exchange market, provided the other applicable requirements are met, once the minimum term has elapsed from the date of customs entry registration, which is established in general at 180 calendar days and in particular at 60 calendar days for fertilizers, phytosanitary products, or inputs for processing in Argentina and 90 days for the tariff positions listed in Paragraph 10.14.8 (Paragraph 10.14.2.5).
	12/13/2023	Paragraphs 10.10., 10.11., 10.12., 10.13., 10.14., and 12.1. of the TO were repealed by Communication "A" 7917 and in accordance with Paragraph 1.1., a declaration through the SIRA with "EXITED" status will not be required for access to the foreign exchange market, nor will the operation have to be validated in the "Single Foreign Trade Current Account" system, and for purposes of foreign exchange market access for the payment of imports of goods, the conditions provided in Paragraphs 1.2 to 1.6. of that text must be verified.

Exports and Export Proceeds

Repatriation requirements	*06/27/2022*	Foreign exchange from advance payments, prefinancing, and post-financing abroad must be sold on the foreign exchange market within 10 (previously 5) business days of the date of receipt or disbursement abroad.
	08/05/2022	Communication "A" 7570 modified Paragraph 7.1.3.1., establishing the deadline for entry and settlement of this type of transaction to be extended to 180 calendar days from the date of collection or disbursement abroad when the customer meets all of the following conditions: (1) The foreign exchange was transferred into the correspondent account of the local entity between August 4, 2022, and November 4, 2022. (2) The customer has registered foreign exchange settlements on the foreign exchange market for advances, prefinancing, and/or post-financing from abroad in 2022 for an amount greater than or equal to the equivalent of US$100,000,000. (3) The customer must credit the funds to its Special Export Financing Credit Account until the foreign exchange is settled or it is agreed that the funds will be credited to the entity's correspondent account until the entry through the foreign exchange market has been confirmed.
	09/04/2022	Decree No. 443/23 (Official Bulletin of September 5, 2023)) restored, on an extraordinary, temporary basis, until September 30, 2023, the Exporter Increase Program created by Decree No. 576, for parties that, at some time during the 18 months immediately preceding the entry into force of this Decree, have exported merchandise for which the tariff positions of the MERCOSUR Common Nomenclature are listed in Annex I of Decree No. 576/22-SOY.
	12/01/2022	Communication "A" 7649 established that foreign exchange transferred between November 28, 2022, and December 30, 2022, were also considered for the extension of the deadline for entry and settlement to 180 calendar days from the date of collection or disbursement abroad.
	02/10/2023	Provided for the extension of the term for exports of goods covered by the provisions of Decree No. 492/23 provided the customer demonstrates that, under the conditions stipulated in the said Decree,

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	the foreign exchange entered and was settled on the foreign exchange market in an amount at least equal to the minimum required percentage of the advance, prefinancing, or post-financing and the portion pending settlement was applied to securities purchase and sale transactions in which the securities are acquired with settlement in foreign exchange and sold with settlement in local currency in the country.
04/13/2023	Communication "A" 7740 established that foreign exchange transferred between April 10, 2023, and December 31, 2023, were also considered or the extension of the deadline for entry and settlement to 180 calendar days from the date of collection or disbursement abroad.
05/09/2023	Article 4 of Decree No. 443 provided 75% of the equivalent export value of the merchandise listed in Annex I of Decree No. 576/22, including cases of prefinancing and/or post-financing of foreign exports or a settlement advance, which are subject to participation in the Program, must enter the country in foreign exchange and be traded through the Free Foreign Exchange Market, while the remaining 25% will be freely available.
08/24/2023	Communication "A" 7826 incorporated tariff position 1104.23.00.000D to a repatriation period of 15 calendar days.
10/01/2023	The provision that 75% of the equivalent export value of the merchandise listed in Annex I of Decree No. 576/22, including cases of prefinancing and/or post-financing of foreign exports or a settlement advance, which are subject to participation in the Program, must enter the country in foreign exchange and be traded through the Free Foreign Exchange Market, while the remaining 25% will be freely available expired.
10/23/2023	Article 1 of Decree No. 549/23 (Boletín Oficial (Official Bulletin) October 23, 2023)) established until November 17, 2023, inclusively, that the equivalent export value of services covered by Paragraph 2 (c) of Article 10 of Law No. 22.415 (Customs Code) as amended, and exports of merchandise covered by the MERCOSUR Common Nomenclature, including cases in which exports are prefinanced, post-financed from abroad, or settled in advance, must enter the country in foreign exchange and/or be traded, 70% through the Free Foreign Exchange Market, and, for the remaining 30%, the exporter is required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency. Article 3 provided the Central Bank Of The Argentine Republic (BCRA) will implement the necessary mechanisms to ensure that the result of any foreign exchange settlement carried out under this measure is, as elected by the exporter: (1) credited to a special account for which the remuneration is determined on the basis of fluctuations in the reference exchange rate in Communication "A" 3500 of the said entity, and may be opened without any maturity date; or (2) applied to the direct subscription of internal drafts of the BCRA in US dollars subject to settlement in pesos with the reference exchange rate of Communication "A" 3500 (LEDIV), under the terms and conditions established by the supplementary regulations of that institution.
10/23/2023	Provided for the extension of the term for exports of goods covered by the provisions of Decree No. 549/23 provided the customer demonstrates that, under the conditions stipulated in the said Decree, the foreign exchange entered and was settled on the foreign exchange market in an amount at least equal to the minimum required percentage of the advance, prefinancing, or post-financing and the portion pending settlement was applied to securities purchase and sale transactions in which the securities are acquired with settlement

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		in foreign exchange and sold with settlement in local currency in the country.
	11/11/2023	Provided for the extension of the term for exports of goods covered by the provisions of Decree No. 597/23 provided the customer demonstrates that, under the conditions stipulated in the said Decree, the foreign exchange entered and was settled on the foreign exchange market in an amount at least equal to the minimum required percentage of the advance, prefinancing, or post-financing and the portion pending settlement was applied to securities purchase and sale transactions in which the securities are acquired with settlement in foreign exchange and sold with settlement in local currency in the country.
	11/21/2023	Article 1 of Decree No. 597/23 (Boletín Oficial (Official Bulletin) November 21, 2023)) extended the validity of the provisions of Decree No. 549 of October 23, 2023 until December 10, 2023, inclusively. Article 2 provides that, from the date this measure enters into force, and until the end of the term provided in Article 1 above, the equivalent of exports of services covered by Article 10, Paragraph 2, subparagraph (c) of Law No. 22.415 (Customs Code), as amended, and exports of goods covered by the MERCOSUR Common Nomenclature, including cases of prefinancing and/or post-financing from abroad of exports or advance settlement, must enter the country in foreign exchange and/or be traded, 50% (before 70%) through the Free Foreign Exchange Market, and for the remaining 50% (before 30%), the exporter will be required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency.
	12/13/2023	Article 1 of Decree No. 28/23 (Boletín Oficial (Official Bulletin) December 13, 2023)) later established that the equivalent export value of the services covered by Paragraph 2 (c) of Article 10 of Law No. 22.415 (Customs Code), as amended, and the export of merchandise covered by the MERCOSUR Common Nomenclature, including cases of external prefinancing and/or post-financing of exports or settlement in advance, must enter the country in foreign exchange and/or be traded, 80% through the Free Foreign Exchange Market, and for the remaining 20%, the exporter is required to carry out purchase and sale transactions with negotiable securities with settlement in foreign exchange and sold with settlement in local currency.
Surrender requirements		
Surrender to authorized dealers	*12/29/2022*	Paragraph 2.6. regulates the exception for the settlement of export charges for goods and services for beneficiaries of the Promotion regime for exports from the knowledge economy; it establishes that legal entities registered in the National Registry of Beneficiaries of the Regime for the Promotion of the Knowledge Economy and that are beneficiaries of the provisions of Chapter II of Decree No. 679/22 will be exempted from the obligation to settle the charges for exports of goods and services corresponding to activities of the knowledge economy, subject to all of the following conditions: 2.6.1.1. They entered through the foreign exchange market within the time limits established in each case; 2.6.1.2. They have a Certificate of Increase in Exports in Connection with the Knowledge Economy (Decree No. 679/22) as provided in Paragraph 2.6.2.; 2.6.1.3. All other requirements established in Paragraph 2.2.2.2. or 7.8.4., as applicable, have been met.
Export licenses		
Without quotas		

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	01/23/2023	The requirement of licenses for certain essential medical supplies expired.

Export taxes

Other export taxes	*01/01/2022*	The universal export duty of 5% on exports of services (established by Law No. 27.541) expired, reverting to the limit of 4 pesos per dollar, with the exemption for small- and medium-sized enterprises exporting less than US$600,000.
	01/01/2022	Decree No. 851/2021 set the export duty rate at 0% for certain agricultural products, such as wheat, soybeans, sorghum, and maize.
	01/15/2022	Decree No. 852/2021 set at 0% the rate for products that are environmentally friendly, biological, or organic and that present the certificate of the certifying company authorized by the National Food Safety and Quality Service.
	03/19/2022	Decree No. 131/2022, subsequently suspended the provisions of Decree No. 790/2020 and established the export duty rates defined by Decree No. 230/2020 until December 31, 2022, involving an increase in duties.
	01/01/2023	Decree No. 790/2020 is back in force again. This Decree amends the export duty rates for soybeans and their derivatives through a gradual scheme that increases export duties to as much as 33% in some cases.
	09/01/2023	Amendments to the rates of export duties on certain agroindustrial goods were introduced. Many of the goods were subject to reductions to 0%, and others were subject to reductions to 2%, 3%, 4%, and 5% in export duties.
	10/04/2023	Decree No. 506/2023 suspends the export duty rates for dairy products. Accordingly, the goods are now subject to a rate of 0%. This text was extended by Decree No. 9/2024 until June 31, 2024.
	12/31/2023	The 100% reduction of export duties for incremental extra-MERCOSUR exports of finished goods in the automotive sector, in terms of their free on board value, considering 2020 as the base period, expired.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned

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affidavit by the said entity will not be necessary.

04/20/2023 Until December 31, 2023, under Communication "A" 7746, approval of the BCRA to access the foreign exchange market will be required when the creditor is a counterparty related to the borrower.

05/11/2023 Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/19/2023 Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.

09/05/2023 An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.

09/08/2023 Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.

09/20/2023 Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.

09/28/2023 Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023. and that contemplate at least 1 year of grace for the payment of capital.

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10/21/2023 The exception that funds related to Decree No. 443/23 are of free usage expired.

12/07/2023 Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).

12/13/2023 Paragraph 2 of Communication "A" 7917 (according to Errata Communication "C" 96844), established new conditions for access to the foreign exchange market for payment of services provided by nonresidents from December 13, 2023, onward, while, for access to the payment of debts arising from previously arranged operations, prior agreement of Central Bank of the Argentine Republic (BCRA) was provided, in addition to certain exceptions.

Paragraph 2.1. of Communication "A" 7917 provided it will not be necessary to have a declaration prepared through the Argentine Republic Import and External Service Payments System with "APPROVED" status or to validate the operation in the computerized Single Foreign Trade Current Account system.

Paragraph 2.2 established conditions for access to the foreign exchange market without requiring approval, to make payments for services provided by nonresidents, provided the remaining applicable regulatory requirements are confirmed:
(1) Access is allowed to process transactions corresponding to S03. Passenger transportation services; S06. Travel (excluding operations in connection with withdrawals and/or consumption with cards of residents with nonresident suppliers or those of nonresidents with Argentine suppliers); S23. Audiovisual services; S25. Government services; S26. Health services by travel assistance companies; S27. Other health services; S29. Transactions associated with withdrawals and/or consumption with cards of residents with nonresident suppliers or those of nonresidents with Argentine suppliers and expenses paid by financial institutions abroad for their customary operations.
(2) For services provided or accrued from December 13, 2013, access is provided after a minimum period has been completed, subject to the following conditions:
(a) in the case of freight, within periods compatible with those established for payments for imports of goods under Paragraph 1.2. of Communication "A" 7917 that varied from 30 to 120 calendar days depending on the type of good.
(b) For code S24. Other personal, cultural, and recreational services: 90 calendar days.
(c) For all other services: 30 calendar days if the foreign counterparty is not related to the resident, or 180 calendar days when the foreign counterparty is related to the resident.

In Paragraph 2.3., access without prior approval of the BCRA is permitted to make payments for new imports of services provided or accrued from December 13, 2023, before the deadlines provided in Paragraph 2.2. when, in addition to the other applicable regulatory requirements, the payment is in the conditions provided in Paragraph 4 (in which different external financing is provided, or with certifications obtained under Decrees No. 277/22 and No. 679/22).

According to Paragraph 2.4., access to the foreign exchange market for the payment of nonresident services provided and/or accrued until December 12, 2023, in addition to the other applicable requirements, is subject to prior approval from the BCRA, except when: the payment corresponds to transactions financed or guaranteed by local

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		or foreign financial institutions or international organizations and/or official credit agencies, or if the customer has a certification issued in the framework of Decrees No. 277/22 or No. 679/22. All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA, in respect of minimum periods for access to the foreign exchange market (Paragraph 2.5.).
	12/28/2023	Communication "A" 7935 extended the requirement of the approval of the BCRA to access the foreign exchange when the creditor is a counterparty related to the borrower (Communication "A" 7746) until December 31, 2024. Initially, it was until December 31, 2023.
Prior approval	*01/03/2022*	The following is an exception from the Central Bank of the Argentine Republic approval requirement for access to the foreign exchange market for the prepayment of debts for services and for service payments to related counterparties abroad: payments on maturity of an obligation for a service rendered at least 180 calendar days prior to access or derived from a contract that has been signed a similar period in advance.
	01/07/2022	Communication "A" 7433 established that institutions must verify that a customer has a declaration made through the Integrated System for Monitoring Payments for Services Abroad (SIMPES) with "APPROVED" status, except for transactions involving services provided under codes S02 (Freight services), S03 (Passenger transportation services), S06 (Travel and other card payments), S25 (Government services), S26 (Health services by travel assistance companies), and S27 (Other health services). The preceding requirement will not apply in the event of payment by: (1) the public sector; (2) all business organizations, regardless of their corporate form, in which the national government has a majority stake in the capital or in the adoption of corporate decisions; (3) trusts constituted with contributions from the national public sector; (4) financial institutions for their own imports of services performed by the same institution; or (5) institutions for the cancellation of LCs or guarantee letters issued or granted up through January 6, 2022. In the case of LCs or guarantee letters issued or granted on or after January 7, 2022, the institution must have documentation proving that, at the time of opening or issuance by the institution, the customer had a declaration made through the SIMPES with "APPROVED" status, with the exceptions indicated above.
	06/27/2022	Paragraph 3 of Communication "A" 7532 introduced as an additional requirement for customer transactions covered by the Integrated System for Monitoring Payments for Services Abroad (SIMPES) or the institution's own transactions involving items for which a declaration in the said system is required for customers, that the institution may only grant access to the foreign exchange market if one of the following conditions is met: - the institution has an affidavit from the customer stating that the accumulated amount, including the payment to be made, of the payments made by the customer through the foreign exchange market for the services items covered by the SIMPES, in the current calendar year and among the institutions as a whole, does not exceed the amount resulting from the following elements: - the proportional part, accumulated through the current month, of the total amount of payments made by the importer during the year 2021 for all the items included.

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		In the event that the latter amount is less than US$50,000, the latter amount or the annual limit, whichever is lower, will be adopted, minus the amount outstanding to date under LCs or guarantee letters issued in its name by local financial institutions for the importation of services. For the purpose of calculating payments made through the foreign exchange market in the current year and those made in the previous year, no account should be taken of those transactions that have been included in the mechanisms set forth in Paragraphs 3.18 and 3.19, or those corresponding to Items "S08. Insurance premiums" and "S09. Payment of claims. If the customer has not made payments for the items covered through the foreign exchange market in the previous calendar year, or the payments made were less than the equivalent of US$20,000, the latter value is taken as the annual limit for the purposes of the provisions of this paragraph. - the payment falls under the mechanisms provided for in Paragraphs 3.18 (Certificate of Increase in Exports) and 3.19 (Certificate of Entry of New Financial Debt from Abroad); - the payment pertains to Items "S08. Insurance premiums" and "S09. Payment of claims;" - payment is made 180 calendar days after the date of the effective delivery of the service; - the customer has access simultaneously with the settlement of a new financial debt abroad for which the total principal amount comes due after the date of effective delivery of the service plus the time period specified in Paragraph (d); - the customer has access with funds arising from financing of imports of services granted by a local financial institution from a commercial line of credit from abroad and the total principal amount under the financing has a maturity date subsequent to the date of effective delivery of the service plus the time period specified in Paragraph (d). To access the foreign exchange market to make their own payments under LCs or guarantee letters issued or granted as of June 27, 2022, in connection with the importation of services, financial institutions must have an affidavit from the customer, made at the time of opening or issuance, stating that this date falls within any of the situations set forth in Paragraphs (a) to (d) of the preceding paragraph.
	07/21/2022	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
Quantitative limits	*06/27/2022*	Paragraph 3 of Communication "A" 7532, introduced as an additional requirement for customer transactions covered by the Integrated System for Monitoring Payments for Services Abroad (SIMPES) with "APPROVED" status or the institution's own transactions involving items for which a declaration in the said system is required for customers, that the institution may only grant access to the foreign exchange market if one of the following conditions is met: - the institution has an affidavit from the customer stating that the accumulated amount, including the payment to be made, of the payments made by the customer through the foreign exchange market

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		for the services items covered by the SIMPES, in the current calendar year and among the institutions as a whole, does not exceed the amount resulting from the following elements: - the proportional part, accumulated through the current month, of the total amount of payments made by the importer during the year 2021 for all the items included. In the event that the latter amount is less than US$50,000, the latter amount or the annual limit, whichever is lower, will be adopted, minus the amount outstanding to date under LCs or guarantee letters issued in its name by local financial institutions for the importation of services. If the customer has not made payments for the items covered through the foreign exchange market in the previous calendar year, or the payments made were less than the equivalent of US$20,000, the latter value is taken as the annual limit for the purposes of the provisions of this paragraph. The payment falls under any of the exceptions provided for in the said regulation, such as, for example, that the payment is made more than 180 calendar days from the date of the effective delivery of the service or is financed with foreign debt whose principal matures after the date of the effective delivery of the service plus the term indicated.
	10/17/2022	Paragraph 3 of Communication “A” 7622 replaced, the declaration in the SIMPES system with a declaration made in the Argentine Republic Import and External Service Payments System (SIRASE) establishing that, in cases in which, to give access to the foreign exchange market to make payments for services provided by nonresidents, a declaration would be required in SIMPES with "APPROVED" status; entities could also accept the filing of a declaration prepared in SIRASE reflecting that status. Paragraph 3.1. of Communication “A” 7532 does not apply to transactions for which the customer submits a SIRASE declaration
Investment-related payments		
	05/19/2023	Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from

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		the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
	09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/01/2023	Communication "A" 7904 established the required authorization between December 1, 2023, and December 31, 2023, from the maturity date of the principal or interest service payable or the next business day when that date is not a business day and up to 3 business days before the maturity date, provided the payment is made through a swap or arbitrage operation against a local foreign exchange account held by a customer that is authorized to make such payment.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
	12/13/2023	Communication "A" 7904 was repealed by Communication "A" 7917.
Prior approval	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the

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		provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	10/28/2022	The certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas was included as a condition for access without prior approval of the Central Bank of the Argentine Republic. - It has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) (Paragraph 3.4.4.5. which incorporates Communication "A" 7664 effective December 29, 2022).
	12/29/2022	The certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) was included as a condition for access without prior approval of the Central Bank of the Argentine Republic.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
Payments for travel		
Prior approval	*01/07/2022*	Communication "A" 7433 established that institutions must verify that a customer has a declaration made through the Integrated System for Monitoring Payments for Services Abroad (SIMPES) with "APPROVED" status, except for transactions involving services provided under codes S02 (Freight services), S03 (Passenger transportation services), S06 (Travel and other card payments), S25 (Government services), S26 (Health services by travel assistance companies), and S27 (Other health services). The preceding requirement will not apply in the event of payment by: (1) the public sector; (2) all business organizations, regardless of their corporate form, in which the national government has a majority stake in the capital or in the adoption of corporate decisions; (3) trusts constituted with contributions from the national public sector; (4) financial institutions for their own imports of services performed by the same institution; or (5) institutions for the cancellation of LCs or guarantee letters issued or granted up through January 6, 2022. In the case of LCs or guarantee letters issued or granted on or after January 7, 2022, the institution must have documentation proving that, at the time of opening or issuance by the institution, the customer had a declaration made through the SIMPES with "APPROVED" status, with the exceptions indicated above.
	06/27/2022	Paragraph 3 of Communication "A" 7532, introduced as an additional requirement for customer transactions covered by the Integrated System for Monitoring Payments for Services Abroad (SIMPES) or the institution's own transactions involving items for which a declaration in the said system is required for customers, that the institution may only grant access to the foreign exchange market if one of the following conditions is met:

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-the institution has an affidavit from the customer stating that the accumulated amount, including the payment to be made, of the payments made by the customer through the foreign exchange market for the services items covered by the SIMPES, in the current calendar year and among the institutions as a whole, does not exceed the amount resulting from the following elements:

-the proportional part, accumulated through the current month, of the total amount of payments made by the importer during the year 2021 for all the items included.

In the event that the latter amount is less than US$50,000, the latter amount or the annual limit, whichever is lower, will be adopted, minus the amount outstanding to date under LCs or guarantee letters issued in its name by local financial institutions for the importation of services.

For the purpose of calculating payments made through the foreign exchange market in the current year and those made in the previous year, no account should be taken of those transactions that have been included in the mechanisms set forth in Paragraphs 3.18 and 3.19, or those corresponding to Items “S08. Insurance premiums” and “S09. Payment of claims.

If the customer has not made payments for the items covered through the foreign exchange market in the previous calendar year, or the payments made were less than the equivalent of US$20,000, the latter value is taken as the annual limit for the purposes of the provisions of this paragraph.

The payment falls under the mechanisms provided for in Paragraphs 3.18 (Certificate of Increase in Exports) and 3.19 (Certificate of Entry of New Financial Debt from Abroad).
The payment pertains to Items “S08. Insurance premiums” and “S09. Payment of claims.”
Payment is made 180 calendar days after the date of the effective delivery of the service;
- the customer has access simultaneously with the settlement of a new financial debt abroad for which the total principal amount comes due after the date of effective delivery of the service plus the time period specified in Paragraph (d),
- the customer has access with funds arising from financing of imports of services granted by a local financial institution from a commercial line of credit from abroad and the total principal amount under the financing has a maturity date subsequent to the date of effective delivery of the service plus the time period specified in Paragraph (d).

To access the foreign exchange market to make their own payments under LCs or guarantee letters issued or granted as of June 27, 2022, in connection with the importation of services, financial institutions must have an affidavit from the customer, made at the time of opening or issuance, stating that this date falls within any of the situations set forth in Paragraphs (a) to (d) of the preceding paragraph.

07/21/2022 Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.

07/22/2022 New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic

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	authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities
05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant

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Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.

09/20/2023 Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered.

09/28/2023 Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.

10/21/2023 The exception that funds related to Decree No. 443/23 are of free usage expired.

12/07/2023 Local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).

12/13/2023 Paragraph 2 of Communication “A” 7917 (according to Errata Communication “C” 96844) established new conditions for access to the foreign exchange market for payments of services provided by nonresidents from December 13, 2023, onward, while access for the payment of debts arising from the previously arranged operations, prior agreement of Central Bank of the Argentine Republic (BCRA) was provided, along with certain exceptions.

Paragraph 2.1. of Communication “A” 7917 provided it will not be necessary to have a declaration prepared through the Argentine Republic Import and External Service Payments System with “APPROVED” status or to validate the operation in the computerized Single Foreign Trade Current Account system.

Paragraph 2.2 established conditions for access to the foreign exchange market without requiring approval, to make payments for services provided by nonresidents, provided the remaining applicable regulatory requirements are confirmed:
(1) Access is allowed to process payments for transactions corresponding to:
S03. Passenger transportation services.
S06. Travel (excluding operations in connection with withdrawals and/or consumption with cards of residents with nonresident suppliers or of nonresidents with Argentine suppliers).
S23. Audiovisual services.
S25. Government services.
S26. Health services by travel assistance companies.
S27. Other health services.
S29. Transactions associated with withdrawals and/or consumption with cards of residents with nonresident suppliers or of nonresidents with Argentine suppliers and expenses paid by financial institutions abroad for their customary operations.
(2) For services provided or accrued from December 13, 2013, onward, access is provided after a stipulated minimum period.

According to Paragraph 2.4., access to the foreign exchange market for the payment of nonresident services provided and/or accrued until December 12, 2023, in addition to the other applicable requirements,

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		is subject to prior approval from the BCRA, except when: the payment corresponds to transactions financed or guaranteed by local or foreign financial institutions or international organizations and/or official credit agencies, or if the customer has a Certificate issued in the framework of Decrees No. 277/22 or No. 679/22. All operations must also be validated, at the time of access to the foreign exchange market, in the online system implemented for that purpose by the BCRA, in respect of the minimum terms for access to the foreign exchange market (Paragraph 2.5.).
	12/13/2023	Paragraph 3.19. of the TO was repealed by Communication "A" 7917.
Quantitative limits	*06/27/2022*	Paragraph 3 of Communication "A" 7532 introduced as an additional requirement for customer transactions covered by the Integrated System for Monitoring Payments for Services Abroad (SIMPES) with "APPROVED" status or the institution's own transactions involving items for which a declaration in the said system is required for customers, that the institution may only grant access to the foreign exchange market if one of the following conditions is met: - the institution has an affidavit from the customer stating that the accumulated amount, including the payment to be made, of the payments made by the customer through the foreign exchange market for the services items covered by the SIMPES, in the current calendar year and among the institutions as a whole, does not exceed the amount resulting from the following elements: - the proportional part, accumulated through the current month, of the total amount of payments made by the importer during the year 2021 for all the items included. In the event that the latter amount is less than US$50,000, the latter amount or the annual limit, whichever is lower, will be adopted, minus the amount outstanding to date under LCs or guarantee letters issued in its name by local financial institutions for the importation of services. If the customer has not made payments for the items covered through the foreign exchange market in the previous calendar year, or the payments made were less than the equivalent of US$20,000, the latter value is taken as the annual limit for the purposes of the provisions of this paragraph. The payment falls under any of the exceptions provided for in the said regulation, such as, for example, that the payment is made more than 180 calendar days from the date of the effective delivery of the service or is financed with foreign debt whose principal matures after the date of the effective delivery of the service plus the term indicated.
Personal payments		
Prior approval	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not

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	delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
09/16/2022	If the customer is not a public utility user that is a beneficiary of the subsidy in the tariffs for the supply of natural gas through the grid, and/or electricity, whether obtained by request or automatically, and/or the subsidy applied to drinking water tariffs, the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.
03/30/2023	If the customer has no pending debt as a beneficiary of the Social Security Debt Payment Plan provided in Law No. 27.705 or any other regularization plan for social security debt, the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.
04/20/2023	Communication "A" 7746 established that the commitment that the customer undertakes not to enter into securities transactions in Argentina has the character of a sworn declaration.
05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in

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		local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities –except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	07/20/2023	If the customer has no pending debt as a beneficiary of the "ANSES CREDITS" provided in Resolution No. 144/2023 of the National Social Security Administration (Administración Nacional de la Seguridad Social), the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.
	09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
	09/07/2023	Communication "A" 7838 established that the operations carried out by clients correspond to their own operations (and that they are not channeling third-party operations).
	09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/12/2023	If the customer has no pending debt for financing provided in Decree No. 463/23 for beneficiaries of the Argentine Integrated Pension System (SIPA) and workers contributing to the SIPA in reference, the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.
	09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
Credit card use abroad		
Prior approval	*05/11/2023*	Prior approval was required for the acquisition of gift cards or equivalent mechanisms from shops or establishments located abroad.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	*10/23/2023*	Article 1 of Decree No. 549/23 established until November 17, 2023, inclusively, that the equivalent export value of services covered by Paragraph 2 (c) of Article 10 of Law No. 22.415 (Customs Code) as amended, and exports of merchandise covered by the MERCOSUR Common Nomenclature (NCM), including cases in which exports are externally prefinanced, post-financed, and/or settled in advance, must enter the country in foreign exchange and/or be traded, 70% (previously 100%) through the Free Foreign Exchange Market

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		(MLC), and, for the remaining 30%, the exporter is required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency.
	11/21/2023	Article 1 of Decree No. 597/23 extended the validity of the provisions of Decree No. 549 of October 23, 2023, until December 10, 2023, inclusively. Article 2 of Decree No. 597/23 provides that, from the date this measure enters into force, and until the end of the term provided in the foregoing Article 1, the equivalent of exports of services covered by Article 10, Paragraph 2, subparagraph (c) of Law No. 22.415 (Customs Code), as amended, and exports of goods covered by the MERCOSUR Common Nomenclature (NCM), including cases of external prefinancing and/or post-financing of exports or advance settlement, must enter the country in foreign exchange and/or be traded, 50% through the Free Foreign Exchange Market (MLC), and for the remaining 50%, the exporter will be required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency. Previously it was 70% through the MLC, and 30% for securities.
	12/13/2023	Article 1 of Decree No. 28/23 established that the equivalent export value of the services covered by Paragraph 2 (c) of Article 10 of Law No. 22.415 (Customs Code), as amended, and exports of merchandise covered by the MERCOSUR Common Nomenclature (NCM), including cases of external prefinancing and/or post-financing of exports or an advanced payment, must enter the country in foreign exchange and/or be traded, 80% through the Free Foreign Exchange Market (MLC), and for the remaining 20%, the exporter is required to carry out purchase and sale transactions with negotiable securities acquired with settlement in foreign exchange and sold with settlement in local currency. Previously it was 50% through the MLC, and 50% for securities.
Surrender requirements		
Surrender to authorized dealers	*06/02/2022*	Provided the conditions set forth in Paragraphs 2 or 3 of Communication “A” 7518 are met, payments for exports of services that are received within the regulatory time periods established for the items will be exempted from the requirement calling for sale in the foreign exchange market: S01 Maintenance and repair. S07 Construction services. S12 Telecommunications services. S13 Computer services. S14 Information services. S15 Charges for use of intellectual property. S16 Research and development services. S17 Legal, accounting, and management services. S18 Advertising, market research, and public opinion polling services. S19 Architectural, engineering, and other technical services. S21 Trade-related services. S22 Other business services. S23 Audiovisual and related services. S24 Other personal, cultural, and recreational services (includes educational classes). S27 Other health services. S28 Educational lessons. The funds should be credited to foreign currency accounts held by the

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customer at local financial institutions and the use of this mechanism should be tax neutral.

If the exporter is an individual, Paragraph 2 provides that he may use this mechanism up to the equivalent of US$12,000 in a calendar year, for all the institutions and for all the items included; he must sell in the market any income in excess of the said amount and submit an affidavit stating that he has not exceeded the annual limit and with respect to the performance of certain transactions with securities.

If the exporter is a legal entity, Paragraph 3 provides that it must have a "Certificate of Increase in Proceeds from Exports of Services in 2022," which is issued by a local financial institution when it verifies, among other conditions, that:
(1) the value of the proceeds from exports of services for the projected items entering the foreign exchange market in the year 2022 is greater than the value of its export proceeds for the same set of items received in all of 2021;
(2) the amount of the certificates issued, including the one requested, does not exceed the equivalent in foreign currency of the lesser of the following two values:
(a) 50% of the amount by which the income entering the foreign exchange market from the proceeds from exports of services under the items mentioned in Paragraph 1 in the year 2022 exceeds the amount received for such items during the entire previous year;
(b) the amount in foreign currency equivalent to 20% of the gross wages paid to workers in the previous calendar month multiplied by the number of months remaining until the end of the year including the current month.
(3) the institution has an affidavit from the exporter stating its commitment to ensure that the funds not sold through this mechanism will be used to pay net wages of workers in foreign currency within the limit of 20% provided for in Article 107 of the Labor Contract Law, and it does not have any record of non-compliance with respect to the entry and sale of proceeds from exports of services and with respect to the performance of certain transactions with securities.

11/04/2022 Paragraph 2.2.2.3. which incorporates Communication "A" 7630, involves exceptions for charges for exports of services corresponding to the following operations associated with international tourism in the country:
1) charges for consumption in the country by nonresidents through debit, credit, purchase, or prepaid cards issued abroad;
2) charges for any type of tourist service in the country contractually arranged by nonresidents, including those contractually arranged through wholesale and/or retail travel and tourism agencies in the country;
3) charges for passenger transportation services for nonresidents travelling to the country by land, air, or water.

12/30/2022 Paragraph 2.6. regulates the exception for the settlement of export charges for goods and services for beneficiaries of the Promotion regime for exports from the knowledge economy; it establishes that legal entities registered in the National Registry of Beneficiaries of the Regime for the Promotion of the Knowledge Economy and that are beneficiaries of the provisions of Chapter II of Decree No. 679/22 will be exempted from the obligation to settle the charges for exports of goods and services corresponding to activities of the knowledge economy, subject to all of the following conditions:
2.6.1.1. They entered through the foreign exchange market within the time limits established in each case.
2.6.1.2. They have a Certificate of Increase in Exports in Connection

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		with the Knowledge Economy (Decree No. 679/22) as provided in Paragraph 2.6.2. 2.6.1.3. All other requirements established in paragraph 2.2.2.2. or 7.8.4., as applicable, have been met.
	01/01/2023	Paragraph 3. of Communication "A" 7518 was repealed by Paragraph 5. of Communication "A" 7664, under which, if the exporter is a legal entity, it was required to have a "Certificate of Increase in Proceeds from Exports of Services in 2022," which is issued by a local financial institution when it verifies, among other conditions, that: (1) the value of the proceeds from exports of services for the projected items entering the foreign exchange market in the year 2022 is greater than the value of its export proceeds for the same set of items received in all of 2021; (2) the amount of the certificates issued, including the one requested, does not exceed the equivalent in foreign currency of the lesser of the following two values: (a) 50% of the amount by which the income entering the foreign exchange market from the proceeds from exports of services under the items mentioned in Paragraph 1 in the year 2022 exceeds the amount received for such items during the entire previous year; (b) the amount in foreign currency equivalent to 20% of the gross wages paid to workers in the previous calendar month multiplied by the number of months remaining until the end of the year including the current month. (3) the institution has an affidavit from the exporter stating its commitment to ensure that the funds not sold through this mechanism will be used to pay net wages of workers in foreign currency within the limit of 20% provided for in Article 107 of the Labor Contract Law, and it does not have any record of non-compliance with respect to the entry and sale of proceeds from exports of services and with respect to the performance of certain transactions with securities.
	11/05/2023	Paragraph 2.2.2.3. which incorporates Communication "A" 7762, involves exception for charges for exports of services corresponding to the following operation: charges for consumption in the country by nonresidents through electronic wallets or any other payment mechanism involving an immediate debit to an account with a financial institution abroad or a virtual account with an enterprise abroad. Should the mechanism through which the consumption is channeled include the option to use virtual accounts, the party that pays the funds in must demonstrate that the payment mechanism used provides for such accounts to be opened with institutions licensed to operate by the monetary authority or equivalent body of the country in which it is based, and that having a tax code in that country is a condition for opening the account.

Capital Transactions

Controls on capital transactions

Repatriation requirements	*11/24/2023*	The obligation may be considered fully met, when, before December 10, 2023, at least 50% of the amount received has been settled through the foreign exchange market, and for the remaining percentage, the customer has arranged purchase and sale transactions with securities acquired with settlement in foreign exchange and sold with settlement in local currency.
	12/10/2023	The condition that the obligation may be considered fully met, when, before December 10, 2023, at least 50% of the amount received has been settled through the foreign exchange market, and for the remaining percentage, the customer has arranged purchase and sale transactions with securities acquired with settlement in foreign

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		exchange and sold with settlement in local currency expired.
Surrender requirements		
Surrender to authorized dealers	*11/24/2023*	The obligation may be considered fully met, when, before December 10, 2023, at least 50% of the amount received has been settled through the foreign exchange market, and for the remaining percentage, the customer has arranged purchase and sale transactions with securities acquired with settlement in foreign exchange and sold with settlement in local currency.
	12/10/2023	The condition that the obligation may be considered fully met, when, before December 10, 2023, at least 50% of the amount received has been settled through the foreign exchange market, and for the remaining percentage, the customer has arranged purchase and sale transactions with securities acquired with settlement in foreign exchange and sold with settlement in local currency expired.
Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase locally by nonresidents	*07/21/2022*	Communication "A" 7551 incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the National Securities Commission. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US $5,000.
	11/10/2023	To carry out orders and/or to record transactions in connection with markets authorized by this Commission, in the framework of the operations provided in Paragraphs 3.16.3.1. and 3.16.3.2. of the Consolidated Text on External Affairs and Foreign Exchange of the BCRA, Trading Agents, Settlement and Clearing Agents, and Securities Brokers must, under General Resolution 981: (a) with respect to each of their customers from abroad— individuals and/or legal entities— that have a C.D.I. or C.I.E. and that are not intermediaries and/or similar institutions based abroad regulated by the Securities Commissions or other supervision bodies, they must confirm that the operations to be carried out by such customers are for their own portfolio and involve their own funds, and that the daily transaction volume does not exceed the amount of one hundred million pesos (AR$100,000,000). This daily limit will not apply to transfers of negotiable securities (issued by residents) to foreign depositary institutions. In all cases, such agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved; (b) with respect to customers that are intermediaries and/or similar institutions based abroad and regulated by Securities Commissions or other supervision bodies, they must confirm that the intermediaries from abroad in reference are only acting: (i) on behalf and account of local Argentine third party customers, and that the daily transaction volume of each third party customer does not exceed the amount of one hundred million pesos (AR$100,000,000), and such Agents must

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		submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved; or (ii) on own account and with own funds. In this case, if the daily transaction volume exceeds the amount indicated in Item (i) of this paragraph, the Agents must forward to the Commission the information as provided, with the same advance and detail; or (iii) as depositaries of shares of local issuing companies to comply with the payment of dividends to holders, local Argentine or foreign nationals, of CDs in custodianship abroad (GDS/American Depositary Receipt (ADR)/ADS) corresponding to such issuers, by carrying out one or more transactions with negotiable securities intended to implement such payment abroad, and that: (a) such dividends have been approved by the shareholders' meeting in respect of holders of certificates with authorized trading on foreign markets; and (b) the local issuers in question are authorized to list on a market authorized by the Commission and to be listed on a foreign market with the deposit of their shares with a bank that issues CDs, and such agents must forward the following information to this Commission 5 business days in advance: (1) data on the local issuer and the amount of dividends involved; (2) type(s) of operation(s); (3) amount(s) involved; and (4) mechanism(s) and/or instrument(s) involved; (c) For customers that have a C.U.I.T: (i) they must confirm that, when said customers act on behalf and by order of third parties, the daily transaction volume of all third parties does not exceed the amount of one hundred million pesos (AR$100,000,000), and such Agents must submit the following information to this Commission 5 business days in advance: (1) type(s) of operation(s); (2) amount(s) involved; and (3) mechanism(s) and/or instrument(s) involved, with indication of the respective final customer(s) of such operations (actual beneficiary); including but not limited to their identification data, the C.U.I.T./C.U.I..L., C.D.I., C.I.E., or any identification code that may be created in the future by the AFIP, or its equivalent for foreign persons, if applicable; and (ii) when such customers act on their own account and with their own funds and the daily transaction volume exceeds the amount of two hundred million pesos (AR$200.000.000), the information provided in Item (i) of this paragraph must be submitted to this Commission with the same advanced notice and details.
Sale or issue locally by nonresidents	*07/21/2022*	Communication “A” 7551 incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the National Securities Commission. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US $5,000.
	07/21/2022	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities

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representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.

08/25/2022 Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary

05/11/2023 Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities

05/19/2023 Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.

09/08/2023 Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.

09/20/2023 Communication "A" 7845 introduced an exception to requirement

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		3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
Purchase abroad by residents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
	05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each

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		person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
	09/08/2023	Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered.
	09/28/2023	Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
	10/05/2023	The requirements imposed by General Resolution 979 and General Resolution 981 established that the Agents must, for the purposes of the provisions of the Communication “A” 7030, report for each of the subaccounts involved, as an affidavit and on a weekly basis within the 3 business days after the end of the calendar week, the details of the operations (involved in article 4 paragraph I and II), indicating: a) with respect to the provisions of section I, the date of agreement/settlement, client, counterparty, type, quantity and price, b) with respect to the provisions of section II, the date of settlement, counterparty, species, quantity and price. The affidavit had to be signed by the Agent legal representative and be sent to the Market of which the Agent is a member.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
	12/13/2023	The requirements imposed by General Resolution 979 and General Resolution 981 were repealed by General Resolution 988.
Bonds or other debt securities		
Purchase locally by nonresidents	*07/21/2022*	Communication “A” 7551 incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with

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		settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the National Securities Commission. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US $5,000.
Sale or issue locally by nonresidents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/21/2022	Communication "A" 7551 incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the National Securities Commission. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US $5,000.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
	05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other

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		liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
Purchase abroad by residents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign

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currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.

05/11/2023 Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/19/2023 Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.

09/05/2023 An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.

09/08/2023 Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO –and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.

09/20/2023 Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.

09/28/2023 Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year

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		of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
Sale or issue abroad by residents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without BRCA authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
	05/18/2023	Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor with the BCRA authorization. This requirement does not apply when it involves an external financial debt included in the mechanism of Paragraph 7.11. and the date of access is consistent with the conditions required to be eligible for such a mechanism.
	05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each

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	person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
06/26/2023	Entities may have access to the foreign exchange market for principal and interest payments for external financial debt covered by Paragraph 7.10.2.2. (ii) when the customs entry registration of goods is demonstrated to have a value equivalent to the financing received.
09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
09/08/2023	Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
09/20/2023	Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered.
09/20/2023	Entities may have access to the foreign exchange market for principal and interest payments for external debt covered by Paragraphs 7.11.1.3. and 7.11.1.5. when the recording of customs revenue for goods is demonstrated to have a value equivalent to the financing received.
09/28/2023	Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
12/01/2023	Communication “A” 7904 established the required authorization between December 1, 2023, and December 31, 2023, from the maturity date of the principal or interest service payable or the next business day when that date is not a business day and up to 3 business days before the maturity date provided the payment is made through a swap or arbitrage operation against a local foreign exchange account held by a customer that is authorized to make such payment.
12/07/2023	Local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
12/13/2023	Communication “A” 7917 reinstated Paragraph 3.11.2., which allows institutions to grant access to the foreign exchange market to residents that are required to make external financial debt service payments pursuant to Paragraph 3.5. or in respect of local debt instruments with access to the foreign exchange market as provided

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		in Paragraph 3.6. for the purchase of foreign exchange before the deadline allowed by the regulations for each case, under the following conditions: 3.11.2.1. the funds acquired are deposited to foreign exchange accounts they hold with local financial institutions; 3.11.2.2. access is made no more than 5 business days before the deadline allowed in each case; 3.11.2.3. access is made with a daily amount not exceeding 20% of the amount to be paid at maturity; and 3.11.2.4. the intervening institution has verified that the debt for which the service will be paid using such funds is compliant with the current foreign exchange regulations under which such access is permitted.
	12/13/2023	Communication "A" 7917 repealed Paragraphs 3.19 and 3.20. Paragraph 3.19 contemplated a mechanism that allowed clients who registered settlements of new financial debts abroad and who had a certification issued by an entity regarding compliance with the requirements provided for in Paragraph 3.19.2., could access the exchange market to process: (1) payments for imports of goods without the prior approval required in Paragraph 10.11., Paragraph 10.12. and Paragraph 10.14.; (2) payments for services to related counterparties without the prior consent of the BCRA required in Paragraph 3.2.5., to the extent that it is a payment from the expiration of an obligation for a service provided at least 180 calendar days before access or derived from a contract signed with similar advance notice; (3) capital payments in advance of the maturity of commercial debts for the importation of goods and services that fall under Paragraph 10.2.4., to the extent that the average life of the new debt is at least 2 years greater than the life average remaining prepaid debt. Paragraph 3.20 contemplated a mechanism that allowed, under conditions, access to the exchange market to make payments of capital and interest on financial debts abroad originated in a refinancing of commercial liabilities for the importation of goods and services signed as of August 27, 2021 and the new financial debt from abroad has an average life of no less than 2 years and does not register capital maturities until at least three months after the refinancing is completed.
On money market instruments		
Purchase locally by nonresidents	*07/21/2022*	Communication "A" 7551 incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the National Securities Commission. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US $5,000.
Sale or issue locally by nonresidents	*07/21/2022*	Communication "A" 7551 incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the National Securities Commission. The institution must have an affidavit from the nonresident stating his or her status as a

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tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US $5,000.

07/21/2022 Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.

07/22/2022 New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.

08/25/2022 Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.

05/11/2023 Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/19/2023 Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except

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		those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
Purchase abroad by residents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

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	05/19/2023	Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
	09/08/2023	Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered.
	09/28/2023	Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
Sale or issue abroad by residents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local

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	assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
08/25/2022	Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
05/11/2023	Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
05/19/2023	Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
09/08/2023	Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
09/20/2023	Communication “A” 7845 introduced an exception to requirement

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		3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
On collective investment securities		
Purchase locally by nonresidents	*07/21/2022*	Communication "A" 7551 incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the National Securities Commission. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US $5,000.
Sale or issue locally by nonresidents	*07/21/2022*	Communication "A" 7551 incorporated into Paragraph 4.4. of the TO provided, with respect to operations with securities on account and by order of nonresident tourists that the institutions were authorized to receive foreign banknotes from nonresident tourists to carry out, on account and by order of them, the purchase of securities with settlement in foreign exchange for their subsequent sale with settlement in pesos, in accordance with the applicable regulations issued by the National Securities Commission. The institution must have an affidavit from the nonresident stating his or her status as a tourist and that, in the last 30 calendar days and in all institutions, he or she has not carried out operations that exceed the equivalent of US $5,000.
	07/21/2022	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3.,

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establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.

05/11/2023 Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/19/2023 Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.

09/08/2023 Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.

09/20/2023 Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered.

09/28/2023 Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the

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		maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
Purchase abroad by residents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
	05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except

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		those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
	09/08/2023	Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered.
	09/28/2023	Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
Controls on credit operations		
Commercial credits		
To residents from nonresidents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.

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05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 202,3 and that contemplate at least 1 year of grace for the payment of capital.
10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the

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		requirement until December 21, 2024).
Financial credits		
By residents to nonresidents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
	05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except

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		those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
	09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
	12/13/2023	Communication "A" 7917 reinstated Paragraph 3.11.2., which allows institutions to grant access to the foreign exchange market to residents that are required to make external financial debt service payments pursuant to Paragraph 3.5. or in respect of local debt instruments with access to the foreign exchange market as provided in Paragraph 3.6. for the purchase of foreign exchange before the deadline allowed by the regulations for each case, under the following conditions: 3.11.2.1. the funds acquired are deposited to foreign exchange accounts they hold with local financial institutions; 3.11.2.2. access is made no more than 5 business days before the deadline allowed in each case; 3.11.2.3. access is made with a daily amount not exceeding 20% of the amount to be paid at maturity; and 3.11.2.4. the intervening institution has verified that the debt for which the service will be paid using such funds is compliant with the current foreign exchange regulations under which such access is permitted.
To residents from nonresidents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or

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ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.

08/25/2022 Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.

10/28/2022 Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor with the BCRA authorization. This requirement does not apply for: External financial debt in connection with refinancing directly with the creditor of commercial debts for the importing of goods and services covered by Paragraph 3.20.;The customer has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21. for the equivalent of the amount of principal paid.

12/29/2022 Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor with the Central Bank of the Argentine Republic authorization. This requirement does not apply for: A swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22, and the customer has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) issued in the framework of Paragraph 3.22., for the equivalent of the amount to be paid.

05/11/2023 Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/18/2023 Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor with the Central Bank of the Argentine Republic authorization. This requirement does not apply when it involves an external financial debt included in the mechanism of Paragraph 7.11. and the date of access is consistent with the conditions required to be eligible for such a mechanism.

05/19/2023 Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency

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	deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
06/26/2023	Entities may have access to the foreign exchange market for principal and interest payments for external financial debt covered by Paragraph 7.10.2.2. (ii) when the customs entry registration of goods is demonstrated to have a value equivalent to the financing received.
09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
09/20/2023	Entities may have access to the foreign exchange market for principal and interest payments for external debt covered by Paragraphs 7.11.1.3. and 7.11.1.5. when the recording of customs revenue for goods is demonstrated to have a value equivalent to the financing received.
09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
12/01/2023	Communication "A" 7904, established the required authorization between December 1, 2023, and December 31, 2023, from the maturity date of the principal or interest service payable or the next business day when that date is not a business day and up to 3 business days before the maturity date provided the payment is made through a swap or arbitrage operation against a local foreign exchange account held by a customer that is authorized to make such payment.
12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the

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requirement until December 21, 2024).

Guarantees, sureties, and financial backup facilities
By residents to nonresidents

07/21/2022 Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.

07/22/2022 New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.

08/25/2022 Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.

05/11/2023 Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/19/2023 Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except

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	those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7and 772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
11/30/2023	Paragraph 3.11.2. allows institutions to grant access to the foreign exchange market to residents that are required to make external financial debt service payments pursuant to Paragraph 3.5. or in respect of local debt instruments with access to the foreign exchange market as provided in Paragraph 3.6. for the purchase of foreign exchange before the deadline allowed by the regulations for each case, under the following conditions: 3.11.2.1. the funds acquired are deposited to foreign exchange accounts they hold with local financial institutions; 3.11.2.2. access is made no more than 5 business days before the deadline allowed in each case; 3.11.2.3. access is made with a daily amount not exceeding 20% of the amount to be paid at maturity; and 3.11.2.4. the intervening institution has verified that the debt for which the service will be paid using such funds is compliant with the current foreign exchange regulations under which such access is permitted. This paragraph was suspended until December 31, 2023, by Communication "A" 7904.
12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
12/13/2023	Communication "A" 7917 reinstated Paragraph 3.11.2., which allows institutions to grant access to the foreign exchange market to residents that are required to make external financial debt service payments pursuant to Paragraph 3.5. or in respect of local debt instruments with access to the foreign exchange market as provided in Paragraph 3.6. for the purchase of foreign exchange before the deadline allowed by the regulations for each case, under the following conditions: 3.11.2.1. the funds acquired are deposited to foreign exchange accounts they hold with local financial institutions; 3.11.2.2. access is made no more than 5 business days before the deadline allowed in each case;

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		3.11.2.3. access is made with a daily amount not exceeding 20% of the amount to be paid at maturity; and 3.11.2.4. the intervening institution has verified that the debt for which the service will be paid using such funds is compliant with the current foreign exchange regulations under which such access is permitted.
Controls on direct investment		
Outward direct investment	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	09/16/2022	If the customer is not a public utility user that is a beneficiary of the subsidy in the tariffs for the supply of natural gas through the grid, and/or electricity, whether obtained by request or automatically, and/or the subsidy applied to drinking water tariffs, the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.
	03/30/2023	If the customer has no pending debt as a beneficiary of the Social Security Debt Payment Plan provided in Law No. 27.705 or any other regularization plan for social security debt, the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.
	04/20/2023	Communication "A" 7746 established that the commitment that the customer undertakes not to enter into securities transactions in Argentina has the character of a sworn declaration.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
	05/19/2023	Communication "A" 7772 established that the provisions of points

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	3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
07/20/2023	If the customer has no pending debt as a beneficiary of the "ANSES CREDITS" provided in Resolution No. 144/2023 of the National Social Security Administration (Administración Nacional de la Seguridad Social), the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.
09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
09/07/2023	Communication "A" 7838 established that the operations carried out by clients correspond to their own operations (and that they are not channeling third-party operations).
09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO -and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
09/12/2023	If the customer has no pending debt for financing provided in Decree No. 463/23 for beneficiaries of the Argentine Integrated Pension System (SIPA) and workers contributing to the SIPA in reference, the customer can access the foreign exchange market without prior approval and satisfying all the other conditions.
09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired. Local jurisdiction are subjected to the affidavit (Communications "A"

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	12/07/2023	7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
Inward direct investment	*12/29/2022*	Paragraph 2.10. of the TO, which incorporates Communication "A" 7664 of December 29, 2022, provides that a beneficiary of the Regime to Promote Investments for Exports from Activities of the Knowledge Economy provided in Chapter I of Decree No. 679/22, that record FDI contributions entering through the foreign exchange market are exempt from the requirement for the settlement of FDI contributions, provided the requirement is current, for an amount up to the equivalent to 20% of the contributions entering on the foreign exchange market when the following conditions have been met: (1) The exempted currencies are deposited into demand accounts known as "Special accounts for the regime to promote the knowledge economy, Decree No. 679/22"; and (2) The entity has an affidavit from the customer in which it undertakes to use the funds exclusively for the applications permitted in Paragraph 3.22.1. and to submit the documentation on the final capitalization of the contribution within 365 calendar days from the date of entry.
Controls on liquidation of direct investment	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	10/28/2022	The repatriations of direct investments of nonresidents in enterprises that do not control local financial institutions, provided they have a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21., for the equivalent of the amount to be repatriated was included as an exception of the authorization of the Central Bank of the Argentine Republic to access the foreign exchange market.
	12/29/2022	The repatriations of direct investments of nonresidents in businesses that do not control local financial institutions, as long as the customer has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) issued in the framework of Paragraph 3.2.2., for the

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	equivalent of the amount to be repatriated, and access is made with a swap and/or arbitrage operation with funds deposited to a special account for the Regime to Promote the Knowledge Economy, Decree No. 679/22" in the name of the customer, was included as an exception of the authorization of the BCRA to access the foreign exchange market.
05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.

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Controls on real estate transactions		
Purchase abroad by residents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
	05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents

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		for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
	09/08/2023	Communication “A” 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered.
	09/28/2023	Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
Sale locally by nonresidents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication “A” 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	10/28/2022	The repatriations of direct investments of nonresidents in enterprises that do not control local financial institutions, provided they have a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21., for the equivalent of the amount to be

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repatriated was included as an exception of the authorization of the BCRA to access the foreign exchange market.

12/29/2022 The repatriations of direct investments of nonresidents in businesses that do not control local financial institutions, as long as the customer has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) issued in the framework of Paragraph 3.2.2., for the equivalent of the amount to be repatriated, and access is made with a swap and/or arbitrage operation with funds deposited to a special account for the Regime to Promote the Knowledge Economy, Decree No. 679/22" in the name of the customer, was included as an exception of the authorization of the BCRA to access the foreign exchange market.

05/11/2023 Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/19/2023 Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.

09/08/2023 Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO -and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.

09/20/2023 Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.

09/28/2023 Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2.,

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		sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
Controls on personal capital transactions		
Loans		
By residents to nonresidents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.
	05/11/2023	Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group. It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.
	05/19/2023	Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity. It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered

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		funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
	09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023, and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
To residents from nonresidents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.
	08/25/2022	Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned

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affidavit by the said entity will not be necessary.

10/28/2022 Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor with the Central Bank of the Argentine Republic authorization. This requirement does not apply for: External financial debt in connection with refinancing directly with the creditor of commercial debts for the importing of goods and services covered by Paragraph 3.20.;The customer has a Certificate for regimes to access foreign exchange for incremental production of oil and/or natural gas (Decree No. 277/22) issued as provided in Paragraph 3.21. for the equivalent of the amount of principal paid.

12/29/2022 Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor with the Central Bank of the Argentine Republic authorization. This requirement does not apply for: A swap and/or arbitrage operation with funds deposited to a special account held by the customer for the Regime to Promote the Knowledge Economy, Decree No. 679/22, and the customer has a Certificate of direct investment contributions in the framework of the Regime to Promote the Knowledge Economy (Decree No. 679/22) issued in the framework of Paragraph 3.22., for the equivalent of the amount to be paid.

05/11/2023 Communication “A” 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of “Large exposures to credit risk”) and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/18/2023 Paragraph 3.5 of the TO de EyC establishes that entities may have access to the foreign exchange market for principal payments on foreign financial debts when the creditor is a counterparty connected with the debtor with the Central Bank of the Argentine Republic authorization. This requirement does not apply when it involves an external financial debt included in the mechanism of Paragraph 7.11. and the date of access is consistent with the conditions required to be eligible for such a mechanism.

05/19/2023 Communication “A” 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the

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		period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.
	06/26/2023	Entities may have access to the foreign exchange market for principal and interest payments for external financial debt covered by Paragraph 7.10.2.2. (ii) when the customs entry registration of goods is demonstrated to have a value equivalent to the financing received.
	09/05/2023	An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.
	09/08/2023	Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order of third parties of the operations with securities included in the said points.
	09/20/2023	Communication "A" 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication "A" 7770 should not be considered.
	09/20/2023	Entities may have access to the foreign exchange market for principal and interest payments for external debt covered by Paragraphs 7.11.1.3. and 7.11.1.5. when the recording of customs revenue for goods is demonstrated to have a value equivalent to the financing received.
	09/28/2023	Communication "A" 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/01/2023	Communication "A" 7904 established the required authorization between December 1, 2023, and December 31, 2023 from the maturity date of the principal or interest service payable or the next business day when that date is not a business day and up to 3 business days before the maturity date provided the payment is made through a swap or arbitrage operation against a local foreign exchange account held by a customer that is authorized to make such payment.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications "A" 7911 and "A" 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).
	12/13/2023	Communication "A" 7917 repealed Communication "A" 7904.
Gifts, endowments, inheritances, and legacies		
By residents to nonresidents	*07/21/2022*	Argentine Depositary Receipts were included in the affidavit that establishes if the costumer can access the foreign exchange market without Central Bank of the Argentine Republic authorization.
	07/22/2022	New conditions were included for the access of the foreign exchange market without Central Bank of the Argentine Republic authorization: customers must certified they have not acquired and will not acquire Argentine certificates of deposit representing foreign

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shares, they have not acquired and will not acquire securities representing private debt issued in foreign jurisdictions, they have not delivered and will not deliver funds in local currency or other local assets (except funds in foreign exchange deposited with local financial institutions) to any individual or legal entity, resident or nonresident, related or unrelated, as consideration, on an ex ante or ex post basis, directly or indirectly, on their own behalf or through a related entity, subsidiary, or parent company, external assets, cryptoassets, or securities deposited abroad.

08/25/2022 Communication "A" 7586 replaced the third paragraph, point 3.16.3., establishing that the entity may consider point 3.16.3.4. to be completed, in the event that the client presents an affidavit signed by each person detailed in point 3.16.3.3. that he had received funds in local currency or other liquid local assets (except funds in foreign currency deposited in local financial entities), recording the provisions of points 3.16.3.1. and 3.16.3.2. It also provided in the event that an entity belonging to the national public sector is the direct controller of the client, the presentation of the aforementioned affidavit by the said entity will not be necessary.

05/11/2023 Communication "A" 7766 replaced point 3.16.3.4. regarding the affidavit that must be presented by legal entities, including within this requirement other legal entities with which they form part of the same economic group (as defined in points 1.2.1.1. and 1.2.2.1. of the regulations of "Large exposures to credit risk") and point 3.16.3.5. referring to the delivery of local currency and other liquid local assets, extending the term to 180 days and including other legal entities with which the client is part of the same economic group.
It also replaces the third paragraph of point 3.16.3. eliminating the exception of not considering funds in foreign currency deposited in local financial entities.

05/19/2023 Communication "A" 7772 established that the provisions of points 3.16.3.3. and 3.16.3.4. can also be considered fulfilled when the client presents an affidavit stating that within the period provided for in point 3.16.3.4. has not delivered funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – to any human or legal person, except those directly associated with habitual operations within the framework of the development of its activity.
It also established that those provided in point 3.16.3.4. It can also be considered fulfilled when the client falls into any of the following situations: (1) the client has submitted an affidavit signed by each person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4., leaving a record of what is required in points 3.16.3.1., 3.16.3.2. and 3.16.3.4; (2) the client has submitted an affidavit signed by each human or legal person detailed in point 3.16.3.3. in which: (a) record what is required in points 3.16.3.1. and 3.16.3.2.; or (b) state that, within the period provided for in point 3.16.3.4., it has not received funds in local currency or other liquid local assets in the country – except funds in foreign currency deposited in local financial entities – except those directly associated with habitual operations between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in point 3.16.3.3. to which the client has delivered funds in the terms provided in point 3.16.3.4.

09/05/2023 An exception in the affidavit was included stating that funds related to Decree No. 443/23 are of free usage until October 20, 2023.

09/08/2023 Communication "A" 7838 established that the affidavits of points 3.16.3.1. and 3.16.3.2. of the TO – and its Concordant Communications "A" 7552, 7586, 7746, and 7772 – refer to the coordination carried out directly or indirectly or on behalf and order

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		of third parties of the operations with securities included in the said points.
	09/20/2023	Communication “A” 7845 introduced an exception to requirement 3.16.2. – funds deposited in foreign bank accounts that originate from issues of debt securities that fall under Communication “A” 7770 should not be considered.
	09/28/2023	Communication “A” 7852 established that for the purposes of preparing the affidavit provided for in points 3.16.3.1. and 3.16.3.2., sales of securities with settlement in foreign currency in the country or abroad should not be taken into account when all of the funds obtained from such settlements have been used or will be used within 10 calendar days in some operations, for example, payments as of the maturity of capital or interest on new financial debts abroad disbursed as of October 2, 2023 and that contemplate at least 1 year of grace for the payment of capital.
	10/21/2023	The exception that funds related to Decree No. 443/23 are of free usage expired.
	12/07/2023	Local jurisdiction are subjected to the affidavit (Communications “A” 7911 and “A” 7935 of December 28, 2023. The latter extended the requirement until December 21, 2024).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Purchase of locally issued securities denominated in foreign exchange	*07/21/2022*	Entities may only purchase securities on the secondary market with settlement in foreign exchange up to the equivalent in USD of the foreign exchange received from nonresident customers in connection with the operations provided in Paragraph 4.4. (Operations with securities on account and by order of nonresident tourists).
Differential treatment of deposit accounts in foreign exchange *Reserve requirements*	*07/29/2022*	Communication “A” 7561 decrease in the minimum cash requirement in pesos applicable to financial institutions subject to the regulations on the line of credit for financing the productive investments of micro, small, and medium-sized enterprises for financing granted from July 29, 2022 was changed to 40% (previously 34%).
Open foreign exchange position limits	*06/09/2023*	Communication "A" 7786 established that sales on the secondary market of foreign-exchange negotiable bonds acquired as of June 9, 2023, by primary subscription will not be subject to the settlement mechanism provided in the foregoing paragraph when sales are executed 300 calendar days after the date of primary subscription. At the original maturity of the local financing in foreign exchange, they may be offset with the purchase of any foreign exchange assets computable in the PGNME.

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ARMENIA

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		May 28, 1992.
Article VIII	Yes.	Date of acceptance: May 29, 1997.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022. The IMF staff report for the Sixth Review under the Stand-By Arrangement with Armenia states that, as of May 12, 2022, Armenia has eliminated a MCP by making an amendment to the agreement between the MOF and Central Bank of Armenia (CBA) that became effective January 1, 2022, which requires foreign exchange transactions between the MOF and the CBA to take place at the market-determined bid/ask exchange rates set by the CBA. Under the agreement, the difference between the buying and selling exchange rates set by the CBA and the prevailing market buy/sell rates at the time of the transaction may not be greater than 2%. Armenia maintains no other MCPs or exchange restrictions on the making of payments and transfers for current international transactions. (Country Report No. 22/130)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Pursuant to Article 28 of the AML/CFT Law, property owned or controlled, directly or indirectly, by persons included in the lists published under or in accordance with the UNSC resolutions, as well as in the lists established pursuant to UNSCR 1373 shall be subject to freezing without delay and without prior notice to the persons involved, including by customs authorities and reporting entities. The state bodies or persons, which have legally defined competence to restrict (put an arrest, impose an attachment, freeze, suspend) the possession, use and/or disposal of the said property. Furthermore, it shall be prohibited to make the property, economic resources, or financial or other related services available, directly or indirectly, wholly or jointly, to persons associated with terrorism or proliferation of weapons of mass destruction or for the benefit thereof.

Exchange Arrangement

Currency	Yes.	The currency of Armenia is the Armenian dram.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	Effective January 1, 2022, Armenia has eliminated a MCP by making an amendment to the agreement between the MOF and CBA,

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		which requires foreign exchange transactions between the MOF and the CBA to take place at the market-determined bid/ask exchange rates set by the CBA. Under the agreement, the difference between the buying and selling exchange rates set by the CBA and the prevailing market buy/sell rates at the time of the transaction may not be greater than 2%.
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is free floating. The CBA intervenes in the foreign exchange market only to smooth excessive exchange rate volatility, defined as short-term, high-frequency exchange rate movements caused by speculative or trend following elements rather than underlying macroeconomic fundamentals. The CBA intervenes anonymously mainly via auctions of foreign exchange, or openly in the interbank market, or through the stock exchange. The CBA publishes weekly intervention data through the stock exchange only on its website every Monday and publishes daily foreign exchange auction results on the local interbank platform. Since October 2022, the exchange rate stabilized within a 2% band against the US dollar with one realignment in February 2023. Therefore, the de facto exchange rate arrangement was reclassified to stabilized from floating, effective October 28, 2022.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	Every day, the CB publishes official exchange rates. Effective March 1, 2022, the calculation methodology for the official exchange rates published by CBA was changed by the Republic of Armenia (RA) CBA Governor Resolution No. 1/6L, January 10, 2022. The average exchange rate of the Armenian dram relative to US dollar is calculated as an arithmetic average of volume-weighted average of USD bought, AMD sold transactions and volume-weighted average of USD sold, AMD bought transactions. Exchange rates of other currencies relative to US dollar are taken from reliable or widely used sources as of 15:00 Yerevan time. Prices of gold and silver in AMD are calculated based on the prices published by the London Bullion Market Association (previously, the official exchange rate against the US dollar is set as the weighted average of the buying and selling rates in the foreign exchange market. For other currencies, except for the SDRs of IMF, the official average exchange rates of Armenian dram are set as cross-rates using US dollar's official exchange rate against corresponding currencies and

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		official exchange rate of Armenian dram against US dollar published by the CBA). The official exchange rate is used for accounting purposes and for treasury operations connected with external debt service or to create new external obligations. All economic agents use the official exchange rate for bookkeeping and revaluation purposes.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	Since 2006, the CBA has been implementing inflation-targeting framework.
Target setting body	Yes.	
Government	Yes.	The RA Law on Budgetary System states that inflation target is jointly set by the government and the CBA. The inflation target is published in the Inflation Report every quarter, in the Medium-term Expenditure Program and in the State Budget Law.
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The CPI inflation target is 4% with a ±1.5% tolerance band.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The headline CPI is used as a target measure, which is calculated and published by the Statistical Committee of the Republic of Armenia. The inflation target is expressed in terms of 12-monthly inflation three years (12 quarters) ahead.
Core inflation		
Target horizon	Yes.	The CBA makes decisions regarding its monetary policy to meet the inflation target in the upcoming 12 quarters.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The policy rate of the CBA is the refinancing rate, which is the lower

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		bound for 7-day repo agreement auctions by the CBA. The refinancing rate was 9.5% in August 2022 (effective February 1, 2022, from 7.75% to 8%; effective March 15, 2022, from 8% to 9.25%; effective August 2, 2022, from 9.25% to 9.5%). The operational target of the CBA under the inflation-targeting regime is the short-term (1–7 days) interbank repo rate. The refinancing rate was 9.75% in September 2023 (effective June 13, 2023, from 10.75% to 10.50%; effective August 1, 2023, from 10.50% to 10.25%; effective September 12, 2023, from 10.25% to 9.75%).
Target corridor band	Yes.	The target corridor band was steadily following the main policy rate with ± 1.5% for upper and lower bands. The lower level of the band is the rate for deposit facility, As of September 30, 2023, the deposit facility rate was 8.25%, while the Lombard Repo rate was 11.25%. The rates for both deposit facility and Lombard Repo agreement are set as +1.5% and 1.5% from the policy rate, respectively. The short-term target of the CBA in IT framework is that short-term interest rates to be close to policy rate and not the target corridor band. The band is set only to limit excessive volatilities of interest rate in tail events.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	According to the Law on the CB, every year but no later than May 1, the CBA must present to the parliamentary hearings the yearly statement of the CBA's activity, which includes the report about the monetary policy program of first quarter of the current year and the report about implementation of monetary policy during the previous year.
Other	No.	
Transparency	Yes.	
Publication of votes	No.	
Publication of minutes	Yes.	The CBA publishes the press release on the CBA Interest Rates that contains a brief summary of discussions at the CBA Board meeting covering interest rates and the refinancing rate (repo interest rate) eight times a year. The Summary Minutes of the CBA Board Meeting on CBA Interest Rates, which are published within the next ten working days, contain the following information: the main trends of economic development, inflation, and financial markets; a summary of discussions held at the CBA Board meeting relative to the setting of the CBA Interest Rates; a decision on the interest rates of the monetary policy instruments. The Governor of the CBA holds press conferences on the day of interest-rate decision explaining the main factors underlying the decision. The first press conference was held June 30, 2020, where the Governor of the CBA presented monetary policy program of second quarter of 2020, whereas the first press conference on the day of the decision-making was held July 28, 2020.
Publication of inflation forecasts	Yes.	The CBA publishes quarterly inflation reports, where it monitors the actual quarterly inflation in comparison with the projected one, explains the main underlying factors of any possible deviations, and discusses policy implications of bringing the inflation back to its projected path.

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Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Foreign exchange transactions take place in the interbank, intrabank, and stock exchange markets. The CBA participates mostly in the interbank market via quick tender; it may also participate in the stock exchange market. Commercial banks, foreign exchange dealers, and credit institutions may freely set the exchange rate (as well as any commissions) in transactions with their clients. According to the amendment of March 25, 2020, 182-N on Law of the RA on Currency Regulation and Currency Control, the foreign exchange dealer trading is eliminated from the legislation of Armenia. (At the moment of the amendment, notwithstanding the existing legislation, there was no one licensed foreign exchange dealer.)
Spot exchange market	Yes.	Purchases and sales of foreign currency may take place through foreign exchange entities licensed by the CBA, including banks, foreign exchange dealers investment companies, credit institutions, and foreign exchange bureaus or, in the case of the government, through the CBA, which acts as the government's financial agent. The CBA intervenes in the stock exchange only as a common market participant. According to the amendment of March 25, 2020, 182-N on Law of the RA on Currency Regulation and Currency Control, the foreign exchange dealer trading is eliminated from the legislation of Armenia. (At the moment of the amendment, notwithstanding the existing legislation, there was no one licensed foreign exchange dealer.) As of December 31, 2022, 18 commercial banks, 33 investment companies (including commercial banks), 6 investment fund managers, 42 credit institutions, insurance companies, 4 insurance brokers, 8 pension funds, and 220 foreign exchange bureaus were licensed by the CBA and were in operation. Foreign exchange entities carry out foreign exchange transactions by freely setting their own buying and selling rates for major currencies against the dram. The operations of foreign exchange bureaus are limited: They are authorized to purchase and sell foreign currency banknotes at freely determined rates only with individuals. They may not make foreign currency payments and transfers on behalf of their clients. Foreign exchange bureaus may have accounts abroad.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The CBA conducts foreign exchange transactions in the interbank market via quick tender, announcing either the bid-ask rate or volume. The underlying regulation is the CBA Monetary Policy Indirect Instruments and Application Mechanisms – approved by CBA Board Decree No. 7A of January 24, 2014. A master agreement between the CBA and commercial banks governs sales and purchases of foreign exchange, currency swaps, and currency cash and noncash conversions. The auction has the following characteristics: (1) preannouncement of either the exchange rate or volume; (2) no predetermined frequency; (3) penalty of 0.5% of the transaction in

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		drams for banks that default on a foreign exchange transaction; (4) no requirement to finance-specific international transactions with the foreign exchange proceeds (retail auction); (5) purchases and sales conducted with commercial banks that participate in the master agreement; and (6) foreign exchange auction results published on the local interbank platform.
Fixing	No.	
Interbank market	Yes.	Interbank foreign exchange transactions take place both on the stock exchange and over the counter. All 17 banks licensed by the CBA as of December 31, 2022, may freely participate in the interbank market both over the counter and on the stock exchange. There are no limits on bid-ask spreads and commissions for market participants, and there are no market makers in the foreign exchange market. As of December 31, 2022, 16 banks were participating in the interbank market. The CBA does not intervene directly with market participants at their quoted rates. The CBA participates mostly in the interbank market via quick tender: announcing either fixed or variable tender. It may also participate in the stock exchange market.
Over the counter	Yes.	The foreign exchange market operates both on the stock exchange and over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Residents and nonresidents may freely negotiate forward exchange contracts for both commercial and financial transactions in all leading convertible currencies in the domestic exchange market and in major international foreign exchange markets. However, the forward exchange market in Armenia remains undeveloped, although some banks sign forward contracts for small amounts. For monetary policy purposes, the CBA may enter into foreign exchange swaps.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Under the Law on Payment and Settlement Systems and Payment and Settlement Organizations, payment organizations may transfer money in drams and foreign currencies. For transfers in a currency other than the currency of payment, the payable amount may be converted at the rate of the international payment system or at the payment organization's internal rate.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Under the Law on Currency Regulation and Currency Control, prices of and payments (between residents of Armenia) for goods, services, wages, consumer credits, and interest to be paid on financial operations and investments in statutory and share capital of legal entities are quoted and made in drams only; winnings are also advertised and paid in drams.

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		However, the following may be denominated and transacted in foreign currency: (1) charity, donation, and inheritance operations between residents; (2) noncash payments for balance of payments non-trade-related transactions; (3) noncash payments for balance of payments current and capital account transactions – between legal entities, private entrepreneurs, and legal entities and private entrepreneurs; (4) noncommercial current account operations and payments between residents and nonresidents, except for salary payments; and (5) the interest to be paid on loans and deposits denominated in foreign currency, as well as payments on foreign currency-denominated bonds (including coupons), repo agreements, foreign-currency-denominated securities and payments associated with foreign currency or interest rate derivatives. Nonresident individuals and residents may not use foreign exchange as a means of payment in Armenia. Effective May 14, 2023, according to the amendment of March 22, 2023, 122-N on the Law of the RA on Currency Regulation and Currency Control, in the territory of the RA, borrowings can also be provided in foreign currency, with the exception of consumer borrowings and, in cases provided for by law, housing mortgage loans, which are provided exclusively in Armenian drams. Also, according to the above-mentioned amendment banks and credit organizations provide consumer loans and credits, housing mortgage loans only in Armenian dram. Housing mortgage loans for natural persons who are not considered residents (except for the case of having a co-borrower who is a resident of the RA) can also be provided in foreign currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	Armenia has bilateral payments agreements with Russia and Turkmenistan, which are inoperative.
Regional arrangements	Yes.	Armenia is a signatory of the 1993 Treaty of Economic Union (with Azerbaijan, Belarus, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Uzbekistan), which includes eventual establishment of a customs and payments union and cooperation on investment, industrial development, and customs procedures. Armenia also signed the Agreement on the Establishment of a Payments Union of CIS Member Countries and belongs to the Black Sea Economic Cooperation pact, together with Albania, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine. Bilateral FTAs were signed with Georgia, the Kyrgyz Republic, Kazakhstan, Moldova, Russia, Tajikistan, Turkmenistan, and Ukraine, but only the agreement with Russia is operational. Armenia is a member of the Eurasian Economic Union (EEU) with Belarus, Kazakhstan, Kyrgyz Republic and Russia. The CBA participates in the payment system of the Interstate Bank, which handles settlements among CBs of member countries.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBA is the main entity that formulates and administers exchange rate policy and issues foreign exchange regulations within Armenia. The CBA also has the overall responsibility for currency

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		control, in close collaboration with the MOF. The CBA is responsible for supervision and control over the entities it licenses, including banks, foreign exchange dealers, credit institutions, foreign exchange bureaus, and other financial entities. According to the amendment of March 25, 2020, 182-N on Law of the RA on Currency Regulation and Currency Control, the foreign exchange dealer trading is eliminated from the legislation of Armenia. (At the moment of the amendment, notwithstanding the existing legislation, there was no one licensed foreign exchange dealer.) The MOF is responsible for supervision and control over the activities of other agents.
Payments arrears	No.	
Official	No.	
Private	No.	There are no private arrears owing to regulations or other government actions.
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	There are no restrictions on domestic ownership of gold. Export and import activities with gold to and from countries other than members of the EEU are allowed under a license granted by the Ministry of Economy. Residents may purchase, hold, and sell gold coins for numismatic purposes. Only the monetary authorities may acquire or hold gold domestically or abroad in any form other than numismatic coins and jewelry.
On external trade	Yes.	Pursuant to RA Government Resolution No. 83-N, exports to and imports from countries other than members of the EEU are allowed under a license granted by the Ministry of Economy.
Controls on exports and imports of banknotes	No.	Within the Customs Union, individuals may move unlimited cash and/or monetary instruments without declaration. A declaration is required in the case of imports from third countries (countries that are not Customs Union members) or exports to third countries of cash and/or traveler's checks exceeding the equivalent of US$10,000 and of monetary instruments denominated in domestic and foreign currency (for example, bills of exchange, bank checks, certified bearer securities) (CBA Resolution No. 106-N of April 29, 2014). Banks are permitted freely import and export domestic and foreign currency provided they comply with the requirements of the customs legislation.
On exports	No.	There are no restrictions on the amount of cash in domestic or foreign currency that may be exported by individuals. Within the Customs Union, individuals may move unlimited cash and/or monetary instruments without declaration. A declaration is required in the case of exports to third countries (countries that are not Customs Union members) of cash and/or traveler's checks exceeding the equivalent of US$10,000 and of monetary instruments denominated in domestic and foreign currency (for example, bills of exchange, bank checks, certified bearer securities). Banks are permitted freely export domestic and foreign currency provided they comply with the requirements of the customs legislation.
Domestic currency	No.	There are no restrictions on the amount of cash in domestic currency that may be exported by individuals. Within the Customs Union, individuals may move unlimited cash and/or monetary instruments without declaration. A declaration is required in the case of exports to third countries (countries that are not Customs Union members) of cash and/or traveler's checks exceeding the equivalent of US$10,000

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		and of monetary instruments denominated in domestic and foreign currency (for example, bills of exchange, bank checks, and certified bearer securities). Banks are permitted freely export domestic and foreign currency provided they comply with the requirements of the customs legislation.
Foreign currency	No.	There are no restrictions on the amount of cash in foreign currency that may be exported by individuals. Within the Customs Union, individuals may move unlimited cash and/or monetary instruments without declaration. A declaration is required in the case of exports to third countries (countries that are not Customs Union members) of cash and/or traveler's checks exceeding the equivalent of US$10,000 and of monetary instruments denominated in domestic and foreign currency (for example, bills of exchange, bank checks, and certified bearer securities). Banks are permitted freely export domestic and foreign currency provided they comply with the requirements of the customs legislation.
On imports	No.	Within the Customs Union, individuals may move unlimited cash and/or monetary instruments without declaration. A declaration is required in the case of imports from third countries (countries that are not Customs Union members) of cash and/or traveler's checks exceeding the equivalent of US$10,000 and of monetary instruments denominated in domestic and foreign currency (for example, bills of exchange, bank checks, and certified bearer securities). Banks are permitted freely import domestic and foreign currency provided they comply with the requirements of the customs legislation.
Domestic currency	No.	Within the Customs Union, individuals may move unlimited cash and/or monetary instruments without declaration. A declaration is required in the case of imports from third countries (countries that are not Customs Union members) of cash and/or traveler's checks exceeding the equivalent of US$10,000 and of monetary instruments denominated in domestic and foreign currency (for example, bills of exchange, bank checks, and certified bearer securities). Banks are permitted freely import domestic and foreign currency provided they comply with the requirements of the customs legislation.
Foreign currency	No.	Within the Customs Union, individuals may move unlimited cash and/or monetary instruments without declaration. A declaration is required in the case of imports from third countries (countries that are not Customs Union members) of cash and/or traveler's checks exceeding the equivalent of US$10,000 and of monetary instruments denominated in domestic and foreign currency (for example, bills of exchange, bank checks, and certified bearer securities). Banks are permitted freely import domestic and foreign currency provided they comply with the requirements of the customs legislation.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents are allowed to hold foreign exchange accounts domestically. The rules are the same as for domestic currency accounts. Foreign exchange balances may be transferred abroad freely. Identification is required in all cases to prevent money laundering, the financing of terrorism, and other unlawful activities.
Approval required	No.	

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Held abroad	Yes.	Residents are allowed to hold foreign exchange accounts abroad, and the balances may be transferred to Armenia freely. Identification is required in all cases to prevent money laundering, the financing of terrorism, and other unlawful activities.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents are allowed to hold accounts abroad in domestic currency, and the balances may be transferred to Armenia freely. Identification is required in all cases to prevent money laundering, the financing of terrorism, and other unlawful activities.
Accounts in domestic currency convertible into foreign currency	Yes.	Identification is required in all cases to prevent money laundering, the financing of terrorism, and other unlawful activities. Balances of these accounts may be freely converted to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents are allowed to hold foreign exchange accounts in Armenia, and the balances may be transferred abroad freely. Identification is required in all cases to prevent money laundering, the financing of terrorism, and other unlawful activities.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents are allowed to hold domestic currency accounts in Armenia, and the balances may be transferred abroad freely. Identification is required in all cases to prevent money laundering, the financing of terrorism, and other unlawful activities.
Convertible into foreign currency	Yes.	Balances of these accounts may be freely converted to foreign currency.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.
Letters of credit	No.
Import licenses used as exchange licenses	No.
Other	No.
Import licenses and other nontariff measures	Yes.
Positive list	No.

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Negative list	Yes.	Import licenses from the Ministry of Economy and Ministry of Health are required and are granted on a case-by-case basis for imports of drugs and other pharmaceuticals and pesticides. Imports of weapons, military equipment and parts, and explosives require government authorization. An MOF license is required for importation of firework materials and natural and artificial diamonds unless they are mounted and set. A license from an authorized government agency is required for importation, exportation, and transport of strategic goods. Effective January 1, 2022, import license from the Ministry of Economy (Licensing Agency) for imports of white sugar (EEU Foreign Economic Activity Commodity Nomenclature 1701 99 100 1 and 1701 99 100 9) from third (non-EEU) countries is no longer required.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Armenia is a member of the EEU with Belarus, Kazakhstan, Kyrgyz Republic, and Russia. There are no customs procedures within EEU member countries. Products imported from CIS countries are exempt from import tariffs. Imports from third countries are subject to import tariffs in accordance with the EEU Decree No. 80 of September 14, 2021. Effective January 1, 2022, Armenia no longer applies the tariffs that were used prior to joining the EEU on imports for more than 800 products based on the agreed schedule. Additionally, Armenia no longer secures customs duty preferences for imports to Armenia for a list of products.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.

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Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Export licenses from the Ministry of Economy (Licensing Agency) are required for exports to third countries (non-EEU member) for precious metals, precious stones, unprocessed precious metals, waste and scrap of precious metals, precious metal ores and concentrates, and raw materials containing precious metals. Permits are required for exports of medicines, wild animals, and plants. In addition, special government permission is required for exports of nuclear technology and waste, related nonnuclear products, and technology with direct military applications. Minimum threshold prices for exports of ferrous and nonferrous metals and reexports of foreign-produced goods remain in effect. Permits are required for exports of natural and artificial diamonds, except if mounted and set. A license from an authorized government agency is required for exportation and transport of strategic goods.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The CBA reserves the right to impose capital controls to maintain the stability of the financial system and prevent money laundering and financing of terrorism, and for statistical purposes.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Under the RA Law “On Securities Market,” the public sale of securities (including shares or other equity securities) of nonresidents must be handled by a local investment services provider (agent). This requirement refers only to nonresident issuers with the aim of

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		local investor protection. In particular, considering the fact that local investment services providers are under the CBA supervision, this legal provision gives the CBA a tool of effective control over the sale or issue of a nonresident securities. The control measures over such sale or issue are implemented mostly through the prospectus and/or other sale (issue) documents, which are submitted to the CBA for approval prior to the sale or issue of such securities. Moreover, if the securities are admitted to trading on the regulated market, additional control measures are implemented by both CBA and regulated market operator via the listing procedures, as well as periodic and ongoing reporting requirements.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	The Law of the RA "On Securities Market" does not restrict the purchase of bonds or other debt securities by nonresidents (either from nonresidents or from residents).
Sale or issue locally by nonresidents	Yes.	Under the Law of the RA "On Securities Market," the public sale of securities (including bonds or other securities) of nonresidents must be handled by a local investment services provider (agent). This requirement refers only to nonresident issuers with the aim of local investor protection. In particular, considering the fact that local investment services providers are under the CBA supervision, this legal provision gives the CBA a tool of effective control over the sale or issue of a nonresident securities. The control measures over such sale or issue are implemented mostly through the prospectus and/or other sale (issue) documents, which are submitted to the CBA for approval prior to the sale or issue of such securities. Moreover, if the securities are admitted to trading on the regulated market, additional control measures are implemented by both CBA and regulated market operator via the listing procedures, as well as periodic and ongoing reporting requirements.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	Money market instruments are exempt from the requirement that the public sale of securities of nonresidents must be handled by a local investment services provider (agent). A lighter regulatory framework applies to money market instruments irrespective of the issuer residence (resident or nonresident) compared to the capital market instruments.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Under the Law of the RA "On Securities Market," the public sale of securities (including collective investment securities) of nonresidents must be handled by a local investment services provider (agent).

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		This requirement refers only to nonresident issuers with the aim of local investor protection. In particular, considering the fact that local investment services providers are under the CBA supervision, this legal provision gives the CBA a tool of effective control over the sale or issue of a nonresident securities (including collective investment securities). The control measures over such sale or issue are implemented mostly through the prospectus and/or other sale (issue) documents (for example, fund rules), which are submitted to the CBA for approval prior to the sale or issue of such securities. Moreover, if the securities are admitted to trading on the regulated market, additional control measures are implemented by both CBA and regulated market operator via the listing procedures, as well as periodic and ongoing reporting requirements.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Nonresidents are prohibited by the constitution from acquiring land

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		in Armenia.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Effective December 8, 2022, according to Article 6, Part 2 (e) of the RA Law "On Gambling, Internet Gambling and Casinos," the organizer of gambling and casinos ensures the exchange of tokens in the gambling hall only in a non-cash way. Betting directly (through the casino) by players, except for nonresident identified players, or replenishing funds to individual playing cards issued to players by organizers is carried out in a non-cash manner. According to the Parts (f1) and (f2) of the same article, the organizer: (f1) transfers (pays) the earnings in non-cash way in AMD; (f2) cannot transfer (pay) the earnings to the accounts from which non-cash payments for participation have not been made. Meanwhile, it is prohibited to directly (through the casino) accept fees for participation and provide winnings in cash in case of organization of internet gambling. According to Article 6, non-cash transactions, defined by the Law "On Gambling, Internet Gambling and Casinos," must be carried out only through bank accounts or cards. This requirement enters into force six months after June 8, 2022 (the publication date). According to Article 5.2, Part 2 of the RA Law "On Lotteries," it is forbidden to deposit and withdraw funds to the accounts of the participants of the totalizer in cash. The specified accounts are replenished, and money is withdrawn from the accounts only in a non-cash way. Bets placed by players directly (through the casino) or replenishment of funds to individual playing cards given to players by the organizers are carried out in a non-cash way. According to Article 5.2, Part 4, non-cash transactions, defined by the Law "On Lotteries," must be carried out only through bank accounts or cards. This requirement enters into force six months after June 8, 2022 (the publication date).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	CBA Board Resolution No. 39 of February 9, 2007, on approval of Regulation No. 2 on regulation of prudential standards for banking and CBA Board Resolution No. 347-N of November 5, 2002, on

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		approval of Regulation No. 14 on the regulation of the activities of credit organizations, the prudential standards of activities of credit organizations, set prudential standards, and ratios for banks and credit institutions.
Borrowing abroad	No.	There are no restrictions for commercial banks, foreign banks' branches, and credit institutions on borrowing abroad.
Maintenance of accounts abroad	No.	Commercial banks including foreign banks' branches and credit institutions may maintain correspondent accounts abroad.
Lending to nonresidents (financial or commercial credits)	No.	There are no restrictions for commercial banks, foreign banks' branches, and credit institutions on lending to nonresidents.
Lending locally in foreign exchange	Yes.	Banks including foreign banks' branches and credit institutions may not extend consumer loans in foreign exchange. Pursuant to the amendment to RA Law on "Currency regulation and currency control" dated March 22, 2023, and effective from May 14, 2023, in addition to the ban on consumer loans, banks and credit institutions may not extend mortgage loans in foreign currency to resident individuals. Nonresidents, however, can receive foreign exchange mortgage loans.
Purchase of locally issued securities denominated in foreign exchange	No.	There are no restrictions for commercial banks, foreign banks' branches, and credit institutions on purchasing of locally issued securities denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve requirement is 4% for funds attracted in AMD (CBA Board Resolution No. 46-N of April 16, 2021). Under the CBA Resolution No. 75-N of June 7, 2019, the minimum reserve requirement for foreign currency funds is 18%. Pursuant to CBA Resolution No. 96-N of June 14, 2022, effective July 13, 2022, 6% of the reserve requirement is held in AMD, whereas the other 12% for funds attracted in EUR is held in euros, for funds attracted in USD and other foreign currencies is held in USD. Previously, pursuant to CBA Resolution No. 183-N of December 7, 2021, 8% of the reserve requirement was held in AMD, while the other 10% for funds attracted in EUR was held in euros, for funds attracted in USD and other foreign currencies was held in USD. The reserve requirement for residents' and nonresidents' deposits is not remunerated. If the funds come from bonds issued by the bank, meet certain requirements, and have a contractual maturity of at least two years, the minimum reserve requirement is 0% for funds in AMD (CBA Resolution No. 44-N of February 24, 2015) and, 10% for funds in foreign currency (CBA Board Resolution No. 46-N of April 16, 2021). If the funds are attracted from certain international financial institutions and the period prior to repayment of attracted resource is not less than two years, the minimum reserve requirement is 0% for funds in AMD (CBA Resolution No. 44-N of February 24, 2015) and 10% for funds in foreign currency (CBA Board Resolution No. 46-N of April 16, 2021).
Liquid asset requirements	Yes.	CBA Resolution No. 168-N of June 26, 2012, specifies the foreign exchange liquidity ratio requirements. For the total liquidity ratio of

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		highly liquid assets to total assets, the floor is 4% for assets in one of the following: SDRs, US dollars, euros, pounds sterling, Japanese yen, Swiss francs, Canadian dollars, Swedish kronor, Danish kroner, Australian dollars, and monetary gold. If liabilities in another currency exceed 5% of total liabilities on a monthly basis, a special general liquidity ratio applies, which includes assets in that particular currency and US dollars and euros. The floor of the special ratio is 4%. For the current liquidity ratio of highly liquid assets to demand liabilities, the floor is 10% for assets and liabilities in one of the following: SDRs, US dollars, euros, pounds sterling, Japanese yen, Swiss francs, Canadian dollars, Swedish kronor, Danish kroner, Australian dollars, and monetary gold. If liabilities in another currency exceed 5% of total liabilities on a monthly basis, a special current liquidity ratio applies, which includes assets and liabilities in that particular currency and US dollars and euros. The floor of the special ratio is 10%. The total liquidity ratio and current liquidity ratio are 15% and 60%, respectively, for all currencies; no special liquidity ratio is required for domestic currency.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Investment transactions of banks operating in Armenia are regulated by Article 35 of the Law on Banks and Banking, which applies to transactions in Armenia and abroad. Under Article 35 of the Law on Banks and Banking, unless permitted by the CBA, bank operations may not lead to (1) acquisition of 4.99% or more participation in the statutory fund of any other person; (2) acquisition of equity interest in the statutory fund of one person exceeding 15% of the bank's total capital; or (3) acquisition of equity interest in the statutory funds of other persons exceeding 35% of the bank's total capital. CBA consent is required for transactions that result in a bank's participation in the statutory fund of another or the same person exceeding 9%, 15%, 25%, 35%, 50%, or 70% or leading to 100%.
In banks by nonresidents	Yes.	Under Article 18 of the Law on Banks and Banking, significant ownership in banks by residents or nonresidents must be approved by the CBA. Under Article 9 of this law and other laws regulating banking activity, significant participation in a legal entity means (1) ownership of 10% or more of voting stocks (shares) of the legal entity or (2) ownership of less than 10% of voting stocks (shares) or ownership with no voting power but in the opinion of the CB able to determine the decisions of management, exercise significant influence over decision-making and application of decisions, or determine the targets and spheres of a legal entity's activity through participation, directly or indirectly, business reputation, and standing. According to this law and other laws regulating banking activities, significant interest means that a legal entity is able to determine the decisions of management, influence decision-making or application,

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		or determine the targets and spheres of a legal entity's activity. According to the point 5 of Article 18 of the Law on Banks and Banking, physical entities permanently residing or acting in offshore zones, as well as legal entities or entities with no legal status determined or incorporated there and parties related with them may acquire participation in the statutory capital of a bank (regardless of the extent of the participation) through one or a number of transactions only through the procedure outlined in this Article, after securing preliminary consent of the CB. The legal entities determined with participation of parties listed in this article or parties related with them may acquire participation in the statutory capital of a bank (regardless of the extent of the participation) only through the procedure outlined in this Article, after securing preliminary consent of the CB. The described regulations are of a prudential nature and not a form of a capital control.
Open foreign exchange position limits	Yes.	On September 23, 2022, the CBA Board adopted resolution on amending the CBA Resolution No. 39-N of February 9, 2007, on Approval of Regulation No. 2 on Regulation of Banking, Prudential Standards for Banking with an effective date of October 3, 2022. Previously, the limits on open foreign exchange positions were calculated with and without including derivatives. However, with this amendment, open foreign exchange positions are now calculated with derivatives only. A limit of 7% of capital applies on open foreign exchange positions of individual currencies, and a limit of 10% of capital applies on aggregate gross foreign exchange positions of all currencies. For the purpose of calculation, currencies are grouped into two categories: (1) SDR, US dollar, euro, Japanese yen, pound sterling, Swiss franc, Swedish krone, Danish koruna, Australian dollar, Canadian dollar, and bank gold and (2) all other currencies.
On resident assets and liabilities	Yes.	There is no differentiated approach between resident and nonresident assets and liabilities when calculating open foreign exchange position. The limits on open foreign exchange positions are calculated with including derivatives. A limit of 7% of capital applies on open foreign exchange positions of individual currencies, and a limit of 10% of capital applies on aggregate gross foreign exchange positions of all currencies. For the purpose of the calculation, currencies are grouped into two categories: (1) SDR, US dollar, euro, Japanese yen, pound sterling, Swiss franc, Swedish krone, Danish koruna, Australian dollar, Canadian dollar, and bank gold and (2) all other currencies.
On nonresident assets and liabilities	Yes.	There is no differentiated approach between resident and nonresident assets and liabilities when calculating open foreign exchange position. The limits on open foreign exchange positions are calculated with including derivatives. A limit of 7% of capital applies on open foreign exchange positions of individual currencies, and a limit of 10% of capital applies on aggregate gross foreign exchange positions of all currencies. For the purpose of calculation, currencies are grouped into two categories: (1) SDR, US dollar, euro, Japanese yen, pound sterling, Swiss franc, Swedish krone, Danish koruna, Australian dollar, Canadian dollar, and bank gold and (2) all other currencies.
Provisions specific to institutional investors	Yes.	The only institutional investors in Armenia are insurance companies, investment companies, and investment (pension) funds. As of December 31, 2022, there were seven t insurance companies, 37 investment companies (including banks), 59 investment funds, and 8 pension funds in operation.
Insurance companies	Yes.	The insurance companies are regulated according to the Law on

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		Insurance and Insurance Activity and other legal acts.
Limits (max.) on securities issued by nonresidents	No.	There are no limits specifically targeted toward securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	No.	There are no limits specifically targeted toward investment portfolios held abroad. However, under CBA Resolution No. 311-N of October 2, 2007, on approval of CBA Regulation No. 3/02 concerning prudential standards of insurance companies, there are limits regarding the asset composition of technical reserves. The maximums are (1) 3% on cash (including cash in transit), cash-equivalent payment documents with the consent of the Board of the CBA, banking gold (including banking gold in transit); (2) 100% on Securities issued by the RA and the CBA with their current (market) value, the balance of the account of insurance company in the CBA, deposits in the CBA, transfer notes issued by the MOF of the RA with maturity up to 1 year, which are subject to be repaid by the CBA at the expense of the funds of the consolidated treasury account of the RA Government; (3) 5% for a single issuer and 40% for all issuers of Government treasury bills with their current (market) value of states rated as "A+" or higher by the rating agencies Standard and Poor's/Fitch, or rated as "A1" or higher by Moody's rating agency, or rated "A" or higher by the rating agency A.M. Best, corporate securities with their current (market) value, rated as "A+" or higher by the rating agencies Standard and Poor's/Fitch, or rated as "A1" or higher by Moody's rating agency, or rated "A" or higher by the rating agency A.M. Best, non-governmental bonds with their current (market) value issued by the EBRD, ECB, EIB, other international organizations (where Armenia has a membership), banking accounts, (as well as unallocated gold accounts) term deposits and deposits on demand (if the depositor's right to receive the deposit on demand is not limited by the deposit agreement), invested in the foreign banks rated as "A +" or higher by the rating agencies Standard and Poor's/Fitch, or rated as "A1" or higher by Moody's rating agency, or rated "A" or higher by the rating agency A.M. Best; (4) 10% for a single issuer and 40% for all issuers of Securities, issued by financial organizations, operating on the territory of the RA, with their current (market) value, if they are allowed to the trade in the regulated market and have a market maker, securities of RA resident non-financial organizations with their current (market) value, the rating of which is equal or higher than the rating that is one level lower than the one given to the RA by the rating agencies ("Standard and Poor's or Fitch or Moody's"); (5) 20% for a single issuer and 100% for all issuers banking accounts (as well as unallocated gold accounts), deposits on demand and term deposits (if the depositor's right to receive the deposit on demand is not limited by the deposit agreement) in banks operating in the RA and branches of foreign banks providing services within the territory of the RA, as well as loans on demand and loans that do not have contractual maturity, provided to banks operating in the RA and branches of foreign banks, providing services within the territory of the RA, if the lender's right to receive the sum of the loan on demand is not limited by the loan agreement; (6) 5% for a single issuer and 20% for all issuers for loans on demand and loans that do not have contractual maturity, provided to insurance companies, investment companies and those credit organizations, that according to their Charter, attract loans by public offer, operating in the RA, and branches of foreign insurance companies, investment companies and those credit organizations, that according to their Charter, attract loans by public offer, providing services within the territory of the RA, if the lender's right to receive the sum of the loan on demand is not limited by the loan

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		agreement; (7) 10% for a single issuer and 50% for all issuers the securities, which have been acquired by repo agreements, with their current (market) value; and (8) 5%, but not more than 100 million Armenian drams, on shares in investment funds with their current (market) value, which are registered by the CBA, implement their investment policy within the territory of the RA and there is no condition which may reject their further alienation.
Limits (min.) on investment portfolio held locally	No.	There are no limits specifically targeted toward investment portfolios held locally. However, under CBA Resolution No. 311-N of October 2, 2007, on approval of CBA Regulation No. 3/02 concerning prudential standards of insurance companies, there are limits regarding the asset composition of technical reserves. The maximums are (1) 3% on cash (including cash in transit), cash-equivalent payment documents with the consent of the Board of the CBA, banking gold (including banking gold in transit); (2) 100% on Securities issued by the RA and the CBA with their current (market) value, the balance of the account of insurance company in the CBA, deposits in the CBA, transfer notes issued by the MOF of the RA with maturity up to 1 year, which are subject to be repaid by the CBA at the expense of the funds of the consolidated treasury account of the RA Government; (3) 5% for a single issuer and 40% for all issuers of Government treasury bills with their current (market) value of states rated as "A+" or higher by the rating agencies Standard and Poor's/Fitch, or rated as "A1" or higher by Moody's rating agency, or rated "A" or higher by the rating agency A.M. Best, corporate securities with their current (market) value, rated as "A+" or higher by the rating agencies Standard and Poor's/Fitch, or rated as "A1" or higher by Moody's rating agency, or rated "A" or higher by the rating agency A.M. Best, non-governmental bonds with their current (market) value issued by the EBRD, ECB, EIB, other international organizations (where Armenia has a membership), banking accounts (as well as unallocated gold accounts), term deposits and deposits on demand (if the depositor's right to receive the deposit on demand is not limited by the deposit agreement), invested in the foreign banks rated as "A +" or higher by the rating agencies Standard and Poor's/Fitch, or rated as "A1" or higher by Moody's rating agency, or rated "A" or higher by the rating agency A.M. Best; (4) 10% for a single issuer and 40% for all issuers of Securities, issued by financial organizations, operating on the territory of the RA, with their current (market) value, if they are allowed to the trade in the regulated market and have a market maker, securities of RA resident non-financial organizations with their current (market) value, the rating of which is equal or higher than the rating that is one level lower than the one given to the RA by the rating agencies ("Standard and Poor's or Fitch or Moody's"); (5) 20% for a single issuer and 100% for all issuers banking accounts (as well as unallocated gold accounts), deposits on demand and term deposits (if the depositor's right to receive the deposit on demand is not limited by the deposit agreement) in banks operating in the RA and branches of foreign banks providing services within the territory of the RA, as well as loans on demand and loans that do not have contractual maturity, provided to banks operating in the RA and branches of foreign banks, providing services within the territory of the RA, if the lender's right to receive the sum of the loan on demand is not limited by the loan agreement; (6) 5% for a single issuer and 20% for all issuers for loans on demand and loans that do not have contractual maturity, provided to insurance companies, investment companies and those credit organizations, that according to their Charter, attract loans by public offer, operating in the RA, and branches of foreign insurance

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		companies, investment companies and those credit organizations, that according to their Charter, attract loans by public offer, providing services within the territory of the RA, if the lender's right to receive the sum of the loan on demand is not limited by the loan agreement; (7) 10% for a single issuer and 50% for all issuers the securities, which have been acquired by repo agreements, with their current (market) value; and (8) 5%, but not more than 100 million Armenian drams, on shares in investment funds with their current (market) value, which are registered by the CBA, implement their investment policy within the territory of the RA and there is no condition which may reject their further alienation.
Currency-matching regulations on assets/liabilities composition	Yes.	Limits on foreign exchange positions conform to CBA Resolution No. 368-N of December 20, 2011, and amendments, and the addition to CBA Regulation No. 3/02 concerning the prudential standards of insurance companies. The limits on open foreign exchange positions include inclusive and exclusive derivatives. A limit of 7% of capital applies on open foreign exchange positions of individual currencies, and a limit of 10% of capital applies on gross foreign exchange positions of all currencies. Derivatives contracts with international organizations (for example, ECB, IMF, and World Bank), multilateral development banks, sovereigns, CBs, and foreign financial companies rated at least A+ (A1/A); and currency; and foreign exchange swaps are included in the calculation of open foreign exchange positions, which exclude derivatives. Foreign exchange risk is captured in the calculations of the capital adequacy ratio. CBA Resolution No. 151-N of June 29, 2010, on approval of amendments and the addition to CBA Regulation No. 3/02, specifies the calculation method.
Pension funds	Yes.	Pension funds are regulated according to the RA Law "On Funded Pensions."
Limits (max.) on securities issued by nonresidents	Yes.	According to the RA Law "On Funded Pensions," the total investments in securities issued or fully guaranteed by a foreign state or its CB may not exceed 40% of the total assets of a mandatory pension fund. The total investment in one issue (tranche) may not exceed 20% of the total assets of the fund. According to CBA Board Resolution No. 161-N of July 15, 2014, on Approving Regulation No. 10/30 "On Quantitative and Foreign Currency Restrictions for Voluntary Pension Funds' Investments," the total investments in securities issued or fully guaranteed by a foreign state or its CB may not exceed 40% of the total assets of a voluntary pension fund. The total investment in one issue (tranche) may not exceed 20% of the total assets of the fund.
Limits (max.) on investment portfolio held abroad	Yes.	Though there are no direct limits on investment portfolios held abroad, however, an indirect limit is set by the RA Law "On Funded Pensions" for mandatory pension funds and by CBA Board Resolution No. 161-N of July 15, 2014, on Approving Regulation No. 10/30 "Quantitative and Foreign Currency Restrictions for Voluntary Pension Funds' Investments" for voluntary pension funds. The total foreign exchange investments of mandatory pension funds are limited at 40% of the total assets of the fund. For voluntary pension funds, the limit is set at 50%. The total amount of non-convertible foreign exchange investments of mandatory and voluntary pension funds may not exceed 3% of total assets. The credit ratings of foreign banks, in which the assets of mandatory pension funds may be invested, may not be lower than Standard & Poor's "BBB," Moody's "Baa3," or Fitch's "BBB." The credit ratings of foreign banks, in which the assets of voluntary

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		pension fund may be invested, may not be lower than Standard & Poor's "BBB," Moody's "Baa3," or Fitch's "BBB-." The credit ratings of foreign issuers (if guaranteed by any third person, then of that guarantor), in debt securities of which the assets of voluntary pension funds may be invested, may not be lower than Standard & Poor's "BBB," Moody's "Baa3," or Fitch's "BBB-" except for debt securities issued or fully guaranteed by the foreign state or its CB.
Limits (min.) on investment portfolio held locally	No.	There are no limits (min.) on investment portfolios held locally.
Currency-matching regulations on assets/liabilities composition	Yes.	According to the RA Law "On Funded pensions," the total amount of foreign-exchange-denominated investments may not exceed 40% of the total assets of a mandatory pension fund. According to CBA Board Resolution No. 161-N of July 15, 2014, the total amount of foreign-exchange-denominated investments may not exceed 50% of the total assets of a voluntary pension fund.
Investment firms and collective investment funds	No.	Investment firms are regulated by the RA Law "On Securities Market." Collective investment funds are regulated according to the RA Law "On Investment Funds."
Limits (max.) on securities issued by nonresidents	No.	There are no limits (max.) on securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	No.	There are no limits (max.) on investment portfolios held abroad.
Limits (min.) on investment portfolio held locally	No.	There are no limits (min.) on investment portfolios held locally.
Currency-matching regulations on assets/liabilities composition	No.	There are no currency-matching regulations on the asset/liability composition of collective investment funds. Foreign exchange risk of investment firms is captured in calculations of the capital adequacy ratio, as component of market risk.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other	n.r.

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instruments	
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.

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Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Measures

Restrictions and/or multiple currency practices	*01/01/2022*	Armenia has eliminated a MCP by making an amendment to the agreement between the MOF and Central Bank of Armenia (CBA), which requires foreign exchange transactions between the MOF and the CBA to take place at the market-determined bid/ask exchange rates set by the CBA. Under the agreement, the difference between the buying and selling exchange rates set by the CBA and the prevailing market buy/sell rates at the time of the transaction may not be greater than 2%.

Exchange Arrangement

Exchange rate structure		
Unitary	*01/01/2022*	Armenia has eliminated a MCP by making an amendment to the agreement between the MOF and Central Bank of Armenia (CBA), which requires foreign exchange transactions between the MOF and the CBA to take place at the market-determined bid/ask exchange rates set by the CBA. Under the agreement, the difference between the buying and selling exchange rates set by the CBA and the prevailing market buy/sell rates at the time of the transaction may not be greater than 2%.
Classification		
Stabilized arrangement	*10/28/2022*	Since October 2022, the exchange rate stabilized within a 2% band against the US dollar with one realignment in February 2023. Therefore, the de facto exchange rate arrangement was reclassified to stabilized from floating.
Official exchange rate	*03/01/2022*	The calculation methodology for the official exchange rates published by Central Bank of Armenia (CBA) was changed by Republic of Armenia CBA Governor Resolution No. 1/6L.
Monetary policy framework		
Inflation-targeting framework		
Operating target (policy rate)		

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Policy rate	*02/01/2022*	The refinancing rate was raised from 7.75% to 8%.
	03/15/2022	The refinancing rate was raised from 8% to 9.25%.
	08/02/2022	The refinancing rate was raised from 9.25% to 9.5%.
	06/13/2023	The refinancing rate fell from 10.75% to 10.50%.
	08/01/2023	The refinancing rate fell from 10.50% to 10.25%.
	09/21/2023	The refinancing rate fell from 10.25% to 9.75%.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents	*05/14/2023*	According to the amendment of March 22, 2023, 122-N on the Law of the Republic of Armenia (RA) on Currency Regulation and Currency Control, in the territory of the RA, borrowings can also be provided in foreign currency, with the exception of consumer borrowings and, in cases provided for by law, housing mortgage loans, which are provided exclusively in Armenian drams. Also, according to the above-mentioned amendment banks and credit organizations provide consumer loans and credits, housing mortgage loans only in Armenian dram. Housing mortgage loans for natural persons who are not considered residents (except for the case of having a co-borrower who is a resident of the RA) can also be provided in foreign currency.

Imports and Import Payments

Import licenses and other nontariff measures

Negative list	*01/01/2022*	Import license from the Ministry of Economy (Licensing Agency) for imports of white sugar (Eurasian Economic Union (EEU) Foreign Economic Activity Commodity Nomenclature 1701 99 100 1 and 1701 99 100 9) from third (non-EEU) countries is no longer required.
Import taxes and/or tariffs	*01/01/2022*	Armenia no longer applies the tariffs that were used prior to joining the Eurasian Economic Union on imports for more than 800 products based on the agreed schedule. Additionally, Armenia no longer secures customs duty preferences for imports to Armenia for a list of products.

Capital Transactions

Controls on capital transactions

Controls on personal capital transactions		
Transfer of gambling and prize earnings	*12/08/2022*	According to Article 6, Part 2 (e) of the Republic of Armenia (RA) Law "On Gambling, Internet Gambling and Casinos," the organizer of gambling and casinos ensures the exchange of tokens in the gambling hall only in a non-cash way. Betting directly (through the casino) by players, except for nonresident identified players, or replenishing funds to individual playing cards issued to players by organizers is carried out in a non-cash manner. According to the Parts (f1) and (f2) of the same article, the organizer: (f1) transfers (pays) the earnings in non-cash way in AMD; (f2) cannot transfer (pay) the earnings to the accounts from which non-cash payments for participation have not been made. Meanwhile, it is prohibited to directly (through the casino) accept fees for participation and provide winnings in cash in case of organization of internet gambling. According to Article 6, non-cash transactions, defined by the Law

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		"On Gambling, Internet Gambling and Casinos," must be carried out only through bank accounts or cards. This requirement enters into force six months after June 8, 2022 (the publication date). According to Article 5.2, Part 2 of the RA Law "On Lotteries," it is forbidden to deposit and withdraw funds to the accounts of the participants of the totalizer in cash. The specified accounts are replenished, and money is withdrawn from the accounts only in a non-cash way. Bets placed by players directly (through the casino) or replenishment of funds to individual playing cards given to players by the organizers are carried out in a non-cash way. According to Article 5.2, Part 4, non-cash transactions, defined by the Law "On Lotteries," must be carried out only through bank accounts or cards. This requirement enters into force six months after June 8, 2022 (the publication date).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending locally in foreign exchange	*05/14/2023*	In addition to the ban on consumer loans, banks and credit institutions may not extend mortgage loans in foreign currency to resident individuals. Nonresidents, however, can receive foreign exchange mortgage loans.
Differential treatment of deposit accounts in foreign exchange *Reserve requirements*	*07/13/2022*	Pursuant to Central Bank of Armenia (CBA) Resolution No. 96-N of June 14, 2022, 6% of the reserve requirement is held in AMD, whereas the other 12% for funds attracted in EUR is held in euros, for funds attracted in USD and other foreign currencies is held in USD. Previously, pursuant to CBA Resolution No. 183-N of December 7, 2021, 8% of the reserve requirement was held in AMD, while the other 10% for funds attracted in EUR was held in euros, for funds attracted in USD and other foreign currencies was held in USD.
Open foreign exchange position limits	*10/03/2022*	The Central Bank of Armenia (CBA) Board adopted resolution on amending the CBA Resolution No. 39-N of February 9, 2007, on Approval of Regulation No. 2 on Regulation of Banking, Prudential Standards for Banking. The measure ensuring that derivatives contracts with international organizations (for example, ECB, IMF, and World Bank), multilateral development banks, sovereigns, CBs, and foreign commercial banks rated at least A+ (A1) are included in the calculation of limits on open foreign exchange positions, which exclude derivatives, was removed. Open foreign exchange positions are now calculated with derivatives only.

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ARUBA

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation Discussions with Aruba states that as of March 31, 2021, Aruba maintains an unapproved exchange restriction arising from the foreign exchange tax on payments by residents to nonresidents (1.3% of the transaction value). In March 2020, the Central Bank of Aruba (CBA) halted the issuance of new foreign exchange licenses, limiting most of the outgoing capital and also some current transactions. The following measures constitute new exchange restrictions: (1) prohibition on actual payment and/or transfer of dividends to nonresident shareholders, and of net income from other investment; (2) restriction on repayment and interest payments of loans below the relevant thresholds (that is, Afl. 300,000 for natural persons and Afl. 750,000 for legal entities) obtained after March 17, 2020; and (3) prohibition on payment of management fees to affiliated companies. (Country Report No. 21/81)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	On June 23, 2010, Aruba enacted a Sanctions State Decree to Combat Terrorism and Terrorist Financing (AB 2010 No. 27), which is based on the Sanctions State Ordinance 2006 (AB 2007 No. 24). This Sanctions State Decree provides for the direct implementation of UNSC Resolution (UNSCR) 1267 (1999) and for the establishment of a domestic freezing mechanism as required in UNSCR 1373 (2001). The Interim-State Decree on Priority Sanction Regimes (AB 2019 No. 47) (as of September 7, 2019), containing the provisions for the implementation of articles 2 and 2a of the Sanction State Ordinance 2006 (AB 2007 No. 24), requires the freezing of all funds and other assets of persons and organizations mentioned in the Annex of the State Decree. This Interim-State Decree was enacted for the purpose of implementing in short term a number of Regulations and Decisions adopted in the context of the Common Foreign and Security Policy of the EU. Sanctions State Decree Libya (AB 2011 No. 25) (as of April 19, 2011) provides for the freezing of all funds or other assets in Aruba that belong directly or indirectly to, are owned by, are in possession of, or are under the control of a natural person, legal entity, or other entity mentioned in Annex II of UNSCR 1970 (2011) and UNSCR 1973 (2011). Sanctions State Decree Ukraine (AB 2014 No. 26) (as of December 10, 2014) implements Regulation No. 208/2014 (March 5, 2014) adopted by the EC regarding the freezing of funds and economic resources of persons identified as responsible for the misappropriation of Ukrainian State funds, persons responsible for human rights

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violations in Ukraine, and natural or legal persons, entities, or bodies associated with them. Sanctions State Decree Sudan (AB 2014 No. 46) (as of September 25, 2014) provides for the freezing of funds or other assets in Aruba that belong directly or indirectly to, are owned by, are in possession of, or are under the control of a natural person, legal entity, or other entity or body mentioned in Annex I of Regulation No. 747/2014 (July 10, 2014) of EC. Sanctions State Decree South Sudan (AB 2014 No. 47) (as of September 25, 2014) provides for the freezing of funds or other assets in Aruba that belong directly or indirectly to, are owned by, are in possession of, or are under the control of a natural person, legal entity, or other entity or body mentioned in Annex I of Regulation No. 748/2014 (July 10, 2014) of EC. Sanctions State Decree Syria (AB 2016 No. 2) (as of January 22, 2016) implements Regulation No. 36/2012 (January 18, 2012), as well as two subsequent Decisions (Decision No. 2011/782/CFSP and Decision No. 2013/255/CFSP), adopted by the EC regarding restrictive measures against Syria and certain persons, entities, and bodies from Syria. Sanctions State Decree Central African Republic (AB 2016 No. 55) (as of October 26, 2016) implements Regulation No. 224/2014 by the EC of March 10, 2014, regarding restrictive measures against certain persons, entities, and bodies from the Central African Republic; Decision No. 2013/798/CFSP by the EC of December 23, 2013, also concerning restrictive measures against the Central African Republic. Sanctions State Decree Yemen (AB 2017 No. 10) (as of March 8, 2017) provides for the freezing of funds or other assets in Aruba that belong directly or indirectly to, are owned by, are in possession of, or are under the control of a natural person, legal entity, or other entity or body mentioned in Annex I of Regulation No. 1352/2014 (December 18, 2014) of the EC and in the Annex of the Decision No. 2014/932 (December 18, 2014) adopted by the EC. Sanctions State Decree Democratic People's Republic of Korea (AB 2017 No. 42) (as of July 18, 2017) implemented UN Resolution No. 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2345 (2017), 2356 (2017), Annexes to the Regulation No. 329/2007 (March 27, 2007) of the EC and Annexes of the Decision No. 2016/849 adopted by the EC. Sanctions State Decree Cyber-Attacks (AB 2020 No. 125) (as of August 28, 2020) implements Regulation No. 2019/796 of the EC of May 17, 2019, and Decision No. 2019/797 of May 17, 2019, concerning restrictive measures against cyber-attacks threatening the EU or its Member States. This State Decree provides for the freezing of all funds or other assets in Aruba, directly or indirectly belonging to, owned, held, or controlled by a natural person, a legal person, entities, or bodies listed in Annex I of Regulation No. 2019/796 and the Annex to Decision No. 2019/797.
Sanctions State Decree Human Rights Violations (as of February 20, 2021) (AB 2021 No. 30) implements Regulation No. 2020/1998 of the EC of December 7, 2020, and Decision No. 2020/1999 of December 7, 2020, concerning restrictive measures against serious human rights violations, and it provides for the freezing of all funds or other assets in Aruba, directly or indirectly belonging to, owned, held, or controlled by a natural person, a legal person, entities, or bodies listed in Annex I to Regulation No. 2020/1998 and the Annex to Decision No. 2020/1999.
Sanctions State Decree Chemical Weapons (as of February 20, 2021) (AB 2021 No. 31) implements Regulation No. 2018/1542 of the EC of October 15, 2018, and Decision No. 2018/1544 of October 15, 2018, concerning restrictive measures against the proliferation and use of chemical weapons, and it provides for the freezing of all funds or other assets in Aruba, directly or indirectly belonging to, owned,

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held, or controlled by a natural person, a legal person, entities, or bodies listed in Annex I to Regulation No. 2018/1542 and the Annex to Decision No. 2018/1544. As of September 3, 2021, the Government of Aruba, in accordance with the UNSCR 2231, issued a sanctions decree to freeze all funds or other assets present in Aruba that belong directly or indirectly to, are owned, held, or controlled by a natural person, legal person, entities person, legal entity, entity, or body in/from/to Iran. The amendment of the Interim State Decree on Priority Sanctions Regimes (AB 2022 No. 39) entered into force on March 29, 2022, to supplement Annex I to the Interim State Decree on Priority Sanctions Regimes (AB 2019 No. 47) with a number of Regulations, Decisions and Common Positions, adopted within the framework of the Common Foreign and Security Policy of the EU, insofar as they are intended to maintain or restore international peace and security. Annex I to the Interim State Decree on Priority Sanctions Regimes (AB 2019 No. 47) was supplemented with the following legislative texts and publications: Belarus (Council Decision 2012/642/CFSP and Council Regulation (EC) No. 765/2006); Burma/Myanmar (Council Decision 2013/184/CFSP and Council Regulation (EU) No. 401/2013); Bosnia and Herzegovina (Council Decision 2011/173/CFSP); Burundi (Council Decision 2015/1763/CFSP and Council Regulation (EU) No. 2015/1755); Congo (Council Decision 2010/788/CFSP and Council Regulation (EC) No. 1183/2005); Guinea (Council Decision 2010/638/CFSP and Council Regulation (EU) No. 1284/2009); Guinea-Bissau (Council Decision 2012/285/CFSP and Council Regulation (EU) No. 377/2012); Iraq (Common Position 2003/495/CFSP and Council Regulation (EC) No. 1210/2003); Lebanon (inter alia, Council Regulation (EC) No. 1412/2006; Common Position 2005/888/CFSP; Common Position 2006/625/CFSP; Council Decision (CFSP) 2021/1277, and Council Regulation (EU) 2021/1275); Mali (Council Decision 2017/1775/CFSP and Council Regulation (EU) 2017/1770); Nicaragua (Council Decision 2019/1720/CFSP and Council Regulation (EU) 2019/1716); Somalia (Council Decision 2010/231/CFSP and Council Regulation (EU) 356/2010); Tunisia (Council Decision (CFSP) 2011/72 and Council Regulation (EU) No. 101/2011); Turkey (Council Decision (CFSP) 2019/1894 and Council Regulation (EU) No. 2019/1890); Zimbabwe (Council Decision (CFSP) 2011/101 and Council Regulation (EU) 314/2004).

In response to the Russia’s continuing war of aggression against Ukraine, the Sanctions State Decree Territorial Integrity Ukraine I (AB 2022 No. 47) was adopted and entered into force effective April 13, 2022. This State Decree implements without delay Regulation (EU) No. 2022/334 and Decision (CFSP) 2022/335 of the EC of February 28, 2022, concerning restrictive measures in view of Russia’s actions destabilizing the situation in Ukraine. Furthermore, on April 13, 2022, the Sanctions State Decree Recognition Donetsk and Luhansk (AB 2022 No. 48) came into force to implement without delay Regulation (EU) No. 2022/263 and Decision (CFSP) 2022/266 of the EC of February 23, 2022, concerning restrictive measures in response to the non-government controlled areas of the Donetsk and Luhansk areas of Ukraine and the ordering of Russian armed forces into those areas.

Exchange Arrangement

Currency	Yes.	The currency of Aruba is the Aruban florin.
Other legal tender	No.	

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Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional peg. The legal documents that established the fixed exchange rate arrangement are AB 1992 No. GT 6 State Decree for Fixing Parity of the Aruban Florin and Notice on Foreign Exchange Transactions 90/A2.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The florin is pegged to the US dollar at Afl. 1.79 per US dollar. Assets and liabilities denominated in foreign currencies are converted to florins at the rate of exchange (midrate) prevailing on the balance sheet date. The authority to change the exchange rate arrangement lies with the government.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		

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Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	A foreign exchange commission of 1.3% applies to all payments by residents to nonresidents, including those made through local banks and foreign accounts. Certain payments, such as those of certain government-related companies, are exempt.
Exchange subsidy	No.	
Foreign exchange market	Yes.	The CBA determines the daily foreign exchange rate for the officially quoted foreign currencies, which commercial banks must use when calculating foreign currency cross-rates among themselves and for transactions with residents and nonresidents. If there is a large exchange rate fluctuation of a foreign currency against the US dollar for transactions with a counter value of Afl. 100,000 or more, a commercial bank may request a new exchange rate. The spread between the foreign exchange buying and selling rates may not

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		exceed 2%. The foreign exchange commission is not included in the bid-ask spreads but is added afterward. In September 2017, the State Ordinance on the Supervision of Money Transfer Companies (SOSMTC) was amended to extend its supervisory scope to money exchange offices. Money exchange offices may exchange coins or banknotes against other coins or banknotes, or pay out coins or banknotes on presentation of a credit card or payment card or on handing over checks, traveler's checks, bills of exchange, or postal money orders. They may maintain accounts abroad; however, all resident companies that have a foreign bank account (FBA) or foreign intercompany account (FIA) must notify these to the CBA pursuant to Article 11 of the State Ordinance Foreign Exchange Transactions. Currently, two money exchange offices and two money transfer companies are in the possession of a registration from the CBA. The register of supervised financial institutions can be found on the CBA's website. As of April 1, 2015, the State Ordinance on Exchange Rate Margin Compensation CBA requires commercial banks to pay a fee to the CBA on all sales of foreign currency to the public, both cash and noncash, amounting to 3/8% of the florin equivalent of these sales. The CBA will pay a fee to the commercial banks on all purchases of foreign currency from the public, both cash and noncash, amounting to 1/8% of the florin equivalent of these purchases.
Spot exchange market	Yes.	The 4 licensed domestic commercial banks and 2 money transfer companies that are in the possession of a registration to conduct money exchanges may conduct foreign exchange transactions with the public. Note that in September 2007, the SOSMTC was amended to extend the scope to money exchange offices. Money exchange offices may exchange coins or banknotes, or pay out coins or banknotes against other coins or banknotes, or pay out coins or banknotes on presentations of a credit card or payment card or on handing over checks, traveler's checks, bills of exchanges, or portal money orders.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The CBA deals with local commercial banks within margins of 0.02795% on either side of parity. Depending on banks' B-9 arrangement, which sets a maximum on the amount of foreign exchange commercial banks may hold (in net foreign assets), they may buy or sell foreign exchange from or to the CBA. The CBA handles the foreign exchange for the government.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	Banks may trade among themselves; however, in practice, they deal directly with the CBA. The interbank market is not operational. There are no limits on the bid-ask spread and commission of the market participants.
Over the counter	No.	
Brokerage	No.	
Market making	No.	

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Forward exchange market	No.	There is no forward exchange market in Aruba. The CBA does not participate in the forward exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Legal entities that hold a hotel or a casino license are allowed by law to accept and return change in US dollars and Venezuelan Bolívar. In practice, Venezuelan Bolívars are not accepted.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBA administers foreign exchange control.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	It is prohibited to import and export gold from and to Venezuela.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Since April 1, 2021, residents and nonresidents are allowed to export a maximum amount of Afl. 10,000 for travel purposes.
Foreign currency	Yes.	Exports of foreign banknotes require a license, except for travel purposes (see IV.F.1.a). Imports and exports of foreign currency cash exceeding Afl. 20,000 (approximately US$11,000) must be reported

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		to the inspector of Customs and Excise (Paragraph 1, Article 2, of the State Ordinance on Reporting Imports and Exports of Cash).
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	Imports and exports of foreign currency cash exceeding Afl. 20,000 (approximately US$11,000) must be reported to the inspector of Customs and Excise (Paragraph 1, Article 2, of the State Ordinance on Reporting Imports and Exports of Cash).

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open accounts denominated in foreign currency with local banks, provided these accounts are funded with foreign currency. Effective January 1, 2023, transactions of less than Afl. 600,000 (previously Afl. 300,000) a year or its equivalent in foreign currency for natural persons and Afl. 1,500,000 (previously Afl. 750,000) a year or its equivalent in foreign currency for legal entities (excluding commercial banks and institutional investors) may be carried out without CBA authorization. These ceilings are applicable to all capital transactions with nonresidents; a special foreign exchange license from the CBA is required for capital transactions exceeding these ceilings. Legal entities that have a general foreign exchange license pursuant to the Decree on transfers to and from notified foreign bank accounts and foreign intercompany accounts 2023/K.2 and that are included in the CBA's Quarterly list can make transfers to and from their notified FBAs and/or FIAs without a special foreign exchange license, no matter the amount of the transfer.
Approval required	No.	The local banks must adhere to CBA instructions related to maintaining such accounts at all times.
Held abroad	Yes.	As per the Decree on transfers to and from notified foreign bank accounts and foreign intercompany accounts 2023/K.2, transfers by resident legal entities to their own bank accounts held abroad are permitted. Accounts of resident companies abroad must be reported to the CBA. Approval is not required, but holders of such accounts must report them to the CBA if they wish to be exempted from the requirement that they collect foreign claims as soon as they fall due and transfer and sell them to a local foreign exchange bank. In the absence of an exemption, payments in foreign exchange to nonresidents must be made from a registered bank account or an account of a foreign bank in the country of the transaction or to a nonresident's nostro account with the registered bank. Resident companies that have notified the CBA of their foreign accounts and comply with the conditions of the exemption as stipulated in the Decree concerning Foreign Exchange Transactions 2013-O.1 General Exemption may make transfers freely to and from these accounts, based on the Decree on transfers to and from notified foreign bank accounts and foreign intercompany accounts 2023/K.2 (General Foreign Exchange License). A general exemption from the provisions of State Ordinance on Foreign Exchange Transactions (SOFET) Articles 11 and 12 applies to residents whose previous exemptions (pursuant to SOFET Articles 16 and 17) were revoked and who reported such bank accounts to the CBA again. Effective January 1, 2023, transactions of less than Afl. 600,000

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		(previously Afl. 300,000) a year or its equivalent in foreign currency for natural persons and Afl. 1,500,000 (previously Afl. 750,000) a year or its equivalent in foreign currency for legal entities (excluding commercial banks and institutional investors) may be carried out without CBA authorization. These ceilings are applicable to all capital transactions with nonresidents; a special foreign exchange license from the CBA is required for capital transactions exceeding these ceilings.
Approval required	No.	
Accounts in domestic currency held abroad	No.	These accounts are not allowed.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Commercial banks are allowed to open, hold, and close foreign currency accounts for nonresidents. The balances may be transferred freely abroad and/or to other nonresident accounts.
Approval required	No.	
Domestic currency accounts	Yes.	Commercial banks are allowed to open, hold, and close florin accounts for nonresidents. Deposits into these accounts must be made from the proceeds of foreign currency sales or from florins obtained in transactions with residents. The balances may be transferred freely abroad and/or to other nonresident accounts.
Convertible into foreign currency	Yes.	Balances in these accounts are fully convertible.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	

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Negative list	No.	
Open general licenses	No.	
Licenses with quotas	Yes.	The import of eggs may be subject to quotas, depending on the domestic supply.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Import taxes range from 0% to 62%, depending on the product.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Unless exempted, residents are required to surrender export proceeds either by selling them to a domestic commercial bank, against florins, within eight working days of receipt or by depositing them into a foreign exchange account with the CBA or a domestic commercial bank in the name of a resident.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Unless exempted, residents are required to surrender export proceeds either by selling them to one of the 4 commercial banks in Aruba, against florins, within eight working days of receipt or by depositing them into a foreign exchange account with the CBA or one of the 4 commercial banks in Aruba in the name of a resident.
Surrender to authorized dealers	Yes.	Unless exempted, residents are required to surrender export proceeds either by selling them to a foreign exchange bank, against florins, within eight working days of receipt or by depositing them into a foreign exchange account with the CBA or a foreign exchange bank in the name of a resident.
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	Exports of goods are exempt from the turnover tax (AB 2010 No. 20).

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	The transfer of dividends and profits to nonresidents is permitted with prior approval from the CBA.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The transfer of dividends and profits to nonresidents is permitted with prior approval from the CBA. Interest payments may be made on foreign loans with a permit from the CBA. For profits and dividends, financial statements must be submitted to the CBA indicating the amount involved. In the case of depreciation of direct investment, a special foreign exchange license is required for amounts exceeding effective January 1, 2023, Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency authorized for legal entities (excluding commercial banks and institutional investors).
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Unless exempted, residents are required to surrender proceeds from invisible transactions either by selling them to one of the 4 commercial banks in Aruba, against florins, within eight working days of receipt or by depositing them into a foreign exchange account with the CBA or one of the 4 commercial banks in Aruba in the name of a resident.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Unless exempted, residents are required to surrender proceeds from invisible transactions either by selling them to one of the 4 commercial banks in Aruba, against florins, within eight working days of receipt or by depositing them into a foreign exchange account with the CBA or one of the 4 commercial banks in Aruba in the name of a resident.
Surrender to authorized dealers	Yes.	Unless exempted, residents are required to surrender proceeds from invisible transactions either by selling them to one of the 4 commercial banks in Aruba, against florins, within eight working days of receipt or by depositing them into a foreign exchange account with the CBA or one of the 4 commercial banks in Aruba in the name of a resident.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Transactions of less than Afl. 600,000 a year or its equivalent in foreign currency for natural persons and Afl. 1,500,000 a year or its equivalent in foreign currency for legal entities (excluding commercial banks and institutional investors) may be carried out without CBA authorization. These ceilings are applicable to all capital transactions with nonresidents; a special foreign exchange license from the CBA is required for capital transactions exceeding these ceilings.
Repatriation requirements	Yes.	The CBA may require the divestment, repatriation, and surrender to the CBA of proceeds from direct investment by residents abroad. Unless exempt, residents are required to surrender proceeds from capital transactions either by selling them to one of the 4 commercial banks in Aruba, against florins, within eight working days of receipt or by depositing them into a foreign exchange account with the CBA or one of the 4 commercial banks in Aruba in the name of a resident.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Unless exempt, residents are required to surrender proceeds from capital transactions either by selling them to one of the 4 commercial banks in Aruba, against florins, within eight working days of receipt or by depositing them into a foreign exchange account with the CBA or one of the 4 commercial banks in Aruba in the name of a resident.
Surrender to authorized dealers	Yes.	Unless exempt, residents are required to surrender proceeds from capital transactions either by selling them to one of the 4 commercial banks in Aruba, against florins, within eight working days of receipt or by depositing them into a foreign exchange account with the CBA

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		or one of the 4 commercial banks in Aruba in the name of a resident.
Controls on capital and money market instruments	Yes.	There are controls on all these transactions. Residents must apply for a special foreign exchange license to effect capital transactions if the amount involved exceeds Afl. 600,000 a year or its equivalent in foreign currency for natural persons and Afl. 1,500,000 a year or its equivalent in foreign currency for legal entities (see subcategories below).
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Capital transactions with nonresidents by natural persons require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 a year or its equivalent in foreign currency. For legal entities, a license is required if the amount involved exceeds Afl. 1,500,000 a year.
Purchase locally by nonresidents	Yes.	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale or issue locally by nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits. As per Decree 2023/K.2, certain capital transfers abroad are permitted. Legal entities included in the CBA's Quarterly list can make transfers to and from their notified FBAs and/or FIAs without a special foreign exchange license, no matter the amount of the transfer. Pension funds and insurance companies under the supervision of the CBA are allowed to make investments abroad taking into account the 40%–60% investment rule, a progressive scale that is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Sale or issue abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale or issue locally by nonresidents	Yes.	Based on a general foreign exchange license, natural persons and

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		legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits. As per Decree 2023/K.2, certain capital transfers abroad are permitted. Legal entities included in the CBA's Quarterly list can make transfers to and from their notified FBAs and/or FIAs without a special foreign exchange license, no matter the amount of the transfer. Pension funds and insurance companies under the supervision of the CBA are allowed to make investments abroad taking into account the 40%–60% investment rule, a progressive scale that is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Sale or issue abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale or issue locally by nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits. As per Decree 2023/K.2, certain capital transfers abroad are permitted. Legal entities included in the CBA's Quarterly list can make transfers to and from their notified FBAs and/or FIAs without a special foreign exchange license, no matter the amount of the transfer. Pension funds and insurance companies under the supervision of the CBA are allowed to make investments abroad taking into account the 40%–60% investment rule, a progressive

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		scale that is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Sale or issue abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale or issue locally by nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits. As per Decree 2023/K.2, certain capital transfers abroad are permitted. Legal entities included in the CBA's Quarterly list can make transfers to and from their notified FBAs and/or FIAs without a special foreign exchange license, no matter the amount of the transfer. Pension funds and insurance companies under the supervision of the CBA are allowed to make investments abroad taking into account the 40%–60% investment rule, a progressive scale that is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Sale or issue abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Controls on derivatives and other instruments	Yes.	Capital transactions with nonresidents by natural persons require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 a year or its equivalent in foreign currency. For legal entities, a license is required if the amount involved exceeds Afl. 1,500,000 a year.
Purchase locally by nonresidents	Yes.	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal

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		entities or its equivalent in foreign currency a
Sale or issue locally by nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits. As per Decree 2023/K.2, certain capital transfers abroad are permitted. Legal entities included in the CBA's Quarterly list can make transfers to and from their notified FBAs and/or FIAs without a special foreign exchange license, no matter the amount of the transfer. Pension funds and insurance companies under the supervision of the CBA are allowed to make investments abroad taking into account the 40%–60% investment rule, a progressive scale that is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Sale or issue abroad by residents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Controls on credit operations	Yes.	Capital transactions with nonresidents by natural persons require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 a year or its equivalent in foreign currency. For legal entities, a license is required if the amount involved exceeds Afl. 1,500,000 a year.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits. As per Decree 2023/K.2, certain capital transfers abroad are permitted. Legal entities included in the CBA's Quarterly list can make transfers to and from their notified FBAs and/or FIAs without a special foreign exchange license, no matter the amount of the transfer.
To residents from nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above

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		aforementioned limits.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits. As per Decree 2023/K.2, certain capital transfers abroad are permitted. Legal entities included in the CBA's Quarterly list can make transfers to and from their notified FBAs and/or FIAs without a special foreign exchange license, no matter the amount of the transfer.
To residents from nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
To residents from nonresidents	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits. Pension funds and insurance companies under the supervision of the CBA are allowed to make investments abroad taking into account the 40%–60% investment rule, a progressive scale that is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Inward direct investment	Yes.	Transactions by natural persons with nonresidents related to inward direct investment require a special foreign exchange license for amounts exceeding effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) a year or its equivalent in foreign currency. Legal entities must have a license if the amount involved exceeds

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		effective January 1, 2023, Afl. 1.5 million (previously Afl. 750,000) a year or its equivalent in foreign currency.
Controls on liquidation of direct investment	Yes.	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Effective January 1, 2023, as per Notice concerning Foreign Exchange Transaction 23/K.1, natural persons are allowed to execute capital transactions up to a maximum of Afl. 600,000 (previously Afl. 300,000) a calendar year and legal entities up to a maximum amount Afl. 1.5 million (previously Afl. 750,000) a calendar year without a special foreign exchange license. A special foreign exchange license is required for transactions above aforementioned thresholds. Legal entities that have a general foreign exchange license pursuant to the Decree on transfers to and from notified foreign bank accounts and foreign intercompany accounts 2023/K.2 and that are included in the CBA's Quarterly list can make transfers to and from their notified FBAs and/or FIAs without a special foreign exchange license, no matter the amount of the transfer.
Purchase locally by nonresidents	Yes.	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale locally by nonresidents	Yes.	Effective January 1, 2023, as per Decree concerning Foreign Exchange Transaction 23/K.1, natural persons are allowed to execute capital transactions up to a maximum of Afl. 600,000 (previously Afl. 300,000) a calendar year and legal entities up to a maximum amount Afl. 1.5 million (previously 750,000) a calendar year without a special foreign exchange license. A special foreign exchange license is required for transactions above aforementioned thresholds.
Controls on personal capital transactions	Yes.	Certain personal capital transactions, such as loans to or settlement of debt with nonresidents by natural persons, require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 a year or its equivalent in foreign currency.
Loans	Yes.	
By residents to nonresidents	Yes.	Based on a general foreign exchange license, natural person may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above the aforementioned limit.
To residents from nonresidents	Yes.	Based on a general foreign exchange license, natural person may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above the aforementioned limit.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	A foreign exchange license is required for amounts above the thresholds of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) for natural persons and Afl. 1.5 million (previously Afl. 750,000) for legal entities. Inheritances are considered as capital transactions no matter the amount and therefore a foreign exchange

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		license is always required.
To residents from nonresidents	Yes.	Effective January 1, 2023, if the amount is below the thresholds of Afl. 600,000 (previously Afl. 300,000) for natural persons, then no foreign exchange license is required. However, if the incoming gift amount is above the mentioned threshold, then a foreign exchange license is required.
Settlement of debts abroad by immigrants	Yes.	Based on a general foreign exchange license, natural person may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 600,000 (previously Afl. 300,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above the aforementioned limit.
Transfer of assets	No.	No controls apply to transfers of assets.
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Commercial banks are subject to the B-9 arrangement, which sets a maximum amount of foreign exchange the commercial banks are allowed to hold (in net foreign assets). Commercial banks are not allowed to have a net foreign liability position at the end of each business day. Also, the commercial banks may not exceed the maximum allowed amount of foreign exchange at the end of each business day. Any excess above the maximum allowed amount of foreign exchange should be sold to the CBA the following business day.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	A special foreign exchange license is required for loans granted by commercial banks to nonresidents if they exceed Afl. 1 million a year or its equivalent in foreign currency, as well as for certain transfers or sales of local financial instruments, such as loans, bonds, and notes, to nonresidents.
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Resident interbank deposits (in both florins and foreign exchange) and long-term deposits (of residents and nonresidents) are excluded from the calculation of the reserve requirement, which is a monetary instrument. Effective January 1, 2022, the CBA raised the reserve requirement on commercial bank deposits from 12% to 13%. Effective February 1, 2022, the CBA raised the reserve requirement on commercial bank deposits from 13% to 14%. Effective March 1, 2022, the CBA raised the reserve requirement on commercial bank deposits from 14% to 16%. Effective April 1, 2022, the CBA raised the reserve requirement on commercial bank deposits from 16% to 18%. Effective May 1, 2022, the CBA raised the reserve requirement on commercial bank deposits from 18% to 20%.

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		Effective June 1, 2022, the CBA raised the reserve requirement on commercial bank deposits from 20% to 22%. Effective July 1, 2022, the CBA raised the reserve requirement on commercial bank deposits from 22% to 24%. Effective December 1, 2022, the CBA raised the reserve requirement on commercial bank deposits from 24% to 25%. Effective January 1, 2023, the CBA raised the reserve requirement on commercial bank deposits from 25% to 25.5%. Effective September 1, 2023, the CBA lowered the reserve requirement on commercial bank deposits from 25.5% to 24.5%. Effective October 1, 2023, the CBA lowered the reserve requirement on commercial bank deposits from 24.5% to 23.5%.
Liquid asset requirements	No.	The requirement for commercial banks to maintain a minimum prudential liquidity ratio (defined as liquid assets to total net assets) is 18%. This requirement is applied regardless of the denomination of the deposit.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	Long-term deposits (of residents and nonresidents) are excluded from the calculation of the reserve requirement.
Liquid asset requirements	No.	The requirement for commercial banks to maintain a minimum prudential liquidity ratio (defined as liquid assets to total net assets) is 18%. This requirement is applied regardless of the residency status of the account holders.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Unless the written permission from the CBA has been obtained, a credit institution may not hold, acquire, or increase a qualifying holding in another firm or institution or take over all or a substantial part of the assets and liabilities of another firm or institution. A qualifying holding is defined as a direct or indirect stake of more than 10% of the issued share capital of a firm or institution, more than 10% of the direct or indirect voting rights, or a comparable degree of control.
In banks by nonresidents	Yes.	CBA's approval is required for any investor to hold or acquire a qualifying holding in a bank.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Banks are not allowed to have a negative foreign exchange position.
On nonresident assets and liabilities	Yes.	Banks are not allowed to have a negative foreign exchange position.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies under the supervision of the CBA are allowed to make investments abroad in accordance with the 40%–60% investment rule, a progressive scale that is used to determine the limit on investment abroad. Institutional investors may not invest

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		abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies under the supervision of the CBA are allowed to make investments abroad in accordance with the 40%–60% investment rule, a progressive scale that is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	Insurance companies invest primarily in US dollars. In view of the peg with the US dollar, the CBA has not issued currency-matching regulations on assets and liabilities composition. However, the CBA in its supervisory capacity monitors currency mismatches.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds under the supervision of the CBA are allowed to make investments abroad in accordance with the 40%–60% investment rule, a progressive scale that is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds under the supervision of the CBA are allowed to make investments abroad in accordance with the 40%–60% investment rule, a progressive scale that is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	The supervised pension funds invest primarily in US dollars. In view of the peg with the US dollar, the CBA has not issued currency-matching regulations on assets and liabilities composition. However, the CBA monitors currency mismatches.
Investment firms and collective investment funds	Yes.	The State Ordinance on the Supervision of the Securities Business (SOSSB) prohibits the conduct of business of a securities broker, asset manager, investment institution, or a manager of an investment fund or stock exchange in or from Aruba without a license from the CBA.
Limits (max.) on securities issued by nonresidents	Yes.	Based on a general foreign exchange license, legal entities may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limit. In accordance with the 40%–60% investment rule, a progressive scale is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Limits (max.) on investment portfolio held abroad	Yes.	Based on a general foreign exchange license, legal entities may execute capital transactions with nonresidents up to a maximum of effective January 1, 2023, Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign

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		exchange license is required for amounts above aforementioned limit. In accordance with the 40%–60% investment rule, a progressive scale is used to determine the limit on investment abroad. Institutional investors may not invest abroad more than 60% of their first Afl. 10 million in liabilities, 50% of their second Afl. 10 million in liabilities, and 40% of their remaining liabilities.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	The securities business is regulated as per the January 1, 2017, SOSSB. No currency-matching regulations have been issued by the CBA on assets/liabilities composition.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.

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Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	The CBA is the sole AML/CFT supervisory authority for virtual asset service providers (VASPs) in Aruba. On September 8, 2021, the amendment of the State Ordinance for the Prevention and Combating of Money Laundering and Terrorist Financing (AB 2011 No. 28) (AML/CFT State Ordinance) and the SOSSB (AB 2016 No. 53) entered into force to address, inter alia, the AML/CFT supervision of VASPs. The scope of the VASP coverage is defined within the AML/CFT State Ordinance and the SOSSB (reference is made to article 1, paragraph 1, sub-paragraphs 7 and 8, of the AML/CFT State Ordinance and article 1, paragraph 1, of the SOSSB). Currently, no VASPs are registered with the CBA that fall under the AML/CFT framework as a designated non-financial business and profession. A legislative proposal will be drafted soon to develop a prudential supervisory regime for VASPs, which will include licensing requirements and ongoing prudential oversight, as well as to broaden the scope of the current VASP definition to bring it fully in line with the definition of VASPs in accordance with the international standards set by the Financial Action Task Force.
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	

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Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	The CBA is the sole AML/CFT supervisory authority for VASPs in Aruba. On September 8, 2021, the amendment of the State Ordinance for the Prevention and Combating of Money Laundering and Terrorist Financing (AB 2011 No. 28) (AML/CFT State Ordinance) and the SOSSB (AB 2016 No. 53) entered into force to address, inter alia, the AML/CFT supervision of VASPs. The scope of the VASP coverage is defined within the AML/CFT State Ordinance and the SOSSB (reference is made to article 1, paragraph 1, sub-paragraphs 7 and 8, of the AML/CFT State Ordinance and article 1, paragraph 1, of the SOSSB). Currently, no VASPs are registered with the CBA that fall under the AML/CFT framework as a designated non-financial business and profession. A legislative proposal will be drafted soon to develop a prudential supervisory regime for VASPs, which will include licensing requirements and ongoing prudential oversight, as well as to broaden the scope of the current VASP definition to bring it fully in line with the definition of VASPs in accordance with the international standards set by the Financial Action Task Force.
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*04/13/2022*	In response to the Russia's continuing war of aggression against Ukraine, the Sanctions State Decree Territorial Integrity Ukraine I (AB 2022 No. 47) was adopted and entered into force. This State Decree implements without delay Regulation (EU) No. 2022/334 and Decision (CFSP) 2022/335 of the EC of February 28, 2022, concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*01/01/2023*	Transactions of less than Afl. 600,000 (previously Afl. 300,000) a year or its equivalent in foreign currency for natural persons and Afl. 1,500,000 (previously Afl. 750,000) a year or its equivalent in foreign currency for legal entities (excluding commercial banks and institutional investors) may be carried out without Central Bank of Aruba (CBA) authorization. These ceilings are applicable to all capital transactions with nonresidents; a special foreign exchange

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		license from the CBA is required for capital transactions exceeding these ceilings.
Held abroad	*01/01/2023*	Transactions of less than Afl. 600,000 (previously Afl. 300,000) a year or its equivalent in foreign currency for natural persons and Afl. 1,500,000 (previously Afl. 750,000) a year or its equivalent in foreign currency for legal entities (excluding commercial banks and institutional investors) may be carried out without Central Bank of Aruba (CBA) authorization. These ceilings are applicable to all capital transactions with nonresidents; a special foreign exchange license from the CBA is required for capital transactions exceeding these ceilings.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments		
Indicative limits/bona fide test	*01/01/2023*	In the case of depreciation of direct investment, a special foreign exchange license is required for amounts exceeding Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency authorized for legal entities (excluding commercial banks and institutional investors).

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase locally by nonresidents	*01/01/2023*	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale or issue locally by nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Sale or issue abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Bonds or other debt securities		
Purchase locally by nonresidents	*01/01/2023*	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in

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		foreign currency a year.
Sale or issue locally by nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Sale or issue abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
On money market instruments		
Purchase locally by nonresidents	*01/01/2023*	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale or issue locally by nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Sale or issue abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
On collective investment securities		
Purchase locally by nonresidents	*01/01/2023*	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale or issue locally by nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl.

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		300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Sale or issue abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Controls on derivatives and other instruments		
Purchase locally by nonresidents	*01/01/2023*	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale or issue locally by nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Purchase abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Sale or issue abroad by residents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Controls on credit operations		
Commercial credits		
By residents to nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
To residents from nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Financial credits		
By residents to nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
To residents from nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl.

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		300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Guarantees, sureties, and financial backup facilities		
By residents to nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
To residents from nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Controls on direct investment		
Outward direct investment	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Inward direct investment	*01/01/2023*	Transactions by natural persons with nonresidents related to inward direct investment require a special foreign exchange license for amounts exceeding Afl. 600,000 (previously Afl. 300,000) a year or its equivalent in foreign currency. Legal entities must have a license if the amount involved exceeds Afl. 1.5 million (previously Afl. 750,000) a year or its equivalent in foreign currency.
Controls on liquidation of direct investment	*01/01/2023*	Based on a general foreign exchange license, natural persons and legal entities, respectively, may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) and Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limits.
Controls on real estate transactions		
Purchase abroad by residents	*01/01/2023*	As per Notice concerning Foreign Exchange Transaction 23/K.1, natural persons are allowed to execute capital transactions up to a maximum of Afl. 600,000 (previously Afl. 300,000) a calendar year and legal entities up to a maximum amount Afl. 1.5 million (previously Afl. 750,000) a calendar year without a special foreign exchange license. A special foreign exchange license is required for transactions above aforementioned thresholds.
Purchase locally by nonresidents	*01/01/2023*	Capital transactions with nonresidents require a special foreign exchange license if the amount of the transaction exceeds Afl. 600,000 (previously Afl. 300,000) by natural persons and Afl. 1.5 million (previously Afl. 750,000) by legal entities or its equivalent in foreign currency a year.
Sale locally by nonresidents	*01/01/2023*	Effective January 1, 2023, as per Decree concerning Foreign Exchange Transaction 23/K.1, natural persons are allowed to execute capital transactions up to a maximum of Afl. 600,000 (previously Afl. 300,000) a calendar year and legal entities up to a maximum amount Afl. 1.5 million (previously 750,000) a calendar year without a special foreign exchange license. A special foreign exchange license is required for transactions above aforementioned thresholds.
Controls on personal capital transactions		
Loans		

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By residents to nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural person may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above the aforementioned limit.
To residents from nonresidents	*01/01/2023*	Based on a general foreign exchange license, natural person may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above the aforementioned limit.
Gifts, endowments, inheritances, and legacies		
By residents to nonresidents	*01/01/2023*	A foreign exchange license is required for amounts above the thresholds of Afl. 600,000 (previously Afl. 300,000) for natural persons and Afl. 1.5 million (previously Afl. 750,000) for legal entities.
To residents from nonresidents	*01/01/2023*	If the amount is below the thresholds of Afl. 600,000 (previously Afl. 300,000) for natural persons, then no foreign exchange license is required. However, if the incoming gift amount is above the mentioned threshold, then a foreign exchange license is required.
Settlement of debts abroad by immigrants	*01/01/2023*	Based on a general foreign exchange license, natural person may execute capital transactions with nonresidents up to a maximum of Afl. 600,000 (previously Afl. 300,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above the aforementioned limit.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*01/01/2022*	The Central Bank of Aruba raised the reserve requirement on commercial bank deposits from 12% to 13%.
	02/01/2022	The Central Bank of Aruba raised the reserve requirement on commercial bank deposits from 13% to 14%.
	03/01/2022	The Central Bank of Aruba raised the reserve requirement on commercial bank deposits from 14% to 16%.
	04/01/2022	The Central Bank of Aruba raised the reserve requirement on commercial bank deposits from 16% to 18%.
	05/01/2022	The Central Bank of Aruba raised the reserve requirement on commercial bank deposits from 18% to 20%.
	06/01/2022	The Central Bank of Aruba raised the reserve requirement on commercial bank deposits from 20% to 22%.
	07/01/2022	The Central Bank of Aruba raised the reserve requirement on commercial bank deposits from 22% to 24%.
	12/01/2022	The Central Bank of Aruba raised the reserve requirement on commercial bank deposits from 24% to 25%.
	01/01/2023	The Central Bank of Aruba raised the reserve requirement on commercial bank deposits from 25% to 25.5%.
	09/01/2023	The Central Bank of Aruba lowered the reserve requirement on commercial bank deposits from 25.5% to 24.5%.
	10/01/2023	The Central Bank of Aruba lowered the reserve requirement on commercial bank deposits from 24.5% to 23.5%.
Provisions specific to institutional investors		
Investment firms and collective investment funds		
Limits (max.) on securities issued by nonresidents	*01/01/2023*	Based on a general foreign exchange license, legal entities may

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		execute capital transactions with nonresidents up to a maximum of Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limit.
Limits (max.) on investment portfolio held abroad	*01/01/2023*	Based on a general foreign exchange license, legal entities may execute capital transactions with nonresidents up to a maximum of Afl. 1.5 million (previously Afl. 750,000) or its equivalent in foreign currency a year. A special foreign exchange license is required for amounts above aforementioned limit.

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AUSTRALIA

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		August 5, 1947.
Article VIII	Yes.	Date of acceptance: July 1, 1965.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Australia maintains targeted financial sanctions on an autonomous basis under the Autonomous Sanctions Regulations 2011.
Other security restrictions	Yes.	Australia implements counter-terrorism financing sanctions against individuals or entities pursuant to UNSC Resolutions concerning sanctions, including UNSC Resolution No. 1373 (2001). Pursuant to UNSC Resolution No. 1373 (2001) concerning international terrorism, Australia maintains counter-terrorism financing sanctions to freeze the assets of, and prohibit assets being made available to, persons or entities designated by the Minister for Foreign Affairs as associated with the commission of acts involved in terrorism.

Exchange Arrangement

Currency	Yes.	The currency of Australia is the Australian dollar, which also circulates in several other countries, including Kiribati, Nauru, and Tuvalu.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating	Yes.	Both the de jure and de facto exchange rate arrangements are classified as free floating. However, the Reserve Bank of Australia (RBA) retains discretionary authority to intervene in the foreign exchange market and has done so during periods of significant market disorder and/or gross misalignment of the exchange rate. Given the high level of development of the Australian foreign exchange market, interventions have been rare. The most recent period of intervention was in 2007–2008 and was in response to episodes of significant market disorder – that is, instances when market functioning was impaired to such a degree that it was clear that the observed volatility was excessive. The RBA may also vary the way intervention is conducted; it may enter the interbank foreign exchange market directly through voice or electronic brokerage platforms or use an agent bank. As a matter of government policy, most wholesale purchases of foreign currency by government agencies are made through the RBA. The RBA manages the flows from purchases on behalf of the government so as to minimize their market impact – for example, by executing these trades when the market is liquid and, if necessary, breaking up the required purchases into a series of smaller transactions. Monthly purchases and sales of foreign exchange are published on the RBA website. Daily data on foreign exchange market interventions are published on the RBA website annually, following the release of the RBA Annual Report.
Official exchange rate	Yes.	There is no official RBA fixing rate for the Australian dollar. World Market/Reuters provide hourly fixing rates for the Australian dollar against the US dollar. For public information, the RBA publishes an Australian dollar–US dollar reference rate based on the 4:00 p.m. Australian Eastern Standard Time World Market/Reuters Australian dollar fixing rate and the trade-weighted index of the Australian dollar based on market rates at 4:00 p.m. The RBA also publishes the Australian dollar cross-rates for all currencies in the trade-weighted index.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		

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Other		
Government and Central Bank	Yes.	The Reserve Bank Act 1959 provides for decisions of the Reserve Bank Board on monetary policy to be reached by a majority of the votes of the members present and voting, with the Chair having a casting vote, if necessary, in addition to a deliberative vote. Votes are not published. The Statement on the Conduct of Monetary Policy (the Statement) has recorded the common understanding of the Governor, as Chair of the Reserve Bank Board, and the government on key aspects of Australia's monetary and central banking policy framework since 1996. The Statement seeks to foster a sound understanding of the nature of the relationship between the Reserve Bank and the government, the objectives of monetary policy, the mechanisms for ensuring transparency and accountability in the way policy is conducted, and the independence of the Reserve Bank. The inflation target is set as part of the agreement on the monetary policy framework, and the key features of the target cannot be changed by the Bank unilaterally.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band		
Band/Range	Yes.	Both the RBA Governor and the government agree that a flexible medium-term inflation target is the appropriate framework for achieving medium-term price stability. They agree that an appropriate goal is to keep consumer price inflation between 2% and 3%, on average, over time. This formulation allows for the natural short-run variation in inflation over the economic cycle, and the medium-term focus provides the flexibility for the Reserve Bank to set its policy so as best to achieve its broad objectives, including financial stability. The 2%–3% medium-term goal provides a clearly identifiable performance benchmark over time.
Target measure	Yes.	
CPI	Yes.	The target measure is end-year growth in the CPI. The CPI measures the changes in the price of a "basket" of goods and services, which account for a high proportion of expenditure by the CPI population group (that is, metropolitan households).
Core inflation		
Target horizon	Yes.	The inflation target is defined as a medium-term average rather than as a rate (or band of rates) that must be held at all times.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The RBA's monetary policy involves setting a target for the interest rate on unsecured overnight loans in the money market ("the cash rate"), with the interest rate on Exchange Settlement balances set at 10 bps below that target. The RBA's target for the cash rate was 1.35% as of July 31, 2022.
Target corridor band	Yes.	The RBA's cash rate target is expressed as a point target. The RBA pays an interest rate on Exchange Settlement balances held in accounts with the RBA that is set at a margin below the cash rate target. The RBA is also willing to lend Exchange Settlement balances overnight to banks if this is required. The interest rate on these loans is set at a margin above the cash rate target under its

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		standing facilities. Banks have an incentive to borrow as little as possible at this rate, and instead prefer to borrow at the lower cash rate in the interbank market. The overnight deposit and lending rates form the lower and upper bounds of the policy interest rate corridor. The lower bound of the corridor is set at 10 basis points below the cash rate target, while the top of the corridor is set at 25 basis points above the target cash rate. Given the large amount of liquidity in the banking system, the cash rate is trading at a margin above the bottom of the corridor but a little below the cash rate target.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	As part of accountability arrangements, the Governor, Deputy Governor, and two other senior officers of the Reserve Bank usually appear twice-yearly before the House of Representatives Standing Committee on Economics. Between January 1, 2022, and June 30, 2023, the RBA appeared at two regular public hearings of this committee. Senior staff are also periodically invited to give evidence at public hearings held as part of inquiries by other committees of both houses of parliament.
Other	No.	
Transparency	Yes.	
Publication of votes	No.	
Publication of minutes	Yes.	Minutes of the monetary policy meetings of the Reserve Bank Board are published two weeks after each meeting. (The Reserve Bank Board usually meets 11 times each year, on the first Tuesday of each month, except January.) Minutes were first published in December 2007, when minutes for meetings from October 2006 onward were also released.
Publication of inflation forecasts	Yes.	Inflation forecasts are published every quarter in the RBA's Statement of Monetary Policy.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Licensed dealers of foreign exchange are allowed to freely determine their bid-ask spreads and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	The Australian Securities and Investments Commission (ASIC) is responsible for licensing of all financial services providers, including foreign exchange dealers that deal in foreign currency contracts, whether exchange traded or over the counter, by its administration of the Australian financial services license (AFSL) regime. As of July 31, 2023, there were 1,293 licensees licensed to deal in foreign exchange products in Australia; 598 of these are licensed to deal with retail investors. Licensed foreign exchange dealers that deal in foreign currency contracts are permitted to maintain accounts abroad and to make foreign currency payments and transfers on behalf of their clients. The ASIC does not license entities dealing in spot foreign exchange contracts.
Operated by the central bank	No.	

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Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	As of April 30, 2022, the RBA survey of foreign exchange turnover indicates that at least 23 financial institutions participate in the Australian interbank foreign exchange market. The Australian dollar is also widely traded by financial institutions in offshore interbank markets. There are no limits on the bid-ask spread and commission of market participants. Interventions in the Australian foreign exchange market are rare, given the high level of market development. However, if the RBA were to intervene, the intervention could be conducted either directly with market participants at their quoted rates, via market makers, or by placing an interest in an electronic system whereby a market maker would have to accept the quoted price.
Over the counter	Yes.	Turnover occurs almost entirely over the counter with licensed dealers. ASIC grants licenses to Derivatives Trade Repositories who report on OTC derivatives transactions.
Brokerage	Yes.	Licensed dealers may deal among themselves and with their overseas counterparties at mutually negotiated rates for spot transactions in any currency for trade- and non-trade-related transactions. Trading is conducted through several mediums, including electronic broking platforms.
Market making	Yes.	An ASIC license is generally required for foreign exchange dealing (other than spot). An AFSL and authorization to make a market for foreign exchange products and derivatives are required, subject to some exemptions, such as Regulation No. 7.6.02AG. As of August 30, 2023, there were 222 licensees authorized to make a market in derivatives, 177 authorized to make a market in foreign exchange, and 143 authorized to make a market in both derivatives and foreign exchange. Pursuant to Section 766D of the Corporations Act, persons make a market for a financial product if (1) they regularly state the prices at which they propose to acquire or dispose of financial products on their own behalf, (2) others have a reasonable expectation that they will be able to regularly effect transactions at the stated prices, and (3) the persons' actions do not constitute a financial market under Section 767A.
Forward exchange market	Yes.	Active trading takes place in forward and futures contracts, which under Corporations Act are regulated as derivatives (Corporations Act s761D and Corporations Regulation 7.1.04). The RBA uses foreign exchange swaps in its foreign exchange reserves management and has used these in the past for its domestic liquidity operations. Foreign exchange swaps by the RBA are executed with market participants in the market and at market prices. Foreign exchange swaps have previously been used to augment liquidity operations in domestic securities.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	

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For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	The Corporations Act 2001 indicates that spot foreign exchange is not covered within the definition of a foreign exchange contract because of the exemption in Section 764A(1)(k)(ii). An AFSL is, however, generally required to deal on behalf of others in nonspot foreign exchange. There are some exemptions from holding an AFSL such as Regulation No. 7.6.02AG.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	With respect to the Democratic People's Republic of Korea (DPRK), it is prohibited to transfer to another person gold (including through gold couriers) that could contribute to the DPRK's nuclear, ballistic, or weapons-of-mass destruction (WMD) programs or to activities prohibited, or the evasion of measures imposed by UNSC resolutions relating to the DPRK. Australian law also prohibits the procurement of "import sanctions goods" (which includes gold), without a permit from the DPRK, or from a person or entity in the DPRK. A sanctions permit may be granted in very limited circumstances. With respect to Syria, the following are prohibited: (1) the supply, sale, or transfer of gold (to the Government of Syria or their public bodies, corporations, or agencies, including persons, entities, or bodies acting on their behalf or at their direction and entities or bodies owned or controlled by them); (2) the importation, purchase, or transport of gold from the Government of Syria or their public bodies, corporations, or agencies, including persons, entities, or bodies acting on their behalf or at their direction and entities or bodies owned or controlled by them; and (3) the provision of related financial services or financial assistance or technical advice,

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		assistance or training or another service to the Government of Syria, or their public bodies, corporations, or agencies, including persons, entities, or bodies acting on their behalf or at their direction and entities or bodies owned or controlled by them, if it assists with, or is provided in relation to an activity involving the supply, sale, transfer import, purchase, or transport of certain items including gold. With respect to Russia, it is prohibited to purchase, import, or transport "import sanctioned goods" exported from or originating in Russia without a sanctions permit. Gold (including bullion and investment products) became an "import sanctioned good" from Russia effective September 30, 2022.
Controls on exports and imports of banknotes	No.	Exports and imports of $A 10,000 in cash or more, or the foreign currency equivalent must be reported to the Australian Transaction Reports and Analysis Centre (AUSTRAC) chief executive officer (CEO), a police officer, or an Australian Border Force officer for transmission to the AUSTRAC for anti-Money-Laundering and Counter-Terrorism Financing (AML/CTF) purposes. The export to Syria of newly printed or unissued Syrian denominated bank notes or newly minted or unissued Syrian denominated coinage is prohibited under Australian Autonomous Sanctions (Item 4(d), Regulation 4(2), 2011).
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	With respect to Syria, Australian law prohibits the direct or indirect supply, sale, or transfer to Syria, for use in Syria or for the benefit of Syria of "export sanctioned goods," which include: newly printed or unissued Syrian-denominated banknotes and coinage, without a permit. Australian law also prohibits the provision to any person of technical advice, assistance, or training; financial assistance; a financial service; or another services if it assists with or is provided in relation to either: the direct or indirect supply, sale, or transfer to Syria, for use in Syria or for the benefit of Syria of "export sanctioned goods"; or the manufacture, maintenance, or use of an "export sanctioned good" for Syria, without a sanctions permit. With respect to the DPRK, Australian law also prohibits the transfer to another person of any financial or other assets or resources (including bulk cash) which could contribute to the nuclear or ballistic missile programs, or other WMD programs, of the DPRK, or activities prohibited, or the evasion of measures imposed, by any relevant UNSC Resolution regarding the DPRK.
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	

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Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	Australian sanctions law prohibits a person or entity that holds an asset owned or controlled by a designated person from the using or dealing with the asset, allowing the asset to be used or dealt with, or facilitating the use of the asset or dealing with the asset without a sanctions permit.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Australia's customs legislation prohibits absolutely the import of some goods. These are certain types of dangerous dogs and documents and devices related to suicide. Some goods (restricted goods) are prohibited from import unless certain conditions are met, the goods are exempt, and/or written permission from a relevant authority is provided. These controls and prohibitions reflect mainly law enforcement, health, environmental and safety requirements; requirements for labeling, packaging, and technical specifications; autonomous sanctions; and obligations of international agreements or UNSC sanctions. Goods which are restricted are certain types of narcotic and psychotropic, substances; drugs, medicines, and

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antibiotic substances; therapeutic substances; tablet presses, and encapsulators; drug paraphernalia; counterfeit credit, debit, and charge cards; tobacco products; firearms, weapons, and warfare goods; including chemical weapons, plastic explosives and ammonium nitrate, radioactive substances, and nuclear material; cloned human embryo material; goods with false trade descriptions; goods that infringe trademarks or copyright; images and indicia for major sporting events; goods representing the arms, flag, or seal of an Australian Sate or Territory or of the Commonwealth or the Royal Arms; ANZAC goods; wool packs; pronged dog collars; cat and dog fur; certain hazardous industrial and pesticide chemicals; asbestos and goods containing asbestos; specimens of CITES-listed endangered species; consumer safety goods such as glazed ceramic ware, toys and cosmetics that contain hazardous amounts of lead or other metals; rough diamonds; incandescent lightbulbs; lighters; signal jammers; cultural heritage items; objectionable material including child pornography and terrorism-related goods; tooth fish; ozone-depleting substances; and synthetic greenhouse gases. The Biosecurity Act 2015 and its subordinate legislation apply controls to the importation of all plants, parts of plants, and plant products, all animals (including birds, fish, and insects), animal products, soil, and other items of general quarantine concern. The importation of arms or related material is prohibited under the sanctions regimes for the DPRK, Iran, Libya, and Russia. Arms or related material is defined broadly and includes, but is not limited to, weapons, ammunition, military vehicles and equipment, and spare parts for any of those things, as well as paramilitary equipment.

In addition to these restrictions, there are other restrictions on imports which relate to each specific sanctions regime.

With respect to a specified Ukraine region (which currently includes Crimea, Donetsk, Luhansk, and Sevastopol), Australian law prohibits the import, purchase, or transport of any goods, without a sanctions permit, if the goods originate in, or are exported from, a specified Ukraine region (except certain goods, which have been made available to the Ukrainian authorities for examination and for which compliance with conditions conferring entitlement to preferential origin has been verified by Ukrainian officials).

With respect to the DPRK, under the UNSC sanctions, it is also prohibited to procure from the DPRK, or from a person or entity in the DPRK, any of the following “import sanctioned goods”; and a permit cannot be obtained to authorize their import: certain items relevant to nuclear, ballistic missiles, and other WMD-related programs; certain arms-related items listed in Resolution No. 1718 (2016) of the Security Council, subparagraph 8(a)(1) and (2) (such as battle tanks, combat vehicles, and aircraft); gold, titanium ore, vanadium ore, or rare earth minerals; goods mentioned in paragraph 5(1)(c) of the Charter of the UN (Sanctions – DPRK) Regulations 2008; copper, nickel, silver, or zinc; statues; coal, iron, or iron ore; lead or lead ore; seafood; textiles; or goods covered by Chapters 07, 08, 12, 25, 44, 84, 85, or 89 of the Harmonized Commodity Description and Coding Systems. The following “import sanctioned goods” cannot be procured, received, or transported from the DPRK, or from a person or entity in the DPRK, without a permit, which may be granted in certain circumstances: statues, textiles, coals; and any goods that are not “specified import sanctioned goods” and not food or medicine. Australian law also prohibits the receipt of “import sanctioned goods” from the DPRK, or a person or entity in the DPRK, if the goods are received for the purposes of repair, servicing, refurbishing, testing, reverse engineering, or marketing by the person or another person if it is not authorized by a sanctions permit.

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		With respect to Iraq, it is prohibited to hold, use, or deal with a "controlled asset" or allow or facilitate the use of it. A "controlled asset" is an asset: (1) of the government led by Saddam Hussein (including a state body, corporation, or other body or agency) that was located in Australia on May 22, 2003; and (2) that has been removed from Iraq, or acquired, by a person or entity designated for the purposes of the Iraq sanctions regime. It is also prohibited to deal with an item of Iraqi cultural property or of archaeological, historical, cultural, rare scientific, or religious importance that has been illegally removed from Iraq on or after August 6, 1990. With respect to Somalia, under UNSC sanctions, it is prohibited to import charcoal from Somalia or from a person or entity in Somalia. With respect to Syria, it is prohibited to import, purchase, or transport certain crude oil, petroleum, and petrochemical products if they originate in or have been exported from Syria, without a sanctions permit. It is also prohibited to import or purchase gold, precious metals, or diamonds from the Government of Syria or an entity or body owned or controlled by it or acting on its behalf or direction, without a sanctions permit. It is also prohibited to give "illegally removed cultural property" to another person, to trade in it, or to transfer the ownership of it to another person. "Illegally removed cultural property" means an item of Syrian cultural property; or of archaeological, historical, cultural, rare scientific, or religious importance that has been illegally removed from Syria on or after March 15, 2011. The targeted financial sanctions outlined in category II "Exchange Measures" above prohibit providing assets to a proscribed or designated person or entity. With respect to Russia, it is prohibited to purchase, import, or transport "import sanctioned goods" exported from or originating in Russia without a sanctions permit. Coal, oils, and their derivative products became "import sanctioned goods" from Russia effective April 25, 2022.
Open general licenses	Yes.	Australia implemented the G7 Oil Price Cap on Russian oil and petroleum products by issuing four general permits open to use by companies who engage with the oil and petroleum trade (mainly companies providing vessel insurance and reinsurance), the first of which was issued effective December 4, 2022, and the rest were issued effective February 15, 2023. Russian oil and petroleum products are "import sanctioned goods;" therefore, the general permits allow certain financial services to be provided in relation to the transport of Russian origin oil and petroleum products at or below the price cap that would normally constitute a "sanctioned import," or a "sanctioned service" provided in relation to a sanctioned import. These general permits do not authorize the import of Russian oil and petroleum products into Australia.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Most agricultural products enter Australia duty-free. A maximum tariff of 5% applies to some manufactured goods, including household textile products. Tariffs on many goods have been eliminated. Because of the final phase down of duty rates under the Expanded Information Technology Agreement, the general rate of customs duty is "free" for all goods for which Australia committed to providing duty-free access under the Expanded Information Technology Agreement.

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Tariff concessions are available under the Tariff Concession System for most goods subject to a tariff, if no domestic manufacturers produce substitutable goods. Other concessions are available for specific purposes, such as to accommodate split import consignments donations and bequests.
A temporary concession in relation to COVID-19 was provided for medical and hygiene goods. Effective July 1, 2022, a revised concession was implemented permanently and expanded in scope to also include medical products or hygiene products covered by Customs Tariff By-law 2200082; ingredients to be used in the production of medicaments covered by Customs Tariff By-law No. 2200083; and containers for medicaments covered by Customs Tariff By-law No. 2200084.

Australia currently has 18 plurilateral or bilateral FTAs in force. All tariffs are eliminated under 15 out of the 18 of these FTAs:
Australia–New Zealand Closer Economic Relations Trade Agreement;
Singapore–Australia FTA;
Australia–United States FTA;
Thailand–Australia FTA;
Australia–Chile FTA;
Agreement Establishing the ASEAN–Australia–New Zealand FTA;
Malaysia–Australia FTA;
Korea–Australia FTA;
Japan–Australia Economic Partnership Agreement;
China–Australia FTA;
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP);
FTA between Australia and Hong Kong, China;
Indonesia–Australia Comprehensive Economic Partnership Agreement;
Peru–Australia FTA (tariff elimination effective January 1, 2023);
PACER Plus.

The Regional Comprehensive Economic Partnership entered into force effective January 1, 2022. Australia eliminated tariffs on 77% of tariff lines on entry into force and 98% are to be eliminated by January 1, 2041.

The Australia–India Economic Cooperation and Trade Agreement entered into force effective December 29, 2022. Tariffs were eliminated on entry into force for all but 116 tariff lines in Chapters 72, 73, 76, and 90, which will be progressively eliminated by January 1, 2026.

The Australia–United Kingdom FTA entered into force effective May 31, 2023. Australia eliminated tariffs on all tariff lines except 5 lines of Chapter 4 and 89 lines of Chapter 72 and 73, which will be progressively eliminated by January 1, 2028, and January 1, 2027, respectively. Further, tariff reductions on 18 tariff lines and part of twelve tariff lines Chapter 72 and 73 are suspended while the United Kingdom maintains a global safeguard on the same products.

Australia provides duty-free, quota-free access for goods produced or manufactured in 50 least developed countries under the Australian System of Tariff Preferences, Australia's GSP Scheme. In addition, Australia maintains a range of historic preferences for developing countries ranging from 11 countries and places where all but 101 tariff lines are 0; 106 countries and places with 877 tariff lines that

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	are reduced or eliminated; 4 countries and places with 196 tariff lines that are reduced or eliminated. Further Forum Island Countries are provided duty-free, quota-free access under the South Pacific Regional Trade and Economic Co-operation Agreement. Papua New Guinea, who is a member of South Pacific Regional Trade and Economic Co-operation Agreement, also has duty-free, quota-free access under the Agreement on Trade and Commercial Relations between the Government of Australia and the Government of Papua New Guinea (PATCRA II). Finally, Australia maintains a range of historic preferences for a limited number of goods from Canada and Malaysia. Effective July 1, 2022, Australia provides a reduced rate of duty to goods produced or manufactured in Ukraine in accordance with Australian Customs Notice 2022-32 and 2023-29. Effective April 25, 2022, the MFN treatment previously accorded to goods imported from Russia and Belarus was removed and a temporary additional customs duty of 35% applies in addition to the general rate of customs duty that applies to goods that are the produce or last place of manufacture of Russia and Belarus, where these have left for direct shipment to Australia from a place of manufacture or warehouse in a country from which the goods were exported after April 25, 2022. The measure has been extended until October 24, 2023, under Australian Customs Notice 2022-45. Tariff quotas apply to certain types of cheese and curd that may be imported at a concessional rate of duty of $A 0.096/kg and is restricted to 11,500 tons a year. Imports may be made outside the 11,500 ton quota allocated each year, but a higher rate of duty of $A 1.220/kg applies. Reductions and elimination of tariffs exclude excise-equivalent customs duty such as on alcohol, fuel, and tobacco.
Taxes collected through the exchange system	No.
State import monopoly	No.

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	Yes.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.

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Other	Yes.	The Export Control Act 2020 sets out the overarching legal framework for the regulation of exported goods, including food and agricultural products, from Australia. It enables the Secretary of the Department of Agriculture, Fisheries and Forestry to make rules that detail the requirements and establish conditions for exporting certain goods from Australia. The Export Control Rules 2021 are legislative instruments (LIs) made by the Secretary under Section 432 of the Act and set out the operational requirements that must be met to export specific goods from Australia. These conditions ensure any importing country requirements are satisfied, and that the export conforms with requirements and industry standards and meets Australia's international obligations. In accordance with the requirements of the Export Control Act 2020 and its associated Rules and Orders, an exporter is required to demonstrate, for the purpose of exporting prescribed agricultural goods, that the goods were produced and/or prepared at an exported registered establishment/accredited property for the purpose of supporting an application for export permits and other certification necessary to accompany prescribed agriculture export consignments. Documentation requirements also apply for the export of non-prescribed agricultural goods.
Export licenses	Yes.	
Without quotas	Yes.	Export prohibitions and restrictions enforce quality control measures, administer UNSC and Australian autonomous sanctions, and meet obligations under international treaties and commitments under international arrangements. Australia's export control policies reflect the government's commitment to ensure that exports of defense and dual-use goods are consistent with Australia's interests, international obligations, and commitments. Prohibitions also maintain adequate measures of control over designated cultural property, resources, protected flora; and fauna; secure conservation objectives; and respond to specific market distortions abroad. Australia's customs legislation prohibits absolutely the export of some goods, which are documents and devices relating to suicide. Some goods (restricted goods) are prohibited from export unless certain conditions are met, the goods are exempt, and/or written permission from a relevant authority is provided. Restricted goods are certain types of: objectionable goods; asbestos and goods containing asbestos; hazardous industrial and pesticide chemicals; toothfish; human embryo clone material; human body fluids, organs and other tissue; nuclear material; rough diamonds; cat and dog fur; ammonium nitrate; radioactive goods; drugs, narcotics and precursors; goods subject to autonomous sanctions; counterfeit debit, credit, and charge cards; weapons, defense, and strategic goods; ozone-depleting substances and synthetic greenhouse gases and radioactive waste; and liquefied natural gas. Remaining controls on primary products apply mainly to food and agricultural products and are administered by the Department of Agriculture, Fisheries and Forestry. Controls administered by the Department of Agriculture, Fisheries and Forestry require an export license for exports of woodchips and unprocessed wood (for example, whole logs). These controls apply to wood sourced from areas outside Regional Forest Agreement regions and plantation forests within states and territories where Codes of Practice for plantation forestry are not approved by the Australian Government. Export registration and/or licensing procedures apply to agricultural products (meat, dairy products, eggs, live animals and their reproductive material, fish, vegetables, and fruit) to ensure that exporters meet other countries' import conditions. These include

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sanitary and phytosanitary conditions. In the case of live animals, controls apply to exporters to ensure they meet international transport standards and for livestock, Australia's animal welfare standards. Export controls are regulated by the Department of Agriculture, Fisheries and Forestry and the appropriate industry agencies. Exports of wine and brandy products in both bulk and bottled form require licenses from the Wine Australia Corporation. Only one entity has an export monopoly for selected agricultural products – the Rice Marketing Board for the State of New South Wales. This board appointed Ricegrowers Limited (trading as SunRice) as the sole and exclusive export license holder for exports of rice grown in New South Wales. (Ricegrowers Limited is also an authorized buyer.) There are no statutory restrictions on the exportation of rice in other Australian states.

Department of Foreign Affairs and Trade (DFAT) coordinates the implementation, administration, and enforcement of UNSC sanctions and autonomous sanctions, working closely with a wide range of agencies, including the Department of Defense, the Department of Home Affairs, the AUSTRAC, and the Australian Federal Police. The export of arms or related material is prohibited, without a permit, under sanctions regimes for the Central African Republic, the DPRK, the Democratic Republic of the Congo, Iran, Iraq, Lebanon, Libya, Myanmar, Russia, Somalia, South Sudan, Sudan, Syria, the Taliban, Yemen, and Zimbabwe. Australian law prohibits the export of arms or related material to a designated person or entity for the UNSC sanctions regime in relation to ISIL (Da'esh) and Al-Qaida, and it is not possible to obtain a permit for the export of such items. Arms or related material is defined broadly and includes, but is not limited to, weapons, ammunition, military vehicles and equipment, and spare parts for any of those things, as well as paramilitary equipment.

In addition to these restrictions, there are other restrictions on exports which relate to each specific sanctions regime. For example, with respect to the DPRK, food and medicine are the only goods which may be exported, supplied, sold, or transferred to the DPRK without restriction. Likewise, significant restrictions apply to exports bound for Iran, Iraq, Syria, Russia, and the specified Ukraine region.

The targeted financial sanctions outlined in category II "Exchange Measures" above prohibit dealing with the assets of a proscribed or designated person or entity. This effectively prohibits exports from any person or entity listed on the Consolidated List maintained by the DFAT. The Consolidated List includes persons or entities designated under 17 UNSC sanctions regimes and Australia's 12 autonomous sanctions regimes (including both country-based and thematic regimes). The autonomous country-specific regimes relate to the Former Federal Republic of Yugoslavia, Myanmar, Russia/Ukraine, the DPRK, Iran, Libya, and Syria. The autonomous thematic regimes relate to serious violations and abuses of human rights and serious corruption (Magnitsky-style sanctions), significant cyber incidents, and the proliferation of weapons of mass destruction.

With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

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Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Certain Autonomous Sanctions apply. With respect to the DPRK, Australian law prohibits, without a sanctions permit, acquiring or extending an interest in, or establishing or participating in a business with, or granting a financial loan or credit to (1) a person or entity (wherever located) that is engaged in an extractive or its related industry or associated infrastructure, in the DPRK (or persons or entities acting on their behalf, direction or control) and (2) a DPRK person or entity, or those acting on their behalf, direction or control, that is engaged in an extractive or related industry outside the DPRK. With respect to a specified Ukraine region, Australian law prohibits, without a sanctions permit: (1) the granting of any financial loan or credit, or the establishment of a joint venture, in relation to the following sectors and/or (2) the acquisition or extension of an interest in an enterprise that was established in a specified Ukraine region and is engaged in the following sectors: the creation, acquisition, or development of infrastructure in the transport, telecommunications, or energy sectors; or the exploitation of oil or gas, or of mineral resources specified in the Autonomous Sanctions (Russia, Crimea, and Sevastopol) Specification 2015. With respect to Russia, Australian law generally prohibits, without a sanctions permit (with some exceptions): (1) the purchase or sale of, or any other dealing with, bonds, equity, transferable securities, money market instruments, or other similar financial instruments, if the financial instrument is issued by an entity specified by the Minister for Foreign Affairs and (2) making, or being part of any arrangement to make loans or credit if the loan or credit is made to an entity specified by the Minister for Foreign Affairs. With respect to Syria, Australian law prohibits, without a sanctions permit, the acquisition or extension of an interest in: (1) the establishment of, or participation in, a joint venture with and/or (2) the granting of a financial loan or credit to an entity that is engaged in the petrochemical industry or the oil and gas industry, and connected to Syria.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The acquisition of shares and other securities of a participating nature that may be affected by laws and policies on inward direct investment may require notification to the Australian authorities. Notification may be required under the foreign investment review

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framework subject to the percentage interest and monetary thresholds prescribed under the Foreign Acquisitions and Takeovers Act 1975, associated regulations, and foreign investment policy. The monetary threshold that determines whether notification is required depends on the type of investment and the foreign investor's jurisdiction. However, investments that may raise national security concerns are subject to a zero-dollar monetary threshold. Foreign Investment Review Board's (FIRB's) Guidance Note 8 provides more details on national security investments, including when mandatory notification is required.

If a person acquires a substantial holding in a listed entity, or there is a change in their substantial holding, they are also subject to disclosure obligations under Chapter 6C of the Corporations Act. Chapter 6C applies to residents and nonresidents for acquisitions of securities in an entity listed on an Australian financial market. The acquisition of shares and other securities in listed companies or unlisted companies with over 50 shareholders is separately regulated by the takeover rules in Chapters 6 and 6A of the Corporations Act. The requirements in Chapters 6 and 6A apply to both residents and nonresidents but only for acquisitions of securities in companies incorporated in Australia. Disputes regarding control transactions are primarily resolved by the Takeovers Panel. The Panel has published a number of Guidance Notes explaining policy relevant to control transactions.

The policy underlying Chapter 6 is that a bid for an Australian target company should be made on the same terms to all holders: s619(1). However, if a bidder is offering scrip consideration, the securities do not need to be offered to foreign holders (holders with a registered address outside Australia) if the bidder appoints a nominee approved by ASIC to sell the scrip that would have been issued to the foreign holders and distribute the net proceeds of sale to the holders: Section 619(3). This nominee procedure should only be used where the bidder is constrained by foreign laws from offering scrip and the bidder risks a declaration of unacceptable circumstances from the Takeovers Panel if that is not the case: ASIC Regulatory Guide 9 Takeover bids at paragraphs 71–72.

A pro-rata offer of securities may exclude nonresidents (members with a registered address outside of Australia or New Zealand) but only if the company determines that it is unreasonable to extend the offer to nonresidents having regard to the number of holders in the place where the offer would be made, the number and value of securities the holders would be offered, and the cost of legal compliance: s9A(3)(a). If the pro-rata offer is renounceable, the entity must also appoint a nominee to arrange for the sale of entitlements of any excluded nonresident and distribution of the proceeds to them: s9A(3)(c). These requirements are relevant if the company wishes to rely on the disclosure exemption for rights issues in s708AA. Similar requirements are also imposed on all entities listed on the Australian Securities Exchange under Listing Rule 7.7.1 (regardless of whether a disclosure document is provided or not).

If any person, such as a member or underwriter, needs to rely on the takeovers' exemption for rights issues in Item 10 of Section 611, the securities that would otherwise be issued to nonresidents who accept the offer (or the right to acquire those securities) must be transferred to a nominee approved by ASIC to sell and distribute the proceeds of sale to the foreign holders: Section 615. Both of these provisions are intended to facilitate control or capital transactions in circumstances where extending an offer of securities to nonresidents may be constrained by foreign law, or where the cost of compliance with foreign law may be disproportionate to the number of nonresident

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		holders in a particular jurisdiction. ASIC's policy on approval of a nominee for nonresidents is set out in Regulatory Guide – 6 Takeovers: Exceptions to the general prohibition at paragraphs 118–124. Ordinarily ASIC would not approve a nominee for the purposes of s615 if the company was able to make offers to nonresidents. Australian companies which conduct a share buyback must follow the procedure set out in Part 2J.1 of the Act. For an equal-access scheme, all shareholders must be treated equally, including nonresident shareholders. However, ASIC can give individual relief from this legislative requirement to an Australian company to exclude nonresident shareholders from a buyback (which is, in essence, an equal-access scheme) where the company cannot make an offer to some shareholders because of the laws of the country in which they reside, pursuant to Regulatory Guide 110 – Share buybacks at Table 3. The Treasurer's approval is required to hold more than 20% of the voting shares of an Australian bank. The Treasurer may grant approval only if the shareholding is in the national interest or for recently established companies that are below a specified asset size threshold.
Sale or issue locally by nonresidents	No.	While the Corporations Act usually requires a prospectus or other disclosure document for an offer of securities that is received in Australia, whether from a local or foreign issuer, ASIC has given conditional relief from the prospectus disclosure requirements where a foreign entity makes certain offers to Australian resident shareholders of the foreign entity. The conditional relief for rights issues by foreign companies, foreign scrip takeovers, and schemes of arrangement is subject to certain conditions, including listing of the foreign securities on an approved foreign market. We also give relief for offers that result in securities being issued to 20 or fewer investors in 12 months to Australian residents. The provision of financial services, including the offers of financial products including shares in Australia, by residents and nonresidents, is subject to Chapter 7 of the Corporations Act. Chapter 7 imposes a requirement on the provider of the financial services to hold an AFSL, such as dealing and advising, and to meet certain requirements about the operation of the financial services business, for example capital requirements. There are limited exceptions to the AFSL requirement. Currently, a modified AFSL licensing regime exists for foreign financial service providers (FFSPs) of financial services to wholesale clients in Australia if: the FFSP holds a relevant authorization to provide those financial services to wholesale clients in their own overseas regime; ASIC has assessed their overseas regulatory regime as being 'sufficiently equivalent' to Australia. ASIC has set out sufficiently equivalent regimes in ASIC LI 2020/198; and the FFSP is subject to supervision and enforcement action, when required, by the relevant overseas regulatory authority. FFSPs have been granted a transition period to March 31, 2025, to make arrangements to continue their operations in Australia.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	

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Sale or issue locally by nonresidents	No.	The offer of debentures usually requires a prospectus or other disclosure document for an offer that is received in Australia, whether from a local or from a nonresident issuer. This is subject to exemptions in s708 of the Corporations Act, including exemptions for persons who are sophisticated. An offer of debentures that requires a disclosure document is also subject to Chapter 2L of the Corporations Act, which imposes certain obligations on the borrower and requirements as to the appointment of a trustee.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	The offer of money market instruments may constitute the offer of debentures and requires a prospectus or other disclosure document for an offer that is received in Australia. The offer of debentures usually requires a prospectus or other disclosure document for an offer that is received in Australia, whether from a local or nonresident issuer. This is subject to exemptions in s708 of the Corporations Act, including exemptions for persons who are sophisticated. An offer of debentures that requires a disclosure document is also subject to Chapter 2L of the Corporations Act, which imposes certain obligations on the borrower and requirements as to the appointment of a trustee. The offer of money market instruments may constitute the offer of a deposit-taking facility and require the provider of the facility to be an Authorized Deposit Institution (within the meaning of the Banking Act 1959) in the course of its banking business (within the meaning of that Act), other than an retirement savings account (RSA) (within the meaning of the RSA Act 1997).
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	The acquisition of a controlling interest in securities issues by a collective investment fund may be affected by laws and policies on inward direct investment and therefore may require notification to the Australian authorities. Notification may be required under the foreign investment review framework for acquisitions above the percentage interest and monetary thresholds prescribed under Foreign Acquisitions and Takeovers Act 1975, associated regulations, and foreign investment policy. Foreign Acquisitions and Takeovers Regulation 2015 sets monetary thresholds for which FIRB approval is required for foreign entities proposing to obtain a significant interest in a collective investment fund. Further, the acquisition of securities in listed collective investment funds is regulated by the takeover rules in Chapter 6 of the Corporations Act, which prohibit the acquisition of more than a 20% voting interest subject to exceptions such as a regulated takeover. If Australian issuers have determined that it would not be reasonable to make an offer of securities to nonresidents required or permitted by Chapter 6, nonresidents may receive cash instead of securities. For rights issues, which is one of the exceptions to the 20% voting interest prohibition, Section 615 of the Act allows an issuer to sell

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		securities for the benefit of foreign holders and to distribute the proceeds of sale to the holders provided the nominee of the sale facility is approved by ASIC.
Sale or issue locally by nonresidents	Yes.	The provision of financial services, including the offer or issue of financial products including interests in collective investment vehicles (CCIVs) in Australia, by residents and nonresidents, is subject to Chapter 7 of the Corporations Act. Chapter 7 imposes a requirement on the provider of the financial services to hold an AFSL, such as dealing and advising, and to meet certain requirements about the operation of the financial services business, for example, capital requirements. There are limited exceptions to the AFSL requirement. Currently, a modified AFSL licensing regime exists for FFSPs of financial services to wholesale clients in Australia if: the FFSP holds a relevant authorization to provide those financial services to wholesale clients in their own overseas regime; ASIC has assessed their overseas regulatory regime as being 'sufficiently equivalent' to Australia. ASIC has set out sufficiently equivalent regimes in ASIC LI 2020/198; and the FFSP is subject to supervision and enforcement action, when required, by the relevant overseas regulatory authority. FFSPs have been granted a transition period to March 31, 2025, to make arrangements to continue their operations in Australia. ASIC may exempt operators of foreign collective investment schemes (FCISs) from the requirement to hold an AFSL in relation to the operation of the FCIS, to register the FCIS in Australia with ASIC, and to issue a compliant disclosure document. ASIC's policy in relation to FCIS is set out in Regulatory Guide 178 – FCISs. ASIC grants relief from the relevant regulatory requirements on the basis that the FCIS operator complies with the conditions in relation to that relief. Broadly, the relief is based on (1) the regulatory regime to which the FCIS is subject to is sufficiently equivalent to ASIC regulation (from a market integrity and systemic risk perspective); (2) there are effective cooperation arrangements between the overseas regulatory authority and the ASIC; and (3) adequate rights and remedies are practically available to Australian investors. Other exemptions from regulatory requirements may apply in respect of FCISs under frameworks in the Corporations Act. This currently applies to New Zealand schemes under Chapter 8 of the Act and applies to collective investment funds that seek to register as passport funds in a foreign member economy of the Asia Region Funds Passport (currently Japan, New Zealand, Thailand, and the Republic of Korea) and become notified foreign passport funds in Australia (also a member economy) under Chapter 8A of the Act.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	FFSPs who hold a relevant authorization in a significantly equivalent overseas regulatory regime must apply for a foreign AFSL to provide financial services to wholesale clients in Australia. The sufficiently equivalent overseas regulatory regimes assessed by ASIC are set out in ASIC Corporations Instrument 2020/198. Foreign Australian Financial Service (AFS) licensees are exempt from certain provisions in Chapter 7 of the Corporations Act on the basis the FFSP is subject

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		to sufficiently equivalent overseas regulatory requirements that would achieve similar regulatory outcomes to the Australian provisions that have been exempted. FFSPs have been granted a transition period, which was extended by one year, effective August 4, 2023, to March 31, 2025, to make arrangements to continue their operations in Australia.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	Certain Autonomous Sanctions apply. With respect to the DPRK, Australian law prohibits without a sanctions permit, acquiring or extending an interest in, or establishing or participating in a business with, or granting a financial loan or credit to: (1) a person or entity (wherever located) that is engaged in an extractive or related industry, or its associated infrastructure, in the DPRK (or persons or entities acting on their behalf, direction, or control), and (2) a DPRK person or entity, or those acting on their behalf, direction, or control, that is engaged in an extractive or related industry outside the DPRK. With respect to a specified Ukraine region, Australian law prohibits, without a sanctions permit: (1) the granting of any financial loan or credit, or the establishment of a joint venture, in relation to the following sectors and/or (2) the acquisition or extension of an interest in an enterprise that was established in a specified Ukraine region and is engaged in the following sectors: the creation, acquisition, or development of infrastructure in the transport, telecommunications, or energy sectors; or the exploitation of oil or gas, or of mineral resources specified in the Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015. With respect to Russia, Australian law generally prohibits, without a sanctions permit (with some exceptions): (1) the purchase or sale of, or any other dealing with, bonds, equity, transferable securities, money market instruments, or other similar financial instruments, if the financial instrument is issued by an entity specified by the Minister for Foreign Affairs and (2) making, or being part of any arrangement to make loans or credit if the loan or credit is made to an entity specified by the Minister for Foreign Affairs. With respect to Syria, Australian law prohibits, without a sanctions permit, the acquisition or extension of an interest in: (1) the establishment of, or participation in, a joint venture with and/or (2) the granting of a financial loan or credit to an entity that is engaged in the petrochemical industry or the oil and gas industry, and connected to Syria. Australian autonomous sanctions also prohibit the provision of financial assistance and financial services if it assists with, or is provided in relation to a sanctioned supply for a country or part of a country.
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	Persons engaging in regulated credit activities need an Australian Credit License or an authorization from a credit licensee (before

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		commencing business). Some credit activities may be exempt from licensing requirements under the National Consumer Credit Protection Act 2009, the National Consumer Credit Protection Regulations 2010 or through a specific exemption from ASIC. Foreign entities may apply for a credit license but must meet additional requirements, which may include registering as a foreign company and appointing a local agent for legal processes (such as a local agent resident in the jurisdiction who is authorized to accept service of process and notices).
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	With respect to Crimea and Sevastopol, Australian law prohibits, without a sanctions permit: (1) the granting of any financial loan or credit, or the establishment of a joint venture, in relation to the following sectors and/or (2) the acquisition or extension of an interest in an enterprise that was established in a specified Ukraine region and is engaged in the following sectors: the creation, acquisition, or development of infrastructure in the transport, telecommunications, or energy sectors; or the exploitation of oil or gas, or of mineral resources specified in the Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015. With respect to the DPRK, under the UNSC sanctions regime, Australian law prohibits a financial institution to (1) open a representative office, branch, or subsidiary in the DPRK; (2) establish a joint venture or correspondent banking relationship with, open a bank account with, or acquire, extend, sell, or make available an interest in a financial institution domiciled in the DPRK, a branch or subsidiary, wherever located, of a financial institution domiciled in the DPRK, or a financial institution wherever domiciled that is controlled by an entity or person in the DPRK. It is also prohibited, without a sanctions permit, to establish, maintain, or operate a joint venture or cooperative entity with a DPRK person or entity, an entity controlled by a DPRK person or entity, or a person or entity acting on behalf of or at the direction of a DPRK person or entity. Under Australia's autonomous sanctions regime, it is prohibited, without a sanctions permit, to acquire or extend an interest in, establish or participate in a business relationship with, or grant a financial loan or credit to (1) a person or entity engaged in an extractive or related industry or associated infrastructure in the DPRK, or those acting on their behalf or (2) a DPRK person or entity, or those acting on their behalf, engaged in an extractive or related industry outside the DPRK. It is also prohibited, without a sanctions permit, to obtain, use, deal with, or make available any asset that is a tenement or permission in relation to an extractive or related industry or associated infrastructure in the DPRK. It is also prohibited, without a sanctions permit, to obtain any tenement or permission in relation to an extractive or related industry or associated infrastructure in the DPRK from a DPRK person or entity, or those acting on their behalf. With respect to Iran, in accordance with the UNSC sanctions regime, Australian law prohibits, without a sanctions permit, the sale, or otherwise making an interest available to Iran; an Iranian national; an Iranian entity; or a person or entity acting on their behalf or under their control, in commercial activities involving uranium mining, production, or the use of certain nuclear-related and ballistic missile-related goods.

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		With respect to Russia, Australian law generally prohibits, without a sanctions permit (with some exceptions): (1) the purchase or sale of, or any other dealing with, bonds, equity, transferable securities, money market instruments, or other similar financial instruments, if the financial instrument is issued by an entity specified in the Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015 and (2) making, or being part of any arrangement to make loans or credit if the loan or credit is made to an entity specified in the Autonomous Sanctions (Russia, Crimea, and Sevastopol) Specification 2015. With respect to Syria: It is prohibited, without a sanctions permit, to acquire or extend an interest in, establish or participate in a joint venture with, and grant a financial loan or credit to an entity that is engaged in the petrochemical industry or the oil and gas industry, and connected to Syria. It is also prohibited, without a sanctions permit, for a financial institution to obtain a representative office, or a branch or subsidiary, in Syria.
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to interests including: (1) investment in media, telecommunications (including Telstra), the financial sector, transport (including Australian international airlines and shipping), defense and military-related industries, the development, manufacture, or supply of or services relating to encryption and security technologies and communication systems, and the extraction of uranium or plutonium or the operation of nuclear facilities, as well as other critical infrastructure; (2) foreign life insurers, who under the Life Insurance Act 1995 may not establish branches in Australia (except for those specified in the Life Insurance Regulations 1995: Chinese, Japanese, Korean, New Zealand, and US insurers); and (3) investment to the extent that constituent states or territories of Australia exercise legislative control over such investment. Controls do not apply to the acquisition of an interest in securities, assets, a trust, Australian land, or a tenement by foreign custodian companies acting at the direction of clients. Proposals of inward direct investment from foreign persons may be subject to approval if they fall within the scope of the foreign investment screening regime, which broadly covers the following and according to where the specified thresholds that were indexed on an annual basis most recently effective January 1, 2023 (previously, effective January 1, 2022): (1) to acquire interests in securities, assets, entities (being corporations and unit trusts), and businesses that have a connection to Australia valued at more than A$310 million (previously A$289 million); (2) if the private investor is from Chile, China, Hong Kong SAR, Japan, Republic of Korea, New Zealand, the USA, and any other country not otherwise listed (other than Australia) for which the CPTPP is in force, and is acquiring an interest in non-sensitive businesses exceeding A$1,339million (previously A$1,250 million) and in sensitive business valued at more than A$310 million (previously A$289 million); (3) actions to acquire an interest in Agribusiness valued above A$67 million (previously A$63 million) unless the private investor is from Chile, New Zealand, and the USA in which case the acquired interest is valued above A$1,339 million (previously A$1,250 million); (4) direct investment by foreign government investors and proposals for new businesses in Australia and acquisition of land regardless of value; (5) direct interest in developed non-sensitive commercial land exceeding A$310 million (previously A$289 million) unless the interest is in developed sensitive–commercial land above A$ 67 million (previously A$63 million) or the direct interest is from a foreign investor from Chile,

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China, Hong Kong SAR, Japan, the Republic of Korea, New Zealand, the USA and any other country not otherwise listed (other than Australia) for which the CPTPP is in force, and interest acquired exceeds A$1,339 million (previously A$1,250 million); (6) actions to acquire an interest in vacant commercial land regardless of value; (7) approval is required for direct investment in agricultural land by private investors from Thailand, where the agricultural land is used wholly and exclusively for a primary production business, and where the consideration exceeds A$ 50 million (not cumulative), by private investors from Chile, New Zealand, and the USA where the consideration exceeds A$1,339 (not cumulative) (previously A$1,250 million), or by private investors from other countries where the consideration exceeds A$ 15 million (cumulative); (8) actions to start a national security business, to acquire a direct interest in a national security business or an entity that carries on a national security business, to acquire an interest in national security land, or to acquire a legal or equitable interest in an exploration tenement in respect of national security land regardless of value.

However, mandatory screening of investments in sensitive national security businesses is applied at a $0 monetary threshold. These monetary thresholds referred to in(1)–(7) are indexed annually January 1 each year, except the threshold for agricultural land exceeding A$15 million (cumulative) for private investors from Chile, New Zealand and the US, and $50 million threshold for private investors from Thailand where the agricultural land is used wholly and exclusively for a primary production business.

Effective April 1, 2022, the Foreign Acquisitions and Takeovers Amendment Regulations 2022 came into force. They clarify certain aspects of the foreign investment review framework and streamline the process for certain less sensitive types of investment. Inter alia, they are intended to reduce the regulatory burden for foreign investors that engage in moneylending, invest in unlisted land entities or Australian media businesses, acquire shares or units under rights issues and other pro-rata offers, or transact on behalf of institutional investors as part of a custodian service (through amendments that refine the rules for the notification of these kinds of foreign investments, including raising thresholds and providing broader exemptions from foreign investment screening).

Effective July 1, 2023, foreign persons must give notice of certain actions relating to Australian land, water, entities, businesses, and other assets to the Registrar of the Register of Foreign Ownership of Australian Assets.

With respect to the DPRK, under Australia’s autonomous sanctions regime, it is prohibited, without a sanctions permit, to sell or make available (otherwise than by sale) an interest in a commercial activity in an extractive or related industry in Australia to a DPRK person or entity, or those acting on their behalf. Under the UNSC sanctions regime, it is prohibited, without a sanctions permit, to (1) open a representative office in Australia of or (2) establish a branch or subsidiary in Australia of or (3) conclude an agreement related to (1) or (2) for or on behalf of: a financial institution domiciled in the DPRK; a branch or subsidiary, wherever located, of a financial institution domiciled in the DPRK; or a financial institution wherever domiciled that is controlled by an entity or person in the DPRK.

With respect to Syria, under Australia’s autonomous sanctions regime, there are prohibitions, without a sanctions permit, on the sale or making available of an interest in a commercial activity in Australia in the oil and gas industry (in the following sectors: refining of fuels, exploration or production of crude oil and natural gas or liquefaction of natural gas) to the Syrian Government, or any

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		Syrian person or entity, or an entity or person acting on their behalf, at their direction or under their control. It is also prohibited, without a sanctions permit, for a Syrian financial institution (or a financial institution controlled by a Syrian person or entity) to open a representative office, branch, or subsidiary in Australia, and acquire an interest in an Australian financial institution. It is also prohibited, without a sanctions permit, to establish a joint venture or a correspondent banking relationship with a Syrian financial institution.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Controls apply to the acquisition of real estate in Australia, except for: acquisitions of interests in Australian land that occur by devolution by operation of law; acquisitions of interests in Australian land by foreign custodian corporations in certain circumstances; acquisitions of interests in Australian land from the Commonwealth, a State, a Territory, or a local governing body; a body corporate established for a public purpose by or under a law of the Commonwealth, a State, or a Territory; or an entity wholly owned by any of the above; acquisitions by private investors of interests in non-sensitive developed commercial land valued at less than A$310 million (indexed effective January 1, 2023; previously A$289 million), except for acquisitions by private investors from India where the acquisition is for the supply of services and is valued at less than A$500 million; acquisitions by private investors of interests in sensitive developed commercial land valued at less than A$67 million (indexed effective January 1, 2023; previously A$63 million) except for acquisitions by private investors from Chile, China, (including Hong Kong SAR), Japan, the Republic of Korea, New Zealand, Peru, the USA, and any other country not otherwise listed (other than Australia) for which the CPTPP is in force of interests in sensitive developed commercial land which are valued at less than A$1,339 million (indexed effective January 1, 2023; previously A$1,250 million); acquisitions by private investors of interests in agricultural land valued at less than $15 million, except for acquisitions by private investors from Chile, New Zealand, and the United States which are valued at less than $1,339 million (indexed effective January 1, 2023; previously A$1,250 million) and acquisitions by private investors from Thailand which are valued at less than A$50 million; acquisitions of interests in land by nonresident Australians, directly or indirectly through Australian companies and trusts; acquisitions of interests in agricultural land by spouses and de facto partners of Australian citizens where the interest is held by the person and their spouse or partner as joint tenants; acquisitions which are made by investment of the statutory funds of a life company or a subsidiary of a life company operating in Australia for the benefit of owners of policies who are ordinarily resident in Australia; acquisitions by general insurance companies operating in Australia, if the acquisition is made from the reserves of the companies and conforms to the company's obligations under the Insurance Act 1973; acquisitions of interests in Australian land by certain superannuation funds primarily for the benefit of the members of the fund, or their dependents, who are ordinarily resident in Australia; acquisitions of interests in Australian land by foreign-controlled responsible entities acting on behalf of a managed investment scheme (MIS) registered under Section 601EB of the

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Corporations Act 2001, when investing primarily for the benefit of members ordinarily resident in Australia; minority interests in public companies and trusts whose principal assets are real estate; acquisitions of interests in Australian land by offices and residences by foreign government missions for use as official missions or residences for staff; acquisitions of interests in Australian land by permanent and special category visa holders, and other foreigners entitled to permanent residence in Australia, including Australian permanent residents and those ordinarily resident in Australia and special category visa holders buying through Australian companies, of interests in residential real estate; acquisitions of interests in residential land by spouses or de facto partners of Australian citizens or Australian permanent residents; acquisitions of interests in residential land as a result of an acquisition of an interest in a timeshare scheme where the foreign person's total entitlement, alone or together with one or more associates, under the timeshare scheme to access the land is no more than 4 weeks in any year; acquisitions of interests in residential land valued under certain thresholds where the land is used for residential care, retirement villages, and certain forms of student accommodation. Some of these provisions reflect free trade and international investment agreements. The thresholds that are indexed on an annual basis were also increased effective January 1, 2022.

The Commonwealth Government (1) applies an annual vacancy fee on foreign owners of underutilized residential property where the property is not occupied or is genuinely available on the rental market for at least six months in a 12-month period; (2) capped sales from property developers directly to foreign persons at 50% of dwellings in new residential housing developments under New Dwelling Exemption Certificates; and (3) eliminated the main residence capital gains tax exemption for foreign tax residents.

Tax arrangements:
Most states and territories of Australia impose either higher stamp duties on the purchase of real estate by nonresidents or land tax surcharges on the ownership of land by nonresidents or both. These taxes are levied by the state or territory governments, not the Commonwealth Government.
Foreign buyers of properties are subject to additional duty (stamp duty) of 7% in the states of Queensland, Western and South Australia. The surcharge purchaser duty (stamp duty) on residential property imposed on foreign buyers is 8% in Victoria (for contracts entered into after July 1, 2019), New South Wales and Tasmania. Tasmania also imposes a 1.5% surcharge to foreign purchasers of primary production property.
New South Wales imposes a land tax surcharge on foreign owners of, effective January 1, 2023, 4% (previously 2%) and Queensland applies a surcharge of 2% in addition to land tax on land owned by foreign companies and trusts. The Australian Capital Territory imposes a 0.75% land tax surcharge on foreign owners of the average unimproved land value. Victoria and Queensland apply an absentee surcharge of 2% to all landowners in addition to their land taxes.

Sale locally by nonresidents	No.
Controls on personal capital transactions	Yes.
Loans	No.
By residents to nonresidents	No.

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To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Transfers may be subject to approval of the authorities for gifts that involve acquisition of interests in securities, assets, or Australian land, and actions taken in relation to entities (being corporations and unit trusts) and businesses that have a connection to Australia if that transfer does not occur via devolution by operation of law, other than as a result of an arrangement under Part 5.1 or 5.3A of the Corporations Act 2001.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Under the Banking Act 1959, a body corporate requires an authorization by the Australian Prudential Regulation Authority (APRA) to conduct banking business in Australia. Foreign banks may operate as locally incorporated subsidiaries or as branches. Branches of foreign Banks are granted an authorized deposit-taking institution license subject to a condition specifically restricting the acceptance of retail deposits by their Australian branches. This is because depositors with branches of foreign banks do not have the same protections under the Banking Act as depositors with Australian authorized deposit-taking institutions. Branches of foreign banks do not have to maintain capital in Australia, as such foreign bank applicants must satisfy APRA that they are subject to adequate supervision in their home country and must have received consent from their home supervisor for establishing a banking operation in Australia. Authorization for licensees providing financial services in emissions units is a requirement. Some new applicants also request authorization to deal in foreign exchange because emissions units' authorizations also include eligible international emissions units. The financial requirements for licensees that issue OTC derivatives to retail clients, including contracts for difference and margin foreign exchange, were increased beginning January 31, 2013, through Class Order (CO) 12/752. These requirements are outlined in Regulatory Guide 166. The increases affected some licensees that have foreign exchange authorizations. The Autonomous Sanctions Regulations of 2011 prohibit: a financial institution from establishing a joint venture, correspondent banking relationship, or a bank account with a Syrian financial institution, or setting up a representative office, branch, or subsidiary in Syria. Syrian financial institutions are prohibited, without a sanctions permit, from opening a representative office, branch, or subsidiary in Australia. They are also prohibited from acquiring interests in Australian financial institutions and establishing a joint venture or correspondent banking relationship with Australian financial

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		institutions. They are also prohibited from the sale of an interest in an Australian financial institution to a Syrian financial institution. They are also prohibited from opening a representative office, branch, or subsidiary in Syria. With respect to the DPRK, under the UNSC sanctions regime, Australian law prohibits a financial institution from opening a bank account with a financial institution domiciled in the DPRK, a branch or subsidiary, wherever located, of a financial institution domiciled in the DPRK, or a financial institution wherever domiciled that is controlled by an entity or person in the DPRK.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	No.	
In banks by nonresidents	Yes.	The Treasurer's approval is required to hold more than 20% of the voting shares of an Australian bank. The Treasurer may grant approval only if the shareholding is in the national interest or for recently established companies that are below a specified asset size threshold if the shareholders are deemed fit and proper.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	APRA authorizes general, life, and health insurers under the Insurance Act 1973, the Life Insurance Act 1995, and the Private Health Insurance (Prudential Supervision) Act 2015, respectively. The amendments made to the Insurance Act 1973 in 2008 provide for

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		limited exemptions to be made under the Insurance Regulations 2002; these enable general insurance business that cannot be appropriately placed in Australia to be provided by an unauthorized foreign insurer. The types of insurance business that can be provided by an unauthorized foreign insurer are insurance contracts for atypical risks, high-value insureds, and other risks that cannot reasonably be placed in Australia. There are also exceptions for large businesses and global companies headquartered in Australia. Foreign life insurers must generally operate through Australian-incorporated subsidiaries. The Life Insurance Regulations 1995 provide that only Chinese, Japanese, Korean, New Zealand, and US life insurers may operate through branches in Australia. Insurers are also subject to the licensing, conduct, and disclosure requirements in the Corporations Act 2001 in their dealings with retail clients.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Most pension (superannuation) funds, other than self-managed funds that are regulated by the Australian Taxation Office, require APRA licensing under the registrable superannuation entity (RSE) licensing regime. The trustees of these funds must also hold an AFSL that is issued by ASIC and must satisfy conduct and disclosure obligations in the Corporations Act 2001. The licensing regime requires all APRA regulated trustees to hold an AFSL to operate a superannuation fund. The Superannuation Industry (Supervision) Act 1993 restricts related party transactions (for example, lending to members, in-house assets), but there are limited restrictions on investment. Borrowing is generally prohibited. APRA sets prudential standards in relation to investment governance for RSE licensees (see Prudential Standard, Prudential Practice Guide, and Reporting Standard 530), which includes a requirement for the Board of an RSE licensee to approve investment objectives for each investment option offered in each RSE. MySuper (default superannuation) products must have a diversified investment strategy, which can be a single strategy, or a lifecycle strategy. Some superannuation products are subject to an annual performance test administered by APRA. To be eligible for concessional taxation, control and management of a complying pension fund must usually be in Australia (or outside Australia for a period of not more than two years). The way that trustees of superannuation funds must organize portfolio holdings disclosures on fund websites is prescribed. Given these requirements are prescribed, trustees in the Corporations Act 2001 are obliged to make publicly available portfolio holdings disclosures on fund websites. This means that within 90 days of December 31 and June 30 each year, trustees of superannuation funds must make information about the assets and derivatives of their investment options available on the fund website and maintain that information until it is replaced by the next period disclosure. The information must be organized in accordance with requirements specified in the Corporations Regulations 2001, including that disclosure is consistent with tables for disclosure in Schedule 8D of

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		the Corporations Regulations 2001. There are some exemptions from the portfolio holdings disclosure requirement. For example, self-managed superannuation funds and small APRA funds are not subject to the requirements. Trustees of defined benefit funds and with investment options that have been closed to new members for at least 5 years also do not have to meet the requirement. Effective January 31, 2022, all account balances held by a type of superannuation fund known as an 'eligible rollover fund' were required to have been transferred to the Australian Taxation Office and eligible rollover funds had to close. Effective July 1, 2022, existing financial reporting and auditing requirements in Chapter 2M of the Corporations Act were amended to apply to RSEs. The reforms impose financial reporting obligations on RSEs that are consistent with those that apply to public companies and registered schemes, improving transparency in the superannuation sector. The reform requires RSEs to prepare and lodge audited financial reports for each financial year with ASIC (commencing in the 23/24 financial year); publish the financial report, directors' report and auditor's report for a financial year on the superannuation fund's website and provide details of how to access these reports with the notice of the annual members meeting; and provide a copy of the financial reports for a financial year to members and beneficiaries on request. The reforms also amend the requirements for auditors of RSEs, who have requirements under both the Corporations Act 2001 and the Superannuation Industry (Supervision) Act 1993, including preparing an auditor's report for an audit or review of an RSE's financial report for a financial year; report suspected contraventions to APRA and ASIC; meet auditor independence and rotation requirements; and prepare, lodge, and publish auditor transparency reports. Effective July 1, 2023, RSEs are required to comply with new financial reporting and audit requirements under the Corporations Act 2001.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The operation of collective investment funds is subject to strict legal requirements under the Corporations Act 2001 (Act) that outline operations, licensing and compliance obligations, including the FFSPs regulatory framework. Foreign investment in Australian collective investment funds is regulated under Australia's foreign investment laws. The operator of the fund may also set investment and borrowing restrictions. In the case of collective investment funds that are also registered as Australian passport funds, the Corporations (Passport) Rules 2018 (Passport Rules) provides that an operator of such a fund may offer interests in other participating economies of the Asia Region Funds Passport, provided residents in Australia (being the home economy) hold at least 30% of the value of interests in collective investment funds operated by the operator. The passport fund is also subject to investment and borrowing restrictions under the Passport Rules. The regulatory regime for a new type of collective investment fund known as a corporate CCIV was introduced effective July 1, 2022. There are two types of CCIVs – retail and wholesale. Where a sub-

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		fund of a retail CCIV registers as an Australian passport fund under the Asia Region Funds Passport, the sub-fund is subject to investment and borrowing restrictions under the Australian passport rules. For taxation purposes, nonresidents investing through a MIS or CCIV are treated differently to resident investors. Generally, nonresidents are subject to Australia's withholding tax rules, with income arising from passive income investments (such as shares, rent, or interest) subject to a form of withholding tax, while capital gains are taxed only in respect of nonportfolio interests in taxable Australian property. Australia only imposes taxes on Australian sourced income. Domestic (that is, resident) investors are taxed on all incomes at their marginal tax rate.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	From a tax perspective, there are restrictions on the extent to which a trust can be "closely held" for the purposes of accessing concessional withholding tax rates. One such example is that a trust must not have one nonresident individual holding 10% or more of the participation interests. This restriction applies to both a registered MIS that is a retail trust and a MIS that is a wholesale trust. This is a tax measure and does not constitute a control on ownership.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	A limited central bank digital currency (CBDC) pilot project conducted over 2023. The Pilot is now complete and a report was released publicly on August 22, 2023. There is no CBDC in circulation in the economy. No policy decision has been made to issue an Australian CBDC.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	

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Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	Where digital currency exchange providers facilitate exchanges between fiat and crypto currencies, they are required to register with the AUSTRAC – Australia's AML/CTF regulator. Digital currency exchange providers are required to renew their registration every 3 years. As reporting entities under Australia's AML/CTF regime, digital currency exchange providers are required to implement an AML/CTF program specifying how they will comply with AML/CTF legislation. This program must include a reporting entity's risk assessment; risk awareness training program; employee due diligence program; details of an appointed Compliance Officer; procedures for responding to AUSTRAC feedback; reporting obligations; procedures for regular review of its program; and procedures for collecting and verifying customer information.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Arrangements for Payments and Receipts

Controls on trade in gold (coins and/or bullion)		
On external trade	*09/30/2022*	Gold (including bullion and investment products) became an "import sanctioned good" from Russia, so it is prohibited to purchase, import, or transport it without a sanctions permit if it is exported from or originating in Russia.

Imports and Import Payments

Import licenses and other nontariff measures		
Negative list	*04/25/2022*	Coal, oils, and their derivative products became "import sanctioned goods" from Russia, so it is prohibited to purchase, import, or transport them without a sanctions permit if they are exported from or originating in Russia.
Open general licenses	*12/04/2022*	Australia implemented the G7 Oil Price Cap on Russian oil and petroleum products by issuing four general permits open to use by companies who engage with the oil and petroleum trade (mainly companies providing vessel insurance and reinsurance), the first of which was issued on this date.
	02/15/2023	Australia implemented the G7 Oil Price Cap on Russian oil and petroleum products by issuing four general permits open to use by companies who engage with the oil and petroleum trade (mainly companies providing vessel insurance and reinsurance), three of which were issued on this date.

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Import taxes and/or tariffs	*01/01/2022*	The Regional Comprehensive Economic Partnership Agreement entered into force. Australia eliminated tariffs on 77% of tariff lines on entry into force and 98% are to be eliminated by January 1, 2041.
	04/25/2022	The MFN treatment previously accorded to goods imported from Russia and Belarus was removed and a temporary additional customs duty of 35% applies in addition to the general rate of customs duty that applies to goods that are the produce or manufacture of Russia and Belarus, where these have left for direct shipment to Australia from a place of manufacture or warehouse in a country from which the goods were exported between April 25, 2022, and October 24, 2022, and are entered for home consumption in Australia within this period.
	07/01/2022	A revised concession was implemented permanently and expanded in scope to also include medical products or hygiene products covered by Customs Tariff By-law 2200082; ingredients to be used in the production of medicaments covered by Customs Tariff By-law No. 2200083; and containers for medicaments covered by Customs Tariff By-law No. 2200084.
	07/01/2022	Australia provides a reduced rate of duty to goods produced or manufactured in Ukraine in accordance with Australian Customs Notice 2022-32.
	12/29/2022	The Australia–India Economic Cooperation and Trade Agreement entered into force. Tariffs were eliminated on entry into force for all but 116 tariff lines in Chapters 72, 73, 76, and 90, which will be progressively eliminated by January 1, 2026.
	01/01/2023	Tariffs were eliminated in the Peru–Australia FTA.
	05/31/2023	The Australia–United Kingdom FTA entered into force. Australia eliminated tariffs on all tariff lines except 5 lines of Chapter 4 and 89 lines of Chapter 72 and 73, which will be progressively eliminated by January 1, 2028, and January 1, 2027, respectively. Further, tariff reductions on 18 tariff lines and part of twelve tariff lines Chapter 72 and 73 are suspended while the United Kingdom maintains a global safeguard on the same products.

Capital Transactions

Controls on capital transactions

Controls on derivatives and other instruments		
Sale or issue locally by nonresidents	*08/04/2023*	The transition period granted to foreign financial service providers was extended by one year to March 31, 2025, to make arrangements to continue their operations in Australia.
Controls on direct investment		
Inward direct investment	*01/01/2022*	All specified monetary thresholds that are indexed on an annual basis were increased within the scope of the foreign investment screening framework.
	04/01/2022	The Foreign Acquisitions and Takeovers Amendment Regulations 2022 came into force. They clarify certain aspects of the foreign investment review framework and streamline the process for certain less sensitive types of investment. Inter alia, they are intended to reduce the regulatory burden for foreign investors that engage in moneylending, invest in unlisted land entities or Australian media businesses, acquire shares or units under rights issues and other pro-rata offers, or transact on behalf of institutional investors as part of a custodian service (through amendments that refine the rules for the notification of these kinds of foreign investments, including raising thresholds and providing broader exemptions from foreign investment screening).

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	01/01/2023	All specified monetary thresholds that are indexed on an annual basis were increased within the scope of the foreign investment screening framework.
	07/01/2023	Foreign persons must give notice of certain actions relating to Australian land, water, entities, businesses, and other assets to the Registrar of the Register of Foreign Ownership of Australian Assets.
Controls on real estate transactions		
Purchase locally by nonresidents	*01/01/2022*	The thresholds that are indexed on an annual basis were increased.
	01/01/2023	The land tax surcharge increased to 4% from 2% in New South Wales.
	01/01/2023	The thresholds that are indexed on an annual basis were increased.

Provisions Specific to the Financial Sector

Provisions specific to institutional investors		
Pension funds	*01/31/2022*	All account balances held by a type of superannuation fund known as an "eligible rollover fund" were required to have been transferred to the Australian Taxation Office and eligible rollover funds had to close.
	07/01/2022	Existing financial reporting and auditing requirements in Chapter 2M of the Corporations Act were amended to apply to registrable superannuation entities (RSEs). The reforms impose financial reporting obligations on RSEs that are consistent with those that apply to public companies and registered schemes, improving transparency in the superannuation sector. The reform requires RSEs to prepare and lodge audited financial reports for each financial year with Australian Securities and Investments Commission (ASIC) (commencing in the 23/24 financial year); publish the financial report, directors' report and auditor's report for a financial year on the superannuation fund's website and provide details of how to access these reports with the notice of the annual members meeting; and provide a copy of the financial reports for a financial year to members and beneficiaries on request. The reforms also amend the requirements for auditors of RSEs, who have requirements under both the Corporations Act 2001 and the Superannuation Industry (Supervision) Act 1993, including preparing an auditor's report for an audit or review of an RSE's financial report for a financial year; report suspected contraventions to Australian Prudential Regulation Authority and ASIC; meet auditor independence and rotation requirements; and prepare, lodge, and publish auditor transparency reports.
	07/01/2023	Registrable superannuation entities are required to comply with new financial reporting and audit requirements under the Corporations Act 2001.
Investment firms and collective investment funds	*07/01/2022*	The regulatory regime for a new type of collective investment fund known as a corporate collective investment vehicle (CCIV) was introduced. There are two types of CCIVs – retail and wholesale. Where a sub-fund of a retail CCIV registers as an Australian passport fund under the Asia Region Funds Passport, the sub-fund is subject to investment and borrowing restrictions under the Australian passport rules.

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AUSTRIA

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 27, 1948.
Article VIII	Yes.	Date of acceptance: August 1, 1962.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with EU regulations and, if applicable, relevant UNSC resolutions, certain restrictions are maintained with respect to certain individuals/entities (a consolidated list of EU sanctions is available at www.sanctionsmap.eu/#/). EU sanctions are currently associated with, for example, Belarus, Bosnia and Herzegovina, Burundi, Central African Republic, China, Democratic Republic of the Congo, Guinea, Guinea-Bissau, Haiti, the Islamic Republic of Iran, the former government of Iraq, the Democratic People's Republic of Korea (DPRK-North Korea), Lebanon, Libya, Mali, Moldova, Myanmar (Burma), Nicaragua, Russia, Somalia, South Sudan, Sudan, Syria, Tunisia, Turkey, Ukraine, Venezuela, the former Federal Republic of Yugoslavia (Serbia and Montenegro), Yemen, and Zimbabwe. Restrictions also apply to transfers with respect to the Taliban (Afghanistan), Al-Qaida, ISIL (Da'esh), and individuals and organizations associated with terrorism. Further restrictive measures exist against the proliferation and use of chemical weapons and against cyberattacks threatening the Union or its Member States, and against serious human rights violations and abuses. In 2022, the EU progressively imposed a series of sanctions against Russia and Belarus.
Other security restrictions	Yes.	With regard to EU internal terrorism, these restrictions are established by Oesterreichische Nationalbank, Austrian Central Bank (OeNB) regulations based either on the Austrian Exchange Control Act (Devisengesetz 2004), as amended, or on the Sanctions Act of 2010 (Sanktionengesetz 2010), as amended.

Exchange Arrangement

Currency	Yes.	The currency of Austria is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Austria participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks. The euro foreign exchange reference rates are determined by the ECB daily at around, effective April 3, 2023, 14:10 Central European Time (CET) (previously 14:15 CET), and are published at around 16:00 CET. The reference rate against the euro is the average of the buying and selling rates. The publication regime aims to reinforce the distinction between exchange rate fixings used as benchmarks for transaction purposes and the ECB reference rates that are published for information purposes only.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		

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Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the European Union, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	The institutional setting for the market is the Model Code – The International Code of Conduct and Practice for the Financial

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		Markets. Banks are the principal participants. The Austrian Financial Market Authority (FMA) grants foreign exchange licenses. Foreign exchange bureaus are licensed by the FMA.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Interventions are initiated by the ECB – for Austria, the OeNB handles these operations.
Over the counter	Yes.	Interbank foreign exchange transactions may take place over the counter.
Brokerage	Yes.	The brokerage system may be used for interbank foreign exchange transactions.
Market making	Yes.	The interbank foreign exchange market operates on the basis of a market-making agreement.
Forward exchange market	Yes.	Forward exchange transactions are permitted. The CB participates in the forward foreign exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Settlements with all countries may be made either in foreign currency or through free euro accounts.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	There are no bilateral payments agreements; however, several bilateral agreements exist for the promotion and protection of investments, which include provisions on transfers among the signatories.
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange transactions in the private economy take place through

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		banks (credit institutions) licensed by the FMA. The OeNB and the Federal Ministry of the Interior are in charge of the administration of the control of financial sanctions (see Section II B).
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with EC Regulation No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EU regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EU regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EU regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered “cross-border” for the purposes of the EU regulation; the EU regulation only harmonizes the system for the EU’s external borders.
On exports	No.	
Domestic currency	No.	Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
On imports	No.	
Domestic currency	No.	Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.

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Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be freely transferred abroad.
Approval required	No.	
Held abroad	Yes.	For private pension funds, there are requirements for internal investment guidelines.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Export and import licenses must be issued by the Federal Ministry of Economic Affairs and Energy for industrial products and by the Federal Ministry of Agriculture, Forestry, Environment and Water Management for agricultural products. As a member of the EU, Austria applies import regulations based on the common commercial policy, that is, import restrictions for industrial products in the textile

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		and clothing sectors and statistical surveillance for products under the scope of the ECSC Treaty. There are also regulations based on the current EU law with regard to China for imports of some consumer products.
Positive list	Yes.	Refer to cross-border payments in euros.
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	Yes.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Austria applies the Common Import Regime of the EU.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Licenses for exports must be obtained from the relevant ministry or, at the time of clearance, from the customs authorities. For most exports, licenses are not required. Export licenses are issued in accordance with the provisions of relevant EU trade agreements, the fulfillment of quotas under such agreements, and the needs of the Austrian economy.
Without quotas	Yes.	
With quotas	Yes.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC). However, for small mutual associations and small insurance companies outside the scope of Solvency II restrictions on eligible investments, their currency denomination and localization (Article 72 and 90 VAG 2016, Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation) continue to be in place.
On capital market securities	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC). However, for small mutual associations and small insurance companies outside the scope of Solvency II restrictions on eligible investments, their currency denomination and localization (Article 72 and 90 VAG 2016, Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation) continue to be in place.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC). Small mutual (insurance) associations are restricted to invest in euro-denominated assets subject to thresholds and the following localization requirements: Eligible share investments issued by corporations with head offices

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		in a member state. Similar regulations apply to Small Insurance Undertakings not subject to Solvency II (Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation – kVU-KAV). For private pension funds, there are requirements for internal investment guidelines.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	According to the Treaty on the Functioning of the European Union, Article 123, overdraft facilities and other credit facilities with the ECB or the CBs of member countries in favor of EU institutions or bodies; central governments; regional, local, and other public authorities; other bodies governed by public law; and public enterprises of member countries and direct purchases from these public sector entities by the ECB or CBs of debt instruments are prohibited. Purchases of sovereign debt of Eurosystem countries on the primary market are forbidden.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC). However, for small mutual associations and small insurance companies outside the scope of Solvency II restrictions on eligible investments, their currency denomination and localization (Article 72 and 90 VAG 2016, Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation) continue to be in place. For private pension funds, there are requirements for internal investment guidelines.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC). However, for small mutual associations and small insurance companies outside the scope of Solvency II restrictions on eligible investments, their currency denomination and localization (Article 72 and 90 VAG 2016, Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation) continue to be in place. For private pension funds, there are requirements for internal investment guidelines.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC). Small mutual (insurance) associations are restricted to invest in euro-denominated assets subject to thresholds and the following localization requirements: Units in real estate funds managed by an investment fund management company with head offices in another OECD member state and subject to public supervision. Similar regulations apply to Small Insurance Undertakings not subject to Solvency II (Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation – kVU-KAV). For private pension funds, there are requirements for internal investment guidelines.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC).
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC). Small mutual (insurance) associations are restricted to invest in euro-denominated assets subject to thresholds and the following localization requirements: Non-subordinated, non-recurring loans granted to or guaranteed by a regional or local authority of an OECD member state as well as loans and other receivables where liability for repayment and interest payments lies with a regional or local authority of an OECD member state; mortgage loans on real estate entered in a public register or immovable property rights entered in a public register which are located in an OECD member state, up to an encumbrance of 60% of the current market value of the real estate or the immovable property right provided the current market value has been documented by means of an appraisal carried out by a certified court expert at the time of the acquisition and that the real estate has been sufficiently insured against the risk of fire for the term of the loan; non-recurring loans and other receivables from municipal governments or loans guaranteed by a municipal authority, with the exception of the federal capital of Vienna, provided the income from statutory duties

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		is pledged. Similar regulations apply to Small Insurance Undertakings not subject to Solvency II (Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation – kVU-KAV).
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC). Small mutual (insurance) associations are restricted to invest in euro-denominated assets subject to thresholds and the following localization requirements: Non-subordinated, non-recurring loans granted to or guaranteed by a regional or local authority of an OECD member state as well as loans and other receivables where liability for repayment and interest payments lies with a regional or local authority of an OECD member state; mortgage loans on real estate entered in a public register or immovable property rights entered in a public register which are located in an OECD member state, up to an encumbrance of 60% of the current market value of the real estate or the immovable property right; non-recurring loans and other receivables from municipal governments or loans guaranteed by a municipal authority, with the exception of the federal capital of Vienna, provided the income from statutory duties is pledged, mortgage loans on real estate entered in a public register or immovable property rights entered in a public register which are located in an OECD member state, up to an encumbrance of 60% of the current market value of the real estate or the immovable property right, provided the current market value has been documented by means of an appraisal carried out by a certified court expert at the time of the acquisition and that the real estate has been sufficiently insured against the risk of fire for the term of the loan. Similar regulations apply to Small Insurance Undertakings not subject to Solvency II (Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation – kVU-KAV).
By residents to nonresidents	Yes.	Controls apply to the loans granted (1) to nonresidents, or for which the designated collateral is located abroad, if the asset in question is to form part of the guarantee funds of a local branch of a third country insurance company established in Austria with the solvency regime in the third country not considered equivalent by the European Commission (Article 13, Paragraph 4 and Article 14, Paragraph 1 No. 6 VAG 2016) and (2) to residents not in a member state or for which the designated collateral is not located in a member state, if the asset in question is to form part of the cover of the prescribed solvency margin for the local branch of a third country insurance company established in Austria with the solvency regime in the third country not considered equivalent by the European Commission (Article 13, Paragraph 4 and Article 14, Paragraph 1 No. 6 VAG 2016). For private pension funds, there are requirements for internal investment guidelines.
To residents from nonresidents	No.	
Guarantees, sureties, and financial	No.	

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backup facilities		
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Certain controls apply to the following investments by nonresidents and residents who are not EU nationals: (1) auditing services; (2) accountancy, legal, engineering, and architectural services exceeding 49%; (3) energy; (4) majority ownership in the maritime sector; (5) airlines that must by law be controlled by EU countries or EU citizens, unless otherwise provided for under an international agreement to which the EU is a signatory; (6) 49% interest in ships registered in Austria; and (7) to the extent that under Directive No. 2009/65/EC, a depository of a UCITS must have its registered office either in the same EU country as that of the company or be established in the EU country if its registered office is in another EU country. Regulation (EU) 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the Directive 2009/138/EC). Small mutual (insurance) associations are restricted to invest in euro-denominated assets subject to thresholds and the following localization requirements: real estate and immovable property rights entered in a public register in an OECD member state. Similar regulations apply to Small Insurance Undertakings not subject to Solvency II (Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation – kVU-KAV).
Purchase abroad by residents	Yes.	Controls apply to (1) the acquisition of real estate abroad that is to form part of the guarantee funds of a third country branch of a non-EU insurance company with the solvency regime in the third country not considered equivalent by the European Commission (Article 13, Paragraph 4 and Article 14, Paragraph 1 No. 6 VAG 2016) and (2) the acquisition of real estate outside the EU that is to form part of the cover of the prescribed solvency margin for the local branch.
Purchase locally by nonresidents	Yes.	Controls apply to the extent that the authorities of the Lander (federal provinces) have the right to restrict the acquisition of real estate.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and	No.	

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legacies	
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Global standards on bank capital and resolution were incorporated into European law by Regulation (EU) No. 575/2013 (CRR), Directive 2013/36/EU (CRD IV) and Directive 2014/59/EU (Bank recovery and resolution directive). Directive (EU) 2019/878, amending Directive (EU) 2013/36 (CRD V), applies. It aims to further improve and harmonize the European financial supervisory framework. In October 2021, the European Commission adopted legislative proposals to amend the CRR III and the CRD VI (EU banking package 2021). This package essentially served to complete the implementation of the globally agreed final Basel III reform package in the EU, which is aimed, above all, at strengthening the risk-based approach of banking regulation. As envisaged in the European Commission's legislative proposals, the CRR III framework will start to apply from January 1, 2025. However, numerous exemptions and transitional provisions will postpone the full rollout in the EU until 2030 and 2033, respectively. The European Commission expects its legislative proposals for implementing the latest Basel III rules, which also reflect a number of EU-specific rules, to lead to an increase in EU banks' minimum levels of capital requirements of between 0.7% and 2.7% by 2025 and of between 6.4% and 8.4% by 2030. In Member States whose currency is the euro, the Single Supervisory Mechanism (SSM), the Single Resolution Mechanism (SRM), and the Common Deposit Guarantee Scheme (which is not yet in place) form the European Banking Union. Non-euro Member States may participate if close cooperation has been established. The legal basis for the SSM is Council Regulation (EU) No. 1024/2013; for the SRM, it is Regulation (EU) No. 806/2014. Within the SSM, the ECB directly supervises all so-called significant institutions, while less significant institutions (LSI) remain within the remit of the national supervisory authorities under the ECB's oversight. The Single Resolution Board mandate covers significant institutions and cross-border operating groups. The SRM differs in comparison with the SSM because the decisions of the Single Resolution Board need to be implemented by national resolution authorities to become legally effective. The regulatory framework for credit institutions in Austria, the Federal Banking Act (Bankwesengesetz – BWG), and the national regulations based on this act were revised because of the new European framework. According to Article 69 (5) BWG, FMA follows the guidelines and recommendations and other measures passed by the European Banking Authority (EBA), as well as comply

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		with the warnings and recommendations issued by the European Systemic Risk Board. According to Article 9 (1) BWG, credit institutions (as defined in Article 4 (1) No. 1 CRR) that are authorized and established in an EU Member state may conduct activities listed in Annex I CRD IV by the establishment of a branch or under the freedom to provide services. The Federal Act on the Recovery and Resolution of Banks (Bank Recovery and Resolution Act) transposed the Bank Recovery and Resolution Directive into Austrian law. The Federal Act on the Recovery and Resolution of Banks (Bank Recovery and Resolution Act) conveys far-reaching powers to FMA to deal with credit institutions in crisis. To this effect, institutions must submit recovery plans to FMA, while the FMA draws up resolution plans. The Deposit Guarantee Schemes and Investor Compensation Act (Einlagensicherungs- und Anlegerentschädigungsgesetz – ESAEG) is in force, which transposes the Deposit Guarantee Schemes Directive (Directive 2014/49/EU). Additionally, laws exist concerning specific requirements for special credit institutions (for example, the Federal Act on Savings and Loan Associations). Regulation (EU) No. 260/2012 establishing technical and business requirements for credit transfers and direct debits in euros is in force, which set up the single euro payments area (SEPA) that replaced national payment services with a common EU-wide payment service.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	Lending locally in foreign currency is governed by the FMA's Minimum Standards for the Risk Management and Granting of Foreign Currency Loans and Loans with Repayment Vehicles (FMA-FXTT-MS). The minimum standards aim to impose strict criteria on new foreign currency loans (FCLs) to unhedged private consumers and to require banks to develop strategies to reduce the current high volume of outstanding FCLs. FMA minimum standards are not regulations in the legal sense, but are the supervisory authority's recommendations on limiting risk. They are based on the FMA's mandate to protect the national economic interest and the stability of the financial market (BWG Article 69, Paragraph 1) and are linked to the due diligence requirements of managers as specified in BWG Article 39. The exposure of domestic private households to FCLs had been deemed unsustainable by the Austrian authorities. Accordingly, strict regulatory measures were taken (tough interpretation of the minimum standards that restrict FCLs to hedged households or the most creditworthy households).
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Reserve requirements apply to deposits and debt securities up to two years in all currencies. Liabilities from other credit institutions that are already required to hold minimum reserves and liabilities vis-à-vis the ECB are exempt. The current reserve requirement is 1% minus an allowance deduction of €100,000. Effective July 27, 2022, the two-tier system, which was in place since 2019, was discontinued as the deposit facility rate (DFR) was

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		set to 0%. Previously, pursuant to the Governing Council decision ECB/2019/31 published October 15, 2019, a part of the excess reserves holdings, up to a multiple of the required reserves, was exempt from the negative remuneration. On the basis of this decision, the interest rate of excess reserves holdings up to six times of the required reserves was 0%. Effective September 20, 2023, minimum reserve requirements are no longer remunerated.
Liquid asset requirements	Yes.	Liquid asset requirements apply only to deposits held in euros.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	Deposit accounts held by nonresidents are not taxed differently.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	According to Article 89, Paragraph 3(b) CRR, institutions may not have qualifying holdings exceeding 15% of the eligible capital of the institution in an enterprise that is a nonbank financial institution, nonancillary company, or noninsurance company. The total amount of such holdings may not exceed 60% of eligible capital of the institution.
In banks by nonresidents	No.	According to BWG Articles 20–20b, any party (resident or nonresident) that decides to hold a qualifying participation in a credit institution directly or indirectly, or to increase a qualifying participation directly or indirectly so that it reaches or exceeds the 20%, 30%, or 50% limits of the voting rights or capital – or in a way that causes the credit institution to become a subsidiary of that party – must notify the FMA in writing and indicate the amount of the participation and the information required under BWG Article 20b (3).
Open foreign exchange position limits	Yes.	According to Article 351 CRR, credit institutions must fulfill at all times the minimum capital requirement to cover foreign exchange risk.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	With the transposition of Solvency II into national law entering into force, the prudent person principle for investments has been introduced (Article 124 VAG 2016) and requirements as regards eligible assets for funds covering technical provisions and territorial restrictions referring to these assets have been abandoned (cf. Article 134 of the directive 2009/138/EC). Investments of Austrian insurance companies are regulated in the Versicherungsunternehmen Kapitalanlageverordnung, subordinated to the Insurance Supervision Act 2016. While under Solvency II the prudent person principle applies to investments, the Versicherungsunternehmen

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		Kapitalanlageverordnung regulation specifies qualitative requirements for investments (for example, concentration risks, credit risk analysis, derivatives, securities lending, risk management, and specifically prudent requirements for funds covering technical provisions). For small mutual associations and small insurance companies outside the scope of Solvency II restrictions on eligible investments and quantitative limits (Article 72 and 90 VAG 2016, Article 3 Small Mutual Associations Investment Regulation – kV-KAV, Article 3 Small Insurance Undertakings Investment Regulation) continue to be in place.
Limits (max.) on securities issued by nonresidents	Yes.	For small mutual associations, the following thresholds apply: Individual investments may only be made up to the percentages stated below, based on the carrying amount of the total investment ("individual threshold"): up to 2% each: shares and other variable-yield participations of companies admitted to trading on a regulated market, up to 10% each: (1) debt securities of the same issuer, (2) shares and other variable-yield participations of the same company (eligible participations), (3) units in investment funds of the same fund, (4) loans of the same issuer; up to 30% each: bank balances; up to 35% each: real estate and immovable property rights. The following total investments may only be made up to the percentages stated below, based on the carrying amount of the total investment ("total threshold"): (1) up to 3% in total: cash balances; (2) up to 10% in total: debt securities (corporate bonds not admitted to trading on a regulated market); (3) up to 25% in total: shares and other variable-yield participations (excl. real estate companies) including any shares held indirectly via investment funds; (4) up to 30% in total: (a) real estate and immovable property rights, (b) shares and other variable-yield participations in real estate companies, (c) units in real estate funds, and (d) mortgage loans and immovable property rights; (5) up to 50% each in total: (a) debt securities (corporate bonds) and loans to regional or local authorities of an OECD member state. Similar regulations apply to Small Insurance Undertakings not subject to Solvency II (Article 4 Small Mutual Associations Investment Regulation – kV-KAV, Article 4 Small Insurance Undertakings Investment Regulation – kVU-KAV).
Limits (max.) on investment portfolio held abroad	Yes.	Controls apply to (1) the acquisition of real estate outside the EU, if the asset in question is to form part of the cover of the prescribed solvency margin for a local branch of a third country insurance company established in Austria with the solvency regime in the third country not considered equivalent by the European Commission (Article 13, Paragraph 4 and Article 14, Paragraph 1 No. 6 VAG 2016); (2) the acquisition of real estate abroad, if the asset in question is to form part of the guarantee funds of a local branch of a third country insurance company established in Austria with the solvency regime in the third country not considered equivalent by the European Commission (Article 13, Paragraph 4 and Article 14, Paragraph 1 No. 6 VAG 2016); (3) loans granted to nonresidents, or for which the designated collateral is located abroad, if the asset in question is to form part of the guarantee funds of a local branch of a third country insurance company established in Austria with the solvency regime in the third country not considered equivalent by the European Commission (Article 13, Paragraph 4 and Article 14, Paragraph 1 No. 6 VAG 2016); and (4) loans to residents outside the EU, or for which the designated collateral is located outside the EU, if the asset in question is to form part of the cover of the prescribed solvency margin for a local branch of a third country insurance company established in Austria with the solvency regime in the third country not considered equivalent by the European Commission (Article 13, Paragraph 4 and Article 14, Paragraph 1 No. 6 VAG

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		2016).
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	The management board of the Pensionskasse (pension company) ensures that the investment of the assets allocated to an investment and risk-sharing group is performed by persons who are professionally qualified to do so and who have the relevant professional experience, in particular in the areas of portfolio management and risk management, as well as asset liability management and that appropriate technical resources are available for risk management. The investment of the assets allocated to an investment and risk-sharing group must be effected within prudent person rule and must take account of the other provisions of the current Federal Pensionskassen Act. The Federal Pensionskassen Act has been amended within the course of the implementation of the IORP II Directive (EU) 2016/2341. There are requirements for internal investment guidelines. The Pensionskasse must draw up and implement guidance in writing about the investment of assets allocated to an investment and risk-sharing group, which where applicable must at least cover the following areas: (1) investment objectives taking into account the commitments arising from the Pensionskasse contracts; (2) criteria for the security, quality, liquidity, profitability, and availability of the entire assets allocated to the investment and risk-sharing group; (3) strategic asset allocation, suitable parameters for deviation from such an allocation, and the respective rules for determining such parameters; (4) definition of the investment universe according to the following investment categories: (a) cash at banks, (b) loans and credits, (c) securities representing money claims (from regional or local authorities, from credit institutions, from other undertakings), (d) shares and other equity securities, (e) real estate, (f) other assets. Investments in unit certificates in investment funds, real estate funds, and AIFs must be split up according to the investment categories; (5) investment procedures with regard to the selection, mixture, and diversification of assets; (6) determination of an appropriate limit system with quantitative investment thresholds with regard to Paragraph 1 No. 7, at least with regard to the investment categories pursuant to No. 4 for both issuers and counterparties; (7) criteria for the computations of investments in unit certificates of investment funds, real estate funds, and AIFs for thresholds for issuers and counterparties pursuant to No. 6 including the general defining of materiality thresholds; (8) conditions for the investment in (a) assets pursuant to Paragraph 1 No. 5, (b) derivative products pursuant to Paragraph 1 No. 6, as well as (c) securities lending and securities repurchasing transactions; (9) description of the escalation processes in the event that the determined thresholds are exceeded; (10) criteria for the canceling of the dedication of securities as hold-to-maturity investments (Article 23, Paragraph 1 No. 3a). The FMA determines by regulation minimum risk management standards.
Limits (max.) on securities issued by nonresidents	No.	There are requirements for internal investment guidelines. The Pensionskasse must draw up and implement guidance in writing that determines an appropriate limit system with quantitative investment thresholds.
Limits (max.) on investment portfolio held abroad	No.	There are requirements for internal investment guidelines. The Pensionskasse must draw up and implement guidance in writing that determines an appropriate limit system with quantitative investment

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		thresholds.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	There are requirements for internal investment guidelines. The Pensionskasse must draw up and implement guidance in writing that determines an appropriate limit system with quantitative investment thresholds.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.

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For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	All transactions prohibited in the EU Sanctions Regulations are also prohibited if carried out in crypto assets.
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	Prospectus requirements may apply for offers of security tokens.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	All transactions prohibited in the EU Sanctions Regulations are also prohibited if carried out in crypto assets.
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	Yes.	E-money licensing requirements may apply.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	All transactions prohibited in the EU Sanctions Regulations are also prohibited if carried out in crypto assets.
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	No.	

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Transactions in derivatives and other instruments	No.	
Credit operations	Yes.	Licensing requirements may apply for commercial credit provision based on crypto.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	There is a requirement to apply for a registration from the FMA.
Access to crypto exchange/trading platform by residents	n.r.	Platforms are subject to AML and know your customer (KYC) provisions.

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*04/03/2023*	The euro foreign exchange reference rates are determined by the ECB daily at around 14:10 Central European Time (CET) (previously 14:15 CET).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*07/27/2022*	The two-tier system, which was in place since 2019, was discontinued as the deposit facility rate was set to 0%. Previously, pursuant to the Governing Council decision ECB/2019/31 published October 15, 2019, a part of the excess reserves holdings, up to a multiple of the required reserves, was exempt from the negative remuneration. On the basis of this decision, the interest rate of excess reserves holdings up to six times of the required reserves was 0%.
	09/20/2023	Minimum reserve requirements are no longer remunerated.

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AZERBAIJAN

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 18, 1992.
Article VIII	Yes.	Date of acceptance: November 30, 2004.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	The Law of the Republic of Azerbaijan "On Targeted Financial Actions", effective February 1, 2023, encompasses measures aimed at the implementation of targeted financial sanctions provided for in the relevant resolutions of the UNSC to prevent and suppress terrorism, terrorism financing, and the proliferation of weapons of mass destruction and its financing. In accordance with Article 5, assets must be frozen, without delay and without prior notice, by any person or state authority (body) in the territory of the Republic of Azerbaijan, obliged entities provided by the Law of the Republic of Azerbaijan "On Prevention of the Legalization of Criminally Obtained Property and Financing Terrorism" (AML/CFT Law) as well as persons providing auditor services, non-governmental organizations, branches or representative offices of foreign non-governmental organizations in the Republic of Azerbaijan, and religious institutions. International and domestic lists are published on the web portal on targeted financial sanctions and the relevant executive authority, as well as the financial monitoring organ (FIU) is notified via this web portal. The international lists of designated persons and entities is automatically placed and updated in the web portal on targeted financial sanctions through software integrations immediately after its publication in electronic form by the UN. Additionally, pursuant to Article 9 of AML/CFT Law, restrictions or special requirements may be imposed on countries of high-risk zones, which are determined by the FIU after being agreed with Ministry of Foreign Affairs. Grounds for identification of high-risk zones include UNSC, World Bank, and IMF decisions, published mutual evaluation or detailed reports of FATF, MONEYVAL, FSRB, or other specialized international or regional organizations and calls made by FATF.

Exchange Arrangement

Currency	Yes.	The currency of the Republic of Azerbaijan is manat.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	

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Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	Azerbaijan's de jure exchange rate arrangement is free floating. The exchange rate of manat is determined on the basis of the supply and demand in the interbank foreign exchange market. The sale of foreign currency is realized at auctions organized by the Central Bank to fulfill the transfer obligations of the State Oil Fund to the state budget. The amount of currency to be offered at the auction is announced in advance to the market participants. The results of currency auctions are published immediately. In addition, the Central Bank has the right to intervene in the interbank foreign exchange market, if necessary. Information on the Central Bank's intervention in the foreign exchange market is regularly published. The de facto exchange rate arrangement is classified as a stabilized arrangement.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The weighted average USD/AZN rate of both the auction transactions and interbank trades executed on Bloomberg is the official exchange rate for the next day. It is calculated on Bloomberg, and the CBAR announces it at 5 p.m. each working day. Entities and banks use the official exchange rate as a reference point.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		

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Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	According to the law on the Central Bank of Azerbaijan (CBAR), the main goal of monetary policy is price stability. The management Board of CBAR approves annual monetary policy directions and makes decisions on the parameters of interest rate corridor 8 times per year. The inflation target for 2023 was 4 ± 2%. CBAR uses intermediate targets such as the exchange rate and the short-term interest rates in interbank money market to keep inflation within the target. CBAR announces inflation and other macroeconomic forecasts in press releases.
Exchange tax	No.	

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Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks freely determine their bid-ask spreads and commissions. There is no concrete legal framework for foreign exchange regulation. However, a definition of foreign exchange contracts is given in the "Rules on margin trading," as follows: a financial instrument that provides the party to the contract to pay the difference between the initial and final prices of the underlying asset determined by the contract.
Spot exchange market	Yes.	The foreign exchange market consists of the interbank (between commercial banks) and the intrabank (between commercial banks and their clients) markets. All commercial banks (23) may participate in both the interbank and intrabank markets.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	The standing facility was eliminated when the CBAR started holding foreign currency auctions through the Bloomberg Auction Platform.
Allocation	No.	
Auction	Yes.	On January 12, 2017, the CBAR introduced one-sided, multiple-price, and competitive auction format, where banks can send up to three different bids with no price and amount restriction. Only banks are allowed to participate in the auctions. Banks are notified about the auction at least thirty minutes before the auction, specifying the time, the direction of operation, as well as the amount of offered currency. The auctions are held two times a week. At the end of the auction, the balance on the correspondent account of each bank is checked. A bank with insufficient funds compared to its order is excluded from the auction. The results of the auctions are published on the CBAR website, and the amount sold is published on the website of the State Oil Fund of Azerbaijan. Banks are free to decide to make any transaction with the foreign exchange obtained at the auction. The weighted average rate of both the auction transactions and interbank trades executed on Bloomberg is the official exchange rate for the next day.
Fixing	No.	
Interbank market	Yes.	All commercial banks (23) are allowed to freely execute foreign exchange transactions among themselves in the interbank foreign exchange market. All trades are fulfilled on Bloomberg. As of December 30, 2023, 23 commercial banks traded in interbank foreign exchange market on Bloomberg.
Over the counter	Yes.	The interbank foreign exchange market operates over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	All commercial banks may execute foreign exchange forward transactions. However, this market is in the initial stages of development.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Resident and nonresident individuals and legal entities may transfer

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		national currency abroad without limitations through assigned banks or the national operator of postal communication for current and capital transactions.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	There are no restrictions on the use of foreign currency (exchange, possession, lending, bank accounts, and deposits, obtained from a bank or exchanged in a bank or currency exchange bureau) among residents. Legal entities and individuals must identify the source of foreign currency to place it in a bank account in accordance with the Law of the Republic of Azerbaijan on Combating the Legalization of Illicitly Gained Money or Other Property and Terrorism Financing of February 10, 2009. Under Article 19.2 of the Constitution, the manat is the only means of payment (settlement) for goods and services.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	Agreements with the CIS countries are inoperative.
Regional arrangements	No.	
Clearing agreements	Yes.	Azerbaijan is a member of the Payment Union of the CIS, which is now inoperative.
Barter agreements and open accounts	Yes.	Government-owned firms and firms that are majority government owned must register these agreements with the Ministry of Economy.
Administration of control	Yes.	The CBAR regulates foreign exchange transactions, conducts foreign currency operations, and administers official gold and convertible currency reserve holdings. The CBAR establishes governing rules for foreign exchange operations and conducting operations with foreign currency accounts, and, issues rules for opening foreign currency accounts as well. Subjects, operating in financial markets are supervised (persons licensed in the securities market, credit institutions, professional participants of the insurance market, investment funds, and investment fund managers), may open foreign currency accounts outside the Republic of Azerbaijan in the cases and under the terms and conditions set by relevant legislation. The Ministry of Economy regulates foreign trade, whereas the organization and operation of the customs agencies are regulated under the Law on Custom Tariffs. Controls are also administered by authorized banks holding a license to effect foreign exchange transactions as agents of foreign exchange control.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	

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On domestic ownership and/or trade	No.	
On external trade	Yes.	A license from the Ministry of Economy is required to conduct international trade in gold.
Controls on exports and imports of banknotes	Yes.	The exportation and importation of foreign banknotes are controlled by the customs agencies. There are no restrictions on the exportation and importation of domestic currency banknotes.
On exports	Yes.	
Domestic currency	No.	Residents and nonresidents may take out of the Republic of Azerbaijan any amount of national currency banknotes only by declaring the amount to the customs authorities in writing. Amount up to 20,000 manat requires only verbal declaration to the customs authorities.
Foreign currency	Yes.	Resident and nonresident individuals may export up to the equivalent of US$10,000 without documentation but with a customs declaration, or up to the equivalent of US$50,000 with a customs declaration and relevant documentation confirming its earlier import into Azerbaijan Republic. These limits are applied for each trip.
On imports	No.	There are no restrictions on the importation of banknotes.
Domestic currency	No.	Residents and nonresidents may bring into the Republic of Azerbaijan any amount of national currency banknotes only by declaring the amount to the customs authorities in writing. Amount up to 20,000 manat requires only verbal declaration to the customs authorities.
Foreign currency	No.	There are no restrictions on the importation of banknotes.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may hold foreign exchange accounts without any limits. However, transferring foreign exchange balances abroad is regulated by the Law of the Republic of Azerbaijan on Currency Regulation of October 21, 1994, and Regulations of the Central Bank No. 45/1 of November 28, 2016, on currency operations of residents of the Republic of Azerbaijan in foreign currency and nonresidents in national and foreign currencies. Transfers of balances abroad are carried out according to the types of operations (for example, import payments and foreign loan payments) as specified in these regulations. The currency regime determined by the Regulations on currency operations of residents and nonresidents in the Republic of Azerbaijan does not regulate the currency operations of banks, local branches of foreign banks, and the national operator of postal communication.
Approval required	No.	
Held abroad	Yes.	Resident may open and use foreign exchange accounts abroad. The opening and use of foreign exchange accounts in foreign banks are regulated by the Law of the Republic of Azerbaijan on Currency Regulation, Tax Code, and Regulations for Opening, Managing, and Closing of Bank Accounts. Pursuant to Parts 6 and 7 of the Regulations of the Central Bank No. 45/1 of November 28, 2016, on currency operations of residents of the Republic of Azerbaijan in foreign currency and nonresidents in national and foreign currencies, residents may freely open foreign-currency-denominated accounts beyond the Republic of Azerbaijan. When opening a foreign-currency-denominated account beyond the

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		Republic of Azerbaijan for entrepreneurial activities, residents should obtain a certificate-duplicate from tax authorities under Article 16.1.11 of the Tax Code of the Republic of Azerbaijan and submit its notification part to the tax authority by making relevant notes until the date operations are maintained on the account.
Approval required	Yes.	Pursuant to Regulation No. 45/1 of November 28, 2016, residents may freely open foreign currency accounts outside the Republic of Azerbaijan. When opening an account for the purposes of entrepreneurial activity, residents must obtain a duplicate certificate from the tax authorities and submit the notification to the tax authority by making appropriate notes until the date of operations on the account (except for correspondent accounts opened by resident banks in nonresident banks).
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Funds in domestic currency accounts may be converted to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange in these accounts may be transferred abroad or sold to banks for manat. Nonresidents engaged in commercial activities must present duplicate certificate from tax authorities to open foreign currency accounts. Duplicate certificate is not required for nonresidents not engaged in business activities. The CBAR establishes governing rules for foreign exchange operations and conducting operations with foreign currency accounts and issues rules for opening foreign currency accounts as well. Subjects, operating in financial markets are supervised (persons licensed in the securities market, credit institutions, professional participants of the insurance market, investment funds, and investment fund managers), may open foreign currency accounts outside the Republic of Azerbaijan in the cases and under the terms and conditions set by relevant legislation.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open and operate accounts in manat and foreign currency and use them for domestic transactions.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	Regulations of the Central Bank No. 45/1 of November 28, 2016, on currency operations of residents of the Republic of Azerbaijan in foreign currency and nonresidents in national and foreign currencies, Paragraphs 4.3.1 and 4.3.2.
Minimum financing requirements	No.	
Advance payment requirements	Yes.	In case of advance payment, a document reflecting the purpose, terms and conditions, and amount of payment must be delivered to the bank. Customs declaration confirming import of goods (supply of services) in exchange for down payment must be delivered to the bank, or the person or the third party in whose favor the down payment is made must refund the amount paid. If the relevant

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		documents are not delivered to the bank or the prepaid amount is not refunded at the latest within 2 years after the payment is made and the outstanding amount of goods not imported (services not supplied) or advance payments not refunded exceeds US$10,000, the bank must deliver all documents related to advance payments to the CBAR within 5 days to impose enforcement measures stipulated in Article 430.4 of the Code of Administrative Offences of the Republic of Azerbaijan.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of certain listed goods (such as narcotics, explosives, weapons, nuclear substances, and waste) require special approval.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	There are three ad valorem customs duty rates (0%, 5%, and 15%). Imports of under invoiced goods are subject to specific tariffs.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Residents are required to repatriate all proceeds from exports within 180 days and transfer them to a licensed bank in Azerbaijan within 10 days of receipt. Expenses, commissions, and taxes paid abroad relating to economic activities may be deducted from the proceeds prior to their transfer to a licensed bank.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	Yes.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	

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Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports of scrap metal are prohibited.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Export taxes apply to domestic producers' exports of crude oil and petroleum products. For crude oil, the basis for the export tax is the difference between the export price (excluding export costs) and the fixed domestic price. For petroleum products, it is the difference between the export price (excluding export costs) and the ex-refinery price (also referred to as the intercompany price). The tax rate is 25%. A progressive export tax also applies.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	In accordance with the law, measures are taken to identify and verify banking operations of residents and nonresidents.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	In accordance with the law, measures are taken to identify and verify banking operations of residents and nonresidents.
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	These transactions are permitted, subject to documentary requirements. Residents and nonresidents are free to transfer abroad for personal reasons up to the equivalent of US$1,000 a day from accounts with banks on declaration of purpose. Residents are free to

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		transfer abroad up to the equivalent of US$10,000 a month from accounts with banks for the maintenance of close relatives (that is, parents, spouses, children, siblings, and adopted children) on presentation of supporting documents. In accordance with the law, measures are taken to identify and verify banking operations of residents and nonresidents.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Transfer abroad of wages received by nonresidents on their local bank accounts is subject to documentary requirements, such as work contract, bank document that identifies the received wages are paid by an employer, or official statement on work place and wage amount extracted from the Electronic Government Portal.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	In accordance with the law, measures are taken to identify and verify banking operations of residents and nonresidents.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	In accordance with the law, measures are taken to identify and verify banking operations of residents and nonresidents.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	The domestic circulation of foreign securities is subject to controls and monitoring.
On capital market securities	Yes.	

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Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The limit of participation of the foreign capital in the banking system of the Republic of Azerbaijan must be set by the financial markets supervisory authority. The limit on participation of foreigners and foreign legal entities in local banks, with the exception of foreign banks or foreign bank holding companies, must also be set by the financial markets supervisory authority. However, such limits have not been set by supervisory authority. Acquisition of securities of resident issuers by foreign investors is not restricted, unless otherwise stipulated by law. Nevertheless, in the charter capital of the insurer, the share of one foreign natural person may not exceed 10% and the general size of the share of foreign natural persons may not exceed 30% of shares. Except for international financial institutions to which Azerbaijan Republic is a member, foreign insurers and foreign institutional investors (banking and credit institutions, pension funds, and investment funds), the general share of other foreign legal persons in the charter capital of an insurer must be less than 50% of shares.
Sale or issue locally by nonresidents	Yes.	The rules for the issuance of securities of foreign issuers in circulation in the Republic of Azerbaijan are established by the financial market supervisory authority. At the same time, according to the "Rules for the issuance of securities of foreign issuers in circulation in the Republic of Azerbaijan," a foreign issuer receives the right to put securities, including securities that have already been issued in foreign countries, into circulation in the Republic of Azerbaijan after receiving a certificate from the financial market supervisory authority. In case of public offering of investment securities (stocks and bonds), the supervisory authority approves prospectus related to such securities. According to the Rules on "Issuance, registration and circulation of Depository Receipts," the CBAR approves the issuance of depository receipts by registering these securities and approving the prospectus.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	No more than 40% of the stock of a company incorporated in Azerbaijan may be issued outside Azerbaijan.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Acquisition of Azerbaijan securities issued by foreign investors is not restricted, unless otherwise stipulated by law.
Sale or issue locally by nonresidents	Yes.	The rules for the issuance of securities of foreign issuers in circulation in the Republic of Azerbaijan are established by the financial market supervisory authority. At the same time, according to the "Rules for the issuance of securities of foreign issuers in circulation in the Republic of Azerbaijan," a foreign issuer receives the right to put securities into circulation in the Republic of Azerbaijan after receiving a certificate from the financial market supervisory authority.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Acquisition of Azerbaijan securities issued by foreign investors is not restricted, unless otherwise stipulated by law.
Sale or issue locally by nonresidents	Yes.	The rules for the issuance of securities of foreign issuers in circulation in the Republic of Azerbaijan are established by the financial market supervisory authority. At the same time, according to the "Rules for the issuance of securities of foreign issuers in circulation in the Republic of Azerbaijan," a foreign issuer receives the right to put securities into circulation in the Republic of Azerbaijan after receiving a certificate from the financial market supervisory authority.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	According to Article 403-1.2 of the Civil Code of the Republic of Azerbaijan, the procedure for placement and circulation of derivative financial instruments is determined by the financial market supervisory authority. At the same time, the requirements for trading in derivative financial instruments are defined in the "Rules for placement and circulation of derivative financial instruments" of December 14, 2015. According to these rules, the circulation of derivative financial instruments must be done in line with the internal trading rules of the stock exchange.
Purchase locally by nonresidents	Yes.	Acquisition of securities of resident issuers by foreign investors is not restricted, unless otherwise stipulated by law.
Sale or issue locally by nonresidents	No.	Sale, purchase, and issue of derivatives and other instruments by nonresidents are not restricted. Derivatives and other instruments are regulated by Article 403-1 of Civil Code and "Rules for placement and circulation of derivatives" No. 32-1 of December 14, 2015. According to these rules, the circulation of derivative financial instruments must be done in line with the internal trading rules of the stock exchange. Regulations on putting securities of foreign issuers into circulation in the Republic of Azerbaijan do not apply to derivatives.
Purchase abroad by residents	Yes.	Banks are subject to net foreign currency exposure limits. The foreign exchange position of banks for a single currency is limited to 10% of regulatory capital. Total exposure from such positions may not exceed 20% of regulatory capital. (For nonconvertible foreign currencies, these limits are, respectively, 7% and 14%.)
Sale or issue abroad by residents	Yes.	Banks are subject to net foreign currency exposure limits. No more than 40% of the stock of a company incorporated in Azerbaijan may be traded outside Azerbaijan.
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	These capital transactions do not require CBAR approval.
Inward direct investment	Yes.	The minimum authorized capital is manat 5 million for non-life insurance companies; manat 10 million for life insurance companies; manat 20 million for reinsurance companies operating exclusively; manat 5 million for reinsurance activity of insurance companies; and manat 1 million for co-insurers realizing activity as a manager of agricultural insurance system on behalf of agricultural insurance body. The share of foreign insurance companies in the authorized capital of local insurance companies may not exceed 30% of aggregate authorized capital, and the share of one foreign natural person may not exceed 10% of capital. The minimum authorized capital for commercial banks is manat 50 million.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	Real estate transactions are subject to documentation requirements.
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	These transactions are permitted, subject to documentary requirements. Residents are free to transfer abroad (1) for personal reasons, up to the equivalent of US$1,000 a day, and up to the equivalent of US$10,000 a month from accounts with banks on declaration of purpose; and (2) to close relatives (that is, spouses, parents, adopters, grandchildren, children, adoptees, sisters, and brothers) up to the equivalent of US$10,000 a month from accounts with banks on the basis of documents confirming the relationship. Only nonresidents are permitted to transfer inheritances (funds received on heritage, or sale of inherited property) abroad.
To residents from nonresidents	No.	These operations are permitted under the procedure stipulated by the regulations of the CBAR and subject to Anti-Money-Laundering and Counter-Terrorism Financing requirements.
Settlement of debts abroad by immigrants	Yes.	Transfers directed at repayment of loans attracted from abroad, and other debt liabilities, interest, commissioning fees, fines, and penalties on the debt liabilities are made on delivery of a contract

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		verifying obtaining of a loan or a document confirming creation of other debt liabilities by residents and nonresidents.
Transfer of assets	No.	
Transfer abroad by emigrants	No.	These capital transactions are subject to Regulations on Currency Operations of Residents and Nonresidents in the Republic of Azerbaijan. These transfers are subject to documentation requirements.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	According to the Regulations on Currency Operations of Residents and Nonresidents in the Republic of Azerbaijan, transfers related to awards and other fees paid to nonresidents for results of sport competitions are classified as operations of foreign currency-denominated transfers from bank accounts from the Republic of Azerbaijan. Such transfers are made on delivery of a document confirming payment of relevant amounts to the bank. All types of transactions are monitored for the purposes of AML/CFT based on their suspiciousness factors, including gambling and sport-bets transactions.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	For the purpose of assessment of the financial situation of a bank, the bank must submit to the CBAR both its own prudential and banking statistical reports and those of its affiliated economic entities, individually and on a consolidated basis. There are no provisions for borrowing abroad by banks and other financial institutions so long as they stay within the open foreign exchange position limit.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve requirement because of the nonresident financial sector and settlements with international financial institutions is 0% (in domestic and foreign currencies and in precious metals). Effective September 15, 2022, the reserve requirement ratio was raised to 4% (previously 0.5%) for national currency deposits and to 5% (previously 1%) for foreign currency deposits. Effective February 15, 2023, the reserve requirement ratio was raised to 5% (10% on the part of deposits of legal entities with total amount over AZN 1 billion) for national currency deposits and to 6% (12% on the part of deposits of legal entities with total amount over AZN 750 million) for foreign currency deposits. Effective August 15, 2023, the reserve requirement ratio was raised to 5% (10% on the whole deposits of legal entities with total amount over AZN 1 billion) for national currency deposits and to 6% (12% on the whole deposits of legal entities with total amount over AZN 750 million) for foreign currency deposits. Effective December 15, 2023, the ratios for reserve requirements were differentiated depending on volume and currency of liabilities of banks and other specific features of deposits pursuant to Board

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		Decision No. 53/1 of November 1, 2023 with ratios ranging from 5% to 25%. Effective December 15, 2023, a system of reserve averaging for banks for the maintenance period for both national and foreign currency deposits applies (previously, on an intraday basis for foreign currency deposits and for the maintenance period for manat deposits).
Liquid asset requirements	No.	Liquid assets must be equal to at least 30% of current obligations with maturities in the current month, regardless of the currency involved.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	The reserve requirement because of the nonresident financial sector and settlements with international financial institutions is 0% (in domestic and foreign currencies and in precious metals).
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	These capital transactions do not require CBAR approval.
Abroad by banks	No.	
In banks by nonresidents	No.	Minimum amount of authorized capital (or funds equated to authorized capital for a local branch of a foreign bank) for newly established banks must be manat 50 million.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The limit on convertible currencies is 10% for each foreign currency, up to an aggregate limit of 20%. The limit on nonconvertible currencies is 7% for each currency, up to an aggregate limit of 14%. For bank metals, it is 3% up to an aggregate limit.
On nonresident assets and liabilities	Yes.	The limit on convertible currencies is 10% for each foreign currency, up to an aggregate limit of 20%. The limit on nonconvertible currencies is 7% for each currency, up to an aggregate limit of 14%. For bank metals, it is 3% up to an aggregate limit.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Investments of insurance companies are regulated. Diversification ratios and limitations on investments in government securities; funds in bank accounts; real estate; non-government securities, insurance and reinsurance premiums collected under insurance and reinsurance contracts; share of reinsurers in insurance technical provisions; funds lent to the policy holder or the insured under the endowment insurance apply.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	
Currency-matching regulations on assets/liabilities composition	No.	

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Pension funds	No.	The only pension fund is the government-run State Social Protection Fund.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	Current legislation allows the establishment of investment funds only in the form of open joint-stock companies. Open-end and closed-end investment funds may be established. A joint-stock investment fund is established by at least three legal entities and/or natural persons in the form of an open joint-stock company. It operates on the basis of license acquired by the Central Bank. An investment fund may have only one manager at a time, except when the assets of the investment fund are located outside the country. When the assets of an investment fund are located outside the country, their management may be entrusted only to a foreign manager with a relevant license or permit in that country, as well as at least 3 years of experience in this field. Management of investment funds may be entrusted to a foreign manager after obtaining the permission of the Central Bank. No investment funds operate in the country.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market	n.r.

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instruments		
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	The Central Bank plans to develop regulation related to virtual assets and virtual asset service providers. AML rules related to virtual assets are in place, but they will be applied after the comprehensive regulation is developed.
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other	No.	

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instruments		
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	The Central Bank plans to develop regulation related to virtual assets and virtual asset service providers.
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*02/01/2023*	The Law of the Republic of Azerbaijan "On Targeted Financial Actions" went into force.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*09/15/2022*	The reserve requirement ratio was raised to 4% (previously 0.5%) for national currency deposits and to 5% (previously 1%) for foreign currency deposits.
	02/15/2023	The reserve requirement ratio was raised to 5% (10% on the part of deposits of legal entities with total amount over AZN 1 billion) for national currency deposits and to 6% (12% on the part of deposits of legal entities with total amount over AZN 750 million) for foreign currency deposits.
	08/15/2023	The reserve requirement ratio was raised to 5% (10% on the whole deposits of legal entities with total amount over AZN 1 billion) for national currency deposits and to 6% (12% on the whole deposits of legal entities with total amount over AZN 750 million) for foreign currency deposits.
	12/15/2023	The ratios for reserve requirements were differentiated depending on volume and currency of liabilities of banks and other specific features of deposits pursuant to Board Decision No. 53/1 of November 1, 2023 with ratios ranging from 5% to 25%.
	12/15/2023	A system of reserve averaging for banks for the maintenance period

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for both national and foreign currency deposits applies (previously, on an intraday basis for foreign currency deposits and for the maintenance period for manat deposits).

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THE BAHAMAS

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 21, 1973.
Article VIII	Yes.	Date of acceptance: December 5, 1973.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	The governor general may issue orders and regulations implementing the decisions, resolutions, and recommendations of international organizations and associations of countries of which The Bahamas is a member that requests their members to take economic measures against a foreign government. The economic measures may include but are not limited to (1) seizure, freezing, or sequestration of property owned by the foreign government in question and (2) prohibition or restriction of persons in The Bahamas or Bahamians outside The Bahamas from (a) dealing with property held by or on behalf of the foreign government; (b) selling or supplying arms to foreign governments, entities, or individuals; and (c) providing technical advice, financial assistance, or training to foreign governments, entities, or individuals. There are restrictions on Bahamas-licensed banks and financial institutions regarding transactions with (1) the Democratic Republic of the Congo; (2) the Islamic Republic of Iran; (3) the Democratic People's Republic of Korea; and (4) Osama bin Laden, the Al-Qaida organization, and any associated individuals or entities as designated from time to time by the attorney general after consultation with the government of the CB and the director of the FIU.

Exchange Arrangement

Currency	Yes.	The currency of The Bahamas is the Bahamian dollar. Commemorative gold coins in denominations of B$10, B$20, B$50, B$100, B$150, B$200, B$250, B$1,000, and B$2,500 and silver coins in denominations of B$10 and B$25 are legal tender but do not circulate.
Other legal tender	No.	The US dollar circulates concurrently with the Bahamian dollar.
Exchange rate structure		
Unitary		
Dual	Yes.	In addition to the official foreign exchange market, there is a market in which investment currency may be negotiated among residents through the ADs. The use of investment currency is prescribed for the purchase of foreign currency securities from nonresidents and direct investments abroad. The current premium bid and offer rates

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		are 5% and 2.5%, respectively. Similarly, a premium of 5% may be charged on approved purchases of securities and foreign real estate. In certain circumstances, the Central Bank of The Bahamas (CBB) may permit residents to retain and use foreign currency from other sources to make outward investments. Certain external investments (including investment in foreign stocks by company-based retirement funds) may take place at the official exchange rate without an investment currency premium.
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional peg arrangement. The Bahamian dollar is pegged to the US dollar at par. Central Bank Act 2010 2020 Section 16 establishes "a) that the Minister may, after in consultation with the Bank, by order alter the said parity whether in terms of gold or any other standard shall determine the exchange rate policy: and b) the Bank shall implement the exchange rate policy determined by the minister under paragraph (a)." The CB has fixed the Bahamian dollar parity to 1 US dollar since 1972.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Bahamian dollar is pegged to the US dollar, the intervention currency, at par. This rate is used for actual CBB foreign exchange transactions and for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		

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Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	A stamp tax of 1.5% is applied to the conversion of Bahamian dollars on all outward remittances. Section 4(b) 51 A of the Stamp (Amendment) Act, 2013, imposes a 5% tax on Bahamian dollar conversion amounts in excess of B$0.5 million a year for funds to be remitted or transferred outside The Bahamas to a related party in respect of dividends or profits and payment for services by third parties.
Exchange subsidy	No.	

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Foreign exchange market	Yes.	ADs are largely permitted to determine their bid-ask spread on foreign exchange transactions. Commercial bank fees and charges are set solely by the banks themselves. For transactions with the public, commercial banks are authorized to charge a commission of 0.50% per US dollar on the purchase and 0.75% per US dollar on the sale of US dollars and 0.50% per pound on the purchase or sale of pounds sterling.
Spot exchange market	Yes.	Along with commercial banks, stand-alone money transfer business operators are also included as participants. These operators are licensed by the CBB and make payments to correspondents abroad on behalf of clients. As of December 31, 2022, there are 214 licensed banks, 5 nonbank money transmission service providers, and 20 money transmission agents. Money transmission businesses must obtain Exchange Control approval to deal in foreign currency and operate foreign currency accounts with local commercial banks and abroad. Money transmission businesses do not make foreign exchange transactions directly with the CBB.
Operated by the central bank	Yes.	Buying and selling rates for pounds sterling are also officially quoted, with the buying rate based on the rate in the New York market; the selling rate is 0.5% above the buying rate. There is also a market in which investment currency may be negotiated among residents through the CBB.
Foreign exchange standing facility	Yes.	The CBB buys and sells US dollars at the official rate without a commission and deals only with commercial banks and the government. The CBB and commercial banks (when acting under delegated authority) verify the bona fide nature of each transaction before providing foreign exchange. For pound sterling sales, the CBB adds a commission of 0.5% to the midrate. The CBB deals with commercial banks for a range of transactions.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Interbank transactions may be freely negotiated among banks but are not significant because of structural excess bank liquidity and relatively predictable liquidity needs. The CBB does not intervene directly with market participants at their quoted rates nor does the CBB propose its own quotes to market participants or intervene via market markers. The details (value and negotiated rate) of each transaction are required to be reported to the CBB for statistical purposes and to ensure adherence to open position limits. As of December 31, 2022, all nine licensed local banks participate in the interbank market.
Over the counter	Yes.	Interbank transactions are negotiated over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Commercial banks may provide forward cover for residents who are due to receive or must pay in foreign currency under a contractual commitment. Commercial banks may not, however, sell foreign currency spot to be held on account to cover future requirements without the CBB's permission. ADs may deal forward in foreign currency with nonresidents without prior approval from the CBB.

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		Commercial banks may execute forward deals among themselves at market rates, but they must ensure when carrying out all forward cover arrangements that their open spot or forward position does not exceed 5% of the respective bank's Tier 1 capital. While the CBB does not itself participate in the forward exchange market, it facilitates swap transactions on behalf of the government of The Bahamas.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	The Exchange Control system of The Bahamas makes no distinction among foreign territories. Settlements with residents of foreign countries may be made in any foreign currency or in Bahamian dollars through an external account. Foreign currency is defined as all currencies other than the Bahamian dollar.
Controls on the use of domestic currency	Yes.	Nonresidents may not access domestic currency for capital purposes; however, they may access domestic currency up to a certain limit for working capital in local businesses they operate.
For current transactions and payments	Yes.	Exchange Control regulations apply. Generally, domestic currency may not be used for outward transactions between residents and nonresidents.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Exchange Control approval is required. Generally, domestic currency may not be used for outward transactions between residents and nonresidents.
Transactions in derivatives and other instruments	Yes.	Exchange Control approval is required. Generally, domestic currency may not be used for outward transactions between residents and nonresidents.
Credit operations	Yes.	Generally, nonresidents may not obtain credit facilities in domestic currency, except for domestic currency overdraft facilities for local businesses owned by nonresidents. Otherwise, local businesses owned by nonresidents are required to obtain credit facilities in proportion to their ownership structure. Temporary residents may receive domestic currency loan facilities on a restricted basis. Resident individuals and wholly Bahamian-owned businesses require Exchange Control approval to obtain foreign currency credit and must demonstrate that efforts have been made, without success, to obtain local financing.
Use of foreign exchange among residents	Yes.	Officially, all settlements between residents must be made in domestic currency. Foreign currency received domestically from nonresidents (for example, tourism-related) must be surrendered to ADs, unless approved by the CBB.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	The Bahamas is a member of CARICOM, but it does not participate in the common market.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange Control is administered by the CBB, which authorizes

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		ADs to approve allocation of foreign exchange for certain current payments, including for imports up to the equivalent of B$1.0 million and cash gift transfers up to the equivalent of B$15,000 a transaction.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents, other than ADs, are not permitted to hold or deal in gold bullion. However, residents who are known users of gold for industrial purposes may, with CBB approval, meet their current industrial requirements. There are no restrictions on residents' acquisition or retention of gold coins.
On external trade	No.	ADs are not required to obtain licenses for bullion or coins, and no import duty is imposed on these items. Commercial imports of gold jewelry do not require a license and are duty-free, although they are subject to a 10% stamp tax. A 1.5% stamp tax payable to customs is also assessed on commercial shipments of gold jewelry from any source.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may export banknotes up to a total of B$200. ADs may export Bahamian notes to nonresident banking correspondents against payment in Bahamian dollars from an external account or any foreign currency, Bahamian currency notes in any quantity, provided the AD concerned is satisfied that they are required for the purpose of providing notes for travelers to The Bahamas. In other cases, the prior permission of the CBB is required for the export of Bahamian currency notes. Each application is considered on a case-by-case basis, within defined areas of usage, including, but not limited to, educational, promotional, and government sponsor initiatives.
Foreign currency	Yes.	Bahamian travelers need CBB approval to export foreign banknotes. Providing the requisite documentation, Bahamian travelers may apply to ADs for foreign currency to travel abroad up to a specified amount, beyond which, application must be made to the CB. All foreign currency purchased by resident individuals may be exported. In addition, there are some de-risking protocols that prevent ADs from physically exporting foreign currency to corresponding banks. This facility is actioned through the CB.
On imports	Yes.	
Domestic currency	Yes.	Importation is subject to CBB approval. There are no restrictions on the importation of domestic currency banknotes by ADs.
Foreign currency	No.	There is no restriction on the import of foreign currency notes and coins.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Permission from the CBB is required to open and hold foreign exchange accounts. Permission is generally granted to residents

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		earning substantial amounts of foreign exchange who make regular payments abroad. Balances in excess of current requirements must generally be converted to Bahamian dollars. Balances on these accounts may not be transferred abroad without the prior permission of the CBB. Without prior approval from the CBB, resident businesses may open and maintain foreign currency for operating transactions, from revenues earned in foreign currency, with balances of up to $100,000. The limit applies to accounts maintained in the aggregate, if at multiple commercial banks. Prior CBB approval is required for resident businesses to maintain accounts with balances exceeding $100,000.
Approval required	Yes.	
Held abroad	Yes.	Residents may not establish accounts abroad without Exchange Control approval. Such accounts must be maintained in foreign currency, and balances in excess of current requirements must generally be converted to Bahamian dollars. On application to the CBB, approval will be granted to retain existing foreign currency assets, without penalty, with the right to repatriate the assets or to maintain the holdings outside The Bahamas. Deposits and other assets repatriated to The Bahamas may be retained in foreign currency. Restrictions remain in place against funding of such foreign-currency-denominated accounts with proceeds converted from Bahamian dollars.
Approval required	Yes.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	With the permission of the CBB (Exchange Control), balances on accounts held by residents in domestic currency may be converted to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	These accounts may be credited with (1) payments in foreign currency from residents of The Bahamas with CBB permission, (2) payments in foreign currency from nonresidents, and (3) foreign currency receipts arising from dealings between nonresidents and ADs. These accounts may bear interest. Accounts may be debited for (1) payments to residents or nonresidents, (2) payments to other foreign exchange accounts, and (3) payment of foreign currency costs involved in dealings between nonresidents and ADs.
Approval required	No.	
Domestic currency accounts	Yes.	With CBB approval, authorized banks may open external accounts in Bahamian dollars for nonresident companies that have expenses in The Bahamas and for nonresident investors. Authorized banks may freely open external Bahamian dollar accounts for nonresident entities and individual investors that have local expenses. Authorized banks may freely open external accounts in Bahamian dollars for winter residents and other such categories of non-Bahamians—for example, certain temporary residents employed in the Bahamian offshore sector. External accounts in Bahamian dollars must be funded entirely from foreign currency originating abroad, but income from registered investments may be credited to these accounts with CBB approval. These accounts may not bear interest. Balances on these accounts may be transferred abroad freely.
Convertible into foreign currency	Yes.	These accounts are freely convertible to foreign currency.

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Approval required	Yes.	With CBB approval, authorized banks may open external accounts in Bahamian dollars for nonresident companies that have expenses in The Bahamas and for nonresident investors. Authorized banks may freely open external Bahamian dollar accounts for nonresident entities and individual investors that have local expenses. Authorized banks may freely open external accounts in Bahamian dollars for winter residents and other such categories of non-Bahamians—for example, certain temporary residents employed in the Bahamian offshore sector. External accounts in Bahamian dollars must be funded entirely from foreign currency originating abroad, but income from registered investments may be credited to these accounts with CBB approval. These accounts may not bear interest.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	CBB approval is required to make payments for non-oil imports exceeding the equivalent of B$1.0 million, regardless of origin. This approval is generally given automatically on submission of pro forma invoices, Customs Entry Form, or other relevant documents proving the existence of a purchase contract.
Domiciliation requirements	Yes.	Transactions must be domiciled with a local AD.
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Customs Department Entry Form is required together with pro forma invoice or other documentation proving the existence of a purchase contract.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The importation of certain commodities is prohibited or controlled for social, humanitarian, or health reasons. For all imports of agricultural products, a permit must be obtained from the Ministry of Agriculture. All other goods may be imported without a license. Customs entries are subject to a stamp tax of 7%.
Open general licenses	Yes.	OGLs must comply with the Agricultural Manufactories Act.
Licenses with quotas	No.	
Other nontariff measures	Yes.	Sanitary or phytosanitary restrictions apply.
Import taxes and/or tariffs	Yes.	Import duties vary from 0% to 210%. The tariff rate on most goods is 35%, and the average tariff rate is 31%. Stamp duties on imports

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		range from 2% to 20%. There is no import duty on certain tourism-related goods, but these goods are subject to stamp duties ranging from 8% to 20%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds must be collected without delay, that is, it should not be delayed to an extent which is unreasonable having regard to the ordinary course of trade. Without permission by the controller to retain the foreign currency, the proceeds must be repatriated at the earliest opportunity.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Export proceeds must be offered for sale to an AD as soon as the goods have reached their destination or within six months of shipment; alternatively, export proceeds may be used in any manner acceptable to the CBB. Exemption from surrender requires CBB approval.
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are not required, except for crawfish, conch, and arms and ammunition.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	There are no restrictions on current payments. However, there are limits on the approval authority delegated to commercial banks by the CBB. ADs may make payments to nonresidents on behalf of residents and individuals deemed “temporary residents” for Exchange Control purposes—that is, non-Bahamians authorized to work in The Bahamas for a specified period, for certain services and other invisible transactions, such as commissions, royalties (excluding franchise fees), and education, within specified limits. CBB approval is required for payments in excess of those limits and

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		for categories of payments not delegated to commercial banks.
Trade-related payments	Yes.	
Prior approval	Yes.	CBB approval is required for transactions of more than B$25,000 for unloading and storage costs and commissions.
Quantitative limits	Yes.	Limits are based on pro forma invoices or other relevant documents proving the existence of a service contract.
Indicative limits/bona fide test	Yes.	Approval is based on a bona fide test.
Investment-related payments	Yes.	
Prior approval	Yes.	For all investments with approved status, permission is given on application for the transfer.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	Yes.	CBB approval is required for travel of more than B$15,000 a person a trip and business travel to facilitate imports.
Quantitative limits	Yes.	ADs may provide up to B$15,000 or its equivalent a person a trip for tourism and other personal travel. The limit on travel for education is B$15,000 a person a trip. For business or professional travel, the limit is B$15,000 a trip. The allowance for tourism travel excludes the cost of fares and travel services, which is generally paid in Bahamian dollars to a travel agent in The Bahamas. Foreign exchange obtained for travel and any unused balance must be surrendered within one week of issue or, if the traveler is still abroad, within one week of returning to The Bahamas.
Indicative limits/bona fide test	Yes.	Approval is based on a bona fide test.
Personal payments	Yes.	There is no limit for medical expenses.
Prior approval	Yes.	Except for the medical expenses, CBB approval is required for amounts exceeding this established limit.
Quantitative limits	Yes.	ADs may provide up to B$25,000 a transaction or its equivalent for payments to educational institutions (B$2,500 a transaction if paid to the student), family maintenance, and alimony payments. CBB approval is required for amounts exceeding this limit. Limits are applied per transaction. An AD can facilitate payments to educational institution based on the full amount noted on the bill, as well as payments due under a court order for the total amount.
Indicative limits/bona fide test	Yes.	Approval is based on a bona fide test, including supporting evidence.
Foreign workers' wages	Yes.	
Prior approval	No.	Prior approval is not required.
Quantitative limits	Yes.	The limit is 100% of wages and salaries.
Indicative limits/bona fide test	Yes.	If commitments outside The Bahamas are more than 100% of wages and salaries, additional amounts may be remitted. Temporary residents may also repatriate all their accumulated savings resulting from their employment in The Bahamas.
Credit card use abroad	Yes.	
Prior approval	Yes.	Approval is required for residents to hold an international credit card. Cards may not be used to pay for life insurance premiums and capital items.

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Quantitative limits	Yes.	Use of credit cards is limited to the amount indicated on the current bill.
Indicative limits/bona fide test	Yes.	Credit card transactions are subject to bona fide tests.
Other payments	Yes.	
Prior approval	No.	CBB approval is not required and AD may facilitate payment for services (that is, professional, subscription, membership fees, royalties, registration of patents, serial rights, and advertising) up to the amount indicated on the bill.
Quantitative limits	Yes.	Use of credit cards is limited to the amount indicated on the current bill.
Indicative limits/bona fide test	Yes.	AD may facilitate payment for services (that is, professional, subscription, membership fees, royalties, registration of patents, serial rights, and advertising) up to the amount indicated on the bill.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Residents must collect all proceeds without delay, that is, it should not be delayed to an extent which is unreasonable having regard for ordinary course of trade. Without permission by the controller to retain the foreign currency, the proceeds must be repatriated at the earliest opportunity.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	All foreign currency proceeds must be offered for sale to an AD on receipt. Foreign exchange obtained for travel and any unused balance must be surrendered within one week of issue or, if the traveler is still abroad, within one week of returning to The Bahamas.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The premium on approved purchases of securities and foreign real estate is 5%, while the premium on rates for investment currency sales by residents is 2.5%. However, certain categories of securities may be negotiated in the official market, with no premium. Cross-listing of Bahamian and foreign companies on CARICOM exchanges is allowed, and limited foreign investment by the National Insurance Board (the public pension fund) is authorized.
Repatriation requirements	Yes.	Repatriation must occur at the time of liquidation of foreign assets.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	In the event of liquidation of the investment of funds that were initially purchased through the Investment Currency Market (ICM), the proceeds may be sold to the ICM and an element of the premium recovered, on the original capital invested, in line with the offer rate prevailing at the time of liquidation. The current premium on rate for sales is 2.5%.
Surrender to authorized dealers	Yes.	Earnings on securities and money market instruments purchased abroad by residents must be surrendered to ADs, unless exemption is granted by the CBB. Foreign exchange loans by nonresidents to residents must be converted by an AD to Bahamian dollars, unless exemption is granted by the CBB.
Controls on capital and money market instruments	Yes.	All outward capital transfers require Exchange Control approval, and outflows of resident-owned capital are restricted. Inward transfers by

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		nonresidents, which are encouraged, must be processed through the Exchange Control approval procedure, and the subsequent use of the funds in The Bahamas may also require authorization. Nonresidents may invest in obligations of companies listed on the Bahamas International Securities Exchange up to an aggregate of 10% of the respective issue or offering. They may also invest in public sector securities for which the CBB acts as registrar, subject to an overall limit of B$0.1 million a person or entity. Operational guidelines apply to the issuance of non-sponsored Bahamian depository receipts. Proposed product offerings must be established under the supervision of the Securities Commission (SC) before the CBB is approached for foreign exchange to fund external portfolios. Additional rules are as follows: (1) Mutual funds may retain foreign currency cash in their portfolios up to the maximum percentage of overall assets, as specified or disclosed in the investment policy statements or strategies of the funds. (2) Purchases and sales of foreign exchange against Bahamian dollar facilities must be executed through the CBB. (3) Individual brokers or dealers may pool the foreign exchange allotted to them each quarter, but the resources may not be traded in any commercial sense, because this would be seen as constituting a parallel market in foreign exchange. (4) The CBB prohibits the accumulation of unused quarterly allocations of brokers or dealers.
On capital market securities	Yes.	The Mutual Funds Act and a regulation that provides for licensing of mutual fund administrators and the registration of mutual funds are enforced. The Securities Industry Act authorizes the SC to regulate the stock exchange and its operations.
Shares or other securities of a participating nature	Yes.	Resident companies may invest in equities of Bahamas International Securities Exchange-listed companies, up to 10% of the issue or offering for each investing entity. Resident companies may invest in other private and public sector securities, without limit.
Purchase locally by nonresidents	Yes.	In principle, inward investment by nonresidents is unrestricted. However, CBB approval is required for the issue or transfer of shares in a Bahamian company to a nonresident and for the transfer of control of a Bahamian company to a nonresident. The extent of such approvals generally reflects the government's economic and investment policy guidelines.
Sale or issue locally by nonresidents	Yes.	CBB approval is required for the issue and transfer of shares in a Bahamian entity to a nonresident. The extent of such activity is often a function of government economic and investment policy on nonresident ownership in sectors of the economy.
Purchase abroad by residents	Yes.	Residents employed by offshore and foreign-based institutions in The Bahamas may invest in employee stock options or share purchase plans through the official exchange market up to the equivalent of B$10,000 a person a year, on a noncumulative basis for contributory plans. Otherwise, residents may not purchase foreign currency securities with official exchange, export proceeds, or other current earnings; payment must be made with investment currency. All purchases, sales, and swaps of foreign currency securities by residents require CBB permission and are normally effected through authorized agents, who are free to act on behalf of nonresidents in relation to such transactions without additional approval from the CBB at a 5% premium. Certificates relating to ownership of all foreign securities purchased by residents must be held by, or to the order of, an AD. Investment by pension funds of Bahamian dollar assets in securities issued by nonresidents or in an investment portfolio held abroad must receive CBB approval, and approved transactions must be conducted

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		through the ICM. Limits are imposed by the CBB, in concert with primary regulators (for example, the SC), with respect to portfolios held abroad by investment firms and collective investment funds.
Sale or issue abroad by residents	Yes.	Sale proceeds from resident-held foreign currency securities that were registered at the CBB before December 31, 1972, or that were acquired through the ICM are eligible for sale in the ICM. Unregistered securities may be offered for sale at the official rate of exchange.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresident buyers of Bahamian-dollar-denominated securities must fund the acquisition of such securities from foreign currency sources. Interest, dividends, and capital payments on these securities may not be remitted outside The Bahamas, unless the holdings have been properly acquired by nonresidents. There is no minimum holding period for such bonds.
Sale or issue locally by nonresidents	Yes.	CBB approval is required and is based on government economic and investment policy on nonresident ownership in sectors of the economy.
Purchase abroad by residents	Yes.	All purchases, sales, and swaps of foreign currency securities by residents require permission from the CBB and are generally effected through authorized agents, who are free to act on behalf of nonresidents in relation to such transactions without any additional approval from the CBB at a 5% premium. All foreign securities purchased by residents of The Bahamas must be held by, or drawn to the order of, an AD. Investment by pension funds of Bahamian dollar assets in securities issued by nonresidents or in an investment portfolio held abroad must receive CBB approval, and approved transactions must be conducted through the ICM. Limits are imposed by the CBB, in concert with primary regulators (for example, the SC), with respect to portfolios held abroad by investment firms and collective investment funds.
Sale or issue abroad by residents	Yes.	Proceeds from the sale of residents' foreign securities initially approved by the CBB and acquired via the ICM are eligible for sale in the market. Investors may recover a portion of the original premium paid equivalent to the premium offer rate prevailing at the time of the sale. Investment proceeds that are not premium worthy are recovered at the official market rate through commercial banks.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresident buyers of Bahamian-dollar-denominated securities must fund the acquisition of such securities from foreign currency sources. Interest, dividends, and capital payments on these securities may not be remitted outside The Bahamas unless the holdings have been properly acquired by nonresidents.
Sale or issue locally by nonresidents	Yes.	Prior approval of the CBB is required, but generally restricted.
Purchase abroad by residents	Yes.	All purchases, sales, and swaps of foreign currency securities by residents require permission from the CBB and are generally obtained through authorized agents, who are free to act on behalf of nonresidents in relation to such transactions without any additional approval from the CBB at a 5% premium. All foreign securities purchased by residents of The Bahamas must be held by, or drawn to the order of, an AD. Investment by pension funds of Bahamian dollar assets in securities issued by nonresidents or in an investment portfolio held abroad must receive CBB approval, and approved transactions must be conducted through the ICM. Limits are imposed by the CBB, in concert with primary regulators (for example, the SC), with respect to portfolios held abroad by investment firms and

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		collective investment funds.
Sale or issue abroad by residents	Yes.	CBB approval is required and is granted based on merit. Generally, funding should be raised through the domestic money and capital market.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresident buyers of Bahamian-dollar-denominated securities must fund the acquisition of such securities from foreign currency sources. Interest, dividends, and capital payments on these securities may not be remitted outside The Bahamas, unless the holdings were properly acquired by nonresidents.
Sale or issue locally by nonresidents	Yes.	CBB approval is required. Sometimes, shares of foreign-owned companies that operate in The Bahamas may be sold to residents, typically within the framework of government economic and investment policy for the sector.
Purchase abroad by residents	Yes.	All purchases, sales, and swaps of foreign currency securities by residents require permission from the CBB and are generally effected through authorized agents, who are free to act on behalf of nonresidents in relation to such transactions without any additional approval from the CBB at a 5% premium. All foreign securities purchased by residents of The Bahamas must be held by, or drawn to the order of, an AD. Investment by pension funds of Bahamian dollar assets in securities issued by nonresidents or in an investment portfolio held abroad must receive CBB approval, and approved transactions must be conducted through the ICM. Limits are imposed by the CBB, in concert with primary regulators (for example, the SC), with respect to portfolios held abroad by investment firms and collective investment funds.
Sale or issue abroad by residents	Yes.	CBB approval is required.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresident buyers of Bahamian-dollar-denominated securities must fund the acquisition of such securities from foreign currency sources. Interest, dividends, and capital payments on these securities may not be remitted outside The Bahamas, unless the holdings have been properly acquired by nonresidents.
Sale or issue locally by nonresidents	Yes.	CBB approval is required.
Purchase abroad by residents	Yes.	All purchases, sales, and swaps of foreign currency securities by residents require permission from the CBB and are normally effected through authorized agents, who are free to act on behalf of nonresidents in relation to such transactions without any additional approval from the CBB at a 5% premium. All foreign securities purchased by residents of The Bahamas must be held by, or drawn to the order of, an AD. Investment by pension funds of Bahamian dollar assets in securities issued by nonresidents or in an investment portfolio held abroad must receive CBB approval, and approved transactions must be conducted through the ICM. Limits are imposed by the CBB, in concert with primary regulators (for example, the SC), with respect to portfolios held abroad by investment firms and collective investment funds.
Sale or issue abroad by residents	Yes.	CBB approval is required.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	A resident company wholly owned by nonresidents is not allowed to

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		raise fixed capital in Bahamian dollars, although approval may be granted to obtain working capital in local currency. If the company is partly owned by residents, the amount of local currency borrowing for fixed capital purposes is determined in relation to residents' interest in the equity of the company. However, companies set up by nonresidents primarily to import and distribute products manufactured outside The Bahamas are not allowed to borrow Bahamian dollars from residents for either fixed or working capital; instead, they must provide all their financing in foreign currency. Banks and other lenders resident in The Bahamas must have permission to extend loans in domestic currency to any corporate body (other than a bank) that is resident in The Bahamas but is controlled directly or indirectly by nonresidents. Foreign currency loans are generally permitted on application. Exchange Control approval is required if local real estate is offered as collateral.
To residents from nonresidents	Yes.	Residents other than authorized banks must obtain permission to borrow foreign currency from nonresidents. Residents must also obtain permission to pay interest on, and to repay the principal of, foreign currency loans by conversion of Bahamian dollars. When permission is granted for residents to accept foreign currency loans, it is conditional on the currency being offered for sale without delay to an AD, unless the funds are required to meet specifically authorized payments to nonresidents.
Financial credits	Yes.	
By residents to nonresidents	Yes.	A resident company wholly owned by nonresidents is not allowed to raise fixed capital in Bahamian dollars, although approval may be granted to obtain working capital in local currency. If the company is partly owned by residents, the amount of local currency borrowing for fixed capital purposes is determined in relation to residents' interest in the equity of the company. However, companies set up by nonresidents primarily to import and distribute products manufactured outside The Bahamas are not allowed to borrow Bahamian dollars from residents for either fixed or working capital; instead, they must provide all their financing in foreign currency. Banks and other lenders resident in The Bahamas must have permission to extend loans in domestic currency to any corporate body (other than a bank) that is resident in The Bahamas but is controlled directly or indirectly by nonresidents. Foreign currency loans are generally permitted on application. Exchange Control approval is required if local real estate is offered as collateral.
To residents from nonresidents	Yes.	Residents other than authorized banks must obtain permission to borrow foreign currency from nonresidents. Residents must also obtain permission to pay interest on, and to repay the principal of, foreign currency loans by conversion of Bahamian dollars. When permission is granted for residents to accept foreign currency loans, it is conditional on the currency being offered for sale without delay to an AD, unless the funds are required to meet specifically authorized payments to nonresidents.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	CBB approval is required.
To residents from nonresidents	Yes.	CBB approval is required.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	For direct (that is, not portfolio) investments both in The Bahamas' offshore sector and abroad, residents are permitted to purchase up to $2 million a person or entity via the official market (that is, from

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		ADs), with the prior approval of CBB, subject to an overall limit of $10 million an investor group, a transaction. This facility may be accessed once every three years. These limits apply to investments from which the additional benefits that are expected to accrue to the balance of payments from export receipts, profits, or other earnings within 18 months of the investment will be at least equal to the total amount of the investment and will continue thereafter. Investments abroad that do not meet the above criteria may be financed by foreign currency borrowed on suitable terms, subject to individual approval from the CBB; by foreign currency purchased in the ICM; or by the retained profits of foreign subsidiary companies. Permission is not given for investments that are likely to have adverse effects on the balance of payments.
Inward direct investment	Yes.	CBB approval is required.
Controls on liquidation of direct investment	No.	In the event of a sale or liquidation, nonresident investors may repatriate the proceeds, including any capital appreciation, through the official foreign exchange market.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Residents require the specific approval of the CBB to buy property outside The Bahamas; such purchases, if for personal use, may be made only with investment currency, and approval is limited to one property a family. Incidental expenses connected with the purchase of property for personal use may generally be met with investment currency. Expenditures necessary for the maintenance of the property or arising directly from its ownership may, with permission, be met with foreign currency bought at the current market rate in the official foreign exchange market. The premium on approved purchases of foreign real estate through ICM is 5%. The ICM property premium excludes the purchase of time share units abroad, which may be funded at the official rate up to B$25,000 a family unit, once every 10 years. On CBB approval, residential or time share purchases may be made at the official rate, up to a limit of $0.5 million. Payments in excess of this amount will require use of the ICM.
Purchase locally by nonresidents	Yes.	Foreigners intending to purchase land for commercial purposes or property larger than two acres in size must obtain a permit from the Investments Board. If such an application is approved, payment for the purchase may be made either in Bahamian dollars from an external source or in foreign currency. Nonresidents wishing to purchase property for residential purposes may do so without prior approval but are required to obtain a certificate of registration from the Investments Board on completion of the transaction.
Sale locally by nonresidents	Yes.	CBB approval is required.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	CBB approval is required.
To residents from nonresidents	Yes.	CBB approval is required.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Authorized banks may approve foreign exchange transactions for cash gift payments up to B$15,000 a transaction. Larger amounts require CBB approval. Endowments, inheritance, and legacies require CBB approval.

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To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Immigrants (that is, work visa and contract workers) are permitted to remit up to half of their wages and salaries annually for the length of their contract. They may also with CBB approval transfer accumulated savings abroad, if needed to meet commitments abroad. Immigrants are permitted to remit up to 100% of wages and salaries annually for the length of contract.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	An emigrant may transfer abroad a maximum of the equivalent of B $250,000 a family unit a year. Excess amounts may be approved by the CBB on an individual basis.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Residents are not allowed to remit funds earned from gambling.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Specific CB authorization is required for borrowing from abroad, including from the parent institution.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Exchange Control approval is required if local domestic securities are offered as collateral, for example, real estate and shares.
Lending locally in foreign exchange	Yes.	Exchange Control approval is required to make loans to residents in foreign exchange. When permission is granted for residents to accept foreign currency loans, it is conditional on the currency being offered for sale without delay to an AD, unless the funds are required to meet specifically authorized payments to nonresidents.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	Prudential guidelines apply.
Abroad by banks	Yes.	Investment abroad by banks is subject only to open foreign exchange position limits.
In banks by nonresidents	Yes.	There are no restrictions on nonresident investment in foreign listed

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		securities of banks with resident branches/subsidiaries. Nonresidents are not permitted to invest in locally listed securities of banks without CBB authorization.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The open foreign exchange position limits do not differ for resident and nonresident assets and liabilities. The limit is the equivalent of 5% of each bank's Bahamian dollar Tier 1 capital, subject to a maximum of B$5 million and a minimum of B$0.5 million.
On nonresident assets and liabilities	Yes.	The open foreign exchange position limits do not differ for resident and nonresident assets and liabilities. The limit is the equivalent of 5% of each bank's Bahamian dollar Tier 1 capital, subject to a maximum of B$5 million and a minimum of B$0.5 million.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	The activity of insurance companies is regulated by the Insurance Commission of The Bahamas.
Limits (max.) on securities issued by nonresidents	Yes.	The limits on securities issued by nonresidents are subject to the decision and discretion of the CBB and Office of the Registrar of Insurance Companies.
Limits (max.) on investment portfolio held abroad	Yes.	These limits on investment portfolio held abroad are subject to the decision and discretion of the CBB and Office of the Registrar of Insurance Companies.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investment of Bahamian dollar assets must receive CBB approval, and approved transactions must be conducted through the ICM.
Limits (max.) on investment portfolio held abroad	Yes.	Investment of Bahamian dollar assets must receive CBB approval, and approved transactions must be conducted through the ICM.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	The CBB requires that all employee/employer Bahamian dollar contributions to pension funds of domestic licensees be invested in Bahamian dollar assets.
Investment firms and collective investment funds	Yes.	Limits are imposed by the CBB, in concert with primary regulators (for example, the SC), with respect to portfolios held abroad.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Limits are imposed by the CBB, in concert with primary regulators (for example, the SC), with respect to portfolios held abroad.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	Yes.	
Retail	Yes.	The CBB launched its retail CBDC, the SandDollar, in October 2020. They key features are a comprehensive, risk-driven, AML-compliant ecosystem with instant transaction capabilities and settlement with 24x7x365 operations in a secure environment that

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		stores digital signatures. The SandDollar also offers interoperability with legacy domestic payment systems, such as the real-time gross settlement system (RTGS) and the automated clearing house (ACH). Additionally, the SandDollar has a library of Application Programming Interface (APIs) that allow authorized financial institutions (AFIs) to customize and issue third party wallets.
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	Yes.	
Use among residents	Yes.	The SandDollar operates under a tiered wallet system, and each tier has different transaction and holding limits, and know your customer (KYC) requirements. Tier One wallet may hold a maximum of 500 SandDollars at one time, and has a monthly transactional limit of 1,500 SandDollars a month, and requires no KYC. Tier 2 wallet has a holding limit of 8,000 SandDollars and a transactional limit of 10,000 SandDollars a month, with KYC requirements. Tier 3 wallet has a holding limit of 1,000,000 SandDollars and no monthly transactional limit. The Tier 3 wallet is mainly for businesses and has the strictest KYC requirements.
Between residents and nonresidents	Yes.	Nonresidents are restricted to the same holding and transactional limits and KYC requirements as residents.
For current transaction	Yes.	The controls for settlement are defined in the tiers of each wallet.
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Between nonresidents	No.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	n.a.	

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Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

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No significant changes occurred in the exchange and trade system.

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BAHRAIN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 7, 1972.
Article VIII	Yes.	Date of acceptance: March 20, 1973.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	n.a.	Information is not publicly available.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Measures have been taken to combat the financing of terrorists and terrorism, including the freezing of assets of certain individuals and organizations, pursuant to UNSC resolutions, and the Central Bank of Bahrain (CBB) requires all licensees to ensure diligence in examining their financial dealings with certain persons and organizations.
Other security restrictions	Yes.	

Exchange Arrangement

Currency	Yes.	The currency of Bahrain is the Bahraini dinar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement. The dinar is pegged to the US dollar at the rate of BD 1 per US$2.659. The rate is published in the Official Gazette of the CBB.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		

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Floating		
Free floating		
Official exchange rate	Yes.	The dinar is pegged to the US dollar at the rate of BD 1 per US $2.659. This rate applies to actual CBB foreign exchange transactions, accounting, and valuation. Under the CBB Law, the CBB sets the parity rate of the domestic currency.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		

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Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs, which operate under the Law on the Bank of Bahrain and the Financial Institutions Law (2006), set their exchange rates and commissions freely. In addition to banks, foreign exchange dealers operate in the foreign exchange market.
Spot exchange market	Yes.	The CBB has licensed 141 institutions (including 32 retail banks and 78 wholesale banks) to deal in foreign exchange as of December 31, 2022. The CBB has also licensed 18 money changers to sell, purchase, and exchange foreign currency directly and transfer currency from Bahrain on behalf of their clients.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The CBB buys US dollars at BD 0.375 per US dollar and sells US dollars at BD 0.377 per US dollar to ADs and the government. The CBB does not deal with the public. No documentation is required from banks to complete transactions with the CBB. Deals are executed and recorded in the automated dealing system, which is sufficient to verify the trade and prove the commitment of both parties.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The CBB had authorized 362 financial institutions as of December 31, 2022, 84 of which were conventional and Islamic banks.
Over the counter	No.	
Brokerage	Yes.	Bahrain operates a brokerage system.
Market making	No.	
Forward exchange market	Yes.	The CBB monitors the forward exchange transactions of commercial banks through the open position of banks' monthly returns. The CBB does not participate in the foreign exchange derivatives market (forwards and swaps).
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	No.	All settlements with Israel are prohibited. Otherwise, no requirements are imposed on exchange payments or receipts.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	Yes.	Bahrain is a member of the GCC Customs Union.
Barter agreements and open accounts	No.	
Administration of control	No.	There is no exchange control legislation. The CBB is the successor to the Bahrain Monetary Authority. The CBB and Financial Institutions Law replaced the Bahrain Monetary Authority Law of 1973 and the Insurance Law (Legislative Decree No. 17 of 1987).
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Imports of gold jewelry are subject to a 5% customs duty (applicable to most imported goods), but gold ingots are exempt.
Controls on exports and imports of banknotes	Yes.	As of December 28, 2017, money changers wishing to import or export banknotes require the CBB's prior approval, subject to meeting certain conditions.
On exports	Yes.	
Domestic currency	Yes.	If domestic currency is in possession with the passenger, the passenger must disclose the source of the money to Customs as well as complete the disclosure form for recording purpose. For exporting the currency through cargo, disclosure form and the invoice must be provided to Customs.
Foreign currency	Yes.	If foreign currency is in possession with the passenger, the passenger must disclose the source of the money to Customs as well as

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		complete the disclosure form for recording purpose. For exporting the currency through cargo, disclosure form and the invoice must be provided to Customs.
On imports	Yes.	
Domestic currency	Yes.	If the Bahraini Banknote (domestic currency) is imported into the Kingdom of Bahrain through cargo, the banknote will be sealed by Customs Affairs and will be sent to the CBB for verification. If the domestic currency banknote is imported to Bahrain with the passenger, the passenger should provide the money disclosure form and the funding source to the Customs Affairs.
Foreign currency	Yes.	If foreign currencies are imported into the Kingdom of Bahrain, through cargo, it will be delivered to the importer, and CBB will be notified. If the foreign currency banknotes are imported into Bahrain with the passenger, the passenger should provide the money disclosure form and the funding source to the Customs Affairs.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Approval required	No.
Held abroad	Yes.
Approval required	No.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Yes.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	No.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Approval required	No.
Blocked accounts	No.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for	Yes.

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release of foreign exchange for imports		
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Documentation requirements, such as invoices, bill of lading. Documents are also required to verify source of funding. If the required documents are not available, imported goods may be released with a written promise to submit the documents at a later date.
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Licenses are required to import: medicines; devices and medical devices intended for human use; children's toys; cement; cars; motorcycles; tires; cosmetics and cleaning supplies; chemicals and materials that pose a security risk such as weapons and ammunition; and mobile phones and wireless devices.
Negative list	Yes.	It is prohibited to import narcotics (poppy and hemp), cultured pearl. As well as import of some commodities from all sources for health, public policy, and security reason is prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	There are no nontariff measures between the GCC members and Arab countries, but there are other nontariff measures for imports from non-GCC countries.
Import taxes and/or tariffs	Yes.	All imported goods are treated in accordance with version 2022 of the tariff code. (1) Most imported goods are subject to a customs duty of 5%, with the exception of most vegetables, fruits, and fresh and chilled meat and fish, which are exempt from tax. (2) Tobacco products are subject to a customs duty of 100% ad valorem rates. However, evaluations based on quantity or weight, whichever is higher, apply if they result in higher duties. (3) Since December 2017, alcoholic beverages are no longer subject to a customs duty. (4) Books and magazines are also exempt from tax.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	

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Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	In accordance with the GCC Common Customs Law, exports of goods to the GCC countries are subject to documentation requirements, such as airway bills or bill of loadings, invoices.
Export licenses	No.	
Without quotas	No.	Exports to Israel are no longer prohibited as per Bahrain–Israel normalization agreement.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	Yes.	Proceeds from invisible transactions from Israel are prohibited.

Capital Transactions

Controls on capital transactions	Yes.	There are no exchange controls on capital receipts or payments by residents or nonresidents, but transactions in money market instruments are regulated to prevent money laundering. Payments may not be made to or received from Israel.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	The capital market is subject to anti-money-laundering legislation.
Shares or other securities of a participating nature	Yes.	The CBB Law and its accompanying regulations provide for certain controls based on international best practices.
Purchase locally by nonresidents	Yes.	In line with Resolution No. 49 of 2016 issued by the Ministry of Industry, Commerce, and Tourism, foreign investors are allowed to have 100% ownership in most sectors. Investment in very few sectors is restricted at 49%. Purchases, sales, and ownership of shares are subject to the provision of anti-money-laundering legislation. The CBB Law and regulations do not specify any minimum holding period requirement. With regard to shareholding pattern of financial institutions licensed and regulated by the CBB, Article 345(a) of the Commercial Companies Law (as amended) allows for partial or full ownership of

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		such financial institutions by non-Bahraini citizens.
Sale or issue locally by nonresidents	Yes.	The CBB Law regulates the sale and issuance of securities by residents and nonresidents. These sales (transactions) are subject to the CBB approval under Article 81 of the CBB Law and the CBB Rulebook, in particular the Offering of Securities (OFS) Module in Volume 6 thereof.
Purchase abroad by residents	No.	There are no restrictions on these transactions, provided the regulations of the foreign jurisdiction concerned are satisfied.
Sale or issue abroad by residents	Yes.	The CBB may object to the issuance of securities. As per the CBB Rulebook requirement, in particular, the OFS Module in Volume 6, sale or issue abroad by residents must be subject to the CBB approval, provided the foreign regulator in respective jurisdiction has approved the sale of issue.
Bonds or other debt securities	Yes.	The issuance of bonds and other debt securities is subject to the CBB Law and regulations, the CBB Rulebook, and the Commercial Companies Law. Sales of listed bonds and other debt securities are subject to the CBB Rulebook and the CBB Resolution No. 17 of 2012 in respect of Listing and Trading of Financial Instruments on the Bahrain Bourse and Bahrain Bourse's rules.
Purchase locally by nonresidents	Yes.	In line with the CBB Directive (Ref. EDBO/44/2011) issued to all retail banks within Bahrain on August 10, 2011, the participation of retail customers/investors in government securities' issuance, in specific, was discussed. The Directive was issued with the objective of promoting greater participation of individuals in the issuance of governmental securities (which must mean treasury bills, government development bonds, and Islamic securities issued by the CBB on behalf of the Government of Bahrain). The Directive is general for all retail banks' customers; therefore, nonresidents are eligible to participate only if they have an account with a retail bank. In summary, it requires any retail bank which is approached by a customer who wishes to acquire government securities to assist that customer by purchasing for him or her on a fiduciary basis and hold such government securities for him or her.
Sale or issue locally by nonresidents	No.	The CBB Law and the OFS Module in Volume 6 of the CBB Rulebook apply.
Purchase abroad by residents	No.	There are no restrictions on these transactions, provided the regulations of the foreign jurisdiction concerned are satisfied.
Sale or issue abroad by residents	Yes.	No restriction applies, provided there is no objection by the CBB. As per the CBB Rulebook requirement, in particular, the OFS Module in Volume 6, sale or issue abroad by residents must be subject to the CBB approval, provided the foreign regulator in respective jurisdiction has approved the sale of issue.
On money market instruments	No.	There are no restrictions on these transactions; however, they are regulated to prevent money laundering.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	Derivatives trading must be conducted on a licensed exchange in Bahrain and is subject to the rules of the exchange and the CBB, which conform to International Organization of Securities Commissions' recommendations and international practice.
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	The GCC citizens may own up to 100% of the shares of domestic enterprises. Non-GCC individuals may own up to 100% of the shares of domestic (locally incorporated) companies and branches of foreign incorporated companies, with the exception of a small number of activities on the negative list and in accordance with restrictions that apply to the ownership of publicly listed companies.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	There are no restrictions on ownership of real estate by the GCC nationals (either natural or juridical persons). Nonresidents (both natural and juridical persons) may own buildings and property only in locations specified in Council of Ministers Regulation No. 5/2001, including most of the high-end and tourist areas. Commercial, tourism, and industrial companies, as well as banking and financial institutions licensed to operate in Bahrain, may own real estate without restriction.
Sale locally by nonresidents	No.	

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Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks are subject to special rules regarding the payment of dividends and the remittance of profits. Licensed offshore banking units may engage freely in transactions with nonresidents; transactions with residents are not normally permitted.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Effective August 1, 2022, the required reserve ratio was increased from 3% to 5%. This applies to all Bahraini dinar deposits held by residents and nonresidents in the nonbank sector and retail banks. There is no reserve requirement on foreign currency deposits.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	The reserve requirements apply equally to residents and nonresidents in the nonbank sector.
Liquid asset requirements	No.	
Interest rate controls	No.	

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Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	Banks are allowed to set their own limits.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	No domestic CBDC has been issued by the CBB for retail market.
Wholesale	No.	No domestic CBDC has been issued by the CBB for wholesale market.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	CBDC issued by other jurisdiction is officially not considered as legal tender nor are such CBDCs part of the payment and settlement system.

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Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	No domestic CBDC has been issued; hence, transactions in domestic CBDC, whether retail or wholesale, cannot be undertaken.
Use among residents	n.r.	No domestic CBDC has been issued by the CBB; therefore, transactions in domestic CBDC are not feasible.
Between residents and nonresidents	n.r.	No domestic CBDC has been issued by the CBB; therefore; transactions in domestic CBDC are not feasible.
For current transaction	n.r.	No domestic CBDC has been issued by the CBB; therefore, transactions in domestic CBDC are not feasible.
For capital transactions	n.r.	No domestic CBDC has been issued by the CBB; therefore, transactions in domestic CBDC are not feasible.
Transactions in capital and money market instruments	n.r.	No domestic CBDC has been issued by the CBB; therefore, transactions in domestic CBDC are not feasible.
Transactions in derivatives and other instruments	n.r.	No domestic CBDC has been issued by the CBB; therefore, transactions in domestic CBDC are not feasible.
Credit operations	n.r.	No domestic CBDC has been issued by the CBB; therefore, transactions in domestic CBDC are not feasible.
Between nonresidents	n.r.	No domestic CBDC has been issued by the CBB; therefore, transactions in domestic CBDC are not feasible.
Controls on CBDC launched by another jurisdiction	n.r.	CBDCs issued by other jurisdictions are officially not recognized as legal tender and therefore transactions in such CBDCs cannot be undertaken nor are such CBDCs part of CBB's payment and settlement system.
Acquisition by residents	n.r.	While residents may acquire CBDCs issued by another jurisdiction, such CBDCs are not considered as legal tender and therefore are not part of the payment and settlement system.
Use among residents	n.r.	Officially, the CBDCs issued by other jurisdictions are not considered as a medium of exchange. However, residents may undertake peer-to-peer transaction in CBDCs issued by another jurisdiction.
Between residents and nonresidents	n.r.	Officially, the CBDCs issued by other jurisdictions are not considered as a medium of exchange. However, resident may undertake peer-to-peer transaction in CBDCs issued by another jurisdiction.
For current transaction	n.r.	CBDCs are not allowed for current transactions.
For capital transactions	n.r.	CBDCs are not allowed for capital transactions.
Transactions in capital and money market instruments	n.r.	CBDCs are not allowed for transaction in capital and money market instruments.
Transactions in derivatives and other instruments	n.r.	CBDCs are not allowed for transaction in derivative and other instruments.
Credit operations	n.r.	CBDCs are not allowed for the purpose of credit operations.
Crypto assets	Yes.	Transactions in crypto assets can be undertaken through entities licensed to offer regulated crypto-asset services.
Controls on unbacked tokens	Yes.	Transaction in unbacked crypto assets can be undertaken through entities licensed to offer regulated crypto asset services.
Acquisition by residents	Yes.	Acquisition should be through a licensed entity regulated by the CBB.
Use among residents	Yes.	As such there is no restriction at a general level; however, transaction with tainted wallet or blacklisted wallet or suspicious wallet is restricted.
Between residents and nonresidents	Yes.	As such there is no restriction at a general level; however, transaction

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		with tainted wallet or blacklisted wallet or suspicious wallet is restricted.
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Crypto assets are not used for the purpose of acquisition or settlement of capital market products or money market instruments.
Transactions in derivatives and other instruments	Yes.	Crypto assets are not used for the purpose of acquisition or settlement of derivatives or other instruments.
Credit operations	Yes.	Crypto assets are not used for the purpose of credit operations.
Controls on utility and security tokens	Yes.	Issuance and public offer of security tokens and utility tokens which exhibit characteristics of security are regulated under the CRA Module CBB Rulebook, Volume 6.
Acquisition by residents	Yes.	Residents may only acquire security and utility tokens which have been approved by the CBB for issuance and public offer.
Use among residents	Yes.	Residents can only use security and utility tokens which have been approved by the CBB for issuance and public offer.
Between residents and nonresidents	Yes.	Security and utility tokens which have been approved by the CBB for public issuance are allowed to be transacted.
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Security and utility tokens are not used for the purpose of transaction in capital markets or money market instruments.
Transactions in derivatives and other instruments	Yes.	Security and utility tokens are not used for the purpose of acquisition or settlement of derivatives products and other financial instruments.
Credit operations	Yes.	Security and utility tokens are not used for credit operations.
Controls on stablecoins	Yes.	Stablecoins can be used for the purpose of undertaking transactions in crypto assets only. Legally, they are not considered as a medium of exchange nor are they part of the payment and settlement system.
Acquisition by residents	Yes.	Only licensed crypto-asset entities offering regulated crypto-asset services are allowed to offer products and services in stablecoins (buying, selling, etc.).
Use among residents	Yes.	While there is no restriction on peer-to-peer use of stablecoins subject to AML/CFT requirements, residents cannot use it for payment or other purposes which forms part of the conventional payment system (banking system).
Between residents and nonresidents	Yes.	The normal payment system (banking system, money exchanger) cannot be used for transfer of stablecoins.
For current transaction	Yes.	While peer-to-peer transfer is allowed, banking channel or money exchangers cannot be used to transfer stablecoins for settlement of current transactions.
For capital transactions	Yes.	While peer-to-peer transfer is allowed, banking channel and money exchangers cannot be used to transfer stablecoins for settlement of capital transactions.
Transactions in capital and money market instruments	Yes.	Stablecoins are not to be used for the purpose of settlement of capital and money market instruments.
Transactions in derivatives and other instruments	Yes.	Stablecoins are not to be used for acquisition of settlement of derivative transactions.
Credit operations	Yes.	Stablecoins are not used for credit operations.
Controls on crypto exchanges and trading platforms	Yes.	The CBB vide its Resolution No. 28 for the year 2019 and Rulebook Module CRA regulates the services offered in crypto assets. Entities who are licensed under Module CRA are allowed to undertake

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		regulated services in crypto assets.
Domestic exchanges	Yes.	Entities who have been specifically licensed under the CRA Module are eligible to under regulated services in crypto assets.
Access to crypto exchange/trading platform by residents	Yes.	Residents must register with licensed crypto asset platforms by undergoing the customer due diligence process. Furthermore, residents (clients) must follow the ongoing obligations specified in the rulebook.

Changes during 2022 and 2023

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*08/01/2022*	The required reserve ratio for Bahraini dinar deposits was raised to 5% from 3%.

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BANGLADESH

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 17, 1972.
Article VIII	Yes.	Date of acceptance: April 11, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with Bangladesh states that, as of February 15, 2022, Bangladesh maintained one restriction subject to IMF approval under Article VIII, Section 2(a) on the convertibility and transferability of proceeds of current international transactions in nonresident taka accounts (NRTAs). (Country Report No. 22/71)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Banks and other financial institutions have been instructed to block all capital transfers and to freeze financial assets of individuals, groups, and organizations associated with terrorism, pursuant to the relevant UNSC resolutions. Banks have been instructed to follow the following provisions in case of international fund transfers: No account may be opened or operated for a listed individual or entity suspected to be involved in terrorism and terrorism financing activities within the purview of different Resolutions of the UNSC. “Person or entities listed under various resolutions of the UNSC” refers to the listed persons or entities under the resolutions defined under Article 2(g) of Anti-Terrorism Rules, 2013. If any account or transaction of any individual/entity directly or indirectly under their control/association is identified, banks must stop the transaction in that account or stop that transaction and inform the Bangladesh FIU (BFIU) with detailed information within the next working day. As soon as any news on the Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction is published in the media and if any account of any person or entity related to that activity is maintained with the bank, detailed information must be reported to the BFIU without any delay. No correspondent banking relationship may be established or maintained with any Shell Bank. Conduct and review transaction, when necessary, to identify if there is any account or any other relationship, under Resolution No. 1373 (2001) of UNSC, on request of foreign government or foreign FIU or any listed or proscribed individual or entity as per the list sent from the BFIU or as per the listed or proscribed individual/entity by the Bangladesh Government. As soon as any account is identified of any listed or proscribed individual or entity, the bank must stop the transaction in that account and inform the BFIU with detailed information within the next working day. As of February 2016, financial institutions and other reporting agencies identified under

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		Section 2(20) of Anti-Terrorism Act, 2009, have been instructed to implement UNSC Resolutions Nos. 1267(1999), 1333(2000), 1363(2001), 1373(2001), 1390(2002), 1452(2002), 1455(2003), 1540(2004), 1526(2004), 1617(2005), 1718(2006), 1730(2006), 1735(2006), 1822(2008), 1874(2009), 1904(2009), 1988(2011), 1989(2011), 2082 (2012), 2083 (2013) and any successor resolutions to be adopted by the UNSC in the future under Chapter VII of the Charter of the UN to combat terrorism.

Exchange Arrangement

Currency	Yes.	The currency of Bangladesh is the Bangladeshi Taka (BDT).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is floating since May 31, 2003. The Bangladesh Bank (BB) intervenes in the foreign exchange (FE) market to contain undue volatility in the exchange rate. ADs in the FE market are supposed to set their own exchange rates for their customer and inter-bank transactions. Bangladesh Foreign Exchange Dealers' Association (BAFEDA) has issued a notification for ADs (AD banks) regarding policy for exchange rates in FE dealings – for settling import bills and other outward remittances, banks will charge maximum Tk. 1.00 over the weighted average buying rate of export proceeds and inward remittances from September 11, 2022. The BB publishes information on its intervention on monthly (Major Economic Indicators), quarterly (Bangladesh Bank Quarterly (BBQ)), and annually (Monetary Policy Statement (MPS) and Annual Report). Publications lags are: 1 month for Major Economic Indicators, 2–3 months for BBQ, 3–4 weeks for MPS, and 5–7 months for Annual Report. Because of higher deficit in Balance of Payments, BDT faced an intense depreciation pressure against USD during the second half of FY22. On this backdrop, BB's intervention in 2022 through net sale of USD 12.94 billion helped ensure exchange rate stability. Since May 2022, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate arrangement was reclassified to other managed from crawl-like, effective May 17, 2022.

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Floating		
Free floating		
Official exchange rate	Yes.	The BB, on the basis of the exchange rate prevailing in the interbank market, calculates the exchange rate of the US$/BDT against major foreign currencies (FCs) for the purpose of valuation adjustment of FE reserves, for carrying out transactions related to government's external loans, grants, and aids (receipt/service) in terms of local currency and for market intervention (sale/purchase, when required). To determine the exchange rate of Bangladeshi taka (BDT) for a particular date, the latest New York closing exchange rate of major currencies against the US dollar and the US$/BDT exchange rate of the preceding day, which prevailed in the local interbank FE market, are taken into account. The cross-rate is calculated using the US $/BDT exchange rate (low as bid and high as ask) of the local interbank FE market.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	Effective July 1, 2023, the monetary policy framework of Bangladesh has shifted to an interest rate targeting framework from a monetary targeting framework. Instead of monetary aggregate targeting, Bangladesh Bank has formulated a monetary policy framework based on interest rate targeting where a 'policy interest corridor' has been introduced. Unlike a rigid monetary targeting approach focusing solely on controlling monetary aggregates, interest rate targeting allows policymakers to adjust interest rates in response to evolving economic circumstances. In the new monetary policy framework, the policy interest rate has been introduced as repo rate ±200 basis points symmetric corridor consisting of a standing lending facility (SLF) and a standing deposit facility (SDF), a market-based interest rate has been set as a benchmark for all types of bank advances (SMART-Six-month moving average rate of Treasury bill), adoption of single and market-based exchange rates is announced. Under this new framework, the interbank call money rate is closely aligned with the policy rate, ensuring stability. In this monetary policy, reserve money projection is considered as indicative target instead of operational target. Currently, BB publishes its Monetary Policy Statement on half yearly basis, though monetary policy stance is being reviewed by the Monetary Policy Committee (MPC) on quarterly basis. If any policy changes are prescribed by the MPC during the review process, BB publishes those changes accordingly through circulars and press releases.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		

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Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	Yes.	Effective January 1, 2022, the incentive against workers' remittances was increased to 2.5% from 2%.
Foreign exchange market	Yes.	ADs are allowed to freely determine their bid-ask spread with bank and nonbank clients.
Spot exchange market	Yes.	Commercial banks participating in the local FE market may freely determine their exchange rate for interbank and customer transactions. Bangladesh Foreign Exchange Dealers' Association issued a notification for AD banks regarding policy for exchange rates in foreign exchange dealings: effective September 11, 2022, for

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		settling import bills and other outward remittances, banks may charge a maximum of Tk. 1 over the weighted average buying rate of export proceeds and inwards remittances. Banks also set the exchange rate in the interbank market emerging from this policy. The BB grants licenses to deal in FE. As of June 30, 2023, there are 1,053 branches of commercial banks (known as AD banks) licensed to deal in FE with bank and nonbank customers. There are 234 money changers (MCs) and 114 limited MCs granted with licenses to buy FC from tourists and to sell up to US$1,000 a person as a travel allowance to Bangladesh nationals. MCs are not allowed to make FE transactions directly with the CB and are not allowed to maintain account abroad. MCs' operation is limited to the purchase and sale of banknotes; they cannot make FC payments and transfers on behalf of their clients. However, MCs can maintain FC account with ADs in Bangladesh.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	Currently, there is no FE standing facility for commercial banks. To ensure smooth functioning of the interbank market, the BB occasionally buys and sells FE from/to commercial banks considering the exchange position of the banks concerned, underlying transactions, market demand, and liquidity of the overall market.
Allocation	Yes.	The tenure of the Financial Sector Support Project (FSSP) was from July 1, 2015, to March 31, 2021. The BB provides a FC support to exporters to bolster exports through Export Development Fund (EDF). The current limit of the EDF is US$7 billion and outstanding amount is approximately US$3.6 billion as of September 30, 2023. The Green Transformation Fund (GTF) established by the BB is a revolving fund of US$200 million and EUR200 million to accelerate sustainable growth in export-oriented textile and leather sectors conducive to transformation of green economy in the country. The fund allows AD banks to lend to their customers for importing capital machineries and accessories in FE and BB refinances the fund to the AD banks.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is an effective interbank FE market where all 61 commercial banks participate to buy or sell FE on spot, swap, and forward basis.
Over the counter	Yes.	These deals are made on a bilateral basis, and there is no broker or other market-making arrangement.
Brokerage	No.	There is no broker arrangement.
Market making	No.	There is no other market-making arrangement.
Forward exchange market	Yes.	
Official cover of forward operations	No.	There is no official cover of forward operations.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements generally take place in convertible currencies and, in some cases, through NRTAs. The board of directors of the ACU allows the use of euros in addition to US dollars for the settlement of transactions among ACU member countries. Settlements with ACU member countries must be effected through the ACU and in units

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		denominated in AMUs. (ACU dollars and ACU euros are equivalent in value to US$1 and €1, respectively.) The minimum threshold amount for transactions through ACU member CBs under ACU arrangement was set at 500 ACU dollars or ACU euros. As the payment channel for processing "ACU Euro" transactions had been suspended by some correspondents, ADs were advised to suspend operations in "ACU Euro" temporarily. Accordingly, all eligible current account transactions in "ACU Euro" were permitted to be settled outside the ACU mechanism until further notice. To facilitate transactions under ACU mechanism, along with "ACU Dollar," ADs are advised to resume transactions in "ACU Euro" to settle current account transactions among ACU member countries. In addition, Japanese yen is also a settlement currency in the ACU mechanism.
Controls on the use of domestic currency	Yes.	Domestic currency held in the NRTAs of overseas bank branches and correspondents against inward remittance in convertible currencies may be used to settle eligible international transactions.
For current transactions and payments	Yes.	Payments for imports may be made to any country (with the exception of countries from which imports are prohibited). They may be made in (1) taka for credit in Bangladesh to a nonresident bank account of the country concerned, (2) the currency of the country concerned, or (3) any freely convertible currency. Export proceeds must be received in freely convertible FE or in taka from an NRTA.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	ADs may hedge the price risk of commodities (traded on exchanges or over the counter) of their customers through standard exchange-traded futures and options and OTC commodity derivatives, subject to the BB approval. The use of commodity derivatives is permitted when customers have genuine underlying commodity-price risk exposure. Speculation through the use of commodity derivative instruments is not permitted by the BB.
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	The use of FE among residents is generally not allowed.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There is a bilateral payments arrangement with Myanmar. Under a MoU signed between Bangladesh and India, there are zones (markets) for border trade between the two countries. Both countries' exchange regulations are suspended in these zones for trading of goods up to the equivalent of US$100 a day an individual.
Inoperative	No.	
Regional arrangements	Yes.	The ACU was established at the initiative of the UN Economic and Social Commission for Asia and the Pacific (ESCAP). The Draft Agreement establishing the ACU was finalized in December 1974 after five CBs (India, Iran, Nepal, Pakistan, and Sri Lanka) signed the Agreement. In subsequent years, Bangladesh and Myanmar were the sixth and seventh signatories. Bhutan and Maldives signed the Agreement in 1999 and 2009, respectively, leading to a total of nine members in the ACU.
Clearing agreements	Yes.	The ACU (Bangladesh, Bhutan, India, Iran, Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka) is a payment arrangement whereby the participants settle payments for intra-regional transactions among the participating CBs on a net multilateral basis. The main objectives

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		of the clearing union are to facilitate payments among member countries for eligible transactions, thereby economizing on the use of FE reserves and transfer costs, as well as promoting trade and banking relations among the participating countries.
Barter agreements and open accounts	No.	
Administration of control	Yes.	FE policy is administered by the BB in accordance with the FERA (1947). Banks may deal in FE. The chief controller of imports and exports of the Ministry of Commerce is responsible for registering exporters and importers and for issuing import policy orders (IPOs). Registered importers may operate according to the terms of an IPO. LC authorization forms (LCAFs) are issued by ADs and do not require separate import licenses.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	There are no restrictions on the internal sale, purchase, or possession of gold or silver ornaments (including coins) and jewelry.
On external trade	Yes.	The importation and exportation of gold and silver require special permission under the FERA, 1947, which was later amended September 9, 2015. However, women may bring in or take out any amount of personal jewelry they are wearing or carrying in their personal luggage, without approval. Exports of gold jewelry and imports of gold and silver for exports of jewelry manufacture are allowed under the Jewelry Export Scheme. Incoming passengers irrespective of their resident status may bring into Bangladesh gold or silver in bullion/ingot up to the prescribed limit in terms of relevant baggage rules in force issued under the Customs Act, 1969. The BB issues authorized gold dealer licenses for importation of gold bar and jewelry to AD banks and interested organizations.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Residents and nonresidents may take out up to Tk 10,000 in domestic currency.
Foreign currency	Yes.	The amount that may be brought in without declaration when returning from a visit abroad is US$10,000 or equivalent in other FCs (in cash, bank draft, etc.). Resident Bangladeshi nationals may retain FC up to US$10,000 or equivalent brought in by them from abroad or may deposit it in Resident Foreign Currency Deposit Account (RFCDA) with AD banks and may take it out at the time of subsequent travel abroad. However, selling to AD/MC or depositing in RFCDA of FE in excess of US$10,000 or equivalent brought in with declaration in FMJ form, within 30 days of arrival is mandatory for resident Bangladeshi nationals. FCs brought in (and declared in FMJ (Foreign Exchange Declaration Form) form with customs authorities for amount exceeding US$10,000 or equivalent) by the nonresidents/foreigners may be encashed with AD bank/MC, retained, or deposited into FC accounts with AD banks. The unused portion of the FCs may be taken back at the time of departure from Bangladesh. However, a copy of the declaration form of FC in FMJ must be retained.

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		FC account holders may withdraw their balances and take it out up to US$5,000 in notes/coins and for amounts above that the remaining is withdrawn in another currency. Foreign tourists may reconvert the unspent taka to FC from the same AD from which the FC was encashed earlier on presentation of the encashment certificate and take out at the time of departure from Bangladesh. Likewise, they may reconvert the unspent taka to FC from any licensed MC by submitting the encashment certificate. However, in case of MC, the amount of reconversion may not exceed US$500 or equivalent. Bank booths situated in departure lounges of international airports in Bangladesh may provide reconversion facility up to US$100 or equivalent on presentation of encashment certificate.
On imports	Yes.	
Domestic currency	Yes.	Residents and nonresidents may bring in up to Tk 10,000 in domestic currency.
Foreign currency	No.	The amount that may be brought in without declaration when returning from a visit abroad is US$10,000 or equivalent other FCs (in cash, bank draft etc.). Amounts in excess of $10,000 must be declared to the customs authorities in form FMJ.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open and maintain RFCDAs with FE brought in at the time of their return from travel abroad. However, proceeds of export of goods or services from Bangladesh or commission arising from business deals in Bangladesh may not be credited to such accounts. Balances in such accounts are repatriable abroad through banking channel and may also be used for travel. This account may be opened in US Dollars, Euros, Pound Sterling or Japanese yen. Interest in FE is payable on balances in such accounts. FC accounts may be opened in the names of (1) the Diplomatic Bonded Warehouse (duty free shops) licensed by the Custom Authorities; (2) local and joint venture contracting firms employed to execute projects by foreign/ international agencies; (3) resident Bangladesh nationals working with foreign/international bodies operating in Bangladesh provided their salary is paid in FC; (4) foreign nationals residing in Bangladesh for six months or more; (5) foreign nationals temporarily residing in Bangladesh holding a residential or working visa valid for not less than six months; (6) branch offices/liaison offices of foreign companies operating under approval from Bangladesh Investment Development Authority (BIDA) or other competent authority. Exporters of goods and services may deposit a certain percentage of the repatriated export proceeds in Exporters' Retention Quota (ERQ) accounts with the concerned ADs in USD, Pound Sterling, Euro or Japanese Yen. Balances in these accounts may be used by the exporters for bona fide business purposes without prior approval of BB. FE from the ERQ account cannot be used for investment abroad by the exporter. Transfer of unencumbered FC between the ERQ accounts of same exporter maintained out of export receipts with different ADs is permissible for bona fide transactions, settlement of import liability and repayment of authorized foreign loan of their subsidiaries/sister concerns. ERQ account may be kept as interest bearing renewable term deposits with the concerned ADs. ADs may

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effect advance payment not exceeding US$25,000 or its equivalent from the ERQ account against bona fide business purposes following certain terms and conditions.

Export-oriented shipbuilders in Bangladesh are allowed to open and maintain FC accounts in ADs for retaining advance remittances from abroad against ship exports. Balances of these accounts may be used for payment of input procurements. Separate FC accounts may be opened for each ship for receiving and payment on per ship basis. Such account must be closed within one month of delivery of the ship to the foreign buyer by transferring the balance of the account in usual retention quota account or by converting the balance into Taka.

To facilitate the payments in FC for handling of free-on-board (FOB) imports from their receipts in FC against handling of FOB exports, shipping companies, airlines and multimodal transport operators licensed as freight forwarders by Customs Authorities can open and maintain accounts in USD or other freely convertible currencies with ADs in Bangladesh.

Pursuant to Paragraph 30, Chapter 13 and Paragraph 4, Chapter 20 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), Volume-1, ADs are allowed to credit foreign equity, authorized foreign loan and export proceeds in FC accounts of enterprises (Type A, B, and C) operating in specialized economic zones like EPZs, Economic Zones (EZs), and Hi-Tech Parks (HTPs). Eligible enterprises may also receive inward remittances, legitimate receipts against short weight claim, quality claim, freight charge of sample, insurance claims, reimbursement of expenses for samples from buyers or parents, etc. Prior permission of the BB is not required for issue of shares in favor of nonresidents against foreign investment in Bangladesh.

Permissible income earned by expatriates and dividend payable to foreign shareholders may be credited to their FC accounts maintained in Bangladesh. Crediting these accounts is treated as outward remittance, while encashment of balances is treated as inward remittance. Purchase of shares with funds held in FC accounts is treated as foreign investment. Declared dividend may be used with treatment as inward remittances for reinvestment in Bangladesh through purchase of shares in existing companies and/or other companies.

Pursuant to the Banking Regulation and Policy Department (BRPD) Circular Letter No 16, of March 11, 2021, certain banks are allowed to open accounts through online application received via website/web portal/app of banks or Government service providing entities like BIDA, Bangladesh Economic Zones Authority, Bangladesh Export Processing Zones Authority, Bangladesh Hi-Tech Park Authority, etc. under their one-stop service facilities.

Temporary NRTAs and temporary FC accounts may be opened in the name of proposed companies of foreign investors contemplating to invest in Bangladesh. Designated banks must observe Simplified Due Diligence in opening these temporary accounts and the regular Customer Due Diligence (CDD) procedures before transferring balances held in these temporary accounts to the regular accounts immediately after incorporation of the companies along with other relevant instructions.
In terms of Section 18(2) of the FERA, 1947 (amended), BB has

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		accorded general authorization to banks/nonbank financial institutions (NBFIs), including resident individuals and institutions, for extending Taka loans to foreign owned/controlled companies. Effective June 21, 2023, ADs may retain FC sent by foreign investors to invest in Bangladesh. In this context, ADs may open temporary FC accounts in the names of the proposed companies of foreign investors for funds remitted from abroad on account of equity and regular FC accounts in the names of local companies which will issue shares in compliance with regulatory instructions on completion of the registration/commencement of the business, new FC accounts in the names of the companies may be opened by transferring the fund held in temporary FC account. The tenure of FC accounts is one year from the date of opening of such accounts, subject to closure immediately at the end of the prescribed time after encashment of the fund, if any, held in the accounts. Effective January 1, 2022, the COVID-19-related measure where banks/nonbank financial institutions were allowed to extend admissible Taka finance against overseas guarantees (preferable bank guarantee/standby LCs) to resident companies irrespective of ownership/controlling status subject to adherence to all applicable credit norms and prudential parameters is no longer in place.
Approval required	No.	
Held abroad	Yes.	Resident contracting firms to implement projects awarded by project implementing agencies abroad may open bank accounts in the respective countries jointly with nonresident co-partners to credit payments received against the works and short-term loans proceeds from external sources. Balances held in these accounts may be used for settlement of project-related bona fide payments abroad. FE held by Bangladesh nationals in accounts abroad which were opened and credited while the account holders were working abroad as resident outside Bangladesh are also allowed.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	ADs may open convertible taka accounts in the names of foreign organizations or nationals (that is, diplomatic missions, UN organizations, nonprofit international organizations, foreign contractors, consultants) engaged in projects of the government or semi-government agencies and their expatriate personnel who are resident in Bangladesh. These accounts may be credited with FC brought in or remitted from abroad or transferred from a FC account or another convertible taka account and may be debited for payments in FC abroad, for local expenses, for transfers to FC accounts or other convertible Taka accounts or for credits to a non-convertible Taka account. Pursuant to Paragraph 30, Chapter 13 and Paragraph 4, Chapter20 of the GFET-2018, Volume-1, ADs are allowed to credit inward remittance and encashment of funds from FC accounts, receipt from taka sales of factory refuses and unusable portion of raw materials in taka accounts on behalf of enterprises (Type A, B, and C) operating in specialized economic zones EPZs, EZs and HTPs. Eligible enterprises receive inward remittances, legitimate receipts against short weight claim, quality claim, freight charge of sample, insurance claims, reimbursement of expenses for samples from buyers or

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parents etc. received in FC or local currency accounts of the enterprises.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	ADs are permitted to open FC accounts in the names of (1) Bangladesh nationals residing abroad; (2) foreign nationals residing abroad or in Bangladesh and also foreign firms registered abroad and operating in Bangladesh or abroad; and (3) foreign missions and their expatriate employees. Permissible income earned by expatriates and dividend payable to foreign shareholders may be credited to their FC accounts maintained in Bangladesh. Crediting these accounts is treated as outward remittance, while encashment of balances is treated as inward remittance. Purchase of shares with funds held in FC accounts is treated as foreign investment. Declared dividends may be used with treatment as inward remittances for reinvestment in Bangladesh through purchase of shares in existing companies and/or other companies. Bangladesh nationals working and earning abroad including self-employed Bangladeshi migrants proceeding abroad on employment may open FC accounts in Pound Sterling, US Dollar, Euro, or Japanese Yen even without initial deposits. They may operate the accounts themselves or nominate other persons in Bangladesh and maintain them as long as the account holder desires. These accounts may be credited with remittances sent by accountholders but funds sent by other wage earners may also be credited. ADs may also credits proceeds of convertible FE (currency notes, travelers' checks, drafts, etc.) brought into Bangladesh by the account-holders while on temporary visit to Bangladesh. Payments may be made freely abroad for import of goods and commodities and local disbursements may also be made freely in Taka. Nonresident Bangladeshi (NRBs) maintain FC accounts and NRTAs in Bangladesh. They are also allowed to make direct and portfolio investment in Bangladesh, including investment in saving instruments of Government in the form of time deposits. ADs offer deposit products in taka in the form of savings for a period of one year and above for NRBs to encourage NRBs to save in Bangladesh. Taka loans to such deposit product holders for meeting personal requirements in Bangladesh may be granted keeping the deposit accounts as lien. In case of NRBs residing in Bangladesh permanently after their return, the proceeds may be made available to them either in one time settlement or pension type monthly/quarterly settlement. All nonresident Bangladesh nationals and persons of Bangladesh origin including those having dual nationality and ordinarily residing abroad may maintain interest bearing time deposit accounts named “Nonresident Foreign Currency Deposit (NFCD) Account” with the ADs. Bangladesh nationals serving with Embassies/High Commissions of Bangladesh in foreign countries and also the officers/staff of the government/semi-government departments/nationalized banks and employees of body corporate posted abroad or deputed with international and regional agencies, such as IMF, World Bank, IDB, ADB, etc. shore staff of the Bangladeshi shipping companies, during their assignments abroad

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may open such accounts denominated in US Dollar, Pound Sterling, Euro, or Japanese Yen; initially with a minimum amount of US$1,000 or Pound Sterling 500 or equivalent.
NRBs may, after their return to Bangladesh, open NFCD accounts with ADs to credit their retirement benefits, periodical pensions, superannuation benefits, etc. per employment agreement with employers while on service abroad and the balances may be used for settlement of legitimate payments abroad.

Effective August 1, 2022, the interest rate is fixed for new deposits under NFCD accounts: Benchmark reference rate +2.25% is fixed for deposits of 1 year and up to 3 years and Benchmark reference rate + 3.25% is fixed for deposits above 3 years and up to 5 years.

Bank booths operating in airports under license with limited scope from BB may take deposits from NRBs in FC brought in by them for crediting their FC accounts or NRTAs (by converting FC at prevailing exchange rate) maintained with concerned AD bank branches. In case the FC brought in by NRBs differs from account type (that is, USD A/C, GBP A/C, etc.) of the account holders, bank booths convert the currency into relevant FC at the appropriate cross currency exchange rate to effect the deposits.

Foreign nationals and companies registered and/or incorporated abroad, banks, other financial institutions including institutional investors and 100% foreign owned (A-Type) industrial units in the EPZs/EZs in Bangladesh, are also allowed to open and maintain NFCD accounts with ADs with a minimum amount of time deposits of US$25,000 or its equivalent.

All foreign payment obligations by industrial enterprises operating in EZs are met with balances held in their FC accounts. Industrial enterprises operating in Domestic Processing Areas (DPAs) of EZs do not have sources of income in FC. To facilitate transactions for meeting foreign payment obligations, ADs may, on behalf of industrial enterprises in DPAs of EZs, effect outward remittance on account of royalty, technical know-how, and technical assistance fees from taka account.

ADs may open temporary NRTAs in the name of the proposed company/enterprise of foreign investors contemplating to invest in Bangladesh without prior approval of BB. Temporary FC accounts may also be opened by ADs and Offshore Banking Units (OBUs) (in case of Type A enterprises), for funds remitted from abroad as equity by foreign investors. The regulations to open temporary NRTAs and Temporary FC Accounts are equally applicable for proposed companies to be established in EPZs and EZs, subject to observance of the same instructions.

Industrial enterprises producing for the local markets and service sector industries are allowed to remit through their nominated ADs up to 1% of annual sales. This facility applies equally to industrial enterprises operating in domestic processing areas of EZs having sales in Taka. However, in case of the availability of FE in the respective FC accounts, from legitimate sources, of concerned customers, ADs must first use such balances before utilization of their own sources by conversion of Taka funds.

To improve the ease of doing business and reduce the cost of compliance, ADs are no longer required to submit returns/statements

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		in hardcopy to BB. However, ADs must continue reporting the same information in relevant online portals/modules of BB.
Approval required	No.	
Domestic currency accounts	Yes.	For portfolio investment in Bangladeshi shares/securities listed on stock exchanges, the nonresident investor (nonresident person/institutions including nonresident Bangladesh nationals) may open a nonresident investor's taka account (NITA) with any AD in Bangladesh, with freely convertible FC remitted from abroad through normal banking channel or by transfer of funds from the nonresident investor's FC account, if any, in Bangladesh. These balances are also freely transferable to the FC Account (opened as per instructions at Chapter 13, Paragraphs 1 and 2) of the same person with the respective AD as well as remittable abroad in equivalent FE. The NITA may be operated by the account-holder or by a nominee, including the AD. Purchase and sale of shares/securities listed on a stock exchange in Bangladesh is made only through a member/registered broker of the exchange. Purchase of new public issues not yet listed on a stock exchange may, however, be made directly from the company issuing the stock/security. Dividends/interest earnings and sale proceeds on the shares/securities bought through the NITA, after payment of taxes may be credited to NITA and remitted abroad. No loan facilities are allowed by the ADs in the Nonresident Investor's Taka Accounts. The balances held in NITAs of nonresidents may be used to purchase units of open end mutual funds as OTC products; subject to compliance with the instructions. The accounts of individuals, firms, and companies resident outside Bangladesh are designated as nonresident accounts and are treated as accounts of countries of permanent residence of the account holders (GFET-2018, Chapter-14, Section-II).
Convertible into foreign currency	Yes.	Funds from NITAs and convertible taka accounts may be converted freely.
Approval required	No.	
Blocked accounts	Yes.	Funds in NRTAs from unapproved payments may be blocked by the BB.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	For private sector imports on usance terms, the interest rate may be LIBOR plus a markup, according to prevailing market conditions and subject to an overall interest maximum of 6% a year. Importers may also obtain buyer credit for import payments from abroad through ADs for a period not exceeding one year; the overall interest cost may not exceed 6% a year. To facilitate short-term import finance, ADs, on behalf of industrial importers, may issue repayment bank guarantees without the BB approval favoring International Islamic Trade Finance Corporation extending short-term buyer's credit up to 180 days for import of industrial raw materials for own use by importers, on sight basis. Effective January 1, 2022, until June 30, 2022, the usance period for imports of industrial raw materials including back-to-back imports, and imports of agricultural implements and chemical fertilizers under supplier/buyer credit may be extended up to 270 days. (Previously, valid until December 31, 2021, for facilitation of trade transactions in

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		the context of COVID-19, the usance period of back-to-back LCs opened under supplier/buyer credit could be extended on banker–customer relationship within the admissible rate of interest up to 180 days, as additional time from the permissible period of 180 days, for bona fide grounds required to settle the payments. With a view to facilitating export trade during COVID-19 without requiring permission of BB, input procurements under back-to-back LCs/usance LCs could be issued with realization clause on behalf of exporters operating outside specialized zones provided: (1) ADs verified the execution of the export orders; (2) there was a transparent arrangement under which suppliers were in agreement to accept the relevant LCs with realization clause; and (3) LC liabilities would not be settled under "net-off" arrangement with export proceeds. Effective July 1, 2022, the usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was set to 180 days. Effective January 1, 2023, it was increased to 360 days for 6 months. Effective July 1, 2023, the 360-day policy was extended for 6 months. ADs may open LCs on behalf of industrial units to import necessary spare parts of capital machineries for own industrial use up to 360 days usance basis. For such deferred payment imports, the prices must be internationally competitive and all in cost including usance interest must not exceed 6% a year. The all-in-cost ceiling per year for usance period against imports under supplier/buyer credit was set at 6-month LIBOR plus 3.5% spread (maximum). Alternative reference/benchmark rate in the currency of financing, declared by competent bodies, may be applied with prescribed markup of 3.5% a year for permissible usance import under supplier/buyer credit. Where forward-looking reference/benchmark rate with tenure-link is absent, the relative rate applied as reference/benchmark rate for import finance may be compounded in arrears to calculate effective interest for the tenure of credit. In case of risk-free reference/benchmark rate to be applied for financing, adjustment for risk premium not exceeding 2.5% a year on markup of 3.5% may be added with reference/benchmark rate compounded in advance or in arrear as necessary, for the relative tenure. Exporters are allowed to use the unencumbered balances held in the single pool within 30 days to meet the import payments of exporters' subsidiaries/sister concerns.
Minimum financing requirements	Yes.	Generally, banks are allowed to decide on the cash margin of LCs for imports on the basis of banker–customer relationship. In light of the COVID-19 recovery and the Russia–Ukraine conflict, effective April 11, 2022, banks must ensure a minimum of 25% cash margin on imports except for certain essential products. Effective May 10, 2022, the margin for opening import LCs was increased to a minimum of 75% for luxury products and 50% for other products except for certain essential products. Effective July 4, 2022, these requirements were increased to 100% and 75%, respectively.
Advance payment requirements	Yes.	Advance payments up to the equivalent of US$10,000 for imports of any permissible items do not require a repayment guarantee. The limit of advance payment from ERQ accounts is US$25,000 or its equivalent. To facilitate urgent medical imports required for containment of COVID-19, ADs could effect, without repayment guarantee, advance payment up to US$500,000 or equivalent other FC for import of coronavirus related life-saving drugs, medical kits/equipment and other essential medical items. This facility was valid until December 31, 2021, and is no longer in force effective January 1, 2022.

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Advance import deposits	Yes.	Generally, banks are allowed to decide on the requirements for advance import deposits on the basis of banker–customer relationship. In light of the COVID-19 recovery and the Russia–Ukraine conflict, effective April 11, 2022, banks must ensure a minimum of 25% cash margin on imports except for certain essential products. Effective May 10, 2022, the margin for opening import LCs was increased to a minimum of 75% for luxury products and 50% for other products except for certain essential products. Effective July 4, 2022, these requirements were increased to 100% and 75%, respectively. Banks are allowed to set margin requirements for LCs based on banker–customer relationship for the following products/sector: (1) effective December 14, 2022, import of rice, wheat, etc.; (2) effective December 22, 2022, import of goods related to production of engine oil/lubricants; (3) effective June 20, 2023, import of Cottage, Micro, Small and Medium Enterprises (CMSME) and several items of commercial importers such as (a) spare parts of industrial machinery; (b) textile raw materials, chemicals and ancillary products; (c) plastics and packaging items and their raw materials; (d) medical equipment, accessories and reagents; (e) of UPS/IPS parts and accessories; (f) security related products; (g) hardware products complementary to locally manufactured products related to construction, steel sheet, H-beam etc.; (h) computers /laptops and their accessories; (i) Information-Communication Technology (ICT), Internet, cybersecurity-related hardware products; and (j) vehicle spare parts, tires, tubes and other related products.
Documentation requirements for release of foreign exchange for imports	Yes.	ADs must observe the following procedures during importation through land ports: (1) Only one port of entry (land port) may be named in the LC. (2) A copy of the LC and subsequent amendments, if any, including other relevant information, must be sent to the land port authority. (3) Sample signatures of the officials working at the import-export desks of the ADs concerned, along with their contact phone and fax numbers, must be supplied to all land ports. (4) ADs' agents or representatives must obtain directly from the land port involved a list of goods entering Bangladesh, a certified invoice, and a bill of entry showing entry of the goods for inclusion in a database accessible to all ADs. (5) LCs must not contain any reimbursement or debit authority; rather, they must stipulate the following payment terms: "on receipt of documents complying with credit terms, we must effect payment as per instructions of the negotiating bank or collecting bank." (6) LCs covering more than US$5,000 or its equivalent must be sent through the SWIFT system to the advising bank. Pursuant to Order No. 288/2017/Customs/529 of December 21, 2017, transactions between enterprises operating in DPA of EZs and in Tariff Area of Bangladesh may be settled in taka without observance of regulatory procedures such as EXP Form for export and IMP Form for import. To support the transactions by EZ enterprises, irrespective of their ownership status, their liabilities for imports and other permissible expenses may be settled out of the fund held in their taka accounts.
Domiciliation requirements	No.	
Preshipment inspection	No.	Preshipment inspection, except for those products prescribed in IPO, 2021–2024, is not mandatory.
Letters of credit	Yes.	Payment against imports is generally permissible only under irrevocable LCs. However, consignment of quickly perishable food goods worth US$50,000 via Teknaf Customs Station, essential food goods and raw materials used in industry worth US$10,000, and capital machinery irrespective of price limit via other custom land stations may be imported against contract without LC as instructed in

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		IPO, 2021–2024, Chapter 2, Paragraph 8 (2). Capital machinery and industrial raw materials may also be imported without LCs and without limit on value. Recognized export-oriented units operating under the bonded warehouse system may import up to, effective May 1, 2022, six months' (previously four months') supply of their raw and packing materials by establishing import LCs without reference to an export LC. They may also effect such imports by opening back-to-back LCs (either on a sight basis under the EDF or for up to 180 days on a usage basis) against export LCs received by them. ADs may establish LCs on a c.f.r., c.p.t., or f.o.b. basis without the BB approval. Imports may also be on a delivered at terminal (d.a.t.) or delivered at place (d.a.p.) basis. Importation on a c.i.f. or c.i.p. basis requires the permission of the Ministry of Commerce. FE for authorized imports is provided automatically by ADs when payments are due. The maximum import value (through an LC or contract) for a mandatory credit report of foreign suppliers by ADs is US$10,000 if a pro forma invoice is issued directly by the foreign supplier and US$20,000 if orders are issued by the foreign supplier local agent. Effective January 1, 2022, until June 30, 2022, the usance period for imports of industrial raw materials including back-to-back imports, and imports of agricultural implements and chemical fertilizers under supplier/buyer credit may be extended up to 270 days. (Previously, valid until December 31, 2021, for facilitation of trade transactions in the context of COVID-19, the usance period of back-to-back LCs opened under supplier/buyer credit could be extended on banker–customer relationship within the admissible rate of interest up to 180 days, as additional time from the permissible period of 180 days, for bona fide grounds required to settle the payments. With a view to facilitating export trade during COVID-19 without requiring permission of BB, input procurements under back-to-back LCs/usance LCs could be issued with realization clause on behalf of exporters operating outside specialized zones provided: (1) ADs verified the execution of the export orders; (2) there was a transparent arrangement under which suppliers were in agreement to accept the relevant LCs with realization clause; (3) LC liabilities would not be settled under "net-off" arrangement with export proceeds. Effective July 1, 2022, the usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was set to 180 days. Effective January 1, 2023, it was increased to 360 days for 6 months. Effective July 1, 2023, the 360-day policy was extended for 6 months. To facilitate the remittances for import payment against expired LCAF which are restricted without obtaining its revalidation, ADs may effect remittances within 30 months of LCAF issuance against import of capital machinery without obtaining its revalidation. Revalidation of LCAF will not be required for remittances against import out of fund held in FC accounts of importers maintained under general or special authorization from the BB. LCAFs issued for the import of hot-rolled coil, scrap, pig iron, and sponge iron for manufacturing of flat and long steel for use in own factories of steel industries on a 360-day deferred payment basis are valid for remittances for 18 months following the month of issuance. LCAFs may also be signed by lawful representative(s) of the importer.
Import licenses used as exchange licenses	No.	LCAFs are issued by ADs and do not require a separate import license.
Other	Yes.	ADs are not permitted to open new LCs for importers who have failed to submit the bills of entry of imports or customs-certified invoices as evidence of actual importation of such goods within the

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		stipulated time period.
Import licenses and other nontariff measures	Yes.	Effective April 20, 2022, to simplify import transactions, the requirement of LCAF is phased out through IPO 2021-2024. Incoming passengers irrespective of their resident status may bring into Bangladesh gold or silver in bullion/ingot up to the prescribed limit in terms of relevant baggage rules in force issued under the Customs Act, 1969.
Positive list	No.	All the items are importable freely pursuant to the provisions of the IPO 2021–2024 (replacing IPO 2018–2021), except the banned items therein the footnote of the prohibited lists and the list of controlled items subject to fulfillment of certain conditions specified attached concerned page of the IPO 2021–2024 (Annexure-1).
Negative list	Yes.	The goods are not importable if they are specified in the footnotes of the prohibited lists (Annexure-1).
Open general licenses	No.	Unless otherwise specified, no import license is required for imports. Importers with a valid Import Registration Certificate (IRC) may import any kind of goods against the ceiling value, except the goods specified in the prohibited lists.
Licenses with quotas	Yes.	Unless otherwise specified in the IPO 2021–2024, industrial units approved on a regular basis are allowed to import up to 300% of their regular import entitlement of items whose import is banned for commercial purpose and that are importable by industrial consumers only. Industrial units approved on an ad hoc basis are allowed to import up to the maximum value limit, not exceeding 100% of their half-yearly import entitlement.
Other nontariff measures	No.	As a member of the WTO and regional trade organizations, Bangladesh is liberalizing its trade policies gradually and is maintaining non-discriminating measures. The country is also not applying nontariff measures to restrict imports and exports, except the prohibited and restricted items of goods therein the Annexure-1 in line with the WTO Agreements.
Import taxes and/or tariffs	Yes.	The tariff bands are 0%, 1%, 5%, 10%, 15%, and 25%. A number of goods are subject to supplementary duties.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Proceeds from exports must be repatriated within four months of shipment, unless otherwise permitted by BB. On March 19, 2020, because of COVID-19, it was allowed to extend the tenure of realization of export proceeds up to 60 days, as additional time from the specified period of 4 months from the date of shipment, for bona fide grounds. On July 23, 2020, the facility to extend the tenure of realization was increased to 90 days until March 31, 2021. As of April 1, 2021, the facility was extended until June 30, 2021. As of July 1, 2021, the facility was extended until December 31, 2021. Effective March 6, 2023, in case of realization of export proceeds beyond four months, exporters must receive export proceed against the export at the exchange rate of the date within which the export proceeds should have been realized.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Exporters are required to repatriate export proceeds within the

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		statutory period and to sell the proceeds to ADs exceeding the eligible portion retainable in FE in single pool and ERQ. Industrial units located at specialized EZs may also retain their export proceeds in FC accounts up to the eligible portion. ERQ: Merchandise exporters may retain 60% of repatriated FOB value of their exports in FE in ERQ accounts. For exports of goods having high import content (low domestic value-added), the retention quota is 15% of the repatriated FOB value. Exporters of ICT-related services may retain 70% of net export earnings in ERQ accounts, and service exporters other than ICT-related services may maintain 60% of their export receipts in ERQ. Balances in these accounts may be used by the exporters for bona fide business purposes. Effective July 14, 2022, the retention limits were decreased from 15%, 60%, and 70% to 7.5%, 30%, and 35%, respectively, until December 31, 2022. Effective January 1, 2023, the 15%, 60%, and 70% limits apply. The decreased ERQ limits were reinstated effective September 24, 2023. Single Pool: Export proceeds may be retained in a single pool after encashment of value for settlement of back-to-back LCs. For import payments other than back-to-back LCs, proceeds may be retained in single pool up to 30 days. FC accounts for industrial units in zone areas: Type A industries operating in EPZs may retain 100% of their export earnings in FC accounts. Up to 80% of the repatriated export proceeds of Type B and Type C units other than those in the garments sector may be retained in FC Accounts; for a Type B or Type C unit in the garments sector, up to 75% of the repatriated export proceeds may be credited to FC accounts. The facilities are equally applicable for industries located at EZs and HTPs.
Financing requirements	Yes.	Alternative reference/benchmark rate in the relevant currency of financing, besides LIBOR, may be applied to set the interest rate. The following apply to preshipment financing in FE: (1) Back-to-back LCs: To procure input requirements for execution of export orders, exporters are allowed to open back-to-back import LCs/inland back-to-back LCs in FE against export LCs received by them. Settlement of back-to-back LCs must be made with export proceeds. (2) Supplier/buyer credit: Exporters may obtain supplier/buyer credit from abroad at all-in-cost ceiling of, effective August 16, 2022, the applicable benchmark rate in the relevant currency of financing plus mark-up of 3% a year (previously, 6-month LIBOR plus 3.5% a year). The following apply to post-shipment financing in FE: (1) Bill discounting: To obtain immediate financing, beneficiaries of usance export bills are permitted to avail of bill discounting facilities at overall cost not exceeding, effective August 16, 2022, the benchmark rate applicable to the relevant currency of financing plus mark-up of 3% a year (previously, 6-month LIBOR plus 3.5% a year). (2) Early payment against sales under open account: Export on sales contracts under open account credit terms is allowed against payment enterprise/payment risk coverage by designated institutions abroad with option for early payment arrangement on non-recourse basis. Expenses to exporters for guarantee commission against payment enterprise/payment risk coverage, and interest with relevant charges for early payment against export bills/receivables may not exceed,

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		effective August 16, 2022, the benchmark rate applicable to the relevant currency of financing plus mark-up of 3% a year (previously, 6-month LIBOR plus 3.5% a year). For short-term trade finance, exporters may avail credit at all-in-cost ceiling per annum at the secured overnight financing rate (SOFR) + 3.5% effective September 28, 2022.
Documentation requirements	Yes.	Declaration of exports: Declaration on EXP Form must be submitted by exporters to the Customs Authority or another relevant authority, such as BB, which specifies that FE representing full export value of the goods has been or will be disposed of in a manner and within a period specified by the BB. BB introduced an electronic option to submit EXP Form, with flexibility for amendments by exporters through BB online reporting portal for export of goods prior to customs formalities. Drawing/Endorsement of shipping documents: Transport documents such as bills of lading and any other documents of title to cargo must be drawn only to the order of an AD designated by the respective exporter; airway bills and any other documents of title to cargo must be drawn to the order of a bank in the country of import nominated by the AD designated by the respective exporters for export of goods by land route or by sea or by air, with exception for exports from Type A industrial units located in the EPZs/EZs. Transport documents may be issued to the order of importer or other designated parties against full export proceeds received in advance through normal banking channels. Such issuance is also permitted for export under open account credit terms against payment enterprise/payment risk coverage by designated institutions abroad. The ADs to whose order the relative transport documents are drawn must endorse the same to the order of their correspondents abroad. However, documents may be endorsed to importer or other designated parties before sending documents for collection provided export proceeds in full are received through banking channels. Submission of export documents: Exporters must submit a full set of export documents within 14 days of shipment to ADs.
Letters of credit	Yes.	In addition to LCs, exports under contract are allowed.
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Exporters are allowed to export on ex-works (EXW); free carrier (FCA); FOB; free alongside ship (FAS); cost and freight (CFR), cost, insurance and freight (CIF); carriage paid to (CPT); and carriage and insurance paid to (CIP) basis provided the terms are stipulated in the relevant LCs or sales contracts.
Export licenses	Yes.	According to the Export Policy 2021–2024, effective March 23, 2022, exports of 15 (previously 16) products are prohibited. Exports of 17 (previously 15) products are allowed under certain conditions. Some of these items are restricted for ensuring adequate supply in the domestic market.
Without quotas	Yes.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	

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Other export taxes	Yes.	Exports of rice bran, unmanufactured tobacco; tobacco refuse, cigars, cheroots, cigarillos, and cigarettes of tobacco or of tobacco substitutes, other manufactured tobacco, and manufactured tobacco substitutes; homogenized or reconstituted tobacco extracts and essences, cotton waste, and building bricks are taxed.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments for invisible transactions related to authorized trade transactions are generally not restricted.
Trade-related payments	Yes.	ADs may pay freight charges to foreign shipowners for ships chartered by importers in Bangladesh without the BB approval. Importers may make payments of freight charges for f.o.b. imports as declared in an LCAF to the shipping lines/airlines/licensed freight forwarders in FC. Shipping lines/airlines may also accept payment in FC from freight forwarders for handling of f.o.b. exports. FC deposited in FC accounts of shipping lines/airlines against freight charges on f.o.b. exports from licensed freight forwarders may be used for outward remittances on account of surplus earnings. Balances in FC accounts must first be used for outward remittances before use of local currency funds. AD banks must ensure the encashment of adequate FC by the shipping lines/airlines to meet local expenses in case of shortfall in local currency funds. In view of wider scope of fund sources in Bangladesh, the legitimate charges (charges of demurrage, detention, handling, or equivalent charges) in addition to freight charges are also allowed to be considered for calculation of remittable surplus of foreign shipping lines/their agents working in Bangladesh subject to deduction of taxes and commission. The list of permissible debits from NRTAs includes, subject to approval or reporting requirements, outward remittances in FC for the purposes of permissible procurement of goods and services from abroad for institutional account holders. To facilitate smooth operations of branches of foreign banking companies in Bangladesh, ADs are allowed to remit head office expenses without prior approval from the BB subject to observance of some instructions which is allocated by the head office to their branches in accordance with standard practices. Funds from Personal FC accounts may be used for payment of admissible imports in terms of the IPO in force. Effective January 1, 2022, until June 30, 2022, the usance period for imports of industrial raw materials including back-to-back imports, and imports of agricultural implements and chemical fertilizers under supplier/buyer credit may be extended up to 270 days. (Previously, valid until December 31, 2021, for facilitation of trade transactions in the context of COVID-19, the usance period of back-to-back LCs opened under supplier/buyer credit could be extended on banker–customer relationship within the admissible rate of interest up to 180 days, as additional time from the permissible period of 180 days, for bona fide grounds required to settle the payments. With a view to facilitating export trade during COVID-19 without requiring permission of BB, input procurements under back-to-back LCs/usance LCs could be issued with realization clause on behalf of exporters operating outside specialized zones provided: (1) ADs verified the execution of the export orders; (2) there was a transparent arrangement under which suppliers were in agreement to accept the relevant LCs with realization clause; and (3) LC liabilities would not be settled under “net-off” arrangement with export proceeds. Effective July 1, 2022, the usance period imports of industrial

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		materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was set to 180 days. Effective January 1, 2023, it was increased to 360 days for 6 months. Effective July 1, 2023, the 360-day policy was extended for 6 months. Effective January 6, 2022, the EDF limit for individual member mills of Bangladesh Textile Mills Association (BTMA) and Bangladesh Garment Manufacturers and Exporter Association (BGMEA) is US$30 million (previously US$25 million). Extension of EDF loans for a period of 90 days up to 270 days pursuant to Paragraph 3 of FE Circular No. 45 of December 31, 2017, still applies.
Prior approval	Yes.	Up to 5% of export receipts (up to 33.3% in the case of books) may be remitted abroad for commissions without the BB approval.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payment abroad of commissions or discounts and remittances for operating expenses is subject to indicative limits and verification. Purchases by individuals in border markets, from the respective local currency, are limited to the equivalent of US$100. Besides the ERQ, the remittable amount for information technology (IT) and/or software firms is US$30,000. Within this limit, the amount that can be made through international cards (ICs) is US$6,000. To facilitate export trade in meeting urgent needs, ADs are allowed to provide remittance facilities to the exporters for bona fide service payments to beneficiary's bank account abroad up to US$5,000 or equivalent.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	ADs may remit dividends to nonresident shareholders without the BB approval on receipt of an application from the company concerned. Applications must be supported by an audited balance sheet; a profit and loss statement; and a board resolution declaring to the head office dividends from profits earned from foreign firms, banks, insurance companies, and other financial institutions operating in Bangladesh. No approval is required for remittances on loans if a loan agreement has been cleared by the BIDA. Local stock brokerage firms acting in Bangladesh on behalf of foreign stock brokerage firms may repatriate, without the BB approval, a share of commission earnings to the respective foreign firms against services rendered to foreign portfolio investors for investment in Bangladesh. Private sector industrial enterprises approved by BIDA may release FE on account of royalty, fees for technical knowledge or technical assistance, and franchise fees to foreign persons or institutes through AD banks in accordance with the prescribed manner as defined by BIDA (BIDA guidelines of March 20, 2021, further circulated through FE Circular Letter No. 7 of April 11, 2021). Submission of documents against dividends payable to foreign shareholders on behalf of enterprises operating in EZs/HTPs/EPZs (specialized zones) was waived pursuant to Paragraph 9, Chapter 20 of GFET.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The indicative limit for private travel was increased to US$12,000 or

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		equivalent an adult passenger a calendar year from US$5,000 and US$7,000 for travel to South Asian Association for Regional Cooperation (SAARC) member countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka) and Myanmar, and for travel to other countries, respectively. For minors (below 12 years of age), the applicable quota, as before, is half the amount for adults. The entire unused balance may be released to individuals traveling abroad with a one-way ticket, if it is for valid job or migration purposes. ADs may release FE without visa to the resident Bangladesh nationals proceeding to the countries/zones with provision of visa on port of entry/arrival basis up to the unused annual travel quota entitlement applicable for the country concerned subject to complying with other relevant instructions. The facility will also be applicable for official visits abroad by the officials of government/semi-government and autonomous bodies. ADs and licensed MCs may release FE on account of overseas allowances of the cockpit and cabin crews of Biman Bangladesh Airlines Ltd. Releasable FC in cash US dollar notes for outgoing Bangladeshi residents is US$5,000 a person a trip from their annual entitlement applicable for personal travel quota/business travel quota/treatment abroad/immigration/higher education or other specially or generally approved purposes. The remainder or full amount of quota may be released in other freely convertible FCs in cash or in ICs. The business travel quota entitlement was revised in 2014. New exporters, importers, and producers for the local market are entitled to FE for travel abroad of US$400 a day, subject to a limit of US$4,000 a trip and US$10,000 a calendar year. Established exporters may also use balances in their ERQ (15% of exports of goods with high import content, such as ready-made garments (RMG), and 60% of repatriated export proceeds of merchandise and services) for business travel abroad. Senior-level (top two tiers) expatriates in Bangladesh under valid visas and work permits are entitled to the same business travel allowance as Bangladesh nationals, which may be used through international credit/debit cards. Higher amounts require documentation. FE quota for business travel abroad is also applicable for local agents operating in Bangladesh on behalf of foreign principals. ADs may release FE in favor of private sector participants for attending seminar, conference, workshops, training, etc., abroad up to US$400 per diem irrespective of the countries of destination.
Personal payments	Yes.	
Prior approval	Yes.	Foreigners retiring from Bangladesh do not need approval to transfer genuine savings from salaries/benefits, retirement benefits such as provident funds and pensions, and gratuities due under an employment contract approved by the BIDA. Permissible debits from NRTAs include, subject to approval or reporting requirements, outward remittances in FC for subsistence expenses for individual account holders and their family members in their country of residence.
Quantitative limits	Yes.	Up to US$10,000 or its equivalent may be obtained for medical expenses without approval. Larger amounts require the BB approval, subject to submission of supporting documents. ADs may remit the registration fee to the bank accounts of the beneficiaries for medical checkup of migrant workers, the fee in case of invoices specifying details of the checkup and deduction of applicable taxes.
Indicative limits/bona fide test	Yes.	FE for education is available up to the cost of tuition and living expenses, as estimated by the educational institution concerned. Students are allowed to have travel entitlement (entire unused travel quota) against a one-way ticket when proceeding abroad for study.

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		Permission is not required for the remittance of fees for approved undergraduate, postgraduate, diploma, and professional courses. ADs may release FE for study of Bangladeshi students in permissible courses abroad in favor of the designated intermediary payment processing entity. Because of the concern that students intending to study abroad are in some cases required to pay a Health Insurance fee as a prerequisite for Visa/Admission, ADs are allowed to release FE on account of Health Coverage/Health Insurance/Medical Insurance fee, provided such fees are mandatory for Visa/Admission in permissible courses supported by documentary evidence from the concerned educational institution. FE is available for the support of dependents abroad, on presentation of a certificate from the Bangladesh Embassy in the country concerned, up to a reasonable level, which is based on prevailing prices. Applications for FE for studies abroad and for family maintenance are approved on verification of their validity. FE may be remitted for right of landing/permanent residence fees required by foreign immigration authorities for Bangladesh nationals permanently emigrating abroad. ADs may release FE toward remittance of publication-related fees for publication of articles in reputed international journals written by resident Bangladesh nationals. While effecting remittance, ADs verify the genuineness of the invoices from the publishing companies/publishers abroad and the deduction of applicable taxes.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	ADs are allowed to remit up to 80% of earned net income after tax at any time during the year subject to availability of funds in the bank accounts of foreign nationals working in Bangladesh pursuant to "Form of Application for Private Remittance by Foreign National to Countries Abroad" prescribed in Appendix 5/81 of GFET (Annexure-I) as amended. The remaining 20% of foreign nationals' net income is remittable at the end of the financial year on completion of income tax assessment, supported by certificate issued by the tax authority. ADs are also allowed to remit foreign nationals' net income from the employers' FC Account opened and maintained for this purpose abroad where the family members of the foreign employees reside.
Credit card use abroad	Yes.	Payment in FE may be made through an IC (debit/credit/pre-paid) of an internationally recognized issuing company against different entitlements or different account balances. For bona fide business purposes, ADs are allowed to issue international credit card up to 3 top level executives of an exporting firm/organization against their ERQ account and 3 top level executives of an enterprise in EPZs and EZs from one card issuing bank only. ADs may issue international debit cards in favor of eligible persons against their annual travel entitlements subject to observance of several instructions. ADs may endorse and set travel entitlements on relevant passports to concerned Bangladeshi nationals in ICs for multiple years up to their validity subject to compliance with relevant instructions. ADs may allow their cardholder customers to use ICs for online payment not exceeding US$ 300 or its equivalent for a single transaction against purchase of goods and services (such as downloadable application software, e-books, etc.),

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magazine/newspaper subscription fees and other legitimate goods and services (except prohibited ones) from reputed and reliable sources abroad.

Online payment from Bangladesh may be executed for actual payment against the following transactions, subject to admissible annual entitlements or balances of FC accounts linked to the concerned cards: (a1 Bona fide payments by BASIS member IT/software firms (cf. Paragraph 11, Chapter 19 of GFET) (2) Membership fees, etc. (cf. Paragraph 12, Chapter 19 of GFET) (3) IT expenses (cf. Paragraph 13, Chapter 19 of GFET and FE Circular No. 33 of September 09, 2019) (4) Visa processing fees (cf. Paragraph 14, Chapter 19 of GFET) (5) Hotel booking (cf. Paragraph 16, Chapter 19 of GFET) (6) Mobile phone roaming bills (cf. Paragraph 18, Chapter 19 of GFET).

For online purchase of air tickets by travelers before proceeding abroad for subsequent air travels between destinations outside Bangladesh, ICs may be used. Bangladeshi travel operators may also provide such ticketing services to travelers for movements between destinations outside Bangladesh against payments by ICs. ADs must, under merchant agreements, provide acquiring services to travel operators in Bangladesh for capturing online payments settled through ICs against sales of air tickets for such travels. Acquiring services by ADs may also be applicable for capturing payments against such sales to foreign nationals/nonresidents residing abroad or in Bangladesh. The payments must be retained in margin accounts of travel operators.

ADs may allow annual remittance facilities of US$ 10,000 or its equivalent to a member firm of e-Commerce Association of Bangladesh (e-CAB) for meeting bona fide current expenses abroad through traditional banking channel or a card. In this case, ADs may issue refillable international credit/pre-paid card with US$ 2,000 to the nominated official of the remitter within the limit. Aggregate refills in cards and remittances by banking channel may not exceed a total limit of US$ 10,000 in a calendar year.

Outward remittances on account of royalty, technical knowledge/technical know-how fee, technical assistance fee and franchise fee must follow the guidelines in FE Circular Letter No. 07 of April 11, 2021.

ADs may use IC as alternative to traditional banking channel to effect outward remittances on behalf of customers for permissible payments in accordance with GFET and its subsequent circulars as follows: (1) Remittance for IT expenses as per Paragraph 40, Chapter 10 of GFET for non-cardholder individuals; (2) Membership fees, fees for application, registration, admission, examination, etc. as per Paragraph 9, Chapter 11 of GFET for non-cardholder individuals; (3) Release of FE for study abroad as per Paragraph 10, Chapter 11 of GFET; (4) Remittance of visa fees abroad as per Paragraph 11(B), Chapter 11 of GFET for non-cardholder individuals; (5) Remittance of immigration visa processing fees, evaluation fees, right of landing fees as per Paragraph 12, Chapter 11 of GFET for non-cardholder individuals; (6) Registration/participation fee for attending training, seminar, workshop abroad as per Paragraph 14, Chapter 11 of GFET; (7) Remittance for academic/research journal subscription as per Paragraph 15, Chapter 11 of GFET; (8) Remittance towards publication related fees of articles in international journals as per Paragraph 16, Chapter 11 of GFET;

(9) Release of FE for travel on health ground as per Paragraph 2, chapter 12 of GFET, provided total release through cash and ICs does not exceed the permissible limit; (10) Remittance on account of tour operators out of balances held in FC accounts as per Paragraph

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		22(f), Chapter 12 of GFET; (11) Periodical remittances to counterparts abroad by travel operators as per Paragraph 2(a), FE Circular No. 40 of September 24, 2020. Effective October 10, 2022, ADs may remit on account of actual payments against relevant invoices of webinar solution services, subject to payment of applicable taxes/levies. The authorization applies for payments against own use by ADs. In case of requirement for online payments against the such services, ADs may issue virtual card or one-time card in the name of the nominated official of the applicant entities. Alternatively, for settlement of such payments, ADs may use International Remittance cards (IRC) issued under FE Circular No. 18 of May 31, 2021.
Prior approval	No.	General approval has been given for the issuance of international credit, debit, and prepaid cards for use abroad by resident Bangladesh nationals issued against (1) balances in ERQs; (2) individual annual personal travel quota entitlements; (3) balances in RFCDAs; (4) FE entitlements (established by the government for each person intending to perform Hajj) of approved private Hajj agencies for food and lodging expenses of pilgrims in Saudi Arabia; (5) FE entitlements established by the MOF or an appropriate authority for official or semiofficial visits abroad by government officials, autonomous and semiautonomous institutions, and so forth; (6) per diem FE entitlements for private sector participants attending seminars, conferences, and workshops abroad arranged by recognized international organizations; (7) personal entitlements established yearly by the government for pilgrims intending to perform Hajj; (8) against balance in private FC accounts; (9) against annual entitlement for IT/software firms; (10) against membership fees, examination fees, etc.; (11) against business travel quota entitlement; (12) against IT expenses; and (13) against visa-processing fees. ADs may issue debit cards to NRBs and foreign nationals against the balances held in FE accounts opened and maintained with them. ADs may issue international debit cards in favor of eligible persons against their annual travel entitlements subject to observance of several instructions.
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	Transfers may be made up to the amount of the balance in respective FE accounts and respective entitlements.
Other payments	Yes.	Banks may remit registration fees for attendance at training, seminars, and workshops abroad by officials of government, autonomous/semiautonomous entities, and banks and banking training institutions. Banks may also remit registration fees for officials of the private corporate sector and nongovernmental organizations (NGOs) who attend training, seminars, and workshops abroad without the BB permission. ADs no longer need to seek a first-time approval from BB to effect remittances on account of maintenance/support fees of proprietary/specialized software subject to observance of prescribed instructions. Permissible debits from NRTAs include, subject to approval and reporting requirements, outward remittances in FC for permissible procurement of goods and services from abroad for institutional account holders. ADs may remit funds for membership/affiliation fees of local business/professional entities to professional/scientific institutions abroad. AD banks may effect remittance toward the cost of advertisement of Bangladeshi products in foreign electronic and online media in dynamic, image, video, interactive, and/or other formats, after verifying the genuineness and bona fide of the requests through agreement and invoices and after deducting all applicable taxes.

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Prior approval	Yes.	
Quantitative limits	Yes.	ADs may effect remittances on account of royalties, technical knowledge/technical know-how, technical assistance fee(s) by firms registered with the BIDA subject to the BIDA guidelines of March 20, 2021, further circulated through FE Circular Letter No. 7 of April 11, 2021. Permission of BB is not required for these transactions.
Indicative limits/bona fide test	Yes.	Industrial enterprises producing for local markets and service sector industries are allowed to remit through their nominated ADs up to 1% of annual sales as declared in their previous year's income tax or US$100,000, whichever is higher, for paying legitimate current account payments, such as audit fee, certification fee, commissioning fee, testing fee, and valuation fee.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds of service exports are freely repatriable subject to declaration on Form C. Exporters may also submit Form-C through electronically. However, traditional declaration on EXP Form is not required for export undertaken in non-physical form. Furthermore, declaration on Form C is not required for inward remittance up to US$10,000. Repatriation requirement against export of physical goods is equally applicable for exports of services as defined at Section 2(bbb) of the FERA, 1947. Income against small-value service exports in non-physical form up to US$10,000 a transaction may be repatriated through international marketplaces/platforms or eligible foreign payment operators, for example, Online Payment Gateway Service Providers, payment service aggregators, payment facilitators, and digital wallets. In this regard, service exporters may maintain notional/merchant accounts with international marketplaces/platforms or eligible foreign payment operators to repatriate their income through ADs in Bangladesh.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Service exporters are required to repatriate service income within statutory period and to sell the proceeds to ADs exceeding the eligible portion retainable in FE in ERQ. Exporters of ICT-related services may retain 70% of net export earnings in FE in ERQ accounts, and service exporters other than ICT-related services may retain 60% of their export receipts in ERQ. Accordingly, on receipt of inward remittances, ERQ account of the exporters may be credited up to the permissible limit at their options and the remainder (or up to full, at exporter's option) must mandatorily be credited in local currency accounts after conversion. Effective July 14, 2022, the retention limit was reduced by half to 35% (for exporters of ICT-related services) and 30% (for other service exporters), respectively, until December 31, 2022. To facilitate small-value IT-Enabled Services exports, Mobile Financial Service Providers (MFSPs) licensed by BB may repatriate export proceeds in association with internationally recognized Online Payment Gateway Service Providers/digital wallets and/or aggregators having operation in multiple countries. To facilitate e-commerce trade in the country, ADs may allow annual remittance facilities of US$10,000 or its equivalent to a member firm of e-Commerce Association of Bangladesh for meeting bona fide current expenses abroad through traditional banking channels or a card. ADs may issue refillable international credit/pre-paid card with

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		US$2,000 to the nominated official of the remitter within the limit. Aggregate refills in cards and remittances by banking channels may not exceed US$10,000 a calendar year. Bangladeshis working abroad may retain their earnings in FE accounts or in NFCD accounts. Unless they have an exemption from the BB, resident Bangladeshis must sell to an AD any FE they receive, whether held in Bangladesh or abroad, within one month of receipt. However, returning residents may keep, in FE accounts in their names, FE they brought in, provided it does not represent proceeds from exports from Bangladesh or commissions earned from business activities in Bangladesh. Residents must declare inward remittances from abroad, except remittances by Bangladeshis working abroad, using Form C for amounts exceeding US$10,000 or its equivalent. Foreigners residing in Bangladesh for more than six consecutive months must sell within one month of the date of receipt FE earned from business conducted in Bangladesh or services rendered while in Bangladesh. ADs are advised to inform individual beneficiaries regarding their option for retention in FC before encashment of inward remittances. Without their consent, ADs should not outrightly encash inward remittances for credit in Taka accounts. ADs should also guide their customers on facilities of outward remittances out of retention amount for bona fide current account transactions pursuant to Paragraph 23(b)(3)(b), Chapter 8 and Paragraph 28(A), Chapter 13 of GFET, and subsequent circulars.
Restrictions on use of funds	Yes.	Balances held in ERQ accounts from proceeds against service exports may be used by exporters for bona fide business needs abroad.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Residents must repatriate and sell to ADs the FE proceeds from all approved capital transactions abroad within one month.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Residents must repatriate and sell to ADs the FE proceeds from all approved capital transactions abroad within one month.
Controls on capital and money market instruments	Yes.	Pursuant to FERA 1947, no person may, except with the general or special permission of the BB, take or send any security or transfer any security or create or transfer any interest to any place outside Bangladesh. Pursuant to Securities and Exchange Ordinance 1969, no issuer or company incorporated in Bangladesh may, except with the consent of the Commission, make an issue of capital outside Bangladesh.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase shares locally without restriction or approval. Nonresidents may buy Bangladesh securities through stock exchanges against payment in freely convertible currency remitted from abroad through banking channels. Purchase of new public issues not yet listed in a stock exchange may be made directly from the company issuing the stock/security. ADs maintain NRTAs in the names of their overseas branches and correspondents against inward remittance in convertible FCs are allowed to issue shares in favor of

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		the nonresidents by debiting the NRTAs. For the purpose of repatriation of sale proceeds of nonresident equity investment in public limited companies not listed with the stock exchanges and private limited companies, BB accepts the fair value of the shares determined on the date of MoU for share sale–purchase agreement between the buyer and seller based on the latest audited financial statements of the target company. The fair value of the shares must be determined by weighted average calculation of all the 3 valuation approaches (that is, NAV approach, market value approach, and discounted cash flow approach) or on any of the suitable approaches depending on the nature of the company. However, ADs may effect remittances on account of sales proceeds of shares regardless of the amount, the fair value of which is determined by the management of the target companies through NAV approach based on latest audited financial statements submitted together with tax returns, and ADs are allowed to remit sale proceeds without BB approval up to Tk. 100 million or equivalent in FC based on fair value determined by weighted average calculation of three valuation approaches or any of the suitable approaches depending on the nature of the company prescribed in Foreign Exchange Investment Department (FEID) Circular No. 1 of June 5, 2018, whereas for repatriation of sale proceeds below Tk.10 million or equivalent in FC, neither BB approval nor valuation report from independent valuer is required. However, ADs must report the share transactions to the FEID, BB, Head Office, Dhaka, within 14 days of transfer of shares pursuant to Paragraph 2(B), Chapter 9 of GFET. There are no approval requirement or quantitative limitations in force. ADs may effect remittances on account of sales proceeds of shares of nonresidents in private/public limited companies not listed with stock exchanges based on the NAV approach, regardless of the amount. Further, BB's permission is not required to repatriate sales proceeds of shares up to Tk 10 million or equivalent in FC without a valuation report from independent valuers, or to repatriate between Tk 10 million and Tk 100 million or equivalent in FC on account of sales proceeds based on fair value determined using the valuation methods prescribed in FEID Circular No. 1 of May 6, 2018. This applies only to the sale of shares by nonresidents to residents. Post tax dividends and capital gains from sale proceeds of listed shares are credited to NITA and balance lying in NITA are freely remittable abroad. Since inception, nonresident investors purchase shares through NITA under Foreign Exchange Guideline as of May 31, 2009, through the Securities Custodians registered with Bangladesh Securities and Exchange Commission (BSEC) under the Securities and Exchange Commission (Security Custodial Service) Rules, 2003.
Sale or issue locally by nonresidents	Yes.	Issuance locally by nonresidents is not allowed pursuant to the FERA, 1947. No issuer or company, whether incorporated in Bangladesh or not, may, except with the consent of the Securities and Exchange Commission, (1) make an issue of capital in Bangladesh; (2) make in Bangladesh any public offer of securities for sale; and (3) renew or postpone the date of maturity or repayment of any security maturing for payment in Bangladesh. The Securities and Exchange Commission grants exemption to all issuers or companies except the issuers of listed equity securities, from the provision of Section 2(A)(a) of the Ordinance in respect of raising capital through the issuance of equity security by Notification No. BSEC/CMRRCD/2009-193/223/Admin/94 of June 20, 2019.
Purchase abroad by residents	Yes.	These transactions are not allowed.

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Sale or issue abroad by residents	Yes.	These transactions are subject to Securities and Exchange Commission approval. The BB approval is required for securities denominated in FC.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	Nonresidents may buy government issued treasury bonds and Bangladesh Government Investment Sukuk. Secondary trading of government treasury bonds and Bangladesh Government Investment Sukuk by nonresident is allowed. There is no minimum holding period for such instruments. NRBs may buy foreign-currency denominated government bond: US Dollar Premium Bond, US Dollar Investment Bond, and taka denominated Wage Earners Development Bond.
Sale or issue locally by nonresidents	Yes.	Nonresidents may issue bond and other debt securities locally subject to prior approval of the Bangladesh Securities and Exchange Commission.
Purchase abroad by residents	Yes.	These transactions are not allowed.
Sale or issue abroad by residents	Yes.	These transactions are not allowed.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may not purchase money market instruments.
Sale or issue locally by nonresidents	Yes.	Approval is required.
Purchase abroad by residents	Yes.	These transactions are not allowed.
Sale or issue abroad by residents	Yes.	These transactions are not allowed.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	Nonresidents may purchase closed-end mutual funds listed on the stock exchange. Nonresidents may also purchase AIFs and open-end mutual funds according to the respective Rules. There are no approval requirement or quantitative limitations or prohibitions in force.
Sale or issue locally by nonresidents	Yes.	The issuance of collective investment securities requires that nonresidents register with the Commission either as an asset manager or fund manager.
Purchase abroad by residents	Yes.	These transactions are not allowed.
Sale or issue abroad by residents	Yes.	These transactions are subject to Securities and Exchange Commission approval. The BB approval is required for instruments denominated in FC.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	These transactions are not allowed.
Sale or issue locally by nonresidents	Yes.	These transactions are not allowed.
Purchase abroad by residents	Yes.	ADs may acquire hedging instruments abroad against exchange rate risk on underlying trade transactions. ADs may hedge the price risk of commodities (traded on exchanges or over the counter) of their customers through standard exchange-traded futures and options and OTC derivatives on commodities, subject to the BB approval. The use of commodity derivatives is permitted when customers have genuine underlying commodity-price risk exposure(s). Speculation through the use of commodity derivative instruments is not permitted.

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Sale or issue abroad by residents	Yes.	These transactions are not allowed.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Export payments deferred for more than 120 days require the BB authorization.
To residents from nonresidents	Yes.	Effective January 1, 2022, until June 30, 2022, the usance period for imports of industrial raw materials including back-to-back imports, and imports of agricultural implements and chemical fertilizers under supplier/buyer credit may be extended up to 270 days. (Previously, valid until December 31, 2021, for facilitation of trade transactions in the context of COVID-19, the usance period of back-to-back LCs opened under supplier/buyer credit could be extended on banker–customer relationship within the admissible rate of interest up to 180 days, as additional time from the permissible period of 180 days, for bona fide grounds required to settle the payments. With a view to facilitating export trade during COVID-19 without requiring permission of BB, input procurements under back-to-back LCs/usance LCs could be issued with realization clause on behalf of exporters operating outside specialized zones provided: (1) ADs verified the execution of the export orders; (2) there was a transparent arrangement under which suppliers were in agreement to accept the relevant LCs with realization clause; and (3) LC liabilities would not be settled under "net-off" arrangement with export proceeds. Effective July 1, 2022, the usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was set to 180 days. Effective January 1, 2023, it was increased to 360 days for 6 months. Effective July 1, 2023, the 360-day policy was extended for 6 months. ADs may open LCs on behalf of industrial units to import necessary spare parts of capital machineries for own industrial use up to 360 days usance basis. For such deferred payment imports, the prices must be internationally competitive and all in cost including usance interest must not exceed 6% a year. The all-in-cost ceiling per year for usance period against imports under supplier/buyer credit was set at 6-month LIBOR plus 3.5% spread (maximum). Alternative reference/benchmark rate in the currency of financing, declared by competent bodies, may be applied with prescribed markup of 3.5% a year for permissible usance import under supplier/buyer credit. Where forward-looking reference/benchmark rate with tenure-link is absent, the relative rate applied as reference/benchmark rate for import finance may be compounded in arrears to calculate effective interest for the tenure of credit. In case of risk-free reference/benchmark rate to be applied for financing, adjustment for risk premium not exceeding 2.5% a year on markup of 3.5% may be added with reference/benchmark rate compounded in advance or in arrear as necessary, for the relative tenure.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Except in certain cases, credits are subject to the BB approval.
To residents from nonresidents	Yes.	ADs may obtain short-term and overdraft loans from overseas branches and correspondents for a period not exceeding seven days at a time. Industrial enterprises may borrow funds or make deferred payments for imports for a period beyond 360 days, with BIDA approval. Type A industries in EPZs/EZs may access short-term FC loans from

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		parent companies/shareholders abroad and other Type A subsidiaries/associates operating in EPZs/EZs.
Guarantees, sureties, and financial backup facilities	Yes.	ADs no longer need the BB approval to issue guarantees in FC up to SRIs 200,000 (SRIs, Saudi Arabian riyals) to official pilgrimage (Umrah) service providers in Saudi Arabia. ADs no longer need the BB approval to hold collateral on behalf of foreign bank branches or correspondents with respect to external borrowing by industrial enterprises approved by the BIDA. ADs may on behalf of residents issue bid bonds/performance bonds/guarantees in FC in favor of local project authorities against goods/services procurement tenders financed by the government, subject to regulations. Approval from the BB is also not required for issuing guarantees by the borrowers such as corporate guarantee, personal guarantee, and third-party guarantee, as per loan agreement, favoring foreign lenders in case of external borrowing approved by the BIDA. ADs may issue guarantee in taka or equivalent convertible FC on behalf of foreign-owned/foreign-controlled companies operating in Bangladesh, favoring concerned authorities in Bangladesh against foreign back-to-back guarantee acceptable to them subject to observance of some instructions.
By residents to nonresidents	Yes.	On behalf of residents, banks may issue guarantees or sureties in favor of nonresidents for permissible current transactions.
To residents from nonresidents	Yes.	Receipt of guarantees or sureties by residents from abroad requires full disclosure of the underlying transaction. ADs may issue guarantee, bid bond, or performance bond in local currency against taka equivalent on behalf of a nonresident firm/company favoring residents in Bangladesh, provided there is a back-to-back FC guarantee with suitable coverage for exchange rate fluctuation from counter guarantee issuing banks abroad.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	All outward transfers of capital require approval. For resident-owned capital, approval is granted only in exceptional cases.
Inward direct investment	Yes.	Investment, except in the industrial sector, requires approval. The Foreign Private Investment (Promotion and Protection) Act of 1980 provides for the protection and equitable treatment of foreign private investment, indemnification, protection against expropriation and nationalization, and guaranteed repatriation of investments. There is no ceiling on private investment. Tax exemptions are granted for periods of up to nine years, depending on location.
Controls on liquidation of direct investment	Yes.	For the purpose of repatriation of sale proceeds of nonresident equity investment in public limited companies not listed with the stock exchanges and private limited companies, BB accepts the fair value of the shares determined on the date of MoU for share sale–purchase agreement between the buyer and seller based on the latest audited financial statements of the target company. The fair value of the shares must be determined by weighted average calculation of all the 3 valuation approaches (that is, NAV approach, market value approach, and discounted cash flow approach) or on any of the suitable approaches depending on the nature of the company. However, ADs may effect remittances on account of sales proceeds of shares regardless of the amount, the fair value of which is determined by the management of the target companies through NAV approach based on latest audited financial statements submitted together with tax returns, and ADs are allowed to remit sale proceeds without BB approval up to Tk. 100 million or equivalent in FC based on fair value determined by weighted average calculation of three valuation approaches or any of the suitable approaches depending on the nature of the company prescribed in FEID Circular No. 1 of June

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		5, 2018, whereas for repatriation of sale proceeds below Tk.10 million or equivalent in FC, neither BB approval nor valuation report from independent valuer is required. However, ADs must report the share transactions to the FEID, BB, Head Office, Dhaka, within 14 days of transfer of shares pursuant to Paragraph 2(B), Chapter 9 of GFET. ADs may effect remittances on account of sales proceeds of shares of nonresidents in private/public limited companies not listed with stock exchanges based on the NAV approach, regardless of the amount. Further, BB's permission is not required to repatriate sales proceeds of shares up to Tk 10 million or equivalent in FC without a valuation report from independent valuers, or to repatriate between Tk 10 million and Tk 100 million or equivalent in FC on account of sales proceeds based on fair value determined using the valuation methods prescribed in FEID Circular No. 1 of May 6, 2018. This applies only to the sale of shares by nonresidents to residents. Post tax dividends and capital gains from sale proceeds of listed shares are credited to NITA and balance lying in NITA are freely remittable abroad. From February 5, 2020, for liquidation or disinvestment of equity from companies listed on the stock exchange following rules apply: (1) in case of winding up of a company by the Court or subject to supervision of the Court, for remittance of money payable to foreign shareholders, ADs must submit application to FEID of BB, along with an order of the honorable Court evidencing endorsement of the amount determined to be distributed to the shareholders after paying all the liabilities and payments as per law and a certificate confirming that all liabilities in Bangladesh including tax claims and other statutory payment obligations have been fully paid and (2) in case of voluntary winding up of a company, for remittance of money payable to foreign shareholders, ADs must apply to FEID, along with all relevant documents.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Remittance of funds for these purchases is not permitted.
Purchase locally by nonresidents	No.	Purchases of real estate by a nonresident with funds from abroad are allowed. ADs were allowed to extend mortgage loans in taka to NRBs working abroad for the purpose of housing in Bangladesh, subject to observance of the existing guidelines of Prudential Regulations for Consumer Financing. The housing finance facility provided to NRBs may not exceed the debt-equity ratio of 75:25.
Sale locally by nonresidents	Yes.	Repatriation of sales proceeds is subject to the BB approval, which is not typically granted.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	These transactions are not allowed.
To residents from nonresidents	Yes.	These transactions are not allowed.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Title transfers to nonresidents by way of inheritance are not restricted, but income and sales proceeds from such assets are transferable abroad with the BB authorization.
To residents from nonresidents	Yes.	Resident Bangladesh nationals must obtain government approval to receive gifts or endowments from a foreign donor. Inheritances must be reported to the BB. Net current income from estates inherited abroad must be repatriated.

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Settlement of debts abroad by immigrants	Yes.	These transactions are usually not allowed, except for repayment of borrowing for industrial investment, in accordance with Board of Investment Bangladesh guidelines.
Transfer of assets	Yes.	These transactions are not allowed, except for movable personal assets.
Transfer abroad by emigrants	Yes.	These transactions are not allowed, except for standard travel allowances for residents.
Transfer into the country by immigrants	Yes.	These transactions are permitted; transfers exceeding US$5,000 or its equivalent must be declared. They must also comply with customs regulations (for duties) and Ministry of Commerce regulations (for eligibility of entry into Bangladesh).
Transfer of gambling and prize earnings	Yes.	Gambling is prohibited in Bangladesh.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The BB approval is not required for taka advances through the purchase of checks from foreign embassies, international organizations, or foreign nationals employed by them and drawn on their accounts abroad. Foreign-owned/foreign-controlled companies in Bangladesh that engaged in manufacturing or services output activities for three years or longer in Bangladesh may access taka term loans from the domestic market regardless of the local content in their equity, subject to applicable credit norms and prudential parameters, including the single borrower exposure limit, and debt-equity ratio. Foreign-owned/foreign-controlled industrial enterprises in Bangladesh may access interest-free loans for working capital other than input procurement from parent companies/shareholders abroad for up to one year without prior approval. These loans are available to companies that have not yet obtained working capital financing from the local market. ADs were allowed to extend mortgage loans in taka to NRBs working abroad for the purpose of housing in Bangladesh, subject to observance of the existing guidelines of Prudential Regulations for Consumer Financing. The housing finance facility provided to NRBs may not exceed the debt-equity ratio of 75:25. ADs may extend working capital facilities to Type B (joint-venture) units of EPZs for the procurement of components needed for up to four months' worth of production on the basis of the bank–customer relationship and the customer's ability to repay from export proceeds.
Borrowing abroad	Yes.	ADs may obtain short-term and overdraft loans from overseas branches and correspondents for a period not exceeding seven days at a time.
Maintenance of accounts abroad	No.	The maintenance of these accounts is subject to notification to the BB.
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents is not allowed, except with the BB approval and in specific cases. Foreign-owned/foreign-controlled companies in Bangladesh that engaged in manufacturing or services output activities for three years or longer in Bangladesh may access taka term loans from the domestic market regardless of the local content in their equity, subject to applicable credit norms and prudential parameters, including the single borrower exposure limit, and debt-equity ratio. Foreign-owned/foreign-controlled industrial enterprises in Bangladesh may access interest-free loans for working capital other than input procurement from parent companies/shareholders abroad for up to one year without prior approval. These loans are available to companies that have not yet obtained working capital financing from the local market. To widen the scope of taka working capital loans for foreign-owned/foreign-controlled companies

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		operating in Bangladesh, resident persons/companies may purchase commercial papers issued by such companies. ADs were allowed to extend mortgage loans in taka to NRBs working abroad for the purpose of housing in Bangladesh subject to observance of the existing guidelines of Prudential Regulations for Consumer Financing. The housing finance facility provided to NRBs may not exceed the debt-equity ratio of 75:25.
Lending locally in foreign exchange	Yes.	Lending is subject to the BB approval. ADs may use up to 50% of NFCD balances (1) for loans to exporters for settlement of back-to-back sight LCs for imports of inputs and (2) to discount usage bills of wholly foreign-owned (Type A) and joint-venture (Type B) EPZ units against inputs to exporters. Industrial enterprises may borrow funds or make deferred payments for imports for a period beyond 360 days, with Board of Investment Bangladesh approval. Usance export bills related to direct and deemed exportation of Bangladesh products may be discounted in FE by an exporter's AD with funds received from foreign banking units and correspondent banks and financial institutions and from international financial organizations: the overall cost may not exceed 6% a year.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Purchases are subject to the BB approval.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	Banks have to maintain two mandatory liquid asset ratios: Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). The requirements are determined against the average total demand and time liabilities held by the Domestic Banking Operation of a bank. The daily minimum CRR is 3.5% and the biweekly average is 4%. The SLR is maintained with the easily convertible assets (cash, gold, unencumbered approved securities, etc.). The daily minimum SLR for conventional banks is 13% (including the excess amount of CRR) and for Islamic Shari'ah-based banks is 5.50%. Offshore Banking Operation have to maintain CRR and SLR in addition to stated reserve of Domestic Banking Operation. The requirements are determined against average total demand and time liabilities held by banks. The daily minimum CRR and biweekly average CRR requirement for Offshore Banking Operation are 1.5% and 2%, respectively. Although this is a reserve requirement, the ratios are calibrated by BB as macroprudential tool in addition to using it as a monetary policy tool. The existing CRR and SLR are not differentiated by currency.
Liquid asset requirements	No.	The LCR is calculated as High-Quality Liquid assets (HQLA) against the total net cash outflow over the next 30 calendar days. The LCR ratio must not be less than 100%. The Net Stable Funding Ratio (NSFR), in line with Basel III framework, is defined as the Available Amount of Stable funding against the Required amount of Stable funding. The ratio must be greater than 100% on a quarterly basis. The existing LCR and NSFR are not differentiated by currency, and the FC liabilities are included in the calculation of LCR and NSFR.
Interest rate controls	Yes.	Banks must maintain interest rates on FC deposits in line with international market rates, while they may freely determine at what interest rate they offer on local currency deposits with no restrictions or requirements.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	

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Reserve requirements	No.	Banks are required to maintain reserve requirements equally for both resident and nonresident deposit accounts.
Liquid asset requirements	No.	Banks are required to maintain liquid asset requirements equally for both resident and nonresident deposit accounts.
Interest rate controls	No.	ADs may allow interest payments on ACU dollar and ACU euro accounts maintained with ADs by their correspondent banks in other ACU member countries.
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	Commercial banks may open subsidiaries abroad with approval from BB.
In banks by nonresidents	No.	Nonresidents can purchase shares issued by banks.
Open foreign exchange position limits	Yes.	FC exposure of bank is defined as the sum of all FC-denominated assets and liabilities. The exposure also includes the net forward and other possible off-balance-sheet items (as decided by BB) in each currency. The limit of the total FE exposures (net open FE positions) either held in Bangladesh or abroad is a percentage of bank's capital base. The capital base is defined as total eligible regulatory capital composed of Tier 1 and Tier 2. As of December 31, 2021, the limit on net open FE positions for all banks was US$1.03 billion.
On resident assets and liabilities	Yes.	The limit on ADs' net open FE positions is, effective March 31, 2022, 15% (previously 20%) of their capital and applies to the total exposures in FE (assets and liabilities in FE of a bank) either held in Bangladesh or abroad. The capital base is defined as total eligible capital composed of Tier 1 and Tier 2.
On nonresident assets and liabilities	Yes.	The limit on ADs' net open FE positions is, effective March 31, 2022, 15% (previously 20%) of their capital and applies to the total exposures in FE (assets and liabilities in FE of a bank) either held in Bangladesh or abroad. The capital base is defined as total eligible capital composed of Tier 1 and Tier 2.
Provisions specific to institutional investors	Yes.	Institutional investors are not allowed to deal in FE including investing abroad.
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds of resident Bangladesh companies may not be invested abroad without the BB approval. However, there is no limit on local investment.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds of resident Bangladesh companies may not be invested abroad without the BB approval. However, there is no limit on local investment.
Limits (min.) on investment portfolio held locally	No.	There is no limit on local investment.
Currency-matching regulations on assets/liabilities composition	No.	There is no regulation on currency-matching regulations on assets/liabilities composition.
Investment firms and collective	Yes.	These transactions are not allowed.

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investment funds		
Limits (max.) on securities issued by nonresidents	Yes.	Residents generally may not invest abroad, and there are no domestic securities issued by nonresidents because nonresidents may not issue any type of security in Bangladesh.
Limits (max.) on investment portfolio held abroad	Yes.	Residents generally may not invest abroad.
Limits (min.) on investment portfolio held locally	No.	There is no limit on local investment.
Currency-matching regulations on assets/liabilities composition	No.	There is no regulation on currency-matching regulations on assets/liabilities composition.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.

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Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Use among residents	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Transactions in derivatives and other instruments	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Credit operations	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Controls on utility and security tokens	Yes.	

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Acquisition by residents	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Use among residents	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Transactions in derivatives and other instruments	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Credit operations	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Controls on stablecoins	Yes.	
Acquisition by residents	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and

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		virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Use among residents	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Transactions in derivatives and other instruments	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Credit operations	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Access to crypto exchange/trading platform by residents	Yes.	Effective September 15, 2022, pursuant to BB FE Circular No. 24/2022, any transactions made in, from, or to Bangladesh for

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obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Other managed arrangement	*05/17/2022*	Since May 2022, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate arrangement was reclassified to other managed from crawl-like.
Monetary policy framework		
Monetary aggregate target	*07/01/2023*	The monetary policy framework of Bangladesh has shifted to an interest rate targeting framework from a monetary targeting framework. Instead of monetary aggregate targeting, Bangladesh bank introduced a policy interest corridor which allows policymakers to adjust interest rates from previously focusing solely on controlling monetary aggregates.
Exchange subsidy	*01/01/2022*	The incentive against workers' remittances was increased to 2.5% from 2%.
Foreign exchange market		
Spot exchange market	*09/11/2022*	Bangladesh Foreign Exchange Dealers' Association issued a notification for AD banks regarding policy for exchange rates in foreign exchange dealings: from this day, for settling import bills and other outward remittances, banks may charge a maximum of Tk. 1 over the weighted average buying rate of export proceeds and inward remittances. Banks also set the exchange rate in the interbank market emerging from this policy.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*01/01/2022*	The COVID-19-related measure where banks/nonbank financial institutions were allowed to extend admissible Taka finance against overseas guarantees (preferable bank guarantee/standby LCs) to resident companies irrespective of ownership/controlling status subject to adherence to all applicable credit norms and prudential parameters is no longer in place.
	06/21/2023	ADs may retain foreign currency (FC) sent by foreign investors to invest in Bangladesh. In this context, ADs may open temporary FC accounts in the names of the proposed companies of foreign investors for funds remitted from abroad on account of equity and regular FC accounts in the names of local companies which will issue shares in compliance with regulatory instructions on completion of the registration/commencement of the business, new FC accounts in the names of the companies may be opened by transferring the fund held in temporary FC account. The tenure of FC accounts is one year from the date of opening of such accounts, subject to closure immediately at the end of the prescribed time after encashment of the fund, if any, held in the accounts.

Nonresident Accounts

Foreign exchange accounts permitted	*08/01/2022*	The interest rate is fixed for new deposits under nonresident foreign

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currency deposit accounts: Benchmark reference rate +2.25% is fixed for deposits of 1 year and up to 3 years and Benchmark reference rate + 3.25% is fixed for deposits above 3 years and up to 5 years.

Imports and Import Payments

Financing requirements for imports	*01/01/2022*	Until June 30, 2022, the usance period for imports of industrial raw materials including back-to- back imports, and imports of agricultural implements and chemical fertilizers under supplier/buyer credit may be extended up to 270 days. Previously, valid until December 31, 2021, for facilitation of trade transactions in the context of COVID-19, the usance period of back-to-back LCs opened under supplier/buyer credit could be extended on banker–customer relationship within the admissible rate of interest up to 180 days, as additional time from the permissible period of 180 days, for bona fide grounds required to settle the payments. With a view to facilitating export trade during COVID-19 without requiring permission of Bangladesh Bank, input procurements under back-to-back LCs/usance LCs could be issued with realization clause on behalf of exporters operating outside specialized zones provided: (1) ADs verified the execution of the export orders; (2) there was a transparent arrangement under which suppliers were in agreement to accept the relevant LCs with realization clause; and (3) LC liabilities would not be settled under "net-off" arrangement with export proceeds.
	07/01/2022	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was set to 180 days (previously 270 days).
	01/01/2023	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was increased to 360 days for 6 months.
	07/01/2023	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit of 360 days was extended for 6 months.
Minimum financing requirements	*04/11/2022*	In light of the COVID-19 recovery and the Russia–Ukraine conflict, banks must ensure a minimum of 25% cash margin on imports except for certain essential products.
	05/10/2022	The margin for opening import LCs was increased to a minimum of 75% for luxury products and 50% for other products except for certain essential products. Previously, it was a minimum of 25% cash margin on imports except for certain essential products.
	07/04/2022	The margin for opening import LCs was increased to a minimum of 100% (previously 75%) for luxury products and 75% (previously 50%) for other products except for certain essential products.
Advance payment requirements	*01/01/2022*	To facilitate urgent medical imports required for containment of COVID-19, ADs could effect, without repayment guarantee, advance payment up to US$500,000 or equivalent other foreign currency for import of coronavirus-related life-saving drugs, medical kits/equipment and other essential medical items. This facility was valid until December 31, 2021, and is no longer in force from this date.
Advance import deposits	*04/11/2022*	In light of the COVID-19 recovery and the Russia-Ukraine conflict, banks must ensure a minimum of 25% cash margin on imports except for certain essential products.
	05/10/2022	The margin for opening import LCs was increased to a minimum of 75% for luxury products and 50% for other products except for certain essential products. Previously, it was a minimum of 25% cash margin on imports except for certain essential products.
	07/04/2022	The margin for opening import LCs was increased to a minimum of 100% (previously 75%) for luxury products and 75% (previously 50%) for other products except for certain essential products.

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	12/14/2022	Bankers are now allowed to set margin requirements for LCs based on banker-customer relationship for import of rice and wheat. Previously, banks had to ensure a mandatory minimum cash margin on imports.
	06/20/2023	Bankers are now allowed to set margin requirements for LCs based on banker-customer relationship for import of vehicle spare parts, tires, tubes and other related products. Previously, banks had to ensure a mandatory minimum cash margin on imports.
	06/20/2023	Bankers are now allowed to set margin requirements for LCs based on banker-customer relationship for import of Cottage, Micro, Small and Medium Enterprises and several items of commercial imports. Previously, banks had to ensure a mandatory minimum cash margin on imports.
Documentation requirements for release of foreign exchange for imports		
Letters of credit	*01/01/2022*	Until June 30, 2022, the usance period for imports of industrial raw materials including back-to- back imports, and imports of agricultural implements and chemical fertilizers under supplier/buyer credit may be extended up to 270 days. Previously, valid until December 31, 2021, for facilitation of trade transactions in the context of COVID-19, the usance period of back-to-back LCs opened under supplier/buyer credit could be extended on banker–customer relationship within the admissible rate of interest up to 180 days, as additional time from the permissible period of 180 days, for bona fide grounds required to settle the payments. With a view to facilitating export trade during COVID-19 without requiring permission of BB, input procurements under back-to-back LCs/usance LCs could be issued with realization clause on behalf of exporters operating outside specialized zones provided: (1) ADs verified the execution of the export orders; (2) there was a transparent arrangement under which suppliers were in agreement to accept the relevant LCs with realization clause; and (3) LC liabilities would not be settled under "net-off" arrangement with export proceeds.
	05/01/2022	Recognized export-oriented units operating under the bonded warehouse system may import up to six months' (previously four months') supply of their raw and packing materials by establishing import LCs without reference to an export LC.
	07/01/2022	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was set to 180 days (previously 270 days).
	01/01/2023	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was increased to 360 days for 6 months.
	07/01/2023	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit of 360 days was extended for 6 months.
Import licenses and other nontariff measures	*04/20/2022*	To simplify import transactions, the requirement of Letter of Credit Authorization Form is phased out through Import Policy Order 2021 – 2024.

Exports and Export Proceeds

Repatriation requirements	*03/06/2023*	In case of realization of export proceeds beyond four months, exporters must receive export proceed against the export at the exchange rate of the date within which the export proceeds should have been realized.
Surrender requirements		
Surrender to authorized dealers	*07/14/2022*	The retention limits for the Exporters' Retention Quota for merchandise exporters were decreased from 15%, 60%, and 70% to

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		7.5%, 30%, and 35%, respectively, until December 31, 2022.
	01/01/2023	The retention limits for the Exporters' Retention Quota for merchandise exporters were increased to 15%, 60%, and 70% from 7.5%, 30%, and 35%, respectively.
	09/24/2023	The retention limits for the Exporters' Retention Quota for merchandise exporters were decreased from 15%, 60%, and 70% to 7.5%, 30%, and 35%, respectively.
Financing requirements	*08/16/2022*	The overall cost ceiling a year was set at a mark-up of 3% a year over the benchmark rate applicable to the relevant currency against short-term permissible trade finance (that is, supplier/buyer credit, bill discounting, and early payment against sales under open account). Previously, it was 6-month LIBOR plus 3.5% a year.
	09/28/2022	For short-term trade finance, exporters may avail credit at all-in-cost ceiling per annum at SOFR + 3.5%
Export licenses	*03/23/2022*	According to the Export Policy 2021–2024, exports of 15 (previously 16) products are prohibited. Exports of 17 (previously 15) products are allowed under certain conditions.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	*01/01/2022*	Until June 30, 2022, the usance period for imports of industrial raw materials including back-to- back imports, and imports of agricultural implements and chemical fertilizers under supplier/buyer credit may be extended up to 270 days. Previously, valid until December 31, 2021, for facilitation of trade transactions in the context of COVID-19, the usance period of back-to-back LCs opened under supplier/buyer credit could be extended on banker–customer relationship within the admissible rate of interest up to 180 days, as additional time from the permissible period of 180 days, for bona fide grounds required to settle the payments. With a view to facilitating export trade during COVID-19 without requiring permission of Bangladesh Bank, input procurements under back-to-back LCs/usance LCs could be issued with realization clause on behalf of exporters operating outside specialized zones provided: (1) ADs verified the execution of the export orders; (2) there was a transparent arrangement under which suppliers were in agreement to accept the relevant LCs with realization clause; and (3) LC liabilities would not be settled under "net-off" arrangement with export proceeds.
	01/06/2022	The Export Development Fund limit for individual member mills of Bangladesh Textile Mills Association and Bangladesh Garment Manufacturers and Exporter Association is US$30 million (previously US$25 million).
	07/01/2022	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was set to 180 days (previously 270 days).
	01/01/2023	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was increased to 360 days for 6 months.
	07/01/2023	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit of 360 days was extended for 6 months.
Credit card use abroad	*10/10/2022*	ADs may remit on account of actual payments against relevant invoices of webinar solution services, subject to payment of applicable taxes/levies. The authorization applies for payments against own use by ADs. In case of requirement for online payments against the such services, ADs may issue virtual card or one-time card in the name of the nominated official of the applicant entities. Alternatively, for settlement of such payments, ADs may use

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International Remittance cards issued under foreign exchange Circular No. 18 of May 31, 2021.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to authorized dealers	*07/14/2022*	The retention limit was reduced by half to 35% (for exporters of Information-Communication Technology-related services) and 30% (for other service exporters) respectively until December 31, 2022.

Capital Transactions

Controls on capital transactions

Controls on credit operations

Commercial credits

To residents from nonresidents	*01/01/2022*	Until June 30, 2022, the usance period for imports of industrial raw materials including back-to- back imports, and imports of agricultural implements and chemical fertilizers under supplier/buyer credit may be extended up to 270 days. Previously, valid until December 31, 2021, for facilitation of trade transactions in the context of COVID-19, the usance period of back-to-back LCs opened under supplier/buyer credit could be extended on banker–customer relationship within the admissible rate of interest up to 180 days, as additional time from the permissible period of 180 days, for bona fide grounds required to settle the payments. With a view to facilitating export trade during COVID-19 without requiring permission of Bangladesh Bank, input procurements under back-to-back LCs/usance LCs could be issued with realization clause on behalf of exporters operating outside specialized zones provided: (1) ADs verified the execution of the export orders; (2) there was a transparent arrangement under which suppliers were in agreement to accept the relevant LCs with realization clause; and (3) LC liabilities would not be settled under "net-off" arrangement with export proceeds.
	07/01/2022	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was set to 180 days (previously 270 days).
	01/01/2023	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit was increased to 360 days for 6 months.
	07/01/2023	The usance period imports of industrial materials, agricultural implements, and chemical fertilizers under supplier/buyer credit of 360 days was extended for 6 months.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Open foreign exchange position limits

On resident assets and liabilities	*03/31/2022*	The limit on ADs' net open foreign exchange positions is 15% (previously 20%) of their capital.
On nonresident assets and liabilities	*03/31/2022*	The limit on ADs' net open foreign exchange positions is 15% (previously 20%) of their capital.

Digital Currencies and Crypto Assets

Crypto assets

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Controls on unbacked tokens		
Acquisition by residents	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Use among residents	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Between residents and nonresidents		
For current transaction	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
For capital transactions		
Transactions in capital and money market instruments	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Transactions in derivatives and other instruments	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Credit operations	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Controls on utility and security tokens		
Acquisition by residents	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and

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		virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Use among residents	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Between residents and nonresidents		
For current transaction	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
For capital transactions		
Transactions in capital and money market instruments	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Transactions in derivatives and other instruments	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Credit operations	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Controls on stablecoins		
Acquisition by residents	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Use among residents	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in

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		Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Between residents and nonresidents		
For current transaction	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
For capital transactions		
Transactions in capital and money market instruments	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Transactions in derivatives and other instruments	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Credit operations	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Controls on crypto exchanges and trading platforms		
Domestic exchanges	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.
Access to crypto exchange/trading platform by residents	*09/15/2022*	Pursuant to Bangladesh Bank (BB) foreign exchange Circular No. 24/2022, any transactions made in, from, or to Bangladesh for obtaining virtual assets or virtual currencies are not permitted by BB. This applies to all individuals, entities, and institutions operating in Bangladesh and they must refrain from dealing in virtual assets and virtual currencies and from providing any kind of facilitation in favor of doing business, activities, and operations associated with the exchange, transfer, or trading of virtual assets or virtual currencies.

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BARBADOS

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 29, 1970.
Article VIII	Yes.	Date of acceptance: November 3, 1993.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Barbados is the Barbados dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement. The minister of finance, after consultation with the Central Bank of Barbados (CBB), pegged the Barbados dollar to the US dollar on July 5, 1975, pursuant to the Exchange Control Act and the CBB Act.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		

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Free floating		
Official exchange rate	Yes.	The Barbados dollar is pegged to the US dollar, the intervention currency, at BDS$2 per US$1 dollar. This rate applies to accounting and valuation. The exchange rate is determined by the CBB in consultation with the Minister of Finance.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		

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Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Certain businesses are allowed to exchange foreign currency. The exchange rate applied by commercial banks is determined by the CBB; banks, however, may charge processing fees.
Spot exchange market	Yes.	As of December 31, 2023, nine financial institutions or ADs have been licensed to deal in foreign exchange with the public. The nine ADs comprise six commercial banks and three nonbank financial institutions. As at December 31, 2023, there were no foreign exchange bureaus in operation.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The CBB buys and sells US dollars for Barbados dollars on demand from ADs and the government at the official rate. Buying and selling rates for the Canadian dollar, euro, and pound sterling are also officially quoted on the basis of their cross-rate relationships to the US dollar. The quoted rates include commission charges of 0.125% buying and 1.75% selling against the US dollar and 0.1875% buying and 1.8125% selling against the Canadian dollar, euro, and pound sterling.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	As of December 31, 2023, six banks and three nonbank financial institutions participate in the interbank market. Licenses are granted by the CBB.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The CBB periodically obtains forward cover in the international foreign exchange market to cover or hedge its own or the central government's exchange risk associated with foreign exchange loans not denominated in US dollars. Commercial banks may obtain forward cover in international markets. The CBB and commercial

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		banks enter into swap transactions in US dollars, whereas commercial banks switch freely among non-regional currencies.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements with residents of countries outside the CARICOM area may be made in any foreign currency or through an external account in Barbados dollars. Settlements with residents of CARICOM member countries other than Jamaica, Suriname, and Trinidad and Tobago may be made in the currency of the CARICOM country. Settlements with residents of Jamaica, Suriname, and Trinidad and Tobago may be made in their respective currency or in US dollars.
Controls on the use of domestic currency	Yes.	There are controls on the use of domestic currency with regard to settlement with residents of all CARICOM member countries. Settlements with residents of CARICOM member countries other than Jamaica, Suriname, and Trinidad and Tobago may be made in the currency of the CARICOM country. Settlements with residents of Jamaica, Suriname, and Trinidad and Tobago may be made in their respective currency or in US dollars The settlement of current and capital transactions outside of CARICOM are done in foreign currencies and not Barbados dollars.
For current transactions and payments	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	CBB permission is required for retail outlets to issue change in the same foreign currency in which purchases are made.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There is a limited CARICOM regional bilateral payments system.
Inoperative	No.	
Regional arrangements	Yes.	Barbados is a member of CARICOM.
Clearing agreements	Yes.	Under clearing arrangements with regional monetary authorities, the CBB currently sells only two CARICOM country currencies: the Eastern Caribbean dollar and the Belize dollar. Trinidad and Tobago, Guyana, and Jamaican dollars float against the US dollar, and the CBB sets indicative selling rates based on rates supplied by the monetary authorities of these countries.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange control applies to all countries and is administered by the CBB, which authorizes ADs to approve current payments, including standard import payments. Commercial banks may release up to BDS$250,000 in foreign exchange for advance payments for imports to Barbados. Commercial banks may allow the transfer of funds to CARICOM countries for all current transactions, except those with special limits or restrictions. Any trade controls are administered by the Ministry with responsibility for small business, entrepreneurship,

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		and commerce. The authority to approve payments to OECS countries is delegated to ADs.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents, other than the monetary authorities, ADs, and industrial users, may not hold or acquire gold in any form other than jewelry or coins for numismatic purposes. Any gold acquired in Barbados must be surrendered to an AD, except with exchange control approval.
On external trade	Yes.	The importation of gold by residents is permitted for industrial purposes and is subject to customs duties and charges. Licenses to import gold are issued by the Ministry of Commerce, Consumer Affairs, and Business Development. Exchange control permission is required to export gold.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers are not allowed to export Barbados banknotes.
Foreign currency	Yes.	Residents may take up to the equivalent of BDS$2,500.00 in foreign currency cash outside Barbados while traveling. Nonresident visitors may export any foreign currency they brought into Barbados.
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	All residents are allowed to hold foreign exchange accounts. ADs may credit 100% of the foreign exchange earned related to current account transactions by residents to their foreign exchange accounts without CBB approval.
Approval required	No.	Approval is not required to open foreign exchange accounts.
Held abroad	Yes.	Permission of the CBB must be received to open and operate accounts abroad. Balances may be transferred freely to Barbados.
Approval required	Yes.	Permission of the CBB must be received to open and operate accounts abroad. Balances may be transferred freely to Barbados.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	ADs may convert according to the provisions in the CBB circulars; they may freely convert for education outside of Barbados, medical treatment outside of Barbados, gifts, and donations up to BDS $10,000.00 an annum for nonresident beneficiaries, for travel facilities as prescribed in the circulars, for import payments and sundry non-capital payments; relevant supporting documents must be provided. CBB permission is needed to convert for emigration allowances, repatriation of foreign investment by nonresidents, proceeds of property sale, disposal of liquid assets from estates, and

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all capital remittances.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	ADs may open foreign exchange accounts for nonresidents, including Barbadian and Caribbean Single Market and Economy (CSME) nationals permanently residing outside Barbados, without limit. Nonresidents may place the full amount of funds brought into Barbados in their foreign exchange accounts. Non-Barbadian nationals employed in the offshore sector are classified as nonresidents.
Approval required	No.	Nonresident foreign exchange account holders are not required to obtain CBB approval to remit abroad funds that are not the proceeds of payment for trade or non-trade transactions.
Domestic currency accounts	Yes.	These accounts may be credited with the proceeds from the sale of foreign currency, transfers from other external accounts, bank interest, and payments by residents for which the CBB has given general or specific permission. These accounts may be debited without restriction up to the balance in the account for payments to residents of Barbados, for the cost of foreign exchange required for travel or business purposes, and for any other payment covered by delegated authority to ADs. Other debits and any overdrafts require individual approval.
Convertible into foreign currency	Yes.	Balances on external accounts are convertible. External accounts are accounts held by nonresidents but denominated in Barbados dollars.
Approval required	Yes.	Approval is required for the ADs to open such accounts in joint names with one or more residents. Otherwise, CBB approval is not required.
Blocked accounts	Yes.	The CBB may require certain payments in favor of nonresidents that are ineligible for transfer to be credited to blocked accounts. Balances in blocked accounts may not be withdrawn without approval, other than for the purchase of approved securities.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	ADs may release foreign exchange up to the equivalent of BDS $250,000 (c.i.f.) for advance payments for imports to Barbados. Advance payments in excess of BDS$250,000.00 must be considered by the CBB.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	ADs must have sight of a copy of the order for the goods certified by the importer or his certified agent or the ProForma invoice from the importer or his agent.
Domiciliation requirements	Yes.	
Preshipment inspection	Yes.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Payments for authorized imports are permitted on application and submission of documentary evidence (invoices and customs

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		warrants) to ADs; payments for imports of crude oil and its derivatives are subject to CBB approval.
Import licenses and other nontariff measures	Yes.	Certain imports require individual licenses. Some items on the import-licensing list may be freely imported throughout the year, whereas other items are subject to temporary restrictions (particularly agricultural products, which tend to be subject to seasonal restrictions). Individual licenses are also required for imports of commodities that are subject to the provisions of the Oils and Fats Agreement, to which Barbados, Dominica, Grenada, Guyana, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago are signatories, whether the goods are being imported from CARICOM countries or from elsewhere. Special licensing arrangements have been made for the regulation of trade between Barbados and other CARICOM countries in 22 agricultural commodities.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	The CBB does not consider licenses when reviewing foreign exchange requests.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Customs duties corresponding to the fourth phase of the CARICOM CET are in the range of 5%–20%. A VAT of 17.5% is levied. Tariffs ranging from 20% to more than 200% apply to imports of prepared meats, detergents, and T-shirts.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Poultry products, onions, and sugar may be imported only by the Barbados Agricultural Development and Marketing Corporation, and milk may be imported only by the Pine Hill Dairy.

Exports and Export Proceeds

Repatriation requirements	No.	There is no longer a requirement to repatriate proceeds within six months because the practice was discontinued by an authorization letter dated October 17, 2016.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The CBB requires authorized foreign exchange dealers to surrender 5% of their gross foreign exchange purchases to the CBB. Reporting is done on a weekly basis.
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Completion of an export form is required in duplicate detailing the goods, proceeds expected, and total shipment details.

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Export licenses	Yes.	
Without quotas	Yes.	Specific licenses are required for the exportation of certain goods to any country, including rice, sugarcane, rum, molasses, certain other food products, sewing machines, Portland cement, and petroleum products. All other goods may be exported without a license. CBB does not consider licenses when reviewing foreign exchange requests.
With quotas	Yes.	Exports of sugar to the United Kingdom and the United States are subject to bilateral export quotas, as are exports of rum to the EU.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	ADs may approve all payments for insurance, freight, and fees relating to imports.
Prior approval	Yes.	Approval is required for amounts above the quantitative limits.
Quantitative limits	Yes.	The limit on unloading, storage costs, and administrative expenses are BDS$250,000 a transaction.
Indicative limits/bona fide test	Yes.	Commercial banks may approve all payments for insurance, freight, advertising, commissions, and fees relating to imports; however, they must report these transfers to the CBB.
Investment-related payments	Yes.	
Prior approval	Yes.	For payments of profits and dividends above BDS$500,000.00 annually by companies resident in Barbados, CBB approval must be given.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Audited financial statements or auditor's confirmation.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents are allowed BDS$20,000 a person a calendar year for private or personal travel and BDS$1,000 a day up to BDS$60,000 a person a calendar year for business travel, with an allowance of foreign currency notes not exceeding the equivalent of BDS$2,500 a person a trip. Commercial banks have the authority to approve all payments for cash currency swaps by in-port ships and cruise liners. These limits apply to all travel both within and outside of CARICOM.
Indicative limits/bona fide test	Yes.	Provision of the relevant document/s indicating imminent travel, for example, confirmed travel ticket.
Personal payments	Yes.	
Prior approval	Yes.	There are no limits on payments for medical treatment or study abroad; however, these payments require approval from a commercial bank, based on appropriate documentation.
Quantitative limits	Yes.	The limit on cash gifts is BDS$10,000 a person a year. Remittances for alimony and other support are allowed in accordance with court

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		orders. Nonresidents residing outside Barbados may have their pensions remitted to them. Beneficiaries residing outside CARICOM countries may transfer abroad bequests or inheritances at the rate of BDS$250,000 in the first year and thereafter BDS$100,000 a year. Commercial banks must, however, continue to report such transfers to the CBB. Approval is required for amounts above the limit.
Indicative limits/bona fide test	Yes.	Commercial banks may approve all payments with respect to bequests or inheritances that are because of beneficiaries resident in CARICOM countries, under the terms of the wills of persons who were resident or subject to the rules governing resident intestates for exchange control purposes.
Foreign workers' wages	Yes.	Wages in an external account or in a foreign exchange account may be remitted without limit.
Prior approval	Yes.	CBB will freely approve applications by foreign workers to remit funds over a 12-month period by way of our Form PP.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	External accounts may not be overdrawn except with specific permission of the CBB. Provision of work permit or CARICOM Skilled National Certificate.
Credit card use abroad	Yes.	Locally issued credit cards may be used for transactions external to Barbados.
Prior approval	No.	
Quantitative limits	Yes.	The limits for foreign exchange usage set by the issuer are usually the same as for travel allowances. See IX.A.3.b.
Indicative limits/bona fide test	Yes.	Provision of relevant receipts.
Other payments	Yes.	Commercial banks are permitted to approve all payments abroad for sundry non-capital transactions.
Prior approval	No.	
Quantitative limits	No.	Payments are permitted up to the amount stated in the invoice.
Indicative limits/bona fide test	Yes.	Payments are permitted up to the amount stated in the relevant invoice.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The CBB requires authorized foreign exchange dealers to surrender 5% of their gross foreign exchange purchases to the CBB.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital account transactions with the ECCB area denominated in Eastern Caribbean dollars are free from controls, except for transactions in debt issues of OECS governments.
Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The CBB requires authorized foreign exchange dealers to surrender

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		5% of their gross foreign exchange purchases to the CBB.
Surrender to authorized dealers	No.	No surrender requirements for foreign currency coming into Barbados from securities and money market instruments purchased abroad.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The issuance and transfer to nonresidents of securities registered in Barbados require exchange control approval, which is freely given, provided an adequate amount of foreign currency is brought in for their purchase. Purchases and sales of shares and securities of companies cross-listed and cross-traded on any CARICOM stock exchange are permitted without limit. The Barbados Stock Exchange (BSE) is authorized to approve all investments in corporate securities in the form of equities cross-listed and cross-traded on CARICOM stock exchanges.
Sale or issue locally by nonresidents	Yes.	Authority is delegated to commercial banks to approve, without CBB approval, applications related to remittance of the proceeds from the sale of unlisted equity investments.
Purchase abroad by residents	Yes.	These purchases require exchange control approval, and certificates of title must be lodged with an authorized depository in Barbados, except for regional securities purchased through the BSE. Purchases and sales of shares and securities of companies cross-listed and cross-traded on any CARICOM stock exchange are permitted without limit. The BSE is authorized to approve all investments in corporate securities in the form of equities cross-listed and cross-traded on CARICOM stock exchanges.
Sale or issue abroad by residents	Yes.	Exchange control approval is required.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	The issuance and transfer to nonresidents of securities registered in Barbados require exchange control approval, which is freely given, provided an adequate amount of foreign currency is brought in for their purchase. Transactions in interest-based securities (that is, corporate bonds, commercial paper, and government securities) denominated in regional currencies do not require CBB approval. Securities listed on the BSE may be approved by the BSE, and transactions in unlisted securities may be approved by commercial banks, provided these are denominated in regional currencies.
Sale or issue locally by nonresidents	Yes.	Authority is delegated to commercial banks to approve, without CBB approval, applications related to remittance of the proceeds from the sale of unlisted investments in debt securities up to the amount registered with the CBB.
Purchase abroad by residents	Yes.	These purchases require exchange control approval, and certificates of title must be lodged with an authorized depository in Barbados, except for regional securities purchased through the BSE. Transactions in interest-based securities (that is, corporate bonds, commercial paper, and government securities) denominated in regional currencies do not require CBB approval. Securities listed on the BSE may be approved by the BSE, and transactions in unlisted securities may be approved by commercial banks, provided these are denominated in regional currencies.
Sale or issue abroad by residents	Yes.	Exchange control approval is required.
On money market instruments	Yes.	

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Purchase locally by nonresidents	Yes.	The issuance and transfer to nonresidents of securities registered in Barbados require exchange control approval, which is freely given, provided an adequate amount of foreign currency is brought in for their purchase. Transactions in interest-based securities (that is, corporate bonds, commercial paper, and government securities) denominated in regional currencies do not require CBB approval. Securities listed on the BSE may be approved by the BSE, and transactions in unlisted securities may be approved by commercial banks, provided these are denominated in regional currencies.
Sale or issue locally by nonresidents	Yes.	There are restrictions on the issuance of securities by nonresidents.
Purchase abroad by residents	Yes.	These purchases require exchange control approval, and certificates of title must be lodged with an authorized depository in Barbados, except for regional securities purchased through the BSE. Transactions in interest-based securities (that is, corporate bonds, commercial paper, and government securities) denominated in regional currencies do not require CBB approval. Securities listed on the BSE may be approved by the BSE, and transactions in unlisted securities may be approved by commercial banks, provided these are denominated in regional currencies.
Sale or issue abroad by residents	Yes.	Exchange control approval is required.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	The issuance and transfer to nonresidents of securities registered in Barbados require exchange control approval, which is freely given, provided an adequate amount of foreign currency is brought in for their purchase. Transactions in interest-based securities (that is, corporate bonds, commercial paper, and government securities) denominated in regional currencies do not require CBB approval. Securities listed on the BSE may be approved by the BSE, and transactions in unlisted securities may be approved by commercial banks, provided these are denominated in regional currencies.
Sale or issue locally by nonresidents	Yes.	Authority is delegated to commercial banks to approve, without the prior approval of the CBB, applications related to remittance of the proceeds from the sale of unlisted investments in debt securities denominated in CARICOM currencies up to the amount registered with the CBB.
Purchase abroad by residents	Yes.	These purchases require exchange control approval, and certificates of title must be lodged with an authorized depository in Barbados, except for regional securities purchased through the BSE. Transactions in interest-based securities (that is, corporate bonds, commercial paper, and government securities) denominated in regional currencies do not require CBB approval. Securities listed on the BSE may be approved by the BSE, and transactions in unlisted securities may be approved by commercial banks, provided these are denominated in regional currencies.
Sale or issue abroad by residents	Yes.	Exchange control approval is required.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	

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Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Prior permission of the CBB must be obtained for all remittances by residents of Barbados for overseas investments, including loans and credit enhancements.
To residents from nonresidents	Yes.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	ADs may approve borrowing by domestically owned parent companies from CARICOM and/or non-CARICOM sources for the purpose of investing in the operations of their CARICOM subsidiaries and/or affiliates. Prior permission of the CBB must be obtained for all remittances by residents of Barbados for overseas investments, including loans and credit enhancements.
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	Yes.	The required documentation is the Articles of Incorporation, a Certificate of Incorporation, and a Loan Agreement.
By residents to nonresidents	Yes.	The required documentation is the Articles of Incorporation, a Certificate of Incorporation, and a Loan Agreement.
To residents from nonresidents	Yes.	The required documentation is the Articles of Incorporation, a Certificate of Incorporation, and a Loan Agreement.
Controls on direct investment	Yes.	Some direct investments require exchange control approval.
Outward direct investment	Yes.	Commercial banks are authorized to approve investments in private and public unlisted securities in CARICOM countries. These securities must be denominated in regional currencies. Prior permission of the CBB must be obtained for all remittances by residents of Barbados for overseas investments, including loans and credit enhancements.
Inward direct investment	Yes.	Nonresidents are encouraged to register inward direct investment to facilitate remittance in the future. Approval for remittances from investments is granted based on relevant documentation, including the requisite credit advice from the receiving bank if the investment was not registered.
Controls on liquidation of direct investment	Yes.	Remittance of proceeds is permitted, provided evidence documenting the validity of the remittance is submitted, all liabilities related to the investment have been discharged, and the original investment was registered with the CBB.
Controls on real estate transactions	Yes.	Transfer of title to real property to or from a nonresident requires approval.
Purchase abroad by residents	Yes.	Purchases require exchange control approval.
Purchase locally by nonresidents	Yes.	Nonresidents may acquire real estate in Barbados for private purposes with funds from foreign currency sources; local currency financing is not ordinarily permitted.
Sale locally by nonresidents	Yes.	Commercial banks require CBB approval for applications related to remittance of the proceeds from the sale of real estate.
Controls on personal capital transactions	Yes.	
Loans	Yes.	ADs may (1) approve loans, overdrafts, guarantees, and bank credits to nonresidents up to certain limits, subject to appropriate documentation; (2) lend to active companies operating in Barbados controlled by CSME residents up to BDS$1 million a year, except for real estate; (3) grant loans to nonresident individual CSME nationals living in Barbados for settling-in expenses, including

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		furniture, equipment, household appliances, and motor vehicles, but not real estate; and (4) facilitate borrowing by companies on behalf of subsidiaries and affiliates outside Barbados.
By residents to nonresidents	Yes.	CBB prior approval must be obtained by the resident for lending abroad.
To residents from nonresidents	Yes.	CBB approval must be obtained by the resident prior to borrowing from abroad.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	The annual limit for gifts or charitable donations is BDS$10,000 and BDS$250,000 for endowments, inheritances, and legacies in the first year. Subsequent years for inheritances and legacies at a rate of BDS $100,000.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Relevant documentary evidence pertaining to debts must be submitted to support the repatriation of funds.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	The limit is BDS$250,000 in the first year. Subsequent years at a rate of BDS$100,000 per annum. Approval for remittances must be obtained from CBB.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Nonresidents must obtain permission from the CBB take out winnings, subject to relevant documentation.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Borrowing abroad by ADs to finance their domestic operations requires CBB approval. ADs may assume short-term liability positions in foreign currency to finance approved transfers for trade and non-trade transactions;. ADs may approve borrowing by domestically owned parent companies from CARICOM and/or non-CARICOM sources for investment in their CARICOM subsidiaries and/or affiliates.
Maintenance of accounts abroad	Yes.	Accounts must be maintained with overseas correspondent banks.
Lending to nonresidents (financial or commercial credits)	Yes.	Exchange control permission is required.
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	Yes.	Investment in local securities requires CBB approval.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	A foreign currency reserve requirement is in place, calculated on the foreign currency deposits held at ADs to be deposited at the CBB. The cash reserve requirement ratio on deposits in foreign exchange is 6% and on local currency deposits 5%.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts	No.	Nonresident deposit accounts are treated the same as resident deposit

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held by nonresidents		accounts. Differential treatment is based on whether the amount is in domestic currency.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Approval is required from the CBB.
In banks by nonresidents	Yes.	Approval is required from the CBB.
Open foreign exchange position limits	Yes.	Limits on working balances are set by the CBB. Those on other assets and liabilities are controlled by the Exchange Control Act. If a bank has a short position in forward transactions, it may maintain a long spot position equivalent to 10% of the short position in forward transactions or 5% of the gross spot liabilities, whichever is higher. If a bank does not have a short position in forward transactions, it may maintain a long spot position equivalent to 5% of the gross spot liabilities. Banks must report weekly to the Foreign Exchange and Export Credits Department of the CBB. The limits apply equally to assets and liabilities of residents.
On resident assets and liabilities	Yes.	The limits apply equally to assets and liabilities of residents. Limits on working balances are set by the CBB. Those on other assets and liabilities are controlled by the Exchange Control Act. If a bank has a short position in forward transactions, it may maintain a long spot position equivalent to 10% of the short position in forward transactions or 5% of the gross spot liabilities, whichever is higher. If a bank does not have a short position in forward transactions, it may maintain a long spot position equivalent to 5% of the gross spot liabilities. Banks must report weekly to the Foreign Exchange and Export Credits Department of the CBB.
On nonresident assets and liabilities	Yes.	The limits apply equally to assets and liabilities of residents. Limits on working balances are set by the CBB. Those on other assets and liabilities are controlled by the Exchange Control Act. If a bank has a short position in forward transactions, it may maintain a long spot position equivalent to 10% of the short position in forward transactions or 5% of the gross spot liabilities, whichever is higher. If a bank does not have a short position in forward transactions, it may maintain a long spot position equivalent to 5% of the gross spot liabilities. Banks must report weekly to the Foreign Exchange and Export Credits Department of the CBB.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Limits apply on an individual basis.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	

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Limits (max.) on securities issued by nonresidents	Yes.	CBB approval is required.
Limits (max.) on investment portfolio held abroad	Yes.	CBB approval is required for investment of pension funds abroad.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Investment by investment firms and collective investment funds in foreign securities or assets abroad is subject to CBB approval.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	The approval of the CBB is required.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.

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For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other	

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instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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BELARUS

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 10, 1992.
Article VIII	Yes.	Date of acceptance: November 5, 2001.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Pursuant to Law of the Republic of Belarus No. 165-Z, of June 30, 2014, on Measures to Prevent Money Laundering, the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (with amendments of May 13, 2020, November 20, 2020, and as of January 6, 2021, and July 17, 2023), parties engaged in financial transactions must freeze and block funds and block financial transactions if a party to a transaction or a beneficiary thereof is an organization or an individual, including a sole proprietor, who are on the list of persons involved in terrorist activities. Banks may deny a client's request to perform a financial transaction (with the exception of receipt of funds) if the financial transaction meets the attributes of suspicious financial transactions that may constitute grounds for declining to perform it per the bank's internal control rules; suspend the financial transaction (except for receipt of funds), for no more than two business days, including the day when the client's order to carry it out must be executed, to authorize the financial transaction or reject it in accordance with the second paragraph hereof; unilaterally decline to execute an agreement to perform financial transactions in writing, if 2 or more decisions have been taken within a span of 6 months to decline the client's financial transactions, giving mandatory written notice to the latter as provided in the banking law; decline to connect the client to the remote banking services system, unilaterally terminate or suspend provision of services through such a system, if the financial transactions in question meet the criteria for rejecting (terminating, suspending) the connection which may constitute grounds for such actions according to the bank's internal control rules; decline to perform a financial transaction if there is evidence that the bank, including the nonresident bank where the beneficiary has an open account, or the beneficiary of the funds is involved in unlawful financial transactions or is subject to sanctions.

Exchange Arrangement

Currency	Yes.	The currency of Belarus is the Belarusian rubel.

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Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are classified as floating. The National Bank carries out a flexible exchange rate policy that allows for the use of currency interventions to reduce the daily volatility of the exchange rate, and not for regulating its level. In accordance with the Republic of Belarus Monetary Policy Guidelines for 2023, with a sustained excess supply of foreign currency in the domestic exchange market, the National Bank purchases foreign currency to replenish international reserves. The National Bank does not publish data on its interventions. In early 2022, the Belarusian economy faced strong external shocks amidst growing sanctions and rising geopolitical tensions. In February through March, given elevated demand for foreign currency, the National Bank carried out limited foreign exchange interventions to stabilize the domestic foreign exchange market and ease exchange rate volatility. Subsequently, as the situation stabilized, the National Bank was making foreign currency purchases, with the formation of a net supply of foreign currency. This was facilitated by favorable trends in foreign trade: there was a foreign trade surplus in goods and services in the amount of US$4.3 billion (in 2021 this figure was US$4 billion). Based on the results for 2022, the Belarusian rubel weakened against the Russian ruble by 10.2% and against the US dollar by 7.4%. In January–August 2023, in connection with a resumption of commercial activity, the rate of growth in imports of goods and services outpaced growth in exports, which resulted in a worsening of the balance of goods and services compared to the same period in 2022. At the same time, foreign trade remained balanced on the whole, which contributed to the stable functioning of the domestic foreign exchange market. Overall, between January and September 2023, the Belarusian rubel appreciated against the Russian ruble by 10.5% and it fell by 20.1% against the US dollar.

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Free floating

Official exchange rate	Yes.	The National Bank of the Republic of Belarus (NBRB) sets official exchange rates daily against, effective August 1, 2022, 31 currencies with the addition of the Brazilian real (BRL), UAE dirham (AED), dong (VND), and Indian rupee (INR) to the list. The official exchange rates on a given date correspond to the rates of the Belarusian Currency and Stock Exchange (BCSE) observed on the preceding business day. Official exchange rates of the US dollar, Russian ruble, and Chinese yuan are set on the basis of BCSE trading sessions. Official exchange rates with the other currencies are based on US dollar cross-rates against these currencies. The official exchange rate is used to determine the rubel value of assets and liabilities denominated in foreign exchange. The official exchange rates of additional 47 currencies are set monthly. These rates are calculated on the basis of the US dollar–rubel exchange rate at the close of the most recent BCSE foreign exchange trading session, and their cross-rates against the US dollar in international foreign exchange markets on the last business day of the month. The official rates are valid until the new rates are published for the following month. The official rate is used for transactions with the official sector (customs charges and duties, other foreign-exchange-linked payments payable in local currency) and transactions in which sellers do not specify an alternative exchange rate. The NBRB added, effective July 15, 2022, the Chinese yuan to the list of currencies in the foreign currency basket and assigned the following currency weights when calculating the value of the basket: 50% for the Russian ruble, 30% for the US dollar, 10% for the euro, and 10% for the Chinese yuan. Effective December 12, 2022, the NBRB removed the euro from the list of currencies in the foreign currency basket and assigned the following currency weights when calculating the value of the basket: 60% for the Russian ruble, 30% for the US dollar, and 10% for the Chinese yuan.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The NBRB has a monetary policy targeting framework that sets growth in average broad money as an intermediate target. The rubel base money is the operational monetary policy target. In accordance with the Monetary Policy Guidelines of the Republic of Belarus for 2023, approved by a decree of the President of the Republic of Belarus, the inflation target measured by the CPI is set at 7%8% (December 2023 to December 2022), and average broad money is forecast to grow by 12%–16% (December 2023 to December 2022).
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		

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Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The foreign exchange market consists of: (1) the BCSE; (2) the interbank foreign exchange market; and (3) operations involving the purchase and sale of foreign currency between bank/nonbank lending and financial institutions and their customers, including cash foreign exchange operations. Purchases and sales of foreign currency for rubels and conversion of

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		foreign currency take place in the foreign exchange market through banks and nonbank lending and financial institutions licensed by the NBRB. In addition, bank clients are allowed to purchase and sell foreign currency for Belarusian rubels through BCSE without the bank's involvement. The NBRB does not impose limits on exchange rates. No commission is charged for the purchase and sale of foreign exchange in the OTC market. A bank may charge a commission only for the purchase and sale of currency in the BCSE, and the amount is based on the rates set by banks.
Spot exchange market	Yes.	As of June 30, 2023, there were 21 banks and the Republic of Belarus Development Bank Open Joint-Stock Company (OJSC), and 1 bank was in the process of liquidation. Most transactions in the foreign exchange market are spot transactions. Purchases and sales of cash foreign currency for rubels and conversion of foreign currency take place only through banks and nonbank lending and financial institutions licensed by the NBRB for foreign exchange operations with individuals. Individuals are free to buy and sell foreign currency. Purchases and sales of foreign currency between Belarusian banks, between a Belarusian bank and a nonresident bank, and between banks and their corporate clients are performed in the OTC exchange market without restriction. Businesses have the right to perform the purchase/sale of foreign currency in the OTC exchange market, and also through banks in BCSE, including continuous two-way auctions. There are no restrictions on the amounts for the foreign exchange purchase and sale transactions by business entities. No restrictions have been established on the purchase and sale of foreign currency in the currency exchange (BCSE). Resident legal entities and individual entrepreneurs may buy foreign exchange for any current or capital transaction based on a request (or a payment order for transfer with purchase, if appropriate) submitted to any local bank. No supporting documentation (such as contracts and approvals by the NBRB) is required for the purchase of foreign exchange. The purchased foreign exchange is credited to the resident's foreign exchange current account with the local bank and may be kept there for an unlimited period of time until the foreign exchange is used. A request for the purchase of foreign currency does not specify the purpose for which the purchased foreign currency is to be used.
Operated by the central bank	Yes.	The BCSE organizes a trading session through which the NBRB may intervene as necessary.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	An electronic trading system operates in the BCSE based on the continuous two-way auction principle and negotiated deals. Trading on the BCSE is performed each business day. A two-way auction takes place for four currencies (US dollar, euro, Russian ruble, and, effective July 15, 2022, Chinese yuan), while negotiated deals are used for transactions in other currencies. In a continuous two-way auction system, potential buyers submit their bids for the purchase of foreign exchange, and potential sellers simultaneously submit their offers for the sale of foreign exchange to the system. Trades are performed on a real-time basis when the parameters of a buyer's bid satisfy the parameters of a seller's offer. Under continuous two-way auction exchange trading, the purchase and sale of foreign exchange can be performed by the National Bank,

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		the Republic of Belarus Development Bank OJSC, banks, and nonbank lending and financial institutions, as well as by business entities. There are no limits on the bid-ask spreads or commissions of market participants. Nor are there restrictions on the amount of applications. A participant pays a fine to the BCSE for failure to fulfill or improper fulfillment of net obligations equal to a percentage of the unfulfilled net obligations as specified in an agreement with the BCSE for each day of delay. Information about the results of foreign currency trading is published on the BCSE website and is also disseminated by the BCSE on the basis of agreements on information services concluded with legal entities and individuals.
Fixing	No.	
Interbank market	Yes.	As of June 30, 2023, there were 21 banks, and 1 bank was in the process of liquidation. Banks licensed by the NBRB and the Republic of Belarus Development Bank OJSC may trade foreign exchange among themselves within the open foreign exchange position limit set by the NBRB. There are no limits on the bid-ask spreads or commissions of market participants. The NBRB does not intervene in the interbank market. The mentioned financial institutions may perform foreign exchange transactions both on the BCSE and in the OTC market.
Over the counter	Yes.	The interbank market operates over the counter.
Brokerage	No.	There is no brokerage system.
Market making	No.	There is no market-making agreement.
Forward exchange market	Yes.	The forward exchange market is regulated by the same provisions as the spot market. The NBRB does not participate in the forward exchange instruments market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Foreign currency transactions between a resident legal entity and a nonresident legal entity are carried out in non-cash form without restrictions. Currency transactions in Belarusian rubels between residents and nonresidents are carried out in non-cash form without restrictions.
Controls on the use of domestic currency	No.	Law No. 226-Z of July 22, 2003 “On Foreign Exchange Regulation and Foreign Exchange Control” does not distinguish between foreign exchange current and capital transactions.
For current transactions and payments	No.	When conducting currency transactions, residents and nonresidents may use Belarusian rubels: in a non-cash form for all currency transactions; and in cash for all currency transactions and in the amount established by the legislation of the Republic of Belarus. The procedure for the regulation of foreign exchange transactions related to current transactions using Belarusian rubels is similar to the procedure for the regulation of foreign exchange transactions related to current transactions using foreign exchange.
For capital transactions	No.	

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Transactions in capital and money market instruments	No.	The regulation of foreign exchange transactions related to the movement of capital in Belarusian rubels is the same as the regulation of foreign exchange transactions related to the movement of capital in foreign exchange.
Transactions in derivatives and other instruments	No.	The regulation of foreign exchange transactions related to the movement of capital in Belarusian rubels is the same as the regulation of foreign exchange transactions related to the movement of capital in foreign exchange.
Credit operations	No.	The regulation of foreign exchange transactions related to the movement of capital in Belarusian rubels is the same as the regulation of foreign exchange transactions related to the movement of capital in foreign exchange.
Use of foreign exchange among residents	Yes.	Settlements between residents in foreign exchange are prohibited, except in cases established by the law. The following foreign currency operations are allowed: (1) foreign currency settlements between individuals for foreign currency operations involving donation (endowment), cancellation of donation, provision of loans, repayment of loans and interest, placement into/release from custody; (2) foreign currency settlements between resident legal entities as payment for gas, potassium fertilizers; settlements with transport organizations for transportation of goods; budget settlements; operations in foreign currency involving the attraction of government loans and loans guaranteed by the Republic of Belarus and local government and self-government authorities, the repayment and servicing of these loans, as well as reimbursement of payments made from republic and local budgets on these loans; settlements for reinsurance contracts in cases where insurance (coinsurance) contracts require reinsurance in accordance with the insurance legislation of the Republic of Belarus, etc.; (3) foreign currency settlements between resident legal entities and resident individuals for transactions in duty-free shops; third-party liability insurance policies (“green cards”) held by vehicle owners traveling abroad; settlements for travel expenses abroad, etc.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	In accordance with interstate agreements between the NBRB and the CBs of other countries, including most countries in the CIS, settlements take place in the currencies of the parties involved and in freely convertible currencies. Some agreements also allow settlements in currencies of other CIS countries.
Inoperative	No.	
Regional arrangements	Yes.	Belarus has agreements with the Russian Federation and it also participates in the Agreement on the Establishment of a Payment Union of CIS Member Countries. Belarus is a signatory to the Treaty on the Eurasian Economic Union (EAEU Treaty). The specific considerations, grounds, and procedure for the application of a particular nontariff regulatory measure within the EAEU are established under the Protocol on Nontariff Regulatory Measures with respect to Third Countries (Annex 7 to the EAEU Treaty).
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The exchange regulation authorities are the Council of Ministers and the NBRB. The exchange control authorities are the Council of

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		Ministers, the NBRB, the State Control Committee, and the State Customs Committee.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Operations by banks in precious metals require a license issued by the NBRB; operations by residents other than banks in precious metals require a license issued by the MOF.
On external trade	Yes.	Licenses for residents to export precious metals are issued by the Ministry of Anti-Monopoly Regulation and Trade with the approval of the MOF.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	No restrictions are established for exports of domestic currency by resident and nonresident individuals; amounts exceeding the equivalent of US$10,000 are subject to a mandatory customs declaration. No restrictions are established for exports of domestic currency by banks and authorized financial institutions.
Foreign currency	No.	No restrictions are established for exports of foreign exchange by resident and nonresident individuals; exports of amounts exceeding the equivalent of US$10,000 are subject to a mandatory customs declaration. No restrictions are established for exports of foreign currency by banks and authorized financial institutions.
On imports	No.	
Domestic currency	No.	No restrictions are established for imports of domestic currency by resident and nonresident individuals; imports of amounts exceeding the equivalent of US$10,000 are subject to a mandatory customs declaration. No restrictions are established for imports of domestic currency by banks and authorized financial institutions.
Foreign currency	No.	No restrictions are established for imports of foreign exchange by resident and nonresident individuals; imports of amounts exceeding the equivalent of US$10,000 are subject to a mandatory customs declaration. No restrictions are established for imports of foreign currency by banks and authorized financial institutions.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open foreign exchange accounts in banks without declaring the sources of their foreign exchange. The operation of the accounts is carried out in accordance with the procedure established for the use of an account, taking into consideration the requirements of the legislation governing the performance of current and capital transactions. The following operations are performed with resident individual foreign exchange accounts: (1) placement and withdrawal of foreign currency (placement of a deposit, for example); (2) transfers among

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		the holder's own accounts in foreign currency in cases established by law; and (3) performance of settlements under foreign exchange transactions with residents and nonresidents in cases permitted by law (settlements at duty-free shops, settlements with banks on banking operations, settlements on National Bank and MOF bonds, etc.). Individuals may withdraw foreign currency funds from their accounts without restrictions. Resident legal entities are entitled to withdraw foreign exchange cash from their accounts and use it in cases established by law (to cover business travel expenses, and services provided by diplomatic and consular institutions of foreign states, etc.). Resident legal entities are entitled to deposit noncash foreign currency into their accounts and use it in cases established by law Specifically, (1) with nonresident legal entities, when conducting all foreign exchange operations; (2) with resident legal entities, settlements under reinsurance contracts; settlements with diplomatic and consular offices located outside the Republic of Belarus; settlements with transport and/or forwarding organizations, etc.; (3) with resident individuals outside the Republic of Belarus: when performing consular functions and collecting fees and charges for delivery of consular services by diplomatic missions and consular offices of the Republic of Belarus located outside the Republic of Belarus; under passenger and luggage transportation contracts, transportation of goods by resident individuals for personal needs in the territory of a foreign state; as payment for labor performed in the territory of a foreign state, etc.; (4) with nonresident individuals, outside the Republic of Belarus when conducting all foreign exchange operations.
Approval required	No.	
Held abroad	Yes.	Resident banks, individuals, and legal entities may open accounts with nonresident banks. Pursuant to Article 17 of Law No. 226-Z of the Republic of Belarus of July 22, 2003, "On Foreign Exchange Regulation and Foreign Exchange Control," resident individuals and legal entities may open accounts in foreign banks in Belarusian rubels and foreign currency without restrictions, and carry out foreign currency operations on these accounts as set therein.
Approval required	No.	Resident individuals and resident banks may open accounts in nonresident banks without NBRB approval. Pursuant to Article 17 of Law No. 226-Z of the Republic of Belarus of July 22, 2003, "On Foreign Exchange Regulation and Foreign Exchange Control," resident individuals and legal entities may open accounts in foreign banks in Belarusian rubels and foreign currency without restrictions, and carry out foreign currency operations on these accounts as set therein.
Accounts in domestic currency held abroad	Yes.	Resident individuals and resident banks are not required to seek NBRB approval to open accounts in the domestic currency in nonresident banks. Pursuant to Article 17 of Law No. 226-Z of the Republic of Belarus of July 22, 2003, "On Foreign Exchange Regulation and Foreign Exchange Control," resident individuals and legal entities may open accounts in foreign banks in Belarusian rubels and foreign currency without restrictions, and carry out foreign currency operations on these accounts as set therein.
Accounts in domestic currency convertible into foreign currency	Yes.	Resident legal entities and individual entrepreneurs are not subject to any restrictions on foreign currency purchases. They may purchase foreign exchange for any current or capital transaction based on a

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request (or a payment order for transfer with purchase, if appropriate) submitted to any local bank. No supporting documentation (such as contracts and NBRB approvals) is required for the purchase of foreign exchange. The purchased foreign exchange is credited to the resident foreign exchange current account opened with the local bank and may be kept there for an unlimited period of time until the foreign exchange is used. A request is not required to specify the purpose for which the purchased foreign currency is to be used. Individuals/residents may freely convert account balances in national currency to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open accounts with banks and nonbank lending and financial institutions of the Republic of Belarus in any currency for which the NBRB establishes an official exchange rate against the Belarusian rubel, following the procedure determined by the NBRB. Funds on accounts of nonresident individuals and legal entities received by such nonresidents from current international transactions may be transferred freely abroad. Transactions on current (settlement) bank accounts in foreign exchange of nonresident legal entities may be freely performed regardless of the type of transaction (including foreign exchange transactions associated with the purchase and sale of foreign exchange). The source of the funds may be receipts from abroad; proceeds from the sale of goods and services in Belarus, including sales to residents; debt service payments; interest on the accounts; funds from other foreign exchange accounts of nonresidents in Belarus; and earnings from investments and other operations with residents and nonresidents. These accounts may be debited for purchases of goods and services, investments, and payments to residents and nonresidents. Funds from these accounts may be freely repatriated or exchanged for Belarusian rubels through authorized banks at the exchange rate set by the bank applicable to the operation, provided the Belarusian rubels are deposited with a Belarusian bank. Depositing/withdrawing foreign currency to/from nonresidents' foreign currency accounts is not permitted, with the exception of diplomatic and other official missions, consular offices of foreign states, as well as international organizations, including their representative offices. Nonresident individuals may open foreign currency accounts in authorized banks in Belarus, and carry out transactions in a manner set forth for resident individuals. (1) depositing and withdrawing cash in foreign currency (for example, in a deposit); (2) making transfers on their accounts, including those opened outside the Republic of Belarus; (3) conducting foreign exchange settlements with residents and nonresidents in cases permitted by law (settlements in duty-free shops, settlements with banks on banking operations, bond settlements with the MOF and the National Bank, etc.). Nonresident individuals may deposit and withdraw cash in foreign currency to/from their foreign currency accounts without restrictions.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident legal entities may open (1) current (settlement) bank accounts of any type, (2) accounts to record deposits, and (3) other accounts at authorized banks of Belarus in Belarusian rubels. Nonresident legal entities may use cash Belarusian rubels in a manner and in the amount established by the legislation of the Republic of Belarus for resident legal entities.

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		Nonresident individuals may open accounts in Belarusian rubels at banks and perform transactions on them according to the procedure established for resident individuals. There are no restrictions on foreign exchange transactions in Belarusian rubels by nonresident individuals, including those involving the deposit and withdrawal of cash Belarusian rubels. Funds on accounts of nonresident individuals and legal entities received by such nonresidents from current international transactions may be transferred freely abroad.
Convertible into foreign currency	Yes.	Funds on accounts of nonresident individuals and legal entities may be converted to foreign currency.
Approval required	No.	The use of funds on accounts of nonresident legal entities does not require NBRB approval.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	There are no deadlines and methods for completing foreign trade operations, and the execution of foreign trade contracts by residents is carried out on terms and within the deadlines specified by the parties to the contract. The terms and conditions for completion of obligations by the parties under foreign exchange export and import contracts are established on a contractual basis (subject to agreement between the parties) based on economic rationale. In case of imports, if a nonresident fails to fulfill their obligations in full, resident legal entities must deposit Belarusian rubels and/or foreign currency into their accounts opened in the banks in the Republic of Belarus, except for cases when resident legal entities are exempt from depositing Belarusian rubels and/or foreign currency into their accounts opened in banks in the Republic of Belarus: (1) Taxes, fees, other mandatory payments to the budget in accordance with the legislation of the foreign state; (2) Payments to cover expenses of resident legal entities associated with performance of works, delivery of services (including transportation) in the territory of a foreign state during the period of their delivery; (3) Payments to cover expenses of resident legal entities associated with the upkeep of their branch and/or representative office located outside the Republic of Belarus; (4) Payment of liabilities of a resident legal entity owed to a bank in the Republic of Belarus and/or a foreign bank; (5) Payment of liabilities of a resident legal entity owed to another resident legal entity as per the terms of the transferable LC, if operations in foreign currency between these resident legal entities are permitted under Paragraph 1 of Article 12 hereof; (6) Monies withheld, paid in the form of remuneration as per the financing agreement against the assignment of a monetary claim (factoring contract), and a discount on the promissory note; (7) Monies withheld, paid in the form of remuneration and/or reimbursement of other expenses as per LCs opened in favor of the resident exporter to perform settlements under foreign exchange export contracts; (8) Monies withheld, paid in the form of remuneration and/or

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		reimbursement of other expenses for a bank payment obligation issued in favor of the resident exporter to perform settlements under foreign exchange export contracts; (9) Monies withheld, paid in the form of commission as per reinsurance contracts; (10) Monies withheld by banks, nonresident legal entities in the form of remuneration (fee) when transferring Belarusian rubels and/or foreign currency; (11) Monies received by a resident legal entity during exhibitions, fairs, sports, and cultural events in the territory of a foreign state and earmarked to cover the cost of such events as they are being held; (12) Monies not subject to reimbursement by the insurance organization, in the amount of the deductible of the insured; (13) Monies owed to a nonresident legal entity subject to their fulfillment of certain conditions under a foreign currency contract in the form of a financial discount, defined as a reward (premium) which does not entail a change in the unit price of the shipped good (cost of work, service), and is the difference between the cost of goods (work, services) as per the foreign currency contract, and the amount of Belarusian rubels and/or foreign currency received; (14) Monies used in settlements carried out in accordance with international treaties of the Republic of Belarus; (15) In case of netting arrangements arising from one or more foreign currency contracts; (16) In case of termination of an obligation of a nonresident legal entity on the basis of an agreement on the termination of the obligation by novation, and on the provision of compensation in lieu of fulfillment of obligation; (17) In other cases established by legislative acts. The period of repatriation is determined by the resident legal entity based on the terms and conditions and actual terms of fulfillment of obligations by the parties to a foreign exchange contract for exports or imports. The procedure for determining such a period is established by the National Bank.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	Importers may finance imports through LCs.
Import licenses used as exchange licenses	No.	
Other	No.	NBRB permission is not required for payments for imports of goods and services delivered outside Belarus.
Import licenses and other nontariff measures	Yes.	The specific considerations, grounds, and procedure for the application of a particular nontariff regulatory measure within the EAEU are established under the Protocol on Nontariff Regulatory Measures with respect to Third Countries (Annex 7 to the EAEU Treaty). A permitting procedure for imports and exports of certain goods is carried out through licensing or the application of other administrative measures for the regulation of foreign trade activity, including the issuing of a finding (a permitting document) and other administrative measures. Goods subject to such measures are included in the Uniform List of Prohibited or Restricted Goods for Import or Export by Member

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		States of the Customs Union within the EAEU in Trade with Third Countries, approved by Eurasian Economic Commission (EAEC) Executive Council Decision No. 134 of August 16, 2012, and in the List of goods allowed for imports into/exports from the EAEU Customs Territory approved by Decision No. 30 of April 21, 2015, of the EAEC Board. These goods include ozone-depleting substances; means of plant protection; hazardous waste; narcotics; psychotropic substances and their precursors, poisons; radio-electronic equipment; special technical equipment; encryption (cryptographic) equipment; human organs and tissue; blood and its components; certain printed matter, audiovisual materials, and other media; certain types of service and civilian weapons, basic parts thereof, and ammunition; cultural assets; documents from national archival collections; information about mineral resources; live wild animals; wild plants; certain species of wild flora and fauna; equipment for harvesting aquatic biological resources; mineralogical collections and collectible mineralogical items; and rare species of live wild animals and plants. In accordance with Resolution No. 486 of the Republic of Belarus Council of Ministers of June 23, 2016, the Republic of Belarus Ministry of Antimonopoly Regulation and Trade issues licenses for imports of goods into the customs territory of the Union included in the Uniform List and the List. Resolution No. 486 also established lists of republic-level government authorities and other organizations that approve the issuing of licenses, and, in cases referred to in the Regulations on the Application of Restrictions, that issue findings (permitting documents) for the importation of goods included on the Uniform List and the List into the customs territory of the Union. The list of documents and/or information to be submitted by interested parties to the authorized agency as part of administrative procedures, inter alia, to obtain licenses and permits for imports of certain categories of goods, as well as other required information, are outlined in Republic of Belarus Council of Ministers Resolution No. 548 of September 24, 2021, On Administrative Procedures Taken vis-à-vis Economic Agents. Pursuant to Resolution No. 365 of the Council of Ministers of the Republic of Belarus “On Licensing of Imports of Certain Types of Goods,” effective June 11, 2022, imports from EAEU member states of tobacco products under HS code EAEU 2404 11 (tobacco sticks) are subject to a licensing requirement for a period of 6 months. Furthermore, exclusive licenses issued by the Ministry of Antimonopoly Regulation and Trade apply to imports from outside the customs territory of the EAEU to the Republic of Belarus of goods placed under customs release for domestic consumption (except for goods placed under customs release for domestic consumption to complete the free customs zone procedures) and free customs zone. Resolution No. 365 no longer applies effective December 11, 2022.
Positive list	No.	
Negative list	Yes.	A ban has been placed on imports of goods included in the Uniform List of goods subject to import/export bans or restrictions imposed on Customs Union member states within the EAEU in trading with third countries (approved by EAEC Executive Council Decision No. 134 of August 16, 2012), and in the list of goods allowed for imports/exports into/from the EAEU Customs Territory (approved by Board of the EAEC Decision No. 30 of April 21, 2015, on Measures for Nontariff Regulation): ozone-depleting substances; hazardous waste; certain printed matter, audiovisual materials, and other media;

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		means of plant protection; equipment for harvesting aquatic biological resources; certain types of service and civilian weapons, basic parts thereof, and ammunition; and products made from harp seals and harp seal pups.
Open general licenses	No.	
Licenses with quotas	Yes.	In accordance with Section 2.27 of the Uniform List of Goods for which Nontariff Regulatory Measures are Applied in Trade with Third Countries as specified in Clause 4 of the Protocol on Nontariff Regulatory Measures with respect to Third Countries (Annex 7 to the EAEU Treaty), the following products are subject to import tariff quotas: fresh, chilled, or frozen pork; pork trimmings; frozen boneless chicken meat; and frozen boneless turkey meat. Licenses for imports of pork and poultry within the limits of the tariff quotas are issued by the Republic of Belarus Ministry of Antimonopoly Regulation and Trade. Under the May 29, 2015, FTA between the EAEU and its member states, on the one hand, and Republic of Vietnam, on the other hand, tariff quotas are set for certain types of long-grain rice that originates in Vietnam and is imported into the territories of the member states of the EAEU. Licenses for importing certain types of rice are issued by the Republic of Belarus Ministry of Antimonopoly Regulation and Trade. The FTA between the EAEU and its member states, on the one hand, and the Republic of Serbia, on the other hand, of October 25, 2019, as of July 10, 2021. In accordance with Annex 2 to the Agreement, tariff quotas are set for certain types of goods imported from the Republic of Serbia into the customs territory of the Union in the following amounts: 400 metric tons a year for certain types of cheeses (codes 0406 90 690 0, 0406 90 740 0, 0406 90 860 0, 0406 90 890 0, 0406 90 920 0, 0406 90 930 0, 0406 90 990 1, and 0406 90 990 9 of the EAEU Foreign Economic Activity Commodity Nomenclature); 35,000 liters of pure alcohol (100%) a year for liquors obtained as a result of the distillation of grape wine and grape extracts (codes 2208 20 290 0, 2208 20 890 0 of the EAEU Foreign Economic Activity Commodity Nomenclature); and 2,000,000,000 units a year for cigarettes containing tobacco (codes 2402 20 100 0, 2402 20 900 0 of the EAEU Foreign Economic Activity Commodity Nomenclature).
Other nontariff measures	Yes.	In accordance with Republic of Belarus Law No. 429-Z of August 27, 2008, the government has the exclusive right to import certain types of alcoholic beverages. Implementation has been awarded to legal entities that won government-organized tenders. In accordance with Order No. 4 of the President of the Republic of Belarus of October 18, 2007, and Decree No. 152 of the President of the Republic of Belarus of April 22, 2022, “On Imports of Raw Tobacco and Tobacco Products,” the government has the exclusive right to import raw tobacco and tobacco products. Exercise of this right has been granted to Grodno Tobacco Factory Neman and Tabak-Invest, and for tobacco products to Belarustorg and Energo-Oil. Decree No. 45 of the President of the Republic of Belarus of February 16, 2021, on Imports of Smoke-Free Tobacco Products granted to the state the exclusive right to import smoke-free tobacco products (HEETS-heated tobacco), classified under code 2403 in the Common Foreign Economic Activity Commodity Nomenclature of the EAEU, used in tobacco consumption systems (IQOS). The ability to exercise this right has been granted to Inter Tobacco LLC.
Import taxes and/or tariffs	Yes.	EAEU is subject to common customs regulation in accordance with the provisions of the EAEU Treaty, the Customs Code of the EAEU,

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international agreements governing legal relations in the customs sphere, and acts constituting the law of the EAEU. The Common Customs Tariff of the Eurasian Economic Union (EAEU CCT) is a set of import customs duties for goods imported into the common customs territory of the Union from third countries, classified under the common nomenclature for foreign economic activities of the Union (EAEU TNVED). The EAEU CCT applies the following types of duties: ad valorem, calculated as a percentage of the customs value of taxable goods; specific, calculated per unit of taxable goods; and combined, mixing both these types. With a view to improving regulation of imports into the common customs territory of the EAEU, seasonal customs duties may apply in lieu of regular import customs duties, for a period of up to six months a year. EAEU CCT import duty rates apply depending on the country of origin of imported goods and the terms and conditions of imports, in accordance with the laws of members of the EAEU, unless otherwise indicated in the EAEU Treaty. Goods originating in and imported from CIS countries that have an ST-1 certificate are exempt from import customs duties.

With the aim of promoting the economic development of developing and least developed countries, in accordance with the EAEU Treaty, the Union may grant tariff preferences for goods from developing and/or least developed economies using the Union's common system of tariff preferences.

For preferential goods imported into the Union's customs territory from developing economies using the Union's common system of tariff preferences, the import customs duty rates are equal to 75% of the rates under the Union's CCT. For preferential goods imported into the Union's customs territory from least developed economies using the Union's common system of tariff preferences, the import customs duty rates are equal to 0% of the rates provided for under the Union's CCT.

Decision No. 130 of the Customs Union Commission of November 27, 2009, on the CCT Regulation of the EAEU provides for a number of tariff concessions with respect to imported goods, as well as exemptions from import customs duties with respect to technological equipment and spare parts for such equipment; raw materials and supplies imported as part of an investment project in a priority area of activity; equipment, including machinery, mechanisms, and materials that are part of the standard items provided with said equipment; and components (with the exception of those subject to excise taxes) imported at the expense of credits provided by foreign states and international financial institutions in accordance with international agreements by member states; and a number of other concessions.

The collection of indirect taxes and the mechanism for monitoring their payment when goods are imported in mutual trade between member countries of the Union are carried out in accordance with the procedure defined in the Protocol on the Procedure for the Collection of Indirect Taxes and the Mechanism for Monitoring their Payment in the Export and Import of Goods, the Performance of Work, and the Provision of Services (Annex 18 to the EAEU Treaty). In trade relations with all countries, Belarus collects indirect taxes on a country-of-destination basis at the rate established by law.

Taxes collected through the exchange system	No.

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State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Under Republic of Belarus Law No. 226-Z of July 22, 2003, on Foreign Exchange Regulation and Foreign Exchange Control, resident legal entities engaged in export transactions must deposit Belarusian rubels and/or foreign currency in their accounts opened in banks in the Republic of Belarus. The period of repatriation is set by the resident based on the conditions and actual terms of fulfillment of obligations by the parties to a foreign currency agreement for exports, in a manner set forth in the Instruction on Conducting Foreign Exchange Operations, approved by Resolution No. 147 of the NBRB Executive Board of May 31, 2021.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Export from the Union customs territory of goods included in the Uniform List and the List is carried out as per the regulations permitting exports of goods subject to export restrictions, as approved by EAEC Board Decision No. 134 of August 16, 2012, and EAEC Board Decision No. 30 of April 21, 2015, on Measures for Nontariff Regulation. These goods include ozone-depleting substances and products containing them; hazardous waste; collectible objects in the area of mineralogy and paleontology and fossils; live wild animals, some wild plants, and wild medicinal raw materials; precious metals; unprocessed precious metals, waste and scrap of precious metals, ores and concentrates of precious metals, and raw materials containing precious metals; certain minerals; narcotic substances and drugs and psychotropic substances and their precursors; toxic substances; and special technical devices; encryption (cryptographic) devices; human organs, tissue, and blood and its components; service and civilian weapons; information on mineral resources indicating areas and deposits of fuel and energy and mineral resources. In the Republic of Belarus, permitting procedures are in place for the export of oil and petroleum products and ferrous and nonferrous metal waste and scrap, as well as mineral or chemical fertilizers and potassium fertilizers. In accordance with Resolution No. 486 of June 23, 2016, licenses for exports of goods are issued by the Republic of Belarus Ministry of Antimonopoly Regulation and Trade. The same decree approved the list of government agencies and other organizations authorized to

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approve the issuing of licenses.
There are also prohibitions on exports from the Union's customs territory of printed matter, audiovisual materials, and other media containing information that could harm the political or economic interests of Belarus or its state security, or the health and morals of its citizens; service and civilian weapons; and timber, recycled paper, cardboard, and waste paper (with respect to goods originating in the Republic of Kazakhstan) on the Uniform List and the List.
Effective March 23, 2022, until effective September 23, 2022, pursuant to Resolution No. 125 of the Council of Ministers of the Republic of Belarus of March 11, 2022, "On the introduction of a temporary ban on the export of certain types of goods," exports from the Republic of Belarus of grain and cereals, seeds, meal and cake, products used as animal feed are banned for a period of 6 months. The measure also applies to exports to EAEU member states.
Effective March 23, 2022, until effective September 23, 2022, pursuant to Resolution No. 147 of the Council of Ministers of the Republic of Belarus of March 19, 2022, "On the introduction of a ban on the export of certain types of industrial goods," exports of certain industrial goods (over 250 items) are temporarily banned for a period of 6 months. The measure also applies to exports to EAEU member states.
Effective April 4, 2022, until effective October 3, 2022, pursuant to Resolution No. 195 of the Council of Ministers of the Republic of Belarus of March 31, 2022, "On Non-Tariff Regulation Measures," exports of soybean meal and rapeseed or kolza seeds, cake, fish feed, products used for the preparation of feed are subject to a licensing requirement for a period of 6 months. Exports of the following goods are subject to One-time licenses issued by the Ministry of Antimonopoly Regulation and Trade in coordination with the Ministry of Agriculture and Food apply for exports (1) outside the territory of the Republic of Belarus to the EAEU member states, and (2) outside the customs territory of the EAEU in the Republic of Belarus to non-EAEU member states of goods placed under customs procedures for export, temporary export, processing outside the customs territory and reexport.
Effective July 8, 2022, until effective October 8, 2022, pursuant to Resolution No. 446 of the Council of Ministers of the Republic of Belarus of July 6, 2022, "On the introduction of a temporary ban on the export of certain types of goods," exports from the Republic of Belarus of coarse buckwheat cereals, hulled buckwheat grain, ready-made buckwheat products, soft wheat flour and spelt are temporarily banned for a period of 3 months. The measure also applies to exports to EAEU member states.
Effective July 21, 2022, until effective January 22, 2023, pursuant to Resolution No. 470 of the Council of Ministers of the Republic of Belarus of July 19, 2022, "On Licensing of Export of Flax Fiber," export of flax fiber is subject to a licensing requirement for a period of 6 months. Export from the Republic of Belarus of flax fiber originating from the territory of the Republic of Belarus, placed under the customs export procedure, is subject to one-time licenses issued by the Ministry of Antimonopoly Regulation and Trade in coordination with the concern "Bellegprom."
Effective August 18, 2022, pursuant to Resolution No. 528 of the Council of Ministers of the Republic of Belarus of August 15, 2022, "On the Introduction of Licensing for Exports of White Crystalline Sugar," exports of white crystalline sugar are subject to a licensing requirement for a period of 6 months. One-time licenses issued by the Ministry of Antimonopoly Regulation and Trade in coordination with the Concern "Belgospischeprom" apply to exports (1) outside

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		the territory of the Republic of Belarus to the EAEU member states, and (2) outside the customs territory of the EAEU in the Republic of Belarus to non-EAEU member states of goods regardless of their country of origin, placed under customs procedures for export, temporary export, processing outside the customs territory and reexport. The licensing requirement was removed effective October 9, 2022.
Without quotas	Yes.	Exports of the following goods on the Uniform List and the List require licenses from the relevant government authority: ozone-depleting substances and products containing them; hazardous waste; collectible objects in the area of mineralogy and paleontology and fossils; live wild animals, some wild plants, and wild medicinal raw materials; precious metals; unprocessed precious metals, waste and scrap of precious metals, ores and concentrates of precious metals, and raw materials containing precious metals; some minerals; narcotic substances and drugs and psychotropic substances and their precursors; toxic substances; special technical devices; encryption (cryptographic) devices; human organs, tissue, and blood and its components; information on mineral resources indicating areas and deposits of fuel and energy and mineral resources; petroleum and petroleum products; and mineral and chemical fertilizers.
With quotas	Yes.	Effective January 29, 2022, a zero-export quota was established for certain types of timber (codes 4401, 4403 and 4407 of the EAEU HS) for the EAEU member states.
Export taxes	Yes.	Exports of goods to countries that are not EAEU member states are subject to a zero VAT rate and/or are exempt from excise taxes. When goods are exported to EAEU member states, the collection of indirect taxes and the mechanism for monitoring their payment are carried out in accordance with the Protocol on the Procedure for the Collection of Indirect Taxes and the Mechanism for Monitoring their Payment in the Export and Import of Goods, the Performance of Work, and the Provision of Services (Annex 18 to the EAEU Treaty).
Collected through the exchange system	No.	
Other export taxes	Yes.	Export customs duties apply to a limited list of raw materials (petroleum products, potassium fertilizer, canola seeds, fuel wood and hardwood, processed and unprocessed lumber, raw hides) exported to countries outside the Union. Export customs duties on certain goods are established by the following regulatory legal acts: Decree No. 40 of the President of the Republic of Belarus of February 1, 2011, On the Establishment of Export Customs Duty Rates for Raw Hides; Decree No. 716 of December 31, 2010 of the President of the Republic of Belarus on Export Customs Duty Rates; Resolution No. 1932 of the Council of Ministers of the Republic of Belarus of December 31, 2010, on Export Duty Rates for Crude Oil and Certain Types of Oil Products; Decree No. 400 of the President of the Republic of Belarus of September 5, 2013, on the Establishment of the Export Customs Duty Rate for Potassium Fertilizers and Additions and Amendments to Decree No. 442 of the President of the Republic of Belarus of October 3, 2011, and to Decree No. 37 of the President of the Republic of Belarus of January 17, 2012; Decree No. 305 of the President of the Republic of Belarus of October 9, 2010, on the Establishment of Export Customs Duty Rates for Timber; Decree No. 272 of the President of the Republic of Belarus of May 21, 2010, on the Establishment of the Export Customs Duty Rate for Canola Seeds.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	When conducting foreign exchange operations, banks may require

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		that the resident submit documents and other information confirming compliance of foreign exchange operations with the requirements set forth in the foreign exchange legislation.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	Permission from the NBRB is not required for payment for imports with delivery outside Belarus to verify the bona fides of the transaction.
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	The Republic of Belarus Law on Investments guarantees unimpeded transfer of money related to making investments in Belarus. Exchange law places no restrictions on the making of payments.
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	The Republic of Belarus Law on Investments guarantees unimpeded transfer of money owed for the payment of wages to foreign citizens. Exchange law places no restrictions on the making of payments.
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Under the Republic of Belarus Law No. 226-Z of July 22, 2003, on Foreign Exchange Regulation and Foreign Exchange Control, resident legal entities engaged in export transactions must deposit Belarusian rubels and/or foreign currency in their accounts opened in banks in the Republic of Belarus (repatriation). In case of imports, they must deposit Belarusian rubels and/or foreign currency if the nonresident fails to fulfill their obligations in full, subject to exceptions. The period of repatriation is set by the resident based on the conditions and actual terms of fulfillment of obligations by the parties to a foreign currency agreement for exports, in a manner set forth in the Instruction on Conducting Foreign Exchange Operations, approved by Resolution No. 147 of the Board of the NBRB of May 31, 2021.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	In accordance with Law No. 226-Z "On Foreign Exchange Regulation and Foreign Exchange Control" of July 22, 2003, resident legal entities and individuals are not required to seek permission from the NBRB to conduct foreign exchange operations. The law requires that residents (individuals and legal entities) register foreign currency contracts and submit documents and other information on fulfillment of obligations under registered foreign currency contracts in a manner established by the NBRB. Banks are not required to register foreign currency contracts when conducting operations with foreign currency valuable classified as banking operations. Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," foreign currency contracts signed between a resident and a nonresident are subject to registration when conducting foreign currency transactions defined therein, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Repatriation requirements	No.	There is no requirement to repatriate and/or surrender proceeds from capital transactions.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	

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Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The purchase of shares of Belarusian issuers by nonresidents does not require a license from the NBRB or a license or other permission from the MOF (Securities Department), except that the maximum participation of foreign capital in the banking system of Belarus is 50%. The NBRB terminates the state registration of banks whose founders (shareholders) are foreign investors once the maximum has been reached. Foreign exchange legislation does not restrict these transactions; however, NBRB approval is required for transfer of bank shares by residents to nonresidents. Insurance institutions, including those with foreign investments, must be registered with the MOF. Performance of all types of activities and insurance services requires a special permit (license). When establishing an insurance organization with foreign investment, the proportion of a foreign investor's share is not restricted. However, the share of foreign investors in the authorized capital of any insurance organization may not exceed 30%. If that figure is exceeded, the MOF terminates the registration of insurance organizations with the participation of foreign investors and/or issues special permits (licenses) to such organizations to perform insurance activities. Permission from the MOF is required to transfer shares of Belarusian issuers to a depot loro correspondent account of a nonresident depository that has established a correspondent relationship with the Republic Central Securities Depository. Article 18 of the Republic of Belarus Law on the Securities Market of January 5, 2015, states that in the placement of securities, restrictions may be imposed on their acquisition by nonresidents.
Sale or issue locally by nonresidents	No.	Nonresidents are not required to have permission from the NBRB or a certificate of registration from the Securities Department of the MOF for the placement of securities. Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023. According to Articles 23 and 27 of the Republic of Belarus Law on the Securities Market of January 5, 2015, a procedure was put in place for the placement and circulation of securities issued by nonresidents within Belarus. The procedures for admission of the securities of nonresident issuers are determined by the MOF. Pursuant to Article 8 of the Law on the Securities Market, the Council of Ministers of the Republic of Belarus specifies the procedures for the qualification of the issue-grade securities of nonresident issuers as securities in Belarus. Pursuant to Articles 23 and 27 of the Law, placement and circulation of securities of nonresident issuers are allowed only in the organized market.
Purchase abroad by residents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if

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		the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023. Pursuant to Law No. 52-Z of the Republic of Belarus on Investment Funds of July 17, 2017, the amount of funds used for the acquisition of financial instruments issued by nonresidents of the Republic of Belarus must not exceed 30% of the value of the assets of a joint-stock investment fund intended for investment, or the assets of a mutual fund.
Sale or issue abroad by residents	No.	Foreign placement of shares of domestic issuers does not require permission from the securities market regulator or the NBRB; however, shares of domestic issuers placed abroad must be registered in the Republic of Belarus pursuant to Article 18 of the Republic of Belarus Law on the Securities Market (a requirement related to the exercise of control functions over emission procedures and the correct formation of authorized funds, as well as for statistical purposes). OJSCs in the Republic of Belarus (except for banks, nonbank credit and financial institutions, as well as legal entities that are part of a bank holding company and legal entities owning 5% of the bank's stock or more) may issue and sell shares using foreign depositary receipts to attract foreign investment.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	Purchases of bonds of Belarusian issuers by nonresidents do not require a license from the NBRB or permission from the MOF (Securities Department). Article 18 of the Republic of Belarus Law on the Securities Market of January 5, 2015, states that in the placement of securities, an issuer has the right to establish in its charter documents and/or decision regarding an issue (additional issue) of issue-grade securities a restriction on the acquisition of securities by nonresidents.
Sale or issue locally by nonresidents	No.	Nonresidents are not required to have permission from the NBRB or a certificate of registration for the placement of securities from the Securities Department of the MOF. Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023. According to Articles 23 and 27 of the Republic of Belarus Law of January 5, 2015, on the Securities Market, a procedure was put in place for the placement and circulation of securities issued by nonresidents within Belarus. The procedures for admission of the securities of nonresident issuers are determined by the MOF. Pursuant to Article 8 of the Law on the Securities Market, the Republic of Belarus Council of Ministers of the specifies the procedures for the qualification of issue-grade securities of nonresident issuers as securities in Belarus. Pursuant to

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		Articles 23 and 27 of the Law, the placement and circulation of securities of nonresident issuers are allowed only in the organized market.
Purchase abroad by residents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023. Pursuant to Law No. 52-Z of the Republic of Belarus on Investment Funds of July 17, 2017, the amount of funds used for the acquisition of financial instruments issued by nonresidents of the Republic of Belarus must not exceed 30% of the value of the assets of a joint-stock investment fund intended for investment, or the assets of a mutual fund.
Sale or issue abroad by residents	No.	Placement of bonds of domestic issuers abroad does not require permission from the securities market regulator or the NBRB.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	Permission from the NBRB is not required.
Sale or issue locally by nonresidents	No.	Nonresidents are not required to have permission from the NBRB or a certificate of registration from the Securities Department of the MOF for the placement of securities. Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023. In accordance with the Article 8 of Republic of Belarus Law No. 231-Z of January 5, 2015, on the Securities Market, the MOF establishes the conditions and procedure for allowing the placement and trading of securities of nonresident issuers within the Republic of Belarus. According to Articles 23 and 27 of the Republic of Belarus Law of January 5, 2015, on the Securities Market, a procedure was put in place for the placement and circulation of securities issued by nonresidents within Belarus. Pursuant to Article 8 of the Law on the Securities Market, the Council of Ministers of the Republic of Belarus specifies the procedures for the qualification of issue-grade securities of nonresident issuers as securities in Belarus. Pursuant to Articles 23 and 27 of the Law, placement and circulation of securities of nonresident issuers are allowed only in the organized market.
Purchase abroad by residents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if

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		the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023. Pursuant to Law No. 52-Z of the Republic of Belarus on Investment Funds of July 17, 2017, the amount of funds used for the acquisition of financial instruments issued by nonresidents of the Republic of Belarus must not exceed 30% of the value of the assets of a joint-stock investment fund intended for investment, or the assets of a mutual fund.
Sale or issue abroad by residents	No.	According to NBRB Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, a foreign currency contract concluded between a resident and nonresident is subject to registration when it involves the performance of foreign currency operations providing for the sale by a resident to a nonresident of securities issued by the resident, if the amount of the monetary obligations under the foreign currency contract is not defined or on the date the contract is concluded it is equal to or greater than an amount equivalent to 2,000 base values (in the case of a resident individual) or 4,000 base values (in the case of a resident legal entity or individual entrepreneur). The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
On collective investment securities	Yes.	Under Law No. 52-Z on Investment Funds of July 17, 2017, it is possible to create two types of investment funds: joint-stock investment funds and mutual funds. Joint-stock investment funds may issue only common (ordinary) shares. The issuing, circulation, and redemption of securities are performed in accordance with the given law, taking into account the specific considerations established by other legislative acts of the Republic of Belarus concerning investment funds. The procedure for issuing, circulation, and redemption of investment shares is also established by Republic of Belarus Law No. 52-Z of July 17, 2017, on Investment Funds. Investment shares are subject to state registration, and they are freely traded in the organized or other markets, unless otherwise established by legislative acts. Investment shares are recorded in the depository system.
Purchase locally by nonresidents	No.	Purchases locally by nonresidents of collective investment securities do not require the approval of the NBRB or the MOF.
Sale or issue locally by nonresidents	No.	There is no restriction on such transactions by nonresidents. Approval from the NBRB is not required for the sale or issue of collective investment securities by nonresidents in the local market. Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Purchase abroad by residents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a

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		nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023. In accordance with the Republic of Belarus Law on Investment Funds of July 17, 2017, the amount of funds used for the acquisition of financial instruments issued by nonresidents of the Republic of Belarus must not exceed 30% of the value of the assets of a joint-stock investment fund intended for investment, or the assets of a mutual fund.
Sale or issue abroad by residents	No.	According to NBRB Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, a foreign currency contract concluded between a resident and nonresident is subject to registration when it involves the performance of foreign currency operations providing for the sale by a resident to a nonresident of securities issued by the resident, if the amount of the monetary obligations under the foreign currency contract is not defined or on the date the contract is concluded it is equal to or greater than an amount equivalent to 2,000 base values (in the case of a resident individual) or 4,000 base values (in the case of a resident legal entity or individual entrepreneur). The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	Approval from the NBRB is not required. Professional participants in the securities market may engage in derivatives transactions in accordance with rules established by the organizer of securities trade and approved by the republic government authority that exercises government regulation of the securities market.
Sale or issue locally by nonresidents	No.	Approval from the NBRB is not required for the sale or issue of derivative securities by nonresidents in the local market. Professional participants in the securities market may engage in derivatives transactions in accordance with rules established by the organizer of securities trade and approved by the republic government authority that exercises government regulation of the securities market. Pursuant to Instruction No. 37 of February 12, 2021, “On registration of foreign currency contracts by residents,” foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Purchase abroad by residents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, “On registration of foreign currency contracts by residents,” foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the

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		contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Sale or issue abroad by residents	No.	According to Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, a foreign currency contract concluded between a resident and nonresident is subject to registration when it involves the performance of foreign currency operations providing for the sale by a resident to a nonresident of securities issued by the resident, if the amount of the monetary obligations under the foreign currency contract is not defined or on the date the contract is concluded it is equal to or greater than an amount equivalent to 2,000 base values (in the case of a resident individual) or 4,000 base values (in the case of a resident legal entity or individual entrepreneur). The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Controls on credit operations	Yes.	Law No. 226-Z of July 22, 2003, on Foreign Exchange Regulation and Foreign Exchange Control does not distinguish between foreign exchange current and capital transactions.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, resident legal entities must register a foreign currency contract for export, if the amount of monetary obligations under the foreign currency contract is not determined or is equal to or exceeds the equivalent of 4,000 base values on the date the foreign currency contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
To residents from nonresidents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, resident legal entities must register a foreign currency contract for export, if the amount of monetary obligations under the foreign currency contract is not determined or is equal to or exceeds the equivalent of 4,000 base values on the date foreign currency contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, on the Registration Of Foreign Currency Contracts by Residents, resident individuals and legal entities must register the foreign currency contract for the provision of a loan to a nonresident if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) and 4,000 base values (for resident legal entities and individual entrepreneurs) on the date the foreign currency contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
To residents from nonresidents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, on the Registration Of Foreign Currency Contracts by Residents, resident individuals and legal entities must register the foreign currency contract which provides for disbursement of a credit or a loan from a nonresident if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) and 4,000 base values (for resident legal entities and individual entrepreneurs) on the date the foreign currency contract is signed.

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		The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, on The Registration Of Foreign Currency Contracts by Residents, foreign currency contracts signed between a resident and a nonresident are subject to registration when residents buy securities issued by a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) or 4,000 base values (for resident legal entities and individual entrepreneurs) as of the date the contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
To residents from nonresidents	No.	Resident legal entities are not required to register foreign currency contracts involving receipt of guarantees and warranties from a nonresident. Banks perform transactions involving the receipt of guarantees and sureties under special banking licenses (no permission, notification, or registration is required).
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," resident individuals and legal entities must register the foreign currency contract envisaging a contribution to the nonresident's authorized fund if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) and 4,000 base values (for resident legal entities and individual entrepreneurs) on the date the foreign currency contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023. Resident banks may open subsidiaries and branches outside the Republic of Belarus and have equity interest in the authorized funds of foreign banks with approval from the National Bank. Equity interest in the capital of legal entities, including foreign entities exceeding 5% of the authorized capital of a legal entity requires approval from the National Bank.
Inward direct investment	Yes.	Permission from the NBRB is not required. Foreign investments must be registered with the relevant local governments. Financial institutions must also register them with the NBRB. Insurance institutions, including those with foreign investments, must also be registered with the MOF. All types of activities and insurance services are subject to a special permit (license). When incorporating a firm with foreign interest, no limit is placed on the foreign investor's share. Foreign investors' share in the authorized capital of all insurance organizations may not exceed 30%. If that figure is exceeded, the MOF terminates the registration of insurance organizations with the participation of foreign investors and/or issues special permits (licenses) to such organizations to perform insurance activities. The maximum participation of foreign capital in the banking system of Belarus is 50%. The NBRB terminates the state registration of banks whose founders (shareholders) are foreign investors once the maximum has been reached. Foreign exchange legislation does not restrict these transactions; however, approval from the NBRB is required for transfers of bank shares by residents to nonresidents.

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		If a bank's authorized fund increases by means of nonresident contributions and/or by the bank and/or a resident shareholder transferring bank shares in favor of nonresidents, a nonresident buyer of shares or a resident intending to enter into such a transaction must obtain prior approval from the National Bank.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, "On registration of foreign currency contracts by residents," resident individuals and legal entities must register the foreign currency contract for purchase of real estate abroad if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) and 4,000 base values (for resident legal entities and individual entrepreneurs) on the date the foreign currency contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Purchase locally by nonresidents	No.	Pursuant to Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, resident individuals and legal entities must register the foreign currency contract for the sale of real estate property located in the Republic of Belarus to a nonresident if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values (for resident individuals) and 4,000 base values (for resident legal entities and individual entrepreneurs) on the date the foreign currency contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, resident individuals must register the foreign currency contract for an extension of a loan to a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values on the date foreign currency contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
To residents from nonresidents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, resident individuals must register the foreign currency contract for borrowing of a loan from a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values on the date foreign currency contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Pursuant to Instruction No. 37 of February 12, 2021, on the Registration of Foreign Currency Contracts by Residents, resident individuals must register the foreign currency contract for a donation

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		(endowment) in favor of a nonresident, if the amount of monetary obligations under the foreign currency contract is not specified or is equal to or exceeds the equivalent of 2,000 base values on the date foreign currency contract is signed. The base value in rubels is determined annually by the government; the base value was set at 37 rubels in 2023.
To residents from nonresidents	Yes.	Registration with the Department of Humanitarian Affairs under the Office of the President of the Republic of Belarus is required. This requirement was rescinded with respect to foreign gratuitous aid obtained by individuals. Registration is required both for statistical purposes and as a control measure for the receipt and designated use of aid.
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks and nonbank financial and lending institutions with an appropriate banking license may purchase and sell foreign exchange. Banks may perform these transactions without restriction within the limits of their open foreign exchange position. A banking license is required to engage in banking operations. The definition of "banks" includes banks and nonbank credit and financial organizations that are such in accordance with the legislation of the Republic of Belarus.
Borrowing abroad	No.	Borrowing abroad by banks and nonbank financial institutions is not subject to NBRB approval, registration, or notification.
Maintenance of accounts abroad	No.	Banks may open correspondent accounts in foreign banks in accordance with special permits (licenses) for banking activities.
Lending to nonresidents (financial or commercial credits)	No.	Credits granted to nonresidents by banks and nonbank credit and financial organizations are not subject to registration.
Lending locally in foreign exchange	Yes.	The granting of credits to individuals in foreign currency, including tranches of credits under credit agreements previously entered into, is not allowed in the Republic of Belarus. The requirement with regard to lending to individuals in Belarusian rubels only is established in the Instruction on the Procedure for Providing Funds in the Form of Credit and their Return (Repayment), approved by NBRB Executive Board Resolution No. 149 of March 29, 2018, and also in Article 150 of the Banking Code of the Republic of Belarus. There are no restrictions on making loans in foreign currency to legal entities and individual entrepreneurs.
Purchase of locally issued securities denominated in foreign exchange	No.	The nominal value of bonds which, under the terms of the prospectus, are placed in the territory of the Republic of Belarus, with the exception of government bonds and NBRB bonds, must be denominated in the official unit of currency of the Republic of Belarus. Settlements in foreign currency between residents on resident bonds denominated in foreign currency are prohibited, with the exception of government bonds and National Bank bonds.
Differential treatment of deposit accounts	Yes.	

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in foreign exchange		
Reserve requirements	Yes.	Reserve requirement for funds attracted in foreign currency is set at 16%, and at 4% for funds attracted in domestic currency. The required reserve fund is accumulated in Belarusian rubels.
Liquid asset requirements	No.	The liquidity coverage and net stable funding ratios have been introduced as a requirement to ensure safe operation of banks, as provided for by the Basel III system standards. The value of each ratio is at least 100%. For the Republic of Belarus Development Bank OJSC, only a net stable funding ratio of 100% is established. An LCR is not established. The rules for calculating liquidity ratios and their statutory minimum values established by the National Bank are broadly in line with the recommendations of the Basel Committee on Banking Supervision. In the context of the National Bank's countercyclical measures adopted by NBRB Executive Board Resolution No. 81 of March 18, 2020, on Certain Issues in Regulating the Activities of Banks in 2020, between April 22, 2020, and December 31, 2020, banks were allowed to apply the LCR of 80%. As of January 1, 2021, NBRB Executive Board Resolution No. 298 of September 18, 2020, on Certain Issues in Regulating the Activities of Banks, Nonbank Lending and Financial Organizations, and the Republic of Belarus Development Bank OJSC in 2021, extended the right to apply the LCR of 80% until June 30, 2021. As of July 1, 2021, to December 31, 2021, the LCR value was increased to 90%. Effective March 21, 2022, the LCR was reduced to 80%. Effective May 27, 2022, until year-end, banks in the Group 1 systemically important banks may include an irrevocable credit line opened by the National Bank as part of highly liquid assets for the LCR calculation. Effective January 1, 2023, in accordance with NBRB Executive Board Resolution No. 451 of December 1, 2022, on Certain Issues in Regulating the Activities of Banks, Nonbank Lending and Financial Organizations, and the Republic of Belarus Development Bank OJSC in 2023, the right to apply the LCR of 80% was extended to December 31, 2023.
Interest rate controls	No.	Banks set interest rates on deposits in domestic and foreign currencies. The NBRB may make recommendations to banks about interest rate levels, regardless of the banks' residency status.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	Funds raised from nonresident banks and loans and funds received from nonresident clients in foreign exchange are not subject to reserve requirements.
Liquid asset requirements	No.	Liquid asset requirements are the same for deposit accounts of nonresidents and residents. For the LCR calculation, there is no difference between placing residents' and nonresidents' assets into the highly liquid assets category.
Interest rate controls	No.	There are no legislative restrictions for banks' establishing the size of interest rates for bank loans (deposits) of legal entities and individuals depending on whether they are Belarus residents or nonresidents.
Credit controls	No.	
Investment regulations	Yes.	

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Abroad by banks	Yes.	Banks seeking to participate in the authorized fund of another legal entity must obtain a permit from the NBRB in the following cases: (1) acquisition of shares when they are distributed among the company's founders, as well as interest in the authorized capital or stakes in the property of nonresidents; (2) purchase of a unitary enterprise in the form of a property complex and/or shares (an interest) in another legal entity as a long-term financial investment, and/or contribution to raise the nominal (actual) value of shares in such a legal entity, if after such an acquisition and/or contribution, its stake in the given legal entity's authorized capital becomes equal to 5% or more (including cases when previously that stake was 5% or more), except for acquisition of shares (interest) and/or an increase in the nominal (actual) value of shares unrelated to the need for its contribution of additional funds as a result of disposal by other shareholders (partners) and/or redistribution of internal sources of the legal entity; (3) establishment by resident banks of subsidiaries and branches outside the Republic of Belarus and the participation by resident banks in the authorized capital of foreign banks; and (4) transfers to nonresidents based on commitments involving a resident's purchase of real estate abroad. These are prudential regulation requirements (except for Item (4)). In keeping with memoranda of understanding (agreements) on banking supervision between the NBRB and the banking supervisors of individual countries, the parties may provide information regarding a potential investor, report on the issuing of licenses to open subsidiary banks and permits to participate in authorized capital of banks, and share other information.
In banks by nonresidents	Yes.	The maximum participation of foreign capital in the banking system of Belarus is 50%. The NBRB terminates the state registration of banks whose founders (shareholders) are foreign investors once the maximum has been reached. Foreign currency legislation does not restrict such operations, but permission from the NBRB is required in the following cases: (1) acquisition of ownership, administrative control, operational management, or receipt in trust of 5% or more of shares in the authorized capital of a bank as a result of one or more transactions by one legal entity or individual, including a shareholder of the bank, by a group of individuals and/or legal entities connected by an agreement, or by a group of subsidiary or dependent legal entities, as well as all subsequent acquisitions of bank shares by said persons; and (2) an increase in the authorized capital of a bank as a result of funds provided by nonresidents and/or the transfer of bank shares by a resident shareholder to a nonresident. Decree No. 84 of the President of the Republic of Belarus of March 3, 2016, "On issue and circulation of shares using foreign depositary receipts," prohibits issue of additional tranches of shares placed through foreign depositary receipts, sale through foreign depositary receipts of shares issued by banks, nonbank credit and financial organizations registered in the territory of the Republic of Belarus, and those issued by legal entities which are part of a bank holding company, and legal entities that own 5% or more of the bank's stock.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The following limits are set for the open positions of banks and nonbank lending and financial institutions in foreign currencies and precious metals: the overall open position for all foreign currencies and precious metals in the form of bank and mint bullion and revalued coins may not exceed 10% of the regulatory capital; the net open position for each foreign currency and precious metal in the form of bank and

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		mint bullion and revalued coins individually may not exceed 10% of the regulatory capital; the overall open balance-sheet position for all foreign currencies and precious metals in the form of bank and mint bullion and revalued coins may not exceed 10% of the regulatory capital, effective January 1, 2023; the overall open off-balance-sheet position for all foreign currencies and precious metals in the form of bank and mint bullion and revalued coins may not exceed 10% of the regulatory capital, effective January 1, 2023. Limits are calculated generally by type of foreign currency or precious metal in the form of bank bullion, revalued mint bullion, and revalued coins, regardless of whether assets or liabilities apply to a resident or nonresident.
On nonresident assets and liabilities	Yes.	The following limits are set for the open positions of banks and nonbank lending and financial institutions in foreign currencies and precious metals: the overall open position for all foreign currencies and precious metals in the form of bank and mint bullion and revalued coins may not exceed 10% of the regulatory capital; the net open position for each foreign currency and precious metal in the form of bank and mint bullion and revalued coins individually may not exceed 10% of the regulatory capital; the overall open balance-sheet position for all foreign currencies and precious metals in the form of bank and mint bullion and revalued coins may not exceed 10% of the regulatory capital, effective January 1, 2023; the overall open off-balance-sheet position for all foreign currencies and precious metals in the form of bank and mint bullion and revalued coins may not exceed 10% of the regulatory capital, effective January 1, 2023. Limits are calculated generally by type of foreign currency or precious metal in the form of bank bullion, revalued mint bullion, and revalued coins, regardless of whether assets or liabilities apply to a resident or nonresident.
Provisions specific to institutional investors	Yes.	Limits may be established by the Council of Ministers and the NBRB.
Insurance companies	Yes.	Insurance companies must obtain permission from the MOF to increase their authorized capital using funds from foreign investors and/or insurance organizations that are subsidiaries of those foreign investors, and to transfer shares (interest in the authorized capital) to foreign investors and/or insurance organizations that are subsidiaries of those foreign investors. The share of foreign investors in the authorized capital of all insurance organizations must not exceed 30%. If that maximum is exceeded, the MOF terminates the registration of insurance organizations with the participation of foreign investors and/or issues these organizations special permits (licenses) to perform insurance activities.
Limits (max.) on securities issued by nonresidents	Yes.	Insurance laws do not establish any quantitative limits on the purchase by Belarusian insurance companies of securities issued by nonresidents. But insurance laws establish the following restrictions and requirements: (1) Belarusian state-owned insurance organizations and insurance organizations in which the state holds a stake in the authorized capital equal to more than 50% may not purchase securities issued by nonresidents (either at the expense of insurance reserves or at the expense of their own funds), except for participation in the establishment of insurance organizations and/or insurance brokers outside Belarus and/or the acquisition of interests (shares) in the authorized capital of such organizations (these should be carried out with the permission of the MOF); (2) Belarusian private insurance companies may purchase securities issued by nonresidents at their

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		own expense free from liabilities and legal requirements (for example, minimum authorized fund resources are placed on bank accounts in the Republic of Belarus) in compliance with the diversification principle. (3) Insurance organizations may place no more than 30% of insurance reserves under trust management for a specific term with banks in the Republic of Belarus or other resident commercial organizations operating in the Republic of Belarus and acting as trust managers for at least three years. Funds placed under trust management may be invested, inter alia, in securities issued by governments, CBs (national), banks of foreign states, international financial institutions and development banks as per the list and criteria defined by the MOF.
Limits (max.) on investment portfolio held abroad	Yes.	There are no quantitative restrictions on the portfolio of investments abroad. However, the establishment by insurance companies or insurance brokers of separate subdivisions outside Belarus, participation in the establishment of insurance companies and/or insurance brokers outside Belarus, or the acquisition of an interest (shares) in the authorized capital of such organizations requires MOF permission. Belarusian state-owned insurance organizations and insurance organizations in which the state holds a stake in the authorized capital equal to more than 50% may not purchase securities issued by nonresidents (either at the expense of insurance reserves or at the expense of their own funds), if they are not related to the participation in the establishment of insurance organizations and/or insurance brokers outside Belarus and/or the acquisition of interests (shares) in the authorized capital of such organizations (these should be carried out with the permission of the MOF). Belarusian private insurance organizations may purchase securities issued by nonresidents at the expense of their own funds that are unencumbered and not subject to legislative requirements (for example, minimum authorized capital funds are placed in accounts at Republic of Belarus banks), in compliance with the principle of diversification. (3) Insurance organizations may place no more than 30% of insurance reserves under trust management for a specific term with banks in the Republic of Belarus or other resident commercial organizations operating in the Republic of Belarus and acting as trust managers for at least three years. Funds placed under trust management may be invested, inter alia, in securities issued by governments, CBs (national), banks of foreign states, international financial institutions and development banks as per the list and criteria defined by the MOF.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	There are no pension funds acting as institutional investors in Belarus. This circumstance is because of the distributive pension system in the Republic of Belarus, which does not provide for an accumulative tier in the form of pension funds. In the event of a reform of the pension system and the creation of pension funds becomes possible, their creation and functioning will be carried out in accordance with the Law on Investment Funds of July 17, 2017, taking into consideration potential specific features established for

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		such funds by legislative acts.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The activities of brokers, dealers, depositories, trustees, clearinghouses, and organizers of securities trading are overseen by the MOF (Securities Department). Under a special permit (license) to perform banking activity, banks may provide services related to the trust management of money (individual investments) and trust management of bank management funds (collective investments). Republic of Belarus Law No. 52-Z on Investment Funds of July 17, 2017, provides for the possibility of creating two types of investment funds: joint-stock investment funds and mutual funds. The organization managing the assets of an investment fund may be a commercial company that has been created in accordance with the legislation of the Republic of Belarus and has gone through the state accreditation process. A specialized depository is a commercial company or unitary enterprise that has been created in accordance with the legislation of the Republic of Belarus and has gone through the state accreditation process. The Republic of Belarus Council of Ministers establishes the procedure for the registration of rules governing mutual funds; it establishes the procedure for the state accreditation process, as well as the procedure and grounds for the suspension, renewal, and termination of state accreditation for operating as a management company and state accreditation for operating as a specialized depository; it establishes the procedure for the state registration of investment shares; and it exercises other authority related to the state regulation of relations involving investment funds. State accreditation for operating as an investment fund management company is performed by the Republic of Belarus MOF following the procedure defined under Items 14.3.3, 14.3.2 (14.3.4) of the Uniform List of Administrative Procedures Performed by Government Authorities and Other Organizations with respect to Legal Entities and Individual Entrepreneurs, approved by Republic of Belarus Council of Ministers Resolution No. 548 of September 24, 2021. The Regulation on the Financing of Commercial Organizations against a Concession of Rights (Claims) at the Expense of Funds Attracted through a Bond Issue, or with a Subsequent Bond Issue, approved by Decree of the President of the Republic of Belarus No. 154 of May 11, 2017, introduced the concept of a Special Financial Institution (SFI). An SFI is a joint-stock company created for the performance of securitization operations. An SFI is prohibited from performing any entrepreneurial activity other than securitization operations and transactions involving the acquisition of financial assets during the period that bonds are in circulation (at the expense of temporarily available funds that are part of the assets that have

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		been allocated), as well as transactions involving the conveyance of said financial assets. An SFI has the right to attract borrowed funds, including credits, for the acquisition of rights (claims) and for the payment of expenses related to a subsequent bond issue, for a term up to the day on which the bond placement ends, in an amount that does not exceed the cost of the rights (claims) acquired and the expenses related to the subsequent bond issue.
Limits (max.) on securities issued by nonresidents	Yes.	The amount of funds used for the acquisition of financial instruments issued by nonresidents of the Republic of Belarus must not exceed 30% of the value of the assets of a joint-stock investment fund intended for investment, or the assets of a mutual fund.
Limits (max.) on investment portfolio held abroad	Yes.	With regard to investment funds, the amount of funds used for the acquisition of financial instruments issued by nonresidents of the Republic of Belarus must not exceed 30% of the value of the assets of a joint-stock investment fund intended for investment, or the assets of a mutual fund.
Limits (min.) on investment portfolio held locally	No.	There are no limits on nonbank professional participants, SFIs, or investment fund management companies.
Currency-matching regulations on assets/liabilities composition	No.	There are no limits on nonbank professional participants, SFIs, or investment fund management companies.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	Central bank digital currency (CBDC) is being researched.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Between nonresidents	No.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	

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Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	Belarusian law does not contain token classifications. The legal basis for the public trading of tokens in the Republic of Belarus is defined by Order No. 8 of the President of the Republic of Belarus of December 21, 2017, on Development of the Digital Economy. This regulatory legal act establishes the basic concepts and authorities of participants in legal relations involving the use of digital units (tokens). According to Paragraph 12 of Annex 1 to Order No. 8, a digital unit (token) is a record in a register of transaction blocks (a blockchain), or another distributed information system, which certifies that the owner of the digital unit (token) has the rights to objects subject to private rights and/or is a cryptocurrency. In accordance with Paragraph 4 of Annex 1 to Order No. 8, a cryptocurrency is a bitcoin or other digital unit (token) used in international trading as a universal means of exchange. Order No. 8 defines the authorities of individuals with respect to transactions with tokens. Individuals have the right to own tokens, and also to perform the following operations: mining, storage of tokens in virtual wallets, exchange of tokens for other tokens, their acquisition or disposal for Belarusian rubels, foreign currency, and electronic money, and also to give and bequeath tokens. Individuals have the right to perform operations of this kind only independently and without the involvement of third parties under employment and civil-legal contracts. Order No. 8 does not contain any restrictions with regard to the method used by individuals to perform such transactions. Individuals have the right to perform permitted transactions with tokens through High-Tech Park residents who are engaged in the relevant types of activity, through foreign trading platforms, and directly with each other. Legal entities have the right to perform transactions with tokens exclusively through crypto platform operators, cryptocurrency exchange operators, and other High-Tech Park residents who are engaged in the relevant types of activity using tokens. There is liability for unlawful entrepreneurial activity using tokens.
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	

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Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Republic of Belarus law defines the authorities of legal entities with regard to the performance of activity using tokens, and it also regulates the performance of the following types of activity: the provision of services related to the creation and placement of digital units (tokens) using the internet, including services to promote digital units (tokens), consulting and other support services; crypto platform operator activities; cryptocurrency exchange operator activities; mining; other activities using tokens, including activities containing features of professional and exchange activities involving securities, investment fund activities, securitization, as well as the performance of operations involving the creation and placement of one's own tokens. Economic entities of the Republic of Belarus have the right to engage in such activities only as residents of the High-Tech Park. The supervisory council of the High-Tech Park, in line with the authority granted under Paragraph 2 of Decree No. 239 of the President of the Republic of Belarus of June 18, 2018, on Measures to Implement an Order of the President of the Republic of Belarus, has approved the following acts for the activities listed above (with the exception of mining):

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		Regulation on requirements that must be met by certain applicants for registration as residents of the High-Tech Park; Rules for the provision of services involving the creation and placement of one's own digital units (tokens) and the performance of operations to create and place one's own digital units (tokens); Rules for the performance of crypto platform operator activities; Rules for the performance of cryptocurrency exchange operator activities; Rules for the performance of activities involving the provision of services to carry out transactions (operations) with digital units (tokens) on behalf of other persons; Regulation on requirements for internal control rules for residents of the High-Tech Park; Regulation on requirements for internal control rules for residents of the High-Tech Park engaged in activities involving the provision of services to carry out transactions (operations) with digital units (tokens) on behalf of other persons. The Secretariat of the Supervisory Council of the High-Tech Park state institution, within the scope of its authority, exercises powers and oversight provided for in Article 16(2) and (4) of Republic of Belarus Law No. 165-Z of June 30, 2014, on Measures to Prevent Money Laundering, the Financing of Terrorism, and the Financing of Proliferation of Weapons of Mass Destruction, with respect to residents of the High-Tech Park engaged in the following types of activities: provision of services related to the creation and placement of digital units (tokens) using the internet, including services to promote digital units (tokens), consulting and other support services (with regard to the performance of transactions that entail the transfer of digital units (tokens) to their initial owners and the satisfaction of claims of owners of digital units (tokens) arising at the time of their creation and placement; crypto platform operator activities (with regard to the performance of activities using digital units (tokens)); cryptocurrency exchange operator activities (with regard to the performance of activities using digital units (tokens)); other activities using digital units (tokens), including activities containing features of professional and exchange activities involving securities, investment fund activities, securitization (with regard to the performance of activities using digital units (tokens)), as well as the performance of operations to create and place one's own digital units (tokens) (with regard to the performance of transactions that entail the transfer of digital units (tokens) to their initial owners and the satisfaction of claims of owners of digital units (tokens) arising at the time of their creation and placement. Order No. 8 does not regulate the activities of foreign trading platforms.
Access to crypto exchange/trading platform by residents	No.	Individuals have the right to perform permitted transactions with tokens through High-Tech Park residents who are engaged in the relevant types of activity, through foreign trading platforms, and directly with each other. Legal entities have the right to perform transactions with tokens exclusively through crypto platform operators, cryptocurrency exchange operators, and other High-Tech Park residents who are engaged in the relevant types of activity using tokens.

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*07/15/2022*	The National Bank of the Republic of Belarus added the Chinese yuan to the list of currencies in the foreign currency basket and

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assigned the following currency weights when calculating the value of the basket: 50% for the Russian ruble, 30% for the US dollar, 10% for the euro, and 10% for the Chinese yuan.

08/01/2022 The National Bank of the Republic of Belarus started setting official exchange rates daily against the Brazilian real (BRL), UAE dirham (AED), dong (VND) and Indian rupee (INR).

12/12/2022 The National Bank of the Republic of Belarus removed the euro from the list of currencies in the foreign currency basket and assigned the following currency weights when calculating the value of the basket: 60% for the Russian ruble, 30% for the US dollar, and 10% for the Chinese yuan.

Foreign exchange market

Spot exchange market

Operated by the central bank

Auction

07/15/2022 A two-way auction operates for the Chinese yuan.

Imports and Import Payments

Import licenses and other nontariff measures

06/11/2022 Imports from Eurasian Economic Union (EAEU) member states of tobacco products under HS code EAEU 2404 11 (tobacco sticks) are subject to a licensing requirement for a period of 6 months.

06/11/2022 Exclusive licenses issued by the Ministry of Antimonopoly Regulation and Trade apply to imports from outside the customs territory of the Eurasian Economic Union to the Republic of Belarus of goods placed under customs release for domestic consumption (except for goods placed under customs release for domestic consumption to complete the free customs zone procedures) and free customs zone.

12/11/2022 Resolution No. 365 of the Council of Ministers of the Republic of Belarus “On Licensing of Imports of Certain Types of Goods,” in force since June 11, 2022, no longer applies.

Exports and Export Proceeds

Export licenses

03/23/2022 Until September 22, 2022, pursuant to Resolution No. 125 of the Council of Ministers of the Republic of Belarus of March 11, 2022, “On the introduction of a temporary ban on the export of certain types of goods”, exports from the Republic of Belarus of grain and cereals, seeds, meal and cake, products used as animal feed are banned for a period of 6 months. The measure also applies to exports to Eurasian Economic Union member states.

03/23/2022 Until September 22, 2022, pursuant to Resolution No. 147 of the Council of Ministers of the Republic of Belarus of March 19, 2022, “On the introduction of a ban on the export of certain types of industrial goods”, exports of certain industrial goods (over 250 items) are temporarily banned for a period of 6 months. The measure also applies to exports to Eurasian Economic Union member states.

04/04/2022 Until October 1, 2022, pursuant to Resolution No. 195 of the Council of Ministers of the Republic of Belarus of March 31, 2022, "On Non-Tariff Regulation Measures", exports of soybean meal and rapeseed or kolza seeds, cake, fish feed, products used for the preparation of feed are subject to a licensing requirement for a period of 6 months. Exports of the following goods are subject to One-time licenses issued by the Ministry of Antimonopoly Regulation and Trade in coordination with the Ministry of Agriculture and Food apply for exports (1) outside the territory of the Republic of Belarus to the Eurasian Economic Union (EAEU) member states, and (2) outside the customs territory of the EAEU in the Republic of Belarus to non-

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		EAEU member states of goods placed under customs procedures for export, temporary export, processing outside the customs territory and reexport.
	07/08/2022	Until October 7, 2022, pursuant to Resolution No. 446 of the Council of Ministers of the Republic of Belarus of July 6, 2022, "On the introduction of a temporary ban on the export of certain types of goods", exports from the Republic of Belarus of coarse buckwheat cereals, hulled buckwheat grain, ready-made buckwheat products, soft wheat flour and spelt are temporarily banned for a period of 3 months. The measure also applies to exports to Eurasian Economic Union member states.
	07/21/2022	Until January 21, 2023, pursuant to Resolution No. 470 of the Council of Ministers of the Republic of Belarus of July 19, 2022, "On Licensing of Export of Flax Fiber", export of flax fiber is subject to a licensing requirement for a period of 6 months. Export from the Republic of Belarus of flax fiber originating from the territory of the Republic of Belarus, placed under the customs export procedure, is subject to one-time licenses issued by the Ministry of Antimonopoly Regulation and Trade in coordination with the concern "Bellegprom".
	08/18/2022	Until February 17, 2023, pursuant to Resolution No. 528 of the Council of Ministers of the Republic of Belarus of August 15, 2022, "On the Introduction of Licensing for Exports of White Crystalline Sugar", exports of white crystalline sugar are subject to a licensing requirement for a period of 6 months. One-time licenses issued by the Ministry of Antimonopoly Regulation and Trade in coordination with the Concern "Belgospischeprom" apply to exports (1) outside the territory of the Republic of Belarus to the Eurasian Economic Union (EAEU) member states, and (2) outside the customs territory of the EAEU in the Republic of Belarus to non-EAEU member states of goods regardless of their country of origin, placed under customs procedures for export, temporary export, processing outside the customs territory and reexport.
	09/23/2022	Pursuant to Resolution No. 125 of the Council of Ministers of the Republic of Belarus of March 11, 2022, "On the introduction of a temporary ban on the export of certain types of goods," the ban on exports from the Republic of Belarus of grain and cereals, seeds, meal and cake, products used as animal feed expired.
	09/23/2022	Pursuant to Resolution No. 147 of the Council of Ministers of the Republic of Belarus of March 19, 2022, "On the introduction of a ban on the export of certain types of industrial goods," the temporary ban on exports of certain industrial goods (over 250 items) expired.
	10/03/2022	Pursuant to Republic of Belarus of March 31, 2022, "On Non-Tariff Regulation Measures," the temporary licensing requirement for exports of soybean meal and rapeseed or kolza seeds, cake, fish feed, products used for the preparation of feed expired.
	10/08/2022	Pursuant to Resolution No. 446 of the Council of Ministers of the Republic of Belarus of July 6, 2022, "On the introduction of a temporary ban on the export of certain types of goods," the temporarily ban on exports from the Republic of Belarus of coarse buckwheat cereals, hulled buckwheat grain, ready-made buckwheat products, soft wheat flour and spelt expired.
	10/09/2022	The licensing requirement for exports of white crystalline sugar in place since August 18, 2022, was removed.
	01/22/2023	Pursuant to Resolution No. 470 of the Council of Ministers of the Republic of Belarus of July 19, 2022, "On Licensing of Export of Flax Fiber," the temporary licensing requirement on export of flax fiber expired.
With quotas	*01/29/2022*	A zero-export quota was established for certain types of timber (codes 4401, 4403 and 4407 of the (Eurasian Economic Union

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EAEU) HS) for the EAEU member states.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Liquid asset requirements	*03/21/2022*	The required LCR was reduced to 80%.
	05/27/2022	Until year-end, banks in the Group 1 systemically important banks may include an irrevocable credit line opened by the National Bank as part of highly liquid assets for the LCR calculation.
	01/01/2023	The right to apply the LCR of 80% was extended to December 31, 2023.
Open foreign exchange position limits		
On resident assets and liabilities	*01/01/2023*	Both the balance-sheet and off-balance-sheet overall open position for all foreign currencies and precious metals in the form of bank and mint bullion and revalued coins may not exceed 10% of the regulatory capital.
On nonresident assets and liabilities	*01/01/2023*	Both the balance-sheet and off-balance-sheet overall open position for all foreign currencies and precious metals in the form of bank and mint bullion and revalued coins may not exceed 10% of the regulatory capital.

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BELGIUM

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with EC regulations, certain restrictions are maintained on payments and transfers for current international transactions. These include the freezing of funds and economic resources of natural and legal persons, entities, and groups. Restrictions have been imposed on Afghanistan; Belarus; Burundi; the Central African Republic; the Democratic Republic of the Congo; Guinea (Conakry); Guinea-Bissau; certain persons, entities, and bodies in the Islamic Republic of Iran and persons responsible for serious human rights violations there and persons, entities, and bodies associated with them; certain persons and entities in Iraq; the Democratic People's Republic of Korea (as amended); Lebanon; certain persons, entities, and bodies in Libya (as amended); Mali; Moldova; Myanmar; Nicaragua; Russia; Somalia; South Sudan; Sudan; persons responsible for the violent repression against the civilian population in Syria and persons, entities, and bodies associated with them; persons responsible for misappropriation of Tunisian government funds and natural or legal persons or entities associated with them; Turkey; Ukraine; Venezuela; Yemen; Zimbabwe; persons and entities associated with ISIL (Da'esh) and Al-Qaida and certain other persons, groups, and entities, with a view to combating terrorism (as amended); persons, groups, and entities related to the proliferation and use of chemical weapons; persons, groups, and entities related to cyberattacks; and persons, groups and entities related to serious human rights violations and abuses. As of March 16, 2021, Council Regulation (EU) 2021/445 of March 12, 2021, repealed Regulation (EU) No. 270/2011 concerning restrictive measures directed against certain persons, entities, and bodies in view of the situation in Egypt.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Belgium is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	

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Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Belgium participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes reference rates based on the daily concertation procedure between CBs within and outside the European System of Central Banks, which normally takes place at 2:15 p.m. Central European Time. On July 1, 2016, the ECB changed the publication time of the euro foreign exchange reference rates (ECB reference rates) from around 2:30 p.m. Central European Time to around 4:00 p.m. Central European Time. The reference rates against the euro are the average of the buying and selling rates. The publication regime aims to reinforce the distinction between exchange rate fixings used as benchmarks for transaction purposes and the ECB reference rates that are published for information purposes only.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		

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Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the European Union, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	

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Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Foreign exchange bureaus are subject to licensing by the Financial Services and Markets Authority (FSMA). As of December 31, 2022, there were 9 active foreign exchange bureaus authorized by the FSMA. The type of transactions foreign exchange bureaus can effect is limited to spot exchange transactions.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	The foreign exchange market operates over the counter.
Brokerage	No.	
Market making	Yes.	The interbank foreign exchange market operates on the basis of a market-making agreement, under which participants commit to a maximum spread and a minimum amount to trade.
Forward exchange market	Yes.	Banks may engage in spot and forward exchange transactions in any currency, and they may deal among themselves and with residents and nonresidents in foreign notes and coins. The National Bank of Belgium conducts operations in the foreign exchange spot and forward exchange market within the framework of the management of its foreign reserves, client relationships, and obligations vis-à-vis international organizations.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	For anti-money laundering reasons, real estate may be paid for only with a bank transfer or check. Regardless of the total amount, no payment or donation may be made or received in cash for an amount above €3,000 of its equivalent in another currency, as part of one or several transactions that seem to be related. However, except in case of public auction under the supervision of a bailiff: (1) the payment of copper cables may not be carried out in cash, when the buyer is not a consumer and (2) the payment of old metals or goods containing precious materials, unless these precious materials are only present in small quantities and only because of their necessary physical properties: (a) may not be carried out or received in cash when neither the seller nor the buyer is a consumer; and (b) may not be carried out or received in cash for an amount or more than €500 when the seller is a consumer and the buyer is not a consumer. If, in this latter case, the buyer accepts to carry out the payment fully or partially in cash, he must identify the consumer, verify his identity, and keep his data and the proof of verification, in accordance with the rules determined by the King. The provision laid down in the first subparagraph does not apply to:

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		(1) the sale of real property, referred to in Article 66; (2) transactions between consumers; (3) the obliged entities referred to in Article 5, § 1, 1, 3, 4, 6, 7, 10, and 16, as well as their clients when they carry out transactions with these entities. When the submitted accounting documents, including bank statements, do not enable to determine how payments or donations have been made or received, these are presumed to have been carried out or received in cash. Subject to evidence to the contrary, any payment or donation in cash is presumed to be made on Belgian territory, and therefore subject to the provisions of this article when at least one of the parties resides or conducts an activity in Belgium. Irrespective of the total amount, postal deposits on accounts of third parties or on postal current accounts may only be carried out by consumers, for a maximum amount of €3,000 per deposit or a set of linked deposits. This does not apply to postal deposits on postal current accounts or on current accounts carried out by federal or regional public service officials in the performance of their duties.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EU) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000

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		or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation or suspicions of money laundering/terrorism financing, cash may be confiscated or retained administratively for a period of time between 30 and 90 days. The EC regulation requires member countries to impose effective, dissuasive, and proportionate penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EC regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. A similar mandatory declaration system exists when cash with a value of €10,000 or more is entering or leaving the EU non-accompanied. The EC regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the EC regulation; the EC regulation only harmonizes the system for the EU's external borders. However, the Royal Decree of January 26, 2014, implemented an obligation to declare physical cross-border transportation of cash from one EU member country to another at the request of an appropriate authority (mainly the Customs and Excise Administration).
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be freely transferred abroad.
Approval required	No.	
Held abroad	Yes.	Controls apply to deposits held with financial institutions not supervised by the authorities of an EU country if these deposits are to form part of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund. Movable assets outside the EEA are also acceptable, provided the National Bank of Belgium or a credit institution or investment firm governed by the law of a member country and

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		authorized as a depository attests that it holds these covering assets for the account of the insurance company or private pension fund, through an establishment within the EEA, at a credit institution or investment firm outside the EEA whose authorization the FSMA deems equivalent to its own.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	Some accounts are blocked, by way of implementation of restrictive measures imposed for security reasons. The accounts held by certain entities and persons of Belarus, the Democratic Republic of the Congo, Libya, Syria, Russia, certain persons and entities associated with ISIL (Da'esh) and Al-Qaida, and certain other persons, groups, and entities, with a view to combating terrorism are blocked. As of October 28, 2021, the accounts held by certain entities and persons of Belarus were blocked. As of April 5, 2021, the restrictions on Central African Republic entities have been removed, which were blocked since August 20, 2015.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	

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Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Individual licenses are required for certain imports from some non-EU countries, including many textiles and weapons. All other products are free of license requirements. The prior surveillance system without quantitative restrictions of imports of certain iron and steel products originating in certain third countries ended. Effective March 1, 2022, the requirement for licenses of diamonds import was eliminated.
Open general licenses	No.	
Licenses with quotas	Yes.	The EU has a system of licenses for the import of agricultural products originating in third countries, notably for the administration of the relevant WTO tariff rate quotas. These import licenses allow the EU authorities to monitor trade flows and administer import tariff rate quotas.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Belgium applies the Common Import Regime of the EU to imports of most agricultural and livestock products from non-EU countries.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Export licenses are required for only a few products (mostly of a strategic nature), and for weapons. Effective March 1, 2022, the licenses requirement for the export of diamonds was eliminated. Belgium applies the European regulations related to sanctions regimes for certain countries (for example sanctions against Russia and Belarus). The temporary requirement for export authorization for the export of

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	COVID-19 vaccines expired since October 1, 2021.
Without quotas	Yes.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Investment in assets of countries outside the EEA and covering insurance (not reinsurance) risks situated inside this Area are subject to some conditions (Article 197 of Law of March 13, 2016) to ensure the effectiveness of the recovery and resolution measures against companies in difficulties (the limit of the power to dispose of assets). The legislation for Belgian IORP contains no quantitative restrictions in this respect.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Investment in assets of countries outside the EEA and covering insurance (not reinsurance) risks situated inside this Area are subject to some conditions (Article 197 of Law of March 13, 2016) to ensure the effectiveness of the recovery and resolution measures against

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		companies in difficulties (the limit of the power to dispose of assets). The legislation for Belgian IORP contains no quantitative restrictions in this respect.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Investment in assets of countries outside the EEA and covering insurance (not reinsurance) risks situated inside this Area are subject to some conditions (Article 197 of Law of March 13, 2016) to ensure the effectiveness of the recovery and resolution measures against companies in difficulties (the limit of the power to dispose of assets). The legislation for Belgian IORP contains no quantitative restrictions in this respect.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Investment in assets of countries outside the EEA and covering insurance (not reinsurance) risks situated inside this Area are subject to some conditions (Article 197 of Law of March 13, 2016) to ensure the effectiveness of the recovery and resolution measures against companies in difficulties (the limit of the power to dispose of assets). The legislation for Belgian IORP contains no quantitative restrictions in this respect.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Investment in assets of countries outside the EEA and covering insurance (not reinsurance) risks situated inside this Area are subject to some conditions (Article 197 of Law of March 13, 2016) to ensure the effectiveness of the recovery and resolution measures against companies in difficulties (the limit of the power to dispose of assets). The legislation for Belgian IORP contains no quantitative restrictions in this respect.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Investment in assets of countries outside the EEA and covering

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		insurance (not reinsurance) risks situated inside this Area are subject to some conditions (Article 197 of Law of March 13, 2016) to ensure the effectiveness of the recovery and resolution measures against companies in difficulties (the limit of the power to dispose of assets). Royal Decree of February 22, 1991, on General Regulation of the Supervision of Insurance Companies contained detailed rules governing investments by insurance companies for the assets that cover their technical provisions.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) the acquisition of Belgian flag vessels by shipping companies that do not have their principal office in Belgium; (2) investment by non-EU nationals in accounting and legal services; (3) investment in airlines established in Belgium that must be majority owned and effectively controlled by EU countries and/or nationals of EU countries, unless otherwise provided for through an international agreement to which the EU is a signatory; and (4) the extent that under Directive (EC) 85/611, a UCITS depository must have its registered office either in the same EU country as that of the company or be established in the EU country if its registered office is in another EU country. Regulation (EU) 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	

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Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	There are no explicit binding limits on open foreign exchange positions. However, there are provisions for foreign exchange positions in the form of prudential capital requirements (Article 351 of the CRR (Regulation (EU) No. 575/2013)).
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Insurance or reinsurance companies must invest all their assets in accordance with the “prudent person” principle as described in the

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		law (Article 190).
Limits (max.) on securities issued by nonresidents	Yes.	Insurance or reinsurance companies governed by the Belgian law: There is no limit anymore because of the application of the prudent person principle. Insurance or reinsurance companies must invest all their assets in accordance with the "prudent person" principle as described in the law (Article 190). According to Article 191 of the Law of March 13, 2016, on the legal status and supervision of insurance or reinsurance companies "With respect to the whole portfolio of assets, insurance or reinsurance companies must only invest in assets and instruments the risks of which the company concerned can properly identify, measure, monitor, manage, control and report, and appropriately take into account in the assessment of its overall solvency needs in accordance with Article 91, § 1, second paragraph, 1. All assets, in particular those covering the minimum capital requirement and the solvency capital requirement, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole. In addition, the localization of those assets must be such as to ensure their availability. Assets held to cover the technical provisions must also be invested in a manner appropriate to the nature and duration of the insurance and reinsurance obligations. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. In the case of a conflict of interest, insurance companies, or the entity which manages their asset portfolio, must ensure that the investment is made in the best interest of policyholders and beneficiaries." This law will not be applicable to insurance or reinsurance companies governed by the law of another member state, which will be supervised by the home country. Insurance or reinsurance companies governed by the law of a third country: The same rules as for companies governed by the Belgian law are applicable (prudent person principle).
Limits (max.) on investment portfolio held abroad	Yes.	For insurance or reinsurance companies governed by the Belgian law, the assets of the insurance and reinsurance companies can be localized in any country (in or outside the EEA). Nevertheless, investment in assets of countries outside the EEA and covering insurance (not reinsurance) risks situated inside this Area are subject to some conditions (Article 197 of Law of March 13, 2016) to ensure the effectiveness of the recovery and resolution measures against companies in difficulties (the limit of the power to dispose of assets). This law will not apply to insurance or reinsurance companies governed by the law of another member state, which will be supervised by the home country. For insurance or reinsurance companies governed by the law of a third country (provisions of the Law of March 13, 2016, are applicable at the Belgian branch), assets covering the technical provisions of insurance liabilities must be, in principle, localized inside the EEA. These assets can be localized outside the EEA if the law applicable to the winding-up procedures gives a similar protection to the policyholders as the Belgian law.
Limits (min.) on investment portfolio held locally	No.	There are no minimum or maximum investment limits. Insurance or reinsurance companies must invest all their assets in accordance with the "prudent person" principle.
Currency-matching regulations on assets/liabilities composition	No.	There is no limit because of the application of the "prudent person" principle. Insurance or reinsurance companies must invest all their assets in accordance with the "prudent person" principle as described in the law (Article 190).

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Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The technical provisions of pension funds must be covered at all times by sufficient and appropriate assets belonging to the IORP and allocated in a way that guarantees fulfillment of the obligations of the pension schemes they manage and application of the relevant legal and regulatory provisions for each fund. The actual legislation for Belgian IORP contains no quantitative restrictions in this respect. Assets must be invested according to the principle of prudence and the following rules (control a posteriori): (1) The assets must be invested in the best interest of members and beneficiaries. If there is potential conflict of interest, the institution, or its portfolio manager, must ensure that the investment is made in the sole interest of members and beneficiaries. IORP can take into account the potential long-term impact of investment decisions on environmental, social, and governance factors. (2) The assets must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole. (3) The assets must be invested predominantly in regulated markets. Assets not traded in a regulated financial market must be kept to a prudent level. (4) Investments in derivative instruments are permitted insofar as they reduce investment risk or facilitate efficient portfolio management. They must be valuated prudently, taking into account the underlying asset, and included in the valuation of the institution's assets. The institution must avoid excessive risk exposure to a single counterparty and to other derivative operations. (5) The assets must be diversified in such a way as to avoid excessive reliance on any particular asset, issuer, or group of companies and accumulation of risk in the portfolio as a whole. Investments issued by the same issuer or by issuers of the same group must not expose the institution to excessive risk concentration. (6) Investments in, as well as loans granted to, and claims on the sponsoring company may not exceed 5% of the entire portfolio, and, if the sponsoring company belongs to a group, investment in, as well as loans granted to, and claims on companies of the same group as the sponsoring company may not exceed 10% of the portfolio. If the institution is sponsored by more than one company, investment in, as well as loans granted to, and claims on these companies must be made prudently, taking into account proper diversification. Derivative instruments that imply delivery are authorized only if at least one of the following conditions is met: (1) The IORP holds the underlying assets as covering assets. (2) The risks inherent in the highly liquid underlying assets are adequately covered by other liquid assets, provided the latter can be allocated to acquisition of underlying assets to be delivered, and provided the additional risk of this type of operation is adequately measured and managed. (3) A clearing institution is involved that offers an adequate guarantee of the success of the operation, the derivative positions are evaluated daily at market value, and margin calls are issued at least once a day. To apply the first paragraph, second point (of Article 28 of the Royal Decree of January 12, 2007), a hedging instrument is considered liquid if, during a period of at least seven bank working days, it can be converted to cash at a price very close to the actual valuation of the instrument. The amount in cash must be at the disposal of the

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		IORP at maturity or at the exercise date of the derivative. Financial instruments that are not traded in a regulated market may not serve as cover unless they are realizable within a reasonable time. This condition (of Article 29 of the Royal Decree of January 12, 2007) may be waived for credit institutions, insurance companies, and investment firms whose registered office is in an EU Member State – with FSMA approval.
Limits (max.) on investment portfolio held abroad	Yes.	Pension fund assets must be located within the EEA. By way of derogation from the first paragraph, movable cover assets outside the EEA are also accepted, provided the National Bank of Belgium or a credit institution or investment firm governed by the laws of an EU member and authorized to carry out the activity of depository attests that it holds these assets for the IORP's account, through an EEA establishment at a credit institution or investment firm outside the EEA whose authorization the FSMA deems equivalent to its own.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Assets of a pension fund may be denominated in (1) euros or currencies convertible to euros without restriction or (2) the currency of the liabilities, up to the amount of those liabilities.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	For pension savings funds in the form of public open-end collective investment funds, up to 20% of the assets of such funds may be denominated in a currency other than euros. However, the assets denominated in a currency other than euros may be fully or partially hedged with financial derivatives for the currency risk, so that the hedged part is not taken into account for the determination of the maximum of 20%.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.

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For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	The legislation for Belgium IORP contains no quantitative restrictions in this respect.
Transactions in derivatives and other instruments	n.r.	The legislation for Belgium IORP contains no quantitative restrictions in this respect.
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	No.	The legislation for Belgium IORP contains no quantitative restrictions in this respect.
Transactions in derivatives and other instruments	No.	The legislation for Belgium IORP contains no quantitative restrictions in this respect.
Credit operations	n.r.	
Crypto assets	No.	
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	The legislation for Belgian IORP contains no quantitative restrictions in this respect. Assets must be invested according to the principle of prudence and to the rules contained in Article 91 of the Law dated October 27, 2006, on the Supervision of Occupational Retirement Provision (control a posteriori).
Transactions in derivatives and other instruments	No.	The legislation for Belgian IORP contains no quantitative restrictions in this respect. Assets must be invested according to the principle of prudence and to the rules contained in Article 91 of the Law dated October 27, 2006, on the Supervision of Occupational Retirement Provision (control a posteriori).
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	

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Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	The legislation for Belgian IORP contains no quantitative restrictions in this respect. Assets must be invested according to the principle of prudence and to the rules contained in Article 91 of the Law dated October 27, 2006, on the Supervision of Occupational Retirement Provision (control a posteriori).
Transactions in derivatives and other instruments	No.	The legislation for Belgian IORP contains no quantitative restrictions in this respect. Assets must be invested according to the principle of prudence and to the rules contained in Article 91 of the Law dated October 27, 2006, on the Supervision of Occupational Retirement Provision (control a posteriori).
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	The legislation for Belgian IORP contains no quantitative restrictions in this respect. Assets must be invested according to the principle of prudence and to the rules contained in Article 91 of the Law dated October 27, 2006, on the Supervision of Occupational Retirement Provision (control a posteriori).
Transactions in derivatives and other instruments	No.	The legislation for Belgian IORP contains no quantitative restrictions in this respect. Assets must be invested according to the principle of prudence and to the rules contained in Article 91 of the Law dated October 27, 2006, on the Supervision of Occupational Retirement Provision (control a posteriori).
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	The virtual assets service providers (VASPs) must be registered with the FSMA according to the Law of September 18, 2017 (Belgian (AML) law) and to the Royal Decree of February 8, 2022. Please note that this registration is for AML supervision purposes only. The registered VASPs are subject to Belgian AML law and to AML supervision by the FSMA in Belgium. This registration requirement applies to all service providers offering the custodian wallet services and/or the exchange services between virtual currencies and legal currencies provided they are established in Belgium. By “service providers established in Belgium”, we mean, in addition to (1) providers governed by Belgian law, (2) the VASPs governed by the law of another Member State of the EEA who have a branch or any other form of permanent establishment in Belgium within the meaning of the relevant case law of the Court of Justice of the European Union (for example, representative,

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		distributor), and also (3) the VASPs governed by the law of another Member State of the EEA and operating electronic infrastructures (ATMs) installed on Belgian territory. This limitation of the Belgian AML supervision to the obliged entities established in Belgium is not limited to the VASPs. In accordance with the territorial scope of the national laws transposing the AML Directives and with the principle of territorial application of the rules on combating money laundering and terrorism financing in general, only obliged entities established in Belgium are subject to the Belgian AML law and to the AML supervision in Belgium. That means that the VASPs governed by the law of another Member State of the EEA may provide their services in Belgium without applying for a registration at the FSMA. According to Article 47 of the AML Directive (AMLD), these VASPs are registered in their Home State and are subject in their Home Member State to AML supervision. However, we would like to point out that: - those VASPs are subject to the requirements applying to the marketing of virtual currencies to consumers as provided for by Regulation of the FSMA of January 5, 2023. - natural or legal persons governed by the law of a third country to the EEA are prohibited to provide, on Belgian territory, as a regular professional activity, even if complementary or ancillary, exchange services between virtual currencies and legal currencies or custody portfolio services. The registration requirements are laid down by the Royal Decree of February 8, 2022. The key registration criteria are the following : - to be a legal person with a minimum capital of €50.000,00 which must be fully paid up; - to have their statutory seat in Belgium for legal persons governed by the Belgian law; - central administration for legal person governed by the law of another Member State of the EEA except for VASP having installed ATMs in Belgium; - VASP governed by the law of another Member State of the EEE and which are established on Belgian territory other than through a branch (for example, via an agent, distributor, or ATM), shall designate a central contact point located in Belgium; - fit and properness of the executive managers. The persons entrusted with the effective management of the VASP are exclusively natural persons; - quality of the shareholders holding, directly or indirectly, more than 5% of the VASP; - adequate organization to comply with the regulatory requirements and to be able to adequately manage the operational risks (including IT); - compliance with the AML/CFT legislation.
Access to crypto exchange/trading platform by residents	No.	Registered VASPs must comply with AML/CFT obligation to residents who use exchanges/trading platforms to acquire, hold, and trade crypto currencies.

Changes during 2022 and 2023

Imports and Import Payments

Import licenses and other

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nontariff measures		
Negative list	*03/01/2022*	The requirement for licenses of diamonds import was eliminated.

Exports and Export Proceeds

Export licenses	*03/01/2022*	The licenses requirement for the export of diamonds was eliminated.

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BELIZE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		March 16, 1982.
Article VIII	Yes.	Date of acceptance: June 14, 1983.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Belize is the Belize dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement. The Belize dollar is officially pegged to the US dollar, the intervention currency, at the rate of BZ$1 per US$0.5, as established by the Central Bank of Belize (CBB) Act.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	Yes.	The Belize dollar is pegged to the US dollar at the rate of BZ$1 per US$0.5. This rate applies to accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		

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Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	Yes.	A stamp duty of 1.75% is levied on all conversions from Belize dollars to foreign currency greater than BZ$100 in value unless otherwise exempt via instructions from the MOF.
Exchange subsidy	No.	
Foreign exchange market	Yes.	All transactions in foreign exchange must be conducted through ADs (that is, domestic banks, the accountant general, and the postmaster general). Domestic banks may buy and sell foreign exchange at the official rate in transactions with their clients and interbank transactions. The CBB sets the buying and selling rates as well as the maximum commissions for major currencies.
Spot exchange market	Yes.	Effective May 31, 2023, credit unions became ADs. Four domestic banks, one credit union, the accountant general, and the postmaster general are licensed to deal in foreign exchange with the public. The CBB grants official licenses. There are also three international banks that operate in Belize. There are no lawfully operating foreign exchange bureaus in Belize. Domestic banks may buy and sell foreign exchange at the official rate in transactions with their clients and interbank transactions. The CBB sets the buying and selling rates as well as the maximum commissions for major currencies.
Operated by the central bank	Yes.	The CBB quotes daily rates for the Canadian dollar, pound sterling, euro, US dollar, and a number of currencies of the CARICOM member countries.
Foreign exchange standing facility	Yes.	The CBB provides US dollars to ADs and the government at the official rate with a specified commission.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	Banks may trade in Belize dollars among themselves. They do not trade in foreign exchange among themselves. In 2022, there were only two offers or requests to borrow on the interbank market among banks.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	No.	Pursuant to Act No. 6 of the 2010 Amendment to the CBB Act, residents who earn foreign exchange may not pay their taxes, utility bills, and other expenses in US dollars. Act No. 16 of the 2010 Amendment to the EPZ Act removed the requirement for EPZs to conduct business in US dollars. Section 21 of the CBB Act 2011 states that to be valid in Belize, all monetary contracts, obligations, or transactions in Belize, whether imposed or authorized by a law or otherwise, are deemed to be expressed and recorded and must be settled or discharged in Belize dollars unless specifically provided otherwise.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	A bilateral arrangement aims to eliminate the need to use US dollars or other non-regional currencies for regional transactions. Settlement under the arrangement is done monthly between CBs based on the net amount outstanding.
Operative	Yes.	There is a bilateral clearing arrangement in effect. Caribbean countries with bilateral clearing arrangements with Belize are Antigua and Barbuda, Barbados, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. Settlement under the bilateral clearing arrangement is done on a monthly basis between CBs based on the net amount outstanding.
Inoperative	No.	
Regional arrangements	Yes.	Belize is a member of CARICOM.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBB administers exchange control, which applies to transactions with all countries. Authority over a wide range of operations is delegated to domestic banks and, effective May 31, 2023, credit unions in their capacity as ADs. Applications for foreign exchange processed by ADs are regularly forwarded to the CBB for auditing and record keeping. Capital transactions require CBB approval. The Government of Belize, including government ministries and departments, is no longer subject to the Exchange Control Regulations.
Payments arrears	No.	
Official	No.	

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Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may not hold monetary gold, except with CBB authorization.
On external trade	Yes.	Monetary gold may not be imported or exported without CBB approval.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may take abroad up to BZ$6,000 a trip. Larger amounts require CBB approval, which is liberally granted with supporting documentation.
Foreign currency	Yes.	The amount of foreign currency resident travelers may take abroad is limited. Nonresidents may take abroad the equivalent of BZ$500 or the amount imported.
On imports	Yes.	
Domestic currency	Yes.	Each traveler may bring in BZ$500 a trip.
Foreign currency	No.	There is no limit on the importation of currency. However, any amount over BZ$10,000 requires a customs declaration.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Domestic commercial banks may open foreign exchange accounts for residents. The CBB reserves the right to prohibit specific accounts. These accounts are demand accounts utilized solely for the purpose of meeting external obligations, and the Exchange Control Regulations apply to these accounts. Residents are not allowed to maintain foreign exchange accounts in international banks. Amendments in the International Banking Act provide for such exceptions, namely companies that operate in the Commercial Free Zone/Designated Processing Areas (DPAs) and government-owned entities. (See IBA amendment 2017.)
Approval required	Yes.	
Held abroad	Yes.	Foreign exchange accounts held abroad must be approved by the CBB.
Approval required	Yes.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	No.	Only banks licensed under the International Banking Act may maintain foreign exchange accounts for nonresidents.
Approval required	No.	Domestic banks are not allowed to maintain foreign exchange accounts with nonresidents, except in rare cases with approval granted by the CBB.
Domestic currency accounts	Yes.	Nonresidents may maintain domestic currency accounts with domestic commercial banks. These accounts may be credited with proceeds from the sale of foreign currency.

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Convertible into foreign currency	Yes.	
Approval required	Yes.	
Blocked accounts	Yes.	Funds held in such accounts are subject to specific or general authorizations by the CBB.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Prepayment for imports requires CBB authorization.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Valid invoices and customs documents are required for approval of foreign exchange for imports. As stated in Exchange Control Direction No. 18/2014, all domestic banks must offer foreign currency for sale to a designated importer to cover payments for fuel in an orderly and timely manner. The amount of foreign currency that each bank must provide is the proportion of the fuel bill equivalent to the bank's share of foreign assets within the banking system. The CBB provides each domestic bank with a notice specifying the minimum amount of foreign currency it must offer for sale to the designated importer to cover monthly fuel payments.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	For reasons of health, standardization, and protection of domestic industries, import licenses are required for a number of goods, mostly food and agricultural products and certain household and construction products; such licenses are granted liberally. Licenses are also required for pharmaceuticals and prescription medications from the chief pharmacist and director of health services before importation. Ministry of Agriculture, specifically Belize Agricultural Health Authority (BAHA), sets regulations to protect Belize's agriculture industry from foreign pests that may be transported through the products.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Belize applies the fourth phase of the CARICOM CET. Duties range from 5% to 100%, and a number of items (particularly agricultural

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		inputs) enter duty-free. Imports by most of the public sector and certain nonprofit, imports of an emergency or humanitarian nature, and goods for reexportation are exempt, as are goods originating in the CARICOM area. Some items are subject to revenue-replacement duties ranging from 5% to 50%. An environmental tax of 2% is levied on a broad range of imports. Specific duties and surcharges apply to certain products.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	The Belize Marketing and Development Corporation has an import monopoly on onions, and other vegetables when a shortage exists in the country.

Exports and Export Proceeds

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The CBB requires the direct surrender of sugar export proceeds.
Surrender to authorized dealers	Yes.	Export proceeds must be surrendered to ADs no later than six months after the date of shipment, unless directed otherwise by the CBB.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	The exporter is required to fill out a form that provides information on the type of goods exported, the quantity, and export value. At the time of exportation, one XCH2 form is to be completed for export shipments valued at more than BZ$10,000. The foreign exchange proceeds from exports must be sold to or deposited with an Authorized Dealer in Belize who will endorse the XCH2 form indicating that payment has been received. The exporter or his agent must then forward the bank-endorsed XCH2 form to the CBB.
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are required for the exportation of live animals, excluding pets; fish, crustaceans, and mollusks, excluding agricultural species; lumber and logs; beans; citrus fruits; sugar; and wild flora and fauna.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Transshipments are subject to a 1.5% customs administration fee. Export duty is collected only on waste or scrap metals at BZ$10.00 a ton.

Payments for Invisible Transactions and Current Transfers

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Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	Yes.	For the payment and transfer of commissions, approval is granted by the CBB, subject to clearance by the commissioner of income tax (CIT).
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Transactions for CBB approval must be accompanied by customs entry documentation and relevant invoices. Foreign exchange is provided up to the invoiced limit.
Investment-related payments	Yes.	
Prior approval	Yes.	Interest payments are subject to CBB approval and clearance by the CIT; these require a copy of the loan agreement and amortization schedule and proof of the loan disbursement. For transfers of profits and dividends, an income statement and a declaration of dividends must be presented along with clearance by the CIT.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Transactions for CBB approval must be accompanied by documents from a reputable firm and of a recent date. Limits are based on amounts stated in the document submitted. A system of calculations and cross-checks is used to verify principal payments on loans. Payments are directed to the firms or names indicated in the documents.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The following limits are in effect for ADs for (1) nonbusiness travel by residents, the equivalent of BZ$6,000 a person a trip; (2) business travel by residents, BZ$500 a person a day; (3) medical travel, BZ $6,000 a person a trip; and (4) business or nonbusiness travel by nonresidents, BZ$500 a person a trip, unless payment is made from an external account or with foreign currency proceeds. Travel amounts in excess of these limits should be directed to the CBB for approval. Resident travelers must sell their excess holdings of foreign currency to an AD on returning to Belize. The CBB reserves the right to waive these limits.
Indicative limits/bona fide test	Yes.	Documentation required to obtain foreign currency includes a valid passport, visa, and plane ticket where applicable. Requests for larger amounts should include a letter from the company to support foreign exchange purchases for business travel and a letter or invoices from a doctor to support purchases for medical travel.
Personal payments	Yes.	
Prior approval	Yes.	For the transfer of pensions and payments for family maintenance and alimony, CBB approval is required. CIT clearance is not required for family maintenance.
Quantitative limits	Yes.	ADs may approve up to BZ$1,000 a person a year or its equivalent for gifts.
Indicative limits/bona fide test	Yes.	ADs provide foreign exchange up to the invoiced amount for correspondence course tuition with proper documentation. Payments related to medical costs can be made directly to the doctor, hospital, or applicant with original invoices or bills.
Foreign workers' wages	Yes.	

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Prior approval	Yes.	Approval for remittance of wages is granted by the CBB.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A letter is required from the employer showing proof of income.
Credit card use abroad	Yes.	Credit card purchases in Belize must be settled in Belize dollars (Direction No. 4/2014).
Prior approval	No.	
Quantitative limits	Yes.	Limits are set by the domestic bank that issued the credit card.
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	Yes.	For the transfer of consulting and legal fees, approval is granted by the CBB, subject to clearance by the CIT.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Similar requirements apply for subscriptions and membership fees for study abroad or any other professional organization.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	All proceeds from invisible transactions must be repatriated and surrendered to an AD. There is no specified timeframe for surrender and repatriation requirements, and proceeds are expected to be surrendered and repatriated without delay.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds from invisible transactions must be surrendered to an AD. There is no specified timeframe for surrender and repatriation requirements, and proceeds are expected to be surrendered and repatriated without delay.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	All capital transfers require CBB approval, but controls are administered liberally.
Repatriation requirements	Yes.	Proceeds from residents' capital transactions abroad must be repatriated or surrendered to an AD. There is no specified timeframe for surrender and repatriation requirements, and proceeds are expected to be surrendered and repatriated without delay.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds from residents' capital transactions abroad must be repatriated and surrendered to an AD. There is no specified timeframe for surrender and repatriation requirements, and proceeds are expected to be surrendered and repatriated without delay.
Controls on capital and money market instruments	Yes.	Notification of transactions involving nonresidents must take place prior to the transaction. There is no law currently in place to designate the timeframe of notification before the transaction occurs. There are no other requirements specific to nonresidents.
On capital market securities	Yes.	

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Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Sale or issue locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Purchase abroad by residents	Yes.	Purchases of shares abroad by residents require CBB approval.
Sale or issue abroad by residents	Yes.	Sales and issuance of shares abroad by residents require CBB approval.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Sale or issue locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Purchase abroad by residents	Yes.	Purchases abroad of bonds by residents require CBB approval.
Sale or issue abroad by residents	Yes.	Sales of bonds abroad by residents require CBB approval.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Sale or issue locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Purchase abroad by residents	Yes.	Purchases of money market instruments by residents abroad require CBB approval.
Sale or issue abroad by residents	Yes.	Sales and issuance of money market instruments by residents abroad require CBB approval.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Sale or issue locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Purchase abroad by residents	Yes.	Purchases of collective investment securities by residents abroad require CBB approval.
Sale or issue abroad by residents	Yes.	Sales and issuance of collective investment securities by residents abroad require CBB approval.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Sale or issue locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Purchase abroad by residents	Yes.	Purchases of derivatives and other instruments by residents abroad require CBB approval.
Sale or issue abroad by residents	Yes.	Sales and issuance of derivatives and other instruments by residents abroad require CBB approval.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Commercial credit by residents to nonresidents requires CBB approval.
To residents from nonresidents	Yes.	Commercial credit to residents from nonresidents requires CBB

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		approval.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Exchange control approval is required.
To residents from nonresidents	Yes.	DPA developers, DPA businesses, commercial free zone developers, and commercial free zone businesses may obtain loans and advances up to US$1 million from offshore banks. Loans and advances in excess of this amount require written CBB approval.
Guarantees, sureties, and financial backup facilities	Yes.	Exchange control approval is required.
By residents to nonresidents	Yes.	Exchange control approval is required.
To residents from nonresidents	Yes.	Exchange control approval is required.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Exchange control approval is required.
Inward direct investment	Yes.	Exchange control approval is required.
Controls on liquidation of direct investment	Yes.	Repatriation of proceeds requires clearance by the CIT.
Controls on real estate transactions	Yes.	Controls apply to all these transactions. CBB approval is required for the transfer of land between residents and nonresidents. There is a land speculation tax of 5% of the unimproved value of landholdings exceeding 300 acres.
Purchase abroad by residents	Yes.	CBB approval is required for the purchase of real estate abroad by residents.
Purchase locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Sale locally by nonresidents	Yes.	Transactions involving nonresidents require prior notification to the CBB.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Residents must obtain CBB permission before issuing a loan to a nonresident. Loans approved for nonresidents must be for inward direct investment.
To residents from nonresidents	Yes.	Loans by nonresidents to residents require CBB permission. Permission is based on the purpose of the loan and the company's financial standing. Approval is granted after submission of a signed loan agreement and disbursement and amortization schedules. The CBB must be notified of any changes made to the agreement.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Exchange control approval is required.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Exchange control approval is required.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Exchange control approval is required.
Transfer into the country by immigrants	Yes.	Exchange control approval is required.

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Transfer of gambling and prize earnings	Yes.	Repatriation of gambling proceeds by nonresidents requires CIT clearance.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Domestic banks and credit unions are regulated and supervised by the CBB.
Borrowing abroad	Yes.	All residents, except for domestic banks and international banks, require the specific permission of the CBB to borrow from a nonresident. Only domestic banks are free of any requirements or regulations to borrow from abroad, subject to such directions by the CBB that would restrict them from doing so. Because other credit institutions are not ADs, they require specific permission to do so.
Maintenance of accounts abroad	Yes.	All residents, except for domestic banks and international banks, require the permission of the CB to maintain an account abroad. Only commercial banks are free from any requirements or regulations to hold accounts abroad, subject to such directions by the CB that would restrict them from doing so. Because other credit institutions are not ADs, they require specific permission to do so.
Lending to nonresidents (financial or commercial credits)	Yes.	Direction No. 12 specifies that residents require the specific permission of the CBB for a nonresident to borrow from a resident, including domestic commercial banks. International banks are licensed to carry out international banking business with nonresidents.
Lending locally in foreign exchange	Yes.	Written CBB permission is required. Domestic commercial banks in Belize may not, without the prior approval of the CBB, lend in foreign currency to residents of Belize for any purpose, regardless of the amount. International banks are permitted to lend in foreign exchange to a Designated Processing Developer or Business, Commercial Free Zone Developer or Business, and entities wholly owned or majority controlled by the Government of Belize and Social Security Board.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Domestic banks may invest foreign assets in sovereign and/or commercial securities subject to CBB approval.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	Nonresidents are required to use offshore banks. Nonresidents need prior approval from the CBB to open an account at a domestic bank.
Reserve requirements	No.	
Liquid asset requirements	Yes.	The liquid asset requirement is 24% for nonresidents' deposits (and in rare cases, residents) at international banks. For domestic banks, the liquid asset requirement is 21% on both residents' and nonresidents' deposits in both domestic and foreign currency.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	

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In banks by nonresidents	No.	
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Exchange control approval is required.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Exchange control approval is required.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	CBB approval is required.
Limits (max.) on securities issued by nonresidents	Yes.	Exchange control approval is required.
Limits (max.) on investment portfolio held abroad	Yes.	Exchange control approval is required.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	CBB approval is required.
Limits (max.) on securities issued by nonresidents	Yes.	Exchange control approval is required.
Limits (max.) on investment portfolio held abroad	Yes.	Exchange control approval is required.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.

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Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.

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For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Spot exchange market	*05/31/2023*	Credit unions became ADs.

Arrangements for Payments and Receipts

Administration of control	*05/31/2023*	Credit unions became ADs.

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BENIN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 10, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	A regional framework to fight money laundering (AML) and the financing of terrorism (AFT) exists through two WAEMU Directives from 2002 (AML) and 2007 (AFT) as amended. This comprehensive framework facilitates the implementation of UNSC resolutions based on a list of persons and entities prepared by the Committee. Effective March 31, 2023, the regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Asset Service Providers (VASPs); (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons (PEPs).

Exchange Arrangement

Currency	Yes.	The currency of Benin is the CFA franc (XOF).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the WAEMU is a conventional peg. Benin participates in a currency union with seven other members of the WAEMU and has no separate legal tender. A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, to replace the agreement dated December 4, 1973. The Monetary Cooperation Agreement is based on three pillars: (1) a common issuing institution, (2) fixed parity with the euro, and (3) a guarantee of unlimited convertibility.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per euro. Exchange rates for other currencies are derived from the rates for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. The official rate is used for accounting and valuation purposes. The Conference of Heads of State and Government may decide to amend the Monetary Cooperation Agreement between the WAMU member countries and France. Effective September 2, 2022, Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The operational target of price stability is defined as an annual inflation rate in the WAEMU that falls within a band of ±1% around a central rate of 2%. The Harmonized CPI is the benchmark rate to measure inflation.
Composite		
Other		
Monetary aggregate target		

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Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	The commission rate charged by registered intermediaries on transfers outside the WAEMU that are authorized by their clientele is 0.6%. This commission is reversed in full to the National Treasury

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		and is a portion of its tax revenue.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries (licensed intermediary banks and licensed exchange dealers) freely set the buying and selling rates for foreign currencies, with the exception of the euro, which must be traded at the official fixed parity of CFAF 655.957 per euro. The commission on foreign exchange transactions may not exceed 2% for the euro. Instruction No. 013-11-2015 of November 10, 2015, on the terms and conditions for conducting rapid money transfers as a subagent within the WAEMU applies.
Spot exchange market	Yes.	The entities authorized to conduct nonelectronic foreign currency transactions are authorized intermediary banks and individuals and companies authorized to conduct nonelectronic transactions with the public by decision of the minister of finance. Authorized intermediaries must comply with the provisions in effect on the financial conditions for executing OTC foreign exchange transactions that involve foreign currencies and issue a transaction slip for all transactions with a client. Moreover, to provide satisfactory information to clients, they are required to permanently post at their windows the rates actually charged for the different currencies and post-notification that a transaction slip must be issued for all foreign exchange transactions on presentation of the requestor's identity document. Exchange bureaus may conduct transactions in foreign currencies (except the euro) with the BCEAO. Entities authorized to perform OTC operations may not make transfers or payments in foreign currency with other countries or maintain accounts abroad. As of December 31, 2022, Benin had 14 banks and 99 authorized OTC exchange dealers.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BCEAO exchanges foreign currency for CFA francs at rates published on the international markets, with the exception of the euro, which is traded at the official fixed rate of CFAF 655.957 per euro. The nonelectronic currency exchange windows are open to owners of accounts on the BCEAO books and to the general public. A commission of 0.5% is charged on all transactions with the public (purchases and sales) and on all withdrawals by banks and financial institutions (including euro withdrawals). However, no commission is charged for the following operations: (1) OTC foreign banknote exchanges conducted by state entities, government employees of WAEMU member states on mission abroad, and officials of the CB and their beneficiaries and (2) payments made by banks and financial institutions.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Transactions in CFA francs between authorized intermediaries are allowed. As of December 31, 2022, 12 banks participated in the domestic currency interbank market. There is no regulated foreign currency interbank market in the WAEMU.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	

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Forward exchange market	Yes.	Residents of the WAEMU zone are permitted to conduct the following transactions in the foreign exchange derivatives market with authorized intermediary banks established in the WAMU or with foreign banks: outright forward foreign exchange contracts (over the counter), foreign exchange options, foreign exchange swaps, and cross-currency swaps. Transactions in foreign exchange options are limited to the following two types of transactions: options to purchase foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign bank, and options to sell foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign credit institution. Authorized intermediary banks must simultaneously cover the exchange risk they incur with respect to derivative instruments traded with their customers. The underlying commercial and financial operations must relate to imports and exports of goods and services by a resident, foreign borrowing operations by a resident (drawings and repayments), or direct foreign investment in a resident company. All legitimate foreign currency needs are ultimately met by the BCEAO.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments with countries outside the WAEMU are made in foreign currencies. Trade with other the WAEMU countries is settled in CFA francs.
Controls on the use of domestic currency	Yes.	CFA francs may not be used for settlement of international transactions outside the WAEMU.
For current transactions and payments	Yes.	CFA francs may not be used for settlement of international transactions outside the WAEMU.
For capital transactions	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Investments by residents of the WAEMU zone outside the WAEMU are subject to prior authorization by the minister of finance, and at least 75% of the investment must be financed through foreign borrowing.
Transactions in capital and money market instruments	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Foreign investment by residents of the WAEMU zone is subject to authorization by the MOF. At least 75% of the investment must be financed through foreign borrowing. The interested party must request authorization through a letter designating the authorized intermediary to settle the payment. Purchases of foreign negotiable securities authorized by the regional capital markets authority to be issued or sold in WAEMU members do not require Minister of Economy and Finance (MEF) authorization.
Transactions in derivatives and other instruments	Yes.	Residents of WAEMU member countries may engage in the following operations on derivatives and other instruments with accredited banks established in the WAEMU or foreign banks: (1) forward contract, (2) foreign exchange swaps, and (3) options. Operations on derivatives with foreign banks outside the WAEMU can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Credit operations	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted by authorized intermediaries to nonresidents of the

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		WAEMU zone are subject to prior authorization by the Directorate of External Financial Relations of the MOF, after BCEAO approval.
Use of foreign exchange among residents	Yes.	The CFA franc is the only legal tender, and residents of the WAEMU zone may not use foreign exchange for domestic transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, replacing the previous agreement dated December 4, 1973. This monetary cooperation agreement is based on three pillars: (1) a common bank of issue; (2) a fixed exchange rate parity with the euro; and (3) an unlimited convertibility guarantee.
Clearing agreements	Yes.	There is a multilateral netting agreement between the WAEMU countries and the other ECOWAS member countries (Cabo Verde, The Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone) as part of the WAMA. All payments for current transactions between countries whose CBs are WAMA members may be made under the netting agreement. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS members and payments for exports from one member country to another member country of finished products originating in countries whose CB or monetary authority is not a WAMA member.
Barter agreements and open accounts	No.	
Administration of control	Yes.	On April 1, 2010, the institutional reform of the WAMU and the BCEAO went into effect, with the adoption of the following new basic instruments: (1) the WAMU Treaty, (2) the BCEAO Charter, (3) the Bank Regulation Act, and (4) the Convention governing the WAMU Banking Commission. All WAEMU residents are treated as residents of Benin for the purposes of preparing the external position of banks, domiciliation and repatriation of export revenue, issuance and sales of securities, gold imports and exports, investment and lending transactions, and physical exports of means of payment and securities by postal package or ordinary mail. However, for statistical purposes with regard to the balance of payments, all countries other than Benin are considered foreign countries. Moreover, all transfers with other countries must be made through registered intermediary banks, the postal service, or the BCEAO.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Gold imports and exports require MOF authorization, except (1) imports and exports by the Public Treasury and the BCEAO; (2) imports and exports of items with a low gold content (lined or plated objects); and (3) imports and exports, by travelers, of objects made of gold limited to a total weight of 500 grams. Imports and exports of gold within the WAEMU area are not subject to any restrictions.

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Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may freely export CFA franc (XOF) banknotes from one WAEMU member country to another. Resident individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving CFA franc banknotes issued by the BCEAO.
Foreign currency	Yes.	The reexportation of foreign banknotes by nonresident travelers is permitted up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposits in local banks. Residents of the WAEMU zone traveling to countries that are not WAEMU members are required to declare foreign currency on their person in excess the equivalent of CFAF 5 million. They are allowed to carry up to the equivalent of CFAF 2 million a person in banknotes not issued by the BCEAO. Larger amounts may be exported in the form of traveler's checks, prepaid debit and payment cards, conventional debit and payment cards, and other means of payment. Foreign exchange allowances issued by authorized intermediaries in the form of traveler's checks or prepaid debit and payment cards must be based on the need to cover customary, personal travel expenses, if they exceed the equivalent of CFAF 2 million a person. The issuance of foreign currency to resident travelers is subject to the presentation of travel documents and a valid passport or national identification card.
On imports	Yes.	
Domestic currency	Yes.	Resident and nonresident travelers may freely import domestic currency (CFA franc (XOF)). However, resident individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving banknotes in domestic currency (CFA franc (XOF)).
Foreign currency	No.	Residents of the WAEMU zone and nonresidents of the WAEMU zone may freely import CFA area banknotes denominated in foreign currencies. Such means of payment in excess of or equal to the equivalent of CFAF 5 million must be declared to customs. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 5 million on entry and exit.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	Yes.	Foreign exchange accounts in currencies other than the euro may be opened domestically with MOF authorization after non-objection from the BCEAO. The authorization specifies the operations that may be credited or debited on each such an account. These accounts are valid for a renewable term of up to one year. They cannot be credited with deposits of CFA banknotes or by debiting a CFA franc account. On expiration of the term set in the authorization, accounts are closed unless a new authorization is obtained.
Held abroad	Yes.	
Approval required	Yes.	Individuals who are residents of the WAEMU and temporarily

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		staying or traveling outside of the WAEMU may open bank accounts outside the WAEMU to deposit foreign currency legally exported and any income acquired outside of the WAEMU during their travel or temporary stay outside of the WAEMU. These individuals are required to repatriate balances on such accounts within 30 days of return to the WAEMU. In any circumstance other than the foregoing, opening of foreign accounts by WAEMU residents is subject to MOF authorization by after non-objection from the BCEAO. The MOF authorization specifies the operations that may be credited or debited on such accounts valid for up to one year. In the event of a failure to obtain a new MOF authorization, the accredited intermediary must request that the account be closed by the end of the term authorized and that any balance be repatriated to a WAEMU member country within eight days.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	Intermediaries authorized in the WAEMU are authorized to open accounts in euros for the benefit of nonresidents, subject to proof of their status and actual residence. Nonresident accounts denominated in foreign currency other than euros are subject to BCEAO authorization. Nonresident foreign currency accounts are valid for a renewable period of two years. In the event of a failure to obtain renewal (through a new BCEAO authorization for foreign exchange other than the euro), these accounts must be closed. The balances of these accounts may be freely transferred abroad after verification.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Authorized intermediaries may open nonresident accounts in CFA francs and in euros, under their own responsibility, depending on the status and actual residence of the applicant. These accounts may be debited for spot purchases of foreign exchange.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but no earlier than eight days before shipment if a documentary credit is opened or on the payment due date if the

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		products have already been imported.
Domiciliation requirements	Yes.	Import transactions from outside the CFA franc area exceeding CFAF 10 million must be made through an authorized bank.
Preshipment inspection	No.	The preshipment inspection of merchandise has been discontinued to date.
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange authorization, invoices, and export-import cards are required and may be electronic and used to complete the pre-clearance formalities at the Foreign Trade Operations One-Stop Shop (Le Guichet Unique des Opérations de Commerce Extérieur).
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Certain imports (for example, narcotics) are prohibited from all sources.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The ECOWAS CET entered into force in Benin on January 1, 2015. The CET, amended in accordance with Supplementary Law No. A/SA.1/06/09 of June 22, 2009, to include the additional tariff bracket of 35% called "Category 4: specific goods for economic development," has five tariff brackets (0%, 5%, 10%, 20%, and 35%). Two additional taxes are planned to protect the budding ECOWAS industrial sector and the other strategic sectors: (1) a temporary adjustment tax on imports for five years intended to offset the reduced tariff protection for community products as a result of CET implementation and (2) a temporary supplementary protection tax for up to two years applicable to products imported from third countries in direct competition with similar products manufactured by an ECOWAS member country. In accordance with the spirit of Resolution No. A/DEC.17/01/06 of January 12, 2006, the adoption of the CET, as amended by Supplementary Law No. A/SA.1/06/09 of June 22, 2009, the previous WAEMU and ECOWAS community levies continue to be imposed for a temporary period of five years. Consequently, for five years, imports from ECOWAS nonmember countries will be subject to a 0.8% community levy, in addition to an ad valorem ECOWAS community levy of 0.5%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Resident economic operators must collect and repatriate within 30 days of the payment due date the entire proceeds of sales of goods abroad in the country of origin with the bank with which the transaction is domiciled. The payment due date is specified in the trade agreement and normally falls within a period of 120 days after the goods are dispatched.
Surrender requirements	Yes.	

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Surrender to the central bank	Yes.	Export proceeds must be surrendered by ADs to the BCEAO within 30 days of the payment due date, which may not exceed 120 days after shipment of the goods. To cover its current foreign exchange needs, the domiciling bank may hold up to 20% of its export proceeds as own foreign exchange resources. However, it must ensure that its total foreign exchange resources to cover its requirements do not exceed 5% of total customer demand deposits; otherwise, the surplus must be surrendered to the BCEAO.
Surrender to authorized dealers	Yes.	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Export revenue may be surrendered to intermediaries other than banks with which the transaction is domiciled if authorized by the BCEAO, provided they furnish the domiciling bank with the documents required for the domiciliation file to be closed.
Financing requirements	No.	
Documentation requirements	Yes.	Export transactions require a customs declaration.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Export transactions of more than CFAF 10 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Preshipment inspection	Yes.	
Other	Yes.	Export title, exchange declaration, and export contract are required, and may be electronic and used to complete the pre-clearance formalities at the Foreign Trade Operations One-Stop Shop.
Export licenses	Yes.	
Without quotas	Yes.	Exports are permitted on the basis of a simple authorization from the Directorate of Foreign Trade, which issues a certificate of origin as needed. Exports of diamonds, gold, and all other precious metals, however, require MEF authorization, with the exception of articles with minimal gold content, traveler's personal effects weighing less than 500 grams, and coins (fewer than 10 pieces, regardless of their face value and denomination).
With quotas	No.	Exports of teakwood and other varieties of unprocessed wood and charcoal are prohibited.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments and transfers for current transactions with WAEMU and non-WAEMU countries may be made freely through authorized intermediaries. Transfers exceeding CFAF 500,000 are subject to documentary requirements. Payments and receipts of foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits		

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	No.	
Indicative limits/bona fide test	Yes.	Payments abroad relating to freight and insurance (including transfers of insurance not related to commercial transactions), unloading and warehousing costs, administrative costs, commissions, and customs duties and fees are permitted in general, subject to the presentation of supporting documentation to the authorized intermediary.
Investment-related payments	Yes.	
Prior approval	Yes.	Payments for depreciation of direct investments require MEF authorization, because this type of depreciation is not specifically mentioned in the regulations.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Outward transfers of interest payments and proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents of the WAEMU zone traveling for tourism or business purposes to non-WAEMU countries may take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person a trip; larger amounts may be taken out in the form of traveler's checks, certified checks, or other means of payment and with supporting documentation for customary travel expenses.
Indicative limits/bona fide test	Yes.	Resident travelers must present a travel document and a valid passport or a national identity card to an AD (intermediary bank or exchange bureau) before foreign exchange will be issued.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required for payment of family maintenance expenses abroad.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Personal payments may be made through an authorized bank, subject to the presentation of supporting documents. Payments abroad relating to pensions and benefits resulting from an employment contract, education costs, family maintenance, and alimony may be executed freely on presentation of documentation.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	Yes.	The use of credit cards is allowed only when issued by specialized institutions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For travelers, allocations of foreign currency in the form of debit and payment card must be justified by requirements related to travel and

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		personal expenses if they exceed the equivalent of CFAF 2 million.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	Purchases for purposes other than direct investment in a business, branch, or company do not require prior authorization. They require declaration to the MOF and the BCEAO for statistical purposes.
Indicative limits/bona fide test	Yes.	As a general rule, payments abroad in amounts greater than CFAF 500,000 are subject to the presentation of supporting documentation.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from invisible transactions with non-WAEMU countries must be repatriated. Residents of the WAEMU zone are required to surrender to an authorized intermediary all revenues and income in foreign currency collected abroad or received from a nonresident within no more than one month after the payment due date.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month. Resident travelers must surrender to an authorized intermediary, within eight days of their arrival in Benin, foreign banknotes, and other means of payment denominated in foreign currency worth more than the equivalent of CFAF 500,000.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MEF authorization, except (1) amortization of debts and repayment of short-term loans to finance industrial and commercial operations, (2) payments required on foreign exchange derivatives transactions or raw material or commodity derivatives transactions, and (3) transfers of the proceeds of liquidated investments or the sale of foreign securities by nonresidents of the WAEMU zone. Capital receipts from non-WAEMU countries are generally permitted.
Repatriation requirements	Yes.	Proceeds from the sale or liquidation of residents of the WAEMU zone's investments abroad must be repatriated within one month through a registered intermediary, if the resident does not have a reinvestment authorization.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued

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		currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	Proceeds from the sale or liquidation of WAEMU residents' investments abroad must be repatriated and surrendered within one month to an AD, if the resident does not have a reinvestment authorization. The surrender requirement applies to proceeds from all capital transactions.
Controls on capital and money market instruments	Yes.	RCPSFM authorization is required for the following operations: (1) issuance or marketing of securities and real assets of foreign entities, (2) canvassing, and (3) publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange. Soliciting the public of the WAEMU by nonresident entities is subject to authorization by the BCEAO in its capacity as the authority responsible for regulating the external financial relations of WAEMU countries. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
On capital market securities	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are unrestricted. However, purchases by nonresidents of the WAEMU zone are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to authorization from RCPSFM, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MEF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MEF authorization. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries. Purchases of foreign securities by residents of the WAEMU zone must be at least 75% financed with foreign borrowing.
Sale or issue abroad by residents	No.	Residents of the WAEMU may sell local corporate securities abroad. If these operations result in foreign control of resident entities, foreign investors are required to make a prior declaration to the MEF. The sale of securities for liquidation of an investment abroad must be declared to the MOF and the BCEAO for statistical purposes. Issuance of securities abroad by residents of the WAEMU zone must be made through an authorized bank.

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Bonds or other debt securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. There is no minimum holding period.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to authorization from RCPSFM, with the prior authorization of the BCEAO. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MEF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MEF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries is authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. The sale of securities for liquidation of an investment abroad must be declared to the MEF and the BCEAO for statistical purposes. Issuance of securities abroad by residents of the WAEMU zone must be made through an authorized bank.
On money market instruments	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	Purchases by nonresidents of the WAEMU zone are unrestricted. However, a declaration for statistical purposes must be filed for such purchases.
Sale or issue locally by nonresidents	Yes.	The issuance and sale of money market instruments by nonresidents of the WAEMU zone are subject to authorization from RCPSFM, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of money market instruments resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of money market instrument transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MEF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign money market instruments by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MEF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign money market instruments whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other

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		CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell money market instruments abroad. The sale of securities for the liquidation of an investment abroad must be declared to the MEF and the CB for statistical purposes.
On collective investment securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MEF for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to authorization from RCPSFM, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MEF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MEF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. Issuance of securities constituting a loan by residents of the WAEMU zone to nonresidents of the WAEMU zone must be made through an authorized bank and must be reported to the MEF and the BCEAO for statistical purposes.
Controls on derivatives and other instruments	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Purchase locally by nonresidents	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone. The use of exchange risk hedging derivatives on the domestic market is reserved exclusively for Union residents. Purchase of derivatives locally by nonresidents is not permitted.
Sale or issue locally by nonresidents	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign

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		borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone. Residents are authorized to carry out transactions on approved foreign exchange derivative instruments on foreign exchange derivatives markets with nonresident banks.
Purchase abroad by residents	Yes.	These instruments are subject to general regulations that apply to securities and investments. Residents of the WAEMU zone may freely purchase abroad or from nonresidents of the WAEMU zone call or put options on primary commodities or securities transactions. Residents of the WAEMU zone may not purchase commodities or securities in foreign markets to be delivered in complying with a put option contract. Put options must be placed on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract. Residents of the WAEMU zone are permitted to purchase foreign currency purchase options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign credit institution.
Sale or issue abroad by residents	Yes.	Residents of the WAEMU zone are permitted to purchase foreign currency sell options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign (that is, nonresident of WAEMU) credit institution.
Controls on credit operations	Yes.	Borrowing by residents of the WAEMU zone from nonresidents of the WAEMU zone must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the minister of finance.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	There are no controls on credits related to exports of goods. The date on which payment falls due is agreed to in the contract (in principle no later than 120 days after the date of shipment).
To residents from nonresidents	No.	There are no controls, and repayments of commercial credits are generally conducted without prior authorization, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date, to the licensed intermediary bank responsible for handling the repayment.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These credits require MEF approval. Outward transfers to service such facilities require an exchange authorization, subject to the approval of the minister of finance and substantiated by documentation.
To residents from nonresidents	No.	There are no controls on these credits, but they must be reported for statistical purposes to the MOF and the BCEAO when granted and when repaid, except for the following credits: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayment of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of

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		the transaction. Borrowing abroad is unrestricted.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	The granting of guarantees and sureties is subject to minister of finance approval. Transfers abroad of funds to service these facilities require an exchange authorization, subject to minister of finance approval and submission of supporting documents.
To residents from nonresidents	No.	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require declaration to the MEF and the BCEAO for statistical purposes.
Controls on direct investment	Yes.	Direct investment implies control of a company or enterprise. Mere participation is not considered direct investment, unless it exceeds 10% of the capital of a company. All investment outside of WAEMU by residents of the WAEMU, including investment through foreign companies under the direct or indirect control of WAEMU residents and investment by foreign branches or subsidiaries of companies established in a WAEMU member country, requires MEF authorization.
Outward direct investment	Yes.	All investment abroad by residents of the WAEMU zone is subject to MEF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Yes.	FDIs, including by resident companies that are directly or indirectly under foreign control and by branches or subsidiaries of foreign companies, must be reported to the MEF for statistical purposes. A share is not considered a direct investment, unless it exceeds 10% of the capital of a company.
Controls on liquidation of direct investment	No.	The liquidation of investments abroad must be reported to the MEF and the CB for statistical purposes. Reinvestment of the proceeds of liquidation is subject to MEF authorization. If reinvestment is not authorized, the liquidation proceeds must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents of the WAEMU zone is unrestricted but must be reported to the MEF and the CB for statistical purposes.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These purchases require MEF authorization.
Purchase locally by nonresidents	No.	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the minister of finance and the CB for statistical purposes.
Sale locally by nonresidents	No.	Sales by nonresidents of the WAEMU zone to residents of the WAEMU zone require submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the minister of finance and the BCEAO for statistical purposes.
Controls on personal capital transactions	Yes.	Personal capital transactions between residents of the WAEMU zone and nonresidents of the WAEMU zone must be made through the BCEAO, the postal service, or an authorized intermediary bank, unless authorization is obtained from the minister of finance.
Loans	Yes.	The regulations governing securities and investments apply.
By residents to nonresidents	Yes.	These transactions require MEF authorization. The individuals concerned may not engage in such operations as a professional

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		occupation without first being licensed and included on the list of financial institutions.
To residents from nonresidents	No.	These transactions may be made freely, but are subject to declaration for statistical purposes to the MEF and the CB when disbursed and when repaid. They must be conducted through an authorized intermediary.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Inheritances and dowries are generally allowed. Gifts and endowments, however, are subject to authorization by the MOF and the BCEAO. These transactions must be conducted through an authorized intermediary and comply with the relevant AML and terrorism financing provisions.
To residents from nonresidents	No.	These transactions do not require authorization but are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Settlement of debts abroad by immigrants	Yes.	Immigrants with resident status must obtain MEF authorization to settle debts contracted abroad, while they were nonresidents of the WAEMU zone.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These transactions require MEF authorization if the value exceeds CFAF 500,000 a person. There are no restrictions on transfers of amounts below this threshold.
Transfer into the country by immigrants	Yes.	Foreign accounts of nonresidents of the WAEMU zone (in foreign currencies or CFA francs) who become residents of the WAEMU zone must be closed. However, these residents may maintain abroad bank accounts opened and financial assets acquired, while they were nonresidents of the WAEMU zone. New transfers to these accounts require MEF approval.
Transfer of gambling and prize earnings	No.	These transfers are conducted freely by authorized intermediaries, subject to the presentation of supporting documents and compliance with the relevant provisions on combating money laundering and financing of terrorism.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The Uniform Law on the Treatment of Dormant Accounts on the Books of Financial Agencies of the Member States of the WAMU by the Council of Ministers of the Union took effect through Decision No. CM/UMOA/023/2012 of September 28, 2012. This decision was incorporated into Benin's legislation in July 2016.
Borrowing abroad	No.	Foreign borrowing is unrestricted. For statistical purposes, these transactions must be declared to the MEF and the BCEAO when granted and when repaid.
Maintenance of accounts abroad	Yes.	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements. In accordance with Regulation No. 09/2010/CM/UEMOA on the External Financial Relations of the WAEMU Member States, to cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits not exceeding the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits not exceeding the balance on their open foreign accounts denominated in foreign currencies other than euros and their open resident accounts denominated in foreign currency. The total amount

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		of these assets may not exceed 5% of the clients' outstanding demand deposits. Assets in excess of foreign currency requirements must be surrendered to the BCEAO.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial lending is allowed. Financial credits are subject to MEF authorization following BCEAO approval.
Lending locally in foreign exchange	Yes.	There are no explicit regulations regarding these transactions, but MEF authorization is required with BCEAO approval.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These purchases require MEF authorization if their issuance was not approved by the RCPSFM.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	A reserve requirement of 3% has been applicable to banks in the WAEMU zone since March 16, 2017. Demand deposits, other debit deposit accounts, and loan accounts are included in the calculation of required reserves. The following four elements are taken into account in calculating the required reserves to be established in the CB: (i) demand deposits; (ii) short-term loans; (iii) gross claims abroad, including customer deposits in foreign currency; (iv) medium- and long-term loans. Required reserves are therefore established on a standard, settlement, or securities account based on eligibility for calculation of reserves allocated by the MPC.
Liquid asset requirements	No.	In accordance with the prudential framework applicable to banks and financial institutions carrying out banking operations in the WAEMU, the minimum liquid asset requirement is 75%. A 50% transformation ratio is also required to ensure that banks continually have more stable financing sources to finance their long-term uses.
Interest rate controls	No.	
Credit controls	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents of the WAEMU zone are subject to MEF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Yes.	Banking regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Any overdraft or advance granted to a nonresident requires MEF authorization with BCEAO approval.
Investment regulations	Yes.	The regulations governing direct investment apply.
Abroad by banks	Yes.	All investment abroad by residents of the WAEMU zone is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM.
In banks by nonresidents	Yes.	These transactions may, depending on their volume, be subject to authorization by the minister of finance. The banking law stipulates that investment by any person in a bank that would have the effect of changing the minority and/or majority voting rights requires authorization by the minister of finance.
Open foreign exchange position limits	Yes.	No prudential ratios apply. Because of the surrender requirement,

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		banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments, up to the equivalent of 5% of total customer demand deposits. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits not exceeding the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits not exceeding the balance on their open foreign accounts denominated in foreign currencies other than euros and their open resident accounts denominated in foreign currency.
On resident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits not exceeding the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits not exceeding the balance on their open foreign accounts denominated in foreign currencies other than euros and their open resident accounts denominated in foreign currency.
On nonresident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits not exceeding the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits not exceeding the balance on their open foreign accounts denominated in foreign currencies other than euros and their open resident accounts denominated in foreign currency.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Controls are imposed by the CIMA Code.
Limits (max.) on securities issued by nonresidents	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest up to 50% of resources collected locally in other CIMA member countries.
Limits (max.) on investment portfolio held abroad	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest up to 50% of resources collected locally in other CIMA member countries.
Limits (min.) on investment portfolio held locally	Yes.	According to the CIMA Code, a minimum of 50% of resources collected in a CIMA member country by insurance companies must be invested locally.
Currency-matching regulations on assets/liabilities composition	Yes.	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind by foreign governments, local authorities, foreign companies, or international institutions are subject to authorization by the

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		RCPSFM.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold with RCPSFM authorization in WAEMU member countries, all investment abroad by residents of the WAEMU zone is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to RCPSFM authorization.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold in WAEMU member countries with RCPSFM authorization, all investment abroad by WAEMU residents is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CB does not yet have a digital currency.
Retail	No.	The CB does not yet have a digital currency.
Wholesale	No.	The CB does not yet have a digital currency.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	

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Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on unbacked tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on utility and security tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.

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Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on stablecoins	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In

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		addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on crypto exchanges and trading platforms	n.a.	
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*03/31/2023*	The regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions, and Virtual Asset Service Providers; (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons.

Exchange Arrangement

Official exchange rate	*09/02/2022*	Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.

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BHUTAN

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 28, 1981.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation with Bhutan states that, as of April 26, 2022, Bhutan continues to avail itself of transitional arrangements under Article XIV, Section 2, pursuant to which it maintains exchange restrictions in connection with: (1) foreign exchange balancing requirement on remittances of income in convertible currencies or other foreign currencies from FDI and (2) on the availability of foreign exchange for importers who have not provided evidence that goods for which payments have been made were actually imported. Bhutan also maintains exchange restrictions subject to IMF approval under Article VIII, Section 2(a) in connection with: (1) the foreign exchange balancing requirements for imports of capital goods (for projects involving FDI) and primary raw materials (for certain industrial projects); (2) requiring FDI companies to pay for their operational expenses (including insurance payments) from their own foreign exchange resources; and (3) requiring Bhutanese companies to pay the interest on and amortization of external loans from their own foreign currency resources. (Country Report No. 22/146)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Banking institutions have been instructed to freeze all capital transfers and financial assets of individuals, groups, and organizations associated with terrorism, pursuant to the relevant UNSC resolutions. In addition, financial institutions are required to report to the Royal Monetary Authority (RMA) any financial transactions linked to groups associated with terrorism. The RMA has the power to share information and cooperate in any way necessary with domestic and foreign supervisors to combat money laundering and the financing of terrorism.
Other security restrictions	Yes.	

Exchange Arrangement

Currency	Yes.	The currency of Bhutan is the Bhutanese ngultrum.
Other legal tender	No.	Indian rupee banknotes circulate freely in Bhutan, but there is no legal/official provision establishing them as legal tender in Bhutan. Since January 2015, Indian rupee (INR) denominations above Rs. 500 (specifically currency notes in denominations of Rs. 500 and Rs. 1,000) started to circulate, and individuals from India are allowed to carry to Bhutan INR in denominations of Rs. 500 and/or Rs. 1,000 subject to a limit of Rs. 25,000. The RMA opened an exchange counter at the RMA (Thimphu and Phuntsholing branch office) for

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		facilitating the exchange of ngultrum notes for INR notes, beginning with the facility for Bhutanese proceeding on pilgrimage to India. Any Bhutanese may avail INR from the RMA exchange counters in Thimphu and the RMA branch Office in Phuntsholing up to a limit of Rs. 10,000 a month a person on production of personal context identity (Citizenship Identity Card) to the exchange counter tellers. All current international transactions denominated in rupees have been streamlined to reflect the legal status of the rupee as a foreign currency. Since the demonetization of high denomination Indian rupee note in India from November 2016, INR denominations of 500 and 1000 were not allowed to be used in Bhutan and only INR denominations of 100 and below are allowed to be used in Bhutan. The new series of INR denominations up to 500 were re-permitted in Bhutan since June 2018. Furthermore, the RMA opened up exchange counters at the Airport and Phuntsholing to facilitate exchange of Indian rupees to ngultrum and vice versa. Effective October 1, 2023, the INR travel allowance for Bhutanese was recalibrated from INR 10,000 a month to INR 25,000 semi-annually (INR 50,000 in a year) with the implementation of the Foreign Exchange Rules and Regulations 2022 .
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional peg vis-à-vis the Indian rupee. No current legal documents establish a fixed exchange rate arrangement; the ngultrum has been pegged at par with the Indian rupee since the introduction of the ngultrum in 1974. Under the RMA Act of Bhutan 2010 (Provisions 88 and 89), the Bhutanese government, on recommendation of the RMA, may declare the external value of the ngultrum, and the RMA will determine the appropriate external value. The RMA does not publish the intervention data.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The ngultrum is officially pegged to the Indian rupee at par. Under the RMA Act of Bhutan 2010 (Provisions 88 and 89), the government may at any time, on recommendation of the RMA,

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		declare the external value of the ngultrum vis-à-vis currencies for which the RMA determines a fixed exchange rate or the width of the exchange rate band against that of foreign currencies whose rate or width it considers compatible with the primary monetary policy objective. The rates for currencies other than the Indian rupee are determined on the basis of the prevailing rupee exchange rates (average rate) against the currencies concerned. The official exchange rate is used for all foreign exchange transactions in Bhutan. The method as mentioned above is prevailing rupee exchange rates (average rate) against the currencies concerned plus fixed margin as decided by the RMA.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite		
Other	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the Indian rupee.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		

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Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Banks may charge customers a spread of 0.2% above or below the dealing rate used by the RMA. Hotels licensed under restricted authorized money changers (AMCs) may charge a commission of 0.5% on cash only. ADs (banks and AMCs) use exchange rates that are determined by the RMA on a daily basis.
Spot exchange market	Yes.	In addition to the six depository institutions operating in Bhutan, there are 65 AMCs licensed by the RMA. These AMCs may purchase but not sell foreign currency. Financial Institutions licensed under the Financial Services Act of Bhutan 2012 as of end 2022 is 9 of which 5 commercial banks. Commercial banks may only make foreign exchange transactions with the CB. These banks may maintain accounts abroad, conduct operations for the purchase and sale of banknotes, and make foreign currency payments and transfers on behalf of their clients. As of December 2022, there were 65 AMCs licensed by the RMA. As stipulated in Chapter IIIC of the Foreign Exchange Regulations 202, any person other than authorized bank may apply for a license from the RMA to carry out money-changing business in Bhutan. Accordingly, these licensed AMC operations are limited to (1) buying from individual's banknotes and traveler's checks denominated in convertible currencies against the ngultrum or (2) selling to an authorized bank, holdings of banknotes and traveler's checks denominated in convertible currencies against the ngultrum. They are not allowed to operate like authorized banks, viz. maintain accounts abroad or transfer on behalf of their clients. The RMA allows commercial banks to hold convertible currency up to the maximum limit of US$15 million, beyond which the commercial banks are required to sell it to the RMA.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The RMA stands ready to buy and sell ngultrum at the official exchange rate without any commission and buys and sells on demand. The RMA rates for the US dollar, euro, Swiss franc, Singapore dollar, Hong Kong dollar, Swedish krona, and other major traded currencies are based on the previous day's closing rates in international markets, as determined by the RMA. The RMA

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		conducts foreign exchange transaction with authorized dealers stipulated in the Foreign Exchange Rules and Regulations 2022.Only banks are eligible to deal with the RMA. Since 2016, the RMA opened an exchange counter at the RMA (Thimphu and Phuntsholing branch office) for facilitating the exchange of ngultrum notes for INR notes, beginning with the facility for Bhutanese proceeding on pilgrimage to India and Indian merchants in the border town. Any Bhutanese citizen going on pilgrimage may, in person, avail INR from the RMA exchange counters in Thimphu and RMA branch Office in Phuntsholing up to a limit of, effective October 1, 2023, Rs. 25,000 semi-annually (previously Rs. 30,000) and Rs. 50,000 a year a person on production of personal Citizenship Identity Card to the exchange counter tellers. Indian merchants were permitted to deposit their sale proceeds in ngultrum with any of the commercial banks and were allowed to repatriate the equivalent in INR the next day through banking channel (demand draft, telegraphic transfer, and real-time gross settlement).
Allocation	Yes.	
Auction	No.	
Fixing	No.	
Interbank market	No.	Banks are allowed to trade foreign exchange with each other, but in practice they deal only with the RMA.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Trade transactions between Bhutan and India may be conducted only in ngultrum or Indian rupees.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Section 13 a) of the FERR 2022 stipulates all payment, receipt, and transfer between resident, and between resident and nonresident within Bhutan must be made in Ngultrum.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Section 13 a) of the FERR 2022 stipulates all payment, receipt, and transfer between resident, and between resident and nonresident within Bhutan must be made in Ngultrum. Currently, transactions in capital and money market instruments are in Ngultrum in accordance with this provision.
Transactions in derivatives and other instruments	Yes.	Currently, there is no derivative market.
Credit operations	Yes.	Section 13 a) of the FERR 2022 stipulates all payment, receipt, and transfer between resident, and between resident and nonresident within Bhutan must be made in Ngultrum.
Use of foreign exchange among residents	Yes.	All payments in Bhutan must be made in local currency. Handicraft shops must obtain an AMC license from the RMA to operate as an AMC.

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Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	The Agreement on Trade and Commerce with India requires that all transactions between Bhutan and India be made in ngultrum or Indian rupees.
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	Yes.	Bhutan is a member of the ACU.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The RMA may regulate foreign exchange dealers by adopting regulations to establish licensing and regulation systems consistent with relevant sections of the Financial Services Act. The RMA delegates to authorized commercial banks the authority to process and release foreign exchange for payments for current transactions and implement the surrender requirements for proceeds from merchandise exports. Commercial banks are subject to periodic inspection and RMA monthly reporting requirements. Payments and transfers by residents to nonresidents other than in cash and traveler's checks must be channeled through authorized banks in Bhutan.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	The RMA has authorized commercial banks to import and sell gold and silver bullion within Bhutan. Imports of gold and silver by Bhutanese citizens require authorization from the RMA.
Controls on exports and imports of banknotes	Yes.	The importation and exportation of cash and securities above a certain limit are subject to a declaration of value at the customs point of entry into and departure from Bhutan.
On exports	Yes.	
Domestic currency	No.	Exports exceeding Nu 5,000 must be declared to customs.
Foreign currency	Yes.	Convertible foreign exchange that has been obtained from authorized banks and such additional amounts as may reasonably be in the possession of a person may be taken out of Bhutan. However, if the total value of foreign currency taken out of Bhutan exceeds US $10,000 or its equivalent, the individual must declare the total value and sources of such foreign currency to customs at the time of departure.
On imports	No.	
Domestic currency	No.	Imports exceeding Nu 5,000 must be declared to customs.
Foreign currency	No.	There is no limit on the amount of convertible foreign exchange that may be brought into Bhutan. However, under Section 6 of the Foreign Exchange Regulations 2020 anyone who brings in more than US$10,000 or its equivalent must declare it at the customs point of

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entry.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	The following may open and maintain US-dollar-denominated foreign currency accounts with authorized banks in Bhutan: (1) diplomatic missions and their expatriate employees, (2) representative offices of donor agencies and their expatriate employees, (3) third-country contracting firms and their expatriate employees engaged in projects financed by donor agencies, (4) any citizen of a third country who resides in Bhutan, (5) FDI companies incorporated in Bhutan under the 2002 FDI Policy, (6) local industries approved by the Ministry of Economic Affairs, (7) nongovernmental organizations (NGOs) in Bhutan, (8) Bhutanese exporters and individuals who earn foreign exchange in Bhutan, and (9) Bhutanese citizens residing abroad.
Approval required	Yes.	
Held abroad	Yes.	Bhutanese citizens temporarily domiciled abroad for studies, training, diplomatic posting, or employment with regional/international organizations may hold foreign currency deposits abroad for the duration of their stay. Otherwise, RMA permission is required.
Approval required	Yes.	Bhutanese citizens temporarily domiciled abroad for studies, training, diplomatic posting, or employment with regional/international organizations may hold foreign currency deposits abroad for the duration of their stay. Otherwise, RMA permission is required.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	No.	Nonresidents are not allowed to open any accounts (domestic and foreign currency accounts) with any of the authorized banks in Bhutan. However, until September 30, 2023, Indian merchants doing business bordering Bhutan were able to repatriate their ngultrum sale proceeds equivalent in INR the next day through banking channel (demand draft, telegraphic transfer, and real-time gross settlement). This exemption was repealed on with the introduction of revision of Foreign Exchange Rules and Regulations 2022 (Chapters V & VI), effective October 1, 2023.
Approval required	No.	
Domestic currency accounts	Yes.	These accounts are permitted but only for foreign nonresidents residing or working in Bhutan. Domestic currency accounts of nonresident foreigners residing or working outside Bhutan (in neighboring border towns) are not permitted.
Convertible into foreign currency	Yes.	Nonresident account holders may withdraw up to Rs. 10,000 in cash on closing their accounts at the end of their contract period and withdraw the remainder of their balances through other payment instruments. Withdraw in foreign currency cash up to US$3000 or equivalent is permitted.

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		Nonresident Ngultrum account holders can withdraw in Ngultrum and repatriate the balance abroad on closure of their account at the end of their contract agreement.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Importers in Bhutan may make advance payments through authorized banks to a supplier or a counterparty in India based on a pro forma invoice. However, the bank must ensure that importers making advance payments prove that the relevant goods entered Bhutan within 180 days (previously 91 days) of the advance payment. Monitoring takes place through documents pertaining to declaration of the goods at relevant customs checkpoints and the value of the goods imported. Even if the goods fail to reach the port of entry within the stipulated time because of a natural calamity or unforeseen circumstances, the importer must, irrespective of the delay or the time lag, submit the customs documents to the bank to reconcile the advance payments against the value of goods imported.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Persons granted import licenses may purchase foreign exchange from authorized banks to settle payments for the goods specified in the license.
Preshipment inspection	No.	Bhutanese persons importing goods and services from third countries may apply to the authorized banks to remit convertible currency by filling in the forms provided by the banks accompanied by the import license and the supplier's invoice or other documentary evidence showing the c.i.f. value of the goods to be imported.
Letters of credit	Yes.	Commercial banks require import license issued by the Ministry of Industry, Commerce and Employment along with meeting prudential guidelines required by the Prudential Rules and Regulations.
Import licenses used as exchange licenses	Yes.	Import license is issued by the Ministry of Industry, Commerce and Employment in accordance with Rules and Procedures for Import of Goods from Third Countries.
Other	No.	
Import licenses and other nontariff measures	Yes.	An import license is required for the importation of capital and intermediate goods from countries other than India. Such licenses are governed by the Rules and Procedures for Imports of Goods from Third Countries issued by the Department of Trade of the Ministry of Economic Affairs. Foreign exchange for all payments related to licensed merchandise imports is automatically made available by authorized banks against import licenses. Capital imports from third countries by foreign direct investors must be financed by their own convertible foreign exchange resources. Start-up support is provided by the RMA for the purchase of capital goods.
Positive list	No.	

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Negative list	Yes.	a) Narcotics and psychotropic drugs and substances; b) pornography and pornographic materials; c) any other goods specifically prohibited by law or regulation, or international conventions and treaties to which Bhutan is a signatory.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Imports from countries other than India are subject to tariffs. Imports from India are subject only to Bhutanese sales tax.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	
Surrender requirements	Yes.	Receipts on current transactions with India must be received in Indian rupees through normal banking channels within 180 days (previously 91 days) from the date of export of the goods or services.
Surrender to the central bank	Yes.	
Surrender to authorized dealers	Yes.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	
Guarantees	Yes.	
Domiciliation	Yes.	
Preshipment inspection	Yes.	
Other	Yes.	
Export licenses	Yes.	
Without quotas	Yes.	
With quotas	Yes.	
Export taxes	No.	Exports to countries other than India receive an export tax rebate at rates ranging from 5% to 20% of the c.i.f. value; the lowest rate applies to unprocessed primary products and the highest to processed products.
Collected through the exchange system	n.a.	
Other export taxes	n.a.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	The RMA delegates to commercial banks the authority to process and release foreign exchange for payments for invisible transactions and current transfers. Any amount above the limits prescribed in

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		these regulations must be made with prior approval of the RMA based on the bona fide test on the transactions. Commercial banks are subject to periodic inspection and monthly RMA reporting requirements. The RMA is authorized to set limits on foreign exchange for payments for invisible transactions.
Trade-related payments	Yes.	
Prior approval	Yes.	Ministry of Finance, Ministry of Industry, Commerce and Employment and RMA.
Quantitative limits	Yes.	Each import house (for imports from countries other than India) is entitled to import one 20-foot-long container or its equivalent every three months.
Indicative limits/bona fide test	Yes.	Contract agreement and/or approval/forwarding from the Ministry of Finance/Ministry of Industry, Commerce and Employment.
Investment-related payments	Yes.	Foreign direct investors may remit profits and dividends from net earnings only in the currency of the earnings with the exception for service activities in the priority list where the investment in the project was made in convertible currency and the earnings are in nonconvertible currencies; the FDI company must be allowed to purchase from the RMA convertible currency up to US$5 million an annum for repatriation of dividends by the foreign investors and for those FDI businesses where the investment in the project was made in convertible currency and earnings are in Indian rupees; the foreign investor must be permitted to repatriate dividends in convertible currency with prior approval from the RMA.
Prior approval	Yes.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Commercial Invoices and Contract Agreements.
Payments for travel	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	Travel allowances to countries other than India are limited to the equivalent of US$3,000 a ticketed passenger a calendar year. For private travel to India, individuals are permitted Rs. 10,000 to 30,000 a month in cash, and may withdraw Rs. 15,000 and Rs. 150,000 a month through their debit and credit cards, respectively. Pursuant to the Foreign Exchange Rules and Regulations (FERR) 2020 and Foreign Exchange Operational Guidelines 2020, the private travel allowances are Rs. 10,000 to 30,000 a month in cash. For business travel, there is a country-specific per diem covering accommodations. There are no time restrictions for business travel.
Indicative limits/bona fide test	Yes.	Amount above the limits prescribed by the RMA is allowed with prior approval of the RMA based on the bona fide test on the transactions. Commercial Invoices and Contract Agreements and valid travel documents.
Personal payments	Yes.	
Prior approval	Yes.	The RMA management grants the approval.
Quantitative limits	Yes.	Allowances for fees and tuition for education are based on statements provided by the institutions. Students may also purchase foreign exchange for a monthly stipend of US$2400 (students may take the amount permitted in the form of international debit card), and a stipend and living allowance of Rs. 50,000 a month. The settling-in

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		allowance and monthly stipends may be purchased in advance.
Indicative limits/bona fide test	Yes.	For medical treatment abroad, subject to referral by a local physician, foreign exchange may be purchased or transferred through the banking channel to cover the cost of treatment and medicine and for living expenses abroad. Bhutanese citizens traveling to India for medical treatment may purchase up to Rs. 100,000 in cash. If the cost of treatment exceeds the amount purchased initially, the balance because of the hospital may be transferred directly to its bank account based on a cost estimate from the hospital.
Foreign workers' wages	Yes.	
Prior approval	Yes.	Foreigners employed directly by a public or private organization in Bhutan, with valid employment documents from the Bhutanese government, may remit their salary and savings in foreign exchange through an authorized bank. Private firms must obtain RMA approval to remit foreign workers' wages and savings in foreign exchange before the funds are processed through an authorized bank.
Quantitative limits	Yes.	The RMA may set limits on such remittances.
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	The RMA may set limits on such remittances. For private travel to India, individuals may withdraw up to Rs. 15,000 a month through their debit card and Rs. 150,000 through credit card. Students are allowed to take their allowance in the form of international debit card.
Indicative limits/bona fide test	Yes.	
Other payments	Yes.	
Prior approval	Yes.	Ministry of Finance, Ministry of Industry, Commerce and Employment and RMA.
Quantitative limits	Yes.	The RMA may set limits on such remittances.
Indicative limits/bona fide test	Yes.	Commercial Invoices and Contract Agreements and valid travel documents.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Foreign exchange proceeds of receipts and holdings by Bhutanese citizens and companies must be repatriated by transferring such claims and funds to authorized banks in Bhutan.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	Local industries that earn Indian rupees through exports of goods and services are authorized to open rupee accounts with an authorized bank in Bhutan. Effective October 1, 2023, they no longer need to retain 10% of their export earnings. Previously, these funds were used to meet operational expenses as prescribed by the RMA under the 2012 Operational Guidelines for Indian Rupee Transactions.
Restrictions on use of funds	No.	

Capital Transactions

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Controls on capital transactions	Yes.	All capital transactions must be approved by the Bhutanese government and the RMA. Residents may not acquire capital or engage in capital transactions abroad. Other than the FDI activities permitted under the 2019 FDI Policy, adopted by the Ministry of Economic Affairs on May 21, 2010, all types of capital investments are currently prohibited. Outward investment/capital transactions are governed by the Regulations relating to the Possession of Assets and Properties Outside Bhutan by Bhutanese Citizens of July 1993 of the MOF, and External Commercial Borrowing Guidelines issued by the MOF which does not permit outward investment unless approved by the RMA or MOF.
Repatriation requirements	Yes.	Repatriation terms are set by RMA along with the approval but not explicitly mentioned in the foreign exchange regulations.
Surrender requirements	Yes.	Surrender terms are set by RMA along with the approval but not explicitly mentioned in the foreign exchange regulations.
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Surrender terms are set by RMA along with the approval but not explicitly mentioned in the foreign exchange regulations.
Controls on capital and money market instruments	Yes.	Controls apply to all transactions in capital and money-market instruments.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital market.
Sale or issue locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital market.
Purchase abroad by residents	Yes.	RESPONSE: Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Sale or issue abroad by residents	Yes.	These transactions are not permitted except with RMA approval.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital market.
Sale or issue locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital market.
Purchase abroad by residents	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Sale or issue abroad by residents	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital market.
Sale or issue locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital market.
Purchase abroad by residents	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Sale or issue abroad by residents	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital market.
Sale or issue locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital

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		market.
Purchase abroad by residents	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Sale or issue abroad by residents	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Controls on derivatives and other instruments	Yes.	Controls apply to all these transactions.
Purchase locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital market.
Sale or issue locally by nonresidents	Yes.	Only Bhutanese Entities are allowed to participate in the local capital market.
Purchase abroad by residents	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Sale or issue abroad by residents	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Controls on credit operations	Yes.	All transactions in credit operations are subject to controls.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	
Inward direct investment	Yes.	Direct investment in convertible foreign exchange may be made in (1) manufacturing, with a minimum investment of US$1 million, of which 20%–74% may be foreign investor equity, and (2) services, with a minimum investment of US$500,000, of which 20%–74% may be foreign investor equity. FDI in the manufacturing and service sectors is subject to sector-specific policies, standards, and procedures. Priority service sectors are permitted up to 100% additional foreign equity ownership. Other forms of collaboration, such as for technical and marketing purposes and for franchising of trade names, patents, and trademarks, are allowed with the Ministry of Economic Affairs' permission. The Royal Government must allow FDI in both manufacturing and service sectors. These must be governed by project-specific agreements (if any) and sector-specific policies, standards, and procedures. The priority sector activities are listed in Schedules I and II. These must be fast-tracked for approval and clearances. In addition, the Royal Government must allow FDI in other activities with maximum foreign investors' equity of 74% and minimum project cost of Nu 50 million and Nu 25 million for manufacturing and services, respectively. FDI in activities as listed under Schedule III may not be permitted.

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Controls on liquidation of direct investment	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Controls on real estate transactions	Yes.	Controls apply to all real estate transactions.
Purchase abroad by residents	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Purchase locally by nonresidents	Yes.	Not Permitted unless as an FDI Investor.
Sale locally by nonresidents	Yes.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	On September 1, 2014, the RMA reintroduced housing and vehicle loans (after temporary suspension of access to Indian rupees to finance imports of personal vehicles and housing construction materials in March 2012). New housing, vehicle, and consumer loan guidelines were issued to guide financial institutions in prudent management and monitoring of credit to these sectors to mitigate systemic risk. Effective June 8, 2023, a temporary moratorium on housing and hotel construction loans was instituted, until December 31, 2023. Effective December 29, 2023, this measure was extended until June 30, 2024.
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	Yes.	
Transfer of gambling and prize earnings	Yes.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Borrowing abroad requires government authorization in consultation with the RMA.
Maintenance of accounts abroad	Yes.	Permitted only based on the approval from the Ministry of Finance and/or Ministry of Industry, Commerce and Employment.
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	

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Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	In accordance with Section 10 c) of the Foreign Exchange Rules and Regulations 2022, the authorized dealer may make investment abroad in instruments prescribed by the RMA from time to time, and, in the event that the RMA determines that the balance of payments situations necessitates, it may require the AD I to withdraw specified foreign currency deposit, irrespective of their maturity, and transfer the proceed to the RMA.
In banks by nonresidents	Yes.	Direct investment in convertible foreign exchange is allowed in the banking sector with an initial minimum paid-up capital of Nu 200 million (Nu 300 million within three years of the start of business), of which 20%–51% may be foreign investor equity. The RMA suspended the licensing of new banks for a period of five years from December 2008 until December 2013.
Open foreign exchange position limits	Yes.	The RMA allows commercial banks to hold convertible currency up to the maximum limit of US$15 million, beyond which the commercial banks are required to sell it to the RMA.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	In accordance with Section 10 c) of the Foreign Exchange Rules and Regulations 2022, the authorized dealer may make investment abroad in instruments prescribed by the RMA from time to time, and, in the event that the RMA determines that the balance of payments situations necessitates, it may require the AD I to withdraw specified foreign currency deposit, irrespective of their maturity, and transfer the proceed to the RMA.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by	No.	

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nonresidents		
Limits (max.) on investment portfolio held abroad	Yes.	In accordance with Section 10 c) of the Foreign Exchange Rules and Regulations 2022, the authorized dealer may make investment abroad in instruments prescribed by the RMA from time to time, and, in the event that the RMA determines that the balance of payments situations necessitates, it may require the AD I to withdraw specified foreign currency deposit, irrespective of their maturity, and transfer the proceed to the RMA.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.

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Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.

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For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

Exchange Arrangement

Currency

Other legal tender	*10/01/2023*	The Indian rupee (INR) travel allowance for Bhutanese was recalibrated from INR 10,000 a month to INR 25,000 semi-annually (INR 50,000 in a year).

Foreign exchange market

Spot exchange market

Operated by the central bank

Foreign exchange standing facility	*10/01/2023*	Any Bhutanese citizen going on pilgrimage may, in person, avail Indian rupee from the Royal Monetary Authority (RMA) exchange counters in Thimphu and RMA branch Office in Phuntsholing up to a limit of Rs. 25,000 semi-annually (previously Rs. 30,000) and Rs. 50,000 a year a person on production of personal Citizenship Identity Card to the exchange counter tellers.

Nonresident Accounts

Foreign exchange accounts permitted	*10/01/2023*	The exemption where Indian merchants doing business bordering Bhutan were able to repatriate their ngultrum sale proceeds equivalent in Indian rupee the next day through banking channel (demand draft, telegraphic transfer, and real-time gross settlement) was repealed.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to authorized dealers	*10/01/2023*	Local industries that earn Indian rupees through exports of goods and services do not longer need to retain 10% of their export earnings. Previously, these funds were used to meet operational expenses as prescribed by the Royal Monetary Authority under the 2012 Operational Guidelines for Indian Rupee Transactions.

Capital Transactions

Controls on capital transactions

Controls on personal capital transactions

Loans	*06/08/2023*	A temporary moratorium on housing and hotel construction loans was instituted. New housing and hotel construction loans are

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	suspended, until December 31, 2023.
12/29/2023	A temporary moratorium on housing and hotel construction loans was extended. New housing and hotel construction loans are suspended, until June 30, 2024.

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BOLIVIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: June 5, 1967.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The boliviano is the unit of the monetary system of the Plurinational State of Bolivia. It is issued by the Central Bank of Bolivia (CBB) and has been legal tender since January 1, 1987.
Other legal tender	No.	The US dollar and the euro may be used in financial transactions.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement of the Plurinational State of Bolivia is a crawling peg to the US dollar (also called a “sliding” rate) and is characterized by small exchange rate movements that are not announced in advance. The CBB determines the floor price for the daily competitive foreign exchange auction (“bolsín”) in which the financial private sector and the nonfinancial private sector participate. The CBB ensures that the exchange rate is consistent with moderate inflation, thus mitigating external and internal inflationary pressures, because the exchange rate is still used as a benchmark for the prices of nontradable goods, albeit to a decreasing extent because of bolivianization (dedollarization) in real and financial transactions. The exchange rates used in most exchange transactions fluctuate

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		daily within a band of 12 centavos (1.7%), defined by the official buying and selling exchange rates (Bs. 6.86 and Bs. 6.96, respectively) plus a margin of one centavo at each end. Because the boliviano stabilized against the US dollar since November 2011, the de facto exchange rate arrangement is classified as a stabilized arrangement. The authorities consider that the de facto stabilized arrangement does not fully reflect the exchange arrangement managed by the CBB because the official policy of a crawling peg has not changed. The CBB's crawling peg mechanism allows the sliding rate to be set at 0 without changing the arrangement if the underlying economic fundamentals warrant it. The CBB publishes information on its exchange market interventions and on its foreign exchange purchases and sales in the "Weekly Statistics" section and in other publications such as the Monthly Statistical Bulletin, all of which are available on its website. Publication of the size of interventions is published daily, and the exchange rate of operations registered during the day is updated daily.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official selling exchange rate is the minimum auction price resulting from the bolsín. The official exchange rate is used for official transactions, and the buying rate (Bs. 0.10 less than the official rate) is used for valuation and accounting purposes. The CBB uses the official selling exchange rate of the day for same-day sales of US dollars to the general public and to financial institutions, by debiting the accounts in domestic currency and crediting the accounts in US dollars held with financial institutions (Board Resolution No. 63/2013). The CBB can sell US$ to financial institutions and to the general public on the same day at the official selling exchange rate in effect (RD No. 63/2013). The majority of foreign exchange operations transacted by financial institutions and exchange bureaus are carried out at an exchange rate within the band defined by the buying and selling exchange rates, plus a margin of Bs. 0.01 at each end. The CBB does not sell US dollars directly to the general public (ventas en ventanillas) and/or through FIs that are majority State-owned. The CBB sells dollars to financial intermediaries (FIs) through two arrangements (bolsin and direct same-day sales). Similarly, foreign currency (FC) can be acquired from any FI.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		

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Monetary aggregate target	Yes.	Upper limits on the expansion of the CBB's net domestic credit have been established in line with an increase in the issuance of currency calculated in accordance with inflation and growth objectives.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		

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Exchange tax	Yes.	The Financial Transactions Tax (Impuesto a las Transacciones Financieras – ITF) is levied on transactions performed in FC and in domestic currency indexed to any FC. The rate applies to the gross amount of the transaction and applies to taxpayers who are individuals or legal entities and who hold current or savings accounts. Law No. 1135 of December 20, 2018, amended Law No. 713, extending the effective date of the ITF until December 31, 2023, maintaining a rate of 0.30% while in force. The following are exempt from this tax: (1) credits to and debits from the savings accounts of individuals in FC and in indexed domestic currency, up to US$2,000 or its equivalent in other FCs; (2) on the condition of reciprocity and enforceability of agreements and treaties, credits to and debits from bank accounts corresponding to diplomatic and consular missions and diplomatic personnel; (3) credits to or debits from accounts belonging to the judicial branch, the legislative branch, the central government, the CBB, and departmental and municipal autonomous governments, except publicly owned enterprises; (4) credits to and debits from accounts held by entities governed by the Securities Market Law in the financial system or with the CBB, corresponding to investment accounts belonging to third parties; (5) credits to current or savings accounts through remittances from abroad; and (6) redemption and earnings of shares in investment funds with balances (in domestic or FC) less than or equal to US$2,000.
Exchange subsidy	No.	
Foreign exchange market	Yes.	(1) FIs supervised by the regulator (Financial System Supervisory Authority – ASFI), and exchange bureaus, may sell US dollars to their clients at an exchange rate no greater than one (1) boliviano cent from the official selling exchange rate in effect on the date of each operation. (Article 21 RD No. 063/2013). (2) FIs supervised by the regulator (ASFI), and exchange bureaus, may purchase US dollars from their clients and users at an exchange rate not less than one (1) Boliviano cent from the CBB buying exchange rate in effect on the date of each operation (Article 22 RD No. 063/2013). (3) Owing to the pandemic, and as an exchange rate hedging mechanism, the CBB created the liquidity lending funds known as CPVIS Fund – II and CPVIS III; in 2021, it created the CPRO Fund, through which FIs constitute funds in FC resulting from a reduction in the FC legal reserve ratio, and may request loans in local currency to encourage portfolio growth. In addition, a voluntary contribution option was set up to enable FIs to increase their participation in the funds by making voluntary contributions in FC, to request liquidity loans from the CBB in local currency at preferential rates. The CPVIS II and CPVIS III funds are valid until March 2026. A voluntary contribution option is available for the CPVIS II fund. The CPRO fund is valid until March 2025 and includes a voluntary contribution option until December 2023.
Spot exchange market	Yes.	The fee (or service charge) for outward fund transfers by the financial system through the CBB is 1% and the fee for funds transfers received by the financial system through the CBB is 0.6% (Board Resolution No. 175/2015). The exceptions are as follows: (1) transfers from exporters through the CBB and remittances equivalent to US$1,000 or less and (2) transactions carried out through the financial system by the diplomatic corps, cooperation agencies, and international bodies. The temporary ITF, mentioned in III.F above, is

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		separate from the service charge mentioned in this paragraph. The commissions on transfers from the financial system through the CBB are 1.6% for transfers abroad and 0.0% for transfers from abroad (Board Resolution No. 18/2016). Included are transactions through the CBB for exports and remittances, and transactions through the financial system for the diplomatic corps, cooperation agencies, and international bodies, and remittances less than or equal to US$1,000. The fee for transfers of funds sent by the financial system through the CBB is 2% (Board Resolution No. 39/2017). Charges on transfers for 2019 remain at 2% for transfers going abroad and 0% for transfers from abroad RD 177/2018. From January 1, 2020, the commission for transfers abroad decreased from 2% to 0.1% for the payment of capital and interest for financing from multilateral organizations for the private sector. For the financial system, they remain at 2% for transfers abroad and 0% for transfers from abroad (RD 152/2019). From January 1, 2021, the commission for the financial system is 2% for transfers abroad and 0% for transfers from abroad (RD 143/2020). Exchange transactions may be freely executed and require no special authorization. Commercial banks, exchange bureaus, individuals, legal entities, and nonfinancial private sectors are authorized to deal in foreign exchange. The foreign exchange bought in official public sales by the CBB is freely available for use by the buyer. Foreign exchange sold at auction may be bought only by institutions holding accounts with the CBB, whether for themselves or on behalf of their clients. Effective March 6, 2023, the CBB announced that it would start selling US dollars directly to the public and established a dollar selling mechanism through Banco Unión to meet the unusual public demand for foreign exchange. Previously, the CBB did not sell US dollars directly to the general public and/or through FIs that are majority state owned. Exchange bureaus also trade in FC and are subject to supervision and regulation by the ASFI, pursuant to ASFI Resolution No. 486/2011 of June 16, 2011. The Regulation governing Exchange Bureaus, issued September 14, 2011, establishes guidelines for the creation of exchange bureaus and for the process of conforming to those in operation as of June 16, 2011. The services that exchange bureaus with legal status can engage in were also defined, such as buying and selling currency, exchanging traveler's checks, sending and receiving domestic transfers, exchanging and paying remittances from abroad in the capacity of payment agent and, for single-person exchange bureaus only, the buying and selling of currency. As of December 31, 2022, 177 exchange bureaus and 7 money transfer and remittance companies were registered with an ASFI operating license.
Operated by the central bank	Yes.	The CBB buys FC from the financial system at the buying exchange rate of the day, without any restriction as to the amount. In turn, the CBB sells FC to the financial and nonfinancial private sectors through the various mechanisms specified in the previous section.
Foreign exchange standing facility	Yes.	Exchange market participants may buy FC at the CBB, and the CBB in turn sells FC to the financial and nonfinancial private sectors and to the public sector.
Allocation	No.	
Auction	Yes.	Exchange Regulation No. 063/2013, in its Articles 8 to 18, regulates

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		FC sales through the bolsín. There are no specific auction regulations as such. The CBB sells FC at a bolsín-denominated daily auction. The Monetary and Exchange Policy Committee (Comité de Política Monetaria y Cambiaria – CPMC) determines the amounts to be auctioned. The information on the supply of FC is published each day on the CBB website. The floor price is set by the CBB president, who directs the allocation of FCs in descending price order, provided it is higher than the floor price, until the bid is exhausted. Financial institutions may participate in these auctions on their own account or on behalf of their clients with a minimum bid of US$100,000; the nonfinancial private sector may also participate. In the applications to participate in the bolsín, the banks only specify if the FCs to be acquired at the auction are for the banks themselves or for their clients. Once these are awarded, they can be withdrawn through the CBB vaults for domestic use or transferred abroad; in the latter case, the bank must fill out a form where they are asked the reason for the transfer, which is usually for trade (imports) or for the bank's own operations. Auction results are published on the CBB website daily. Bidders pay their offered price. Bids without the necessary resources are rejected and the bidder is barred from bolsín participation for five business days. If the US dollar amount offered is not sufficient to meet all the bids submitted at a particular exchange rate, the dollars are awarded on a prorated basis. The total offer of US$150 million per day is distributed as follows: the CBB's daily offer of dollars through the bolsín is US$100 million, and direct sales amount to US$50 million. Minute No. 024/2014 of December 23, 2014, of the CPMC. The CBB purchases FC from the financial system at the buying rate of the day, without any restriction as to the amount.
Fixing	No.	
Interbank market	Yes.	FIs are free to carry out transactions at the exchange rate they set among themselves, within the limits of Bs. 0.01 below and above the CBB buying and selling rates, respectively. As of December 31, 2022, there were 65 FIs, of which 12 are full-service banks, 2 are banks serving SMEs, 2 are public banks (BDP S.A.M. and Banco Unión), 3 are EFV, 37 are saving and loan cooperatives, and 9 are IFDs, which became subject to regulation in November 2016. Within the framework of the legislation in force (Law No. 393, the Financial Services Law), Articles 19 and 150), an operating license is granted by the Financial System Supervision Authority.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.

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For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Payments between Bolivia and other LAIA (ALADI) countries may take place through netting accounts maintained by the CBB and the CBs of the countries concerned, within the framework of the ALADI multilateral clearing system. Within the framework of the Bolivian Alliance for the Peoples of Our America, in fiscal year 2010, the foreign trade transactions began that are carried out in the Central Clearinghouse of the Unified Regional Payments System (Sistema Unitario de Compensación Regional – SUCRE); clearance occurs every six months.
Clearing agreements	Yes.	Payments between Bolivia and other LAIA (ALADI) countries may take place through netting accounts maintained by the CBB and the CBs of the countries concerned, within the framework of the ALADI multilateral clearing system. Within the framework of the Bolivian Alliance for the Peoples of Our America, the foreign trade transactions are carried out in the SUCRE; clearance occurs every six months.
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	Purchases and sales of gold are regulated by the National Service for the Registration and Control of Minerals and Metals Trading (Servicio Nacional de Registro y Control de la Comercialización de Minerales y Metales – SENARECOM), in exercise of the powers conferred on it by S.D. No. 29165 of June 13, 2007, to ensure the correct payment of the mining royalty (Regalía Minera – RM). Thus, trade in gold, whether in natural state, amalgam, preconcentrate, concentrate, precipitate, molten bar or refined ingot, is subject to an RM of 7% when the official price of this mineral is higher than US$700; between 4% and 7% when the price varies between US$400 and US$700; and 4% when the quotation is less than US$400. If the trade is conducted in the domestic market, 60% of the royalty rate will be applied. Law No. 1503 of May 5, 2023, authorizes the CBB to purchase gold from the domestic market to strengthen international reserves and

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		carry out financial operations with international reserves in gold on international markets.
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	No.	
Foreign currency	Yes.	As a measure to control inflows and outflows of FC (banknotes in FC) into and from the national territory, all individuals and legal entities, whether public or mixed, national or foreign, are required to declare to the National Customs Service of Bolivia the entry and exit of FC into and from the national territory, using Form No. 250 "Sworn Declaration of Accompanied Baggage and Entry and Exit of Foreign Currency." Supreme Decree (S.D.) No. 4492 of April 21, 2021, states the following: "I. The physical entry and exit of foreign currency into and from the national territory in amounts between US$10,000 and US$20,000 or the equivalent in another currency shall require registration in a form designed for this purpose by the Central Bank of Bolivia, or CBB, which must include, among other things, data on the origin and intended use of the funds." "II. The entry and exit of foreign currency into and from the national territory in amounts greater than US$20,000 or the equivalent in another currency must be performed through financial intermediation entities regulated by the Financial System Supervisory Authority, or ASFI."
On imports	Yes.	
Domestic currency	No.	Pursuant to the General Customs Law (LGA) and its Regulation, the importation of currency, banknotes, and coins is the exclusive activity of the CBB. Pursuant to Article 133(p) of the LGA, an exemption from customs taxes applies to the importation of currency, banknotes, and coins exclusively by the CBB, which shall be authorized by the National Customs Authority (Aduana Nacional – AN) at the request of the CBB President, in accordance with the procedure approved by the AN. AN Board Resolution No. 01-003-08 establishes a specific procedure for facilitating CBB operations to import currency and control the inflow and outflow of international reserves.
Foreign currency	Yes.	As a measure to control inflows and outflows of FC (banknotes in FC) into and from the national territory, all individuals and legal entities, whether public or mixed, national or foreign, are required to declare to the National Customs Service of Bolivia the entry and exit of FC into and from the national territory, using Form No. 250 "Sworn Declaration of Accompanied Baggage and Entry and Exit of Foreign Currency." S.D. No. 4492 of April 21, 2021, states the following: "I. The physical entry and exit of foreign currency into and from the national territory in amounts between US$10,000 and US$20,000 or the equivalent in another currency shall require registration in a form designed for this purpose by the Central Bank of Bolivia, or CBB,

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		which must include, among other things, data on the origin and intended use of the funds." "II. The entry and exit of foreign currency into and from the national territory in amounts greater than US$20,000 or the equivalent in another currency must be performed through financial intermediation entities regulated by the Financial System Supervisory Authority, or ASFI."

Resident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions on opening accounts in FC.
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	There are no restrictions on converting accounts in domestic currency to FC.

Nonresident Accounts

Foreign exchange accounts permitted	No.	Chapter VII of the Specific Instruction for FIs establishes the activities for managing the risks of laundering of illicit profits/financing of terrorism and financing of the proliferation of weapons of mass destruction, including the General Due Diligence Regime for the Identification of Clients of Natural Persons (Article 34), which states as follows in paragraph (V): "Resident and non-resident foreign clients will be required to provide, in addition to the foregoing, a photocopy of the identification document (identity card, foreigner identity card, or special identification document) as well as banking, commercial, and/or occupational references." This must be completed by the Obliged Entity prior to initiating a business relationship with foreign clients (due diligence process to get to know the client, user, and final beneficiary).
Approval required	No.	
Domestic currency accounts	No.	Chapter VII of the Specific Instruction for FIs establishes the activities for managing the risks of laundering of illicit profits/financing of terrorism and financing of the proliferation of weapons of mass destruction, including the General Due Diligence Regime for the Identification of Clients of Natural Persons (Article 34), which states as follows in paragraph (V): "Resident and non-resident foreign clients will be required to provide, in addition to the foregoing, a photocopy of the identification document (identity card, foreigner identity card, or special identification document) as well as banking, commercial, and/or occupational references." This must be completed by the Obliged Entity prior to initiating a business relationship with foreign clients (due diligence process to get to know the client, user, and final beneficiary).
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	The Political Constitution of the State (CPE) of the Plurinational State of Bolivia (EPB) provides that the regulation of activities related to foreign trade falls under the exclusive jurisdiction of the State. Within this framework, the LGA and its Regulation (RLGA) establish the nontariff (health and plant health) premises for their control.
Positive list	Yes.	The CPE of the Plurinational State of Bolivia (EPB) provides that the regulation of activities related to foreign trade falls under the exclusive jurisdiction of the State. Within this framework, the LGA and its Regulation (RLGA) establish that specific goods are subject to the presentation of prior authorizations (APs) or certifications for customs clearance.
Negative list	Yes.	The CPE of the Plurinational State of Bolivia (EPB) provides that the regulation of activities related to foreign trade falls under the exclusive jurisdiction of the State. Within this framework, the LGA prohibits the importation of specific goods because they are harmful to the environment or human health and life or because they threaten the security of the State and its economic financial system.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Health and Plant Health Permits (animals, food, plants, seeds, medications, leather, wood, wool, cotton, and fine animal fur) prior to the shipment of goods in the country of origin, which are required for the customs clearance certificate, within the framework of Decision No. 515 and Resolution Nos. 1153 and 1475 of the Andean Community.
Import taxes and/or tariffs	Yes.	The CPE of the Plurinational State of Bolivia (EPB) provides that the regulation of activities related to foreign trade falls under the exclusive jurisdiction of the State. The LGA of July 28, 1999, and Law No. 2492 of August 2, 2003, provide that the Executive may establish the tariff rates (TRs) applicable to imported goods.

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Within this framework, in accordance with the Community and Productive Social Economic Model (MESCP) implemented by the Bolivian government, the policies adopted through tariff measures are intended to encourage the consumption of goods made in Bolivia and foster the substitution of imports with domestic production.

Tariff Schedule
To contribute to transformation of the means of production with a view to prioritizing strategic sectors that add value and diversification, while leveraging and focusing on domestic market potential and supply, without ignoring external demand, a schedule of tariffs for merchandise imports was established comprising seven TRs, with rates of 0% and 5% to encourage imports of capital goods and inputs and foster change in the productive matrix; medium rates of 10%, 15%, and 20% so as not to affect imports of goods included in the household basket; and high rates of 30% and 40% to discourage merchandise imports that compete with national production, primarily manufactured goods.

Furthermore, imports are subject to the VAT and, in the case of certain goods, they are subject to the Specific Consumption Tax and the Special Tax on Hydrocarbons and their Derivatives.

Tax and Customs Treatment Applicable to Specific Products.

The Plurinational State of Bolivia has established tariff deferrals for certain goods to promote the productive sector and has also given priority to the import of medical inputs and medication to combat the COVID-19 pandemic.

S.D. No. 4227, of April 28, 2020, defers the TR for the import of inputs and medicines for the treatment of COVID-19 and other basic diseases to 0%.

S.D. No. 4299 eliminates the granting of prior import authorizations (S.D. 2752) for articles used for transportation or packaging.
S.D. No. 4372 reduces the engine and tire tariffs to promote road safety and reduce the likelihood of accidents.

The rates on finished goods or those that generate some negative externality were modified, to protect the industry and the population in general.

Law No. 1391 of August 31, 2021, which establishes tax incentives for the import and commercialization of capital goods and industrial plants pertaining to the agricultural and industrial sectors, for economic reactivation and promotion of the import substitution policy; and approval of its Regulatory S.D. No. 4579, on exemption from the payment of VAT on the import, and commercialization in the domestic market, of capital goods, industrial plants and vehicles of high volume and tonnage capacity.
S.D. No. 4514, of May 26, 2021, with the aim of protecting domestic industry and encouraging the consumption of Bolivian products, and also encouraging reading, modifies the TRs for publications and printed matter, ceramic plates and tiles, and glass canisters, bottles, and jars.

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S.D. No. 4521, of June 16, 2021, makes it easier for autonomous governments to engage in direct foreign procurement of COVID-19 vaccines.
S.D. No. 4522, of June 16, 2021, modifies the import customs TRs for: chicken, powdered milk, cocoa, potatoes, tomatoes, onions, apples, and strawberries.
S.D. No. 4539, of July 7, 2021, to encourage the assembly of electric vehicles, modifies the import TRs for telematic control units, telematic systems, and electric motors. The TRs for electric motor vehicles and agricultural machinery are also modified.

S.D. No. 4728, effective May 26, 2022, with the aim of promoting domestic production, the purpose of this S.D. is to alter the TRs on potatoes (20%), tomatoes (20%), onions (30%), and strawberries (20%). These rates will remain in force until September 30, 2022.

S.D. 4573: Alters TRs until December 31, 2022, on goods identified in tariff subheadings of the Bolivian Customs Import Tariff that include dairy products and derivatives, sugar and derivatives, confectionery, fruits, vinegars, candles, saddlery, leather goods, and light household goods.

Trade Agreements.

The Plurinational State of Bolivia grants preferential treatment to imports from countries with which it has preferential agreements within the framework of ALADI.

The tariff preferences granted in the framework of all the agreements amount to 100% of the tariff universe except for the agreement with Mexico and with Chile.

Similarly, with the Bolivarian Republic of Venezuela, there is a tariff preference equal to 100% of the tariff universe. Outside the ALADI framework, there is a tariff preference with the Bolivarian Republic of Venezuela.

Donation of Goods.

Subsequently, Law No. 617 of December 17, 2014, determined that imports of goods donated to public entities directly from abroad or acquired by them with resources derived from nonreimbursable financial cooperation or from donations will be exempt from the full payment of customs duties.

In addition, S.D. No. 2308 of March 25, 2015, regulating Law No. 617, establishes the procedure and the requirements for processing exemption from import duties on in-kind donations of goods or on goods acquired with resources derived from donations or nonreimbursable cooperation

Taxes collected through the exchange system	No.
State import monopoly	No.

Exports and Export Proceeds

Repatriation requirements	No.

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Items 4 and 5 of Paragraph I of Article 298 of the CPE specify that the customs and foreign trade regime falls under the exclusive jurisdiction of the central level of government. Law No. 1990 of July 1999, the "LGA," which governs the exercise of customs authority and the legal relationships established between National Customs and individuals or legal entities involved in importing and exporting goods into or from the national customs territory, and establishes the general rules applicable to the Special Free-Trade Zones System. Law No. 2493 of August 4, 2003, Amending Tax Measures and Establishing the Tax Regime Applicable to Free-Trade Zones.
Without quotas	Yes.	The Government of the Plurinational State of Bolivia established a socioeconomic policy that puts the country's food security and food sovereignty first. Thus, export permits are granted without quota restrictions when this activity does not jeopardize the supply of basic products.
With quotas	Yes.	The Government of the Plurinational State of Bolivia established a socioeconomic policy that puts the country's food security and food sovereignty first. The policy aims to prevent usury, speculation, and/or price increases of certain basic foodstuffs. Steps have been taken to authorize exports of certain products only after verification of adequate fairly priced domestic supplies. S.D. No. 3456 of January 10, 2018: (1) amends and incorporates provisions into S.D. No. 1554, regulating Law No. 307 on the sugarcane production complex to promote exports and (2) established oversight and monitoring mechanisms for ensuring conditions for adequate fairly priced domestic supplies, taking market conditions into account. S.D. No. 3920 of May 29, 2019, authorizes soybean exports equal to 60% of the national production of the previous fiscal year according to official National Statistics Institute (INE) data after verification of sufficiency and supply in the domestic market at a fair price. S.D. No. 4139 of January 22, 2020 revokes the Certificate of Internal Supply and Fair Price issued by the National Customs Service and eliminates the following products from the list of those that may be subject to temporary suspension of exports: beef and live cattle, corn and its by-products, sorghum, oil, and sugar.

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		S.D. No. No. 4417 of December 10, 2020 repeals S.D. No. 4139 of January 22, 2020, such that the regulation of exports through the issuance of Certificates of Domestic Supply and Fair Price, must again be governed by the provisions of the regulations in force prior to the approval of S.D. No. 4139.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on outward remittances of dividends, interest, and royalties with respect to technology transfers or transfers under other business categories. All remittances or transfers are subject to payment of the taxes prescribed by law. When income of Bolivian origin is paid to recipients abroad, it is presumed that the net profit subject to tax is equivalent to 50% of the total amount paid or remitted. Those who make such payments or remittances to recipients abroad must make a single and final withholding at the rate of 25% of the presumed net profit subject to tax.
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	The inflow or outflow of income of Bolivian origin to/from beneficiaries abroad is subject to corporate income tax on foreign recipients (Impuesto sobre las Utilidades de las Empresas Beneficiarios al Exterior – IUE–BE) with 50% of the total amount paid or remitted being the net profit subject to tax. On the other hand, transactions carried out in either foreign or indexed domestic currency are subject to the ITF.
Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Board Resolution No. 006/2023 aims to regulate financial operations carried out abroad by publicly owned enterprises at the central level of government and enterprises in which the government has a majority shareholding, their subsidiaries, and their affiliates. The private sector is not covered by this regulation.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	In accordance with Law No. 1834 of March 18, 1998, securities traded on the Bolivian securities market must be authorized and registered in the ASFI Securities Market Registry. Securities authorized for trading on the Bolivian securities market are: fixed-term deposits (DPFs), promissory notes, bonds, National General Treasury Bonds, CBB bonds, share certificates of closed-end investment funds, CBB and National General Treasury bills, securitized assets, and shares. The only instruments that may be publicly offered on the Bolivian securities market are those listed on certain foreign securities exchanges identified as such by the Directorate of Securities Supervision and Holding Companies (DSVSC) of the ASFI, provided they comply with the registration and disclosure requirements set out

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		in the law. Only securities authorized by the ASFI may be traded on the OTC market. Article 471 of the LSF stipulates that the ASFI will regulate the maximum limits on investment abroad by FIs.
On capital market securities	Yes.	Securities traded on the Bolivian Securities Market must be authorized and registered in the ASFI Securities Market Registry. Securities authorized for trading on the Bolivian Securities Market are as follows: DPFs, promissory notes, bonds, National General Treasury Bonds, CBB bonds, share certificates of closed-end investment funds, CBB, and National General Treasury bills, securitized assets, and shares.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Article 471 of Law No. 393 on Financial Services stipulates that the ASFI will regulate the maximum limits on investment abroad by FIs, that is, entities that accept deposits and grant loans. In accordance with ASFI Resolution No. 429/2016 of June 17, 2016, the limits on investing in shares of multilateral financing organizations may not exceed 40% of the bank's regulatory capital. Investments in shares of auxiliary financial service companies, in enterprises in the securities, insurance, and pension sectors, and in development banks may not exceed the amount of their regulatory capital, insofar as it is a requirement for obtaining credit lines. Through Resolution No. 247/2019, ASFI modified the Regulation of Investments in Fixed Assets and Operations with Foreign Entities and lowered the foreign investment limit of banks from 25% to 15% of regulatory capital. To compute this limit, investments in time deposits and securities abroad are considered, in addition to the account of banks and corresponding entities abroad. Additionally, through Resolution No. 246/2019, ASFI approved reducing limits on investment abroad for new open and closed investment funds from 25% to 5%. This limit will not apply to investment funds that are currently in operation. It was established, however, that the limit applicable to these funds will be the percentage of investments reached and reported up to March 27, 2019. Pursuant to ASFI Resolution No. 145/2021, the limit on investments and demand deposits abroad held by financial intermediation entities was reduced from 15% to 10% of regulatory capital. Moreover, in accordance with Law No. 65 of December 10, 2010, investments abroad by pension fund managers may not exceed 50% of each managed fund. Administrative Resolution APS/DJ/UI/No. 464/2017 states that the National General Treasury of Bolivia (TGN) may also directly or indirectly invest the resources of Integrated Pension System's Funds (Fondos del Sistema Integral de Pensiones – SIP Funds) in foreign debt securities up to the limit of 10% of the total amount of each issue through the intermediaries contracted by the Ministry of the Economy and Public Finance of the Plurinational State of Bolivia. Administrative Resolution APS/DJ/DI/No. 222/2021 of March 15, 2021, amends the second paragraph of Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt

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securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2.5% of the total amount of the fourth issue for each AFP. These limits were modified by way of Administrative Resolution APS/DJ/DI/No. 120/2022 of February 2, 2022, up to 5% of the total amount of the fourth issue for each AFP.

Administrative Resolution APS/DJ/DP/No. 036/2023 of January 16, 2023, amends Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2% of the total amount of the fifth issue for each AFP.

The investment limit for investments made abroad in Bolivian Sovereign Bonds of the first, second, and third issues will be the level recorded on the date of notification of Administrative Resolution APS/DJ/DP/No. 036/2023.

In accordance with S.D. No. 25201, each year, the CBB sets the maximum limit for investments abroad by insurance companies.

By way of Board Resolution No. 012/2022 of January 18, 2022, the CBB sets the FY 2022 maximum limit for investment abroad by insurance companies at 5% of their investment resources (the same level as FY 2021).

Effective January 16, 2023, the CBB approved, for FY 2023, a maximum limit for investment abroad by insurance companies of 2% of their investment resources (previously 5%). Disseminated to the Insurance Market through Circular Letter APS/DS/USIS/056/2023 on February 15, 2023.

Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Administrative Resolution APS/DJ/UI/No. 464/2017, issued by the Pension and Insurance Supervision and Control Authority (APS), the body supervising and regulating pensions, approves the SIP Investment Regulation for compliance (on a transitional basis) by AFPs, establishing that the resources of SIP Funds may be invested directly or indirectly in sovereign debt securities issued by other countries in accordance with the following limit and conditions: (1) up to 10% of the total amount of each issue and up to 10% of the value of each Fund; (2) they must have an international risk rating of AAA or another equivalent that represents the highest credit rating; (3) returns equal to or exceeding the investment options presented by the local market; (4) authorization on the part of the Pensions and Insurance Supervision and APS, which does not imply liability of any sort with respect to management of the investment portfolio of the SIP Funds; and (5) the amounts must be denominated in US dollars. This administrative resolution also states that the TGN may directly or indirectly invest the resources of SIP Funds in foreign debt securities up to the limit of 10% of the total amount of each issue through the intermediaries contracted by the Ministry of the Economy and Public Finance of the Plurinational State of Bolivia.

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The investment regulations approved by Administrative Resolution APS/DJ/UI/No. 464/2017 of April 19, 2017, are amended as follows; "the resources of SIP funds may be invested in securities representing debt issued abroad by the TGN of the Plurinational State of Bolivia (Bolivian sovereign bonds), in amounts up to the following percentages of the total amount of each issue." 4th Issue 10% (BBVA Previsión AFP S.A. 5%, Futuro de Bolivia AFP S.A. 5%).

Through Resolution No. 247/2019, ASFI modified the Regulation of Investments in Fixed Assets and Operations with Foreign Entities and lowered the foreign investment limit of banks from 25% to 15% of regulatory capital. To compute this limit, investments in time deposits and securities abroad are considered, in addition to the account of banks and corresponding entities abroad.

In addition, the new formula to calculate the limit takes the monthly average of the daily balance of the sub-accounts with the cutoff date on the last day of the month. The deadline to comply with this limit is June 28, 2019. Additionally, through Resolution No. 246/2019, ASFI approved reducing limits on investment abroad for new open and closed investment funds, from 25% to 5%. This limit will not apply to investment funds that are currently in operation. It was established, however, that the limit applicable to these funds will be the percentage of investments reached and reported up to March 27, 2019.

ASFI Resolution No. 145/2021, establishes that investments abroad may not exceed 10% of regulatory capital.

Pursuant to ASFI Resolution No. 202/2021, for the purposes of computing the limits, investments in sovereign debt bonds issued abroad by the Plurinational State of Bolivia are also considered to be investments abroad starting in fiscal year 2021.

In accordance with S.D. No. 25201, each year, the CBB sets the maximum limit for investments abroad by insurance companies. Effective January 18, 2022, through Board Resolution No. 012/2022, the CBB sets the FY 2022 maximum limit for investment abroad by insurance companies at 5% of their investment resources (the same level as FY 2021).

Effective January 16, 2023, the CBB approved, for FY 2023, a maximum limit for investment abroad by insurance companies of 2% of their investment resources (previously 5%). Disseminated to the Insurance Market through Circular Letter APS/DS/USIS/056/2023 on February 15, 2023.

As of March 15, 2021, Administrative Resolution APS/DJ/DI/No. 221/2021 establishes that, for FY 2021, the maximum limit for investments by insurance companies set by the CBB includes investments in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds).

Moreover, in accordance with Law No. 65 of December 10, 2010, investments abroad by pension fund managers may not exceed 50% of each managed fund.
Administrative Resolution APS/DJ/UI/No. 464/2017, issued by the Pension and Insurance Supervision and Control Authority (APS), the

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		body supervising and regulating pensions, approves the SIP Investment Regulation for compliance (on a transitional basis) by AFPs, establishing that the resources of SIP Funds may be invested directly or indirectly in sovereign debt securities issued by other countries in accordance with the following limit and conditions: (1) up to 10% of the total amount of each issue and up to 10% of the value of each Fund; (2) they must have an international risk rating of AAA or another equivalent that represents the highest credit rating; (3) returns equal to or exceeding the investment options presented by the local market; (4) authorization on the part of the Pensions and Insurance Supervision and APS, which does not imply liability of any sort with respect to management of the investment portfolio of the SIP Funds; and (5) the amounts must be denominated in US dollars. This administrative resolution also states that the TGN may directly or indirectly invest the resources of SIP Funds in foreign debt securities up to the limit of 10% of the total amount of each issue through the intermediaries contracted by the Ministry of the Economy and Public Finance of the Plurinational State of Bolivia. Administrative Resolution APS/DJ/DI/No. 222/2021 of March 15, 2021, amends the second paragraph of Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2.5% of the total amount of the fourth issue for each AFP. These limits were modified by way of Administrative Resolution APS/DJ/DI/No. 120/2022 of February 2, 2022, up to 5% of the total amount of the fourth issue for each AFP. Administrative Resolution APS/DJ/DP/No. 036/2023 of January 16, 2023, amends Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2% of the total amount of the fifth issue for each AFP. The investment limit for investments made abroad in Bolivian Sovereign Bonds of the first, second, and third issues will be the level recorded on the date of notification of Administrative Resolution APS/DJ/DP/No. 036/2023.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Through Resolution No. 247/2019, ASFI modified the Regulation of Investments in Fixed Assets and Operations with Foreign Entities and lowered the foreign investment limit of banks from 25% to 15% of regulatory capital. To compute this limit, investments in time deposits and securities abroad are considered, in addition to the account of banks and corresponding entities abroad. In addition, the new formula to calculate the limit takes the monthly average of the daily balance of the sub-accounts with the cutoff date on the last day of the month. The deadline to comply with this limit is June 28, 2019. Additionally, through Resolution No. 246/2019, ASFI approved reducing limits on investment abroad for new open and closed

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investment funds, from 25% to 5%. This limit will not apply to investment funds that are currently in operation. It was established, however, that the limit applicable to these funds will be the percentage of investments reached and reported up to March 27, 2019.

ASFI Resolution No. 145/2021, which amends the Regulation on Investments in Fixed Assets and Operations with Foreign Entities, establishes that investments abroad may not exceed 10% of regulatory capital.

Pursuant to ASFI Resolution No. 202/2021, for the purposes of computing the limits, investments in sovereign debt bonds issued abroad by the Plurinational State of Bolivia are also considered to be investments abroad starting in fiscal year 2021.

In accordance with S.D. No. 25201, each year, the CBB sets the maximum limit for investments abroad by insurance companies.

As of March 15, 2021, Administrative Resolution APS/DJ/DI/No. 221/2021 establishes that for fiscal year 2021, the maximum limit for investments by insurance companies set by the CBB includes investments in debt securities issued abroad by the National General Treasury (Bolivian Sovereign Bonds).

By way of Board Resolution No. 012/2022 of January 18, 2022, the CBB sets the FY 2022 maximum limit for investment abroad by insurance companies at 5% of their investment resources (the same level as FY 2021).

Effective January 16, 2023, by way of Board Resolution No. 013/2023 of January 16, 2023, the CBB sets the FY 2023 maximum limit for investment abroad by insurance companies at 2% of their investment resources (previously 5%). Disseminated to the Insurance Market through Circular Letter APS/DS/USIS/056/2023 on February 15, 2023.

Moreover, in accordance with Law No. 65 of December 10, 2010, investments abroad by pension fund managers may not exceed 50% of each managed fund.

Administrative Resolution APS/DJ/UI/No. 464/2017, issued by the Pension and Insurance Supervision and Control Authority, the supervisory and regulatory body for pension matters, which approves the SIP Investment Regulations for compliance by AFPs (temporarily), provides that the resources of SIP Funds may be invested directly and indirectly in sovereign debt securities issued by other countries in accordance with the following limits and conditions: (1) up to 10% of the total amount of each issue and up to 10% of the value of each SIP Fund; (2) it must have an international risk rating of AAA or an equivalent rating that represents the highest credit rating; (3) a return equal to or greater than the investment options available in the local market; (4) authorization by the APS, which does not imply any responsibility with respect to the management of the investment portfolio of the SIP Funds; and (5) the securities must be denominated in US dollars. This administrative resolution also states that the TGN may directly or indirectly invest the resources of SIP Funds in foreign debt securities up to the limit of 10% of the total amount of each issue through the intermediaries

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		contracted by the Ministry of the Economy and Public Finance of the Plurinational State of Bolivia. Administrative Resolution APS/DJ/DI/No. 222/2021 of March 15, 2021, amends the second paragraph of Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2.5% of the total amount of the fourth issue for each AFP. These limits were modified by way of Administrative Resolution APS/DJ/DI/No. 120/2022 of February 2, 2022, up to 2.5% of the total amount of the fourth issue for each AFP. Administrative Resolution APS/DJ/DP/No. 036/2023 of January 16, 2023, amends Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2% of the total amount of the fifth issue for each AFP. The investment limit for investments made abroad in Bolivian Sovereign Bonds of the first, second, and third issues will be the level recorded on the date of notification of Administrative Resolution APS/DJ/DP/No. 036/2023.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Through Resolution No. 247/2019, ASFI modified the Regulation of Investments in Fixed Assets and Operations with Foreign Entities and lowered the foreign investment limit of banks from 25% to 15% of regulatory capital. To compute this limit, investments in time deposits and securities abroad are considered, in addition to the account of banks and corresponding entities abroad. In addition, the new formula to calculate the limit takes the monthly average of the daily balance of the sub-accounts with the cutoff date on the last day of the month. The deadline to comply with this limit is June 28, 2019. Additionally, through Resolution No. 246/2019, ASFI approved reducing limits on investment abroad for new open and closed investment funds, from 25% to 5%. This limit will not apply to investment funds that are currently in operation. It was established, however, that the limit applicable to these funds will be the percentage of investments reached and reported up to March 27, 2019. ASFI Resolution No. 145/2021 which amends the Regulation on Investments in Fixed Assets and Operations with Foreign Entities, establishes that investments abroad may not exceed 10% of regulatory capital. Pursuant to ASFI Resolution No. 202/2021, for the purposes of computing the limits, investments in sovereign debt bonds issued abroad by the Plurinational State of Bolivia are also considered to be investments abroad starting in fiscal year 2021.

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In accordance with S.D. No. 25201, each year, the CBB sets the maximum limit for investments abroad by insurance companies. Effective January 18, 2022, through Board Resolution No. 012/2022, the CBB sets the FY 2022 maximum limit for investment abroad by insurance companies at 5% of their investment resources (the same level as FY 2021).
Effective January 16, 2023, the CBB approved, for FY 2023, a maximum limit for investment abroad by insurance companies of 2% of their investment resources (previously 5%). Disseminated to the Insurance Market through Circular Letter APS/DS/USIS/056/2023 on February 15, 2023.

Moreover, in accordance with Law No. 65 of December 10, 2010, investments abroad by pension fund managers may not exceed 50% of each managed fund.

Administrative Resolution APS/DJ/UI/No. 464/2017, issued by the Pension and Insurance Supervision and Control Authority, the supervisory and regulatory body for pension matters, which approves the SIP Investment Regulations for compliance by AFPs (temporarily), provides that the resources of SIP Funds may be invested directly and indirectly in sovereign debt securities issued by other countries in accordance with the following limits and conditions: (1) up to 10% of the total amount of each issue and up to 10% of the value of each SIP Fund; (2) it must have an international risk rating of AAA or an equivalent rating that represents the highest credit rating; (3) a return equal to or greater than the investment options available in the local market; (4) authorization by the APS, which does not imply any responsibility with respect to the management of the investment portfolio of the SIP Funds; and (5) the securities must be denominated in US dollars. This administrative resolution also states that the TGN may directly or indirectly invest the resources of SIP Funds in foreign debt securities up to the limit of 10% of the total amount of each issue through the intermediaries contracted by the Ministry of the Economy and Public Finance of the Plurinational State of Bolivia.

Administrative Resolution APS/DJ/DI/No. 222/2021 of March 15, 2021, amends the second paragraph of Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2.5% of the total amount of the fourth issue for each AFP.

These limits were modified by way of Administrative Resolution APS/DJ/DI/No. 120/2022 of February 2, 2022, up to 5% of the total amount of the fourth issue for each AFP.

Administrative Resolution APS/DJ/DP/No. 036/2023 of January 16, 2023, amends Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2% of the total amount of the fifth issue for each AFP.

The investment limit for investments made abroad in Bolivian Sovereign Bonds of the first, second, and third issues will be the level recorded on the date of notification of Administrative Resolution APS/DJ/DP/No. 036/2023.

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		Effective January 16, 2023, by way of Board Resolution No. 013/2023, the CBB sets the FY 2023 maximum limit for investment abroad by insurance companies at 2% of their investment resources, establishing a maximum period of 3 months within which to conform.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	In the case of the external public debt of the nonfinancial public sector, the Plurinational Legislative Assembly will authorize the contracting of public debt when the capacity to generate revenue to cover principal and interest is demonstrated and the most advantageous conditions in terms of rates, maturities, amounts, and other conditions are technically justified. Public debt will not include obligations that have not been expressly authorized and guaranteed by the Plurinational Legislative Assembly (CPE, Article 322). The external debt of publicly owned enterprises must be approved by the Superior Strategic Council of Publicly Owned Enterprises (COSEEP). Commercial and financial loans to the private sector without official backing do not require authorization but must be reported to the CBB for statistical purposes.
Financial credits	Yes.	
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	In the case of the external public debt of the nonfinancial public sector, the Plurinational Legislative Assembly will authorize the contracting of public debt when the capacity to generate revenue to cover principal and interest is demonstrated and the most advantageous conditions in terms of rates, maturities, amounts, and other conditions are technically justified. Public debt will not include obligations that have not been expressly authorized and guaranteed by the Plurinational Legislative Assembly (CPE, Article 322). The external debt of publicly owned enterprises must be approved by the COSEEP. Commercial and financial loans to the private sector without official backing do not require authorization but must be reported to the CBB for statistical purposes.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	From a tax standpoint, taxes are levied on inheritance and gifts of real and personal property (which are subject to public registration), fall under the jurisdiction of the departmental autonomous governments in accordance with Law No. 154(7)(a) of July 14, 2011, on the Classification and Definition of Taxes and Regulations for the Creation and/or Adjustment of Taxes on the Property of Autonomous Governments.
By residents to nonresidents	No.	Within the territorial jurisdiction of departments, the provisions of Law No. 843 of May 20, 1986, are applicable, Amended Text in force, and S.D. No. 21789 of December 7, 1987, provide that property subject to registration in the country, such as motor vehicles, motorboats, aircraft, real estate, stocks, capital shares; scientific, literary, artistic, trademark, commercial, or similar property rights; patents, commercial signs, slogans, denominations of origin, and the like, is subject to gift tax (Tax on the Free Transmission of Goods – Impuesto a la Transmisión Gratuita de Bienes), with rates ranging from 1% to 20%, depending on the degree of kinship between the recipient and giver.
To residents from nonresidents	No.	Taxes are levied on inheritance and gifts of real and personal property (which are also subject to public registration), fall under the jurisdiction of the departmental autonomous governments in accordance with Law No. 154 of July 14, 2011, on the Classification and Definition of Taxes and Regulations for the Creation and/or Adjustment of Taxes on the Property of Autonomous Governments; the Departmental Autonomous Governments of Oruro, La Paz, Santa Cruz, Potosí, Cochabamba, Beni, Pando, Chuquisaca, and Tarija enacted laws establishing a departmental gift tax (Impuesto a la Transmisión Gratuita de Bienes), with rates ranging from 1% to 20%, depending on the degree of kinship between the recipient and giver.
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants		

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	No.	
Transfer of gambling and prize earnings	No.	In this regard, it should be clarified that the Plurinational State of Bolivia, within the framework of Law No. 60 of November 25, 2010, regulates all gaming, lottery, and gambling activities, guaranteeing the delivery of the prize to the winner. This law has created the Participation in Gaming Tax (Impuesto a la Participación en Juegos), levied on individuals who engage in gambling and prize drawings, at a rate of 15% of the sale price net of VAT.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The purpose of the Financial Services Law (Law No. 393) is to regulate financial intermediation activities, the provision of complementary financial services, as well as the organization and operation of FIs and complementary financial services companies, financial consumer protection, and the government's involvement as the governing body of the financial system, ensuring universal financial services and guiding operational activities in support of the country's economic and social development policies. It includes aspects focused on financial consumer protection and the development of the housing and productive sectors by establishing a system to control interest rates and minimum portfolio levels (S.D. No. 1842 and S.D. No. 2055). It also strengthens the prudential and solvency measures applicable to financial institutions, in addition to establishing deposit insurance for low-income savers, who account for more than 90% of the total number of deposit accounts. Law No. 921 of March 29, 2017, amends the first paragraph of Article 51 ter. of Law No. 843, as amended by Law No. 771 of December 29, 2015, establishing that when the rate of return on equity of financial intermediation entities regulated by the ASFI exceeds 6%, the net taxable profits of these entities will be subject to an additional corporate income tax rate of 25%.
Borrowing abroad	Yes.	In accordance with Chapter VIII of Title II of Book 2 of the Compilation of Standards for Financial Services, revised April 27, 2018, short-term foreign liabilities are subject to reserve requirements, with the exception of liabilities incurred solely in connection with foreign trade operations in which the assets and liabilities of each transaction are exactly matched.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	In accordance with the ASFI Circular of December 16, 2010, as amended by ASFI Resolution No. 13/2014, the specific provisions for loans denominated in FC or in indexed domestic currency (MNV) as a function of the category and type of credit are as follows: Category A: (1) For Business, Microcredit, SMEs 2.25% and 1% for direct and contingent, respectively; (2) for housing (direct and contingent) Residential mortgage credit, social residential mortgage credit, and social residential credit with no mortgage guarantee, 2.5%; (3) for housing (direct and contingent) Residential credit without mortgage guarantee and duly secured home loans without mortgage guarantee, 7%; (4) for consumption (direct and contingent), 7%. Category B: (1) For Business, Microcredit, SMEs 5% for both direct and

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		contingent; (2) for housing (direct and contingent) Residential mortgage credit, social residential mortgage credit, and social residential credit with no mortgage guarantee, 5%; (3) for housing (direct and contingent) Residential credit without mortgage guarantee and duly secured home loans without mortgage guarantee, 12%; (4) for consumption (direct and contingent), 12%. Category C: 20% for all types of loans; Category D: 50% for all types of loans; Category E: 80% for all types of loans; Category F: 100% for all types of loans.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve requirement regime varies by currency. Via CBB Board Resolution No. 35/2019, the reserve requirement for deposits in FC and MVDOL (unit of account indexed to the exchange rate vis-à-vis the US dollar) for demand deposits, savings account deposits, and DPFs up to 360 days is 31.5% (previously 46.5%), 18% for DPFs between 360 and 720 days (previously 33%), and 10% for DPFs greater than 720 days (previously 25%). With the release of these resources, the Fund for Loans to the Productive Sector and Social Interest Housing III (CPVIS III Fund) was created. In addition, it allows the CBB or one or more foreign institutions to act as delegated administrators in the administration of the FC Liquid Assets Requirement Fund (RAL-ME). For domestic currency and domestic currency indexed to the Housing Development Unit (MNUFV), it is 11% for demand deposits, savings account deposits, and DPFs of 30–360 days, 5% in securities and 6% in cash. Deposits in MN and UFV greater than 360 days are exempt from reserve requirements. For funds in escrow, which is the percentage of cash reserves that FIs hold in FC and MVDOL in their vaults, the reserve requirement is 40%, and for domestic currency, it is up to 50% for MNUFV. Board Resolution No. 044/2020 of March 24, 2020 adds the single transitory provision to the Reserve Requirements, specifically referring to the Extraordinary Reserve Requirement associated with the Exceptional Funds. The exceptional funds received by FIs must be used in the construction of new portfolios between April 1, 2020, and July 31, 2020. If this increase is less than the amount established in the schedule, the FIs must constitute an extraordinary legal reserve in cash for 100% of the difference. Board Resolution No. 055/2020 of May 15, 2020 modified the Single Transitional Provision so that the exceptional funds also reach Development Financial Institutions and Credit Unions when calculating new portfolio creation. Via Board Resolution No. 060/2020, the reserve requirements were reduced as follows: (1) in domestic currency and MNUFV (cash) from 6% to 5.5%; (2) in domestic currency and MNUFV (securities) from 5% to 4.5%; (3) in FC and MVDOL (cash) from 13.5% to 10%; (4) in FC and MVDOL (securities) from 18% to 11%; except for time deposits of 720 days or more, for which 10% is maintained. FIs may maintain up to 60% of their cash reserve requirement in domestic currency and MNUFV in Funds in Custody in any location; previously, the percentage was 50%. The released resources (from the reductions in the reserve requirements) should be kept at the Fondo para Créditos para la

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Adquisición de Productos Nacionales y el Pago de Servicios de Origen Nacional (CAPROSEN).

Board Resolution No. 071/2020 of July 31, 2020, granted authorization on an exceptional basis for loans granted from the CAPROSEN fund to compensate for the extraordinary legal reserve for non-compliance with the portfolio targets for the July and August 2020 account closings. It also includes the portfolio resulting from loans to IFDs and Savings and Loan Cooperatives (CACs) between April 1 and September 30, 2020. Board Resolution No. 081/2020 of September 8, 2020, modified the CPVIS III Fund so that loans requested from the CBB by EFVs, CACs, and IFDs using their Fund resources as collateral would not be conditional on any sort of increase in the portfolio. Furthermore, the credit granted by banks to CACs and IFDs is recorded as part of the allocation of the proceeds of loans requested by banks from the CBB using their resources in the CPVIS III Fund as collateral.
Board Resolution No. 018/2021 of January 21, 2021, extended the terms of the CPVIS III Fund. In this connection, liquidity loans may be requested until January 3, 2022, and the liquidity loans will come due January 31, 2022.
Board Resolution No. 047/2021 of March 23, 2021, extended the terms of the CPVIS II [sic] Fund with regard to voluntary contributions until June 30, 2022, requests for liquidity loans until September 30, 2022, and the maturity of liquidity loans and the repayment of CBB resources to FIs until December 31, 2022.

Effective January 10, 2022, Board Resolution No. 147/2021 (Article 5) amends the regulation on required reserve ratios as follows: The legal required reserve ratios on liabilities specified in Article 3 of the regulation are as follows; in domestic currency and MNUFV, a 5.5% reserve in cash and 3.5% (previously 4.5%) in securities. In FC and MVDOL, 10% in cash and 9% (previously 11%) in securities for DPFs with maturities longer than 720 days; and 10% for other liabilities. FIs must constitute a legal reserve in cash, at a rate of 100%, on accounts included in “Other liabilities with the public, companies with State participation, and banks and other lending institutions.”

Board Resolution (RD) No. 076/2022 of August 26, 2022, approves the new Regulation Governing Reserve Requirements, which repeals the previous provisions: RD No. 018/2020 of February 18, 2020, RD No. 044/2020 of March 24, 2020, RD No. 055/2020 of May 15, 2020, RD No. 060/2020 of June 29, 2020, RD No. 071/2020 of July 31, 2020, RD No. 081/2020 of September 8, 2020, RD No. 018/2021 of January 21, 2021, RD No. 047/2021 of March 23, 2021, RD No. 094/2021 of August 13, 2021, RD No. 141/2021 of November 30, 2021, RD No. 147/2021 of December 28, 2021, and RD No. 046/2022 of June 22, 2022.

Effective August 26, 2022, the legal reserve requirement rates are therefore established by Board Resolution (RD) No. 076/2022 as follows:
(1) In foreign currency and MVDOL:
- 10% reserve in cash for demand deposits, savings account deposits, and fixed-term deposits (DPFs); DPFs with maturities longer than 360 days are exempt from these legal reserve requirements.
- 9% reserve in securities for DPFs with maturities longer than 720 days, and 10% for other liabilities.
(2) In domestic currency and MNUFV:

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- 5.5% reserve in cash for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements.
- 3.5% reserve in securities for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements.
FIs must constitute a legal reserve in cash, at a rate of 100%, on accounts included in "Other liabilities with the public, companies with State participation, and banks and other lending institutions."

The same rule states that, for funds in escrow, which is the percentage of cash reserves that FIs hold in FC and MVDOL in their vaults, the reserve requirement must be 40% and, for domestic currency and MNUFV, up to 60%.

Additionally, a single final provision in Board Resolution No. 076/2022 establishes the extraordinary legal reserve (ELE) as follows: FIs that, as of April 1, 2020, would have generated a new gross portfolio for the nonfinancial private sector, for development finance institutions, and for savings and loan cooperatives (NCB) lower than the exceptional funds (FEs) received through the DPF issuance in March 2020 must maintain an ELE in cash. The ELE will be 100% of the difference between the FEs and the NCB. FIs that increase their NCB by at least 100% of the FEs are exempt from the ELE; otherwise, the ELE is maintained for the difference until that condition is fulfilled. Lastly, continuity is also provided for in the constitution of liquidity lending funds through prior modifications to the legal reserve ratio.

Effective November 15, 2022, Board Resolution No. 107/2022 of November 15, 2022, amends the legal reserve ratio in securities as follows:
(1) In foreign currency and MVDOL:
- 4% reserve for DPFs with maturities longer than 720 days, and 5% for other liabilities.
(2) In domestic currency and MNUFV:
- 3% reserve for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements.

Subsequently, effective February 27, 2023, Board Resolution No. 043/2023 of February 27, 2023, amends the reserve ratios as follows:
In domestic currency and MNUFV:
- 7.5% reserve in cash for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements.
- 5% reserve in securities for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements.
The same provision also provides for a decrease to 20% in the requirement for funds in escrow in FC and MVDOL.

Board Resolution No. 036/2023 of February 16, 2023, incorporates an additional provision whereby the CBB may authorize temporary exemptions to the provisions of the Regulation Governing Reserve Requirements by express notice from the General Manager to the ASFI.

A month later, effective March 24, 2023, Board Resolution No. 054/2023 of March 24, 2023, again amended the requirement for

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		funds in escrow in FC and MVDOL to 10%. The final amendment to legal reserve ratios was made by way of Board Resolution No. 066/2023 of April 20, 2023, as follows: In domestic currency and MNUFV: - 5.5% reserve in cash for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements. - 3% reserve in securities for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Article 471 of Law No. 393 on Financial Services stipulates that the ASFI will regulate the maximum limits on investment abroad by FIs, that is, entities that accept deposits and grant loans. ASFI Resolution No. 429/2016 of June 17, 2016, specifies the following maximum limits for investment by banks abroad: FIs, entities that accept deposits and grant loans, may invest up to 40% of their regulatory capital to set up branches or fixed agencies abroad, and/or to purchase shares in multilateral lending institutions abroad. Investments in shares of complementary financial services companies, firms in the securities, insurance and pension sectors, and in development banks may not exceed the amount of their regulatory capital, when it is a requirement for obtaining credit lines. Through Resolution No. 247/2019, ASFI modified the Regulation of Investments in Fixed Assets and Operations with Foreign Entities and lowered the foreign investment limit of banks from 25% to 15% of regulatory capital. To compute this limit, investments in time deposits and securities abroad are considered, in addition to the account of banks and corresponding entities abroad. In addition, the new formula to calculate the limit takes the monthly average of the daily balance of the sub-accounts with the cutoff date on the last day of the month. The deadline to comply with this limit is June 28, 2019. Additionally, through Resolution No. 246/2019, ASFI approved reducing limits on investment abroad for new open and closed investment funds from 25% to 5%. This limit will not apply to investment funds currently in operation. It was established, however, that the limit applicable to these funds will be the percentage of investments reached and reported up to March 27, 2019. ASFI Circular No. 627/2020 and ASFI Resolution No. 081/2020

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		approved and put into effect the Regulation that provides for the responsibility of financial intermediation entities to control the financing received or granted. It provides for the obligation of the Internal Audit Unit of the financial intermediation entity to incorporate, within its Annual Work Plan, the verification of the financing contracted by the entity. It determines that the supervised entities must have policies and procedures to achieve an optimal management of the financing, allowing for the expansion of credit coverage to the productive sector. It specifies that FIs must consider preventive measures for the control of financing to monitor that it does not exceed the legal limits. It also stipulates that the supervised entity that grants financing must have policies and procedures for assessing and mitigating the risk inherent in the financing; and credit coverage for the production sector in rural areas must take the classification of urban and rural municipalities into account. ASFI Resolution No. 145/2021, which amends the Regulation on Investments in Fixed Assets and Operations with Foreign Entities, establishes that investments abroad may not exceed 10% of regulatory capital. Pursuant to ASFI Resolution No. 202/2021, for the purposes of computing the limits, investments in sovereign debt bonds issued abroad by the Plurinational State of Bolivia are also considered to be investments abroad starting in fiscal year 2021. Administrative Resolution APS/DJ/DI/No. 222/2021 of March 15, 2021, amends the second paragraph of Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2.5% of the total amount of the fourth issue for each AFP. These limits were modified by way of Administrative Resolution APS/DJ/DI/No. 120/2022 of February 2, 2022, up to 5% of the total amount of the fourth issue for each AFP. Administrative Resolution APS/DJ/DP/No. 036/2023 of January 16, 2023, amends Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2% of the total amount of the fifth issue for each AFP. The investment limit for investments made abroad in Bolivian Sovereign Bonds of the first, second, and third issues will be the level recorded on the date of notification of Administrative Resolution APS/DJ/DP/No. 036/2023.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The net open foreign exchange position limits are the same for resident and nonresident assets and liabilities.
On resident assets and liabilities	Yes.	For FIs, the long position limit in FC, MVDOL, and other FCs is 60% and the short position limit in FC, MVDOL, and other FCs (excess of liabilities over assets in those denominations) is 40% of the book equity value. In the case of MNUFV, the long position limit (excess of assets over liabilities in that denomination) is 10%. For financial institutions, CBB Resolution No. 11/2019 changed the long position limit in FC, MVDOL, and other FCs from 60% to 50% and the short position limit in FC, MVDOL, and other FCs (excess of liabilities over assets in those denominations) from 40% to 50% of the book equity value.

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		CBB Resolution No. 070/2021 modified the formula for calculating the long position in foreign exchange, MVDOL, and other FCs. Accordingly, it was established that the book equity value is net of the investment in fixed assets (net equity value). Meanwhile, the calculation method used for the short position remained unchanged, meaning that it considers the book equity value. The position limits were not modified.
On nonresident assets and liabilities	Yes.	For FIs, the long position limit in FC, MVDOL, and other FCs is 60% and the short position limit in FC, MVDOL, and other FCs (excess of liabilities over assets in those denominations) is 40% of the book equity value. In the case of MNUFV, the long position limit (excess of assets over liabilities in that denomination) is 10%. For financial institutions, CBB Resolution No. 011/2019 changed the long position limit in FC, MVDOL, and other FCs from 60% to 50% and the short position limit in FC, MVDOL, and other FCs (excess of liabilities over assets in those denominations) from 40% to 50% of the book equity value. CBB Resolution No. 070/2021 modified the formula for calculating the long position in foreign exchange, MVDOL, and other FCs. Accordingly, it was established that the book equity value is net of the investment in fixed assets (net equity value). Meanwhile, the calculation method used for the short position remained unchanged, meaning that it considers the book equity value. No subsequent changes.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Article 18 of S.D. No. 25201 states that the CBB must set an annual maximum limit for investments abroad by insurance companies. In accordance with S.D. No. 25201, each year, the CBB sets the maximum limit for investments abroad by insurance companies. Effective January 18, 2022, through Board Resolution No. 012/2022, the CBB sets the FY 2022 maximum limit for investment abroad by insurance companies at 5% of their investment resources (the same level as FY 2021). Effective January 16, 2023, by way of Board Resolution No. 013/2023 of January 16, 2023, the CBB sets the FY 2023 maximum limit for investment abroad by insurance companies at 2% of their investment resources (previously 5%). Disseminated to the Insurance Market through Circular Letter APS/DS/USIS/056/2023 on February 15, 2023.
Limits (max.) on investment portfolio held abroad	Yes.	Article 18 of S.D. No. 25201 states that the CBB must set an annual maximum limit for investments abroad by insurance companies. Effective January 18, 2022, through Board Resolution No. 012/2022, the CBB sets the FY 2022 maximum limit for investment abroad by insurance companies at 5% of their investment resources (the same level as FY 2021). Effective January 16, 2023, the CBB approved, for FY 2023, a maximum limit for investment abroad by insurance companies of 2% of their investment resources (previously 5%). Disseminated to the Insurance Market through Circular Letter APS/DS/USIS/056/2023 on February 15, 2023. The investment limit for investments made abroad in Bolivian

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		Sovereign Bonds of the first, second, and third issues will be the level recorded on the date of notification of Administrative Resolution APS/DJ/DI/No. 221/2021.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	As of March 15, 2021, the SIP Investment Regulations were amended, limiting foreign investments in sovereign bonds issued by the Treasury of the Plurinational State of Bolivia, which may be acquired by the AFPs for the SIP funds to 2.5% of the total amount of the AFPs' new issue (fourth issue). The investment regulations approved by Administrative Resolution APS/DJ/UI/No. 464/2017 of April 19, 2017, are amended as follows: "the resources of SIP funds may be invested in securities representing debt issued abroad by the TGN of the Plurinational State of Bolivia (Bolivian sovereign bonds), in amounts up to the following percentages of the total amount of each issue." 4th Issue 10% (BBVA Previsión AFP S.A. 5%, Futuro de Bolivia AFP S.A. 5%). Administrative Resolution APS/DJ/DI/No. 222/2021 of March 15, 2021, amends the second paragraph of Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2.5% of the total amount of the fourth issue for each AFP. These limits were modified by way of Administrative Resolution APS/DJ/DI/No. 120/2022 of February 2, 2022, up to 5% of the total amount of the fourth issue for each AFP. Administrative Resolution APS/DJ/DP/No. 036/2023 of January 16, 2023, amends Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2% of the total amount of the fifth issue for each AFP. The investment limit for investments made abroad in Bolivian Sovereign Bonds of the first, second, and third issues will be the level recorded on the date of notification of Administrative Resolution APS/DJ/DP/No. 036/2023.
Limits (max.) on securities issued by nonresidents	Yes.	Total investment abroad may not exceed 50% of each Fund (Solidarity Fund, Collective Risk Fund, and Retirement Savings Fund of the Integral Pension System) administered by the public manager of social security. Administrative Resolution APS/DJ/UI/No. 464/2017, issued by the Pension and Insurance Supervision and Control Authority (APS), the body supervising and regulating pensions, approves the SIP Investment Regulation for compliance (on a transitional basis) by the AFPs, establishing that the resources of SIP Funds may be invested directly or indirectly in sovereign debt securities issued by other countries in accordance with the following limit and conditions: (1) up to 10% of the total amount of each issue and up to 10% of the value of each SIP Fund; (2) an international risk rating of AAA or another equivalent that represents the highest credit rating; (3) returns equal to or exceeding the investment options presented by the local market; (4) authorization on the part of the APF, which does not imply liability of any sort with respect to management of the investment portfolio of the SIP Funds; and (5) the amounts must be

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		denominated in US dollars. Administrative Resolution APS/DJ/UI/No. 492/2018 states that the National General Treasury of Bolivia (TGN) may also directly or indirectly invest the resources of SIP Funds in foreign debt securities up to the limit of 10% of the total amount of each issue through the intermediaries contracted by the Ministry of the Economy and Public Finance.
Limits (max.) on investment portfolio held abroad	Yes.	Total investment abroad may not exceed 50% of each Fund (Solidarity Fund, Collective Risk Fund, and Retirement Savings Fund of the Integral Pension System) administered by the public manager of social security. Administrative Resolution APS/DJ/UI/No. 464/2017, issued by the Pension and Insurance Supervision and Control Authority (APS), the body supervising and regulating pensions, approves the SIP Investment Regulation for compliance (on a transitional basis) by the AFPs, establishing that the resources of SIP Funds may be invested directly or indirectly in sovereign debt securities issued by other countries in accordance with the following limit and conditions: (1) up to 10% of the total amount of each issue and up to 10% of the value of each SIP Fund; (2) an international risk rating of AAA or another equivalent that represents the highest credit rating; (3) returns equal to or exceeding the investment options presented by the local market; (4) authorization on the part of the APF, which does not imply liability of any sort with respect to management of the investment portfolio of the SIP Funds; and (5) the amounts must be denominated in US dollars. Administrative Resolution APS/DJ/UI/No. 492/2018 states that the National General Treasury of Bolivia (TGN) may also directly or indirectly invest the resources of SIP Funds in foreign debt securities up to the limit of 10% of the total amount of each issue through the intermediaries contracted by the Ministry of the Economy and Public Finance. Administrative Resolution APS/DJ/DI/No. 222/2021 of March 15, 2021, amends the second paragraph of Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2.5% of the total amount of the fourth issue for each AFP. These limits were modified by way of Administrative Resolution APS/DJ/DI/No. 120/2022 of February 2, 2022, up to 5% of the total amount of the fourth issue for each AFP. Administrative Resolution APS/DJ/DP/No. 036/2023 of January 16, 2023, amends Article 6 of the Investment Regulation, providing that SIP Funds may be invested in debt securities issued abroad by the TGN (Bolivian Sovereign Bonds) up to 2% of the total amount of the fifth issue for each AFP. The investment limit for investments made abroad in Bolivian Sovereign Bonds of the first, second, and third issues will be the level recorded on the date of notification of Administrative Resolution APS/DJ/DP/No. 036/2023.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective	Yes.	

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investment funds		
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	In accordance with Title 1 of Book 5 of the ASFI Compilation of Standards for the Securities Market, amended September 26, 2017, by Resolution ASFI/1131, Open-Ended and Closed-Ended Investment Funds may invest up to 25% of their total portfolio in international financial markets. Through Resolution No. 246/2019, ASFI approved reducing limits on investment abroad for new open and closed investment funds, from 25% to 5%. This limit will not apply to investment funds that are currently in operation. It was established, however, that the limit applicable to these funds will be the percentage of investments reached and reported up to March 27, 2019. Pursuant to ASFI Resolution No. 202/2021, for the purposes of computing the limits, investments in sovereign debt bonds issued abroad by the Plurinational State of Bolivia are also considered to be investments abroad starting in fiscal year 2021. Regulation on Investments in Fixed Assets and Transactions with Foreign Entities. In Article 4 “Calculation of the limit,” the following subaccounts and analytical accounts were included in the calculation of the limit for investments and demand deposits abroad: 124.05.M.02 “Sovereign bonds issued as from 2021,” 127.02.M.06 “Sovereign bonds issued as from 2021,” 127.05 “Securities of foreign entities sold under repurchase agreements,” 164.05.M.02 “Sovereign bonds issued as from 2021,” 167.02. M.06 “Sovereign bonds issued as from 2021,” 167.02.M.06 “Sovereign bonds issued as from 2021” and 167.05 “Securities of foreign entities sold under repurchase agreements,” it is also established that investments may not exceed 10% of the respective regulatory capital.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.

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For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Between nonresidents	No.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of electronic payment instruments (EPIs) to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Controls on unbacked tokens	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Transactions in capital and money market instruments	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Transactions in derivatives and other instruments	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or

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		linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Credit operations	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Controls on utility and security tokens	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Transactions in capital and money market instruments	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Transactions in derivatives and other instruments	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Credit operations	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Controls on stablecoins	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Transactions in capital and money market instruments	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the

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		national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Transactions in derivatives and other instruments	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Credit operations	Yes.	Board Resolution No. 144/2020 of December 15, 2020, prohibits, in general terms, the use, marketing, and trading of cryptoassets in the national payments system as well as the processing of payment orders for cryptoasset purchase/sale operations and the association or linking of EPIs to cryptoassets. It also prohibits the use of EPIs to buy or sell cryptoassets through electronic payment channels.
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Spot exchange market	*03/06/2023*	The Central Bank of Bolivia (CBB) announced that it would start selling US dollars directly to the public and established a dollar selling mechanism through Banco Unión to meet the unusual public demand for foreign exchange. Previously, the CBB did not sell US dollars directly to the general public and/or through FIs that are majority state owned.

Imports and Import Payments

Import taxes and/or tariffs	*05/26/2022*	With the aim of promoting domestic production, the purpose of this Supreme Decree is to alter the tariff rates on potatoes (20%), tomatoes (20%), onions (30%), and strawberries (20%). These rates will remain in force until September 30, 2022.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase abroad by residents	*01/16/2023*	The Central Bank of Bolivia approved, for FY 2023, a maximum limit for investment abroad by insurance companies of 2% of their investment resources (previously 5%).
Bonds or other debt securities		
Purchase abroad by residents	*01/16/2023*	The Central Bank of Bolivia approved, for FY 2023, a maximum limit for investment abroad by insurance companies of 2% of their investment resources (previously 5%).
On money market instruments		

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Purchase abroad by residents	*01/16/2023*	The Central Bank of Bolivia sets the FY 2023 maximum limit for investment abroad by insurance companies at 2% of their investment resources (previously 5%).
On collective investment securities		
Purchase abroad by residents	*01/16/2023*	The Central Bank of Bolivia approved, for FY 2023, a maximum limit for investment abroad by insurance companies of 2% of their investment resources (previously 5%).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*01/10/2022*	Board Resolution No. 147/2021 (Article 5) amends the regulation on required reserve ratios as follows: The legal required reserve ratios on liabilities specified in Article 3 of the regulation are as follows; in domestic currency and National Currency Housing Development Unit, a 5.5% reserve in cash and 3.5% (previously 4.5%) in securities. In foreign currency and MVDOL, 10% in cash and 9% (previously 11%) in securities for fixed-term deposits with maturities longer than 720 days; and 10% for other liabilities.
	08/26/2022	The legal reserve requirement rates are therefore established by Board Resolution (RD) No. 076/2022 as follows: (1) In foreign currency and MVDOL: - 10% reserve in cash for demand deposits, savings account deposits, and fixed-term deposits (DPFs); DPFs with maturities longer than 360 days are exempt from these legal reserve requirements. - 9% reserve in securities for DPFs with maturities longer than 720 days, and 10% for other liabilities. (2) In domestic currency and MNUFV: - 5.5% reserve in cash for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements. - 3.5% reserve in securities for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements. FIs must constitute a legal reserve in cash, at a rate of 100%, on accounts included in “Other liabilities with the public, companies with State participation, and banks and other lending institutions.” The same rule states that, for funds in escrow, which is the percentage of cash reserves that FIs hold in FC and MVDOL in their vaults, the reserve requirement must be 40% and, for domestic currency and MNUFV, up to 60%.
	11/15/2022	Board Resolution No. 107/2022 of November 15, 2022, amends the legal reserve ratio in securities as follows: (1) In foreign currency and MVDOL: - 4% reserve for DPFs with maturities longer than 720 days, and 5% for other liabilities. (2) In domestic currency and MNUFV: - 3% reserve for demand deposits, savings account deposits, and DPFs; DPFs with maturities longer than 360 days are exempt from these legal reserve requirements.
	02/27/2023	Board Resolution No. 043/2023 of February 27, 2023 provides for a decrease to 20% in the requirement for funds in escrow in FC and MVDOL.
	03/24/2023	Board Resolution No. 054/2023 of March 24, 2023, again amended the requirement for funds in escrow in FC and MVDOL to 10%.

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Provisions specific to institutional investors
Insurance companies

Limits (max.) on securities issued by nonresidents	*01/16/2023*	The Central Bank of Bolivia sets the FY 2023 maximum limit for investment abroad by insurance companies at 2% of their investment resources (previously 5%).
Limits (max.) on investment portfolio held abroad	*01/16/2023*	The Central Bank of Bolivia approved, for FY 2023, a maximum limit for investment abroad by insurance companies of 2% of their investment resources (previously 5%).

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BOSNIA AND HERZEGOVINA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 14, 1992.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation with Bosnia and Herzegovina states that as of May 20, 2022, Bosnia and Herzegovina maintains restrictions on the transferability of balances and interest accrued on frozen foreign-currency deposits, subject to IMF jurisdiction under Article VIII. (Country Report No. 22/167)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	In accordance with the relevant UNSC resolutions, restrictions have been imposed on certain financial transactions related to listed terrorist groups.

Exchange Arrangement

Currency	Yes.	The currency of Bosnia and Herzegovina is the convertible mark.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The exchange rate arrangement is a currency board. The CB covers base money with its foreign reserves, including currency in circulation and commercial bank deposits. The Law on the Central Bank, adopted by the parliamentary assembly of Bosnia and Herzegovina, guarantees convertibility of the currency of Bosnia and Herzegovina. There are no restrictions on the purchase and sale of foreign exchange. The Central Bank of Bosnia and Herzegovina (CBBH) publishes data on its sales and purchases.
Conventional peg		
Stabilized arrangement		
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The convertible mark is pegged to the euro at the rate of KM 1 per €0.51129. This rate applies to CB transactions as well as accounting and valuation. The exchange rate is fixed by the Law on the CBBH, and it can be changed only through parliamentary approval. The official exchange rate is used for foreign exchange transactions between the CB, commercial banks, and government and for valuation of import and export transactions.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		

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Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks and other financial institutions may buy and sell convertible mark for euros and other foreign currency without restriction at the official exchange rate indicated in Article 32 of the CBBH law. Banks and exchange bureaus may charge a commission up to 1% in their foreign exchange transactions pursuant to the Law on the Central Bank, Article 33.
Spot exchange market	Yes.	Supervisory authorities issue licenses to commercial banks, which are authorized to conduct foreign exchange operations. As of December 31, 2022, 21 banks had licenses (13 banks licensed by the Banking Agency of the Federation of Bosnia and Herzegovina and 8 licensed by the Banking Agency of Republika Srpska). Foreign exchange bureaus may also deal in foreign exchange on behalf of banks (if they have a contract with a bank) and are subject to licensing by the relevant ministry. Exchange bureaus may engage in cash retail transactions only. There were 173 registered exchange bureaus as of December 31, 2022. They may buy traveler's checks and buy and sell foreign currency banknotes. Their customers are individuals only. Although they may sell foreign currency to residents, their main function is currency banknote exchange services for nonresidents. They cannot make foreign currency payments and transfers on behalf of their clients. Exchange bureaus operate under contracts with banks. The exchange rates and their commissions are specified in their contract with the bank, except the exchange rate of the euro. Exchange bureaus' operations are supervised by the Banking Agency of the Federation of Bosnia and Herzegovina, the Banking Agency of Republika Srpska, and the Foreign Exchange Inspectorate of Republika Srpska.
Operated by the central bank	Yes.	

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Foreign exchange standing facility	Yes.	The CB buys and sells foreign exchange at the official exchange rate at the request of commercial banks and the government. It does not apply a spread or commission.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Commercial banks (21) may deal only with each other in the interbank market. There are no limits on the bid-ask spread and commission of market participants.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	
Forward exchange market	No.	There is no forward exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Transactions are subject to checks for the prevention of money laundering.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Payment transactions among residents need to be denominated and executed in national currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	Yes.	There is a bilateral clearing arrangement for payment transaction with Montenegro and Serbia.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Republika Srpska, Federation of Bosnia and Herzegovina, and Brčko District have their own foreign exchange laws and implementing decisions and rules. In addition, certain issues (such as FDI) are also regulated at the state level. Companies wishing to engage in foreign trade must register with the relevant ministry.
Payments arrears	No.	

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Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Limits apply to the exportation of domestic currency regulated by the government. Individuals may take out up to the equivalent of €10,000 in convertible mark freely. For amounts exceeding €10,000, clearance from the relevant ministry is required; it is issued for specific purposes on verification of the documents submitted. The taking out of cash, checks, or securities is to be declared to customs. Nonresident individuals may export foreign currency up to the equivalent of €10,000, all foreign currency previously brought to the country, and all savings from deposits with banks. Domestic currency, if used for payments abroad, is also accounted in this amount. Banks may export domestic currency freely without limitations.
Foreign currency	Yes.	Limits apply to the exportation of foreign currency regulated by the government. Individuals may take out up to the equivalent of €10,000. For amounts exceeding €10,000, clearance from the relevant ministry is required; it is issued for specific purposes on verification of the documents submitted. The taking out of cash, checks, or securities is to be declared to customs. Nonresident individuals may export foreign currency up to the equivalent of €10,000, all foreign currency previously brought to the country, and all savings from deposits with banks. Banks may export foreign currency freely without limitations.
On imports	No.	There are no limitations on the import of currency in cash and checks.
Domestic currency	No.	There are no limits, but a declaration must be made at the border for the total amount. Banks may import domestic currency freely without limitations.
Foreign currency	No.	There are no limits, but a declaration must be made at the border for the total amount. Banks may import foreign currency freely without limitations.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Individuals and legal entities may hold foreign exchange accounts with commercial banks without restriction or approval. The procedure is identical to domestic currency accounts. However, balances may not be transferred abroad freely, but only for specific payment purposes. (Invoice needs to be attached.)
Approval required	No.	
Held abroad	Yes.	Residents may open accounts abroad for specific purposes: investments abroad, operation of branches, commercial activities of branches, expenditures related to international transport, insurances, foreign donations, deposits for guarantees balances, transactions with

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		securities, education and professional building, health costs, collection of accounts receivable, tax payments and receivables, exploration works, and foreign financial loans. Balances should be transferred to Bosnia and Herzegovina within 90 days after completing the transaction.
Approval required	Yes.	Residents may open accounts abroad for specific purposes and with the approval of the relevant finance ministry.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Saving accounts in local currency with foreign exchange clause are available for residents. Balances may be converted to foreign currency. Balances are subject to approval before transfer abroad.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open foreign exchange accounts with commercial banks.
Approval required	No.	Prerequisite for account opening for nonresidents is work permit and/or temporary residence.
Domestic currency accounts	Yes.	Nonresidents may open accounts in domestic currency with commercial banks.
Convertible into foreign currency	Yes.	Balances in domestic currency accounts of nonresidents are freely convertible to euro and any other foreign currency. Nonresidents may transfer abroad freely proceeds of their operations in the country, that is, earnings and profits.
Approval required	No.	Prerequisite for account opening for nonresidents is work permit and/or temporary residence.
Blocked accounts	Yes.	Accounts are blocked in accordance with the AML/CFT law.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	Cash payments for imports are allowed up to €3,000 a month. Cash payments exceeding this amount are subject to the approval of the respective MOF of the Republika Srpska or the Federation of Bosnia and Herzegovina.
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Resident legal persons and entrepreneurs must finalize imports of goods or services within 180 days of the date of advance payment.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	The purchase and transfer of foreign exchange in any amount must be substantiated with documents that banks check and file for ex post supervision by the authorities.
Import licenses and other nontariff measures	Yes.	There are no import quotas for any product. Imports are free of licensing requirements, except those that relate to public security; the

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		health of people, plants, and animals; articles of artistic or historic value; industrial-commercial property; and the disposal of drugs and scrap.
Positive list	Yes.	
Negative list	No.	There is no official list of prohibited imports, but the Council of Ministers may establish one if necessary.
Open general licenses	Yes.	Imports are free of licensing requirements, except those that relate to public security; the health of people, plants, and animals; articles of artistic or historic value; industrial-commercial property; and the disposal of drugs and scrap. There are no import quotas for any product.
Licenses with quotas	No.	
Other nontariff measures	Yes.	Measures related to security and public health apply.
Import taxes and/or tariffs	Yes.	Import tariffs range from 0% to 15%, with an average unweighted rate of 6% with regular annual review and updates. The most recent update is from December 16, 2021.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Proceeds from exported goods and services must be collected and repatriated in full within 180 (90 in Republika Srpska and the Brčko District) days of the date of exportation (that is, customs clearance) or delivery of services. Exportation of goods and services with a contracted payment period longer than six months is considered a loan. Residents can collect export proceeds in cash up to €10,000 a month and 1.000 KM a transaction. Cash proceeds exceeding this amount are subject to the approval of the respective MOF of the Republika Srpska or Federation of Bosnia and Herzegovina. Residents may receive cash payments without approval for: catering and tourism; airport and port services and supply of fuel, food products, technical materials, and other nondurables for aircrafts and ships; transport services for goods and persons; urgent medical assistance; and road tolls.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	Cash proceeds for exports are allowed up to €10,000 a month and 1.000 KM a transaction. Larger cash payments require approval of the respective MOF of the Republika Srpska or Federation of Bosnia and Herzegovina.
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Preshipment inspection requires invoices and certificate of origin.
Other	Yes.	Exporters must be authorized to engage in foreign trade. Customs

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		authorities require that exporters provide documents accompanying the goods; in some cases, documents verifying the origin of the goods are also required. Approval from the Ministry of Foreign Trade is required for exports of military equipment, blood, narcotics and medicines containing narcotics, and other pharmaceutical products.
Export licenses	Yes.	Exports are free of restrictions, except certain products, such as weapons, drugs, and works of art, for which permits are required.
Without quotas	Yes.	Exports are free of restrictions, except certain products, such as weapons, drugs, and works of art, for which permits are required.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	The purchase and transfer of foreign exchange in any amount must be substantiated with documents that banks check and file for ex post supervision by the authorities.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The purchase and transfer of foreign exchange in any amount must be substantiated with documents that banks check and file for ex post supervision by the authorities.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The purchase and transfer of foreign exchange in any amount must be substantiated with documents that banks check and file for ex post supervision by the authorities.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The purchase and transfer of foreign exchange in any amount must be substantiated with documents that banks check and file for ex post supervision by the authorities.
Personal payments	Yes.	
Prior approval	No.	If an individual needs an account abroad for medical treatment, he or she should get an approval from relevant MOF for opening of such account and can transfer funds to it. If transfers of medical expenses abroad are made from the home country, then the prior approval is not required.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The purchase and transfer of foreign exchange in any amount must

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		be substantiated with documents that banks check and file for ex post supervision by the authorities.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The purchase and transfer of foreign exchange in any amount must be substantiated with documents that banks check and file for ex post supervision by the authorities.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The purchase and transfer of foreign exchange in any amount must be substantiated with documents that banks check and file for ex post supervision by the authorities.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The purchase and transfer of foreign exchange in any amount must be substantiated with documents that banks check and file for ex post supervision by the authorities.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Residents are required to repatriate their foreign exchange revenues from abroad. The general repatriation deadline is 8 days in the Republika Srpska and the Federation of Bosnia and Herzegovina following the receipt of the foreign exchange based on the performance of economic activity abroad that is not used for purposes defined in the foreign trade laws.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	In accordance with an agreement with Germany, the CBBH provides documentation to Germany on pensions from Germany paid by commercial banks under German jurisdiction to workers in Bosnia and Herzegovina.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Residents are required to repatriate their foreign exchange revenues from abroad. The general repatriation deadline is eight days in the Republika Srpska and the Federation of Bosnia and Herzegovina following the receipt of the foreign exchange based on the performance of economic activity abroad that is not used for purposes defined in the foreign trade laws.
Surrender requirements	No.	
Surrender to the central bank		

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	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Securities market participants must be authorized to trade in the organized markets, in accordance with the laws on securities transactions. Bosnia and Herzegovina does not have a law on voluntary pension funds and pension plans, and the securities market is regulated by the Securities Act.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The following apply to residents and nonresidents. Purchases leading to the acquisition of 30% or more voting shares in a company are subject to the Takeover Act. There is a public notification requirement in accordance with Article 4 of Takeover act in Republika Srpska and Article 9 of takeover act in FBiH. Purchases of more than 25% of an investment fund are prohibited. The public and regulators (for example, Securities Commission) must be notified of any purchase exceeding 25% of total votes. There are specific exemptions from notification in cases of inheritance, marriage, collaterals, mergers and acquisitions, etc. Domestic and foreign securities may be purchased and sold domestically only through an authorized domestic participant in the securities market.
Sale or issue locally by nonresidents	No.	Nonresidents and residents must register securities with the relevant Securities and Exchange Commission (SEC) before sale or issuance. Domestic and foreign securities may be purchased and sold domestically only through an authorized domestic participant in the securities market.
Purchase abroad by residents	Yes.	Residents may purchase foreign securities in the foreign or domestic capital market, if such purchases are made through authorized securities market participants in accordance with the regulations governing the securities market, international agreements, and other special regulations. Insurance companies may invest only in securities issued by EU governments and CBs and with approval of the relevant supervisor. The ceiling for investments in foreign assets is 20% (5% an issuer) of the total portfolio for technical reserves for life and non-life insurance, minimum guarantee funds on the amount and manner of investment of assets in the Republika Srpska (Official Gazette of the Republika Srpska No. 56/124), and 20% (5% an issuer) for the sum of technical reserves and guarantee funds for life and non-life insurance as prescribed by the relevant regulations in Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina No. 7/14/10). According to Article 43 of the Law on Voluntary Pension Funds and Pension Plans in the Republika Srpska, up to 40% of the asset value may be invested in securities of issuers whose headquarters are outside Bosnia and Herzegovina.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	Nonresidents and residents must register securities with the relevant SEC before sale or issuance.
Purchase abroad by residents	Yes.	Residents may purchase foreign securities in the foreign or domestic capital market, if such purchases are made through authorized securities market participants in accordance with the regulations governing the securities market, international agreements, and other

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		special regulations. According to Article 42 of the Law on Voluntary Pension Funds and Pension Plans in the Republika Srpska, investments are limited to (1) bonds and other debt securities issued by members of the EU, OECD, and CEFTA or a CB of those countries; (2) bonds and other debt securities issued by the ECB, EIB, or World Bank; (3) stakes in open and shares in closed investment funds registered in Bosnia and Herzegovina, if such funds invest mainly in securities of OECD countries; (4) debt securities with the recommended rating for investment by rating agencies issued by local self-governance units, companies, or banks from members of the EU, OECD, and CEFTA that are traded on a major stock exchange or other defined public market in members of the EU, OECD, and CEFTA; and (5) stakes in open investment funds registered in members of the EU, OECD, and CEFTA. Under Article 43, up to 40% of the asset value may be invested in securities of issuers whose headquarters are outside Bosnia and Herzegovina and within the mentioned limit and up to 30% may be invested in securities according to Article 42, Paragraph 1. Insurance companies may invest only in securities issued by EU governments and CBs and with approval of the relevant supervisor. The ceiling for investments in foreign assets is 20% (5% an issuer) of the total portfolio for technical reserves for life and non-life insurance, minimum guarantee funds on the amount and manner of investment of assets in the Republika Srpska (Official Gazette of the Republika Srpska No. 56/124), and 20% (5% an issuer) for the sum of technical reserves and guarantee funds for life and non-life insurance as prescribed by the relevant regulations in Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina No. 7/14/10).
Sale or issue abroad by residents	Yes.	Security Commission approval is required.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	Domestic and foreign securities may be purchased and sold domestically only through an authorized domestic participant in the securities market.
Sale or issue locally by nonresidents	No.	Nonresidents and residents must register securities with the relevant SEC before sale or issuance. Domestic and foreign securities may be purchased and sold domestically only through an authorized domestic participant in the securities market.
Purchase abroad by residents	Yes.	Residents may purchase foreign securities in the foreign or domestic capital market, if such purchases are made through authorized securities market participants in accordance with the regulations governing the securities market, international agreements, and other special regulations. According to Article 42 of the Law on Voluntary Pension Funds and Pension Plans in the Republika Srpska, investments are limited to (1) bonds and other debt securities issued by members of the EU, OECD, and CEFTA or a CB of those countries; (2) bonds and other debt securities issued by the ECB, EIB, or World Bank; (3) stakes in open and shares in closed investment funds registered in Bosnia and Herzegovina, if such funds invest mainly in securities of OECD countries; (4) debt securities with the recommended rating for investment by rating agencies issued by local self-governance units, companies, or banks from members of the EU, OECD, and CEFTA that are traded on a major stock exchange or other defined public market in members of the EU, OECD, and CEFTA; and (5) stakes in open investment funds registered in members of the EU, OECD, and CEFTA. Under Article 43, up to 40% of the asset value may be invested in securities of issuers whose headquarters are outside Bosnia and Herzegovina and within the mentioned limit and up to 30% may be invested in

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		securities according to Article 42, Paragraph 1. Insurance companies may invest only in securities issued by EU governments and CBs and with approval of the relevant supervisor. The ceiling for investments in foreign assets is 20% (5% an issuer) of the total portfolio for technical reserves for life and non-life insurance, minimum guarantee funds on the amount and manner of investment of assets in the Republika Srpska (Official Gazette of the Republika Srpska No. 56/124), and 20% (5% an issuer) for the sum of technical reserves and guarantee funds for life and non-life insurance as prescribed by the relevant regulations in Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina No. 7/14/10).
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	Domestic and foreign securities may be purchased and sold domestically only through an authorized domestic participant in the securities market.
Sale or issue locally by nonresidents	No.	Nonresidents and residents must register securities with the relevant SEC before sale or issuance. Domestic and foreign securities may be purchased and sold domestically only through an authorized domestic participant in the securities market.
Purchase abroad by residents	Yes.	Residents may purchase foreign securities in the foreign or domestic capital market, if such purchases are made through authorized securities market participants in accordance with the regulations governing the securities market, international agreements, and other special regulations. According to Article 42 of the Law on Voluntary Pension Funds and Pension Plans in the Republika Srpska, investments are limited to (1) bonds and other debt securities issued by members of the EU, OECD, and CEFTA or a CB of those countries; (2) bonds and other debt securities issued by the ECB, EIB, or World Bank; (3) stakes in open and shares in closed investment funds registered in Bosnia and Herzegovina, if such funds invest mainly in securities of OECD countries; (4) debt securities with the recommended rating for investment by rating agencies issued by local self-governance units, companies, or banks from members of the EU, OECD, and CEFTA that are traded on a major stock exchange or other defined public market in members of the EU, OECD, and CEFTA; and (5) stakes in open investment funds registered in members of the EU, OECD, and CEFTA. Under Article 43, up to 40% of the asset value may be invested in securities of issuers whose headquarters are outside Bosnia and Herzegovina and within the mentioned limit and up to 30% may be invested in securities according to Article 42, Paragraph 1. Insurance companies may invest only in securities issued by EU governments and CBs and with approval of the relevant supervisor. The ceiling for investments in foreign assets is 20% (5% an issuer) of the total portfolio for technical reserves for life and non-life insurance, minimum guarantee funds on the amount and manner of investment of assets in the Republika Srpska (Official Gazette of the Republika Srpska No. 56/124), and 20% (5% an issuer) for the sum of technical reserves and guarantee funds for life and non-life insurance as prescribed by the relevant regulations in Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina No. 7/14/10).
Sale or issue abroad by residents	Yes.	Prior approval is required, but there has been no sale or issue abroad by residents, except for the government. So far, only the government has issued debt securities abroad following the required procedure.
Controls on derivatives and other instruments	No.	

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Financial credits in domestic currency from residents to nonresidents are prohibited. Loans to nonresidents with maturity of less than a year are prohibited, excluding loans from banks and loans granted by residents for establishing permanent economic relationships. Banks may conduct loan activities abroad in their name and on their own behalf, or in their name and behalf of some else, or in other's name and behalf of some else.
To residents from nonresidents	No.	Resident individuals may receive financial credits from nonresidents who hold funds abroad on submission of a copy of the contract to the relevant ministry and getting registration number. The procedure is for reporting purposes only. Banks may conduct loan activities abroad in their name and on their own behalf, or in their name and behalf of some else, or in other's name and behalf of some else. Residents other than banks may conduct loan operations abroad only in their name and on their own behalf. Resident individuals receiving a financial loan from abroad must transfer it through a bank or foreign exchange account abroad opened in accordance with the laws on foreign exchange operations in both countries. Financial loans from abroad may be used through a foreign bank if the loan agreement stipulates payment for goods and services directly to the supplier or if the loan is used to repay a previous foreign loan (refinancing).
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	Prudential regulations on banks apply.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Foreign equity ownership is not limited, but must be registered with the relevant ministry for administrative purposes and benefits (no restrictions). Only investments in the production of arms, ammunition, explosives for military use, and military equipment and in the dissemination of public information are limited at 49% foreign ownership.
Controls on liquidation of direct investment	No.	Outstanding tax balances must be paid on liquidation.
Controls on real estate transactions	Yes.	

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Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	A reciprocity agreement applies to countries that were part of the former Federal Republic of Yugoslavia. There are no limitations for other nonresidents.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Loans to nonresidents with maturity of less than a year are prohibited, excluding loans from banks and loans granted by residents for establishing permanent economic relationships. Loans in domestic currency between residents and nonresidents are prohibited. Residents other than banks may conduct loan operations abroad only in their name and on their own behalf. Residents must receive from nonresidents adequate instruments securing the loan repayment.
To residents from nonresidents	Yes.	Residents (except banks) may contract loans with nonresidents only in their name and on their own behalf. Residents must transfer loans from abroad through a bank or foreign exchange account abroad opened in accordance with the laws on foreign exchange operations in both countries. Financial loans from abroad may be used through a bank if the loan agreement stipulates payment for goods and services directly to the supplier or if the loan is used to repay a previous foreign loan (refinancing).
Gifts, endowments, inheritances, and legacies	No.	Documents confirming the legitimate origin of the funds must be provided before the bank may complete a transaction.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The foreign exchange and the banking laws of the entities regulate these transactions.
Borrowing abroad	No.	Banks may conduct loan activities abroad in their name and on their own behalf or in their name and behalf of some else or in other's name and behalf of some else.
Maintenance of accounts abroad	No.	Maintenance of accounts abroad by credit institutions is not restricted.
Lending to nonresidents (financial or commercial credits)	Yes.	Financial credits in domestic currency from residents to nonresidents are prohibited. Residents must receive from nonresidents adequate instruments securing the loan repayment.
Lending locally in foreign exchange	Yes.	Banks may approve loans to residents—legal entities and entrepreneurs—in foreign exchange currency exclusively to pay for goods and services from abroad. No lending in foreign currency for individuals is allowed.

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Purchase of locally issued securities denominated in foreign exchange	No.	There are no locally issued securities denominated in foreign exchange (not specifically regulated).
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	To manage their foreign exchange risk, the following limits apply to the foreign exchange operations of banks relative to regulatory (eligible) capital: 20% for individual foreign exchange overnight position (excluding euros), 40% for individual foreign exchange overnight position in euros, and 40% for total foreign exchange position. These ratios are calculated based on foreign exchange assets and foreign exchange liabilities as well both assets and liabilities with foreign exchange clauses.
On nonresident assets and liabilities	Yes.	To manage their foreign exchange risk, the following limits apply to the foreign exchange operations of banks relative to regulatory (eligible) capital: 20% for individual foreign exchange overnight position (excluding euros), 40% for individual foreign exchange overnight position in euros, and 40% for total foreign exchange position. These ratios are calculated based on foreign exchange assets and foreign exchange liabilities as well both assets and liabilities with foreign exchange clauses.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Insurance companies may invest only in securities issued by EU governments and CBs and with approval of the relevant supervisor. The ceiling for investments in foreign assets is 20% (5% an issuer) of the total portfolio for technical reserves for life and non-life insurance, minimum guarantee funds on the amount and manner of investment of assets in the Republika Srpska (Official Gazette of the Republika Srpska No. 56/124), and 20% (5% an issuer) for the sum of technical reserves and guarantee funds for life and non-life insurance as prescribed by the relevant regulations in Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina No. 7/14/10).
Limits (max.) on securities issued by	Yes.	Insurance companies may invest only in securities issued by or with

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nonresidents		guarantees of EU governments and CBs or international financial institutions. There are several limits on purchases of securities issued by nonresidents depending on the issuer and the purpose of the investment (technical reserves or minimum guarantee funds): The ceiling for investments in foreign assets is 20% (5% an issuer) of the total portfolio for technical reserves for life and non-life insurance, minimum guarantee funds on the amount and manner of investment of assets in the Republika Srpska (Official Gazette of the Republika Srpska No. 56/124), and 20% (5% an issuer) for the sum of technical reserves and guarantee funds for life and non-life insurance as prescribed by the relevant regulations in Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina No. 7/14/10).
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies may invest only in securities issued by or with guarantees of EU governments and CBs or international financial institutions. There are several limits on purchases of securities issued by nonresidents depending on the issuer and the purpose of the investment (technical reserves or minimum guarantee funds): The ceiling for investments in foreign assets is 20% (5% an issuer) of the total portfolio for technical reserves for life and non-life insurance, minimum guarantee funds on the amount and manner of investment of assets in the Republika Srpska (Official Gazette of the Republika Srpska No. 56/124), and 20% (5% an issuer) for the sum of technical reserves and guarantee funds for life and non-life insurance as prescribed by the relevant regulations in Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina No. 7/14/10).
Limits (min.) on investment portfolio held locally	Yes.	At least 50% of guarantee funds must be held in specific domestic assets (locally).
Currency-matching regulations on assets/liabilities composition	Yes.	General guidelines for prudent investment practices apply, including required currency matching between investments and liabilities.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	According to Article 42 of the Law on Voluntary Pension Funds and Pension Plans in the Republika Srpska, investments are limited, in addition to local assets, to the following foreign securities: (1) bonds and other debt securities issued by members of the EU, OECD, and CEFTA or CBs of those countries; (2) bonds and other debt securities issued by the ECB, EIB, or World Bank; (3) stakes in open and shares in closed investment funds registered in Bosnia and Herzegovina, if such funds invest mainly in securities of OECD countries; and (4) debt securities with investment-grade ratings issued by local self-governance units, companies, or banks from members of the EU, OECD, and CEFTA that are traded on a major stock exchange or in another defined public market. According to Article 43, up to 40% of the asset value may be invested in securities of an issuer whose headquarters are outside Bosnia and Herzegovina, within the mentioned limit; up to 30% of the asset value may be invested in securities according to Article 42, Paragraph 1.
Limits (max.) on investment portfolio held abroad	Yes.	According to Article 42 of the Law on Voluntary Pension Funds and Pension Plans in the Republika Srpska, investments are limited, in addition to local assets, to the following foreign securities: (1) bonds and other debt securities issued by members of the EU, OECD, and CEFTA or CBs of those countries; (2) bonds and other debt securities issued by the ECB, EIB, or World Bank; (3) stakes in open and shares in closed investment funds registered in Bosnia and Herzegovina, if such funds invest mainly in securities of OECD countries; and (4) debt securities with investment-grade ratings issued by local self-governance units, companies, or banks from

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		members of the EU, OECD, and CEFTA that are traded on a major stock exchange or in another defined public market. According to Article 43, up to 40% of the asset value may be invested in securities of an issuer whose headquarters are outside Bosnia and Herzegovina, within the mentioned limit; up to 30% of the asset value may be invested in securities according to Article 42, Paragraph 1.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	There are no prescribed limits for foreign securities, and the rules on investing do not distinguish between domestic and foreign securities. The closed investment funds from Federation of Bosnia and Herzegovina may invest in any foreign markets, while closed investment funds from Republika Srpska may invest in EU, OECD, and CEFTA countries only. Exposure to a single issuer may not exceed 15% of the total assets of an investment fund. This rule does not apply to securities of EU governments and international financial institutions.
Limits (max.) on securities issued by nonresidents	Yes.	While investing abroad, closed investment funds from Republika Srpska may invest in EU, OECD, and CEFTA countries only. The closed investment funds from Federation BiH may invest in securities issued by any nonresident.
Limits (max.) on investment portfolio held abroad	Yes.	While investing abroad, closed investment funds from Republika Srpska may invest in EU, OECD, and CEFTA countries only. The closed investment funds from Federation BiH may invest in any foreign markets.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.

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Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.

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Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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BOTSWANA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 24, 1968.
Article VIII	Yes.	Date of acceptance: November 17, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Botswana is the Botswana Pula.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg	Yes.	The de jure and de facto exchange rate arrangements are classified as a crawling peg. The official exchange rate of the pula is determined according to a weighted basket of currencies comprising the SDR and the South African rand. The crawl rate is set as the difference between the Bank of Botswana's (BOB's) inflation objective and the average inflation forecast in major trading partner countries. The crawl rate is thus determined using a forward-looking approach and is revised regularly. In this approach, the authorities periodically determine the crawl rate for the subsequent period, such as the next 6 or 12 months. The weights of the basket are 45% for the South African rand and 55% for the SDR. The rate of crawl was changed from a downward rate of crawl of 2.87% per annum for 2022 to a downward rate of crawl of 1.51% for 2023, while the weights of the

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		Pula basket remained unchanged. This rate of crawl took into account the projected reduced inflation differential between Botswana and trading partner inflation in 2023. Decisions relating to this framework are made by the President of the Republic of Botswana on the recommendation of the Minister of Finance after consultation with the BOB.
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate of the pula is determined according to a weighted basket of currencies comprising the SDR and the South African rand. The crawl rate is set as the difference between the BOB's inflation objective and the inflation forecast of major trading partner countries. The crawl rate is thus determined using a forward-looking approach and is revised regularly. In this approach, the authorities periodically determine the crawl rate for the subsequent period, such as the next 6 or 12 months. The weights of the basket are 45% for the South African rand and 55% for the SDR. Effective January 1, 2023, a downward rate of crawl of 1.51% per annum was adopted for 2023, while the weights of the pula basket remained unchanged.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite	Yes.	The monetary policy framework is primarily an exchange rate anchor vis-à-vis a basket of currencies comprising the SDR and rand. Within this framework, the crawl rate is determined using a forward-looking approach, which is based on the difference between the average inflation forecast in major trading partner countries and the BOB's medium-term inflation objective within a 3%–6% range, to achieve price stability, the overarching goal of the BOB.
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		

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Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs are allowed to freely determine their bid-ask spreads and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Eight commercial banks and 55 foreign exchange bureaus were licensed to deal in foreign exchange with the public, as at end of June 2022. Foreign exchange bureaus are allowed to operate and are licensed by the BOB. Foreign exchange bureaus may not enter into foreign exchange transactions directly with the BOB; they may maintain accounts abroad, and a separate permission is required for foreign exchange payments and transfers on behalf of their clients.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	Foreign exchange equal to or above $1 million is available from the

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		BOB on demand by commercial banks at the official bid-ask rates. The spread between the buying and selling rates of the pula is 0.125% above or below the central parity. Commercial banks trade among themselves for amounts below $1 million. The BOB does not deal directly with the government and other public entities. The BOB deals directly with 8 commercial banks.
Allocation	No.	There is no foreign exchange allocation by the BOB.
Auction	No.	There is no foreign exchange auction by the BOB.
Fixing	No.	There is no foreign exchange fixing by the BOB.
Interbank market	Yes.	As of December 31, 2022, 8 commercial banks in Botswana participated in the interbank foreign exchange market. The BOB issues the licenses. There are no limits on commissions. Commercial banks may buy foreign exchange from the BOB for amounts equal to or above $1 million; below this amount, commercial banks trade among themselves.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	The foreign exchange market operates under a market-making agreement.
Forward exchange market	Yes.	Forward exchange cover is offered by commercial banks, and the maturity dates of forward exchange contracts and transactions are not restricted. The BOB does not participate in the foreign exchange derivatives market. It has agreements with correspondent banks stating the terms and conditions for foreign accounts. The BOB does not trade forwards and swaps.
Official cover of forward operations	Yes.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	Residents are permitted to make payments for goods and services from outside sources using pula-denominated checks, provided traders outside Botswana are willing to accept their collection by banks outside Botswana. Transactions in amounts exceeding P 10,000 require supporting documentation.
For current transactions and payments	No.	
For capital transactions	No.	Pula may be used to settle capital transactions.
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	Botswana has bilateral trade agreements with Korea, Malawi, Zambia, and Zimbabwe.
Operative	Yes.	Correspondent banks have bilateral relationships in various countries to facilitate payments. These are regular correspondent bank

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		agreements.
Inoperative	Yes.	Correspondent banks have bilateral relationships in various countries to facilitate payments.
Regional arrangements	Yes.	Botswana is a member of the SACU, which allows for free importation, and hence has no restrictions on trade-related payments to or from SACU countries. Botswana is also a member of the SADC FTA. Through its SACU membership, Botswana is part of the preferential trade agreement between the SACU and MERCOSUR and the FTA between the SACU and the EFTA.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	For practical and operational purposes, several administrative powers of the BOB have been delegated to commercial banks.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	There are no restrictions on trading or owning precious metals in commercial form, such as coins, but there are restrictions on possession of unworked precious metals, such as bullion.
On domestic ownership and/or trade	Yes.	There are no controls on ownership of processed metals, but unworked precious metals are subject to restrictions.
On external trade	Yes.	Trade in processed metals is not restricted, but export permits are required; unworked precious metals are subject to restrictions.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	No.	A declaration at the time of travel is required for cash amounts of P 10,000 or more.
Foreign currency	Yes.	Visitors may take out foreign currency they legitimately own, subject to declaration of cash amounts equal to or greater than the equivalent of P 10,000.
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Commercial banks may open foreign exchange accounts for residents. These accounts facilitate foreign-currency-denominated receipts and payments for customer transactions, eliminate the need to convert foreign currency receipts to pula and vice versa, and offer protection against exchange rate fluctuations. Commercial banks may open foreign exchange accounts for their customers for any amount in any currency at the banks' discretion. Residents may buy foreign exchange from local banks to deposit in their foreign exchange accounts.
Approval required	No.	
Held abroad	Yes.	There are no restrictions on maintaining accounts abroad, and

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		balances may be repatriated freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Botswana Government abolished exchange controls in February 1999; hence, there are no restrictions on holdings of domestic currency accounts abroad.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Commercial banks may open foreign exchange accounts for nonresidents. These accounts facilitate foreign currency denominated receipts and payments for customer transactions, eliminate the need to convert foreign currency receipts to pula and vice versa, and offer protection against exchange rate fluctuations. Commercial banks may open foreign exchange accounts for their customers for any amount in any currency at the banks' discretion.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Import licenses are regulated by customs and excise legislation.
Positive list	No.	
Negative list	Yes.	The list is mentioned in the Control of Goods, Prices and Other Charges Act.
Open general licenses	No.	
Licenses with quotas	No.	

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Other nontariff measures	Yes.	Safeguard measures such as antidumping and countervailing measures, according to Section 4 of the Botswana Trade Commission Act, took force on October 18, 2013.
Import taxes and/or tariffs	Yes.	As a member of the SACU, Botswana applies a CET only on imports from outside the SACU.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Certain exports are subject to licensing. The exportation of a few items, such as precious and semiprecious stones, and liquid petroleum gas, requires a permit.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	ADs may allow remittances of interim dividends without BOB approval for companies listed on the Botswana Stock Exchange and

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	may authorize other remittances of dividends and profits without BOB approval, subject to satisfactory supporting tax withholding documentation.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

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Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	Regulated by the Botswana Stock Exchange Limited through their ATS system and ultimate settlement by the CSDB system.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	In June 2023, a staggered decrease in pension funds' maximum limit for foreign investments from 70 percent to 50 percent by 2027 was announced. The first step would take place in December 2023. Life insurance companies may invest up to 70% of their assets outside Botswana in accordance with Nonbank Financial Institutions Regulatory Authority regulations.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	These are regulated through the Debt Listing Requirements under the Botswana Stock Exchange. As of March 2019, the Botswana Stock Exchange Limited has revised and formulated a new set of the Debt Listings Requirements and Debt Trading Rule.
Purchase locally by nonresidents	Yes.	Nonresidents may purchase up to 20% of the total value of government-issued securities.
Sale or issue locally by nonresidents	Yes.	Nonresidents may issue long-term pula-denominated bonds traded on the Botswana Stock Exchange, subject to the listing requirements of the exchange.
Purchase abroad by residents	Yes.	In June 2023, a staggered decrease in pension funds' maximum limit for foreign investments from 70 percent to 50 percent by 2027 was announced. The first step would take place in December 2023. Life insurance companies may invest up to 70% of their assets outside Botswana in accordance with Nonbank Financial Institutions Regulatory Authority regulations.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	The purchase of BOB monetary instruments used to absorb excess liquidity is limited to commercial banks and merchant banks.
Purchase locally by nonresidents	Yes.	Nonresidents may not purchase the BOB's monetary instruments used to absorb excess liquidity.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	In June 2023, a staggered decrease in pension funds' maximum limit for foreign investments from 70 percent to 50 percent by 2027 was announced. The first step would take place in December 2023Life insurance companies may invest up to 70% of their assets outside Botswana in accordance with Nonbank Financial Institutions Regulatory Authority regulations.

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Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	In June 2023, a staggered decrease in pension funds' maximum limit for foreign investments from 70 percent to 50 percent by 2027 was announced. The first step would take place in December 2023Life insurance companies may invest up to 70% of their assets outside Botswana in accordance with Nonbank Financial Institutions Regulatory Authority regulations.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	

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Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The sale of BOB certificates to counterparties is restricted to domestic commercial banks and merchant banks.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	These transactions are subject to the listing requirements of the Botswana Stock Exchange.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The domestic currency deposit reserve requirement (RR) is 2.5%. The RR aims to regulate the amount of liquidity absorbed through BOB certificates. RR averaging is also allowed for liquidity management purposes since October 19, 2019. Foreign currency deposits are not subject to RRs.
Liquid asset requirements	No.	Commercial banks are required to maintain, at all times, 10% of total deposit liabilities as liquid assets.
Interest rate controls	No.	The Regulatory Guideline on the Disclosure Framework for Deposit and Lending Interest Rates prescribed that the interest payable on the 91-day deposit or equivalent products must be 350 basis points before the prevailing Bank Rate was revoked, effective November 1, 2022, following adoption of a new monetary policy framework. A new Guideline for Disclosure Framework for Deposits and Lending rates was issued with the object of enhancing transparency in market practices by banks and similar institutions. Under the new Guideline, banks must continue to publish in at least two newspapers and their websites the deposit and lending rates within the first week of every month.
Credit controls	No.	The Banking Act (Cap. 46:04), along with Guidelines on large

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		exposures, restricts a bank from granting facilities that are in excess of 10% of a bank's unimpaired capital to a single customer or group of related customers without the specific approval of a bank's entire board of directors. Furthermore, a bank is required to seek prior approval of the BOB before granting loans and other credit facilities to a single entity or group of related companies which, in aggregate, are in excess of 30% of a bank's unimpaired capital.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	There are prudential limits on individual and overall foreign currency exposure. For major currencies, the limit is 15% of a bank's unimpaired capital; for other currencies, it is 5%. The overall foreign currency exposure limit is 30% of a bank's unimpaired capital, using the shorthand method.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	There is a 30% aggregate limit on foreign securities, provided the 30% is in compliance with the 20% limit on foreign corporate securities, 20% limit on foreign government securities, and 5% limit per institution. *Note that these thresholds are the proportions of admissibility (for solvency purposes) to Net Liabilities and the risk-based Prescribed Capital Target ("PCT").
Limits (max.) on investment portfolio held abroad	Yes.	There is a 30% aggregate limit on investment in foreign securities, provided the 30% is in compliance with the 20% limit on foreign corporate securities, 20% limit on foreign government securities and 5% per institution.
Limits (min.) on investment portfolio held locally	Yes.	Insurers are required to hold assets in Botswana, the fair value of which is not less than 70%, or a higher percentage as may be prescribed, of the Net Liabilities and PCT. This is in regard to policies other than linked long-term policies. The remaining 30% can be invested abroad as a combination of corporate and government securities subject to the 20% limit on foreign corporate securities, 20% limit on foreign government securities and 5% limit per institution.
Currency-matching regulations on assets/liabilities composition	No.	There are no specific currency-matching regulations/rules; however, insurers are only allowed to invest in derivative instruments provided: (1) The derivatives are in respect of a linked long-term policy, (2) The derivatives are acquired in respect of assets in excess of liabilities and PCT, and

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		(3) The derivatives are acquired for the purpose of reducing investment risk. This provides for insurers to hedge against (currency) investment risk.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	In June 2023, a staggered decrease in pension funds' maximum limit for foreign investments from 70 percent to 50 percent by 2027 was announced. The first step would take place in December 2023
Limits (max.) on investment portfolio held abroad	Yes.	In June 2023, a staggered decrease in pension funds' maximum limit for foreign investments from 70 percent to 50 percent by 2027 was announced. The first step would take place in December 2023
Limits (min.) on investment portfolio held locally	Yes.	In June 2023, a staggered increase in pension funds' minimum limit for local investments from 30 percent to 50 percent by 2027 was announced. The first step would take place in December 2023
Currency-matching regulations on assets/liabilities composition	Yes.	It requires that an independent Actuary be engaged to certify the appropriateness of the structure asset/liabilities composition of a retirement fund.
Investment firms and collective investment funds	Yes.	There are restrictions on investment by collective investments as per Regulation 28 of the CIU Regulations.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	A firm may invest not more than 10% of its net asset in securities issued by the same institution A firm may invest not more than 10% of its net asset in securities issued by the same institution, 10% of its net assets in securities which are not traded in or dealt on a market which is provided for in the trust deed or articles of association. No more than 10% of the net assets of a company may be kept on deposit with any one institution and this limit may be increased to 30% for deposits with or securities evidencing deposits issued by or securities guaranteed by the following: (1) a bank authorized by a signatory state to the Basel Capital Convergence Agreement of July, 1988; or (2) the trustee. A company may not hold more than 10% of any class of security issued by any single issuer and this requirement may not apply to investments in other collective investment undertakings of the open-ended venture or development capital type. A company may acquire the units of other open-ended collective investment undertakings subject to that a company may not invest more than 20% of net assets in such company. Funds of fund company may invest up to 10% of the net assets directly in transferable securities other than units of collective investment undertakings. Funds of fund company may not invest more than 20% of net assets in the units of any one company provided this limit must be raised to 30% for one of the companies in which it invests, with the approval of the Regulatory Authority.
Limits (min.) on investment portfolio held locally	Yes.	A firm may invest not more than 10% of its net asset in securities issued by the same institution A firm may invest not more than 10% of its net asset in securities issued by the same institution, 10% of its net assets in securities which are not traded in or dealt on a market which is provided for in the trust deed or articles of association. No more than 10% of the net assets of a company may be kept on deposit with any one institution, and this limit may be increased to 30% for deposits with or securities evidencing deposits issued by or securities guaranteed by the following: (1) a bank authorized by a

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		signatory state to the Basel Capital Convergence Agreement of July, 1988; or (2) the trustee. A company may not hold more than 10% of any class of security issued by any single issuer and this requirement may not apply to investments in other collective investment undertakings of the open-ended venture or development capital type. A company may acquire the units of other open-ended collective investment undertakings subject to that a company may not invest more than 20% of net assets in such company. Fund of fund company may invest up to 10% of the net assets directly in transferable securities other than units of collective investment undertakings. Funds of fund company may not invest more than 20% of net assets in the units of any one company provided this limit must be raised to 30% for one of the companies in which it invests, with the approval of the Regulatory Authority.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The BOB is currently at research stage on the suitability of central bank digital currencies (CBDCs) for Botswana. The research will gather views of the industry and the public on suitability of a CBDC for the Botswana market and determine the appropriate CBDC use case and design considerations.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	No external CBDC is in circulation in Botswana. However, there are no controls that prohibit residents from holding wallets of foreign CBDCs where it is possible for residents to hold wallets of other jurisdictions without them being residents of those jurisdictions.
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	The BOB is currently at research stage on the suitability of CBDCs for Botswana. The research will gather views of the industry and the public on suitability of a CBDC for the Botswana market and determine the appropriate CBDC use case and design considerations.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	

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Controls on CBDC launched by another jurisdiction	No.	Foreign CBDCs are not in use in Botswana. However, there are no controls that prohibit residents from holding wallets of foreign CBDCs where it is possible for residents to hold wallets of other jurisdictions without them being residents of those jurisdictions.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	Foreign CBDCs are not in use in Botswana. However, there are no controls that prohibit residents from holding wallets of foreign CBDCs where it is possible for residents to hold wallets of other jurisdictions without them being residents of those jurisdictions and possibly transact with foreigners/nonresidents outside Botswana.
For current transaction	No.	Foreign CBDCs are not in use in Botswana. However, there are no controls that prohibit residents from holding wallets of foreign CBDCs where it is possible for residents to hold wallets of other jurisdictions without them being residents of those jurisdictions and possibly undertake current transactions outside Botswana.
For capital transactions	No.	Foreign CBDCs are not in use in Botswana. However, there are no controls that prohibit residents from holding wallets of foreign CBDCs where it is possible for residents to hold wallets of other jurisdictions without them being residents of those jurisdictions and possibly undertake capital transactions outside Botswana.
Transactions in capital and money market instruments	No.	Foreign CBDCs are not in use in Botswana. However, there are no controls that prohibit residents from holding wallets of foreign CBDCs where it is possible for residents to hold wallets of other jurisdictions without them being residents of those jurisdictions and possibly undertake capital transactions outside Botswana.
Transactions in derivatives and other instruments	No.	Foreign CBDCs are not in use in Botswana. However, there are no controls that prohibit residents from holding wallets of foreign CBDCs where it is possible for residents to hold wallets of other jurisdictions without them being residents of those jurisdictions and possibly undertake derivative and other instruments outside Botswana.
Credit operations	No.	Foreign CBDCs are not in use in Botswana. However, there are no controls that prohibit residents from holding wallets of foreign CBDCs where it is possible for residents to hold wallets of other jurisdictions without them being residents of those jurisdictions and possibly participate in credit operations outside Botswana.
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Effective February 1, 2022, the Virtual Assets Act recognizes the use of virtual tokens and unbacked virtual assets.
Acquisition by residents	Yes.	Only residents are allowed to acquire virtual assets tokens.
Use among residents	Yes.	Use of virtual assets among residents is allowed.
Between residents and nonresidents	Yes.	Use of virtual assets between residents and foreigners is allowed.
For current transaction	Yes.	Use of virtual assets in transacting on virtual assets platforms is allowed, for example, P2P and B2B.
For capital transactions	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing

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		a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Transactions in capital and money market instruments	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Transactions in derivatives and other instruments	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Credit operations	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Controls on utility and security tokens	Yes.	The Virtual Assets Act, 2022, and Virtual Assets Regulations, 2022, provide for utility and security tokens.
Acquisition by residents	Yes.	Only residents are allowed to acquire virtual asset tokens.
Use among residents	Yes.	Use of virtual assets among residents.
Between residents and nonresidents	Yes.	Use of virtual assets between residents and nonresidents is allowed.
For current transaction	Yes.	Use of virtual assets for current transactions is allowed, for example, P2P and B2B.
For capital transactions	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial

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		token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Transactions in capital and money market instruments	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Transactions in derivatives and other instruments	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Credit operations	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Controls on stablecoins	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's

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		offer or sale of a virtual asset as may be prescribed.
Acquisition by residents	Yes.	Only residents are allowed to acquire virtual asset tokens.
Use among residents	Yes.	Use of virtual assets among residents is allowed.
Between residents and nonresidents	Yes.	Use of virtual assets between residents and nonresidents is allowed.
For current transaction	Yes.	Transacting in virtual assets over virtual assets platforms is allowed.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Transactions in derivatives and other instruments	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Credit operations	Yes.	Virtual Assets Act, 2022, and the Virtual Assets Regulations, 2022, regulate the sale and trade of virtual assets, licensing of VASPs and issuers of initial token offerings in Botswana, with primary focus on risks associated with virtual assets in the context of emerging business practices and technologies. VASPs include issuers of initial token offering, businesses that provide services related to virtual tokens; businesses that operate as payment service providers utilizing virtual assets; businesses that operate as VASPs, including providing a distributed ledger technology platform which facilitates the exchange between virtual assets and fiat currency and exchange between one or more forms of virtual assets; or businesses that participate in and provide financial services related to an issuer's offer or sale of a virtual asset as may be prescribed.
Controls on crypto exchanges and trading platforms	Yes.	The Act and Regulations provide for licensing and regulation of crypto exchanges and trading platforms.
Domestic exchanges	Yes.	Exchanges are required to obtain licensing according to Section 9 of the Virtual Assets Act, 2022.
Access to crypto exchange/trading platform by residents	Yes.	Any exchange that operates without a license is deemed to be undertaking illegal operations, and this includes all unlicensed exchanges that offer their services to residents through online platforms.

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Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*01/01/2023*	A downward rate of crawl of 1.51% per annum was adopted from a previous rate of 2.87%. The weights of the pula basket remain unchanged.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Interest rate controls	*11/01/2022*	The Bank of Botswana discontinued the prevailing Bank Rate in lieu of the adoption of the yield on the main monetary policy instrument as the anchor policy rate in place of the Bank Rate. Banks must continue to publish in at least two newspapers and on their websites the deposit and lending rates within the first week of every month. Additionally, there is no limit on the interest rates on deposit and lending products, banks are allowed to price their various products as they deem appropriate.

Digital Currencies and Crypto Assets

Crypto assets		
Controls on unbacked tokens	*02/01/2022*	The Virtual Assets Act recognizes the use of virtual tokens and unbacked virtual assets.

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BRAZIL

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		January 14, 1946.
Article VIII	Yes.	Date of acceptance: November 30, 1999.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with Brazil states that, as of August 20, 2021, the tax on financial transactions (Imposto sobre Operações Financeiras–IOF) of 6.38% on exchange transactions carried out through credit card, debit card, and traveler's checks (including cash withdrawals) by companies to fulfill their payment obligations for purchases of goods and services abroad by their customers gives rise to a MCP subject to IMF jurisdiction under Article VIII, Sections 2(a) and 3. In January 2008, the IOF for these exchange transactions was raised to 2.38% and then further increased to 6.38% in March 2011. The scope of operations was expanded to other foreign exchange transactions in addition to credit cards in December 2013. (Country Report No. 21/217)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Restrictions apply according to UNSC resolutions and Brazilian legislation on Countering the Financing of Terrorism.

Exchange Arrangement

Currency	Yes.	The currency of Brazil is the Brazilian real.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are classified as floating. There is no official exchange rate for Brazil as the exchange rate of the real is defined by supply and demand in the foreign exchange market. The Central Bank of Brazil (BCB, in Portuguese: Banco Central do Brasil) intervenes to smooth out excessive volatility and/or provide liquidity and hedge, with the ultimate objective of assuring a functioning foreign exchange market. Consolidated data on intervention in the interbank market are available in the BCB's weekly publication on currency flows on the BCB website with a lag ranging from 7 to 12 days, considering execution dates. However, the Deputy Governor for Monetary Policy may choose to publish intervention volumes on the same day of each auction. Data on interventions in the derivatives market are published on the same day of each auction.
Free floating		
Official exchange rate	Yes.	There is no official exchange rate for the real determined by the BCB. The BCB publishes a reference rate, known as the PTAX rate, which is the average of four polls conducted by the BCB with the group formed by its primary dealers (up to 14 institutions in the domestic US dollar interbank market). The polls start at a random time in the 10 minutes following 10:00, 11:00, 12:00, and 13:00, and the dealers have two minutes to report their bid and ask quotes for the US dollar–Brazilian real (USD–BRL) at the beginning of the poll. The BCB cannot buy or sell at the quotes provided by the dealers, but dealers who consistently provide out-of-market quotes may lose their dealer status. At each poll, the two highest and two lowest bid and ask quotes are trimmed, and the consistency of the final results is tested against market parameters obtained from the BCB's information systems and data feeders. The PTAX rate is published after the last poll results. The BCB does not require that government agencies use the PTAX rate as a benchmark for conversion. However, government agencies and financial institutions generally use the PTAX as it is a reliable reference. According to the foreign exchange regulation, the exchange rate is freely agreed between the parties, including if the government is the client.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	Brazil implemented a formal inflation-targeting framework for monetary policy in 1999.
Target setting body	Yes.	
Government	Yes.	A one-year inflation target and its tolerance interval are fixed 30

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		months in advance by the CMN, which is composed of the Minister of Economy (chair), the Ministry of Economy's (ME's) Special Secretary of Finance, and the Governor of BCB.
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The inflation target for 2022 is 3.5% with a tolerance interval of ±1.5%. The inflation target for 2023 is 3.25% with a tolerance interval of ±1.5%. The inflation target for 2024 is 3% with a tolerance interval of ±1.5%. The inflation target for 2025 is 3% with a tolerance interval of ±1.5%.
Band/Range		
Target measure	Yes.	
CPI	Yes.	National CPI Extended is measured by the Brazilian Institute of Geography and Statistics. The definition is given by the Brazilian Institute of Geography and Statistics. National CPI Extended measures inflation rate for a group of products and services from retail trade, relative to household expenditure. The income range between 1 and 40 minimum wages was created to guarantee a 90% coverage of families living in urban areas.
Core inflation		
Target horizon	Yes.	A one-year inflation target and its tolerance interval are fixed 30 months in advance by the CMN, and the BCB must pursue this target. The inflation-targeting framework in Brazil is flexible. The horizon that the BCB sees as appropriate for the return of inflation to the target depends on both the nature of the shocks that affect the economy and their persistence.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The BCB's MPC (COPOM) was created on June 20, 1996, and was assigned the responsibility of setting the stance of monetary policy and the short-term interest rate. The aim of creating the COPOM was to enhance the monetary policy transparency and confer adequate regularity to the monetary policy decision-making process. The Selic rate is the primary instrument of the monetary policy. It is the average interest rate charged on the daily interbank loans – with a maturity of one day (overnight) backed by federal government securities – registered in the Special System of Clearance and Custody (Selic). In sum, the Selic rate balances the market for the bank reserves.
Target corridor band	n.a.	

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Other	n.a.	
Accountability	Yes.	
Open letter	Yes.	Open letter of the governor of BCB addressed to the Minister of Economy, in case the inflation targets are missed.
Parliamentary hearings	Yes.	The Chamber of Deputies and the Federal Senate, or any of their committees, may summon a Minister of State or any chief officers of agencies directly subordinate to the Presidency of the Republic to personally render information on a previously determined matter.
Other	n.a.	
Transparency	Yes.	
Publication of votes	Yes.	The COPOM publishes votes of individual members in favor of monetary policy decisions in the meeting minutes on the BCB's website.
Publication of minutes	Yes.	The Committee releases the meeting minutes on the BCB's website and to the press through the BCB's press officer up to six working days after each decision is reached. The minutes provide a summary of the COPOM's discussion, in line with the inflation-targeting regime's commitments to transparency and accountability.
Publication of inflation forecasts	Yes.	The COPOM publishes inflation expectations in the meeting minutes on the BCB's website 8 times a year.
Other monetary framework		
Exchange tax	Yes.	Foreign exchange transactions are subject to the IOF general tax rate of 0.38%, which is levied and collected on the settlement date of the foreign exchange operation. An IOF of 5.38% is applied to foreign exchange transactions related to the purchase of prepaid cards and traveler's checks, and payment transactions carried out through credit and debit cards. On July 29, 2022, Decree No. 11.153 announced that the IOF general tax rate will be gradually reduced to 5.38% effective January 2, 2023; to 4.38% as of January 2, 2024; to 3.38% as of January 2, 2025; to 2.38% as of January 2, 2026; to 1.38% as of January 2, 2027; and to 0% as of January 2, 2028. There are some transactions on which the IOF rate of 0% is already applicable, such as (1) trades involving overseas depositary receipts (DRs) issued by Brazilian companies; (2) inflows of export proceeds; (3) interbank transactions between institutions that make up the national financial system and that are authorized to operate in the foreign exchange market, and between these institutions and institutions abroad; (4) investments by investment funds in the international market, according to the limits and conditions established by the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários – CVM); (5) outflows related to local revenues of international air transportation companies domiciled abroad; (6) inflows of foreign currency to cover expenses from the use of credit cards issued abroad; (7) inflows of cash donations received by financial institutions controlled by the Brazilian government and destined for the prevention, monitoring, and combating of deforestation and the promotion of the conservation and sustainable use of Brazilian forests, as provided by specific legislation; (8) inflows and outflows of funds obtained as external loans and financing, including effective March 18, 2022, external loans with maturity less than 180 days (previously, external loans with maturity less than 180 days as well as external loans with an initial term of more than 180 days but repaid within a 180-day period were subject to a 6% IOF rate); (9) remittances of interest on

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		owner's equity and dividends; (10) transactions of foreign investors, including through simultaneous operations, for investment in the financial and capital markets; (11) purchases of foreign exchange by institutions authorized to operate in the foreign exchange market, executed simultaneously with a sale transaction, when required by Law; (12) nonresidents' investments in fixed-income securities and derivative margin deposits; (13) settlements of foreign exchange inflow transactions, including through simultaneously contracted foreign exchange transactions after December 1, 2011, related to inflows stemming from cancelation of DRs invested in stocks in the stock market; (14) use of credit and debit cards by the public sector for acquisition of goods and services abroad; and (15) settlements of foreign exchange operations derived from a foreign investor regime switch from direct investment to investment in stocks traded on a securities exchange according to regulation issued by the CMN. Some cross-border operations have been exempt from the IOF (set in the Law, not amendable by Presidential Decree), most notably operations carried out for payment of imported goods, foreign exchange operations by diplomatic missions, and credit to housing programs or for project purposes, including infrastructure facilities and Itaipu Binacional.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Banks and other institutions authorized to operate in the foreign exchange market may freely negotiate with their clients the exchange rates and foreign exchange commissions in.
Spot exchange market	Yes.	As of November 7, 2023, there were 179 institutions authorized by the BCB to operate in the foreign exchange market buying and selling foreign currency (101 banks and 78 nonbank financial institutions). Any institution authorized by the BCB to operate in the foreign exchange market may maintain accounts abroad for the purpose of performing international payments and transfers on behalf of their clients. Any institution authorized by the BCB to operate in the foreign exchange market can qualify to be a primary foreign exchange dealer, which is eligible to operate directly with the BCB. (In practice, however, because of the weight given to transacted amounts in the qualifying process, only banks have been selected as dealers so far.) Currently, there are 14 primary foreign exchange dealers, which are the only institutions authorized to buy/sell currencies in the BCB's foreign currency auctions. Any of the 179 foreign exchange-authorized institutions, however, can perform operations with the BCB in which they cash their deposits in foreign currencies or vice versa. Nonbanks have a limit of US$300,000 an operation with clients (not applicable to operations in the interbank market). Effective July 1, 2023, payment institutions may be authorized by the BCB to operate in the foreign exchange market to perform operations up to US$100,000 with clients and operations in the interbank market. Banks and nonbanks financial institutions may contract with companies, which act as foreign exchange bureaus to perform foreign exchange operations up to US$3,000 related to unilateral transfers or international travel. The limit is US$1,000 if both the foreign and the national currencies are delivered in cash. There were 5,429 such contractor companies as of November 7, 2023.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	

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Auction	Yes.	Depending on market circumstances, the BCB may execute foreign exchange auctions and direct operations for intervention purposes. The types of auctions performed by the BCB in the interbank market are spot, forward, and credit lines (equivalent to foreign exchange swaps). Only foreign exchange dealers authorized by the BCB are eligible to participate in these auctions. Currently, there are 14 institutions authorized as primary dealers. The dealers are selected every 12 months based on the volume traded in the foreign exchange market and, for those previously authorized, their past performance as dealers. The BCB may also intervene in the derivatives market using specific listed contracts at B3, formerly BM&FBOVESPA, the foreign exchange swaps (formally called US Dollar Swap with Reset Referencing One-Day Repurchase Agreements) which function as synthetic futures contracts. In this kind of auction, any preregistered market participant may take part. In credit lines and foreign exchange swaps auctions, the amounts to be auctioned are preannounced. There is a minimum amount for bids for auctions in the interbank market. In the auctions with preannounced amounts, that is also the maximum bid. The frequency of the auctions is only known if they are part of an intervention program. All BCB auction operations are delivery versus payment (DVP); if an institution's payment fails, that institution will lose its dealer status. Results are disclosed in Communiqués. Brazilian Global dollar-denominated bond repo agreements were introduced in 2020.
Fixing	No.	
Interbank market	Yes.	As of November 7, 2023, there were 179 institutions authorized by the BCB to operate in the interbank foreign exchange market (101 banks and 78 nonbank financial institutions – securities intermediaries and foreign exchange brokerage firms). Nonbanks can only operate on a spot basis, while banks can also perform future or forward operations. There are no limits on the bid-ask spreads and commissions of market participants. The Brazilian currency leg of all foreign exchange interbank transactions must be settled through the BCB-operated real-time gross settlement (RTGS) system. The BCB intervenes in the foreign exchange interbank market mainly with auctions via its primary foreign exchange dealers.
Over the counter	Yes.	
Brokerage	Yes.	
Market making	Yes.	
Forward exchange market	Yes.	Concerning the deliverable foreign exchange market, only interbank operations are allowed to be traded on a forward basis, limited to 1,500 days. Forward foreign exchange auctions are one of the instruments available for the BCB for intervention purposes. Effective December 31, 2022, foreign exchange operations with clients may have a future settlement date, with a term up to 1,500 days, except for the operations where the foreign currency is delivered in cash/traveler's checks or where it is credited/withdrawn via cards or other electronic payment means of international use. Previously, foreign exchange operations related to import and financial transactions had to be settled within 360 days, while those related to export or National Treasury transactions had to be settled within 1,500 days.
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	All domestic payments stipulated in or pegged to gold or a foreign currency are null and void. Exceptions apply to, for example, contracts and titles relating to imports and exports; financing or guarantee contracts related to export of goods and services; purchase and sale of foreign exchange; loans and other obligations whose creditor or debtor is a resident and domiciled abroad, except for leases of real estate located in the Brazilian territory; contracts for assignment, transfer, delegation, assumption, or modification of the obligations referred to in the previous item; contracts entered into by exporters where the counterparty is a concessionaire, permittee, authorized party, or lessee in the infrastructure sectors, indirect exports.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There are local currency payment systems established by the BCB and the CBs of Argentina, Paraguay, and Uruguay, with daily settlement in US dollars, enabling the settlement of operations among the countries in their respective currencies.
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	The CMN sets the overall foreign exchange policy to be implemented by the BCB. Foreign trade policy is set by the Chamber of Foreign Trade (CAMEX), which consists of the vice-president (who heads the chamber); president´s chief of staff; minister of development, industry, trade and services; minister of defense; minister of finance; minister of foreign affairs; minister of agriculture; minister of planning and budget; minister of internal administration; minister of mines and energy; and minister of agriculture development. The Ministry of Development, Industry, Trade and Services (MDIC) implements trade policy through Secretariat of Foreign Trade (SECEX).
Payments arrears	No.	
Official	No.	
Private	No.	

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Controls on trade in gold (coins and/or bullion)	No.	There are three separate markets for gold transactions: financial, foreign exchange, and commercial. Transactions with gold in any grade of purity (crude or refined) by institutions of the national financial system in the financial market, following the extraction of gold or to implement exchange rate policy, are regulated by the CMN. These transactions are subject to the IOF. Rules regarding gold transactions for industrial purposes are defined separately by the federal states, which also establish different rates for the commercial tax levied thereon. The Electronic Declaration of International Physical Movement of Valuables must be submitted to the customs office of the Secretariat of the Federal Revenue of Brazil (RFB) for imports and exports of gold as a financial or foreign exchange instrument in amounts exceeding R$10,000 or its equivalent.
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Brazilian and foreign banknotes may be taken out or brought into the country without restriction. Companies that transport cash and valuables must declare to Brazilian customs the amount being transported. A bank authorized to operate in the foreign exchange market in Brazil is required to be part of the operation. All cases of transport in cash in an amount that exceeds, effective December 31, 2022, US$10,000 (previously R$10,000) must be declared to the customs office of the RFB.
Foreign currency	No.	Brazilian and foreign banknotes may be taken out or brought into the country without restriction. Companies that transport cash and valuables must declare to Brazilian customs the amount being transported. A bank authorized to operate in the foreign exchange market in Brazil is required to be part of the operation. All cases of transport in cash in an amount that exceeds, effective December 31, 2022, US$10,000 (previously R$10,000) must be declared to the customs office of the RFB.
On imports	No.	
Domestic currency	No.	Brazilian and foreign banknotes may be taken out or brought into the country without restriction. Companies that transport cash and valuables must declare to Brazilian customs the amount being transported. A bank authorized to operate in the foreign exchange market in Brazil is required to be part of the operation. All cases of transport in cash in an amount that exceeds, effective December 31, 2022, US$10,000 (previously R$10,000) must be declared to the customs office of the RFB.
Foreign currency	No.	Brazilian and foreign banknotes may be taken out or brought into the country without restriction. Companies that transport cash and valuables must declare to Brazilian customs the amount being transported. A bank authorized to operate in the foreign exchange market in Brazil is required to be part of the operation. All cases of transport in cash in an amount that exceeds, effective December 31, 2022, US$10,000 (previously R$10,000) must be declared to the customs office of the RFB.

Resident Accounts

Foreign exchange accounts permitted	Yes.	

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Held domestically	Yes.	These accounts may be held by institutions authorized to operate in the foreign exchange market, tourism agencies, providers of tourism services, companies providing postal services, issuers of credit card for international use, companies responsible for the development and execution of projects in the energy sector, insurance and reinsurance companies, reinsurance brokers, companies holding rights to explore and produce oil and natural gas, the Union, entities of the direct and indirect administration of the Union, the States, the Municipalities and the Federal District (linked to an external credit operation granted by international organizations and foreign agencies). Foreign exchange accounts of resident clients must be held in banks authorized by the BCB to conduct foreign exchange operations. The balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	The balances in these accounts may be freely transferred to and from Brazil. An IOF tax of 1.1% is applied on foreign exchange transactions for transfers of funds by residents to their foreign exchange accounts held abroad.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	The balances in these accounts may be freely transferred to and from Brazil.
Accounts in domestic currency convertible into foreign currency	Yes.	The balances on accounts held by residents in domestic currency may be freely transferred to and from Brazil as long as the counterparty in the operation is an institution authorized by the BCB to conduct foreign exchange operations.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts may be held by embassies, foreign delegations, international organizations, foreign transportation companies, foreign citizens in transit in the country, Brazilians living abroad, and reinsurance companies (if authorized to operate in Brazil). The balances in these accounts may be transferred abroad freely. Foreign exchange accounts of nonresident clients must be held in banks authorized by the BCB to conduct foreign exchange operations. Deposits and withdrawals in foreign currency are not subject to tax (IOF), unless a foreign exchange operation is involved, in which case a rate of 0.38% is applied. Some foreign exchange transactions are exempt from the IOF, such as those of diplomatic missions and consular offices and of their foreign officials.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Effective December 31, 2022, nonresident account holders may use these accounts to remit abroad resources on behalf of a third party, but only in the case where the holder of the account is a nonresident institution under financial regulation and supervision in its country of origin – thus, the use of such accounts is free to both receive or remit resources on behalf of a third party. Previously, the use of such accounts held by nonresident banks to perform international transfers on behalf of a third party was allowed for inbound transfers only. An IOF of 5.38% is applied to foreign exchange transactions carried out by institutions part of cross-border Payment Schemes, as nonresident service providers part of these Payment Schemes and holder of a domestic currency account in Brazil, to convert into foreign currency resources from its account for the payment of obligations because of operations abroad carried out by their clients

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		in connection with expenditures.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	Effective December 31, 2022, the restriction that payment of import financing operations with a maturity of more than 360 days could not be transferred prior to the arrival of the good or to the rendering of the service and the requirement for external financing of imports for periods of more than 360 days to be registered with the BCB were removed.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Imports must be registered in the import subsystem of the Integrated Foreign Trade System (Sistema Integrado de Comércio Exterior – SISCOMEX/IMPORT), which allows importers, carriers, banks, and brokers to register the various stages of an import process directly through the interlinked computers of the SECEX and RFB.
Import licenses and other nontariff measures	Yes.	Commercial imports must be registered in Brazil's SISCOMEX. The granting of nonautomatic licenses for imports of used machinery and equipment is conditional on proof that such items are not produced in Brazil and that no substitute item is currently produced in Brazil. Nonautomatic licensing is also used for administration of duty and tax concessions; to benefit, imports must undergo a "similarity examination" to ascertain that there is no equivalent domestic product. Imports are grouped into the following three categories: (1) those that do not require licenses (most common), (2) those subject to automatic import licenses, and (3) those subject to nonautomatic licenses. In general, imports are exempt from approval requirements. However, some require approval (that is, an import license) from the SECEX or another government agency, and it is promptly given to importers that fulfill licensing requirements. As a rule, licenses are valid for 90 days and may be extended if the delay is justified by the importer. Import licenses for certain imports may be obtained after the goods have arrived but before customs clearance. Products subject to automatic licensing are listed in the Administrative Treatment of SISCOMEX and on the Ministry Web page. Products under the special customs regime of drawback are also subject to automatic licensing. Products subject to nonautomatic licensing are listed in the Administrative Treatment of SISCOMEX and on the Ministry Web page. They are mostly products that may

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		damage human, plant, or animal health or cause environmental damage; products classified as weapons or made for warlike purposes; products subject to nontariff quotas as established in the agreements of the Uruguay Round; products subject to tariff quotas; and products subject to trade remedy measures established in accordance with the WTO agreements. The Brazilian normative framework related to similarity examination and import licensing procedures is based on the following legislation: (1) Decree-Law No. 37 of November 18, 1966; (2) Decree No. 6,759 of February 5, 2009; and (3) SECEX Ordinance No. 23 of July 14, 2011. Any person, enterprise, or institution may request import licensing. The only requirement is SISCOMEX registration. Import licenses are obtained through the SISCOMEX. Such an administrative procedure – that integrates the registration activities and monitors imports and exports – is based on the sole flow of computerized information so as to make the process efficient and fast. Importers may request import licensing directly from their institution if it is registered with the SISCOMEX. Imports of used consumer goods are prohibited for environmental, safety, and consumer rights reasons. Used consumer goods may be imported only by the government or education and scientific institutions. Imports of used nonconsumer goods (except aeronautic goods and packaging materials in temporary admission or reimportation) are subject to nonautomatic licensing.
Positive list	No.	
Negative list	Yes.	Imports of agrochemical products not authorized under Brazilian regulations are prohibited, as are imports of weapons and military equipment (from Eritrea, the Democratic People's Republic of Korea, and Libya) and of certain drugs, for reasons of security, health, morals, or UNSC resolutions. It is forbidden to import, export, or store dichlorodiphenyltrichloroethane (DDT) and to import and export rough diamonds from countries not participating in the Kimberley Process Certification Scheme.
Open general licenses	No.	
Licenses with quotas	Yes.	In addition to imports covered by the LAIA agreement, goods imported through the Manaus and Tabatinga free trade zones are subject to an annual quota. Foreign goods worth up to the equivalent of US$2,000 imported into the Manaus Free Trade Zone may be transferred to other parts of Brazil (as a passenger's baggage) free of import duties.
Other nontariff measures	Yes.	Sanitary and phytosanitary measures and technical regulations, conformity assessment, and standards must be observed.
Import taxes and/or tariffs	Yes.	The MERCOSUR agreement established a customs union with a CET. Ad valorem tariffs range from 0% to 20%. Exceptional cases are subject to higher rates. MERCOSUR members are allowed temporary national tariff exceptions. Accordingly, Brazil may maintain an exception list for information technology and capital goods under the "ex tarifários" program established by Ordinance ME Foreign Trade and International Affairs Special Secretariat No. 309 of June 24, 2019. For general items, up to 100 tariff codes may be included on the list of CET exceptions through December 31, 2021. Tariffs applied in Brazil are on MFN basis and consolidated in Gecex Resolution No. 272, November 19, 2021. Particularly, temporary tariff reductions taken in response to COVID-19 are stablished in Annex VII and Annex II of Gecex Resolution No. 272, November 19, 2021.

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Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Imports of petroleum and its derivatives are subject to disclosure to the National Petroleum Agency.

Exports and Export Proceeds

Repatriation requirements	No.	Exporters may keep all their proceeds abroad.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Once the proceeds in foreign currency are repatriated (by own decision of the recipient of the foreign currency), regulation requires to sell these proceeds to ADs in return for local currency.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Preshipment inspection is required for commodities subject to standardization.
Other	Yes.	Documentation includes invoices, international shipment notification, and export registration.
Export licenses	Yes.	New export operations should use the Single Export Declaration (Declaração Única de Exportação). The Single Export Declaration is based on the electronic receipt and comprises information of a commercial, administrative, customs, tax, and logistics nature that characterizes the export operation of the merchandise contained therein. It is basic document for the customs clearance and should therefore cover all the goods contained in an export consignment subject to this procedure. By now with the implementation of the Licensing, Permits, Certificates, and Other Export Documents (LPCO-Exportation) module of the Single Window, it is also possible to request to the government bodies the legal document necessary to the export through a single point on the Internet. The responsible agency will analyze the request within 30 days (Law No. 9.784, of 1999, Article 49). The inward process is regulated by Ordinance SECEX No. 44. As for financed exports, it is necessary to present the Operations Summary Form (Ficha de Resumo de Operações) directly to the National Development Bank so that the financing operation can be started. The LPCO will be created by the National Development Bank itself to ensure consistency between the Ficha de Resumo de Operações and the LPCO so as to mitigate a large reason for requesting rectification of the credit records. A number of products are subject to special export procedures, including exports subject export taxes, export licenses, or country-specific tariff quotas in certain markets under Brazil's international agreements. The Annex of Ordinance SECEX No. 52 lists the export procedures of goods under quotas, which are described on the Annex XVII of Ordinance SECEX No. 23. These include (1) certain types of beef to the EU under the "Hilton quota"; (2) poultry and poultry preparations to the EU subject to country-specific tariff quotas; (3) sugar and

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		confectionery products to the EU subject to export licenses; (4) milk to Colombia under the MERCOSUR quota; (5) cigarettes; (6) precious stones, which may be sold for foreign currency to nonresidents; (7) arms and ammunition subject to export tax and other restrictions; and (8) cars to Argentina, under the Economic Complementation Agreement – ACE No. 14. The exports procedures of cars to Colombia, under MERCOSUR/Colombia ACE No. 72, are described in the Ordinance SECEX No. 49. In accordance with UNSC resolutions, Brazil prohibits exports of weapons and military equipment to the Democratic Republic of the Congo, Iraq, the Democratic People's Republic of Korea, Libya, Sierra Leone, Somalia, and Sudan and of materials and technology that could lead to the development of nuclear weapons. Exports of some products are prohibited for reasons of environmental protection and compliance with international agreements (for example, Montreal Protocol) and UNSC resolutions. Some export operations are subject to control by government agencies, including the SECEX. Most operations that the SECEX examines have automatic approval through the SISCOMEX, under parameters of analysis in the system. Exports of certain goods require authorization from government agencies mainly for reasons of safety and environmental protection and compliance with international agreements.
Without quotas	Yes.	
With quotas	Yes.	Some products listed in SECEX Ordinance No. 72 of December 18, 2020, are subject to tariff quotas/licenses when exported to certain markets. There are export quotas for Europe and United Kingdom (poultry, beef – Hilton quota – and sugar), Colombia (milk and cars), Argentina (cars), and Paraguay (cars). There are also some export quotas for goods in MERCOSUR/Colombia and MERCOSUR/Israel Agreements (SACME – MERCOSUR Quota Management System). In the case of beef and poultry, the producers must be accredited by the Ministry of Agriculture, Livestock and Food Supply (Ministério da Agricultura, Pecuária e Abastecimento – MAPA) and accepted by the EU or United Kingdom as safe exporters to obtain a quota. Exports of milk (HS 0402) to Colombia must obtain a MERCOSUR quota authorization from the Subscretariat of Foreign Trade Operations (SUEXT) to benefit from the access conditions under the ACE.
Export taxes	Yes.	In general, exports are not subject to export tax. However, exports may be subject to taxation by executive action. Currently, only exports of cigarettes and guns are taxed.
Collected through the exchange system	No.	
Other export taxes	Yes.	Export duties apply to cigarettes to the Caribbean, Central America, and South America, 150%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Foreign exchange transactions are subject to the IOF general tax rate of 0.38%, which is levied and collected on the settlement date of the foreign exchange operation. An IOF of 5.38% is applied to foreign exchange transactions related to purchase of prepaid cards and traveler's checks and to payment transactions carried out through credit and debit cards.
Trade-related payments	Yes.	Foreign exchange transactions are subject to a 0.38% tax rate (IOF). The rate is 0 for transactions related to outflows of local revenues of international air transportation companies domiciled abroad.
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	Restrictions on payments of royalties were repealed by Law No. 14,286, of 2021. Provision of information to the BCB is declaratory and does not preclude payments.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	Foreign exchange transactions are subject to a 1.1% tax rate (IOF) on the acquisition of foreign currency in cash.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	Yes.	Foreign exchange transactions are subject to a 0.38% tax rate (IOF).
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	Yes.	Foreign exchange transactions are subject to a 0.38% tax rate (IOF).
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	An IOF of 5.38% is applied to foreign exchange transactions carried out by institutions part of cross-border Payment Schemes, as service providers of these Payment Schemes, for the payment of obligations because of operations abroad carried out by their clients in connection with expenditures abroad, including the situation where the resources are held in nonresident domestic currency account and ATM withdrawals abroad.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	An IOF of 5.38% is applied to foreign exchange transactions related to purchase of prepaid cards and traveler’s checks.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.

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Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Once the proceeds in foreign currency are repatriated (by own decision of the recipient of the foreign currency), regulation requires to sell these proceeds to ADs in return for local currency.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Once the proceeds in foreign currency are repatriated (by own decision of the recipient of the foreign currency), regulation requires to sell these proceeds to ADs in return for local currency.
Controls on capital and money market instruments	Yes.	Provision of information to the BCB is declaratory and does not represent controls on capital transactions.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Institutional nonresident investors must register with the CVM. Limitations apply to participation in certain economic activities. There are limits on participation in certain economic activities (media). Foreign participation in nuclear energy, hydraulic power generation, postal and telegraph services, education, and transportation of valuables is not allowed. Authorization is required for investment in (1) real estate in border areas and rural land, (2) fishing, (3) prospecting and extraction of mineral resources, (4) the hydrocarbon sector, (5) telecommunications, (6) courier services, (7) international road transportation, and (8) the financial sector. Natural persons are not required to be registered with CVM.
Sale or issue locally by nonresidents	Yes.	Other foreign securities may be sold through Brazilian Depositary Receipts (BDRs), which allow the placement of certificates representing these shares in the Brazilian market. The offering of the securities must be registered with the CVM. Commercial presence in Brazil is a requirement, except for sales through BDRs. Unsponsored BDRs do not need to be registered with the CVM.
Purchase abroad by residents	Yes.	Private investments are allowed. Investments abroad by institutional investors are subject to prudential rules (for instance, (1) in the case of mutual funds, set by the CVM; (2) for pension funds, stated by the National Superintendency of Complementary Pensions (Superintendência Nacional de Previdência Complementar – PREVIC); and regarding insurance companies and open-end private pension funds, according to the National Council of Private Insurance (Conselho Nacional de Seguros Privados – CNSP) and CMN rules).
Sale or issue abroad by residents	No.	The IOF is 0 on trades linked to overseas DRs issued by Brazilian companies.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Institutional nonresident investors must register with the CVM. The

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		IOF is 0 on nonresidents' fixed-income instruments. Nonetheless, other taxes apply. Natural persons are not required to be registered with CVM.
Sale or issue locally by nonresidents	Yes.	Other foreign debt securities may be sold through BDRs, which allow the placement of certificates representing these securities in the Brazilian market. The offering of the securities must be registered with the CVM. Commercial presence in Brazil is a requirement, except for sales through BDRs. Unsponsored BDRs do not need to be registered with the CVM.
Purchase abroad by residents	Yes.	Investments abroad by financial institutions, pension funds, mutual funds, and insurance companies are subject to prudential rules set by their regulators.
Sale or issue abroad by residents	Yes.	DRs of debt instruments are allowed. Public companies are required to notify the CVM. Foreign capital in the form of DRs must be registered with the BCB.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Institutional nonresident investors must register with the CVM. The IOF is 0 on nonresidents' fixed-income instruments. Natural persons are not required to be registered with CVM.
Sale or issue locally by nonresidents	Yes.	Commercial presence in Brazil is a requirement.
Purchase abroad by residents	Yes.	Investments abroad by financial institutions, pension funds, mutual funds, and insurance companies are subject to prudential rules set by their regulators.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresident investors must register with the CVM.
Sale or issue locally by nonresidents	Yes.	Exchange-traded funds (ETF) may be sold through BDRs, which allow the placement of certificates representing these securities in the Brazilian market. The offering of the securities must be registered with the CVM. Commercial presence in Brazil is a requirement, except for sales through BDRs. Unsponsored BDRs do not need to be registered with the CVM.
Purchase abroad by residents	Yes.	Investments abroad by financial institutions, pension funds, mutual funds, and insurance companies are subject to prudential rules set by their regulators.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	Foreign institutional investors must be registered with CVM (Resolution CVM 13). There is no mandatory derivative margin deposit for OTC derivatives transactions. For exchange traded derivatives (including OTC derivatives centrally cleared), there are initial and variation margins within the central clearing counterparty house (CCP).
Purchase locally by nonresidents	No.	Effective May 2, 2022, nonresidents may use borrowed securities for margin purposes in the derivatives market. Previously, the restriction which was implemented in 2010 at the wake of the global financial crisis intended to provide more effectiveness to the IOF on the placement of collateral. It prevented investors from borrowing assets to be used as collateral in derivative transactions, which would allow circumventing the IOF charge at the inflow of the resources to be used in the acquisition of securities. The resolution had forbidden the performance of operations of rental, trading, and lending of securities, assets, and financial asset gold by financial institutions on behalf of nonresident investors in derivative markets.

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Sale or issue locally by nonresidents	Yes.	Nonresidents may offer these instruments only through private placements. In the case of a public issuing, the entity must be previously registered with CVM.
Purchase abroad by residents	No.	The restriction where derivative transactions without an underlying operation were not allowed was lifted by Resolution CMN No. 4,948, of September 9, 2021, effective January 3, 2022. Previously, entities could engage in hedging operations with financial institutions or stock exchanges abroad to protect themselves against the risk of fluctuations in interest rates, exchange rates, and commodity prices.
Sale or issue abroad by residents	No.	The restriction where derivative transactions without an underlying operation were not allowed was lifted by Resolution CMN No. 4,948, of September 9, 2021, effective January 3, 2022. Previously, entities could engage in hedging operations with financial institutions or stock exchanges abroad to protect themselves against the risk of fluctuations in interest rates, exchange rates, and commodity prices.
Controls on credit operations	No.	Provision of information to the BCB is declaratory and does not represent controls on credit operations.
Commercial credits	No.	
By residents to nonresidents	No.	Effective December 31, 2022, financial institutions and other institutions authorized to operate by the BCB, considering their activities allowed by the legislation, may allocate, invest, and set aside the resources raised in the country and abroad for credits and financing operations, in the country and abroad. Previously, financial institutions were forbidden to remit abroad (apply or promote the placement, including lending – except for some official programs) funds pooled in Brazil. However, it was possible for banks to invest in: Brazilian government bonds issued abroad, foreign government bonds, securities issued by financial institutions, and time deposits in financial institutions. Banks could also use funds raised abroad to provide credit to Brazilian companies abroad, its branches or foreign companies with majority of Brazilian capital. Residents could not use export proceeds kept abroad for lending to nonresidents.
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	Effective December 31, 2022, financial institutions and other institutions authorized to operate by the BCB, considering their activities allowed by the legislation, may allocate, invest, and set aside the resources raised in the country and abroad for credits and financing operations, in the country and abroad. Previously, financial institutions were forbidden to remit abroad (apply or promote the placement, including lending – except for some official programs) funds pooled in Brazil. However, it was possible for banks to invest in: Brazilian government bonds issued abroad, foreign government bonds, securities issued by financial institutions, and time deposits in financial institutions. Banks could also use funds raised abroad to provide credit to Brazilian companies abroad, its branches or foreign companies with majority of Brazilian capital. Residents could not use export proceeds kept abroad for lending to nonresidents.
To residents from nonresidents	No.	All external loans are subject to IOF rate of 0% effective March 18, 2022. Previously, external loans with maturity less than 180 days as well as external loans with an initial term of more than 180 days but repaid within a 180-day period were subject to a 6% IOF rate.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Investment abroad by financial institutions, pension funds, mutual funds, and insurance companies is subject to prudential rules set by their regulators. CNSP Resolution No. 432/2021 allows supervised entities to invest in foreign companies such as insurance, "capitalization," and open pension and reinsurance companies only as permanent investment and if approved by the Superintendence of Private Insurance (Superintendência de Seguros Privados). The installation of bank branches, and corporate participation, directly or indirectly, in financial institutions or similar companies abroad, depend on prior authorization from the BCB and are subject to compliance with specific conditions by the participating institution.
Inward direct investment	Yes.	FDI is subject to the 0.38% IOF. There are limits on participation in certain economic activities (media). FDI in nuclear energy, hydraulic power generation, postal and telegraph services, education, and transportation of valuables is not allowed. Authorization is required for investment in (1) real estate in border areas and rural land, (2) fishing, (3) prospecting and extraction of mineral resources, (4) the hydrocarbon sector, (5) telecommunications, (6) courier services, (7) international road transportation, and (8) the financial sector. Law No. 13,097 allows FDI, including control, in the Brazilian healthcare sector.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	There are limits on rural land ownership by nonresidents (25% of each municipality and in border areas). BCB registration is only required for transactions when the real estate purchased by the nonresident will be part of the paid-in capital of a company in Brazil.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Foreign exchange transactions are subject to the IOF general tax rate of 0.38%, which is levied and collected on the settlement date of the foreign exchange operation. An IOF of 5.38% is applied to foreign exchange transactions related to the purchase of prepaid cards and traveler's checks, and to payments carried out through credit and debit cards.
Borrowing abroad	No.	All external loans are subject to 0% IOF rate effective March 18, 2022. Previously, external loans with maturity less than 180 days as well as external loans with an initial term of more than 180 days but repaid within a 180-day period were subject to a 6% IOF rate.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	Effective December 31, 2022, financial institutions and other institutions authorized to operate by the BCB, considering their activities allowed by the legislation, may allocate, invest, and set aside the resources raised in the country and abroad for credits and financing operations, in the country and abroad. Previously, financial institutions were forbidden to remit abroad (apply or promote the placement, including lending – except for some official programs) funds pooled in Brazil. However, it was possible for banks to invest in: Brazilian government bonds issued abroad, foreign government bonds, securities issued by financial institutions, and time deposits in financial institutions. Banks could also use funds raised abroad to provide credit to Brazilian companies abroad, its branches or foreign companies with majority of Brazilian capital. Residents could not use export proceeds kept abroad for lending to nonresidents.
Lending locally in foreign exchange	Yes.	All domestic payments stipulated in or pegged to gold or a foreign currency are null and void. Exceptions apply: for example, contracts and titles relating to imports and exports; financing or guarantee contracts related to export of goods and services; purchase and sale of foreign exchange; loans and other obligations whose creditor or debtor is a resident and domiciled abroad, except for leases of real estate located in the Brazilian territory; contracts for assignment, transfer, delegation, assumption, or modification of the obligations referred to in the previous item; contracts entered into by exporters where the counterparty is a concessionaire, permittee, authorized party, or lessee in the infrastructure sectors, indirect exports (pursuant to Law No. 9,529 of 1997).
Purchase of locally issued securities denominated in foreign exchange	Yes.	All domestic payments stipulated in or pegged to gold or a foreign currency are null and void (exceptions apply: for example, contracts and titles relating to imports and exports; financing or guarantee contracts related to export of goods and services; purchase and sale of foreign exchange; loans and other obligations whose creditor or debtor is a resident and domiciled abroad, except for leases of real estate located in the Brazilian territory; contracts for assignment, transfer, delegation, assumption, or modification of the obligations referred to in the previous item; contracts entered into by exporters where the counterparty is a concessionaire, permittee, authorized party, or lessee in the infrastructure sectors, indirect exports (pursuant to Law No. 9,529 of 1997)); locally issued securities may not be denominated in foreign currencies.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	There is no reserve requirement on foreign currency deposits. Demand, time, and savings deposits in reais are subject to reserve requirements of 21%, 20%, and 20%, respectively.

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Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	
Investment regulations	Yes.	
Abroad by banks	Yes.	The installation of branches, and corporate participation, directly or indirectly, in financial institutions or similar companies abroad, depend on prior authorization from the BCB and are subject to compliance with specific conditions by the participating institution.
In banks by nonresidents	No.	Presidential Decree No. 10,029 delegated to the BCB the authority to recognize the interest of the Brazilian government on the foreign participation in financial institutions, under no discriminatory procedure. Pursuant to Circular No. 3,977, of January 22, 2020, the BCB recognized, as of interest to the Brazilian Government, the participation in the capital of financial institutions headquartered in Brazil by natural or legal persons resident or domiciled abroad.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	A limit of 30% of a financial institution's capital base applies to its exposure in gold and assets and liabilities denominated in foreign currency. Calculation of exposure takes into account (1) the net value of short and long positions and (2) 70% of the minimum value between total short and long positions in each currency.
On nonresident assets and liabilities	Yes.	A limit of 30% of a financial institution's capital base applies to its exposure in gold and assets and liabilities denominated in foreign currency. Calculation of exposure takes into account (1) the net value of short and long positions and (2) 70% of the minimum value between total short and long positions in each currency.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Resolution CMN No. 4.993 of March 24, 2022, provides rules governing the investment of technical reserves, provisions and funds of insurance companies, capitalization companies, open private pension entities, local reinsurers, admitted reinsurers (on the application of the resources required in the country to guarantee their obligations) and the portfolio of Individual Programmed Retirement Funds. Resolution CNSP No. 432 of November 12, 2021, provides rules governing investments that exceed technical provisions.
Limits (max.) on securities issued by nonresidents	Yes.	Insurers are allowed to directly invest their technical provisions in the following financial assets issued by nonresidents: securities issued by central governments of foreign jurisdictions and their central banks (provided the external risk rating of the issue, conferred by a credit risk rating agency registered or recognized in Brazil by CVM, is equal to or higher than AA- or equivalent), fixed-term deposits and certificates of deposit issued or unconditionally guaranteed by financial institutions, and BDRs.

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		Application limits depend on the type of provisions being guaranteed by such assets. Indirect investment (through Brazilian investment funds) in other types of assets issued by nonresidents is subject to prudential limits set by regulation. Effective January 3, 2022, the restriction where derivative transactions without an underlying operation were not allowed was lifted by Resolution CMN No. 4,948, of September 9, 2021. Previously, entities could engage in hedging operations with financial institutions or stock exchanges abroad to protect themselves against the risk of fluctuations in interest rates, exchange rates, and commodity prices.
Limits (max.) on investment portfolio held abroad	Yes.	Insurers are allowed to directly invest their technical provisions in the following financial assets held abroad: securities issued by central governments of foreign jurisdictions and their central banks (provided the external risk rating of the issue, conferred by a credit risk rating agency registered or recognized in Brazil by CVM, is equal to or higher than AA- or equivalent), Brazilian sovereign bonds issued abroad (Eurobonds, Global Bonds, and A-bonds), corporate bonds of Brazilian companies issued abroad, and certificates of deposit issued or unconditionally guaranteed by financial institutions and BDRs. Application limits depend on the type of provisions being guaranteed by such assets. Indirect investment (through Brazilian investment funds) in other types of assets held abroad is subject to prudential limits set by regulation.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	These apply only to technical provision liabilities. Investment limits for assets subject to foreign exchange exposure are looser for technical provisions on foreign currencies.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investments abroad may not exceed 10%, including BDRs. The only type of financial assets issued by nonresidents for open-end private pension funds whose investment is permitted are fixed-term deposits and certificates of deposit issued or unconditionally guaranteed by financial institutions, and BDRs. Application limits depend on the type of provisions being guaranteed by such assets. Investments in Brazil are subject to some limits under the Law, which establishes the maximum technical provisions that may be invested in federal bonds, stocks (per type), and so forth. Assets that exceed the technical provisions are subject to a liquidity requirement (at least 20% of the risk capital in highly liquid assets). Effective January 3, 2022, the restriction where derivative transactions without an underlying operation were not allowed was lifted by Resolution CMN No. 4,948, of September 9, 2021. Previously, entities could engage in hedging operations with financial institutions or stock exchanges abroad to protect themselves against the risk of fluctuations in interest rates, exchange rates, and commodity prices.
Limits (max.) on investment portfolio held abroad	Yes.	Investments abroad may not exceed 10%, including BDRs. Open-end private pension funds may invest their technical provisions in accordance with the legislation, as follows: (1) in Brazilian sovereign bonds issued abroad (Eurobonds, Global Bonds, A-bonds); (2) corporate bonds of Brazilian companies issued abroad; (3) in certificates of deposit issued or unconditionally guaranteed by financial institutions; and (4) in BDRs. Application limits depend on the type of provisions being guaranteed.

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Limits (min.) on investment portfolio held locally	No.	The minimum portfolio investment held locally is 90%.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pursuant to CVM Instruction No. 555/14 of December 17, 2014, investment funds may invest up to 20% of their net worth in offshore financial assets. There is no such limit for funds (1) classified as "fixed income–foreign debt"; (2) targeted at "professional investors," provided they are designated as an "offshore investment"; and (3) targeted at "qualified investors," provided, among other requirements, the bylaws of the funds established that at least 67% of the net worth is to be composed of offshore financial assets and have detailed information about the assets the fund intends to acquire. For the other funds targeted at "qualified investors" not referred to above, the limit on offshore investments is 40%. "Professional investors" are those owning financial investments greater than R$10 million. "Qualified investors" are those owning financial investments greater than R$1 million. Level II and III BDRs are considered investment in Brazil, and Level I BDR is considered investment abroad. Brazilian Private Equity Funds, as per CVM Instruction No. 578/16, are allowed to invest abroad up to 20% of their net worth. If the fund is targeted at professional investors (more than R$10,000,000 in financial assets), no limits apply.
Limits (max.) on investment portfolio held abroad	Yes.	Pursuant to CVM Instruction No. 555/14 of December 17, 2014, investment funds may invest up to 20% of their net worth in offshore financial assets. There is no such limit for funds (1) classified as "fixed income–foreign debt"; (2) targeted at "professional investors," provided they are designated as an "offshore investment"; and (3) targeted at "qualified investors," provided, among other requirements, the bylaws of the funds established that at least 67% of the net worth is to be composed of offshore financial assets and have detailed information about the assets the fund intends to acquire. For the other funds targeted at "qualified investors" not referred to above, the limit on offshore investments is 40%. "Professional investors" are those owning financial investments greater than R$10 million. "Qualified investors" are those owning financial investments greater than R$1 million. Level II and III BDRs are considered investment in Brazil, and Level I BDR is considered investment abroad. Brazilian Private Equity Funds, as per CVM Instruction No. 578/16, are allowed to investment abroad up to 20% of their net worth. If the fund is targeted at professional investors (more than R$10,000,000 in financial assets), no limits apply.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail	n.r.	

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and/or wholesale		
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	Yes.	Although there is no specific regulation regarding central bank digital currencies from other jurisdictions, they are currently viewed as foreign currency.
Acquisition by residents	Yes.	Foreign exchange transactions are subject to the IOF general tax rate of 0.38%, which is levied and collected on the settlement date of the foreign exchange operation.
Use among residents	Yes.	Although there is no specific regulation regarding central bank digital currencies from other jurisdictions, they are currently viewed as foreign currency. All domestic payments stipulated in or pegged to gold or a foreign currency are null and void. Exceptions apply to, for example, contracts and titles relating to imports and exports; financing or guarantee contracts related to export of goods and services; purchase and sale of foreign exchange; loans and other obligations whose creditor or debtor is a resident and domiciled abroad, except for leases of real estate located in the Brazilian territory; contracts for assignment, transfer, delegation, assumption, or modification of the obligations referred to in the previous item; contracts entered into by exporters where the counterparty is a concessionaire, permittee, authorized party, or lessee in the infrastructure sectors, indirect exports.
Between residents and nonresidents	Yes.	Foreign exchange transactions are subject to the IOF general tax rate of 0.38%, which is levied and collected on the settlement date of the foreign exchange operation.
For current transaction	Yes.	Foreign exchange transactions are subject to the IOF general tax rate of 0.38%, which is levied and collected on the settlement date of the foreign exchange operation.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Foreign exchange transactions are subject to the IOF general tax rate of 0.38%, which is levied and collected on the settlement date of the foreign exchange operation.
Transactions in derivatives and other instruments	Yes.	Foreign exchange transactions are subject to the IOF general tax rate of 0.38%, which is levied and collected on the settlement date of the foreign exchange operation.
Credit operations	Yes.	Foreign exchange transactions are subject to the IOF general tax rate of 0.38%, which is levied and collected on the settlement date of the

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		foreign exchange operation.
Crypto assets	Yes.	AML/CFT regulations apply. Regulations on virtual assets and virtual asset service providers are under development.
Controls on unbacked tokens	Yes.	
Acquisition by residents	Yes.	Resolution CMN No. 4.993 of March 24, 2022, effective May 2, 2022, provides rules governing the investment of technical reserves, provisions and funds of insurance companies, capitalization companies, open private pension entities, local reinsurers, admitted reinsurers (on the application of the resources required in the country to guarantee their obligations), and the portfolio of Individual Programmed Retirement Funds. Technical provisions cannot be directly invested in crypto assets, although indirect investment (through Brazilian investment funds) is possible, subject to prudential limits.
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	Yes.	In accordance with Law No. 14.478 of 2022, the regulation of security tokens is under the jurisdiction of Comissão de Valores Mobiliários (CVM, the Brazilian Securities and Exchange Commission).
Acquisition by residents	Yes.	Resolution CMN No. 4.993 of March 24, 2022, effective May 2, 2022, provides rules governing the investment of technical reserves, provisions and funds of insurance companies, capitalization companies, open private pension entities, local reinsurers, admitted reinsurers (on the application of the resources required in the country to guarantee their obligations), and the portfolio of Individual Programmed Retirement Funds. Technical provisions cannot be directly invested in crypto assets, although indirect investment (through Brazilian investment funds) is possible, subject to prudential limits.
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents		

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	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	Law No. 14.478 of December 21, 2022, effective June 19, 2023, introduced guidelines for virtual asset services and the regulation of virtual asset services providers. In Article 5, a virtual asset service provider is defined as a legal entity that performs at least one of the following virtual asset services on behalf of third parties: exchange between virtual assets and fiat currencies, exchange between one or more forms of virtual assets, transfer of virtual assets, custody or administration of virtual assets or instruments which enable control of virtual assets, participation in financial services, or provision of any services related to an issuer's offering or sale of virtual assets. Effective June 13, 2023, Decree No. 11.563 appoints the BCB as the body responsible for regulating virtual asset services and for regulating, authorizing, and supervising virtual asset services providers. The regulation is under development.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Exchange tax	*03/18/2022*	External loans with maturity less than 180 days are subject to 0% tax on financial transactions (IOF) rate. Previously, external loans with maturity less than 180 days as well as external loans with an initial term of more than 180 days but repaid within a 180-day period were subject to a 6% IOF rate.
	01/02/2023	The tax on financial transactions general tax rate was reduced to 5.38% from 6.38%.
Foreign exchange market		
Spot exchange market	*07/01/2023*	Payment institutions may be authorized by the Central Bank of Brazil to operate in the foreign exchange market to perform operations up to US$100,000 with clients and operations in the interbank market.
Forward exchange market	*12/31/2022*	Foreign exchange operations with clients may have a future settlement date, with a term up to 1,500 days, except for the operations where the foreign currency is delivered in cash/traveler's checks or where it is credited/withdrawn via cards or other electronic payment means of international use. Previously, foreign exchange operations related to import and financial transactions had to be settled within 360 days, while those related to export or National Treasury transactions had to be settled within 1,500 days.

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Arrangements for Payments and Receipts

Controls on exports and imports of banknotes

On exports

Domestic currency	*12/31/2022*	The declaration threshold was changed to US$10,000 from R$10,000.
Foreign currency	*12/31/2022*	The declaration threshold was changed to US$10,000 from R$10,000.

On imports

Domestic currency	*12/31/2022*	The declaration threshold was changed to US$10,000 from R$10,000.
Foreign currency	*12/31/2022*	The declaration threshold was changed to US$10,000 from R$10,000.

Nonresident Accounts

Domestic currency accounts

Convertible into foreign currency	*12/31/2022*	Nonresident account holders may use these accounts to remit abroad resources on behalf of a third party, but only in the case where the holder of the account is a nonresident institution under financial regulation and supervision in its country of origin – thus, the use of such accounts is free to both receive or remit resources on behalf of a third party. Previously, the use of such accounts held by nonresident banks to perform international transfers on behalf of a third party was allowed for inbound transfers only.

Imports and Import Payments

Financing requirements for imports

Advance payment requirements	*12/31/2022*	The restriction that payment of import financing operations with a maturity of more than 360 days could not be transferred prior to the arrival of the good or to the rendering of the service and the requirement for external financing of imports for periods of more than 360 days to be registered with the Central Bank of Brazil were removed.

Capital Transactions

Controls on capital transactions

Controls on derivatives and other instruments

Purchase locally by nonresidents	*05/02/2022*	Nonresidents may use borrowed securities for margin purposes in the derivatives market. Previously, the restriction which was implemented in 2010 at the wake of the global financial crisis intended to provide more effectiveness to the tax on financial transactions (IOF) on the placement of collateral. It prevented investors from borrowing assets to be used as collateral in derivative transactions, which would allow circumventing the IOF charge at the inflow of the resources to be used in the acquisition of securities. The resolution had forbidden the performance of operations of rental, trading, and lending of securities, assets and financial asset gold by financial institutions on behalf of nonresident investors in derivative markets.
Purchase abroad by residents	*01/03/2022*	The restriction where derivative transactions without an underlying operation were not allowed was lifted by Resolution CMN No. 4,948, of September 9, 2021. Previously, entities could engage in hedging operations with financial institutions or stock exchanges abroad to protect themselves against the risk of fluctuations in interest rates, exchange rates, and commodity prices.

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Sale or issue abroad by residents	*01/03/2022*	The restriction where derivative transactions without an underlying operation were not allowed was lifted by Resolution CMN No. 4,948, of September 9, 2021. Previously, entities could engage in hedging operations with financial institutions or stock exchanges abroad to protect themselves against the risk of fluctuations in interest rates, exchange rates, and commodity prices.
Controls on credit operations		
Commercial credits		
By residents to nonresidents	*12/31/2022*	Financial institutions and other institutions authorized to operate by the Central Bank of Brazil, considering their activities allowed by the legislation, may allocate, invest, and set aside the resources raised in the country and abroad for credits and financing operations, in the country and abroad. Previously, financial institutions were forbidden to remit abroad (apply or promote the placement, including lending – except for some official programs) funds pooled in Brazil. However, it was possible for banks to invest in: Brazilian government bonds issued abroad, foreign government bonds, securities issued by financial institutions, and time deposits in financial institutions. Banks could also use funds raised abroad to provide credit to Brazilian companies abroad, its branches or foreign companies with majority of Brazilian capital. Residents could not use export proceeds kept abroad for lending to nonresidents.
Financial credits		
By residents to nonresidents	*12/31/2022*	Financial institutions and other institutions authorized to operate by the Central Bank of Brazil, considering their activities allowed by the legislation, may allocate, invest, and set aside the resources raised in the country and abroad for credits and financing operations, in the country and abroad. Previously, financial institutions were forbidden to remit abroad (apply or promote the placement, including lending – except for some official programs) funds pooled in Brazil. However, it was possible for banks to invest in: Brazilian government bonds issued abroad, foreign government bonds, securities issued by financial institutions, and time deposits in financial institutions. Banks could also use funds raised abroad to provide credit to Brazilian companies abroad, its branches or foreign companies with majority of Brazilian capital. Residents could not use export proceeds kept abroad for lending to nonresidents.
To residents from nonresidents	*03/18/2022*	External loans with maturity less than 180 days are subject to 0% tax on financial transactions (IOF) rate. Previously, external loans with maturity less than 180 days as well as external loans with an initial term of more than 180 days but repaid within a 180-day period were subject to a 6% IOF rate.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Borrowing abroad	*03/18/2022*	External loans with maturity less than 180 days are subject to 0% tax on financial transactions (IOF) rate. Previously, external loans with maturity less than 180 days as well as external loans with an initial term of more than 180 days but repaid within a 180-day period were subject to a 6% IOF rate.
Lending to nonresidents (financial or commercial credits)	*12/31/2022*	Financial institutions and other institutions authorized to operate by the Central Bank of Brazil, considering their activities allowed by the legislation, may allocate, invest, and set aside the resources raised in the country and abroad for credits and financing operations, in the country and abroad. Previously, financial institutions were forbidden to remit abroad (apply or promote the placement, including lending –

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		except for some official programs) funds pooled in Brazil. However, it was possible for banks to invest in: Brazilian government bonds issued abroad, foreign government bonds, securities issued by financial institutions, and time deposits in financial institutions. Banks could also use funds raised abroad to provide credit to Brazilian companies abroad, its branches or foreign companies with majority of Brazilian capital. Residents could not use export proceeds kept abroad for lending to nonresidents.
Provisions specific to institutional investors		
Insurance companies		
Limits (max.) on securities issued by nonresidents	*01/03/2022*	The restriction where derivative transactions without an underlying operation were not allowed was lifted by Resolution CMN No. 4,948, of September 9, 2021. Previously, entities could engage in hedging operations with financial institutions or stock exchanges abroad to protect themselves against the risk of fluctuations in interest rates, exchange rates, and commodity prices.
Pension funds		
Limits (max.) on securities issued by nonresidents	*01/03/2022*	The restriction where derivative transactions without an underlying operation were not allowed was lifted by Resolution CMN No. 4,948, of September 9, 2021. Previously, entities could engage in hedging operations with financial institutions or stock exchanges abroad to protect themselves against the risk of fluctuations in interest rates, exchange rates, and commodity prices.

Digital Currencies and Crypto Assets

Crypto assets		
Controls on unbacked tokens		
Acquisition by residents	*05/02/2022*	Resolution CMN No. 4.993 of March 24, 2022, provides rules governing the investment of technical reserves, provisions and funds of insurance companies, capitalization companies, open private pension entities, local reinsurers, admitted reinsurers (on the application of the resources required in the country to guarantee their obligations), and the portfolio of Individual Programmed Retirement Funds. Technical provisions cannot be directly invested in crypto assets, although indirect investment (through Brazilian investment funds) is possible, subject to prudential limits.
Controls on utility and security tokens		
Acquisition by residents	*05/02/2022*	Resolution CMN No. 4.993 of March 24, 2022, provides rules governing the investment of technical reserves, provisions and funds of insurance companies, capitalization companies, open private pension entities, local reinsurers, admitted reinsurers (on the application of the resources required in the country to guarantee their obligations), and the portfolio of Individual Programmed Retirement Funds. Technical provisions cannot be directly invested in crypto assets, although indirect investment (through Brazilian investment funds) is possible, subject to prudential limits.
Controls on crypto exchanges and trading platforms		
Domestic exchanges	*06/13/2023*	Decree No. 11.563 appoints the Central Bank of Brazil as the body responsible for regulating virtual asset services and for regulating, authorizing, and supervising virtual asset services providers.
	06/19/2023	Law No. 14.478 of December 21, 2022, introduced guidelines for virtual asset services and the regulation of virtual asset services providers. In Article 5, a virtual asset service provider is defined as a legal entity that performs at least one of the following virtual asset

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services on behalf of third parties: exchange between virtual assets and fiat currencies, exchange between one or more forms of virtual assets, transfer of virtual assets, custody or administration of virtual assets or instruments which enable control of virtual assets, participation in financial services, or provision of any services related to an issuer’s offering or sale of virtual assets.

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BRUNEI DARUSSALAM

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		October 10, 1995.
Article VIII	Yes.	Date of acceptance: October 10, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	The Anti-Terrorism (Terrorism Financing) Regulations, 2013, implement obligations under relevant UNSC Resolutions to freeze the property of terrorists, terrorist groups, and persons acting on behalf of terrorists. Regulation No. 3 prohibits provision or collection of property with the intention that it will be used by a designated person. Regulation No. 4 generally prohibits any dealing in any property of designated persons, including making property, financial services, or other related services available for designated persons.

Exchange Arrangement

Currency	Yes.	The currency of Brunei Darussalam is the Brunei dollar.
Other legal tender	No.	The Singapore dollar also circulates as customary tender.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The exchange rate arrangement is a currency board. The Brunei Darussalam Central Bank (BDCB) issues Brunei dollars and manages the Currency Fund, which is used to back up the currency in circulation. Under the Currency Interchangeability Agreement (CIA), signed in 1967, which remains in effect between the BDCB and the Monetary Authority of Singapore, the monetary authorities agree to the mutual exchange of their currency at par without charge. The monetary authorities and banks must accept each other's currency at par, and the currencies are customary tender in both countries. Excess currency is repatriated regularly, with the cost borne by the currency-issuing authority. The BDCB must ensure that reserves in

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		the Currency Fund cover at least 100% of the currency in circulation as required under the Currency Order, 2004, as amended by the Currency and Monetary (Amendment) Order, 2010. The BDCB publishes data on the reserves used to cover the currency in circulation in its annual report.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Brunei dollar exchange rate is pegged at S$1 per Brunei dollar. This rate applies to CB transactions and is used for accounting and valuation purposes. Given the peg to the Singapore dollar, the Brunei dollar exchange rate in relation to other currency follows closely that of the Singapore dollar. The BDCB administers the CIA between Brunei Darussalam and Singapore on behalf of the Brunei government.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite		
Other	Yes.	The monetary policy framework is a currency board agreement with an exchange rate anchor vis-à-vis the Singapore dollar, which is at par with the Brunei dollar under the CIA.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		

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Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The Brunei Association of Banks provides indicative daily buying and selling rates to its members for transfers/remittances in 15 other currencies on the basis of the interbank quotes for these foreign currencies against Singapore dollars. Customers are encouraged to liaise with their respective banks for competitive rates should they want to deal in this foreign exchange as rates fluctuate from time to time.
Spot exchange market	Yes.	As of December 31, 2022, there were 7 banks (6 conventional and 1 Islamic), 18 remittance companies, and 24 money changers that were authorized to conduct foreign exchange transactions (including four hotels with conditional license). Money-changing businesses: do not conduct foreign exchange transactions directly with the CB; do not maintain accounts abroad; are limited to the purchase and sale of banknotes; and are not allowed to make foreign currency payments and transfers on behalf of their clients.

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		As for remittance businesses, foreign exchange transactions are not conducted directly with the CB. Remittance business can maintain accounts abroad. Remittance business operations are mainly focused on transmitting funds abroad. The purchase and sale of banknotes are not part of their operations.
Operated by the central bank	Yes.	The BDCB does not control or direct any foreign exchange activity with banks, except for the Singapore dollar activity.
Foreign exchange standing facility	Yes.	The BDCB stands ready to buy and sell Singapore dollars for Brunei dollars at the official rate without a bid-ask spread or commission. The BDCB deals only in Singapore dollars and does not quote rates for other currency. The BDCB deals directly with the government.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The foreign exchange market is an interbank market between the licensed banks operating in Brunei Darussalam. All licensed banks are foreign exchange ADs by virtue of their banking license. The BDCB does not intervene directly in interbank foreign exchange operations; however, it monitors banks' foreign exchange positions. Banks have their own internal policies on foreign currencies' exposure. There are 7 licensed banks.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	There is no forward market for foreign exchange in Brunei Darussalam. However, as a result of the CIA, foreign exchange risk may be hedged in Singapore dollars through the use of facilities available in Singapore, including (1) foreign currency futures and options traded on the Singapore International Monetary Exchange, (2) OTC forward transactions arranged by banks in Singapore, and (3) transactions on the short-term foreign exchange swap market of banks in the Singapore money market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	There are no limitations on the use of domestic currency in international payments for current or capital transactions or the use of foreign currency in transactions between residents.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	

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Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	There have been no formal exchange controls since the repeal of the Exchange Control Act in 2000.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	Following the repeal of the Exchange Control Act, dealings in gold are not controlled or restricted.
On external trade	Yes.	Importation of gold bars and gold jewelry is subject to duties of 15%.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be transferred abroad freely, but banks in Brunei charge remittance fees for such transfers.
Approval required	No.	
Held abroad	Yes.	Balances may be transferred abroad freely, but banks in Brunei may charge remittance fees for such transfers.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents may hold accounts abroad in domestic currency.
Accounts in domestic currency convertible into foreign currency	Yes.	The BDCB does not impose any controls or restrictions on this.

Nonresident Accounts

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Foreign exchange accounts permitted	Yes.	There is no distinction between accounts of residents and those of nonresidents. Balances may be freely transferred abroad.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Balances may be freely converted to foreign currency and transferred abroad.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	Financing requirements are set by the banks involved in the import transactions. Imports are subject to the payment of customs and excise duties.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	Yes.	Temporary imports of dutiable goods for trade samples, demonstration, and exhibition (not for sale) are subject to the payment of a deposit at least equivalent to the amount of duty. Temporary imports of dutiable goods for projects are subject to customs duty on a lease basis.
Documentation requirements for release of foreign exchange for imports	Yes.	Documentation requirements for import transactions are set by the banks involved.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	LCs are used as evidence that the value of the goods conforms to WTO valuation rules.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	
Negative list	Yes.	Importation of certain goods is restricted for environmental, health, safety, security, customs, biosecurity, disease transfer, invasive alien species (IAS), or religious reasons. Restricted goods include food items (such as fresh or processed fish, meat, vegetables and fruits, and mineral water); live animals, fishes and plants; and chemicals, drugs, and ammunition. Importation of restricted goods is subject to import licenses and permits.
Open general licenses	Yes.	The importation of certain goods is subject to licensing by the relevant authorities in accordance with established guidelines and procedures.
Licenses with quotas	Yes.	Importation of some restricted goods, such as fresh meat, precursor chemicals, and used vehicles, is subject to quotas.
Other nontariff measures	Yes.	The following are subjected to nontariff measures: Cement, sand, stones, bricks, mineral water, live animals, fishes and plants, fresh or processed fish, meat, vegetables and fruits and their products must

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		comply with relevant laws and regulations—for example, Chapter 43 of the Agricultural Pests and Noxious Plants Act; Veterinary Surgeons Order 2005; Wholesome Meat Order 2011, Chapter 47 of the Quarantine and Prevention of Disease Act; Sections 91 and 92 of the Quarantine and Prevention of Disease (Animals) Regulations; Fisheries Order, 2009; Chapter 183 of the Halal Meat Act; Halal Certificate and Halal Label Order 2005; the Public Health (Food) Act of 1998; and the Public Health (Food) Regulations of 2000, as well as with measures under international conventions—for example, the International Plant Protection Convention, Codex Alimentarius Commission, World Organization for Animal Health (OIE), and CITES.
Import taxes and/or tariffs	Yes.	A 92.51% of the total tariff lines are nondutiable effective May 17, 2023 (previously 95.71%). This includes items such as basic foodstuffs, clothing (except leather), educational material, and some construction material. Some other goods are levied with import duty rates of 2.5% and 15% (previously 5% and 10%). Some are levied with specific rates, such as B$0.11/kg depending on the types of goods. The basic tax structure consists of 92.41% ad valorem rate (previously 99.46%) and 7.59% (previously 0.54%) specific rate. Previously, 37.95% of nondutiable items were subject to excise duties. Such items included vehicles, sugary beverages, alcoholic beverages, tobacco products, and machineries.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	Financing requirements may be set by commercial banks.
Documentation requirements	No.	Documentation requirements may be set by commercial banks.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Restricted goods, such as scrap metal, explosives and ammunition, require an export license or permit.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	

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Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The amount may not exceed the approved credit card limit. No other controls apply.
Indicative limits/bona fide test	Yes.	The amount may not exceed the approved credit card limit. No other controls apply.
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.

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Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Full foreign ownership, majority foreign ownership, and minority foreign ownership are permitted, based on the type of industry and the individual case. Only activities related to national food security and those involving local resources require domestic participation. Industries that serve the local market that do not involve national food security and industries that export their products may be fully foreign owned. Joint ventures with local companies are encouraged. If a company has two directors, at least one must ordinarily be a resident. If there are more than two directors, at least two must be residents.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Foreign nationals/residents/investors may purchase stratified property subject to the Land Code Chapter 40 and Strata Title Act 1999, Cap. 189.
Sale locally by nonresidents	No.	

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Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Under the provisions of the Common Gambling Houses Act (Chapter 28), these transfers are under the jurisdiction of the Royal Brunei Police Force.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	All prudential regulations to the banking sector and finance companies are issued through notices pursuant to the following legislations: Banking Order of 2006, Islamic Banking Order of 2008, and Finance Companies Act (Cap 89). Other credit institutions, such as moneylenders or pawnbrokers, are governed under its respective legislations: Pawnbrokers Order 2002 and Moneylenders Act (Chapter 62).
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	Section 37 of the Banking Order of 2006 and the Islamic Banking Order of 2008 prohibit banks from acquiring or holding share capital—or otherwise having an interest—in a financial, commercial, agricultural, industrial, or other type of company that in the aggregate exceeds 10%, or any other percentage the authorities set, of the bank's capital funds. Section 38 of the Banking Order of 2006 does not allow banks to acquire or hold more than 20% of the capital of any other company without prior approval by BDCB.
Abroad by banks	Yes.	Section 37 of the Banking Order of 2006 and the Islamic Banking Order of 2008 prohibit banks from acquiring or holding share capital—or otherwise having an interest—in a financial, commercial, agricultural, industrial, or other type of company that in the aggregate exceeds 10%, or any other percentage the authorities set, of the bank's capital funds. This limit applies to both domestic and foreign equity holdings. Section 38 of the Banking Order of 2006 does not allow banks to acquire or hold more than 20% of the capital of any other company without prior approval by BDCB.
In banks by nonresidents	Yes.	Sections 14 of the Banking Order of 2006 and Islamic Banking Order of 2008 require prior approval by BDCB for any person to be an indirect (10%, 20%, and 33%) or majority controller in any bank incorporated in Brunei. The approval applies to both residents and nonresidents.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	All prudential regulations to the insurance companies and takaful operators are issued through notices pursuant to the following legislations: Insurance Order, 2006, and Takaful Order, 2008.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	The total value of approved foreign-currency-denominated assets of each insurance fund recognized by a reputable investment-credit-rating agency is limited to 20%. Foreign life insurance companies are exempt.
Limits (min.) on investment portfolio held locally	Yes.	The following limits apply: (1) 40% for the combined total of investment in fully paid-up common shares of a company with a rating by a reputable international credit-rating agency of AAA, AA, A, or not less than B; (2) 15% for quoted shares in any one company as indicated in (1); (3) 10% for units in any single unit trust; (4) 25% for debentures (fully secured); and (5) 25% for total investment in immovable property. Foreign life insurance companies are exempt from (1).
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	These are subject to internal regulations and guidelines.
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	Investment firms and collective investment funds are regulated by BDCB under the Securities Markets Order, 2013, and the Securities Markets Regulations, 2015 ("SMR"). Chapter XIII (Public Collective Investment Scheme), Division III (Investment and Borrowing Powers), states certain limitations. For example, Regulation No. 165(1)(c), SMR states that other collective investment schemes may not have more than 20% of their value in the units of collective investment schemes. Regulation No. 166, SMR states that the total exposure of a public collective investment scheme to derivatives may not exceed the net asset value of the public collective investment scheme property. Regarding stock lending and borrowing, Regulation No. 167(2), SMR requires that the operator of a public investment scheme ensures that the value of any collateral for the stock lending arrangement is at all times at least equal to the value of the securities transferred. Regarding borrowing restrictions, Regulation No. 168(2), SMR states that the operator of a public collective investment scheme must ensure, except in the case of a property collective investment scheme, that the public collective investment scheme's borrowing does not, on any day, exceed 20% of the net asset value of the public collective investment scheme property and must take reasonable care to ensure that arrangements are in place that enable borrowings to be repaid to ensure such compliance.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.

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For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	No.	
Controls on unbacked tokens	No.	Cryptocurrencies, such as Bitcoin and Ether, are generally considered digital payment tokens. Hence, they are regulated under the Notice on Requirements for Payments Systems – Amendment No. 2.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	Security tokens are considered securities. Thus, they are regulated under the Securities Markets Order 2013. In addition, the BDCB has issued Guidelines on Offering and Trading of Security Tokens with the aim of providing guidance and clarity to any person who wishes to offer or issue security tokens in Brunei Darussalam. Utility tokens are not regulated by the BDCB.
Acquisition by residents	No.	
Use among residents	No.	

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Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	As stablecoins are broadly considered to be digital payment tokens, they are regulated under the Notice on Requirements for Payments Systems – Amendment No. 2.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Entities that intend to provide or facilitate digital payment token services are required to obtain approval from BDCB under the Notice on Requirements for Payment System – Amendment No. 2. With respect to security tokens, any entity that wishes to operate a crypto exchange or trading platform on which security token are issued, offered, or traded are subject to the relevant requirements prescribed in the Securities Markets Order 2013 and the Securities Markets Regulations 2015. Guidelines on Offering and Trading Security Tokens has been issued.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Imports and Import Payments

Import taxes and/or tariffs	*05/17/2023*	A 92.51% of the total tariff lines are nondutiable (previously 95.71%). Some other goods are levied with import duty rates of 2.5% and 15% (previously 5% and 10%). The basic tax structure consists of 92.41% ad valorem rate (previously 99.46%) and 7.59% (previously 0.54%) specific rate. Previously, 37.95% of nondutiable items were subject to excise duties. Such items included vehicles, sugary beverages, alcoholic beverages, tobacco products, and machineries.

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BULGARIA

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 25, 1990.
Article VIII	Yes.	Date of acceptance: September 24, 1998.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Bulgaria maintains exchange restrictions and restrictive measures in accordance with UNSC resolutions and decisions and regulations of the EC, adopted with the aim of preserving peace and the rule of law, safeguarding human rights, preventing conflicts, and strengthening national and international security. Detailed information on sanctions imposed by the UNSC and the EC can be found on the Internet page of the Ministry of Foreign Affairs, with reference to the EU Sanctions Map. Bulgaria implements the following European Regulations and Directives for the prevention of the use of the financial system for the purposes of money laundering or terrorism financing and regarding the information accompanying transfers of funds: Directive (EU) No. 2015/849, Directive (EU) No. 2018/843, Regulation (EU) No. 2015/847, and Commission Delegated Regulation (EU) No. 2019/758. Since March 12, 2021, the EC decided to revoke the EU framework for sanctions against persons identified as responsible for the misappropriation of Egyptian state funds, and, to that effect, to lift the restrictive measures currently in force against nine Egyptian individuals. Restrictive measures were initially adopted on February 21, 2011.

Exchange Arrangement

Currency	Yes.	The currency of Bulgaria is the Bulgarian lev.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board	Yes.	The exchange rate arrangement is a currency board, which was introduced by the Law on the Bulgarian National Bank (BNB) of June 1997. The lev was fixed initially to the German mark and subsequently to the euro. Aggregated data for daily euro–lev turnover between the BNB and local banks are published only on the BNB website, section Statistics/Data for Banking System Liquidity/Foreign Exchange Operations between BNB and Banks. Yearly aggregates are available in the Annual Report.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official fixed exchange rate is lev 1.95583 per euro. The exchange rate arrangement and the fixed exchange rate are stipulated in the Law on the BNB.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The euro is the reserve currency under the currency board regime.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		

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Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Financial intermediaries are free to determine their bid-ask spreads and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Banks, financial institutions, and exchange bureaus participate in the foreign exchange market. Banks are licensed by the BNB. Financial institutions are registered by the BNB based on Ordinance No. 26 of the BNB on Financial Institutions; exchange bureaus are registered by the National Revenue Agency (NRA). As of July 26, 2023, there are 24 banks of which 17 Banks licensed in the Republic of Bulgaria and 7 foreign banks' branches operating in the Republic of Bulgaria. As of June 30, 2023, there were 25 banks and 2513 exchange bureaus registered in NRA. By the end of 2022, nine financial institutions were providing supplementary services in the spot foreign exchange market. Reporting requirements for financial institutions were transferred from the BNB to the NRA and the Financial Supervision Commission (FSC). MOF Ordinance No. 4 regulates exchange bureaus, which may buy and sell foreign currency in cash only.

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		Exchange bureaus may maintain accounts abroad and report the details of those accounts regularly to the BNB. The rate exchange bureaus use for a given currency must be market based and may deviate up to ±5% from the official exchange rate set by the BNB for that currency on the day of the transaction. Clients of exchange bureaus can be both individual and legal entities.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BNB is required to buy and sell euros against leva on demand on the basis of spot exchange rates, which may not differ from the official exchange rate by more than 0.5%, inclusive of any fees, commissions, and other charges to the customer. Banks, government agencies, financial institutions, exchange bureaus, and natural persons may exchange euros and leva with the BNB.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	All banks are entitled to trade foreign currencies. There are no regulatory limits on bid-ask spreads or commissions. Twenty banks licensed in Bulgaria and five foreign bank branches operating in Bulgaria as of December 31, 2022, are allowed to participate in the interbank market.
Over the counter	Yes.	All transactions are carried out on the basis of bilateral agreements.
Brokerage	Yes.	Under the Law on Credit Institutions, banks (Article 2) and investment intermediaries work as investment brokers and/or market makers.
Market making	Yes.	Under the Law on Credit Institutions, banks (Article 2) and investment intermediaries work as investment brokers and/or market makers.
Forward exchange market	Yes.	The forward exchange market is governed by the Law on Markets in Financial Instruments in force as of February 16, 2018 (known as well as Markets in Financial Instruments Act) with last amendments in force as of August 5, 2023. Compliance with legal requirements is monitored by the FSC. The BNB does not participate in the foreign exchange derivatives market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	Yes.

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Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	There are arrangements with Cambodia, the Democratic People's Republic of Korea (DPRK) Guinea, and Lao P.D.R. Bulgaria has outstanding transferable ruble accounts with Cuba.
Regional arrangements	Yes.	Bulgaria is a member of the EU.
Clearing agreements	No.	
Barter agreements and open accounts	Yes.	There is an inactive agreement with Mozambique.
Administration of control	Yes.	Foreign exchange control is exercised by the MOF, BNB, Ministry of Economy, NRA, customs administration, and postal authorities.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Extraction, processing, and trade of precious metals and gemstones and items containing them or made of them by occupation may be carried out by: (1) merchants registered under the Commerce Act or under the legislation of an EU Member State or of another State which is a party to the Agreement on the EEA, as well as legal persons established on the basis of a legal act. The activity of the merchant or the business of the legal person must include carrying out activities with precious metals and gemstones and items containing them or made of them by occupation and (2) companies under the Obligations and Contracts Act, if they engage in such activities by occupation and are entered in the public register of the persons carrying out activities with precious metals and gemstones and items containing them. Persons carrying out extraction, processing, and trade of precious metals must be registered with the Ministry of Economy and Industry within 14 days prior to commencing activities. The Minister of Economy and Industry or an authorized official thereby issues a certificate of the registration. The register which is maintained by registration officials, appointed by an order of the Minister of Economy and Industry in electronic format, is publicly available on the website of the Ministry of Economy and Industry.
On external trade	Yes.	Precious metals and stones or products thereof may be freely taken across the border in unlimited amounts as per an amendment of the Currency Law of December 6, 2011. According to Article 4 of Ordinance No. N-1 from February 1, 2012, the transfer across the border of precious metals and precious stones in unprocessed, semi-processed, and processed form, as well as products with and from them, may not be declared to the following amounts: (1) gold and platinum in raw and semi-processed form and coins in total until 37 grams irrespective of the content of gold or platinum; (2) jewelry and accessories of gold or platinum alloys in total up to 60 grams irrespective of the content of gold or platinum; (3) silver in raw and semi-processed form and coins, as well as jewelry and accessories from silver alloys, totaling up to 300 grams regardless of the silver content; and (4) precious stones incorporated in the articles referred to in Items 2 and 3.

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		Transfer across the border of the country of precious metals and precious stones and articles with and from them above the amounts specified in Article 4 of Ordinance No. N-1 from February 1, 2012, as well as the transport in powder or other type of articles with and from precious metals and precious stones must be declared to customs. A declaration (single administrative document) is required if the precious metals and stones or products thereof are being transported for commercial purposes; these are treated as commercial goods irrespective of the amount. Precious metals and stones or products thereof exceeding the prescribed amount transported to or from another EU member must be declared to customs on demand. Transportation across borders of precious metals and stones and products thereof by mail is prohibited, except for parcels with declared value. Importation and exportation of raw diamonds are subject to the Kimberley Process Certification Scheme.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Cash amounting to €10,000 or more in leva or another currency taken across the border or from another EU member must be declared to customs on demand. Persons may export domestic or foreign currency less than the equivalent of €10,000 to a third country without a customs declaration; larger amounts must be declared. Persons may export cash exceeding lev 30,000 or its equivalent to a third country only on presentation of a certificate from the appropriate directorate of the NRA of payment of taxes or exemption. When cash in the amount of BGN 30,000 or more or their equivalent in another currency is carried across the border of the country to a third country, the customs authorities must request through official channels information concerning the existence or non-existence of liabilities (under Article 87, Paragraph 11, of the Tax and Social Insurance Procedure Code with regard to the person concerned). Where the information provided ex officio contains data of existence of public liabilities in excess of BGN 5,000, the customs authorities do not permit such cash to be carried across the border (Paragraph 2 of Article 11a of the Currency Law, supplemented in 2020). Foreign natural persons who export cash that does not exceed what they previously imported and declared are exempt and need only declare the type and amount of exported funds. Exportation of domestic banknotes by mail is prohibited, except for parcels with declared value. Parcels to a third country with banknotes or cash equal to or exceeding €10,000 require a declaration.
Foreign currency	Yes.	Cash amounting to €10,000 or more in leva or another currency taken across the border or from another EU member must be declared to customs on demand. Persons may export domestic or foreign currency less than the equivalent of €10,000 to a third country without a customs declaration; larger amounts must be declared. Persons may export cash exceeding lev 30,000 or its equivalent to a third country only on presentation of a certificate from the appropriate directorate of the NRA of payment of taxes or exemption. When cash in the amount of BGN 30,000 or more or their equivalent in another currency is carried across the border of the country to a third country, the customs authorities must request through official channels information concerning the existence or non-existence of liabilities (under Article 87, Paragraph 11, of the Tax and Social Insurance Procedure Code with regard to the person concerned). Where the information provided ex officio contains data of existence

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		of public liabilities in excess of BGN 5,000, the customs authorities do not permit such cash to be carried across the border (Paragraph 2 of Article 11a of the Currency Law, supplemented in 2020). Foreign natural persons who export cash that does not exceed what they previously imported and declared are exempt and need only declare the type and amount of exported funds. Exportation of foreign banknotes by mail is prohibited, except for parcels with declared value. Parcels to a third country with banknotes or cash equal to or exceeding €10,000 require a declaration.
On imports	Yes.	
Domestic currency	Yes.	Cash amounting to €10,000 or more (or its equivalent in leva or other currency) imported from EU members must be declared on demand. Persons may import domestic currency cash from third countries without a customs declaration, if the amount is less than the equivalent of €10,000; amounts equal to or exceeding €10,000 from a third country must be declared. Importation of domestic banknotes by mail is prohibited, except for parcels with declared value. Parcels from a third country containing cash equal to or exceeding €10,000 must be declared.
Foreign currency	Yes.	Cash amounting to €10,000 or more (or its equivalent in leva or other currency) imported from EU members must be declared on demand. Persons may import foreign currency cash from third countries without a customs declaration, if the amount is less than the equivalent of €10,000; amounts equal to or exceeding €10,000 from a third country must be declared. Importation of foreign banknotes by mail is prohibited, except for parcels with declared value. Parcels from a third country containing cash equal to or exceeding €10,000 must be declared.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign currency resident accounts held domestically are allowed. The type of operations through these accounts depends on the account type – deposit account or current account, but generally the balances of the foreign currency accounts can be transferred abroad freely if there is no special restriction in regard to particular account.
Approval required	No.	
Held abroad	Yes.	Foreign currency resident accounts held abroad are allowed. Balances may be transferred to Bulgaria freely. A declaration for statistical purposes must be submitted to the BNB within 15 business days if the account in another country is opened, including with electronic money institutions. For statistical purposes, resident natural persons must report annually to the BNB their receivables from or liabilities to nonresidents on financial credits, receivables on accounts opened in other countries, as well as investments in securities made without intermediation of a resident person – investment intermediary, if the total receivables or liabilities equal to or exceed the equivalent of lev 50,000 at the end of the reporting year. For statistical purposes, local legal persons and sole proprietors must submit quarterly reports on the transactions and outstanding balances on bank accounts abroad. In case of transformation, the resident legal entities and sole proprietors must notify the BNB within 15 business days from the decision for transformation.
Approval required	No.	Approval is not required.

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Accounts in domestic currency held abroad	Yes.	Approval is not required, but a declaration for statistical purposes must be submitted to the BNB within 15 business days after the account is opened abroad. For statistical purposes, resident natural persons must report annually to the BNB their receivables from or liabilities to nonresidents on financial credits, receivables on accounts opened in other countries, as well as investments in securities made without intermediation of a resident person – investment intermediary, if the total receivables or liabilities equal to or exceed the equivalent of lev 50,000 at the end of the reporting year. For statistical purposes, local legal persons and sole proprietors must submit quarterly reports on the outstanding balances on bank accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign currency accounts could be held by nonresidents domestically. The type of operations through these accounts depends on the account type – deposit account or current account, but generally the balances of the foreign currency accounts can be transferred abroad freely if there is no special restriction in regard to particular account.
Approval required	No.	Approval is not required for nonresident accounts held domestically in foreign currency.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Domestic currency accounts could be held by nonresidents domestically. The type of operations through these accounts depends on the account type – deposit account or current account, but generally the balances of the domestic currency accounts can be converted and transferred abroad freely if there is no special restriction in regard to particular account.
Approval required	No.	
Blocked accounts	Yes.	Some accounts may be blocked because of the implementation of restrictive measures imposed for security reasons.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	The payment service provider automatically provides foreign exchange for goods to be imported as well as to cover import licenses. A license is not required as a condition to obtain foreign exchange.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange	No.	

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licenses		
Other	Yes.	According to the Currency Law, persons making transfers and payments abroad to a third country in foreign or local currency exceeding lev 30,000 or its equivalent are required to provide documentation to the payment services provider. Ordinance No. 28 of the MOF and BNB on the Information and Documents Submitted to Payment Service Providers in Executing Third-Party Cross-Border Transfers and Payments provides the details on this requirement.
Import licenses and other nontariff measures	Yes.	Bulgaria applies the EU import licensing system, based on the premise that import licenses are not required except for specific products subject to quantitative restrictions, safeguard measures, or import monitoring and surveillance. The basic regulations setting up the rules for imposition of safeguard measures are Regulation (EU) No. 2015/755 of the European Parliament and of the Council of April 29, 2015, on common rules for imports from certain third countries and Regulation (EU) No. 2015/478 of the European Parliament and of the Council of March 11, 2015, on common rules for imports (codified version of Regulation No. 260/2009). By Commission Implementing Regulation (EU) No. 2019/159, the European Commission imposed a definitive safeguard measure, which consists of tariff-rate quotas on imports into EU of certain steel products. (This Regulation entered into force February 2, 2019.) Where tariff quotas are exhausted, a safeguard duty at the rate of 25% is applied on the imports of the steel products in the scope of the Regulation No. 2019/159 of February 2, 2019. After the second review investigation carried out by the European Commission, the Commission Implementing Regulation (EU) No. 2020/894 of June 29, 2020, amending Implementing Regulation (EU) No. 2019/159 imposing definitive safeguard measures against imports of certain steel products is in force. Since July 1, 2021, Commission Implementing Regulation (EU) No. 2021/1029 of June 24, 2021, amending Commission Implementing Regulation (EU) No. 2019/159 to prolong the safeguard measure on imports of certain steel products is in force. Agricultural imports are licensed for statistical purposes under an automatic licensing system. Import licenses require lodging a security and are valid in all EU member countries. Some EU agricultural tariff quotas are subject to import licensing. Licenses may be issued on a pro rata or historical basis or related to quotas of exporting countries. Article 176 (1) of Regulation (EU) No. 1308/2013 requires licensing of certain agricultural imports, which are listed in Annex, Part I, of Commission Delegated Regulation (EU) No. 2016/1237 and include cereals, rice, sugar, olive oil, flax and hemp, fruits and vegetables, processed fruits and vegetables, beef and veal, milk and milk products, pork, eggs, poultry, and agricultural ethyl alcohol. Import licenses are issued by the relevant authority on request. Forest Law Enforcement, Governance, and Trade (FLEGT) voluntary partnership agreements (VPAs) with the EU are subject to licensing. Under these agreements, timber-producing countries agree to verify the legality of their shipments of timber and timber products to the EU. FLEGT VPAs were signed with Cameroon (2011), the Central African Republic (2012), the Democratic Republic of the Congo (2013), Ghana (2010), Indonesia (2014), Liberia (2013), and Vietnam (2019). Lately, VPA between the EU and the Republic of Honduras on FLEGT in timber products to the EU was signed on February 23, 2021, and effective September 1, 2022. Negotiations are ongoing with, Democratic Republic of the

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		Congo, Gabon, Laos, Malaysia, and Thailand. As of October 19, 2022, negotiations with Côte d'Ivoire were concluded and signing is scheduled for the end of 2023. Effective December 15, 2022, VPA was signed with Guyana.
Positive list	No.	
Negative list	Yes.	Bulgaria applies all EU trade policies. The EU acquis includes a number of legal provisions that engage customs to carry out checks in the context of the enforcement of many different policies aiming at the safety and security of the EU. In accordance with Articles 134 and 267 of Regulation (EU) No. 952/2013 (Union Customs Code), prohibitions or restrictions may be imposed on imports, exports, or goods in transit when they are justified on grounds of: - public morality, public policy, or public security; - the protection of health and life of humans, animals, or plants; - the protection of the environment; - the protection of national treasures possessing artistic, historic, or archaeological value; and - the protection of industrial and commercial property. The negative list is available on the EC website. Products covered by Community legislation with specific provisions relating to border controls are not subject to import controls described in Articles 27 to 29 of Regulation (EC) No. 765/2008 according to Article 15(5) of Regulation (EC) No. 765/2008.
Open general licenses	No.	
Licenses with quotas	Yes.	Bulgaria applies all EU trade policies. Import prohibitions and surveillance are maintained on security, technical, sanitary, phytosanitary, environmental, and other grounds. The EU maintains tariff-rate quotas and preferential regimes on some agricultural products that require licenses: cereals (wheat, barley, maize, and rice), sugar (sugar and sugarcane), olive oil, fruits and vegetables (garlic), processed fruits and vegetables (preserved mushrooms), beef and veal (including meat and live animals), milk and milk products, pork (including meat and live animals), eggs, and poultry. On October 12, 2017, Council Regulation (EU) No. 2017/1836 of October 10, 2017, amending Regulation (EU) 2017/1509 concerning restrictive measures against the DPRK prohibited to import, purchase or transfer, directly or indirectly, textiles from the DPRK, whether or not originating in the DPRK. Commission Regulation (EU) No. 418/2012 amending Commission Regulation (EC) No. 376/2008 (repealed by Commission Delegated Regulation (EU) No. 2016/1237) regulates import and export licenses and advance fixing certificates for agricultural products and abolished import licensing for seeds of durum wheat, including products imported under tariff quotas referred to in Article 1(2)(a)(iii) of Regulation (EC) No. 376/2008 for barley and grain sorghum seeds other than hybrids; manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots, and tubers with high starch or inulin content, fresh, chilled, frozen, dried, sliced, or in pellets; sago pith; and sweet potatoes for human consumption. Commission Delegated Regulation (EU) No. 2020/760 and Commission Implementing Regulation (EU) No. 2020/761 published on June 12, 2020, repealed Commission Regulation (EC) No. 1301/2006 laying down common rules for the administration of import tariff quotas for agricultural products managed by a system of import licenses and repealed several sectoral regulations. Commission Regulation (EU) Nos. 498/2012 and 1217/2012 of the European Parliament and of the Council of December 12, 2012,

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		govern the allocation of tariff-rate quotas for exports of wood from Russia to the EU (OJ L 152, June 13, 2012, pp. 28–37, and OJ L 351, December 12, 2012, pp. 34–35, respectively).
Other nontariff measures	Yes.	Import surveillance applies to the following agricultural products: rice, flax and hemp, and agricultural ethyl alcohol. These products are subject to automatic licensing for statistical purposes and to maintain better control over their origin. The EU licenses a range of firearms and ammunition. Imported food must comply with the requirements of EU food and animal health laws, conditions recognized by the EU as equivalent to these requirements, or requirements contained in specific agreements. The EU has sanitary and phytosanitary agreements with Andorra, Canada, Chile, EFTA, the Faeroe Islands, Liechtenstein, Mexico, New Zealand, San Marino, Switzerland, and the United States of America. Imports of live animals and animal products are prohibited except from previously approved areas, which are on the Commission's relevant "third country list." Products and live animals generally may be imported only from countries on the approved third-country import list for that product or animal species. Products of animal origin usually must be from establishments approved for exportation to the EU. In October 2010, the EU adopted legislation that prohibits the sale of illegally harvested timber and timber products in the EU – Regulation No. 995/2010. Under Regulation No. 995/2010, operators who sell domestically produced or imported timber and timber products in the EU for the first time must exercise due diligence to ensure that such products do not contain illegally timber harvested. Due diligence systems involve a risk management exercise based on information and criteria in the regulation. Anyone trading in timber and timber products within the EU, except first-time participants in the EU market, must keep records of their suppliers and customers. Timber and timber products with valid FLEGT or CITES licenses are considered to be in compliance. Since January 1, 2021, a new law entered into full force across the EU – the Conflict Minerals Regulation – Regulation (EU) No. 2017/821 of the European Parliament and of the Council of May 17, 2017, laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. It aims to help stem the trade in four minerals – tin, tantalum, tungsten, and gold – which sometimes finance armed conflict or are mined using forced labor. Imports of the following items are prohibited in accordance with UN or EU regulations: antipersonnel mines, torture equipment, and certain products from the DPRK, the Islamic Republic of Iran, and Syria. Regulation (EU) No. 2019/125 of February 20, 2019, of the European Parliament and of the Council of January 16, 2019, concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment (codified version of Regulation No. 1236/2005), Council Regulation (EU) No. 692/2014 (as amended) restricts imports into the EU of goods from Crimea or Sevastopol, in response to the illegal annexation of Crimea and Sevastopol. Council Regulation (EU) No. 2021/1030 amending Regulation (EC) No. 765/2006 concerning restrictive measures in respect of Belarus prohibit the import petroleum products as listed in Annex VII, import, purchase or transfer, directly or indirectly, potassium chloride ("potash") products as listed in Annex VIII from Belarus, whether or not originating in Belarus. Furthermore, restrictions on access to Union capital markets should be imposed in relation to the Belarusian Government, as well as Belarusian state-owned financial

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		institutions and entities. A prohibition should also be introduced on providing insurance and reinsurance to the Belarusian Government and Belarusian public bodies and agencies. Council Regulation (EU) No. 2017/1509 of August 30, 2017, concerning restrictive measures against the DPRK and repealing Regulation (EC) No. 329/2007 introduced restrictions on the import and export of certain goods, services, and technology which could contribute to the DPRK's nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs, luxury goods embargo.
Import taxes and/or tariffs	Yes.	Bulgaria applies import tariffs according to the Community Customs Code for trade with countries outside the EU and does not levy tariffs on trade within the EU. Under the Treaty on the Functioning of the EU, common customs tariff duties are set by the European Parliament and the Council or by the Council based on a proposal from the Commission. The basic customs legislation is the EU Customs Code and its implementing regulation: Council Regulation (EEC) No. 2913/92, October 12, 1992, establishing the Community Customs Code (OJ L 302, October 19, 1992), applied as of January 1, 1994, and Commission Regulation (EEC) No. 2454/93, July 2, 1993, establishing Provisions for the Implementation of the Common Customs, as amended. The EU has exclusive authority in customs matters. Customs procedures, as defined in EU legislation, are harmonized and monitored at the EU level. The tariff nomenclature, known as the Combined Nomenclature, is based on the Harmonized Commodity Description and Coding System (HS). The 2013 tariff reflects the fourth amendment to the HS (HS 2007). The EU has harmonized the structure and established a number of minimum rates for excise duties – indirect taxes on the consumption or use of certain products – on alcohol, tobacco, and energy. The EU maintains a public online database that integrates tariff rates and other measures, including quantitative restrictions and contingency measures applied on imports (and exports) – known as Integrated Tariff of the European Communities. Following the EU-US Joint Statement published on May 17, 2021, the Commission adopted Implementing Regulation (EU) 2021/866 on commercial policy measures concerning certain products originating in the United States of America, which suspended the application of the additional ad valorem duties on products listed in Annex II to Implementing Regulation (EU) 2018/886 until November 30, 2021. The Commission Implementing Regulation (EU) 2021/2083 suspended commercial policy measures concerning certain products originating in the United States of America imposed by Implementing Regulation (EU) No. 2018/886 and No. 2020/502. The EU suspended the application of additional ad valorem duties on imports of the products listed Implementing Regulation (EU) No. 2018/886 and Implementing Regulation (EU) No. 2020/502 until December 31, 2023.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Under the Customs Law and its regulations, exports of goods require the following documents: customs declaration, invoice, pro forma invoice, packing list, Form A, EUR 1, ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road) documents, CMR Convention (Convention on the Contract for the International Carriage of Goods by Road), TIR Convention (the Convention on International Transport of Goods Under Cover of TIR Carnets), ATA Convention (Customs Convention on the ATA Carnet for the Temporary Admission of Goods), Carnet de Passages en Douane Convention (Customs Convention on the Temporary Importation of Private Road Vehicles that provides for Carnet de Passages en Douane – international customs document which covers the temporary admission of motor vehicles to the territory of one or several states), etc.
Export licenses	Yes.	The rules concerning obligation for export licenses issued for husked (brown) rice and for semi-milled or wholly milled rice, whether or not polished or glazed are abolished by Regulation (EU) No. 2021/1467 of July 6, 2021.
Without quotas	Yes.	Bulgaria has adopted EU policies for export licenses. An export authorization or license is required for cultural goods and certain agricultural products and for the control of exports of dual-use items and technology. Under Article 176 (1) of Regulation (EU) No. 1308/2013, the Commission may require an export license for one or more products from the following categories: cereals, rice, sugar, beef and veal, milk and milk products, pig meat, eggs, and poultry meat. Article 2(2) of Regulation No. 1237/2016 requires a license for exports of products listed in Part II of the Annex and the following Union products referred to in Part II of the Annex to be exported: (1) products that are under the customs procedure of inward processing; (2) products that are basic products as listed in Annex III to Regulation (EU) No. 510/2014 of the European Parliament and of the Council and that are under the customs procedure of outward processing; (3) products that are subject to the recovery or remission of the amount of import or export duty as set out in Chapter 3 of Title III of Regulation (EU) No. 952/2013 of the European Parliament and of the Council in respect of which a final decision has not yet been taken. Export licenses are issued by the relevant authorities at the request of economic operators. There are quantitative restrictions and controls on exports for foreign policy or national security reasons. These follow EU common rules governing exports of military technology and equipment, as defined

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		in Council Common Position (Common Foreign Security Policy (CFSP)) No. 2008/944, which aims to standardize members' arms export policies to meet agreed minimum standards. Exports of dual-use items are controlled at the EU level. The EU's dual-use export control system in Regulation (EU) No. 2021/821 of the European Parliament and of the Council of May 20, 2021, sets up a Union regime for the control of exports, brokering, technical assistance, transit, and transfer of dual-use items (recast). It defines dual-use items as "items, including software and technology, which can be used for both civil and military purposes, and includes items which can be used for the design, development, production or use of nuclear, chemical or biological weapons or their means of delivery, including all items which can be used for both non-explosive uses and assisting in any way in the manufacture of nuclear weapons or other nuclear explosive devices." Bulgaria has imposed some restrictive measure on some countries for security reasons. An export authorization is required for the export of vaccines against SARS-related coronaviruses. This requirement also covers active substances including master and working cell banks used for the manufacture of such vaccines. Commission Implementing Regulation (EU) No. 2021/1728 of September 30, 2021, prolonged the implementation of this measure until December 31, 2021. In line with its CFSP obligations, Bulgaria has imposed restrictive measures on some countries for security reasons.
With quotas	Yes.	Article 2(2)(b) of Regulation No. 1237/2016 requires a license for exports of EU products for which an export license needs to be presented for admission under a quota that is administered by the Union or by a third country and has been opened in that country for those products. Tariff quotas must be administered in one of the following ways: (1) based on the chronological order of submission of the applications (first-come, first-served principle); (2) distributed in proportion to the quantities requested at the time of application (simultaneous examination method); or (3) taking into account traditional trade patterns (traditional/new comers method). Export licenses are issued by the relevant authorities at the request of economic operators.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	According to the Currency Law, persons making cross-border transfers and payments abroad to a third country (that is, a country outside the EU or the EEA) in foreign or local currency exceeding lev 30,000 or the equivalent must present documentation to the payment services providers. Ordinance No. 28 of the MOF and BNB of December 18, 2012, on the Information and Documents Submitted to Payment Service Providers in Executing Third-Party Cross-Border Transfers and Payments provides the details on this requirement, in particular specifying that the information and documents have to be submitted which certify the grounds for and the amount of the transfer or payment, as well as a specified declaration.
Trade-related payments	Yes.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A person executing a cross-border transfer or payment equal to or exceeding BGN 30,000 or its equivalent in another currency to a third party has to submit to the payment service provider executing the transfer or payment information and documents which certify the grounds for and the amount of the transfer or payment, as well as a specified declaration.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A person executing a cross-border transfer or payment equal to or exceeding BGN 30,000 or its equivalent in another currency to a third party has to submit to the payment service provider executing the transfer or payment information and documents which certify the grounds for and the amount of the transfer or payment, as well as a specified declaration.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A person executing a cross-border transfer or payment equal to or exceeding BGN 30,000 or its equivalent in another currency to a third party has to submit to the payment service provider executing the transfer or payment information and documents which certify the grounds for and the amount of the transfer or payment, as well as a specified declaration.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A person executing a cross-border transfer or payment equal to or exceeding BGN 30,000 or its equivalent in another currency to a third party has to submit to the payment service provider executing the transfer or payment information and documents which certify the grounds for and the amount of the transfer or payment, as well as a specified declaration.
Foreign workers' wages	Yes.	Foreign workers’ wages may be transferred abroad, provided applicable taxes have been paid.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A person executing a cross-border transfer or payment equal to or exceeding BGN 30,000 or its equivalent in another currency to a third party has to submit to the payment service provider executing the transfer or payment information and documents which certify the grounds for and the amount of the transfer or payment, as well as a specified declaration.
Credit card use abroad	No.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A person executing a cross-border transfer or payment equal to or exceeding BGN 30,000 or its equivalent in another currency to a third party has to submit to the payment service provider executing the transfer or payment information and documents which certify the grounds for and the amount of the transfer or payment, as well as a specified declaration.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	According to the Currency Law, persons making cross-border transfers and payments abroad to a third country (that is, a country outside the EU or the EEA) in foreign or local currency exceeding lev 30,000 or the equivalent must present documentation to the payment services providers. Ordinance No. 28 of the MOF and BNB of December 18, 2012, on the Information and Documents Submitted to Payment Service Providers in Executing Third-Party Cross-Border Transfers and Payments provides the details on this requirement, in particular specifying that the information and documents have to be submitted which certify the grounds for and the amount of the transfer or payment, as well as a specified declaration.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	For statistical purposes, data on securities holdings are reported to the BNB by banks and financial intermediaries (for clients holdings, including nonresidents) and by the Central Depository AD.
Sale or issue locally by nonresidents	No.	For statistical purposes, data on securities holdings are reported to the BNB by banks and financial intermediaries (for clients holdings,

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		including nonresidents) and by the Central Depository AD.
Purchase abroad by residents	Yes.	Investments by all insurance companies other than in Bulgaria or the company's home country are subject to the requirement that equity and debt securities must be listed on internationally recognized and liquid regulated securities markets. A supplementary pension fund may invest its assets in foreign securities. For statistical purposes, data on securities holdings are reported to the BNB by all resident institutions classified in European System of Accounts (ESA) 2010 Financial corporations and General government sectors (for own holdings), by banks and financial intermediaries (for clients holdings), and by resident non-financial institutions (for securities acquired without the intermediation of a resident financial intermediary).
Sale or issue abroad by residents	No.	For statistical purposes, data on securities holdings are reported to the BNB by all resident institutions classified in ESA 2010 Financial corporations and General government sectors (for own holdings), by banks and financial intermediaries (for clients holdings), and by resident non-financial institutions (for securities acquired without the intermediation of a resident financial intermediary).
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	For statistical purposes, data on securities holdings are reported to the BNB by banks and financial intermediaries (for clients holdings, incl. nonresidents) and by the Central Depository AD.
Sale or issue locally by nonresidents	No.	For statistical purposes, data on securities holdings are reported to the BNB by banks and financial intermediaries (for clients holdings, incl. nonresidents) and by the Central Depository AD.
Purchase abroad by residents	Yes.	Investments by all insurance companies other than in Bulgaria or the company's home country are subject to the requirement that equity and debt securities must be listed on internationally recognized and liquid regulated securities markets. A supplementary pension fund may invest its assets in foreign securities. For statistical purposes, data on securities holdings are reported to the BNB by all resident institutions classified in ESA 2010 Financial corporations and General government sectors (for own holdings), by banks and financial intermediaries (for clients holdings), and by resident non-financial institutions (for securities acquired without the intermediation of a resident financial intermediary).
Sale or issue abroad by residents	No.	For statistical purposes, data on securities holdings are reported to the BNB by all resident institutions classified in ESA 2010 Financial corporations and General government sectors (for own holdings), by banks and financial intermediaries (for clients holdings), and by resident non-financial institutions (for securities acquired without the intermediation of a resident financial intermediary). For statistical purposes, the issuance of debt securities abroad by residents is subject to declaration with the BNB within 15 business days of the transaction.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	For statistical purposes, data on securities holdings are reported to the BNB by banks and financial intermediaries (for clients holdings, including nonresidents) and by the Central Depository AD.
Sale or issue locally by nonresidents	No.	For statistical purposes, data on securities holdings are reported to the BNB by banks and financial intermediaries (for clients holdings, including nonresidents) and by the Central Depository AD.
Purchase abroad by residents	Yes.	Investments by all insurance companies other than in Bulgaria or the company's home country are subject to the requirement that equity and debt securities must be listed on internationally recognized and liquid regulated securities markets. A supplementary pension fund

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		may invest its assets in foreign securities. For statistical purposes, data on securities holdings are reported to the BNB by all resident institutions classified in ESA 2010 Financial corporations and General government sectors (for own holdings), by banks and financial intermediaries (for clients holdings), and by resident non-financial institutions (for securities acquired without the intermediation of a resident financial intermediary).
Sale or issue abroad by residents	No.	For statistical purposes, data on securities holdings are reported to the BNB by all resident institutions classified in ESA 2010 Financial corporations and General government sectors (for own holdings), by banks and financial intermediaries (for clients holdings), and by resident non-financial institutions (for securities acquired without the intermediation of a resident financial intermediary).
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	For statistical purposes, data on securities holdings are reported to the BNB by banks and financial intermediaries (for clients holdings, including nonresidents) and by the Central Depository AD.
Sale or issue locally by nonresidents	No.	For statistical purposes, data on securities holdings are reported to the BNB by banks and financial intermediaries (for clients holdings, including nonresidents) and by the Central Depository AD.
Purchase abroad by residents	Yes.	Investments by all insurance companies other than in Bulgaria or the company's home country are subject to the requirement that equity and debt securities must be listed on internationally recognized and liquid regulated securities markets. A supplementary pension fund may invest its assets in foreign securities. For statistical purposes, data on securities holdings are reported to the BNB by all resident institutions classified in ESA 2010 Financial corporations and General government sectors (for own holdings), by banks and financial intermediaries (for clients holdings), and by resident non-financial institutions (for securities acquired without the intermediation of a resident financial intermediary).
Sale or issue abroad by residents	No.	For statistical purposes, data on securities holdings are reported to the BNB by all resident institutions classified in ESA 2010 Financial corporations and General government sectors (for own holdings), by banks and financial intermediaries (for clients holdings), and by resident non-financial institutions (for securities acquired without the intermediation of a resident financial intermediary).
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	According to Article 200, Paragraph 4, of the Insurance Code, security derivatives, including options, futures, and swaps related to activities covering the technical reserves, must be recognized as cover for technical reserves only in case these contribute to the decrease of investment risk or facilitate effective portfolio management. These must be valued observing the prudence concept and may be taken into consideration in the valuation of the underlying assets. For all the insurers or reinsurers respectively which apply the EU Solvency II Regime, Article 124 of the Insurance Code applies in terms of investments with regard to the prudent person principle. The provisions of Article 124 are also applicable with respect to investments in derivatives (Article 124, Paragraph 7). A supplementary pension fund may invest its assets in foreign securities. According to Article 179b, Paragraph 1, of the Social

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		Insurance Code (SIC), for the purpose of reducing the investment risk associated with the assets of the pension funds, a retirement insurance company may conclude transactions which provide for deferral of the fulfillment of the obligations thereunder until a specified future date or within a stated time period. According to Article 179b, Paragraph 2, of the SIC, transactions in futures, transactions in options, forward exchange rate contracts, and the interest rate swaps must qualify as transactions under Article 179b, Paragraph 1, of the SIC.
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	For statistical purposes, trade credits between residents and nonresidents exceeding the threshold of lev 200,000 or the equivalent amount in foreign currency must be reported quarterly to the BNB.
To residents from nonresidents	No.	For statistical purposes, trade credits between residents and nonresidents exceeding the threshold of lev 200,000 or the equivalent amount in foreign currency must be reported quarterly to the BNB.
Financial credits	No.	
By residents to nonresidents	No.	For statistical purposes, the granting of financial credit equal to or exceeding the equivalent of lev 50,000, between local legal persons or sole proprietors and nonresidents, requires declaration to the BNB within 15 business days after the transaction is closed. For statistical purposes, the local legal persons and sole proprietors must submit on a quarterly basis report on the transactions and the outstanding balances on financial credits. For statistical purposes, resident natural persons must report annually to the BNB their receivables from or liabilities to nonresidents on financial credits, receivables on accounts opened in other countries, as well as investments in securities made without intermediation of a resident person – investment intermediary, if the total receivables or liabilities equal or exceed the equivalent of lev 50,000 at the end of the reporting year.
To residents from nonresidents	No.	For financial credits granted by nonresidents to local legal persons or sole proprietors equal to or exceeding the equivalent of lev 50,000, a declaration to the BNB must be submitted within 15 business days of closing the transaction. For statistical purposes, the local legal persons and sole proprietors must submit quarterly reports on the transactions and the outstanding balances on financial credits. Resident natural persons must report annually to the BNB their receivables from or liabilities to nonresidents on financial credits, receivables on accounts opened in other countries, as well as investments in securities made without intermediation of a resident person – investment intermediary, if the total receivables or liabilities thereof are equal to or exceed the equivalent of lev 50,000 at the end of the year for which the report is submitted.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	The Bulgarian Currency Law defines direct investment abroad as follows: (1) acquisition of general partner's rights or an equity stake of 10% and more than 10% of general shareholders' voting rights of

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		a foreign company; (2) establishment of a company in an economic territory other than that of the investor; (3) lending money for the purpose of direct investment under (1) or (2) or in connection with an agreement for participation in the distribution of profit; (4) additional investment in an investment under (1) or (2); and (5) acquisition of real estate in an economic territory other than that of the investor. For statistical purposes, any transaction in connection with direct investment abroad made by local legal persons or sole proprietors is subject to declaration with the BNB within 15 business days after the transaction is closed. Resident legal entities and sole proprietors must submit a quarterly statistical form with detailed information on their direct investments abroad to the BNB except for investments in real estate's abroad information on which is reported annually.
Inward direct investment	Yes.	The acquisition of farmland under the Law on Agricultural Land Ownership and Use of 1991 regards only to the acquisition: (1) of agricultural land, which is allowed only to Bulgarian and EU residents or companies established in Bulgaria or in the EU for more than 5 years, and not allowed to foreigners, (2) of non-agricultural land, except by citizens of an EU country or by enterprises established in an EU country, and (3) of forests, except by citizens of an EU country or by enterprises established in an EU country. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	For statistical purposes in the case of direct investment abroad representing the acquisition of real estate made by local legal persons or sole proprietors, a submission of a declaration to the BNB is required within 15 days after the transaction is closed. Resident legal entities and sole proprietors must submit an annual statistical form to the BNB detailing direct investment in real estate in other countries.
Purchase locally by nonresidents	Yes.	Nonresidents, except nonresidents from EU member countries, may not purchase or own land. If they inherit land, they must dispose of it within three years. Foreign citizens and foreign legal entities may acquire the right of ownership in premises and limited property rights to real estate, unless otherwise prohibited by law. A foreign country or an intergovernmental organization may acquire right of ownership in land or premises and limited property rights to real estate on the basis of an international treaty, by way of legislation or through an act of the Council of Ministers.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The Law on Limitation of Cash Payments aims to limit cash payments. According to the law, payments in Bulgaria may be made only through transfers or payments on account if (1) the amount is equal to or exceeds lev 10,000; (2) the amount is less than lev 10,000 but may be considered as part of a linked payment transaction on the same grounds whose total value is equal to or exceeds 10,000 lev; or (3) the provisions of the law are applicable also to foreign currency payments equal to or exceeding lev 10,000. The provisions do not apply to (1) withdrawals or cash payments from the holder's own accounts; (2) withdrawals or cash payments from accounts of family members, direct relatives, and fully or partially legally disabled individuals; (3) cash transactions by foreign exchange bureaus; (4) banknote and coin operations with the CB; (5) exchanges by banks of damaged Bulgarian banknotes and coins; (6) payments of employment remuneration in the meaning of the Labor code, except those paid by employers with 100 or more employees, with the exception of persons with whom an employment contract for short term seasonal agricultural work has been concluded in accordance with Article 114a; or of a value equal to or exceeding BGN 1,000 for a dividend within the meaning of § 1 Item 4 of the additional provisions of the Corporate Income Law; and (7) payments of deposits guarantee as defined by the Law on Bank Deposits Guarantee. The amendments to the Law on Limitation of Cash Payments on April 10, 2018, create a new possibility of collecting revenues by means of card payments to the budget organizations and their subordinate budget authorizers by delegation serviced by the BNB. In this way, these budget organizations can optimize the management of their revenues as the amounts directly come to the account with the BNB, designated for the purpose. In this way, cashless payments in the public sector are optimized, and the costs for servicing cash payments are reduced. With regard to natural and legal persons, this amendment to the Law creates one more free and convenient way for them to pay their obligations to the budgets of these budget organizations. Article 4, Paragraph 8, of the Law expressly says that natural and legal persons pay no bank charges or fees for making card payments to budget organizations.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities	No.	

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denominated in foreign exchange		
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Differentiated minimum required reserves (MRRs) rates by currency have not been imposed in the country (no currency differentiation).
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	Pursuant to Ordinance on Amendment of Ordinance No. 21 of 26 November 2015 on the MMRs Maintained with the BNB by Banks (Published in the State Gazette, Issue 42 of May 12, 2023), effective June 1, 2023, the percentage of the MMRs on the funds attracted by banks from nonresidents is raised from 5% to 10%. With the amendment the MRRs rates for liabilities to nonresidents became equal to the MRRs for liabilities to residents (at 10%). Thus equal treatment of deposit accounts held by nonresidents has been introduced. Effective July 1, 2023, the percentage of the MMRs on the funds attracted by banks from residents and from nonresidents is raised from 10% to 12%.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Pursuant Article 22 of Regulation (EU) No. 2019/2033 of the European Parliament and of the Council of November 27, 2019, on the prudential requirements of investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014, and (EU) No. 806/2014, an investment firm dealing on own account, whether for itself or on behalf of a client, must apply approaches according to Regulation (EU) No. 575/2013 of the European Parliament and of the Council. Pursuant to Regulation (EU) No. 575/2013 of the European Parliament and of the Council, if the sum of an institution's overall net foreign exchange position and net gold position, calculated according to Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. The own funds requirement for foreign exchange risk must be the sum of its overall net foreign-exchange position and its net gold position in the reporting currency, multiplied by 8%. Remark: Directive (EU) 2019/2034 of the European Parliament and of the Council of November 27, 2019, on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, and 2014/65/EU is transposed in the new version of Markets in Financial

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		Instruments Act effective March 29, 2022.
On resident assets and liabilities	Yes.	Pursuant Article 22 of Regulation (EU) No. 2019/2033 of the European Parliament and of the Council of November 27, 2019, on the prudential requirements of investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014, and (EU) No. 806/2014 investment firm investment firm dealing on own account, whether for itself or on behalf of a client, must apply approaches according to Regulation (EU) No. 575/2013 of the European Parliament and of the Council. Pursuant to Regulation (EU) No. 575/2013 of the European Parliament and of the Council, if the sum of an institution's overall net foreign exchange position and net gold position, calculated according to Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. Remark: Directive (EU) 2019/2034 of the European Parliament and of the Council of November 27, 2019, on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, and 2014/65/EU is not still transposed in Bulgarian legislation.
On nonresident assets and liabilities	Yes.	Pursuant Article 22 of Regulation (EU) No. 2019/2033 of the European Parliament and of the Council of November 27, 2019, on the prudential requirements of investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014, and (EU) No. 806/2014, an investment firm dealing on own account, whether for itself or on behalf of a client, must apply approaches according to Regulation (EU) No. 575/2013 of the European Parliament and of the Council. Pursuant to Regulation (EU) No. 575/2013 of the European Parliament and of the Council, if the sum of an institution's overall net foreign exchange position and net gold position, calculated according to Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. Remark: Directive (EU) 2019/2034 of the European Parliament and of the Council of November 27, 2019, on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, and 2014/65/EU is transposed in the new version of Markets in Financial Instruments Act effective March 29, 2022.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	The Solvency II Directive (EC) No. 2009/138 transposed into the Bulgarian Insurance Code introduces prudential requirements tailored to the specific risks which each insurer bears. Those prudential requirements are not restrictions and apply equally to all insurers. The directive requires insurance companies to hold capital in relation to their risk profiles to guarantee that they have enough financial resources to withstand financial difficulties. Also, the Insurance companies under the scope of the Directive (insurers with a right of access to the common market of the EU and EEA) have to put in place an adequate and transparent governance system and conduct their own risk and solvency assessment on a regular basis. These insurers should invest its assets in accordance with prudent person principle (Article 124 of the Insurance Code). There are no restrictions on investing in financial instruments issued by nonresidents for insurance undertakings under the scope of the

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Solvency II Directive (insurers with a right of access to the common market).

Chapter XVII, Articles 198–207, of the Insurance Code defines the technical reserves requirements and the provisional fund of an insurer excluded from the scope of the Solvency II Directive (insurers without a right of access to the market of the EU and EEA). The general rules for diversification, the currency conformity rules, and special rules for the cover of reserves for the investment funds of life insurance companies apply. The requirement of Article 198 is not a restriction, because it is a general rule applicable equally to all insurers that fulfill the requirements of Part IV of the Insurance Code. Chapter XVIII, Article 208, of the Insurance Code and the following defines own funds; the solvency margins, and guarantee capital, which applies only to the insurers without a right of access to the common market. Different types of assets may cover technical reserves of insurance companies without a right of access to the common market (Article 200 of the Insurance Code). The requirement of Articles 208 and 200 is not restrictions, because they are general rules applicable to all insurers equally.
There are no restrictions on investing technical reserves in financial instruments issued by nonresidents. Investments to cover technical provisions are securities admitted for trading on a regulated market or a multilateral trading facility in the Republic of Bulgaria or in another Member State, as well as shares, qualified bonds, and other qualified debt securities, admitted for trade on internationally recognized and liquid regulated markets or multilateral trading facilities in a third state as it is described in Article 200, Paragraph 1, p. 1, of the Insurance Code. There are other assets that may cover the technical provisions of the insurers without a right to access of the common market described in Article 200 of the Insurance Code. All assets must be invested in compliance with the prudent person principle. According to the rules on diversification, the technical provisions can be invested: (1) up to 20% in real estate, but not more than 10% in a single property or in a group of properties that may be regarded as one investment because of their location; (2) up to 80% in securities under Article 200, Paragraph 1, Items 1 and 3, but not more than 30% in assets other than qualified bonds and other qualified debt securities; (3) without any restriction whatsoever in assets under Article 200, Paragraph 1, Item 2; (4) up to 5% in securities of a single issuer, where this restriction may not apply to assets specified in Article 200, Paragraph 1, Item 2; (5) up to 50% in bank deposits, but not more than 25% of the gross amount with one bank; and (6) up to 3% in cash in hand and under current accounts.

Territorial distribution rules stipulate that the technical reserves must be covered by assets located on the territory of the Republic of Bulgaria or on the territory of a member state. By permission of the Commission, issued in each specific case, technical reserves may also be covered by assets, located within the territory of a third country.
The requirement for territorial distribution of assets under Article 205, Paragraph 1, may not apply to cases where the technical reserves are covered by investments in receivables from reinsurers in the proportion set under Article 202.
The assets' location according to Article 205, Paragraph 1, must be:
(1) For ownership of real estate – the real estate's location;
(2) For securities:
(a) the issuing enterprise's seat of business;

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		(b) the bank's seat of business – in case the securities are guaranteed by a bank; (c) the Depository's seat of business – in the case of dematerialized securities; (3) For deposits – the place where the deposit contract has been concluded; (4) For any other receivables – the debtor's seat of business; (5) For shares in investment funds – the location of assets included in the fund with a predominant share, fixed pursuant to the terms and conditions under Items 1–4. Requirements for professional qualification and reliability – Article 80(7) stipulates that each member of a management or control body of an insurer or of a reinsurer, respectively, as well as each person authorized to manage and/or represent it must hold a permit for long-term residence in the Republic of Bulgaria if he is a person from a third country. In terms of granting consent in the case of a transfer of an insurance portfolio within the EU, the FSC must refuse to grant consent, when insurance contracts, under which risks located in the Republic of Bulgaria are covered, are transferred to: (1) a branch of an insurer from a third country with a seat of business in another member state; (2) an insurer from a member state which does not have the right to cover risks on the territory of the Republic of Bulgaria. In terms of certification of the capital solvency requirement of an insurer with a seat of business in the Republic of Bulgaria on transfer of insurance portfolio by an insurer from a third country established in a member state through a branch – the FSC must issue a document, certifying that, following the transfer, the undertaking insurer will have at its disposal the necessary eligible own funds for cover of the capital solvency requirement. The FSC must refuse to issue such certificate, if: (1) following the transfer, the undertaking insurer or the branch of an insurer from a third country registered in the Republic of Bulgaria, respectively, will not have at its disposal the necessary eligible own funds for cover of the capital solvency requirement and therefore the interest of the insured person is jeopardized or (2), as a result of the transfer, a branch of an insurer from a third country with a seat of business in the Republic of Bulgaria will undertake a portfolio of contracts covering risks located in other member states. According to Article 3 of Economic and Financial Relations with Companies Registered in Preferential Tax Treatment Jurisdictions, the Persons Controlled Thereby and Their Beneficial Owners Act, companies registered in preferential tax treatment jurisdictions and the persons controlled thereby may not participate in procedures for obtaining a license to perform insurance or reinsurance activity under the Insurance Code or participation in a company carrying out such activity, where the percentage of participation constitutes a qualifying holding within the meaning of the Insurance Code.
Limits (max.) on securities issued by nonresidents	Yes.	There are no limits on securities and on investment portfolio held abroad. The assets of the insurers must be properly diversified in such a way as to avoid excessive reliance on any particular asset, particular issuer or group of companies, or market, and excessive accumulation of risk in the portfolio as a whole. For small insurers without a right of access to the common market, the maximum amount may be 20% in case an insurer invests technical reserves in debt securities issued by a credit institution having its seat of business in a member state, subject to special supervision, for the purpose of protecting the holders of such securities. Furthermore, the technical provisions of such insurers

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		must be covered by assets situated in the territory of the Republic of Bulgaria or in the territory of a Member State. With a permission by the FSC granted on a case-by-case basis, the technical provisions may also be covered by assets situated in the territory of a third country. The requirement for territorial distribution of the assets does not apply to cases where the technical provisions are covered by investments in receivables from reinsurers. Freedom of investment is regulated in Article 196 of the Insurance Code, and it is relevant to the insurers with a right to access of the common market: (1) The insurer or the reinsurer, respectively, may not be placed under an obligation to invest in specific asset categories. (2) The investment decision of the insurer or reinsurer or of the persons managing the investment operations may not be subject to a preliminary approval or to a notification procedure. (3) The Commission may, by an ordinance, limit the assets or the benchmark values, with which the insurance policies related to investment funds are to be associated. Location of the assets and prohibition to pledge assets are regulated in Article 197 of the Insurance Code: The assets for covering the technical reserves as regards risk located within the boundaries of the EU may be located in any member state, as well as in a third state.
Limits (max.) on investment portfolio held abroad	Yes.	There are no limits on securities and on investment portfolio held abroad. There are no restrictions on investing technical reserves in financial instruments issued by nonresidents. The only limit is on the eligibility of those assets to cover the technical provisions of an insurer. However, for an insurer without a right of access to the common market (small insurers), the technical provisions must be covered by assets situated in the territory of Republic of Bulgaria or in the territory of a Member State. With a permission by the FSC granted on a case-by-case basis, the technical provisions may also be covered by assets situated in the territory of a third country. The requirement for territorial distribution of the assets does not apply to cases where the technical provisions are covered by investments in receivables from reinsurers. This provision applies only for small insurers without a right of access to the market of the EU and EEA.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Assets covering technical reserves must be in the same currency as the liabilities ensuing from contracts under which the technical reserves were set up. Currency matching is required when the assets in any one currency exceed 7% of the assets in the other currencies. Up to 20% of the total amount of technical reserves may be covered by assets in a currency other than the one in which they were set up, provided the total amount of assets for cover of technical reserves in all currencies is at least equal to the total amount of liabilities in all currencies. If the technical reserves were set up in leva, euros, or another currency of an EU member, the assets for their cover may be in euros (Article 206 of the Insurance Code).
Pension funds	Yes.	Controls specific to pension funds in Bulgaria are provided in the SIC. Chapter 14 on Assets and Investments and Chapter 25 on Investments contain the requirements for the investment of mandatory and voluntary pension funds, respectively. The specialized reserve requirements are laid down in Chapter 16 of the SIC, as well as in Article 213 with regard to voluntary pension funds only. In addition, further detailed requirements on the reserves are stipulated in Ordinance No. 19 of December 8, 2004, on pension reserves and reserves for guaranteeing the payment of lifelong pensions.

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		With respect to investing funds of the supplementary mandatory pension funds, there are specific restrictions with regard to investment in third countries. These restrictions are valid for: - debt securities issued, or guaranteed by a third country designated by an ordinance of the FSC, the obligations which constitute sovereign debt, or are issued by a third-country CB and are admitted to trading on a regulated market in a Member State or on an official stock exchange market, or on another regulated market in a third country, operating regularly, recognized, and publicly available; - bonds issued by a local authority of a third country determined by an ordinance of the FSC, in which case the bonds must have an investment credit rating and be admitted to trading on a regulated market in a Member State or on an official stock exchange market, or on another regulated market in a third country, operating regularly, recognized and publicly available; - corporate bonds admitted to trading on an official market on a stock exchange or on another regulated market in a third country, operating regularly, recognized and publicly available, whereas the bonds must have an investment credit rating; - shares, other than shares of a collective investment undertaking, as well as rights or warrants on them traded on an official stock exchange market or on another regulated market in a third country, operating regularly, recognized and publicly available, whereas the shares must be included in the indices of these markets. According to Article 176, Paragraph 2, Item 14, of SIC, the supplementary mandatory pension funds cannot invest in investment property unless it is located in EU member state. The detailed requirements for the third country investing described above, as well as the full list of applicable third countries, are stipulated in Ordinance No. 29 of July 12, 2006, on the minimum level of credit ratings of banks and on the determination of countries, international financial organizations, markets, and indices of these markets pursuant to Article 176, Paragraph 1, of the SIC. Moreover, some limits apply to the diversification of supplementary pension funds' investment portfolios (Articles 177a, 178, and 251 of the SIC). These limitations are the same for investments in both local and foreign securities. According to Article 3 of Economic and Financial Relations with Companies Registered in Preferential Tax Treatment Jurisdictions, the Persons Controlled Thereby and Their Beneficial Owners Act, companies registered in preferential tax treatment jurisdictions and the persons controlled thereby may not, directly and/or indirectly, participate in procedures for obtaining a license for carrying out the activity as a company for additional social security under the SIC or participation in such a company, where the percentage of contribution represents 10% or more than 10% of the capital of the company. The activity of supplementary pension insurance can be carried out only by pension insurance companies licensed by the FSC (Article 121 and Article 353 of the SIC). Foreign companies are not allowed to provide services except for IORP based in the EU and the EEA (Article 120a, Article 229d, and Article 353 of the SIC).
Limits (max.) on securities issued by nonresidents	No.	The legal framework does not contain any specific limits in this regard.
Limits (max.) on investment portfolio held abroad	No.	The legal framework does not contain any specific limits in this regard.
Limits (min.) on investment portfolio held locally	No.	The legal framework does not contain any specific limits in this regard.
Currency-matching regulations on	Yes.	No more than 20% of the assets of a supplementary mandatory

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assets/liabilities composition		pension insurance fund may be denominated in any currency other than Bulgarian leva and euro (according to Article 178, Paragraph 17, of the SIC). No more than 30% of the assets of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary pension insurance with occupational schemes, as appropriate, may be denominated in any currency other than Bulgarian leva and euro (according to Article 251, Paragraph 14, of the SIC).
Investment firms and collective investment funds	Yes.	The Law on Collective Investment Schemes (CISs) and other collective investments applies as of 2011. CIS investment policy requirements in Chapter 6 outline the legal obligations regarding the investment policy of CISs. Detailed rules are given in Ordinance No. 44, which incorporates Directive (EC) Nos. 2010/43 and 2010/44. In 2013, the AIFMD was transposed in Part III, Title 2, of the Law on CISs and other collective investments, and in Part III, Title 1, a new type of investment fund was introduced – the national investment fund. National investment fund investment policy requirements are mentioned in Article 187. Investments in local and foreign securities are treated the same. In terms of the investment firms, Bulgaria fully transposed the EU framework on markets in financial instruments, which consists of Directive (EU) No. 2014/65 and Regulation No. 2014/600. In terms of capital requirements, Bulgaria complies with the EU rules under capital requirements. According to Article 3 of Economic and Financial Relations with Companies Registered in Preferential Tax Treatment Jurisdictions, the Persons Controlled Thereby and Their Beneficial Owners Act, there are prohibitions for companies registered in preferential tax treatment jurisdictions and the persons controlled thereby directly and/or indirectly to participate in procedures for obtaining a license for providing services or carrying out activities under the Markets in Financial Instruments Act or participation in a company that has been licensed under the said Act, where the percentage of participation constitutes a qualifying holding within the meaning of the said Act, or participate in procedures for obtaining a license, permit, or in a registration procedure under the CISs and Other Undertakings for Collective Investment Act or participation in a company that owns a license, permit, or is registered under the said Act, where the percentage of participation constitutes a qualifying holding within the meaning of that Act. There are exceptions, described in Article 4.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	In the terms of the investment firms, pursuant to Regulation (EU) No. 575/2013 of the European Parliament and of the Council, if the sum of an institution's overall net foreign exchange position and net gold position, calculated according to Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. Effective January 11, 2022, according to Article 5 from Commission Implementing Regulation (EU) 2021/2284 of December 10, 2021, to provide the respective information investment firms other than small and non-interconnected investment firms that determine the Risk to Market K

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factor (RtM K-factor) requirement on the basis of K factor for Net Position Risk (K-NPR) in accordance with Article 21(1) of Regulation (EU) 2019/2033 must report the information specified in templates C 18.00 to C 24.00 of Annex I to Commission Implementing Regulation (EU) 2021/451 in accordance with the instructions set out in Part 2 of Annex II to that Implementing Regulation with a quarterly frequency.

Note that "K factors" means own funds requirements (set out in Title II of Part Three of Regulation (EU) 2019/2033) for risks that an investment firm poses to clients, markets and to itself.

The RtM K-factor requirement for the trading book positions of an investment firm dealing on own account, whether for itself or on behalf of a client is either K-NPR calculated in accordance with Article 22 of Regulation (EU) 2019/2033 or K factor for Clearing Margin Given (K CMG) calculated in accordance with Article 23 of Regulation (EU) 2019/2033. The RtM K-factor requirement applies to all trading book positions, which include in particular positions in debt instruments (including securitization instruments), equity instruments, collective investment undertakings, foreign exchange and gold, and commodities (including emission allowances).

"NPR" means the value of transactions recorded in the trading book of an investment firm (Article 4, p. 34 of Regulation (EU) 2019/2033);

In addition, "clearing margin given" or "CMG" means the amount of total margin required by a clearing member or qualifying central counterparty, where the execution and settlement of transactions of an investment firm dealing on own account take place under the responsibility of a clearing member or qualifying central counterparty (Article 4, p. 32 of Regulation (EU) 2019/2033).

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market	No.

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instruments		
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Between nonresidents	No.	
Controls on CBDC launched by another jurisdiction	Yes.	
Acquisition by residents	Yes.	
Use among residents	Yes.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Crypto assets	No.	As of 2023, the first and sole legal definition in Bulgarian legislation that deals with cryptocurrencies can be found in Item 24 (State Gazette, Issue 94 of 2019) of § 1 of the Additional Provisions of the Measures Against Money Laundering Act (MAMLA), which describes “virtual currencies” as “a digital representation of value, that is not issued or guaranteed by a CB or a public body, is not necessarily related to a statutory currency and has no legal status of currency or money, but is accepted by natural or legal persons as a medium of exchange and can be transferred, stored and traded electronically”. This definition is also referred to in Item 1 of § 1 of the Additional Provisions of Ordinance No. N-9 of 7 August 2020 on the terms and conditions for entry in the register of persons who, by occupation, provide services for exchange between virtual currencies and recognized currencies without gold coverage, and to wallet providers that offer custodial services, issued by the Minister of Finance. Furthermore, a “wallet provider, offering custodial services” is defined as “a natural or legal person, or other legal entity, providing services for the protection of private cryptographic keys on behalf of its clients for owning, storing and transferring virtual currencies” according to Item 25 (State Gazette, Issue 94 of 2019) of § 1 of the Additional Provisions of MAMLA. These definitions were introduced by the 5th Money Laundering Directive (Directive (EU) 2015/849) and have been adopted by Bulgarian authorities. In addition to the above, there are no specific cryptocurrency or fintech laws that have been enacted or are being currently prepared. It is expected that the national regulators will strictly follow any European regulation in the field when passed. According to statement Ref. No. BNB – 108809/19.09.2014, the virtual currency Bitcoin is not legal tender. Bitcoin acquisition, trading and payment activities are not regulated by applicable national and European legislation and are not subject to licensing or registration. The purchase and sale of virtual currencies and their payments, including Bitcoin, do not fall within the scope of Directive 2009/110/EC of the European Parliament and of the Council of

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		September 16, 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions or Directive 2007/64/EC of the European Parliament and of the Council of November 13, 2007 on payment services in the internal market, within the scope of the Personal Data Protection Law, which transposed these European acts into Bulgarian law. The BNB issued warnings on the volatility of crypto-assets. The BNB has mainly followed the ECB on any policies and positions regarding cryptocurrencies. Regulation (EU) 2023/1114 on markets in crypto-assets will apply from December 30, 2024, and by way of derogation part of the requirements will apply from June 30, 2024. At this time, the national competent authority in relation markets in crypto-assets has not been designated.
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	

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For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	Regulation (EU) 2022/858 on a pilot regime for market infrastructures based on distributed ledger technology has been applied since March 23, 2023. The FSC has been designated as the competent authority under the said regulation. Currently, there are no licensed trading and/or settlement systems based on decentralized ledger technology. It should be taken into account that the mentioned regulation regulates systems on which trading and/or settlement of financial instruments based on this technology is carried out, and not trading and/or settlement of crypto-assets
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Imports and Import Payments

Import licenses and other nontariff measures	*09/01/2022*	Voluntary Partnership Agreement between the EU and the Republic of Honduras on Forest Law Enforcement, Governance, and Trade in timber products to the EU was signed on February 23, 2021.
	12/15/2022	Voluntary Partnership Agreement between the EU and the Co-operative Republic of Guyana on Forest Law Enforcement, Governance and Trade in timber and timber products to the EU was signed.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts held by nonresidents		
Reserve requirements	*06/01/2023*	The percentage of the minimum required reserves (MRRs) on the funds attracted by banks from nonresidents is raised from 5% to 10%. As a result, the MRRs rates for liabilities to nonresidents became equal to the MRRs for liabilities to residents (at 10%). Thus, equal treatment of deposit accounts held by nonresidents has been introduced.
	07/01/2023	The percentage of the minimum required reserves on the funds attracted by banks from residents and from nonresidents is raised from 10% to 12%.
Open foreign exchange position limits	*03/29/2022*	Directive (EU) 2019/2034 of the European Parliament and of the Council of November 27, 2019, on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, and 2014/65/EU is transposed in the new version of Markets in Financial Instruments Act.
On nonresident assets and liabilities	*03/29/2022*	Directive (EU) 2019/2034 of the European Parliament and of the Council of November 27, 2019, on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, and 2014/65/EU is

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		transposed in the new version of Markets in Financial Instruments Act.
Provisions specific to institutional investors		
Investment firms and collective investment funds		
Currency-matching regulations on assets/liabilities composition	*01/11/2022*	According to Article 5 from Commission Implementing Regulation (EU) 2021/2284 of December 10, 2021, to provide the respective information investment firms other than small and non-interconnected investment firms that determine the Risk to Market K factor requirement on the basis of K factor for Net Position Risk in accordance with Article 21(1) of Regulation (EU) 2019/2033 must report the information specified in templates C 18.00 to C 24.00 of Annex I to Commission Implementing Regulation (EU) 2021/451 in accordance with the instructions set out in Part 2 of Annex II to that Implementing Regulation with a quarterly frequency.

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BURKINA FASO

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		May 2, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	A regional framework to combat money laundering (AML) and the financing of terrorism (AFT) exists at the regional level through two WAEMU Directives from 2002 (AML) and 2007 (AFT) as amended. This comprehensive framework facilitates the implementation of UNSC resolutions based on a list of persons and entities prepared by the Committee. Effective March 31, 2023, the regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Asset Service Providers (VASPs); (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons (PEPs).

Exchange Arrangement

Currency	Yes.	The currency of Burkina Faso is the CFA franc (XOF).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the WAEMU is a conventional peg. Burkina Faso participates in a currency union with seven other members of the WAEMU and has no separate legal tender. A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, to replace the agreement dated December 4, 1973. The Monetary Cooperation Agreement is based on three pillars: (1) a common issuing institution, (2) fixed parity with the euro, and (3) a guarantee of unlimited convertibility.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per euro. The exchange rates for other currencies are derived from the rate for the currency concerned in foreign exchange market vis-à-vis the euro. The official rate is used for accounting and valuation. The Conference of Heads of State and Government may decide to amend the Monetary Cooperation Agreement between the WAMU member countries and France. Effective September 2, 2022, Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The operational target of price stability is defined as an annual inflation rate in the WAEMU that falls within a band of ±1% around a central rate of 2%. The Harmonized CPI is the benchmark rate to measure inflation.
Composite		
Other		

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Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax Yes. The commission rate charged on transfers to all countries that are not

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		members of the WAEMU area is 0.6%. This commission must be surrendered to the National Treasury and is a portion of its tax revenue.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries (authorized intermediary banks and authorized nonelectronic exchange dealers) freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which must be traded at the official fixed rate of CFAF 655.957 per euro. The commission on foreign exchange transactions may not exceed 2%. Instruction No. 013-11-2015 on the terms and conditions for conducting rapid money transfers as a subagent within the WAEMU went into force November 10, 2015.
Spot exchange market	Yes.	Authorized intermediaries must comply with the provisions in effect on the financial conditions for engaging in nonelectronic foreign exchange transactions that involve foreign currencies and issue a transaction slip for all transactions with a client. Moreover, to provide satisfactory information to clients, they are required to (1) continuously post at their windows the rates actually charged for the different currencies and (2) post a notification that a transaction slip must be issued for all foreign exchange transactions based on the requestor's identity document. Banks and licensed exchange dealers are intermediaries authorized by the minister responsible for finance to conduct foreign exchange transactions with the public. As of December 31, 2022, there were 15 active banks, including 2 branches, and 171 authorized exchange bureaus operating in Burkina Faso. They may conduct transactions in foreign currencies, except euros with the BCEAO. Licensed exchange houses may not make transfers or payment in foreign currency with other countries or maintain accounts abroad. The entities authorized to conduct nonelectronic foreign currency transactions are authorized intermediary banks and individuals or companies authorized to conduct nonelectronic transactions by decision of the minister responsible for finance, with the consent of the BCEAO. In their operations with customers, authorized intermediaries (authorized intermediary banks and authorized OTC dealers) freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which is traded at the official fixed rate of CFAF 655.957 and may be subject to a maximum commission of 2.0%.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BCEAO exchanges foreign currency for CFA francs at the rates published on the international markets, with the exception of the euro, which is traded at the official fixed rate of 655.957 per euro. The nonelectronic currency exchange windows are open to owners of accounts on the BCEAO books and to the general public. A commission of 0.5% is charged on all transactions with the public (purchases and sales) and all withdrawals by banks and financial institutions (including euro withdrawals). However, commissions are not charged on cash foreign exchange transactions conducted by governments, officials of Member States of the WAMU on missions abroad, officials of the CB and their beneficiaries, and on payments made by banks and financial institutions.
Allocation	No.	
Auction	No.	

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Fixing	No.	
Interbank market	Yes.	Transactions in CFA francs between authorized intermediaries are allowed. As of December 31, 2022, 14 banks participated in the domestic currency interbank market in the common currency, the CFAF. There is no regulated foreign currency interbank market in the WAEMU.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Residents of the WAEMU zone are permitted to conduct the following transactions on the foreign exchange derivatives market with authorized intermediary banks established in the WAMU or with foreign banks: outright forward foreign exchange contracts (over the counter), foreign exchange options, foreign exchange swaps, and cross-currency swaps. Transactions in foreign exchange options are limited to the following two types of transactions: options to purchase foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign bank, or options to sell foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign credit institution. Authorized intermediary banks are required to simultaneously cover the exchange risk they incur in respect of derivatives instruments traded with their customers. The underlying commercial and financial operations must relate to imports and exports of goods and services by a resident, foreign borrowing operations by a resident (drawings and repayments), or direct foreign investment in a resident company. All legitimate foreign currency needs are ultimately met by the BCEAO.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments with countries outside the WAEMU are made in foreign currencies. Trade with other WAEMU countries is settled in CFA francs.
Controls on the use of domestic currency	Yes.	The CFA franc may not be used for settlement of current or capital international transactions with countries outside the WAEMU.
For current transactions and payments	Yes.	The CFA franc may not be used for settlement of international transactions outside the WAEMU.
For capital transactions	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Investments by residents of the WAEMU zone outside the WAEMU are subject to prior authorization by the minister of finance, and at least 75% of the investment must be financed through foreign borrowing.
Transactions in capital and money market instruments	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Foreign investment by residents of the WAEMU zone is subject to authorization by the MOF. At least 75% of the investment must be financed through foreign borrowing. The interested party must request authorization through a letter designating the authorized intermediary to settle the payment. Purchases of foreign negotiable securities authorized by the regional capital markets authority to be issued or sold in WAEMU members

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		do not require Minister of Economy and Finance (MEF) authorization.
Transactions in derivatives and other instruments	Yes.	Residents of WAEMU member countries may engage in the following operations on derivatives and other instruments with accredited banks established in the WAEMU or foreign banks: (1) forward contract, foreign exchange swaps, and options. Operations on derivatives with foreign banks outside the WAEMU can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Credit operations	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted by authorized intermediaries to nonresidents of the WAEMU zone are subject to prior authorization by the Directorate of External Financial Relations of the MOF, after BCEAO approval.
Use of foreign exchange among residents	Yes.	The CFA franc is the only legal tender, and residents of the WAEMU zone are not permitted to use foreign exchange for domestic transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, replacing the previous agreement dated December 4, 1973. This monetary cooperation agreement is based on three pillars: (1) a common bank of issue; (2) a fixed exchange rate parity with the euro; and (3) an unlimited convertibility guarantee.
Clearing agreements	Yes.	A multilateral clearing agreement exists in the context of the WAMA among the countries of the WAEMU and other ECOWAS countries (Cabo Verde, The Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra Leone). Payments for current transactions between countries whose CBs are WAMA members may be effected under the clearing arrangements. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS members and payments for exports from one member country to another member country of finished products originating in countries whose CB or monetary authority is not a WAMA member.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The institutional reform of the WAMU and the BCEAO went into effect April 1, 2010, with the adoption of the following new basic instruments: (1) the WAMU Treaty, (2) the BCEAO Charter, (3) the Bank Regulation Act, and (4) the Convention governing the WAMU Banking Commission. All residents of WAEMU countries are treated as residents of Burkina Faso for the purposes of determining the foreign assets of banks, domiciliation and repatriation of export proceeds, the issuance and marketing of securities, imports and exports of gold, investment and borrowing operations, and the physical exportation of payment instruments and securities by postal package or ordinary mail. However, for statistical purposes related to the balance of payments, all countries other than Burkina Faso are considered foreign countries. In addition, all transfer operations with the rest of the world must be performed through an authorized intermediary bank, the postal service, or the BCEAO.
Payments arrears	No.	

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Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Gold imports and exports require MOF authorization, except (1) imports and exports by the Public Treasury and the BCEAO; (2) imports and exports of items with a low gold content (lined or plated objects); and (3) imports and exports, by travelers, of objects made of gold limited to a total weight of 500 grams. Imports and exports of gold within the WAEMU area are not subject to any restrictions.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may freely export CFA franc (XOF) banknotes from one WAEMU member country to another. Resident individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving CFA franc banknotes issued by the BCEAO.
Foreign currency	Yes.	The reexportation of foreign banknotes by nonresident travelers is permitted up to the equivalent of CFAF 500,000; reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks. Residents of the WAEMU zone traveling to countries that are not WAEMU members are required to declare foreign currency on their person in excess of the equivalent of CFAF 1 million. They may carry up to the equivalent of CFAF 2 million a person in banknotes not issued by the BCEAO. Larger amounts may be exported in the form of traveler's checks, prepaid debit and payment cards, conventional debit and payment cards, or other means of payment. Foreign exchange allowances issued by authorized intermediaries in the form of traveler's checks or prepaid debit and payment cards must be based on the need to cover customary, personal travel expenses, if they exceed the equivalent of CFAF 2 million a person. The issuance of foreign currency to resident travelers is subject to the presentation of travel documents and a valid passport or national identification card.
On imports	Yes.	
Domestic currency	Yes.	Resident and nonresident travelers may freely import domestic currency from other WAEMU areas. However, resident individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from receiving banknotes in domestic currency.
Foreign currency	No.	Residents and nonresident travelers may freely import CFA area banknotes denominated in foreign currencies. If such means of payment exceed the equivalent of CFAF 5 million, they must be declared to customs. Resident travelers are required to surrender foreign currency exceeding the equivalent of CFAF 500,000 to an authorized intermediary within eight days of their arrival in the national territory.

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Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	Yes.	Foreign exchange accounts in currencies other than the euro may be opened domestically with MOF authorization after non-objection from the BCEAO. The authorization specifies the operations that may be credited or debited on each such an account. These accounts are valid for a renewable term of up to one year. They cannot be credited with deposits of CFA banknotes or by debiting a CFA franc account. On expiration of the term set in the authorization, accounts are closed unless a new authorization is obtained.
Held abroad	Yes.	
Approval required	Yes.	Individuals who are residents of the WAEMU and temporarily staying or traveling outside of the WAEMU may open bank accounts outside the WAEMU to deposit foreign currency legally exported and any income acquired outside of the WAEMU during their travel or temporary stay outside of the WAEMU. These individuals are required to repatriate balances on such accounts within 30 days of return to the WAEMU. In any circumstance other than the foregoing, opening of foreign accounts by WAEMU residents is subject to MOF authorization by after non-objection from the BCEAO. The MOF authorization specifies the operations that may be credited or debited on such accounts valid for up to one year. In the event of a failure to obtain a new MOF authorization, the accredited intermediary must request that the account be closed by the end of the term authorized and that any balance be repatriated to a WAEMU member country within eight days.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	Intermediaries authorized in the WAEMU are authorized to open accounts in euros for the benefit of nonresidents, subject to proof of their status and actual residence. Nonresident accounts denominated in foreign currency other than euros are subject to BCEAO authorization. Nonresident foreign currency accounts are valid for a renewable period of two years. In the event of a failure to obtain renewal (through a new BCEAO authorization for foreign exchange other than the euro), these accounts must be closed. The balances of these accounts may be freely transferred abroad after verification.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Authorized intermediaries may open nonresident accounts in CFA francs and in euros, under their own responsibility, depending on the status and actual residence of the applicant. These accounts may be debited for spot purchases of foreign exchange.
Approval required	No.	
Blocked accounts	No.	

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the payment due date if the products have already been imported.
Domiciliation requirements	Yes.	Import transactions from outside the CFA franc area exceeding CFAF 10 million must be made through an authorized bank.
Preshipment inspection	Yes.	Imports valued at CFAF 3 million or more are subject to inspection for verification of quality and value.
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	Import licenses have been eliminated and replaced with pre-import declarations issued for all import operations valued at CFAF 5,00,000 or more.
Negative list	Yes.	Importation of ivory, fishing nets with mesh smaller than 3 square centimeters, asbestos, fireworks for entertainment, and explosive toys are prohibited. In addition, there is a temporary ban on importation of avian products and their derivatives originating in, or shipped from, countries affected by avian influenza.
Open general licenses	No.	
Licenses with quotas	Yes.	A special import license, the autorisation spéciale d'importation (Special Import Authorization) issued by the Ministry of Trade, is required for imports of sugar (granulated and lump) from outside the ECOWAS and the WAEMU. The autorisation spéciale d'importation (Special Import Authorization) is granted for a minimum import quota of 2,000 metric tons.
Other nontariff measures	Yes.	A technical importation visa (certificat de conformité) is required for the following products: reinforcing steel, sheet metal, adhesives for cold vulcanization (dissolution), carbide, electrical batteries, polyethylene and polypropylene bags for packaging, mopeds, motorcycles with an engine capacity of less than 125 cubic centimeters, tires and inner tubes for bicycles, aerosol insecticides, mosquito-repellent coils, pesticides, bleach, cosmetic products and perfume, gas cylinders, pharmaceutical alcohol, butter and margarine, cooking salt, edible vegetable oils, food pastes, granulated sugar and sugar cubes, mayonnaise, mustard, seasoning cubes and flavoring, vinegar, wheat and cereal flour, yeast and additives for bread making, canned food, cookies, rice, beer, liquor,

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		milk, tea, coffee, sodas, wine, and tobacco and tobacco products of any kind.
Import taxes and/or tariffs	Yes.	The WAEMU CET consists of four tariff brackets: 0%, 5%, 10%, and 20%. Imports from countries other than WAEMU area countries are also subject to a 1% statistical tax and, a 0.8% community solidarity levy. A cyclical import tax (taxe conjoncturelle à l'importation) and a degressive protection tax (taxe dégressive de protection) may at certain times be charged on some products. Neither of these two taxes had been applied as at end-2018. Imports from non-ECOWAS members are subject to a 0.5% community levy (CL/ECOWAS).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Resident economic operators are required to collect and repatriate the entire amount of sales of goods abroad in the country of origin with the bank with which the transaction is domiciled within 30 days of the payment due date. The payment due date is specified in the trade agreement and normally falls within a period of 120 days after the goods are dispatched.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds must be surrendered by ADs to the BCEAO within 30 days of the payment due date, which may not exceed 120 days after shipment of the goods. To cover its current foreign exchange needs, the domiciling bank may hold up to 20% of its export proceeds as owned foreign exchange resources. However, it must ensure that the total foreign exchange resources that cover its requirements do not exceed 5% of total customer demand deposits; otherwise, the surplus must be surrendered to the BCEAO.
Surrender to authorized dealers	Yes.	Proceeds must be surrendered to authorized banks within 30 days of the payment due date, which must not be more than 120 days after the shipment of the goods. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Sales of foreign exchange by exporters to ADs other than the domiciling bank are permitted, provided the domiciling bank has documentation to verify domiciliation.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Export transactions of more than CFAF 10 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Preshipment inspection	Yes.	
Other	No.	
Export licenses	Yes.	Exports of diamonds, gold, and all other precious metals are subject to authorization by the minister responsible for finance. Exports of ivory require special authorization by the Ministry of Foreign Trade. Exports of sesame are subject to the delivery of a certificate of origin

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		and to the presentation of a phytosanitary certificate, verification notice, and certificate from an authorized laboratory. A visa system, called the Burkina Faso AGOA Visa, has been set up for exports of clothing and textiles to the United States under the AGOA preferential arrangement.
Without quotas	Yes.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Most exports are subject to a customs stamp tax of 6% and a statistical duty of 3%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments and transfers for current transactions with WAEMU and non-WAEMU countries may be made freely through authorized intermediaries. Transfers exceeding CFAF 500,000 are subject to documentary requirements. Payments and receipts of foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad relating to freight and insurance (including transfers of insurance not related to commercial transactions), unloading and warehousing costs, administrative costs, commissions, and customs duties and fees are permitted in general, subject to the presentation of supporting documentation to the authorized intermediary.
Investment-related payments	Yes.	
Prior approval	Yes.	Payments for the depreciation of direct investments require approval by the minister of finance, because depreciation is not specifically mentioned in the regulations.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents. Similarly, interest and dividends, shares and profits of corporations or partnerships, mortgage or real estate interests, rents and leases, operating profits of companies, pensions and annuities from life insurance contracts as well as any other periodic remuneration of a corporation are included in the current payments to foreign countries, which are executed on a voluntary basis by authorized intermediaries on presentation of supporting documents.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents of the WAEMU zone traveling for tourism or business purposes to non-WAEMU countries may take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person a trip; amounts in excess of this limit may be taken out in the

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		form of traveler's checks, certified checks, or other means of payment. Larger amounts are permitted with documentation.
Indicative limits/bona fide test	Yes.	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required for payment of family maintenance expenses abroad.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Personal payments may be made through an authorized bank, subject to presentation of supporting documents. Payments abroad relating to pensions and benefits resulting from an employment contract, education costs, family maintenance, and alimony may be executed freely on presentation of documentation.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	Yes.	The use of credit cards is allowed when issued by specialized institutions which, where applicable, must report such transactions on a quarterly basis to the BCEAO.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For travelers, allocations of foreign currency in the form of debit and payment card must be justified by requirements related to travel and personal expenses if they exceed the equivalent of CFAF 2 million.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	As a general rule, payments abroad in amounts greater than CFAF 500,000 are subject to the presentation of supporting documentation.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from invisible transactions with non-WAEMU countries must be repatriated. Residents of the WAEMU zone are required to surrender to an authorized intermediary all revenues and income in foreign currency collected abroad or received from a nonresident within one month after the payment due date.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	ADs must immediately surrender residents of the WAEMU zone's proceeds from invisible transactions to the BCEAO. At the request of the BCEAO, ADs must sell to it, in exchange for currency that it issues, all their holdings in euros or other foreign currencies.
Surrender to authorized dealers	Yes.	Proceeds from invisible transactions with non-WAEMU countries

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		must be surrendered to an AD within one month of the payment due date. Resident travelers must surrender to an authorized intermediary, within eight days of their arrival in Burkina Faso, foreign banknotes and other means of payment denominated in foreign currency worth more than the equivalent of CFAF 500,000.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except (1) amortization of debts and repayment of short-term loans to finance industrial and commercial operations, (2) payments required on foreign exchange derivatives transactions or raw material or commodity derivatives transactions, and (3) transfers of the proceeds of liquidated investments or the sale of foreign securities by nonresidents of the WAEMU zone. Capital receipts from non-WAEMU countries are generally permitted.
Repatriation requirements	Yes.	Proceeds from the sale or liquidation of residents of the WAEMU zone's investments abroad must be repatriated within one month through a registered intermediary, if the resident does not have a reinvestment authorization.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	Proceeds from the sale or liquidation of WAEMU residents' investments abroad must be repatriated and surrendered within one month to an AD, if the resident does not have a reinvestment authorization. The surrender requirement applies to proceeds from all capital transactions.
Controls on capital and money market instruments	Yes.	RCPSFM authorization is required for the following operations: (1) the issuance or marketing of securities and real assets of foreign entities, (2) canvassing, and (3) publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange. Soliciting the public of the WAEMU by nonresident entities is subject to authorization by the BCEAO in its capacity as the authority responsible for regulating the external financial relations of WAEMU countries. The Code of the Inter-African Conference on Insurance Markets (CIMA Code) requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
On capital market securities	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are unrestricted. However, these purchases are subject to prior

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		declaration to the minister of finance and the BCEAO for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to authorization from the RCPSFM, with authorization of the BCEAO acting in its capacity as the authority responsible for external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to authorization by the minister responsible for finance. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of resident entities, foreign investors are required to make a prior declaration to the MEF. The sale of securities to liquidate an investment abroad is subject to declaration to the MEF and the BCEAO for statistical purposes. Residents of the WAEMU zone may also issue securities abroad, unless the securities constitute a loan.
Bonds or other debt securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. There is no minimum holding period.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the minister responsible for finance for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries is authorized by the RCPSFM.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the minister responsible for finance. The sale of securities to liquidate an investment abroad is subject to declaration to the MEF and the BCEAO for statistical purposes. The issuance by residents of the WAEMU zone to nonresidents of the WAEMU zone of securities constituting a loan must be made through an authorized

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		bank and must be reported to the MEF for statistical purposes.
On money market instruments	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to prior declaration to the MEF for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance and sale of money market instruments by nonresidents of the WAEMU zone are subject to authorization by the RCPSFM, with authorization of the BCEAO as the authority responsible for external financial relations. There are no controls on the sale of money market instruments resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of money market instruments by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the minister responsible for finance for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign money market instruments by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to authorization by the minister responsible for finance and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign money market instruments whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local money market instruments abroad. The sale of money market instruments to liquidate an investment abroad is subject to declaration to the minister responsible for finance for statistical purposes. Residents of the WAEMU zone may sell or issue money market instruments abroad, unless the securities constitute a loan.
On collective investment securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to prior declaration to the minister responsible for finance for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization with authorization of the BCEAO as the authority responsible for external financial relations. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the minister responsible for finance for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to authorization by the minister responsible for finance and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the minister responsible for finance. The sale of securities to liquidate an investment abroad is subject to declaration

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		to the minister responsible for finance for statistical purposes. Residents of the WAEMU zone may also issue securities abroad, unless the securities constitute a loan.
Controls on derivatives and other instruments	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Purchase locally by nonresidents	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone. The use of exchange risk hedging derivatives on the domestic market is reserved exclusively for Union residents. Purchase of derivatives locally by nonresidents is not permitted.
Sale or issue locally by nonresidents	Yes.	Residents are authorized to carry out transactions on approved foreign exchange derivative instruments on foreign exchange derivatives markets with nonresident banks.
Purchase abroad by residents	Yes.	These instruments are subject to general regulations that apply to securities and investments. Residents of the WAEMU zone may freely purchase abroad or from nonresidents of the WAEMU zone call or put options on primary commodities or securities transactions. Residents of the WAEMU zone may not purchase commodities or securities in foreign markets to be delivered in complying with a put option contract. Put options must be placed on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract. Residents of the WAEMU zone are permitted to purchase foreign currency purchase options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign credit institution.
Sale or issue abroad by residents	Yes.	Residents of the WAEMU zone are permitted to purchase foreign currency sell options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign (that is, nonresident of WAEMU) credit institution.
Controls on credit operations	Yes.	Borrowing by residents of the WAEMU zone from nonresidents of the WAEMU zone must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the minister responsible for finance.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	There are no controls on credits related to exports of goods. The date on which payment falls due is specified in the contract (in principle not later than 120 days after the date of shipment).
To residents from nonresidents	No.	There are no controls, and repayments of commercial credits are generally conducted without prior authorization, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date, to the licensed intermediary bank responsible for handling the repayment.

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Financial credits	Yes.	
By residents to nonresidents	Yes.	Outward transfers necessary to service such facilities require an exchange authorization, subject to the approval of the minister responsible for finance and substantiated by documentation.
To residents from nonresidents	No.	There are no controls on these credits, but they must be reported for statistical purposes to the MOF and the BCEAO when granted and when repaid, except for the following credits: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayment of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction. Borrowing abroad is unrestricted.
Guarantees, sureties, and financial backup facilities	Yes.	The regulations governing financial credits apply.
By residents to nonresidents	Yes.	The granting of guarantees and sureties is subject to approval by the minister of finance. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to approval by the minister of finance and the submission of supporting documents.
To residents from nonresidents	No.	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered direct investments and therefore require prior declaration to the MEF and the BCEAO for statistical purposes.
Controls on direct investment	Yes.	Investment that implies control of a company or enterprise is considered direct investment. Mere participation is not considered direct investment unless it exceeds 10% of the capital of a company. All investment outside of WAEMU by residents of the WAEMU, including investment through foreign companies under the direct or indirect control of WAEMU residents and investment by foreign branches or subsidiaries of companies established in a WAEMU member country, requires MEF authorization.
Outward direct investment	Yes.	All investments abroad by residents of the WAEMU zone are subject to authorization by the minister responsible for finance, including investment through foreign companies under the direct or indirect control of residents of Burkina Faso and investment by foreign branches or subsidiaries of companies established in Burkina Faso. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Yes.	FDI, including by resident companies that are directly or indirectly under foreign control and by branches or subsidiaries of foreign companies, must be reported to the minister responsible for finance for statistical purposes. A share is not considered a direct investment unless it exceeds 10% of the capital of a company.
Controls on liquidation of direct investment	No.	The liquidation of investments abroad must be reported to the MOF and the BCEAO for statistical purposes. Reinvestment of the liquidation proceeds is subject to authorization by the minister responsible for finance. If reinvestment is not authorized, the liquidation proceeds must be repatriated within one month through

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		an authorized intermediary. The sale of foreign investments by nonresidents of the WAEMU zone is unrestricted but must be reported to the MOF and the BCEAO for statistical purposes.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These purchases require authorization by the minister of finance.
Purchase locally by nonresidents	No.	Purchases for purposes other than direct investment in a business, branch, or company are permitted. These require declaration to the minister responsible for finance for statistical purposes.
Sale locally by nonresidents	No.	Sales by nonresidents of the WAEMU zone to residents of the WAEMU zone require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the minister of finance and the BCEAO for statistical purposes.
Controls on personal capital transactions	Yes.	Personal capital transactions between residents of the WAEMU zone and nonresidents of the WAEMU zone must be made through the BCEAO, the postal service, or an authorized intermediary bank, unless authorization is obtained from the minister of finance.
Loans	Yes.	The regulations governing securities and investments apply.
By residents to nonresidents	Yes.	These transactions require authorization by the minister of finance. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of approved financial institutions.
To residents from nonresidents	Yes.	These transactions may be made freely but are subject to declaration to the MOF and the BCEAO for statistical purposes when disbursed and when repaid.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Inheritances and dowries are generally allowed. Gifts and endowments, however, are subject to authorization by the MOF and the BCEAO. These transactions must be conducted through an authorized intermediary and comply with the relevant AML and terrorism financing provisions.
To residents from nonresidents	No.	These transactions do not require authorization but are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Settlement of debts abroad by immigrants	Yes.	Immigrants with resident status must obtain approval from the minister responsible for finance to settle debts incurred abroad when they were nonresidents of the WAEMU zone.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These operations require authorization by the minister of finance if the value exceeds CFAF 500,000 a person. There are no restrictions on transfers of amounts below this threshold.
Transfer into the country by immigrants	Yes.	Foreign accounts of nonresidents of the WAEMU zone (in foreign currencies or CFA francs) who become residents of the WAEMU zone must be closed. However, they may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents of the WAEMU zone. New transfers to these accounts require approval by the minister responsible for finance.
Transfer of gambling and prize earnings	No.	These transfers are conducted freely through authorized intermediaries, subject to the presentation of supporting documents and compliance with the relevant provisions on combating money laundering and financing of terrorism.

Provisions Specific to the Financial Sector

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Provisions specific to commercial banks and other credit institutions	Yes.	The Law on Money Laundering defines the legal framework relative to money laundering in Burkina Faso, to prevent the use of the WAEMU's economic, financial, and banking channels for laundering money or other illicitly obtained assets (Article 4). The Uniform Law on the Treatment of Dormant Accounts on the Books of Financial Agencies of the Member States of the WAMU by the Council of Ministers of the Union took effect September 28, 2012. Decision No. CM/UMOA/023/2012 set the deadline (December 31, 2013) for including this law in the domestic legislation of WAMU members. It has been incorporated into Burkina Faso national law.
Borrowing abroad	No.	Loans from abroad are unrestricted. For statistical purposes, these transactions must be declared to the minister responsible for finance and the BCEAO when granted and when repaid.
Maintenance of accounts abroad	Yes.	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements. In accordance with Regulation No. 09/2010/CM/UEMOA on the External Financial Relations of the WAEMU Member States, to cover their foreign currency requirements, banks are authorized to hold the following in banking institutions located in non-WAEMU countries: (1) demand deposits that do not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days and (2) demand deposits that do not exceed the balance of their open foreign accounts in foreign currencies other than euros and their open resident accounts in foreign currency. The total amount of these assets may not exceed 5% of their clients' outstanding demand deposits. Assets in excess of foreign currency requirements must be surrendered to the BCEAO.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial lending is permitted. Financial credits are subject to authorization by the minister responsible for finance, following BCEAO approval.
Lending locally in foreign exchange	Yes.	There are no explicit regulations regarding these transactions, but minister responsible for finance authorization and BCEAO approval are required.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These purchases require authorization by the minister responsible for finance if their issuance has not been authorized by the RCPSFM.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	A reserve requirement of 3% has been applicable to banks in the WAEMU zone since March 16, 2017. Demand deposits, other debit deposit accounts, and loan accounts are included in the calculation of required reserves. The following four elements are taken into account in calculating the required reserves to be established in the CB: (i) demand deposits; (ii) short-term loans; (iii) gross claims abroad, including customer deposits in foreign currency; (iv) medium- and long-term loans. Required reserves are therefore established on a standard, settlement, or securities account based on eligibility for calculation of reserves allocated by the MPC.
Liquid asset requirements	No.	In accordance with the prudential framework applicable to banks and financial institutions carrying out banking operations in the WAEMU, the minimum liquid asset requirement is 75%. A 50% transformation ratio is also required to ensure that banks continually have more stable financing sources to finance their long-term uses.
Interest rate controls	No.	

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Credit controls	Yes.	Financial loans of any kind, CFA franc overdrafts, and, in general, advances to nonresidents of the WAEMU zone are subject to authorization by the minister responsible for finance, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Yes.	Banking regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Overdrafts and advances granted to nonresidents of the WAEMU zone require authorization by the minister responsible for finance and BCEAO approval.
Investment regulations	Yes.	The regulations governing direct investment apply.
Abroad by banks	Yes.	All investments abroad by residents of the WAEMU zone are subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM.
In banks by nonresidents	Yes.	These transactions may, depending on their volume, be subject to authorization by the minister responsible for finance. Article 29 of the Banking Law stipulates that the investment of any person in a bank that would have the effect of changing the minority and/or the majority of voting rights requires authorization by the minister responsible for finance.
Open foreign exchange position limits	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain an open foreign exchange position. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments, up to the equivalent of 5% of total customer demand deposits. To cover their foreign currency requirements, banks are authorized to hold the following in banking institutions in non-WAEMU countries: (1) demand deposits that do not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that do not exceed the balance of their open foreign accounts in foreign currencies other than euros and their open resident accounts in foreign currency.
On resident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain an open foreign exchange position. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold the following in banking institutions in non-WAEMU countries: (1) demand deposits that do not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that do not exceed the balance of their open foreign accounts in foreign currencies other than euros and their open resident accounts in foreign currency.
On nonresident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain an open foreign exchange position. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments. To cover their

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		foreign currency requirements, banks are authorized to hold the following in banking institutions in non-WAEMU countries: (1) demand deposits that do not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that do not exceed the balance of their open foreign accounts in foreign currencies other than euros and their open resident accounts in foreign currency.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Controls are imposed by the CIMA Code.
Limits (max.) on securities issued by nonresidents	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest up to 50% of resources collected locally in other CIMA member countries.
Limits (max.) on investment portfolio held abroad	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest up to 50% of resources collected locally in other CIMA member countries.
Limits (min.) on investment portfolio held locally	Yes.	According to the CIMA Code, a minimum of 50% of resources collected in a CIMA member country by insurance companies must be invested locally.
Currency-matching regulations on assets/liabilities composition	Yes.	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to authorization by the RCPSFM.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold in WAEMU member countries with RCPSFM authorization, all investments abroad by residents of the WAEMU zone are subject to minister responsible for finance authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to RCPSFM authorization.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold in WAEMU member countries with RCPSFM authorization, all investments abroad by residents of the WAEMU zone are subject to minister responsible for finance authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CB does not yet have a digital currency.
Retail	No.	The CB does not yet have a digital currency.

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Wholesale	No.	The CB does not yet have a digital currency.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on unbacked tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.

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Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on utility and security tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In

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		addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on stablecoins	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on crypto exchanges and trading platforms	n.a.	
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*03/31/2023*	The regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial

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		institutions, Designated Non-Financial Businesses and Professions, and Virtual Asset Service Providers; (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons.

Exchange Arrangement

Official exchange rate	*09/02/2022*	Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.

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BURUNDI

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 28, 1963.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the Article IV Consultation with Burundi states that as of July 7, 2022, Burundi continues to maintain a MCP that is inconsistent with Article VIII, Section 3: The exchange rate used for government transactions (the official rate) may differ by more than 2% from market exchange rates, and there is no mechanism to prevent such a deviation. (Country Report No. 22/257).
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Burundi maintains restrictions on financial transactions and accounts of individuals and organizations associated with terrorism, pursuant to UNSC Resolution No. 1269 (1999) and the updated list of organizations associated with terrorism prepared by the U.S. Department of State.
Other security restrictions	No.	There are no other restrictions.

Exchange Arrangement

Currency	Yes.	The currency of Burundi is the Burundi franc.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual	Yes.	The exchange rate structure is dual because, according to the IMF staff report, the exchange rate used for government transactions (the official rate) may differ by more than 2% from market exchange rates.
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is managed floating. The

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		regulations governing the interbank foreign exchange market allow the Bank of the Republic of Burundi (BRB) to intervene on its own initiative. The de facto exchange rate arrangement is classified as a crawl-like arrangement.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The method for calculating the reference rate includes all bank transactions with customers on the previous day. To prevent further sharp fluctuations, bank operations whose exchange rate deviates from the defined band are systematically excluded from the calculations. For the BRB, the official exchange rate is used for government transactions, foreign exchange sales, and to adjust banks' net open positions. Effective May 4, 2023, the CB reintroduced the interbank foreign exchange market and used the rate obtained on the interbank foreign exchange market as a reference to calculate the official rate with a fluctuation margin not exceeding 2%. Further to the currency shortage, the exchange rate for official transactions may deviate from the market rate by more than 2%.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The monetary policy objective is price stability through the control of base money expansion. The quantitative objectives in terms of internal and external net assets are defined on a quarterly basis.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		

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Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs are allowed to determine freely their foreign exchange commissions with their clients.
Spot exchange market	Yes.	Banks and exchange bureaus are free to set traded market exchange rates, which they post for the clients. Banks can freely purchase and sell foreign exchange for trade and capital transactions. The BRB has set a fluctuation margin on foreign currency purchases and sales by commercial banks and exchange bureaus of ±2% of the reference rate, which it publishes each morning. The BRB licenses banks. Ten commercial banks operate on the spot exchange market. On February 7, 2020, measure was taken to withdraw the licenses of exchange bureaus. Effective October 7, 2022, the measure to withdraw the licenses of exchange bureaus was lifted. The BRB licenses exchange bureaus for an unlimited period. However, their current business activity is severely controlled. Eight (8) licensed exchange bureaus are in operation. They may engage in foreign currency note purchases and sales with the public but may not hold accounts abroad or make foreign exchange payments or transfers on behalf of their clients.

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Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Only commercial banks (14) are authorized by the CB to participate in the interbank foreign exchange market. There are no limits on commissions of market participants. Since the decline in foreign exchange reserves, 5 interbank transactions have been recorded on this market since its reintroduction on May 4, 2023, until end-June 2023, in addition to CB interventions. The BRB intervenes in the interbank foreign exchange market on its own initiative in accordance with market conditions. The market is open on all business days. The CB intervenes in the foreign exchange market mainly to finance the import of priority products such as petroleum products, drugs, and fertilizers. The CB's money market interventions take the form of tenders for the provision or absorption of liquidity, standing loan facilities, and special refinancing, among others. Effective May 4, 2023, the CB reintroduced the interbank foreign exchange market, where banks exchange foreign currency at freely negotiated rates. Previously, the BRB sets a fluctuation margin on foreign currency purchases and sales by commercial banks and exchange bureaus of ±1% of the reference rate it publishes each morning.
Over the counter	Yes.	Foreign exchange transactions take place over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	There is no derivatives market in Burundi.
Official cover of forward operations	No.	There is no official cover of forward operations in Burundi.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	The currency of settlement is prescribed by Law No. 1/34 of December 2, 2008, Article 25, which stipulates that the currency unit of Burundi is the Burundi franc (FBu) and that all monetary transactions taking place in the territory of Burundi must be expressed in FBu, unless a waiver is granted by the BRB.
Controls on the use of domestic currency	Yes.	All payments for goods and services in Burundi must be made in domestic currency. However, nonresidents staying in a hotel or guesthouse in Burundi may pay their hotel bills in foreign currency. Residents are required to repatriate receipts from exports of goods and services. Foreign exchange acquired for specific operations is to be rendered, if the relevant operations have not taken place.
For current transactions and payments	Yes.	All payments for goods and services in Burundi must be made in domestic currency. However, nonresidents staying in a hotel or guesthouse in Burundi may pay their hotel bills in foreign currency. Residents are required to repatriate receipts from exports of goods and services. Foreign exchange acquired for specific operations is to be rendered, if the relevant operations have not taken place.

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For capital transactions	Yes.	Domestic currency may not be used for international settlements for capital transactions.
Transactions in capital and money market instruments	Yes.	Domestic currency may not be used for international settlements for capital transactions.
Transactions in derivatives and other instruments	Yes.	Domestic currency may not be used for international settlements for capital transactions.
Credit operations	Yes.	Domestic currency may not be used for international settlements for capital transactions.
Use of foreign exchange among residents	Yes.	Transactions in foreign currency among residents are not permitted. All monetary transactions taking place in the territory of Burundi must be expressed in FBu, unless a waiver is granted by the BRB.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	There are trade agreements with the Democratic Republic of the Congo and Rwanda. These agreements are not currently operational.
Regional arrangements	Yes.	There are regional agreements with EAC, COMESA, and ZLECAF.
Clearing agreements	Yes.	There are clearing agreements with the member countries of COMESA.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Currently, the CB is responsible for the supervision of commercial banks, deposit-taking microfinance institutions, and foreign exchange bureaus. Control over foreign exchange transactions is vested in the BRB; the authority to carry out transactions is delegated to authorized banks. Only capital transactions abroad require BRB authorization. Export declarations (DEs) for coffee, tea, and all minerals are subject to validation by the BRB.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Only the BRB buys gold produced by mining companies and cooperatives.
On external trade	Yes.	Exports of gold must be declared in foreign currency at the time of validation of the DE by the BRB. Gold exports are authorized jointly by the mining and customs departments.
Controls on exports and imports of banknotes	No.	Articles 10 and 11 of the Foreign Exchange Regulations of September 17, 2019.
On exports	No.	
Domestic currency	No.	The exportation of Burundi franc banknotes exceeding FBu 100,000 is subject to customs declaration.
Foreign currency	No.	Foreign currencies in cash may be exported freely. Such exports are reserved for commercial banks subject to compliance with the law to counter money laundering and the financing of terrorism. Banks that export banknotes must report to the CB no later than the day following disbursement.
On imports	No.	
Domestic currency	No.	The importation of Burundi franc banknotes exceeding FBu 100,000

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		is subject to customs declaration.
Foreign currency	No.	Foreign currencies in cash may be imported freely. Such imports are reserved for commercial banks subject to compliance with the law to counter money laundering and the financing of terrorism. Banks that import banknotes must report to the CB no later than the day following collection.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Resident individuals and legal entities may open foreign exchange accounts with local banks, which may be credited freely. Withdrawals in Burundi francs are generally unrestricted. Withdrawals and payments from resident foreign currency accounts are unrestricted for individuals only (in banknotes). For legal entities, supporting documents of foreign currency expenditures are required for foreign currency withdrawals. Foreign exchange accounts of State institutions and for State projects, as well as of nongovernmental organizations (NGOs), receiving external support have to be channeled through the CB, which makes national currency available, and all relevant existing foreign exchange accounts in commercial banks must be closed.
Approval required	No.	
Held abroad	Yes.	The BRB may authorize foreign accounts for individuals and legal entities. Account holders, except residents temporarily abroad, must send monthly statements to the BRB. Balances can be freely repatriated.
Approval required	No.	The opening of foreign exchange accounts by residents is not subject to the prior authorization of the CB. All individuals and legal entities, resident or nonresident, are authorized to open foreign exchange accounts and to carry out transactions with an authorized bank in keeping with the terms and conditions of the foreign exchange regulations in force.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	Only the Treasury's account is convertible.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Any nonresident individual or legal entity may open a foreign exchange account in an authorized bank. Nonresident foreign exchange accounts may be debited and credited freely. There is a limit of US$50,000 a year on withdrawals in banknotes without supporting documents. Legal entities may only make withdrawals in banknotes with supporting documents for expenses in foreign currency.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Declarations of Intent to Import (DIIs) must be validated by commercial banks.
Domiciliation requirements	No.	
Preshipment inspection	Yes.	A DII must be filed. The importer expresses its intention to import by completing, or being assisted in that task by its customs broker, the DII in ASYCUDA World according to the model in that system, before the imports are shipped. The duly completed DII electronic form must be submitted electronically to its bank for validation (Article 18 of Addendum No. 2 to the Foreign Exchange Regulations). Shipments of imported food, pharmaceuticals, and chemicals exceeding the equivalent of US$3,000 in c.i.f. value and of all other goods exceeding US$5,000 in c.i.f. value are subject to preshipment inspection by international supervisory and oversight agents with regard to quality, quantity, and price (Exchange Regulations of December 6, 2006, Article 39, Paragraph (a)). Inspections are carried out by the Société Générale de Surveillance S.A. (SGS). All other goods with a c.i.f. value of less than said amounts are subject to a documentary check. A supplementary physical check may be carried out when the goods arrive. Goods not inspected before shipment for a valid reason may be inspected in transit or on arrival.
Letters of credit	No.	There is no obligation to settle import transactions with LCs.
Import licenses used as exchange licenses	Yes.	The validation of a DII serves as an exchange authorization and gives access to foreign exchange.
Other	Yes.	Goods imported into Burundi must be insured by approved Burundi insurers; premiums must be paid in Burundi francs, unless the BRB has granted an exemption.
Import licenses and other nontariff measures	Yes.	The only requirement is a DII. Imports of commercial samples, personal luggage, and the personal effects of travelers, as well as all imports by diplomatic and UN missions, are exempt from the DII requirement.
Positive list	No.	
Negative list	No.	
Open general licenses	Yes.	Imports of commercial samples, personal luggage, and the personal effects of travelers, as well as all imports by diplomatic and UN missions, are exempt from the DII requirement.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Imports from COMESA member countries enter Burundi duty-free. Burundi applies the EAC CET, which consists of three rates: 0%, 10%, and 25%. Imports of petroleum products are subject to a 20% duty.

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Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds must be collected within 30 days of the date of shipment recorded by customs for shipment by air or within 90 days for all other shipments. Residents are required to repatriate receipts from exports of goods and services.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Any receipt and surrender of proceeds from exports must be arranged through the bank that validated the DE. Therefore, for DEs validated by the CB, proceeds are surrendered to the CB.
Surrender to authorized dealers	Yes.	Any receipt and surrender of proceeds from exports must be arranged through the bank that validated the DE. Therefore, for DEs validated by commercial banks, proceeds are surrendered to the bank that validated them.
Financing requirements	No.	
Documentation requirements	Yes.	Validation of the DE by a commercial bank or by the BRB is required.
Letters of credit	Yes.	LCs are required for exports payable by documentary credit.
Guarantees	Yes.	Exports paid for by means other than preshipment payment, documentary remittance, or documentary credit must be covered by a performance bond warranty underwritten by an intermediary bank in favor of the exporter's commercial bank.
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	Only DEs are required.
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Banks may approve requests for amounts within the prescribed limits. Banks may sell their customers up to US$3,000 on presentation of an identification document and up to US$5,000 on presentation of an airline ticket or any other travel document. Foreign exchange bureaus are not authorized to make transfers.
Trade-related payments	Yes.	Shipping insurance on coffee exports must usually be taken out in Burundi francs with a domestic insurer.
Prior approval	Yes.	Only payments and transfers related to capital transactions require approval by the BRB.
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	BRB approval is required for investments abroad.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Private joint-stock companies may transfer 100% of the return on foreign capital and of the profits distributed to foreign directors after payment of taxes. Airlines may transfer abroad 100% of their earnings after deduction of local expenses. Transfer of rental income is permitted after payment of taxes and a deduction of 20% for maintenance expenses.
Payments for travel	Yes.	Commercial banks provide foreign exchange for personal and official travel. The BRB provides foreign exchange for official missions to its government and semipublic company account holders.
Prior approval	No.	
Quantitative limits	Yes.	Official missions are governed by Decree No. 120-121/VP1-VP2/002 of February 3, 2006, setting the scale and terms and conditions for official mission orders and costs as follows: (1) per diems: US$350 a night for government officials and public figures with the rank of minister; US$300 a night for directors-general and other senior management officials; and US$250 a night for other officials; (2) per diem supplements: US$100 a night for transit expenses longer than six hours a day; US$50 a night to supplement living expenses for a mission without per diems or with per diems less than US$50; and (3) communications costs as indicated on the mission order for the government and government-owned companies and as determined by the board of directors for semipublic companies. For private missions, the amounts are as follows: (1) business travel expenses: amount granted by the employer, not to exceed US$10,000 a trip, and (2) visit and tourism travel expenses: US$350 a night, not to exceed US$10,000 a trip.
Indicative limits/bona fide test	Yes.	
Personal payments	Yes.	Commercial banks sell foreign exchange for personal payments within the limits of their available foreign exchange. Transactions are limited to US$500 a person a day and US$3,000 a person a month. Pension transfers are effected through the National Social Security Institute.
Prior approval	No.	
Quantitative limits	No.	There are no quantitative limits on personal payments (commercial banks).
Indicative limits/bona fide test	Yes.	For health-related travel, an initial allowance up to US$10,000 is granted on departure; additional transfers are authorized on presentation of invoices. For an accompanying traveler, the allowance is US$300 a day, not to exceed US$5,000 in total. Amounts for education, moving, and subsistence expenses for students are as follows: (1) Scholarship students may receive the sum of the amount awarded by the government or organization financing the studies plus the difference between US$5,000 a quarter and the amount of the scholarship award. (2) Students who are not on scholarship may receive up to US$5,000 a year for moving and equipment expenses plus living expenses of US$5,000 a quarter and tuition fees. (3) Interns may receive the amount allowed by the employer, but no more than the amount for official mission expenses.

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		It should be noted that additional amounts may be acquired if certain conditions are met.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Foreigners residing and working in Burundi may transfer abroad their total salary after payment of their taxes and deduction of local expenses.
Indicative limits/bona fide test	Yes.	A work contract is required.
Credit card use abroad	Yes.	The use of credit cards abroad is subject to the same ceilings as payments for services and other operations against foreign exchange accounts.
Prior approval	No.	
Quantitative limits	Yes.	Legal entities, both resident and nonresident, may not make cash withdrawals from foreign currency accounts, except in the case of payments for services stipulated in Annex VIII (Article 59 of the Foreign Exchange Regulations of September 2019). This annex sets quantitative limits.
Indicative limits/bona fide test	No.	
Other payments	Yes.	Consulting and legal fees are limited to amounts indicated by invoices.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Consulting and legal fees are limited to amounts indicated by invoices.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	The Foreign Exchange Regulations of September 2019 do not provide for the reporting of services exports.
Surrender requirements	No.	
Surrender to the central bank	No.	The surrender concerns proceeds subject to a DE.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital transfers abroad by residents require individual prior authorization by the BRB. The financial account is not fully liberalized.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	

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Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	Investments in Burundi by nonresidents are unrestricted (Article 53 of the Foreign Exchange Regulations of September 2019). There are no restrictions. There are no regulations specific to securities.
Purchase abroad by residents	Yes.	Purchases are subject to BRB approval. Insurance companies require approval to acquire equity stakes in foreign firms.
Sale or issue abroad by residents	Yes.	BRB approval is required (Article 55 of the Foreign Exchange Regulations of September 2019).
Bonds or other debt securities	Yes.	These operations are not specifically identified in the Foreign Exchange Regulations of September 2019.
Purchase locally by nonresidents	No.	Purchases may be made with nonresidents' foreign exchange funds or in Burundi francs of lawful origin. There are no restrictions. There is no minimum holding period requirement for such bonds.
Sale or issue locally by nonresidents	No.	These transactions are unrestricted.
Purchase abroad by residents	Yes.	BRB approval is required.
Sale or issue abroad by residents	No.	These transactions are unrestricted.
On money market instruments	Yes.	Instruction No. 3/2017 regulating the Treasury securities market.
Purchase locally by nonresidents	No.	These transactions are unrestricted. Access to the primary and secondary markets for Treasury securities is unrestricted and open to any resident or nonresident natural or legal person that meets the technical and financial conditions for carrying out transactions on this market (Article 5 of Instruction No. 3 regulating the Treasury securities market of July 2017).
Sale or issue locally by nonresidents	No.	These transactions are not regulated.
Purchase abroad by residents	Yes.	BRB approval is required. (Article 55 of the Foreign Exchange Regulations of September 2019).
Sale or issue abroad by residents	No.	These transactions are unrestricted.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	These transactions are unrestricted.
Sale or issue locally by nonresidents	No.	Specific regulations on such instruments are not available as the capital market is not yet in place. These operations refer to the Foreign Exchange Regulations of September 2019 and are unrestricted.
Purchase abroad by residents	Yes.	Specific regulations on such instruments are not available as the capital market is not yet in place. These operations refer to the Foreign Exchange Regulations of September 2019 where prior BRB authorization is required.
Sale or issue abroad by residents	No.	Specific regulations on such instruments are not available as the capital market is not yet in place. These operations refer to the Foreign Exchange Regulations of September 2019 and are unrestricted.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	There is no derivatives market in Burundi.
Sale or issue locally by nonresidents	No.	There is no derivatives market in Burundi.
Purchase abroad by residents	Yes.	BRB approval is required.

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Sale or issue abroad by residents	No.	There is no derivatives market in Burundi.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	BRB approval is required. Article 55 of the Foreign Exchange Regulations of September 2019 applies.
To residents from nonresidents	No.	These transactions are unrestricted. Residents may, for the purposes of their activities in Burundi, contract loans from nonresidents in foreign currency that are repayable according to the contractual conditions of the loan (Article 57 of the 2019 version of the Foreign Exchange Regulations).
Financial credits	Yes.	
By residents to nonresidents	Yes.	BRB approval is required. Article 55 of the Foreign Exchange Regulations of September 2019 applies.
To residents from nonresidents	No.	These transactions are unrestricted. Residents may, for the purposes of their activities in Burundi, contract loans from nonresidents in foreign currency that are repayable according to the contractual conditions of the loan (Article 57 of the 2019 version of the Foreign Exchange Regulations).
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	These transactions are not regulated.
To residents from nonresidents	No.	These transactions are not regulated.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment by residents is subject to BRB approval.
Inward direct investment	No.	There are no restrictions on foreign investment (Article 53 of the Foreign Exchange Regulations of September 2019). There is no approval requirement or quantitative limitation, and there are no sector-specific controls.
Controls on liquidation of direct investment	No.	Transfers of foreign capital with repatriation guarantees do not require individual authorization. Repatriation of investments by nonresidents is unrestricted (Article 54 of the 2019 version of the Foreign Exchange Regulations). The repatriation request must be made to a bank and accompanied by the following: (1) the amount to be repatriated; (2) a sales contract or other document verifying the source of the amount to be transferred; and (3) proof of payment of tax on the revenue to be transferred. There is no approval requirement or quantitative limitation, and there are no sector-specific controls.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	BRB approval is required. Article 55 of the Exchange Regulation of September 2019 applies.
Purchase locally by nonresidents	No.	These transactions are unrestricted. Purchases may be made with nonresidents' foreign exchange funds or in Burundi francs of lawful origin (Article 54 of the Foreign Exchange Regulations of September 2019).
Sale locally by nonresidents	Yes.	Transfer of proceeds from the sale of real estate by nonresidents is permitted, provided the purchaser pays in foreign currency if the purchaser is a nonresident. Resident buyers must pay in domestic currency, and the seller receives the foreign currency by conversion through a foreign exchange operation.

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Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	BRB authorization is required. These transactions are not specifically regulated if they are effected in domestic currency.
To residents from nonresidents	No.	These transactions are unrestricted. For purposes of their activities in Burundi, residents can contract foreign-currency-denominated loans from nonresidents (Article 57 of the 2019 version of the Foreign Exchange Regulations).
Gifts, endowments, inheritances, and legacies	No.	These transactions are not specifically regulated if they are effected in domestic currency. These transactions are unrestricted for foreign currencies.
By residents to nonresidents	No.	These transactions are unrestricted.
To residents from nonresidents	No.	These transactions are unrestricted.
Settlement of debts abroad by immigrants	No.	These transactions are unrestricted.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Authorized banks may sell foreign currency, up to the limits set by the BRB, to residents who emigrate. The transfer may equal only the amount requested, net of taxes, on presentation of proof of residence in a foreign country and supporting documents indicating the origin of the Burundi francs to be exchanged.
Transfer into the country by immigrants	No.	There are no quantitative limitations, and approval is not required.
Transfer of gambling and prize earnings	No.	These transactions are unrestricted within the limits of the law to combat money laundering and the financing of terrorism.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	BRB approval is no longer required (Article 57 of the Foreign Exchange Regulations of September 2019).
Maintenance of accounts abroad	Yes.	Only commercial banks may hold accounts abroad without BRB approval.
Lending to nonresidents (financial or commercial credits)	Yes.	
Lending locally in foreign exchange	Yes.	Loans or guarantees in foreign exchange to residents are not permitted, unless exempted by the CB (Article 58 of the Foreign Exchange Regulations of September 2019).
Purchase of locally issued securities denominated in foreign exchange	No.	No local securities are denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	According to Article 4 of Instruction No. 001/2023, a required reserve ratio of 5% applies to overnight and fixed-term deposits in FBu and in the currencies of the banks' clients.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	
Differential treatment of deposit accounts held by nonresidents	Yes.	Debit balances are not permitted in foreign exchange accounts.

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Reserve requirements	No.	The Instruction relating to the constitution of statutory reserves does not differentiate between deposit accounts held by residents and nonresidents.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Debit balances are not permitted in foreign exchange accounts.
Investment regulations	Yes.	
Abroad by banks	Yes.	Approval is required.
In banks by nonresidents	No.	No approval is required.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Open positions are not authorized.
On nonresident assets and liabilities	Yes.	Open positions are not authorized.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Insurance companies require approval to acquire equity stakes in foreign firms.
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies require approval to acquire equity stakes in foreign firms.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies require approval to acquire equity stakes in foreign firms.
Limits (min.) on investment portfolio held locally	No.	This is not regulated.
Currency-matching regulations on assets/liabilities composition	No.	This is not regulated.
Pension funds	Yes.	Pension funds require approval to acquire equity stakes in foreign firms.
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds require approval to acquire equity stakes in foreign firms.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds require approval to acquire equity stakes in foreign firms.
Limits (min.) on investment portfolio held locally	No.	This is not regulated.
Currency-matching regulations on assets/liabilities composition	No.	This is not regulated.
Investment firms and collective investment funds	No.	There are no investment firms or collective investment funds in Burundi.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.

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Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.

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Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*05/04/2023*	The CB reintroduced the interbank foreign exchange market and used the rate obtained on the interbank foreign exchange market as a reference to calculate the official rate with a fluctuation margin not exceeding 2%. Further to the currency shortage, the exchange rate for official transactions may deviate from the market rate by more than 2%.
Foreign exchange market		
Spot exchange market	*10/07/2022*	The measure to withdraw the licenses of exchange bureaus was lifted.
Interbank market	*05/04/2023*	The CB reintroduced the interbank foreign exchange market, where

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banks exchange foreign currency at freely negotiated rates. Previously, the Bank of the Republic of Burundi (BRB) sets a fluctuation margin on foreign currency purchases and sales by commercial banks and exchange bureaus of ±1% of the reference rate it publishes each morning.

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CABO VERDE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		November 20, 1978.
Article VIII	Yes.	Date of acceptance: July 1, 2004.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Cabo Verde is the Cabo Verde escudo.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement. The MOFs and CBs of Portugal and Cabo Verde have the authority to change the exchange rate arrangement.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	Yes.	The escudo is pegged to the euro at the rate of CVEsc 110.265 per euro. There is no official bid-ask spread for euros. The official rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The Bank of Cabo Verde (BCV – Banco de Cabo Verde) collaborates with the government in defining the country's monetary and exchange rate policy, which aims to achieve and maintain price stability. However, the implementation of monetary and exchange rate policy is done autonomously by the BCV. The operational framework for monetary policy uses the interest rate as its operational target, exchange rate stability as an intermediate objective, and the maintenance of price stability as a final objective. The (semiannual) Monetary Policy Report and the monetary policy guidelines are analyzed/discussed (bimonthly) in the MPC and approved by the Board of Directors of the BCV.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		

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Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may buy and sell foreign currency. They may freely negotiate exchange rates and fees for purchases and sales of all foreign currency, except the euro, which must be traded at the official rate. Under the terms of Article 12 of Legislative Decree No. 3/2018 of June 22, 2018, foreign exchange trading in Cabo Verde is generally done only by financial institutions expressly authorized thereto by the legal and regulatory rules governing their activity, except in specific cases of international money orders (Article 13) and manual exchange (Article 14). On an exceptional basis, the Central Bank of Cabo Verde may authorize entities not referred to above to trade in foreign exchange and travelers' checks, provided they meet the requirements defined in an Official Notice (Aviso). The operations of the foreign exchange market are regulated through CB Technical Instruction No. 121/2005. There is a parallel foreign exchange market in Cabo Verde. The exchange rates practiced in this market have been close to the rates applied in the formal market.
Spot exchange market	Yes.	The regulation governing the spot foreign exchange market (BCV Technical Instruction No. 121/2005) dates from 2005. As of December 31, 2022, there were two foreign exchange bureaus operating in the country. Foreign exchange bureaus can buy and sell foreign banknotes and coins and traveler's checks and may also provide money transfer services to and from abroad (under the conditions specified in Aviso No. 3/2003). Foreign exchange bureaus may maintain accounts abroad, within the framework of the liberalization promoted by Legislative Decree No. 3/2018 of June 22, 2018. Licensed foreign exchange bureaus are authorized to conduct foreign exchange operations directly with the CB.

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Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BCV buys and sells escudos for euros at the announced exchange rate. There is no official bid-ask spread for euros. The BCV engages in sales and purchases of foreign currency with commercial banks and the government on demand. There are no restrictions on access to foreign currency.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Commercial banks may trade foreign currency with each other. All eight commercial banks participate in the interbank foreign exchange market, but there are virtually no interbank foreign exchange transactions. Entities authorized to trade in foreign exchange may freely negotiate the exchange rates and fees to be applied when trading in the quoted currencies, except the euro, which must be traded at the official rate because the Cabo Verde escudo is pegged to it.
Over the counter	Yes.	Banks are free to negotiate exchange rates and fees for purchases and sales of all foreign currencies, except the euro, which must be traded at the official rate.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The regulation governing the forward foreign exchange market (BCV Technical Instruction No. 121/2005) dates from 2005. Only credit institutions are authorized to contract and engage in foreign exchange forward transactions, in Cabo Verde and abroad, for the purpose of hedging the foreign exchange risks inherent to commercial or financial transactions in foreign currency. The said institutions may enter into contracts with residents, with each other, and with nonresident credit institutions.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Most dealings in foreign exchange with the general public are conducted by eight commercial banks: (1) Banco Comercial do Atlântico, (2) Caixa Económica de Cabo Verde, (3) Banco Caboverdiano de Negócios, (4) Banco Interatlântico, (5) Banco Africano de Investimentos, (6) Ecobank, (7) Internacional Investment Bank de Cabo Verde, and (8) Banco de Fomento Internacional.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Under Legislative Decree No. 3/2018 of June 22, 2018, there are no

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		restrictions against the use of foreign exchange among residents. Also, there are no restrictions against the use of foreign exchange between residents and nonresidents. Article 18 of Legislative Decree No. 3/2018 of June 22, 2018, provides that residents may reciprocally assume debts or grant credits denominated in foreign currency or in units of account used in international payments and clearing arrangements.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	There are inoperative bilateral payment agreements with Cuba and Angola.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Foreign exchange transactions were fully liberalized, according to Legislative Decree No. 3/2018 of June 22, 2018. The BCV serves as the country's foreign exchange authority, pursuant to the terms of Article 25 of Legislative Decree No. 3/2018 of June 22, 2018. The June 2018 foreign exchange law fully liberalized foreign exchange transactions and economic and financial operations with entities abroad. This rendered irrelevant the prior authorization, prior verification process, and the special and prior authorization to which certain operations were previously subjected to. However, in exceptional circumstances and in consultation with the BCV, the government may impose temporary restrictions on economic, financial, and foreign exchange transactions undertaken by residents with nonresidents (Article 23 of Legislative Decree No. 3/2018 of June 22, 2018). Article 15 of Legislative Decree No. 3/2018 of June 22, 2018, provides that foreign exchange transactions must be conducted through an institution authorized to trade in foreign exchange, except in the cases identified in the decree.
Payments arrears	Yes.	
Official	Yes.	External arrears are owed to Russia, for which rescheduling negotiations are under way. External arrears owed to Brazil were rescheduled and are being paid according to the new agreement.
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	As per Legislative Decree No. 3/2018, there are no limits on exports of domestic currency.
Foreign currency	No.	As per Legislative Decree No. 3/2018, there are no limits on exports

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		of foreign currency.
On imports	No.	
Domestic currency	No.	As per Legislative Decree No. 3/2018, there are no limits on imports of domestic currency.
Foreign currency	No.	As per Legislative Decree No. 3/2018, there are no limits on imports of foreign currency.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Article 19 of Legislative Decree No. 3/2018 of June 22, 2018, provides that accounts may be freely opened and operated in national territory, thereby revoking the restrictions imposed by Article 22 of Legislative Decree No. 25/98 of June 29, 1998. Balances may be freely transferred abroad.
Approval required	No.	
Held abroad	Yes.	Article 20 of Legislative Decree No. 3/2018 of June 22, 2018, provides that accounts with nonresident institutions may be freely opened and operated, thereby revoking the restrictions imposed by Article 24 of Legislative Decree No. 25/98 of June 29, 1998. The only requirement is to provide statistical data and conserve their respective elements, pursuant to Aviso No. 6/2018 of August 27, 2018.
Approval required	No.	Approval is not required.
Accounts in domestic currency held abroad	Yes.	Article 20 of Legislative Decree No. 3/2018 of June 22, 2018, provides that accounts with nonresident institutions may be freely opened and operated, thereby revoking the restrictions imposed by Article 24 of Legislative Decree No. 25/98 of June 29, 1998.
Accounts in domestic currency convertible into foreign currency	Yes.	Article 19 of Legislative Decree No. 3/2018 of June 22, 2018, provides that accounts may be freely opened and operated in national territory.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Article 19 of Legislative Decree No. 3/2018 of June 22, 2018, provides that accounts may be freely opened and operated in national territory, thereby revoking the restrictions imposed by Article 22 of Legislative Decree No. 25/98 of June 29, 1998. The only requirement is to provide statistical data and conserve their respective elements, pursuant to Aviso No. 6/2018 of August 27, 2018.
Approval required	No.	
Domestic currency accounts	Yes.	Article 19 of Legislative Decree No. 3/2018 of June 22, 2018, provides that accounts may be freely opened and operated in national territory, thereby revoking the restrictions imposed by Article 22 of Legislative Decree No. 25/98 of June 29, 1998.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.

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Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	Article 10 of Legislative Decree No. 3/2018 of June 22, 2018, provides that economic and financial transactions may be freely contracted with entities abroad, without prejudice to the provisions of Article 23. The only requirement is to provide statistical data and conserve their respective elements, pursuant to Aviso No. 6/2018 of August 27. Institutions authorized to trade in foreign exchange may, subject to their Due Diligence, the Know Your Customer principle, and the application of legislation of another nature (for example, within the scope of anti-money laundering and the financing of terrorism), request the documentation necessary to provide the service, irrespective of whether the transaction involves foreign exchange.
Domiciliation requirements	No.	Article 16 of Legislative Decree No. 3/2018 of June 22, 2018, provides that payments between residents and nonresidents to settle economic and financial transactions with entities abroad may be made directly through any means of payment denominated in escudos or in foreign currency. Article 20 of Legislative Decree No. 3/2018 of June 22, 2018, provides that accounts with nonresident institutions may be freely opened and operated.
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Import licensing was delegated to the Chambers of Commerce in 2000 through the protocols published in Official Bulletin (B.O.) No. 1, Series II of January 3, 2000. A series of subsequent trade legislation maintained the option to delegate powers through the signing of a protocol to enable the two Chambers of Commerce existing in Cabo Verde to issue import licenses on behalf of the government. Import licenses that are issued will be valid for one year and may be renewed for a further year.
Positive list	No.	Cabo Verde has not implemented the positive list of imported goods, so there are no import restrictions, except for goods whose importation is prohibited or subject to conditions.
Negative list	Yes.	The Report of the Working Group on the Accession of Cabo Verde to the WTO, published in the Supplement to B.O. No. 26 of June 29, 2009, contains a list of goods subject to international trade restrictions and a list of goods which may not be imported into Cabo Verde. Chapter III of the Customs Code defines prohibited goods as those whose importation or exportation is prohibited in Cabo Verde in any way or is subject to restrictions relating to quality, packaging, or special formalities. Similarly, goods whose importation or exportation is not accompanied by the appropriate specific document, legally required for this purpose, are also considered prohibited.

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Open general licenses	Yes.	Import licenses are generally issued freely, with the exception of certain goods that are prohibited or restricted by law. For example, drugs are imported exclusively by the national pharmaceutical firm Empresa Nacional de Produtos Farmacêuticos – Decree-Law No. 53/79 of June 9, 1979. With the exception of imports channeled through the small packages regime, which are of a noncommercial nature with a value of up to CVEsc 100,000 and a weight not exceeding 150 kg, as well as donations and aid to the government/municipalities and nonprofit entities that are not required to submit import licenses, all other imports are subject to licensing and/or administrative authorizations (sanitary and phytosanitary certificates, authorization to import arms, munitions, etc.). Article 4 of Legislative Decree No. 68/2005 of October 2005 established specific products exempt of licensing: "The following must be exempt from licensing: (1) Imports of merchandise without commercial value as defined by order of the member of government responsible for foreign trade; (2) Active and passive processing operations, temporary imports, reimporting on an as-is basis, reexporting, and transit operations; (3) Merchandise imports subject to special duty-free, bonded warehouse, free warehouse, and special customs warehouse systems; (4) Industrialized merchandise earmarked for consumption in international congresses, fairs, exhibitions, and similar events; (5) Imports of merchandise earmarked to supply ships and aircraft, as provided in the relevant legislation; (6) Merchandise that is seized, abandoned, found at sea, discarded, or salvaged from wrecks, and sold at auction; and (7) Imports of merchandise without foreign exchange expenditure, owned by airlines or maritime navigation companies and intended for their exclusive use."
Licenses with quotas	No.	
Other nontariff measures	Yes.	As per Article 5 of Legislative Decree No. 68/2005 of October 2005: "The following merchandise must be subject to non-automatic licensing: (1) Merchandise subject to health, phytosanitary, and safety inspections; (2) Merchandise subject to mandatory restrictions defined by law. Applications for the importing of merchandise referred above must be accompanied with a certificate of compliance issued by the competent authorities." Pursuant to Article 43 of Legislative Decree No. 4/2010 of June 3, 2010: (1) For purposes of this Code, all merchandise for which importing or exporting is prohibited in any way or that are subject to restrictions deriving from rules applicable to quality, packaging, or special formalities will be considered prohibited merchandise. (2) Merchandise for which importing or exporting is not accompanied with the appropriate specific document required by law for that purpose, and more specifically a permit, license, certificate, or similar document will also be considered to be prohibited.
Import taxes and/or tariffs	Yes.	There are currently 13 tariff bands with a maximum rate of 55% and an unweighted average of 11%. Import duty has been reduced in accordance with the commitments made by Cabo Verde in connection with List CLXI List appended to the Protocol of Accession of Cabo Verde to the WTO, approved

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		under Resolution No. 73/VII/2008 of June 19, 2008, as subsequently amended under Resolution No. 99/VII/2009 of May 11, 2009, covering reductions for information and communication technology and civil aviation products that began in 2010 and ended in 2018. The Customs Statistics Tax was established under Article 31 of Law No. 23/VIII/2012 of December 31, 2012. In the context of providing incentives for domestic industry and fighting the use and abuse of alcohol, tobacco, and sugar products, the import duty and excise duty rates for the products listed in Article 32 of Law No. 5/IX/2016, B.O. No. 73, Series I of December 30, 2016, were increased in 2017. The taxes are applicable to all imports from third-party countries. As a member of the ECOWAS, Cabo Verde applies the trade liberalization scheme under which originating products benefit from import duty exemptions.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Pharmaceutical drugs are imported exclusively by the national pharmaceutical firm Empresa Nacional de Produtos Farmacêuticos.

Exports and Export Proceeds

Repatriation requirements	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, export proceeds no longer need to be repatriated.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, the surrender requirement for export proceeds was abolished.
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

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Controls on these transfers	No.	Legislative Decree No. 3/2018 of June 22, 2018, decreed the full liberalization of all economic and financial relations with the outside world.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, there are no controls on these transfers.
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, there are no controls on these transfers.
Payments for travel	No.	
Prior approval	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, payments for travel are no longer subject to approval.
Quantitative limits	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, payments for travel are no longer subject to quantitative limits.
Indicative limits/bona fide test	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, there are no controls on payments for travel.
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, there are no controls on these transfers.
Foreign workers' wages	No.	
Prior approval	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transfers are no longer subject to approval.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, there are no controls on these transfers.
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, there are no controls on these transfers.
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, there are no controls on these transfers.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, proceeds from invisible transactions and current transfers no longer need to be repatriated.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, the surrender requirement for proceeds from invisible transactions and current transfers was abolished.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	No.	Legislative Decree No. 3/2018 of June 22, 2018, decreed the full liberalization of all economic and financial relations with the outside world, especially capital movements.
Repatriation requirements	No.	In accordance with Legislative Decree No. 3/2018 of June 22, 2018, repatriation of revenue from capital operations is no longer required.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, the surrender requirement for proceeds from capital transactions was abolished.
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	These transactions are permitted; however, they must be effected through the stock market or ADs.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	These transactions are permitted; however, they must be effected through the stock market or ADs.
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	Legislative Decree No. 3/2018 of June 22, 2018, liberalized all current and capital operations, concluding the process of liberalizing Cabo Verde's economic and financial activities. Accordingly, free access was maintained for nonresidents to the domestic secondary market.

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		Decree-Law No. 43/2018 of July 2, 2018, designed to stimulate the secondary public debt market created public debt market development operators and liquidity operators. These operators are financial intermediaries and may be Cabo Verde or foreign nationals.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	Transactions in derivatives are permitted under the terms of Legislative Decree No. 3/2018 of June 22, 2018.
Purchase locally by nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, restrictions on these transactions were eliminated.
Sale or issue locally by nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, restrictions on these transactions were eliminated.
Purchase abroad by residents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, restrictions on these transactions were eliminated.
Sale or issue abroad by residents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, restrictions on these transactions were eliminated.
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval by the BCV.
To residents from nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval by the BCV.
Financial credits	No.	
By residents to nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval by the BCV.
To residents from nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval by the BCV.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval by the BCV.
To residents from nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval by the BCV.
Controls on direct investment	No.	
Outward direct investment	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, controls on outward direct investment were eliminated.
Inward direct investment	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, inward direct investments are no longer subject to approval. There is only a notification requirement (ex-ante) under Legislative Decree No. 3/2018.
Controls on liquidation of direct	No.	

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investment		
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, controls on the purchase abroad by residents of real estate were eliminated.
Purchase locally by nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, controls on the purchase locally by nonresidents of real estate were eliminated.
Sale locally by nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, controls on the sale locally by nonresidents of real estate were eliminated.
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval.
To residents from nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval.
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval.
Transfer of assets	No.	
Transfer abroad by emigrants	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to approval.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.	
Borrowing abroad	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to authorization from the BCV.
Maintenance of accounts abroad	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these accounts may be freely opened and operated, without the need for approval.
Lending to nonresidents (financial or commercial credits)	No.	As per Legislative Decree No. 3/2018 of June 22, 2018, these transactions are no longer subject to authorization from the BCV.
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Foreign currency deposits are aggregated with local currency deposits valued at the official exchange rate for the purpose of calculating required reserves. A uniform reserve requirement applies to all deposits.
Liquid asset requirements	No.	Liquid asset requirements do not differentiate between currencies.
Interest rate controls	No.	

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Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	Before the implementation of Legislative Decree No. 3/2018 of June 22, 2018, according to Legislative Decree 26/98, these transactions were subject to authorization from BCV, according to the nature of the investment operation.
In banks by nonresidents	No.	Before the implementation of Legislative Decree No. 3/2018 of June 22, 2018, according to Legislative Decree 26/98, these transactions were subject to authorization from BCV, according to the nature of the investment operation.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	Limits apply according to type of asset, but no distinction is made between residents and nonresidents. Ministerial Order No. 40/2005 of June 4, 2005, establishes a set of rules governing the type of assets that may represent technical provisions and on the limits of prudential diversification and dispersion, and also a set of principles to be followed by insurers in the definition, implementation, and control of investment policies.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	There is still no regulation in this area.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	Yes.	
Investment firms and collective investment funds	No.	Limits apply according to type of asset, but no distinction is made between residents and nonresidents.
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	No.
Controls on unbacked tokens	No.

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Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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CAMBODIA

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 31, 1969.
Article VIII	Yes.	Date of acceptance: January 1, 2002
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Banks have been instructed to freeze transfers of capital and assets of certain individuals and funds and other financial assets of terrorists and organizations associated with terrorism to combat money laundering, pursuant to relevant UNSC resolutions.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Cambodia is the Cambodian riel.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	The exchange rate regime comprises two rates: the official rate and the market rate. The daily spread between the official and market rates is generally ±1%.
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is a managed float. Given the high degree of financial dollarization, the National Bank of Cambodia (NBC) intervenes in the foreign exchange market to accommodate demand for riel and maintain exchange rate stability. The NBC publishes intervention data twice a year, in semiannual reports and annual reports of the NBC in Khmer language, which will be published on the NBC website with 1–2-month lag. There are also English versions of annual reports but published with a time lag

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		of around 3–5 months. FX internventions (FXI) are also published in forms of announcement and Press Release on the website whenever the NBC intervenes in the foreign exchange market. Since March 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar, with one realignment in February 2023. Therefore, the de facto exchange rate arrangement was reclassified to “crawl-like” from “stabilized,” effective March 16, 2022.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	Effective August 2, 2022, the official exchange rate is the weighted average of the interbank foreign exchange market transactions completed by Banks and Microfinance Institutions (MFIs) on National Bank of Cambodia Platform (NBCP) in the previous working day. Previously, the official exchange rate was based on the average daily market rate of the previous day, which is adjusted by taking into account liquidity conditions in the market. The official rate is used for banks’ and financial institutions’ accounting, customs valuation purposes, and foreign exchange transactions with the government.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		

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Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks and money changers are free to set the exchange rate in transactions with their clients. The ADs are allowed to determine freely foreign exchange commissions with their clients.
Spot exchange market	Yes.	There is no formal spot exchange market. Commercial banks may buy and sell foreign exchange at their own rates. Money changers may also buy and sell banknotes and traveler's checks at their own rates. The NBC licenses commercial banks and other foreign exchange agents (money changers). Foreign exchange dealers may conduct foreign exchange business, maintain accounts abroad, and buy and sell banknotes and traveler's checks. There were 22 licensed money changers and 2,844 authorized money changers as of December 31, 2022. Licensed money changers can directly transact with the NBC, and they are able to make foreign currency payment and transfer on behalf of the clients.
Operated by the central bank	Yes.	The NBC intervenes in the foreign exchange market through purchases and sales of US dollars to maintain a stable exchange rate to achieve price stability. The NBC holds foreign exchange reserves in US dollars, euros, pounds sterling, Australian dollars, and other

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		currencies in accordance with the guidelines of the Investment Committee. The NBC interacts with the market using three channels: (1) auction; (2) bilateral transaction with money changers and banks; and (3) direct transaction with the government. The current format of NBCs' interaction with market participants appears to be managing riel liquidity (demand for Cambodian riel (KHR) tax payment, etc.) and to limit volatility in exchange rate. On bilateral basis, the NBC uses the official quote.
Foreign exchange standing facility	Yes.	The NBC buys and/or sells US dollars and Cambodian riel (KHR) to manage the supply of foreign and the local currency to the market. The NBC also buys and sells US dollars and Cambodian riel directly to the government and public entity, except the Electricité Du Cambodge (EDU). The NBC sells Cambodian riels to market according to market conditions. Since 2012, the NBC has ceased to sell US dollars to market. However, the NBC sold USD during the pandemic given the depreciation pressures on local currency.
Allocation	No.	
Auction	Yes.	Auction takes place occasionally, depending on the deviation of exchange rate from its normal trend. The NBC provides guidance on rates and announces amounts in advance. There is a minimum bid rate, but there is no limit on amounts. There are some penalties for those who do not settle on time. There are no restrictions on the use of currency obtained at auction, but the NBC requests information beforehand on the intended use of local currency purchased. Banks and licensed money changers may participate and are not required to submit information on the intended use of the foreign currency exchange on a transactional or an aggregate basis. Auction results are regularly disclosed to the public.
Fixing	No.	
Interbank market	Yes.	The interbank foreign exchange market is still at an early stage of development, with the operation taking place on a retail customer basis. Banks conduct transactions among each other through NBCP. There is no limit on the bid-ask spread and commission fee. The number of banks participating in the interbank foreign exchange market as of December 31, 2022, is 38. The NBC grants licenses to banks, and foreign exchange is one of the businesses that they can operate under bank license. There are a few number of money changers who are the market makers. Licensed money changers are allowed to participate in the platform since 2021. They are allowed to make foreign exchange transactions directly with the CB. They can maintain accounts abroad and there is no limit on their purchase and sale of banknotes, but they cannot make foreign currency payments and transfers on behalf of their clients. There are 2 money changers have transactions in the interbank market in 2022.
Over the counter	Yes.	The informal interbank market may operate over the counter, and there are no brokers.
Brokerage	No.	Foreign exchange market does not operate based on a brokerage system.
Market making	Yes.	There is no exact year when the market-making activities emerged. There are a few money changers who are the market makers, yet the operations are not under control of the CB. The CB also proposes its own quotes to market participants through NBCP. Since 2021, all licensed money changers are allowed to participate in the NBCP where banks conduct transactions among each other. However, there are less than 10 money changers who joined the NBCP and there were few transactions took place.
Forward exchange market	Yes.	Forward exchange market exists among commercial banks. The CB

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		does not participate in the forward foreign exchange market. There is no exact year when the forward exchange market was formed.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	The use of domestic currency is not restricted for payments and receipts between Cambodia and the rest of the world; however, such operations must be undertaken solely through authorized intermediaries.
Controls on the use of domestic currency	No.	Domestic currency can be used for settlement of international current or capital transactions.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There are two bilateral payments arrangements: One is between the NBC and the State Bank of Vietnam since 2005, and the other is between the NBC and the Bank of Thailand since 2006. A MoU on cooperation between the NBC and the Bank of Thailand was agreed on using QR code payment system in local currencies, and a launch of cross-border funds transfer was done between NBC and Maybank in August 2021.
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The NBC is responsible for the management of the foreign exchange market. The NBC is authorized to license commercial banks and other agents to engage in foreign exchange transactions and to regulate current and capital transactions. In the event of a foreign exchange crisis, the NBC may issue regulations to be implemented for a maximum period of three months that impose certain temporary restrictions on the activity of authorized intermediaries, particularly on certain transactions specified in the law, on foreign exchange positions, and on loans in domestic currency extended to nonresidents.
Payments arrears	Yes.	
Official	Yes.	Arrears are owed to Russia and the United States.
Private	No.	
Controls on trade in gold (coins and/or	No.	

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bullion)		
On domestic ownership and/or trade	No.	
On external trade	No.	Imports and exports of raw gold and other precious metals are subject to declaration to the NBC, if the value of the transaction equals or exceeds US$10,000 or its equivalent. Besides the declaration requirement, there is no restriction on trading externally in gold.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports by travelers of cash exceeding the equivalent of US$10,000 must be declared to Customs at border crossings. The export of domestic currency that exceeds a certain amount must receive prior approval by the CB.
Foreign currency	Yes.	Exports by travelers of foreign exchange exceeding US$10,000 or its equivalent must be declared to Customs on exiting Cambodia. Exports of cash, except for US dollars by banks, are subject to NBC authorization. Only the NBC may export US dollar banknotes.
On imports	Yes.	
Domestic currency	Yes.	Imports by travelers of cash exceeding the equivalent of US$10,000 must be declared to Customs at border crossings. The import of domestic currency that exceeds a certain amount must receive prior approval by the CB.
Foreign currency	Yes.	Imports by travelers of foreign exchange exceeding US$10,000 or its equivalent must be declared to Customs. Imports of cash, except for US dollars by banks, are subject to NBC authorization. Only the NBC may import US dollar banknotes.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances in these accounts are not subject to limits and may be used to settle domestic obligations. All transactions may be settled in foreign currency. Balances in these accounts are freely transferable abroad.
Approval required	No.	
Held abroad	Yes.	There are no restrictions. The balances can be transferred freely to Cambodia. However, such transactions must be undertaken solely by authorized intermediaries.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	There are no restrictions.
Accounts in domestic currency convertible into foreign currency	Yes.	There are no restrictions.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Regulations apply to residents and nonresidents. Nonresidents may open and transfer abroad from such accounts freely.
Approval required	No.	
Domestic currency accounts	Yes.	These accounts are permitted. Nonresidents may freely open and maintain accounts in domestic currency in Cambodia. The balances of these accounts are freely transferable in foreign currency abroad

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		as long as the fund is not related to money laundering and/or financing of terrorism.
Convertible into foreign currency	Yes.	There are no restrictions. The balance can be transferred freely as long as the fund is not related to money laundering and/or financing of terrorism.
Approval required	No.	
Blocked accounts	Yes.	The accounts related to the money laundering and/or financing of terrorism are blocked.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	Loans and borrowing, including trade credits, may be freely contracted between residents and nonresidents, provided the loan disbursements and repayments are made through authorized intermediaries.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	The NBC may require authorized intermediaries to submit proof of payment for imports by banker's order when they apply to purchase foreign exchange and later may also require documentary evidence.
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of certain products are subject to controls or are prohibited for national security, health, environmental, or moral reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	
Import taxes and/or tariffs	Yes.	Import duties and excise taxes are levied on selected imports. Imported goods are also subject to a 10% VAT.
Taxes collected through the exchange system	No.	Taxes are collected through banking system or in cash.
State import monopoly	Yes.	National Security and warfare products or weapons.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	Loans and borrowing, including trade credits, may be freely contracted between residents and nonresidents, provided the loan disbursements and repayments are made through authorized intermediaries.
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Export proceeds must be handled by authorized domestic banks and credited to an exporter's account with a domestic bank.
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	
With quotas	Yes.	Exports of a limited list of goods by either state-owned or private sector entities must be licensed by the Ministry of Commerce. Export licenses are required for sawed timber and some categories of logs. Exports of antiques and several categories of logs are prohibited. Exports of uncut precious stones are subject to the Law on Foreign Exchange.
Export taxes	Yes.	
Collected through the exchange system	No.	Taxes are collected through banking system or in cash.
Other export taxes	Yes.	Export duties and excise taxes are levied on very few selected exports only. Generally, government encourage exporters to export products.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	

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Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	The securities market (stock market) was launched in Cambodia in 2011, and the trading activity in the secondary market began in April

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		18, 2012. The NBC issues negotiable certificate of deposits (NCDs) to facilitate liquidity management and promote interbank market.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	In the primary market, 20% of each subscription for equity is reserved for Cambodian investors, and the remaining 80% is for both Cambodian and non-Cambodian investors. However, director general of the Securities and Exchange Commission of Cambodia (SECC) may define the reallocation, if the above allocation is not fulfilled. There are no restrictions in the secondary market.
Sale or issue locally by nonresidents	Yes.	The issuing company must be an incorporated public limited company or a permitted entity in Cambodia.
Purchase abroad by residents	No.	Residents may buy foreign exchange freely at local banks for the purchase of foreign securities.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	Residents may buy foreign exchange freely at local banks for the purchase of foreign securities.
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	Residents may buy foreign exchange freely at local banks for the purchase of foreign securities.
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	Residents may buy foreign exchange freely at local banks for the purchase of foreign securities.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	There are no specific regulations regarding derivatives. Banks may, for their customers or on their own behalf, carry out transactions in derivatives.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	

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Commercial credits	No.	Loans and borrowing, including trade credits, may be freely contracted between residents and nonresidents, provided the loan disbursements and repayments are made through authorized intermediaries.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Banks and financial institutions cannot grant loans (including lease loans and all types of signatory guarantees) to use overseas.
To residents from nonresidents	Yes.	Bank's external borrowing is subject to reserve requirement of the rate of, effective January 1, 2023, 9% (previously 7%). Effective December 1, 2023, it was reduced back to 7%.
Guarantees, sureties, and financial backup facilities	No.	There are no specific regulations.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	Any amount equaling or exceeding US$10,000 must be subjected to prior declaration to the CB for statistical and AML and/or CFT purposes.
Inward direct investment	Yes.	Foreign investors are required to obtain approval from the Council for the Development of Cambodia, but there are no foreign exchange controls.
Controls on liquidation of direct investment	No.	Proceeds from the liquidation of FDI in accordance with the provisions of the Investment Law of Cambodia may be transferred freely.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Nonresidents may not own land in Cambodia, but they may own an apartment above the ground floor.
Sale locally by nonresidents	Yes.	Nonresidents may not sell land in Cambodia, but they may sell or transfer ownership of an apartment above the ground floor.
Controls on personal capital transactions	No.	
Loans	No.	Loans and borrowing may be freely contracted between residents and nonresidents, provided the loan disbursements and repayments are made through authorized intermediaries.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	There are no specific regulations.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	These transactions must be effected through authorized intermediaries.

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Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Authorized banks must provide the NBC with periodic statements of transfers or settlements and of outflows and inflows of capital between Cambodia and other countries. Loans and borrowing, including trade credits, may be freely contracted between residents and nonresidents, provided the loan disbursements and repayments take place through authorized intermediaries. However, during a foreign exchange crisis, the NBC may issue regulations to be implemented for up to three months that temporarily restrict authorized intermediaries' activity, particularly for certain transactions specified in the law, foreign exchange positions, and loans in domestic currency to nonresidents.
Borrowing abroad	Yes.	Bank's external borrowing is subject to reserve requirement of the rate of, effective January 1, 2023, 9% (previously 7%). Effective December 1, 2023, it was reduced back to 7%.
Maintenance of accounts abroad	No.	There is no restriction on the maintenance of accounts abroad by commercial banks and other financial institutions.
Lending to nonresidents (financial or commercial credits)	Yes.	Banks and financial institutions cannot grant loans (including lease loans and all types of signatory guarantees) to use overseas.
Lending locally in foreign exchange	No.	Authorized banks may lend locally in foreign exchange and must submit reports to the NBC from time to time.
Purchase of locally issued securities denominated in foreign exchange	No.	There are currently no foreign-exchange-denominated securities issued in Cambodia.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	In the wake of the pandemic, the reserve requirement for local currency deposits and foreign currency deposits and borrowing were cut to 7%. The rates are the same for resident and nonresident accounts. Effective January 1, 2023, the reserve requirement for foreign currency was raised to 9%, but effective December 1, 2023, it was reduced to 7% from December 2023.
Liquid asset requirements	No.	Banks must at all times have a LCR of at least 100%, regardless of the denomination of the currency of the account.
Interest rate controls	Yes.	For MFIs (including Microfinance Deposit-Taking Institutions (MDIs), MFIs, and Rural Credit Institutions), the interest rate cap is 18% per annum.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	Reserve requirements do not differentiate between resident and nonresident accounts. Since April 2020, reserve requirement rate is set at 7% for both domestic currency deposits and foreign currency deposits.
Liquid asset requirements	No.	Banks must at all times have a LCR of at least 100% for residents' and nonresidents' accounts.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	

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Abroad by banks	Yes.	Banks may not use deposits collected in Cambodia abroad.
In banks by nonresidents	No.	Regulations are the same for residents and nonresidents.
Open foreign exchange position limits	Yes.	Banks have to maintain a net open foreign exchange position less than 20% for each individual foreign currency and aggregate foreign currencies.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	The SECC has drafted the Prakas on Qualified Investor in Securities Sector. Qualified Investors include Institutional Investor and High Net Worth Investors (Legal and Nature person).
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	In the primary market, 20% of each subscription for equity is reserved for Cambodian investors, and the remaining 80% is for both Cambodian and non-Cambodian investors. However, director general of the SECC may define the reallocation, if the above allocation is not fulfilled. There are no restrictions in the secondary market.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	In the primary market, 20% of each subscription for equity is reserved for Cambodian investors, and the remaining 80% is for both Cambodian and non-Cambodian investors. However, Director General of the SECC may define the reallocation, if the above allocation is not fulfilled. There are no restrictions in the secondary market.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	In the primary market, 20% of each subscription for equity is reserved for Cambodian investors, and the remaining 80% is for both Cambodian and non-Cambodian investors. However, Director General of the SECC may define the reallocation, if the above allocation is not fulfilled. There are no restrictions in the secondary market.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

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Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.

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For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Crawl-like arrangement	*03/16/2022*	Since March 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar, with one realignment in February 2023. Therefore, the de facto exchange rate arrangement was reclassified to “crawl-like” from “stabilized.”
Official exchange rate	*08/02/2022*	The official exchange rate is evaluated as the weighted average of the

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		interbank foreign exchange market transactions on National Bank of Cambodia Platform.

Capital Transactions

Controls on capital transactions

Controls on credit operations

Financial credits

To residents from nonresidents	*01/01/2023*	Bank's external borrowing reserve requirement rate was increased to 9%, from 7%.
	12/01/2023	Bank's external borrowing reserve requirement rate was lowered to 7%, from 9%.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	*01/01/2023*	Bank's external borrowing reserve requirement rate was increased to 9%, from 7%.
	12/01/2023	Bank's external borrowing reserve requirement rate was lowered to 7%, from 9%.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*01/01/2023*	Bank's external borrowing reserve requirement rate was increased to 9%, from 7%.
	12/01/2023	Bank's external borrowing reserve requirement rate was lowered to 7%, from 9%.

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CAMEROON

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 10, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	For security reasons, Cameroon supports UNSC Resolution No. 1373 to combat money laundering and terrorism financing (Regulation No. 01/03/CEMAC/UMAC/CM of April 4, 2003), UNSC Resolution No. 1267 (1999), restricts financial transactions, and freezes accounts if they relate to terrorists or organizations associated with terrorism pursuant to the updated list of organizations associated with terrorism drawn up by the US State Department.
Other security restrictions	Yes.	

Exchange Arrangement

Currency	Yes.	The currency issued within the CEMAC, which is legal tender in Cameroon and all other member countries, is the CFA franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the CAMU is a conventional peg. Cameroon participates in the CAMU and has no separate legal tender. The Monetary Cooperation Agreement (MCA) between CEMAC member countries and France is based on three principles: (1) a common CB; (2) fixed parity with the euro; and (3) an unlimited convertibility guarantee. Article 16 empowers the finance ministers of signatory countries (Joint Monetary Committee) to amend the MCA. Article 17 permits signatories to renounce the agreement. Article 18 specifies that the expulsion of a member country from the BEAC automatically results in that country's renunciation of the MCA.

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Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the intervention currency, at a fixed rate of CFAF 655.957 per euro. The exchange rate is fixed by Article 12 of the MCA of November 23, 1972, between the BEAC and France, which states that the par value may be modified following consultation among the signatory countries (BEAC members and France), taking into account the demands of the economic and financial situation of the member countries. Exchange transactions in euros between the BEAC and commercial banks are made at this rate. Buying and selling rates for certain other foreign currencies are also listed officially based on the fixed rate for the euro and the rates for these foreign currencies prevailing in the Paris foreign exchange market. The official rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		

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Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	Yes.	Transfers of funds with the rest of the world are subject to transfer fees determined freely by the market but not exceeding 1%, excluding any other special tax. Licensed intermediaries may effect transfers with the rest of the world through the BEAC. Within the CEMAC, transfers of funds are subject to transfer fees determined freely by the market and not exceeding 0.25%, excluding the VAT and any other special tax.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Licensing of exchange bureaus is the responsibility of the MOFs of the CEMAC member countries, after the consent of the CB. Their operations are limited to OTC transactions. Licensed intermediaries, who set their own exchange rates with their customers for currencies other than the euro, may freely conduct exchange transactions with their customers. Licensed intermediaries consisted of 25 exchange bureaus and 19 banks, as of December 31, 2021. The BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Operated by the central bank	Yes.	The BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Foreign exchange standing facility	Yes.	Within the limits of available stocks, the BEAC's OTC exchange

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		transactions are conducted exclusively with national public accountants and treasuries.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no restrictions on interbank foreign exchange transactions within the CEMAC. Exchange transactions are OTC transactions. The BEAC does not intervene in exchange transactions within the CEMAC. These transactions are freely conducted by operators licensed by the MOF with the approval of the Central African Banking Commission (COBAC). A fee of no more than 3% for CFA franc area notes and 5% for other currencies, not including the VAT and any other specific tax, is collected by licensed intermediaries on transactions in foreign banknotes and traveler's checks. This fee covers all charges on OTC transactions and the intermediation margin. All the 14 banks are allowed to participate in the interbank market. In principle, all licensed banks participate in the interbank market, but at different levels.
Over the counter	Yes.	Foreign exchange transactions are conducted on an OTC basis.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	There is no forward foreign exchange market in the CEMAC. Licensed intermediaries may enter into forward exchange contracts on presentation of supporting documentation (invoices, debt repayment schedules, or other foreign-currency-denominated debt instruments) and must report such activities to the BEAC. They are required to adhere to the limits of foreign holdings allowed by the Banking Commission.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Within the CEMAC, the CFA franc is used freely for payments and receipts relating to current and capital transactions and payments. Settlements with all countries other than CEMAC members must be made through correspondent banks in one of the currencies of the two parties or in any other currency agreed on by the two parties to the transaction.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	The monetary unit is the CFA franc, which is the sole official currency and legal tender in all CEMAC member countries.

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		Consequently, transactions among residents must be settled in domestic currency. However, the Central African Republic adopted a law on April 22, 2022, which governs cryptocurrency transactions in the country and considers Bitcoin as the reference currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	An operations account links all the countries with the French Treasury. All purchases and sales of foreign currencies and euros in exchange for CFA francs are ultimately settled by a debit or credit to the operations account. Governments may maintain foreign currency deposits related to oil reserves at commercial banks and use them to meet their external debt service obligations. Exchange regulations in the CEMAC member countries are harmonized.
Clearing agreements	No.	
Barter agreements and open accounts	No.	There is no formal clearing agreement between any CEMAC country and other countries. Nor are there any regulatory provisions governing this mechanism. In practice, however, some countries may receive production or capital goods from abroad in exchange for financial flows.
Administration of control	Yes.	Administration of the foreign exchange regulations is the responsibility of the CB, which may delegate all or a portion of their authority to the MOF, the Banking Commission of Central Africa (COBAC), and licensed intermediaries. For example, authority is delegated to licensed intermediaries to carry out transactions with the rest of the world. They must verify the validity of transactions, collect statistics, and report these activities to the monetary authorities. However, certain types of transactions may not be delegated. The BEAC supervises the exchange regulations; evaluates foreign exchange hedging operations; reviews requests for approval of opening of foreign exchange accounts by some resident legal entities; and monitors the repatriation of export proceeds. The COBAC ensures that licensed intermediaries comply with certain provisions of these regulations, especially to prevent weakening of the CEMAC banking system.
Payments arrears	No.	Licensed intermediaries may freely execute their customers' payment orders. The related transfers may, at their request, be made through the BEAC. When banks execute payment order requests through their liquidity buffer, these requests do not come back to the BEAC, but are checked during on-site or off-site inspections. In this context, the MCA with France serves to guarantee the convertibility of the CFA franc. No payment arrears are allowed on the grounds that insufficient foreign exchange is available.
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	CEMAC residents are free to hold, purchase, and sell gold in any form within the CEMAC.
On external trade	Yes.	Except in the case of manufactured articles containing small quantities of gold, CEMAC gold imports and exports are subject to

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		approval by the appropriate authorities. The national treasuries and the BEAC are exempt from this requirement.
Controls on exports and imports of banknotes	Yes.	Residents and nonresidents traveling from one country to another within the CEMAC may take with them an unlimited amount of CEMAC banknotes and coins.
On exports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be exported to countries outside the CEMAC. However, departing resident travelers may have in their possession up to CFAF 5 million. During their trips outside the CEMAC, travelers must use payment instruments other than BEAC banknotes (foreign currency, traveler's checks, bank drafts, transfers, etc.).
Foreign currency	Yes.	Resident and nonresident travelers crossing CEMAC borders must, on exit, declare any foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities. Nonresident travelers leaving the CEMAC may take with them foreign currency valued at up to the amount they declared on entering the CEMAC. If they made no declaration on entry or if they are carrying sums exceeding those they brought into the CEMAC, they must explain the source of the amount in excess of CFAF 5 million. Supporting documents include pay slips and work permits (wage income), student cards (parental assistance for students and trainees), and notarized instruments (donations), among others.
On imports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be imported from countries outside the CEMAC. However, arriving resident travelers may have in their possession up to CFAF 5 million.
Foreign currency	No.	Resident and nonresident travelers crossing CEMAC borders must, on entry, declare foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may not open foreign exchange accounts in local banks. However, the BEAC may allow certain resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts.
Approval required	Yes.	The BEAC may allow resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts. The authorization to open bank accounts in foreign currency is granted by the BEAC. Generally, the BEAC's approval is given when the entity in question cannot easily carry out all its operations with accounts in CFA francs only or when a financial arrangement following an external financial contribution requires the opening of foreign currency accounts.
Held abroad	Yes.	Resident legal entities, except credit institutions, are prohibited from opening foreign currency bank accounts outside the CEMAC in accordance with Regulation No. 02/18/CEMAC/UMAC/CM of December 21, 2018. However, the BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive on June 10, 2019. In general, when resident entities borrow abroad and the lenders

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		require foreign currency accounts to be established, these are authorized by the BEAC. In addition, companies in the extractive sector benefit from a special provision allowing them to hold foreign currency accounts abroad as part of their ordinary operations.
Approval required	Yes.	The BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive issued in June 2019.
Accounts in domestic currency held abroad	Yes.	Accounts in domestic currency held abroad are permitted.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions on the opening of nonresident foreign exchange accounts within the CEMAC. Licensed intermediaries may open such accounts for any nonresident, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn. On account closure (for example, for loss of nonresident status) the account balance must be transferred to a resident account in CFAF.
Approval required	No.	
Domestic currency accounts	Yes.	There are no restrictions on the opening of nonresident CFA franc accounts within the CEMAC. Licensed intermediaries may open such accounts for nonresidents, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn.
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	The exchange regulations do not limit access to foreign exchange. Payments for imports must be made regularly through licensed intermediaries.
Financing requirements for imports	No.	Economic agents may freely enter into commercial contracts with their partners abroad. These contracts are executed through the banking system, subject to compliance with the exchange regulations.
Minimum financing requirements	No.	There are no financing requirements.
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license. Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents.
Domiciliation requirements	Yes.	Imports valued at more than CFAF 5 million must be domiciled with a resident licensed intermediary.
Preshipment inspection	Yes.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard. In Cameroon, imports with an f.o.b. value exceeding the

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		equivalent of CFAF 2 million are subject to inspection by the Société Générale de Surveillance.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Import licenses used as exchange licenses	No.	Import licenses are not used in the CEMAC countries to restrict the availability of foreign exchange for legitimate trade, as defined in the Compilation Guide. When such licenses exist, they are used for trade policy purposes.
Other	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license (registration number, professional ID card, extract from the commercial registry, or tax clearance). Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legal entities and certified professionals can no longer use annual estimates of imports and must produce all supporting documents to carry out transactions.
Import licenses and other nontariff measures	Yes.	In general, CEMAC countries no longer use quantitative restrictions as a means of protecting local production. Merchandise originating from all countries may be freely imported, with the exception of gold, to which special regulations apply. In Cameroon, importers are required to file an import declaration with the Société Générale de Surveillance when the value of the imported goods exceeds the equivalent of CFAF 5 million. The import of certain goods on the list issued by the Ministry of Industrial and Commercial Development (MINDIC) each year requires licenses.
Positive list	No.	
Negative list	Yes.	Imports of some products may be prohibited, restricted, or require national authorization for humanitarian, security, or health reasons.
Open general licenses	Yes.	There is no system of OGLs at the CEMAC level. However, in Cameroon this system applies mainly to long-term supply contracts. In addition, imports are subject to declaration.
Licenses with quotas	Yes.	In Cameroon, quotas apply to container imports.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The CEMAC CET applies to imports from non-CEMAC countries, at four rates: 5% for staple goods, 10% for raw materials and capital goods, 20% for intermediate goods, and 30% for consumer goods. The taxes are imposed by the national customs administration in CFA francs at the merchandise point of entry.
Taxes collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and related fees established by law and surrendering them to the monetary authority.
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export-related transactions must be reported to the appropriate administrative authorities, and all those exceeding CFAF 5 million must be domiciled at a licensed CEMAC bank. Export proceeds originating in non-CEMAC countries must be collected and repatriated immediately, through the domiciling bank, with the BEAC acting as intermediary.
Surrender requirements	Yes.	

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Surrender to the central bank	Yes.	Export proceeds collected in foreign currencies must be surrendered to the BEAC within 3 days of collection.
Surrender to authorized dealers	No.	
Financing requirements	No.	Economic agents and their partners abroad may enter freely into commercial contracts, which are executed through the banking system, subject to compliance with the exchange regulations. There are no financing requirements.
Documentation requirements	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank. Each domiciliation file must contain an export contract, a foreign exchange declaration under which the exporter agrees to repatriate all export earnings immediately after collection, and a customs export certificate duly signed by a customs officer.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Guarantees	No.	No guarantees are required. However, export companies applying for VAT refund should submit proof of repatriation of export earnings signed by the MOF.
Domiciliation	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank.
Preshipment inspection	Yes.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard. In Cameroon, exports, whatever their destination, are subject to Société Générale de Surveillance inspection.
Other	Yes.	In Cameroon, a health certificate is required prior to shipment for exports of fresh foods (such as fruits and vegetables).
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	Export taxes established by the budget laws are levied by the Customs Directorate or via licensed intermediaries.
Collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and fees established in the law and surrendering them to the monetary authority.
Other export taxes	Yes.	In Cameroon, a tax of 17.5% is levied on exports of lumber; the rate applicable to exports of semi-worked wood is 12.5%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	There are no exchange restrictions on service-related transactions. Payments for such transactions are subject to the same requirements as the underlying commercial transactions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided, and amounts exceeding CFAF 100 million must be declared to BEAC and the MOF.
Investment-related payments	Yes.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers of capital income outside the CEMAC in the form of profits, dividends, interest, royalties, etc., payable to nonresidents, provided the underlying transaction was authorized or is not subject to authorization. Supporting documents on the decision to distribute income (profits and dividends), the repayment schedule, and the debt security involved (loans contracted and granted) must be provided. Transactions in excess of CFAF 5 million must be domiciled with CEMAC credit institutions. Other current transactions, as well as financial and capital operations in excess of CFAF 100 million, must be declared to BEAC and the MOF.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Indicative limits are established for OTC foreign exchange allocations to residents traveling outside the CEMAC. A single indicative threshold of CFAF 5 million is set for all travels. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Personal payments	Yes.	Transfers are unrestricted, on submission of supporting documentation.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A single indicative limit of CFAF 5 million is established for OTC foreign exchange allocations to residents traveling outside the CEMAC. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation for amounts in excess of CFAF 5 million, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers by residents and nonresidents of income from wages, subject to a declaration for statistical purposes. On presentation of a pay slip, resident foreign wage earners may transfer a portion of their net remuneration, provided all transfer requests justified to cover family expenses will be satisfied.
Credit card use abroad	Yes.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The use of credit cards is considered equivalent to a transfer and is not subject to specific regulations in the context of invisible transactions and current transfers. Residents may use credit cards within the CEMAC and abroad.
Other payments	Yes.	These are treated the same as trade-related payments.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided. Amounts exceeding CFAF 100 million must be declared to BEAC and the MOF.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Amounts owed by nonresidents for services and all income from foreign assets earned outside the CEMAC must be collected through a licensed bank and repatriated immediately.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currency must be surrendered to the BEAC within 3 days of receipt.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The exchange regulations, including the section on capital flows within the CEMAC, do not apply to transactions between CEMAC member countries. There are no restrictions on most capital flows between CEMAC and non-CEMAC countries, provided they comply with the laws and regulations prohibiting drug financing and trafficking. Certain loans, direct investments, and the issuance, advertisement, and sale of foreign securities within the CEMAC are subject to administrative controls and require approval from the appropriate authorities. Controls on these transactions are applied indiscriminately to countries in the CFA franc area, other than CEMAC member countries, and all non-CFA franc area countries. Moreover, Article 61 of the General Regulations of the Central African Financial Market Supervisory Commission (COSUMAF), which went into effect January 15, 2009, specifies that "when a nonresident legal entity plans a public offering on the Central African regional financial market, it must prepare a disclosure document and submit it to COSUMAF for approval prior to dissemination. The prior approval of the CB must also be obtained." The article also states that "the issuer must appoint a correspondent (securities dealer) established in a CEMAC member state, where it elects domicile. This correspondent must be responsible for: (1) receiving correspondence from COSUMAF and (2) forwarding to COSUMAF all documents and information required under the laws and regulations or requested by COSUMAF."

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Repatriation requirements	Yes.	In the context of the centralization of foreign exchange reserves, foreign currency collected from capital transactions must be repatriated, immediately after collection.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currencies must be surrendered to the BEAC no later than 3 days after receipt.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	The issuance, advertisement, and sale of foreign securities (shares and bonds issued by foreign enterprises) whose value exceeds CFAF 50 million are subject to CB approval. Under CEMAC exchange regulations, transactions in capital market securities are treated in the same way as simple borrowing and lending operations, as opposed to direct investments, when the shares or equity held by the individual or legal entity represent less than 10% of the enterprise's total equity. Borrowing and lending are not regulated by type of instrument or maturity.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported 30 days before the transaction when the transaction is less than CFAF 20 million. Above this amount, the transaction is subject to prior CB approval. There is no minimum (or maximum) holding period for securities.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. There is no minimum (or maximum) holding period for securities.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared 30 days before the transaction when the amount is less than CFAF 20 million. Above this amount, it requires prior CB approval.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. Prior approval by the Banking Commission is required on all occasions.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities by residents. Transactions must be declared 30 days before when the transaction is no more than CFAF 20 million. Above this amount, prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be declared 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior

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		CB approval is required.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of money market instruments within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million.
Purchase abroad by residents	Yes.	Banks may verify and make payment abroad for purchases of money market instruments by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above this amount, the prior CB approval is required.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared to the CB 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that "the regulations governing the management of a collective investment fund and the articles of incorporation of an open-ended investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC."
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that "the regulations governing the management of a collective investment fund and the articles of incorporation of an open-ended investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC."
Controls on derivatives and other instruments	No.	These instruments are not regulated.
Purchase locally by nonresidents	No.	There is no derivatives market in the CEMAC.
Sale or issue locally by nonresidents	No.	There is no derivatives market in the CEMAC.
Purchase abroad by residents	No.	Licensed banks are free to deal in derivatives, subject to compliance with the prudential rules issued by the Banking Commission, which is responsible for supervision of the banking system.
Sale or issue abroad by residents	No.	There is no derivatives market in the CEMAC.
Controls on credit operations	Yes.	There are no specific regulations on borrowing and lending by instrument type or by maturity.
Commercial credits	Yes.	Borrowing directly related to the financing of commercial transactions and borrowing and lending contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction.
By residents to nonresidents	Yes.	Banks may verify and then execute commercial credits granted to nonresidents. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the

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		transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
To residents from nonresidents	No.	Only banks are authorized to verify and then execute commercial credits received by residents, which they must declare to the appropriate MOF and BEAC departments within 30 days of each transaction.
Financial credits	Yes.	Loans contracted or granted by resident licensed banks and loans constituting FDI, which are already being authorized, are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Banks may verify and execute borrowing and lending transactions for their customers, as well as their repayment. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
By residents to nonresidents	Yes.	Loans contracted or granted by resident licensed banks and loans constituting FDI, which are already being authorized, are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Banks may verify and execute borrowing and lending transactions for their customers, as well as their repayment. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
To residents from nonresidents	Yes.	Loans contracted or granted by resident licensed banks and loans constituting FDI, which are already being authorized, are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Banks may verify and execute borrowing and lending transactions for their customers, as well as their repayment. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment by CEMAC countries is subject to prior approval by the CB. Only licensed banks may verify and execute such transactions. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Inward direct investment	Yes.	Inward direct investment to CEMAC countries is unrestricted. Only licensed banks may verify and execute such transactions. Transactions must be reported to the CB and MOF within 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's

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		type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Controls on liquidation of direct investment	Yes.	The total or partial liquidation of CEMAC countries' outward (and inward) direct investment is subject to prior declaration and must be reported to the MOF 30 days before execution.
Controls on real estate transactions	Yes.	This category of transaction is not subject to specific regulations. It is implicitly subject to the same regulations as FDI.
Purchase abroad by residents	Yes.	The transaction should be reported to the CB and MOF as in the case of FDI and the CB should approve the transaction.
Purchase locally by nonresidents	Yes.	The transaction should be reported to the CB as in the case of FDI.
Sale locally by nonresidents	No.	There is no restriction.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Residents may grant loans to nonresidents. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction.
To residents from nonresidents	Yes.	Residents may contract loans from nonresidents. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction.
Gifts, endowments, inheritances, and legacies	No.	Receipts from abroad related to gifts must be reported to the appropriate administrative authorities.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Residents' settlement of debts must be reported to the MOF and the BEAC within 30 days of the transaction.
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks' capital transactions must be reported after their execution. The business and accounting regulations applicable in the banking sector are based on the application of the COBAC regulations and instructions.
Borrowing abroad	No.	Borrowing by resident licensed banks from nonresidents and repayment of such loans are not subject to prior approval, but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Maintenance of accounts abroad	No.	Licensed banks may, without prior approval, open accounts with their correspondent banks abroad for their business purposes. Such accounts are monitored by the COBAC in the context of its supervision of the banking system.
Lending to nonresidents (financial or commercial credits)	No.	Lending by resident licensed banks to nonresidents and repayment of such loans are not subject to approval but must be reported within 30

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		days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Lending locally in foreign exchange	No.	Transactions between residents must be effected in domestic currency. Residents may purchase foreign currency for the settlement of their transactions with nonresidents.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Securities issued within the CEMAC are denominated in domestic currency and securities denominated in foreign exchange do not exist. However, these transactions are in principle subject to compliance with the provisions of the CEMAC Regulation, in particular, prior declaration to BEAC and the MOF.
Differential treatment of deposit accounts in foreign exchange	No.	The books of licensed banks are maintained in CFA francs. No specific requirements apply to foreign currency deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	No specific requirements apply to these accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	Investment operations of licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Moreover, these transactions must be executed in compliance with the COBAC prudential rules.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The monitoring and control of the foreign exchange positions of local banks are described in COBAC Regulation No. R-2003/02 on the Supervision of Foreign Exchange Positions.
On resident assets and liabilities	Yes.	The monitoring and control of the foreign exchange positions of local banks are described in COBAC Regulation No. R-2003/02 on the Supervision of Foreign Exchange Positions. This regulation sets out two requirements: The net open, short or long, weighted-foreign exchange positions in each currency may not exceed 15% of a credit institution's own funds; the sum of the net short weighted positions or the sum of the net long weighted positions, whichever is the greater, may not exceed 45% of a credit institution's own funds.
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	In the exchange regulations, the applicable provisions are the same as those for borrowing and lending by the private sector.
Insurance companies	Yes.	Insurance companies' capital transactions must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for the insurance sector are based on the Code of the Inter-African Conference on Insurance Markets (CIMA Code) of the CFA franc area member countries.

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Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The capital transactions of investment firms and collective investment funds must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for this sector are based on the regulations and instructions of the COSUMAF.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.

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Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	

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	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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CANADA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: March 25, 1952.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Canada imposes sanctions, which may include exchange restrictions and restrictions on payments and transfers for current international transactions, import and export prohibitions, and sectoral prohibitions, for the preservation of national or international security against the following: (1) under the Special Economic Measures Act (SEMA): the Democratic People's Republic of Korea (DPRK), the Islamic Republic of Iran, Myanmar, Nicaragua, Russia, South Sudan, Syria, Ukraine, Venezuela, and Zimbabwe; (2) under the UN Act (UN Act), to implement UNSC decisions, pursuant to Articles 25 and 103 of the Charter of the UN, with respect to Al-Qaida and the Taliban, the Central African Republic, the Democratic Republic of the Congo, Iran, Iraq, DPRK, Lebanon, Libya, Mali, Somalia, South Sudan, Sudan, and Yemen. Sanctions under the UN Act also affect certain individuals and entities in connection with terrorist activities under the Regulations Implementing the UNs Resolutions on the Suppression of Terrorism; and (3) on June 20, 2018, the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law) (S.C. 2017, c. 21) was established and authorizes the government to place controls on the movement of currency to individuals suspected of contributing to acts of significant corruption and/or gross human rights violations. Foreign nationals from Lebanon, Myanmar, Russia, Saudi Arabia, South Sudan, and Venezuela are currently listed pursuant to this Act. Canada may also implement exchange restrictions and restrictions on payments and transfers for current international transactions under other mechanisms, including the Criminal Officials Act, against specific individuals, groups, and entities but not against entire jurisdictions or economic sectors in Tunisia and Ukraine. The Regulations Amending the Justice for Victims of Corrupt Foreign Officials Regulations (SOR/2018-259) have amended the Justice for Victims of Corrupt Foreign Officials Regulations (SOR/2017-233) to include 17 foreign nationals from Saudi Arabia, who, in the opinion of the Governor in Council, are responsible for or complicit in gross violations of internationally recognized human rights, particularly the torture and extrajudicial killing of Saudi journalist Jamal Khashoggi. These individuals were listed pursuant to the Justice for Victims of Corrupt Foreign Officials Act (S.C. 2017, c. 21).
Other security restrictions	Yes.	Canada may also implement exchange restrictions and restrictions on payments and transfers for current international transactions under

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		other mechanisms, including the Criminal Code and the Freezing Assets of Corrupt Foreign Officials Act, against specific individuals, groups, and entities but not against entire jurisdictions or economic sectors in Egypt, Tunisia, and Ukraine. Canada imposes sanctions, which may include exchange restrictions and restrictions on payments and transfers for current international transactions, import and export prohibitions, and sectoral prohibitions, for the preservation of national or international security against the following under the SEMA: Belarus, Haiti (effective November 3, 2022), Moldova (effective May 30, 2023), the People's Republic of China, and Sri Lanka (effective January 6, 2023).

Exchange Arrangement

Currency	Yes.	The currency of Canada is the Canadian dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The de jure and de facto exchange rate arrangements are classified as free floating, with the exchange rate of the Canadian dollar determined by supply and demand. However, under an intervention policy established by the government in close consultation with the Bank of Canada (BOC), the BOC may intervene in the foreign exchange market on behalf of the government. The current policy is to intervene on a discretionary, rather than systematic, basis and only in exceptional circumstances. The last time the BOC intervened was as part of the concerted intervention with authorities in Europe, Japan, the United Kingdom, and the United States to counter an excessively strong yen following the March 2011 earthquake in Japan. Previously, the BOC intervened in September 1998 to influence movements in the Canadian dollar. Interventions are announced on the BOC's website, and the amount of intervention is published in the government's monthly official press release on international reserves.

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		The amount of any BOC intervention in foreign currency markets is published in the monthly release of the government's official international reserves. This release is generally published three business days after month end.
Official exchange rate	Yes.	The BOC publishes on its website the exchange rate for 26 currencies vis-à-vis the Canadian dollar. The foreign exchange rates are published once a day, at 16:30 ET (Eastern Time), in the form of a single indicative rate for each currency pair that is based on an average of rates observed during the business day. They may differ from the rates of financial institutions and other market sources. The BOC exchange rates are released for informational purposes only and are not intended to be used as the benchmark rate for executing foreign exchange trades. The BOC does not guarantee the accuracy or completeness of these rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The inflation-targeting framework was first introduced in 1991.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The inflation target is set jointly by the BOC and the federal government. The BOC and the government have renewed the inflation-control target framework seven times since its adoption in 1991—most recently on December 13, 2021, for five years, effective January 1, 2022. The target aims to keep the total CPI inflation at the 2% midpoint of a medium-term target range of 1%–3%. The BOC raises or lowers its policy interest rate to achieve the target, typically within six to eight quarters—the time usually needed for policy action to work its way through the economy and have its full effect on inflation. Decisions are made on a consensus basis.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The inflation target is the 2% midpoint of a medium-term target range of 1%–3%.
Band/Range		

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Target measure	Yes.	
CPI	Yes.	The inflation target is expressed as the year-over-year (y-o-y) increase in the total CPI. The bank also monitors a set of "core" inflation measures. The BOC's preferred core inflation measures are CPI-trim and CPI-median. CPI-trim (trimmed mean): a measure of core inflation that excludes CPI components whose rates of change in a given month are located in the tails of the distribution of price changes. CPI-median (weighted median): a measure of core inflation corresponding to the price change located at the 50th percentile (in terms of CPI basket weights) of the distribution of price changes in a given month. CPI-common was dropped as a preferred measure effective October 26, 2022. CPI is published by Statistics Canada.
Core inflation		
Target horizon	Yes.	BOC's target horizon is six to eight quarters.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The BOC raises or lowers its policy interest rate (overnight rate) to achieve the inflation target, typically within six to eight quarters—the time usually needed for policy action to work its way through the economy and have its full effect on inflation.
Target corridor band	Yes.	The BOC operates a system to make sure that trading in the overnight market stays within the operating band. Before 2020, the band was generally one-half of a percentage point wide and had the target for the overnight rate at its center. For example, if the target rate is 2.50%, the operating band would be 2.25% to 2.75%. The upper band (2.75%) is the bank rate – the interest rate that the Bank charges on one-day loans to the large value transfer system. The lower bound of the band (2.25%) is the deposit rate – the interest rate that the Bank pays on any surplus funds that participating institutions leave on deposit at the Bank overnight. The range is one-quarter of a percentage point wide, with the deposit rate equal to the target rate.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	There are five parliamentary hearings in a calendar year.
Other	No.	
Transparency	No.	
Publication of votes	No.	
Publication of minutes	No.	
Publication of inflation forecasts	No.	
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their bid-ask spreads and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Money services businesses (MSBs) must be registered with the

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		Financial Transactions and Reports Analysis Centre of Canada, in accordance with the Proceeds of Crime (Money-Laundering) and Terrorism Financing Act (PCMLTFA). A MSB is an individual or entity engaged in any of the following: (1) foreign exchange dealing; (2) remitting or transmitting funds by any means or through any person, entity, or electronic funds transfer network; (3) issuing or redeeming money orders, traveler's checks, and other similar negotiable instruments; (4) dealing in virtual currency; (5) providing and maintaining a crowdfunding platform; and (6) providing certain payment services. As of September 30, 2023, there were 2,800 registered MSBs and 1,994 of them provide foreign exchange services.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	The foreign exchange market operates over the counter with the majority of transactions occurring between foreign exchange dealers and its clients, but with significant volume conducted through interdealer brokers.
Brokerage	Yes.	The foreign exchange market operates based on a brokerage system.
Market making	Yes.	The operation of the foreign exchange market is based on a market-making agreement. Market makers are market participants who continuously quote buying and selling prices to other market participants.
Forward exchange market	Yes.	Forward exchange rates are freely determined in the exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	Yes.
Bilateral payments arrangements	No.

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Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Canada is a member of the Canada-United States-Mexico Agreement.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	There are no exchange controls. The licensing of imports and exports of goods and technology, when required, is under the jurisdiction of Global Affairs Canada, although other departments also issue licenses in specialized areas.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Under the Special Economic Measures (Russia) Regulations, it is prohibited for any person in Canada and any Canadian outside Canada to import, purchase, or acquire gold (monetary or non-monetary) from Russia or from any person in Russia. Similarly, under the Special Economic Measures (Belarus) Regulations, it is prohibited for any person in Canada and any Canadian outside Canada to import, purchase, or acquire gold (monetary or non-monetary) from Belarus or from any person in Belarus.
On domestic ownership and/or trade	No.	
On external trade	Yes.	The process of exporting of all US origin goods and technology, including US origin gold, requires a permit (all destinations except the United States). Global Affairs Canada is the responsible authority regarding the issuance of such permits. Commercial imports of articles, such as watches, containing minor quantities of gold, are unrestricted and do not require a license.
Controls on exports and imports of banknotes	No.	Under the PCMLTFA, travelers entering or leaving Canada must report to a border services officer amounts they are carrying equal to or greater than Can$10,000 or its equivalent in a foreign currency, including any combination of coins, domestic or foreign banknotes, and securities, such as traveler's checks, stocks, and bonds.
On exports	No.	
Domestic currency	No.	Under the PCMLTFA, travelers entering or leaving Canada must report to a border services officer amounts they are carrying equal to or greater than Can$10,000 or its equivalent in a foreign currency, including any combination of coins, domestic or foreign banknotes, and securities, such as traveler's checks, stocks, and bonds.
Foreign currency	No.	Under the PCMLTFA, travelers entering or leaving Canada must report to a border services officer amounts they are carrying equal to or greater than Can$10,000 or its equivalent in a foreign currency, including any combination of coins, domestic or foreign banknotes, and securities, such as traveler's checks, stocks, and bonds.
On imports	No.	
Domestic currency	No.	Under the PCMLTFA, travelers entering or leaving Canada must report to a border services officer amounts they are carrying equal to or greater than Can$10,000 or its equivalent in a foreign currency, including any combination of coins, domestic or foreign banknotes, and securities, such as traveler's checks, stocks, and bonds.

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Foreign currency	No.	Under the PCMLTFA, travelers entering or leaving Canada must report to a border services officer amounts they are carrying equal to or greater than Can$10,000 or its equivalent in a foreign currency, including any combination of coins, domestic or foreign banknotes, and securities, such as traveler's checks, stocks, and bonds.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange accounts operate like Canadian dollar accounts; there are no special rules.
Approval required	No.	
Held abroad	Yes.	There are no special rules or regulations.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	Assets of designated entities and individuals may be frozen or access to their accounts blocked through prohibition against dealing in the property of designated persons under Canadian economic sanctions. Permits can be granted by the Minister of Foreign Affairs, on an exceptional basis, in respect of activities that are prohibited under the SEMA or the JVCFOA. Authorization for activities prohibited under the UN Act regulations requires a certificate from the Minister of Foreign Affairs and, if required by the regulation in question, notification to or approval from the UNSC.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	

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Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Import permits are required (under various laws) for a broad range of items, including certain endangered species of flora and fauna, natural gas, material and equipment for the production or use of nuclear energy, and certain internationally controlled drugs. Under Canada's Export and Import Permits Act, import permits are also required for products that are included on the Import Control List, including certain small arms, large-caliber armaments or weapons, military products, chemicals, and a number of other textiles and apparel, agricultural, and metal products. In addition, Health Canada does not permit the process of importing of unregistered drugs. Imports of used motor vehicles (less than 15 years old) are generally prohibited for reasons of safety and environmental standards. Exceptions are generally available for vehicles imported from the United States and Mexico. Some regulations on Canadian economic sanctions include import restrictions. Imports prohibited under UN Act regulations require a certificate from the Minister of Foreign Affairs and, if required by the regulation in question, approval from the UNSC. Imports prohibited under SEMA regulations require a permit from the Minister of Foreign Affairs under the related Permit Authorization Order.
Open general licenses	Yes.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Measures consistent with international trade obligations are in effect. Measures are imposed, taking into consideration competition policy factors and other economic costs, as appropriate.
Import taxes and/or tariffs	Yes.	On average, import tariffs are low. Canada's trade-weighted average tariff rate for all goods, including agricultural goods, has been less than 1% since 1998, largely as a result of duty-free access for imports from the US under preferential trade terms. Canada actively seeks to liberalize trade through bilateral and regional FTAs and currently has FTAs in place with its North American trade partners (Canada–US–Mexico Agreement), the EU, the UK, the Asia-Pacific region (Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) currently implemented between Canada, Australia, Japan, Mexico, New Zealand, Singapore, Vietnam, and Peru), South Korea, Chile, Colombia, Costa Rica, Honduras, Panama, the EFTA countries, Ukraine, Israel, and Jordan. Canada is also engaged in ongoing negotiations with the MERCOSUR trade bloc (Argentina, Brazil, Paraguay, and Uruguay), the UK's accession to the CPTPP, and negotiations recently launched with Indonesia. Canada maintains three unilateral tariff preference programs (General Preferential Tariff, Least Developed Country Tariff, and Commonwealth Caribbean Countries Tariff) providing additional preferential access for most goods from developing countries. Canada also continues to unilaterally reduce its MFN tariffs applicable to all members of the WTO. Since 2009, Canada has eliminated more than 2,470 MFN tariffs, including on both imported machinery and equipment and industrial manufacturing inputs

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		(making Canada a tariff-free zone for industrial manufacturers), and a broad range of goods used as agri-food processing ingredients. The highest MFN tariffs apply to a limited number of over-quota, supply-managed agricultural goods (dairy, poultry, and eggs). Canada's other sectors with higher-than-average MFN tariffs include textile products and apparel, footwear, and ships. In 2020, Canada implemented two unscheduled temporary changes to its tariff regime in response to the COVID-19 pandemic. The Goods for Emergency Use Remission Order expired effective May 7, 2022. Previously, imported goods for emergency medical use by public health bodies (for example, hospitals) and first responders were eligible for relief from tariffs and sales taxes. Relief extended to emergency goods imported for use at public and private care residences, such as seniors' residences, retirement homes, nursing homes, and shelters. The Certain Goods Remission Order (COVID-19) expired effective April 7, 2022. Previously, imports of certain medical supplies, including personal protective equipment, were eligible for tariff relief. These include diagnostic test kits, face and eye protection, gloves, protective garments, disinfectants/sterilization products, medical devices, thermometers, wipes, and medical consumables. Relief was available to all importers such as businesses, distributors, and individual Canadians.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	There are certain monopolies at the federal level.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	The Export Control List identifies goods and technologies controlled under the Export and Import Permits Act. This list includes all items identified in the various international export control regimes in which Canada participates. In addition, certain items are controlled to ensure the orderly export marketing of certain products subject to import limitations by other countries, to implement bilateral agreements, to ensure adequate supply and distribution, and for nonproliferation purposes (that is, chemical, biological, and nuclear weapons and their delivery systems). The Automatic Firearms

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		Country Control List is a positive list of destinations to which Canadians may apply for permits to export prohibited firearms, weapons, or devices (as defined in the Criminal Code). The export of these prohibited items to countries that are not listed on the Automatic Firearms Country Control List is not allowed. The Area Control List includes countries to which the exports of all items are controlled. At present, only North Korea is on this list. Permits are required for the process of exporting of controlled goods and technologies to all countries except, in most cases, the United States, as well as for the export of all items destined for countries on the Area Control List. Acts and Regulations on Canadian economic sanctions contain export restrictions, excluding the Freezing Assets of Corrupt Foreign Officials Act. Exports prohibited under UN Act regulations require a certificate from the Minister of Foreign Affairs and, if required by the regulation in question, approval from the UNSC. Exports prohibited under SEMA regulations require a permit from the Minister of Foreign Affairs under the related Permit Authorization Order.
With quotas	Yes.	Certain items are controlled to ensure orderly export marketing of products subject to import limits by other countries and to implement bilateral and FTAs and/or ensure adequate supply and distribution. Canada administers export quotas, origin quotas, and issues export permits or certificates for textiles and apparel goods exported under the Canada-United States-Mexico Agreement (CUSMA); for high sugar and sugar-containing products, processed food, dog and cat food, and vehicles exported under the Comprehensive Economic and Trade Agreement; for vehicles exported under the Canada-UK Trade Continuity Agreement; and for peanut butter, sugar, and sugar-containing products exported to the United States.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Canada imposes an export tax on some tobacco products. This export tax is administered under the Excise Act, 2001.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	The Special Economic Measures (Russia) Regulations prohibit persons in Canada and Canadians abroad from transacting in, providing financing for, or otherwise dealing in (1) new securities, including shares or any other ownership interest, in relation to a designated person listed in Schedule 2, the property of that person, or the interests or rights in property of that person; (2) new debt of more than 30 days' maturity, including bonds, loans, debentures, extensions of credit, loan guarantees, LCs, bank drafts, bankers' acceptances, discount notes, treasury bills, commercial paper or similar instruments in relation to designated persons listed in Schedule 2, the property of those persons, or interests and property of those persons; and (3) new debt of more than 90 days' maturity, including bonds, loans, debentures, extensions of credit, loan guarantees, LCs, bank drafts, bankers' acceptances, discount notes,

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		treasury bills, commercial paper or similar instruments in relation to designated persons listed in Schedule 3, the property of those persons, or interests and property of those persons. The Special Economic Measures (Belarus) Regulations prohibit persons in Canada and Canadians abroad from, directly or indirectly, dealing in transferable securities and money market instruments, including treasury bills, CD and commercial papers but not including instruments of payment, issued by Belarus, certain listed entities, or a person acting on behalf of or at the direction of Belarus or such listed entities. It is also prohibited to, directly or indirectly, transact in, provide financing for or otherwise deal in debt of longer than 90 days' maturity, including bonds, loans, debentures, extensions of credit, loan guarantees, LCs, bank drafts, bankers' acceptances, discount notes, treasury bills, commercial paper and other similar instruments in relation to Belarus, certain listed entities, or a person acting on behalf of or at the direction of Belarus or such listed entities. Similarly, regulations made under the UN Act, SEMA, and the Justice for Victims of Corrupt Foreign Officials Act restrict all financial services to designated individuals, including capital transactions. Measures under the SEMA were also imposed with respect to the People's Republic of China.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the extent that the purchase of shares is affected by laws on inward direct investment and the establishment of a business by nonresidents in Canada.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	The Special Economic Measures (Ukraine) Regulations (SOR/2014-60) prohibit persons in Canada and Canadians abroad from making an investment in the Crimea region of Ukraine that involves a dealing in any property located in the Crimea region of Ukraine that is held by or on behalf of the Crimea region of Ukraine or a person in the Crimea region of Ukraine. SOR/2014-60 was amended June 29, 2015, to prohibit persons in Canada and Canadians abroad from making an investment in the Crimea region of Ukraine that involves a dealing in any property located in the Crimea region of Ukraine. Effective February 24, 2022, these Regulations were amended to prohibit persons in Canada and Canadians abroad from making an investment that involves a dealing in any property located in the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine that is owned, held, or controlled by the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine or a person in the Donetsk People's Republic and/or

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		Luhansk People's Republic regions of Ukraine, or a person acting on behalf of or at the direction of the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine or a person in the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine. The Minister of Foreign Affairs may exempt any prohibited action by the issuance of a permit under the Special Economic Measures (Ukraine) Permit Authorization Order. In addition to the limitations on debt and equity financing, the Special Economic Measures (Russia) Regulations (SOR/2014-58) place limitations on the provision of financial services associated with property and oil exploration. The Special Economic Measures (Iran) Regulations (SOR/2010-165) were amended February 5, 2016. Persons in Canada and Canadians abroad are prohibited from dealing in property, entering into transactions, or providing financial or related services to persons listed in Schedule 1 of the Regulations or to a person acting for the benefit of a listed person. The broad prohibition against financial services was lifted following the February 5, 2016, amendments. The Minister of Foreign Affairs may exempt any prohibited action by the issuance of a permit under the Special Economic Measures (Iran) Permit Authorization Order. The Special Economic Measures (Syria) Regulations (SOR/2011-114) prohibit persons in Canada and Canadians abroad from investing in Syria if the investment involves property, wherever located, held by or on behalf of Syria, a person in Syria, or a Syrian who does not ordinarily reside in Canada. Persons in Canada and Canadians abroad are also prohibited from providing or acquiring financial or other related services to, from, or for the benefit of or at the direction or order of Syria or any person in Syria for the purpose of such an investment. The Minister of Foreign Affairs may exempt any prohibited action by the issuance of a permit under the Special Economic Measures (Syria) Permit Authorization Order. The Special Economic Measures (DPRK) Regulations (SOR/2011-167) prohibit persons in Canada and Canadians abroad from investing in any entity in the DPRK that involves dealing in property, wherever located, held by or on behalf of the DPRK, any person in the DPRK, or a DPRK national who does not ordinarily reside in Canada. The regulations also prohibit the provision or acquisition of financial services—including those that are intended to facilitate an investment in any entity—to, from, or for the benefit of or at the direction or order of the DPRK or persons in the DPRK. Provision of such financial services requires a permit from the Minister of Foreign Affairs under the Special Economic Measures (DPRK) Permit Authorization Order.
Inward direct investment	Yes.	There are controls on direct investment by nonresidents in (1) activities related to Canada's cultural heritage and national identity, in particular (a) publication, distribution, and sale of books, magazines, periodicals, and newspapers in print or machine readable form, but not including solely printing or typesetting any of the above; (b) production, distribution, sale, and exhibition of film and video recordings; (c) production, distribution, sale, and exhibition of audio and video music recordings; (d) publication, distribution, and sale of music in print or machine readable form; and (e) radio communication intended for direct reception by the general public; radio, television, and cable broadcasting companies; and satellite programming and broadcast network services; (2) air transport—foreign ownership of Canadian common carriers is limited to 49% and no more than 25% of the voting interests can be owned directly or indirectly by any single non-Canadian and no more than 25% of the voting interests can be owned by one or more non-Canadians authorized to provide air services in any jurisdiction, and

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only Canadians (as defined in the Canada Transportation Act) may register an aircraft as Canadian and obtain an operator certificate for the following commercial air services: (a) domestic air services; (b) scheduled international air services reserved for Canadian carriers under air services agreements; (c) nonscheduled international air services reserved for Canadian carriers under the Canada Transportation Act; and (d) specialty air services; (3) maritime transport; (4) telecommunications—foreign investment in a facilities-based telecommunications service supplier is restricted to 20% direct investment and 33.3% indirect investment. Restrictions do not apply to satellite and sub-sea facilities and do not apply to providers with less than a 10% revenue share of the telecommunications market; (5) uranium—51% minimum Canadian ownership requirement in individual uranium mining properties at the first stage of production unless the project is controlled by Canadian nationals, as defined in the Investment Canada Act (ICA); the Cabinet may grant exemptions if Canadian partners cannot be found; and (6) fish harvesting. Under the ICA, significant acquisitions of control of Canadian businesses by non-Canadian investors are subject to net benefit review. The thresholds for direct acquisitions of control by WTO members and trade agreement partners are adjusted annually by a formula to reflect changes in nominal GDP. The new thresholds become effective January first of each year. Effective January 1, 2023, the review thresholds are: Can$1.287 billion (previously, effective January 1, 2022, increased to Can$1.141 billion from Can$1.043 billion) in enterprise value for private sector WTO investments, Can$1.931 billion (previously, effective January 1, 2022, increased to Can$1.711 billion from Can$1.565 billion) in enterprise value for private sector trade agreement investments, and Can$512 million (previously, effective January 1, 2022, increased to Can$454 million from Can$415 million) for state-owned enterprise (SOE) WTO investments. The trade agreements that offer this private sector trade agreement investment threshold are: the Canada-United Kingdom Trade Continuity Agreement, the CPTPP, Canada-EU Comprehensive Economic and Trade Agreement, Canada-United States-Mexico Agreement, Canada-Chile FTA, Canada-Peru FTA, Canada-Colombia FTA, Canada-Panama FTA, Canada-Honduras FTA, Canada-Korea FTA. The review threshold for non-WTO investments is Can$5 million for direct acquisitions and Can$50 million for indirect acquisitions. For all non-Canadian investors, acquisitions of Canadian cultural businesses are also reviewable at these thresholds (that is, Can$5 million and Can$50 million), except for (1) (e) of the paragraph above, for which non-cultural business thresholds apply. Under the guidelines on the acquisition of control of major investments in Canada by SOEs, the governance and commercial orientation of SOEs are examined as part of the net benefit review of those investments. In addition, in December 2012, the government issued a policy that SOE applications for the control of a Canadian oil-sands business will be approved only in an "exceptional circumstance." An SOE includes entities influenced directly or indirectly by a foreign government. A direct acquisition occurs when a non-Canadian directly acquires a Canadian business. An indirect acquisition occurs when a non-Canadian acquires a business outside Canada and that business has a subsidiary in Canada. Decisions to allow an investment are based on "likely net benefit" to Canada. The net benefit factors are set out in Section 20 of the ICA. Decisions regarding investments by non-Canadians into non-cultural industries are made by the Minister of Innovation, Science and Industry. The Minister of Canadian Heritage makes decisions on investments related to cultural businesses. A list

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		of cultural businesses is given in Schedule IV of the Investment Canada Regulations. Ministers have 45 days to make a decision on a reviewable investment. The review period may be extended by 30 days, and beyond only with the agreement of the Minister and the investor. Investments by non-Canadians in the cultural sector (below threshold value acquisitions and establishments of new Canadian businesses) that are only subject to a notification under the Act may be subject to a review if the Governor General in Council orders it, based on the belief that it is in the public interest to do so and the investment is related to Canada's national identity and cultural heritage. On April 18, 2020, the government issued a Policy Statement on Foreign Investment Review and COVID-19, which states that the government will apply enhanced scrutiny to investments in businesses related to public health or supply of critical goods and services, as well as by state-owned investors or private investors assessed as being closely tied to the state. Foreign investments of any size are reviewable for national security. Guidelines on the National Security Review of Investments of March 2021, supportive of continued transparency in the review process, address national security concerns relating to investments involving potentially sensitive technologies, sensitive personal data, and the security of critical mineral supply chains. The Regulations implementing the UN Resolutions on Iran (SOR/2007-44) prohibit financial or related services or the facilitation of any transaction related to uranium mining in Canada, or to the production or the use of nuclear materials and technologies listed in Information Circular INFCIRC/254/Rev. Effective March 8, 2022, the government issued a Policy Statement on Foreign Investment Review and the Ukraine Crisis, indicating that investments with ties to Russia will support a finding by the Minister that there are reasonable grounds to believe that the investments could be injurious to Canada's national security, and that acquisitions of control by Russian investors will be found to be of net benefit to Canada on an exceptional basis only. Effective August 2, 2022, a voluntary filing mechanism is available to allow certain non-Canadian investors (for example, minority investors) to get certainty under the ICA, as well as to extend the time for national security review for these investments absent a filing. Effective October 28, 2022, the government issued a Policy Regarding Foreign Investments from SOEs in Critical Minerals under the ICA. This statement indicates that significant transactions by foreign SOEs in Canada's critical minerals sectors will only be approved as of likely net benefit on an exceptional basis. In addition, if a foreign state-owned company participates in these types of transactions, it could constitute reasonable grounds to believe that the investment could be injurious to Canada's national security, regardless of the value of the transaction.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Various provinces have additional levies on the purchase of residential property by nonresidents. British Columbia imposes an additional property transfer tax for foreign entities and taxable trustees on the purchase of residential property in metropolitan Vancouver. Effective February 21, 2022,

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		British Columbia increased it to 20% from 15% and expanded the coverage area to also include the Fraser Valley, Capital, Nanaimo, and Central Okanagan Regional Districts. Ontario has, effective October 25, 2022, a 25% (previously, effective March 30, 2022, it was increased to 20% from 15%) nonresident speculation tax (NRST) on the purchase or acquisition of an interest in residential property located in, effective March 30, 2022, the entire province (previously in the Greater Golden Horseshoe area) by individuals who are not citizens or permanent residents of Canada or by foreign corporations ("foreign entities") and taxable trustees. The NRST applies to the transfer of land which contains at least one and not more than six single-family residences. Examples of land containing one single-family residence include land containing a detached house, a semi-detached house, a town house, or a condominium unit. In a situation involving the purchase of multiple condominium units, each unit would be considered land containing one single-family residence. Examples of land containing more than one single-family residence that are subject to the tax include land containing duplexes, triplexes, fourplexes, fiveplexes, and sixplexes. The NRST does not apply to other types of land such as land containing multi-residential rental apartment buildings with more than six units, agricultural land, commercial land, or industrial land. The NRST applies on the value of the consideration for the residential property. If the land transferred includes both residential property and another type of property, the NRST applies on the portion of the value of the consideration attributable to the residential property. For example, if the purchase price of the transaction is $1,000,000 and contains one single-family residence with a value of the consideration of $400,000, and commercial land with a value of the consideration of $600,000, the 15% NRST would apply to only the $400,000 portion. Effective April 1, 2022, Nova Scotia imposed a 5% nonresident deed transfer tax on the purchase of residential property in the province. The Regulations Implementing the UN Resolutions on the DPRK prohibit any person in Canada or any Canadian outside Canada to knowingly sell or lease or otherwise make available real property to the DPRK, to a national or to any person acting on behalf or at the direction of the DPRK or a national. Effective January 1, 2023, the Prohibition on the Purchase of Residential Property by Non-Canadians Act is in force. The Act prohibits people who are neither Canadian citizens nor permanent residents of Canada from purchasing residential property, directly or indirectly, in Canada for a period of two years. The Act and its associated Regulations establish specific exceptions, definitions, and clarifications necessary to fully implement the Act. Exceptions are provided for certain classes of persons, including certain temporary residents working and studying in Canada, refugees and refugee claimants, foreign nationals fleeing international crises, and foreign nationals accredited as members of foreign missions in Canada. Exceptions are also provided for certain types of property and purchase situations, including residential property located outside of a Census Metropolitan Area or Census Agglomeration, residential property purchased for the purpose of development, residential property containing four or more dwelling units, and residential property acquired by way of a divorce, separation, gift, or death. The Act is subject to automatic repeal on January 1, 2025.
Sale locally by nonresidents	No.	There are no controls; however, withholding taxes apply.
Controls on personal capital transactions	No.	

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Loans	No.	
By residents to nonresidents	No.	The Special Economic Measures (Russia) Regulations prohibit persons in Canada and Canadians abroad from transacting in, providing financing for, or otherwise dealing in (1) new debt of more than 30 days' maturity, including bonds, loans, debentures, extensions of credit, loan guarantees, LCs, bank drafts, bankers' acceptances, discount notes, treasury bills, commercial paper or similar instruments in relation to designated persons listed in Schedule 2, the property of those persons, or interests and property of those persons and (2) new debt of more than 90 days' maturity, including bonds, loans, debentures, extensions of credit, loan guarantees, LCs, bank drafts, bankers' acceptances, discount notes, treasury bills, commercial paper or similar instruments in relation to designated persons listed in Schedule 3, the property of those persons, or interests and property of those persons. The Special Economic Measures (Belarus) Regulations prohibit persons in Canada and Canadians abroad from, directly or indirectly, dealing in transferable securities and money market instruments, including treasury bills, CD, and commercial papers but not including instruments of payment, issued by Belarus, certain listed entities, or a person acting on behalf of or at the direction of Belarus or such listed entities. It is also prohibited to, directly or indirectly, transact in, provide financing for or otherwise deal in debt of longer than 90 days' maturity, including bonds, loans, debentures, extensions of credit, loan guarantees, LCs, bank drafts, bankers' acceptances, discount notes, treasury bills, commercial paper and other similar instruments in relation to Belarus, certain listed entities, or a person acting on behalf of or at the direction of Belarus or such listed entities.
To residents from nonresidents	No.	The Special Economic Measures (Russia) Regulations prohibit persons in Canada and Canadians abroad from transacting in, providing financing for, or otherwise dealing in (1) new debt of more than 30 days' maturity, including bonds, loans, debentures, extensions of credit, loan guarantees, LCs, bank drafts, bankers' acceptances, discount notes, treasury bills, commercial paper or similar instruments in relation to designated persons listed in Schedule 2, the property of those persons, or interests and property of those persons and (2) new debt of more than 90 days' maturity, including bonds, loans, debentures, extensions of credit, loan guarantees, LCs, bank drafts, bankers' acceptances, discount notes, treasury bills, commercial paper or similar instruments in relation to designated persons listed in Schedule 3, the property of those persons, or interests and property of those persons. The Special Economic Measures (Belarus) Regulations prohibit persons in Canada and Canadians abroad from, directly or indirectly, dealing in transferable securities and money market instruments, including treasury bills, CD, and commercial papers but not including instruments of payment, issued by Belarus, certain listed entities, or a person acting on behalf of or at the direction of Belarus or such listed entities. It is also prohibited to, directly or indirectly, transact in, provide financing for or otherwise deal in debt of longer than 90 days' maturity, including bonds, loans, debentures, extensions of credit, loan guarantees, LCs, bank drafts, bankers' acceptances, discount notes, treasury bills, commercial paper and other similar instruments in relation to Belarus, certain listed entities, or a person acting on behalf of or at the direction of Belarus or such listed entities.
Gifts, endowments, inheritances, and legacies	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	There are no limits on investments abroad. Banks, trust companies, and loan companies may make investments abroad in financial sector entities, subject to the prudent person test, and are required in some instances to obtain approval.
In banks by nonresidents	No.	No controls are placed on the ownership of banks that specifically preclude nonresident ownership. The shares of large banks must remain widely held, and fit and proper investors may own up to 20% of voting shares and 30% of any class of nonvoting shares, provided no single shareholder or group of shareholders controls the bank. Medium banks, trust companies, and loan companies, may have

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		individual shareholdings of up to 65% with a public offering of at least 35% of the voting shares (ministerial approval may exempt a medium financial institution from this public offering requirement). Small banks, trust companies, and loan companies, may be 100% closely held. Residents and nonresidents may set up or acquire a smaller bank, trust company, or loan company, subject to ministerial approval.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	There are no limits on securities issued by nonresidents. Federal insurance companies may invest abroad in financial sector entities, subject to the prudent person test and must in some instances obtain approval.
Limits (max.) on investment portfolio held abroad	No.	There are no limits on investments abroad. Federal insurance companies may invest abroad in financial sector entities, subject to the prudent person test and must in some instances obtain approval.
Limits (min.) on investment portfolio held locally	No.	There are no limits on local investments. Federal insurance companies may invest in local financial sector entities, subject to the prudent person test and must in some instances obtain approval.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	There are no limits specific to nonresidents. Pension plans in Canada are generally subject to the prudent portfolio rule, which governs the overall reasonable level of risk and the appropriate level of diversification. There are also quantitative investment limits, which are set out in the Federal Pension Benefits Standards Act and its accompanying regulations. Most provinces in Canada have adopted the federal pension investment rules. The investment rules limit pension funds to owning no more than 30% of a company's voting shares to elect directors. Based on the market value of a pension fund's assets, the pension fund may invest a maximum of 10% in any one entity. There are certain exemptions to the quantitative limits such as investment in real estate corporations, resource corporations, and investment corporations. There is also an exemption to the 10% maximum investment in any one entity limit for securities or funds composed of mortgage-backed securities issued or fully guaranteed by the Government of Canada, the government of a province, or any agency thereof.
Limits (max.) on investment portfolio held abroad	No.	There are no limits specific to international holdings. Pension plans in Canada are generally subject to the prudent portfolio rule, which governs the overall reasonable level of risk and the appropriate level of diversification. There are also quantitative investment limits, which are set out in the Federal Pension Benefits Standards Act and its accompanying regulations. Most provinces in Canada have adopted the federal pension investment rules. The investment rules limit pension funds to owning no more than 30% of a company's voting shares to elect directors. Based on the market value of a pension fund's assets, the pension fund may invest a maximum of 10% in any one entity. There are certain exemptions to the

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		quantitative limits, such as investments in real estate corporations, resource corporations, and investment corporations. There is also an exemption to the 10% maximum investment in any one entity limit for securities or funds composed of mortgage-backed securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency thereof.
Limits (min.) on investment portfolio held locally	No.	There are no limits specific to local holdings. Pension plans in Canada are generally subject to the prudent portfolio rule, which governs the overall reasonable level of risk and the appropriate level of diversification. There are also quantitative investment limits, which are set out in the Federal Pension Benefits Standards Act and its accompanying regulations. Most provinces in Canada have adopted the federal pension investment rules. The investment rules limit pension funds to owning no more than 30% of a company's voting shares to elect directors. Based on the market value of a pension fund's assets, the pension fund may invest a maximum of 10% in any one entity. There are certain exemptions to the quantitative limits, such as investments in real estate corporations, resource corporations, and investment corporations. There is also an exemption to the 10% maximum investment in any one entity limit for securities or funds composed of mortgage-backed securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency thereof.
Currency-matching regulations on assets/liabilities composition	No.	There are no limits specific to asset/liabilities composition. Pension plans in Canada are generally subject to the prudent portfolio rule, which governs the overall reasonable level of risk and the appropriate level of diversification. There are also quantitative investment limits, which are set out in the Federal Pension Benefits Standards Act and its accompanying regulations. Most provinces in Canada have adopted the federal pension investment rules. The investment rules limit pension funds to owning no more than 30% of a company's voting shares to elect directors. Based on the market value of a pension fund's assets, the pension fund may invest a maximum of 10% in any one entity. There are certain exemptions to the quantitative limits, such as investments in real estate corporations, resource corporations, and investment corporations. There is also an exemption to the 10% maximum investment in any one entity limit for securities or funds composed of mortgage-backed securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency thereof.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	No domestic retail central bank digital currency (CBDC) has been launched. The Government of Canada and the BOC are currently assessing the potential need for a CBDC in Canada, as announced in

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		Budget 2022. The BOC consulted the public on what a CBDC should look like, if one was to be pursued, from May 8, 2023, to June 19, 2023.
Wholesale	No.	No wholesale CBDC has been launched.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	
Controls on unbacked tokens	No.	It is legal in Canada to create and transmit unbacked tokens, such as Bitcoin and Ether, as well as non-fungible tokens (NFTs), privacy coins, so-called stablecoins, and other unbacked tokens. Canadian Securities regulators have oversight of crypto trading platforms and have established a regime to address the risks of crypto assets, covering effectively all tokens traded on those platforms. If either entity involved in the transaction is a reporting entity, there is a requirement to submit a Large Virtual Currency Transaction Report, if $10,000 or more in equivalent value is transacted within a 24 hour period or if the person or entity established that there are reasonable grounds to suspect that the transaction or attempted

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		transaction is related to the commission of a money laundering offence or a terrorist activity financing offence.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	Securities regime applies to transactions on crypto trading platforms.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	Stablecoins are considered in Canadian law to be a security and/or a derivative in most Canadian jurisdictions. The regulation of securities is done at the provincial/territorial level, and as such each province can define stablecoins differently in their legal framework. However, the Canadian Securities Administrators (CSA), the umbrella organization of Canada's provincial and territorial securities regulators, considers these assets to be sufficiently alike to fall within their jurisdictions.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	

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Domestic exchanges	Yes.	Securities regime applies to transactions on crypto trading platforms. If either entity involved in the transaction is a reporting entity, there is a requirement to submit a Large Virtual Currency Transaction Report, if $10,000 or more in equivalent value is transacted within a 24 hour period or if the person or entity established that there are reasonable grounds to suspect that the transaction or attempted transaction is related to the commission of a money laundering offence or a terrorist activity financing offence. As of June 1, 2020, all entities that are in the business of dealing in virtual assets are required to register with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) as a Money Service Business, and conduct all of the relevant Know-Your-Customer, determinations of Politically Exposed Persons, volume and suspicious transaction reporting requirements, and customer due diligence procedures as defined within the PCMLTFA and PCMLTFRR. These procedures must be applied to those who wish to create an account with a domestic or international crypto exchange or crypto trading platform. Effective August 12, 2022, the CSA announced that it expects unregistered crypto trading platforms (CTPs) operating in Canada to commit to a "pre-registration undertaking" (PRU) while they pursue registration, which includes terms and conditions consistent with requirements currently applicable to registered CTPs. On February 22, 2023, the CSA followed up on this announcement by issuing a statement clarifying that if non-registered CTPs do not pre-register or cease operating by a deadline to be issued shortly, the CSA will consider all applicable regulatory options to bring the platform into compliance with securities law, including enforcement action. This would include both CTPs operating within Canada and foreign CTPs that are accessible by Canadians. On February 5, 2023, the CSA provided further clarity and guidance to crypto asset trading platforms about its interim approach to the trading of value-referenced crypto assets (VRCAs). Effective February 22, 2023, CSA set out the view that "VRCAs" may be securities and/or derivatives, and fiat-backed crypto assets would generally be securities and/or derivatives. The CSA defines a VRCA as a crypto asset that is designed to maintain a stable value over time by referencing the value of a fiat currency or any other value or right, or combination thereof. On October 5, 2023, the CSA released guidance providing further clarity to crypto asset trading platforms about its interim approach to the trading of value-referenced crypto assets.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons

Other security restrictions	*11/03/2022*	Measures under the Special Economic Measures Act were imposed with respect to Haiti.
	01/06/2023	Measures under the Special Economic Measures Act were imposed with respect to Sri Lanka.
	05/30/2023	Measures under the Special Economic Measures Act were imposed with respect to Moldova.

Exchange Arrangement

Monetary policy framework

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Inflation-targeting framework

Target setting body

Government and Central Bank — *01/01/2022* — The Bank of Canada and the government renewed the inflation-control target framework on December 13, 2021, for five years.

Inflation target

Target measure

CPI — *10/26/2022* — CPI-common was dropped as a preferred measure.

Imports and Import Payments

Import taxes and/or tariffs

04/07/2022 — The COVID-19-related Certain Goods Remission Order (COVID-19) expired. Previously, imports of certain medical supplies, including personal protective equipment, were eligible for tariff relief. These include diagnostic test kits, face and eye protection, gloves, protective garments, disinfectants/sterilization products, medical devices, thermometers, wipes, and medical consumables. Relief was available to all importers such as businesses, distributors, and individual Canadians.

05/07/2022 — The COVID-19-related Goods for Emergency Use Remission Order expired. Previously, imported goods for emergency medical use by public health bodies (for example, hospitals) and first responders were eligible for relief from tariffs and sales taxes. Relief extended to emergency goods imported for use at public and private care residences, such as seniors' residences, retirement homes, nursing homes, and shelters.

Capital Transactions

Controls on capital transactions

Controls on direct investment

Outward direct investment

02/24/2022 — The Special Economic Measures (Ukraine) Regulations (SOR/2014-60) were amended to prohibit persons in Canada and Canadians abroad from making an investment that involves a dealing in any property located in the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine that is owned, held, or controlled by the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine or a person in the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine, or a person acting on behalf of or at the direction of the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine or a person in the Donetsk People's Republic and/or Luhansk People's Republic regions of Ukraine.

Inward direct investment

01/01/2022 — The review threshold for direct acquisition of control is Can$1.141 billion (previously Can$1.043 billion) in enterprise value for private sector WTO investments.

01/01/2022 — The review threshold for direct acquisition of control is Can$1.711 billion (previously Can$1.565 billion) in enterprise value for private sector trade agreement investments.

01/01/2022 — The review threshold for direct acquisition of control is Can$454 million (previously Can$415 million) for state-owned enterprise WTO investments.

03/08/2022 — The government issued a Policy Statement on Foreign Investment Review and the Ukraine Crisis, indicating that investments with ties to Russia will support a finding by the Minister that there are reasonable grounds to believe that the investments could be injurious to Canada's national security, and that acquisitions of control by

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		Russian investors will be found to be of net benefit to Canada on an exceptional basis only.
	08/02/2022	A voluntary filing mechanism is available to allow certain non-Canadian investors (for example, minority investors) to get certainty under the Investment Canada Act, as well as to extend the time for national security review for these investments absent a filing.
	10/28/2022	The government issued a Policy Regarding Foreign Investments from State-Owned Enterprises (SOEs) in Critical Minerals under the Investment Canada Act. This statement indicates that significant transactions by foreign SOEs in Canada's critical minerals sectors will only be approved as of likely net benefit on an exceptional basis. In addition, if a foreign state-owned company participates in these types of transactions, it could constitute reasonable grounds to believe that the investment could be injurious to Canada's national security, regardless of the value of the transaction.
	01/01/2023	The review thresholds for direct acquisition of control are: Can$1.287 billion (previously Can$1.141 billion) in enterprise value for private sector WTO investments, Can$1.931 billion (previously Can$1.711 billion) in enterprise value for private sector trade agreement investments, and Can$512 million (previously Can$454 million) for state-owned enterprise WTO investments.
Controls on real estate transactions		
Purchase locally by nonresidents	*02/21/2022*	British Columbia increased the additional property transfer tax for foreign entities and taxable trustees on the purchase of residential property in metropolitan Vancouver to 20% from 15%.
	02/21/2022	British Columbia expanded the coverage area where the additional property transfer tax for foreign entities and taxable trustees on the purchase of residential property applies from metropolitan Vancouver to also include the Fraser Valley, Capital, Nanaimo, and Central Okanagan Regional Districts.
	03/30/2022	Ontario expanded the coverage area where the nonresident speculation tax applies from the Greater Golden Horseshoe area to the entire province.
	03/30/2022	Ontario increased the nonresident speculation tax to 20% from 15%.
	04/01/2022	Nova Scotia imposed a 5% nonresident deed transfer tax on the purchase of residential property in the province.
	10/25/2022	Ontario increased the nonresident speculation tax to 25% from 20%.
	01/01/2023	The Prohibition on the Purchase of Residential Property by Non-Canadians Act came into force. The Act prohibits people who are neither Canadian citizens nor permanent residents of Canada from purchasing residential property, directly or indirectly, in Canada for a period of two years. The Act and its associated Regulations establish specific exceptions, definitions, and clarifications necessary to fully implement the Act. Exceptions are provided for certain classes of persons, including certain temporary residents working and studying in Canada, refugees and refugee claimants, foreign nationals fleeing international crises, and foreign nationals accredited as members of foreign missions in Canada. Exceptions are also provided for certain types of property and purchase situations, including residential property located outside of a Census Metropolitan Area or Census Agglomeration, residential property purchased for the purpose of development, residential property containing four or more dwelling units, and residential property acquired by way of a divorce, separation, gift, or death. The Act is subject to automatic repeal on January 1, 2025.

Digital Currencies and Crypto Assets

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Controls on crypto exchanges and trading platforms		
Domestic exchanges	*08/12/2022*	The Canadian Securities Administrators announced that it expects unregistered crypto trading platforms (CTPs) operating in Canada to commit to a "pre-registration undertaking" while they pursue registration, which includes terms and conditions consistent with requirements currently applicable to registered CTPs.
	02/22/2023	The Canadian Securities Administrators set out the view that "value-referenced crypto assets" may be securities and/or derivatives, and fiat-backed crypto assets would generally be securities and/or derivatives.

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CENTRAL AFRICAN REPUBLIC

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 10, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	For security reasons, the Central African Republic (CAR) supports UNSC Resolution No. 1373 to combat money laundering and terrorism financing (Regulation No. 01/03/CEMAC/UMAC/CM of April 4, 2003).

Exchange Arrangement

Currency	Yes.	The currency issued within the CEMAC, which is legal tender in the CAR and the other member countries, is the CFA franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the CAMU is a conventional peg. The CAR participates in the CAMU. The Monetary Cooperation Agreement (MCA) between CEMAC member countries and France is based on three principles: (1) a common CB; (2) fixed parity with the euro; and (3) an unlimited convertibility guarantee. Article 16 empowers the finance ministers of signatory countries ("Joint Monetary Committee") to amend the MCA. Article 17 permits signatories to renounce the agreement. Article 18 specifies that the expulsion of a member from the BEAC automatically results in that member's renunciation of the MCA.
Stabilized arrangement		
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the intervention currency, at a fixed rate of CFAF 655.957 per euro. The exchange rate is fixed by Article 12 of the MCA of November 23, 1972, between the BEAC and France, which states that the par value may be modified following consultation among the signatory countries (BEAC members and France), taking into account the demands of the economic and financial situation of the member countries. Exchange transactions in euros between the BEAC and commercial banks are made at this rate. Buying and selling rates for certain other foreign currencies are also listed officially based on the fixed rate for the euro and the rates for these foreign currencies prevailing in the Paris foreign exchange market. The official rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		

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Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	Yes.	Transfers of funds with the rest of the world are subject to transfer fees determined freely by the market but not exceeding 1%, excluding any other special tax. Licensed intermediaries may effect transfers with the rest of the world through the BEAC. Within the CEMAC, transfers of funds are subject to transfer fees determined freely by the market and not exceeding 0.25%, excluding the VAT and any other special tax.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Licensing of exchange bureaus is the responsibility of the MOFs of the CEMAC member countries. Their operations are limited to OTC transactions. Licensed intermediaries, who set their own exchange rates with their customers for currencies other than the euro, may freely conduct foreign exchange transactions with their customers. The BEAC's OTC foreign exchange transactions are conducted exclusively with national public accountants and treasuries.
Operated by the central bank	Yes.	The BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Foreign exchange standing facility	Yes.	Within the limits of available stocks, the BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Allocation	No.	
Auction	No.	

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Fixing	No.	
Interbank market	Yes.	There are no restrictions on interbank foreign exchange transactions within the CEMAC. Exchange transactions are OTC transactions. The BEAC does not intervene in exchange transactions within the CEMAC. These transactions are freely conducted by operators licensed by the MOF with the approval of the Central African Banking Commission (COBAC). A fee of no more than 3% for CFA franc area notes and 5% for other currencies, not including the VAT and any other specific tax, is collected by licensed intermediaries on transactions in foreign banknotes and traveler's checks. This fee covers all charges on OTC transactions and the intermediation margin.
Over the counter	Yes.	Foreign exchange transactions are conducted on an OTC basis.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	There is no forward foreign exchange market in the CEMAC. Licensed intermediaries may enter into forward exchange contracts up to a limit of CFAF 100 million on presentation of supporting documentation (invoices, debt repayment schedules, or other foreign-currency-denominated debt instruments) and must report such activities to the BEAC. For amounts over CFAF 100 million, requests for forward exchange contracts must be made to the BEAC so that their purpose may be verified.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Within the CEMAC, the CFA franc is used freely for payments and receipts relating to current and capital transactions and payments. Settlements with all countries other than CEMAC members must be made through correspondent banks in one of the currencies of the two parties or in any other currency agreed on by the two parties to the transaction.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	The monetary unit is the CFA franc, which is the sole official currency and legal tender in all CEMAC member countries. Consequently, transactions among residents must be settled in domestic currency. However, effective April 22, 2022, the CAR adopted a law which governs cryptocurrency transactions in the country and considers Bitcoin as the reference currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	

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Inoperative	No.	
Regional arrangements	Yes.	An operation's account links all the countries with the French Treasury. All purchases and sales of foreign currencies and euros in exchange for CFA francs are ultimately settled by a debit or credit to the operations account. Governments may maintain foreign currency deposits related to oil reserves at commercial banks and use them to meet their external debt service obligations. Exchange regulations in the CEMAC member countries are harmonized.
Clearing agreements	No.	
Barter agreements and open accounts	No.	There is no formal clearing agreement between any CEMAC country and other countries. Nor are there any regulatory provisions governing this mechanism. In practice, however, some countries may receive production or capital goods from abroad in exchange for financial flows.
Administration of control	Yes.	Administration of the foreign exchange regulations is the responsibility of the MOFs of the CEMAC countries, which may delegate all or a portion of their authority to the BEAC, the COBAC, and licensed intermediaries. For example, authority is delegated to licensed intermediaries to carry out transactions with the rest of the world. They must verify the validity of transactions, collect statistics, and report these activities to the monetary authorities. However, certain types of transactions may not be delegated. The BEAC supervises the exchange regulations; evaluates foreign exchange hedging operations; reviews requests for approval of opening of foreign exchange accounts by some resident legal entities; and monitors the repatriation of export proceeds. The COBAC ensures that licensed intermediaries comply with certain provisions of these regulations, especially to prevent weakening of the CEMAC banking system.
Payments arrears	No.	Licensed intermediaries may freely execute their customers' payment orders. The related transfers may, at their request, be made through the BEAC. When banks execute payment order requests through their liquidity buffer, these requests do not come back to the BEAC but are checked during on-site or off-site inspections. In this context, the MCA with France serves to guarantee the convertibility of the CFA franc. No payment arrears are allowed on the grounds that insufficient foreign exchange is available.
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	CEMAC residents are free to hold, purchase, and sell gold in any form within the CEMAC.
On external trade	Yes.	Except in the case of manufactured articles containing small quantities of gold, CEMAC gold imports and exports are subject to approval by the appropriate authorities. The national treasuries and the BEAC are exempt from this requirement.
Controls on exports and imports of banknotes	Yes.	Residents and nonresidents traveling from one country to another within the CEMAC may take with them an unlimited amount of CEMAC banknotes and coins.
On exports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be exported to countries outside the CEMAC. However, departing resident travelers may have in their possession up to CFAF 5 million. During their trips outside

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		the CEMAC, travelers must use payment instruments other than BEAC banknotes (foreign currency, traveler's checks, bank drafts, transfers, etc.).
Foreign currency	Yes.	Resident and nonresident travelers crossing CEMAC borders must, on exit, declare any foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities. Nonresident travelers leaving the CEMAC may take with them foreign currency valued at up to the amount they declared on entering the CEMAC. If they made no declaration on entry or if they are carrying sums exceeding those they brought into the CEMAC, they must explain the source of the amount in excess of CFAF 1 million. Supporting documents include pay slips and work permits (wage income), student cards (parental assistance for students and trainees), and notarized instruments (donations), among others.
On imports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be imported from countries outside the CEMAC. However, arriving resident travelers may have in their possession up to CFAF 5 million.
Foreign currency	No.	Resident and nonresident travelers crossing CEMAC borders must, on entry, declare foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may not open foreign exchange accounts in local banks. However, the BEAC may allow certain resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts.
Approval required	Yes.	The BEAC may allow resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts. The authorization to open bank accounts in foreign currency is granted by the BEAC. Generally, the BEAC's approval is given when the entity in question cannot easily carry out all its operations with accounts in CFA francs only or when a financial arrangement following an external financial contribution requires the opening of foreign currency accounts.
Held abroad	Yes.	Resident legal entities, except credit institutions, are prohibited from opening foreign currency bank accounts outside the CEMAC in accordance with Regulation No. 02/18/CEMAC/UMAC/CM of December 21, 2018. However, the BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive on June 10, 2019. Generally, the BEAC's approval is given when the entity in question cannot easily carry out all its operations with accounts in CFA francs only or when a financial arrangement following an external financial contribution requires the opening of foreign currency accounts.
Approval required	Yes.	The BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive in June 2019.
Accounts in domestic currency held abroad	Yes.	Accounts in domestic currency held abroad are permitted. Previously, these accounts were not permitted except within the CEMAC.
Accounts in domestic currency	No.	

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convertible into foreign currency

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions on the opening of nonresident foreign exchange accounts within the CEMAC. Licensed intermediaries may open such accounts for any nonresident, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn. On account closure (for example, for loss of nonresident status), the account balance must be transferred to a resident account in CFAF.
Approval required	No.	
Domestic currency accounts	Yes.	There are no restrictions on the opening of nonresident CFA franc accounts within the CEMAC. Licensed intermediaries may open such accounts for nonresidents, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn.
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	The exchange regulations do not limit access to foreign exchange. Payments for imports must be made regularly through licensed intermediaries.
Financing requirements for imports	No.	Economic agents may freely enter into commercial contracts with their partners abroad. These contracts are executed through the banking system, subject to compliance with the exchange regulations.
Minimum financing requirements	No.	There are no financing requirements.
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license. Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legally registered legal entities and declared or certified professionals may be exempt from the requirement to produce supporting documents, provided they submit an annual estimate of imports corroborated by a business forecast.
Domiciliation requirements	Yes.	Imports valued at more than CFAF 5 million must be domiciled with a resident licensed intermediary.
Preshipment inspection	Yes.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard. In the CAR, imports exceeding CFAF 1 million or the equivalent are subject to mandatory preshipment inspection.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Import licenses used as exchange licenses	No.	Import licenses are not used in the CEMAC countries to restrict the availability of foreign exchange for legitimate trade, as defined in the Compilation Guide. When such licenses exist, they are used for trade policy purposes.

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Other	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license (registration number, professional ID card, extract from the commercial registry, or tax clearance). Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legal entities and certified professionals can no longer use annual estimates of imports and must produce all supporting documents to carry out transactions.
Import licenses and other nontariff measures	Yes.	In general, CEMAC countries no longer use quantitative restrictions as a means of protecting local production. Merchandise originating from all countries may be freely imported, with the exception of gold, to which special regulations apply.
Positive list	No.	
Negative list	Yes.	Imports of some products may be prohibited, restricted, or require national authorization for humanitarian, security, or health reasons.
Open general licenses	No.	There is no system of OGLs at the CEMAC level.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The CEMAC CET applies to imports from non-CEMAC countries, at four rates: 5% for staple goods, 10% for raw materials and capital goods, 20% for intermediate goods, and 30% for consumer goods. The taxes are imposed by the national customs administration in CFA francs at the merchandise point of entry.
Taxes collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and related fees established by law and surrendering them to the monetary authority.
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export-related transactions must be reported to the appropriate administrative authorities, and all those exceeding CFAF 5 million must be domiciled at a licensed CEMAC bank. Export proceeds originating in non-CEMAC countries must be collected and repatriated immediately, through the domiciling bank, with the BEAC acting as intermediary.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds collected in foreign currencies must be surrendered to the BEAC within 3 days of collection.
Surrender to authorized dealers	No.	
Financing requirements	No.	Economic agents and their partners abroad may enter freely into commercial contracts, which are executed through the banking system, subject to compliance with the exchange regulations. There are no financing requirements.
Documentation requirements	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank. Each domiciliation file must contain an export contract, a foreign exchange declaration under which the exporter agrees to repatriate all export earnings within a month of the payment due date, and a customs export certificate duly signed by a customs officer.

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Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Guarantees	n.r.	
Domiciliation	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank.
Preshipment inspection	No.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard.
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	Export taxes established by the budget laws are levied by the Customs Directorate or via licensed intermediaries.
Collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and fees established in the law and surrendering them to the monetary authority.
Other export taxes	Yes.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	There are no exchange restrictions on service-related transactions. Payments for such transactions are subject to the same requirements as the underlying commercial transactions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided, and amounts exceeding CFAF 100 million must be declared to BEAC and the MOF. Licensed intermediaries must obtain a pro forma invoice or other supporting documents for payments for service-related expenditures under CFAF 10 million.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers of capital income outside the CEMAC in the form of profits, dividends, interest, royalties, etc., payable to nonresidents, provided the underlying transaction was authorized or is not subject to authorization. Supporting documents on the decision to distribute income (profits and dividends), the repayment schedule, and the debt security involved (loans contracted and granted) must be provided. Transactions in excess of CFAF 5 million must be domiciled with CEMAC credit institutions. Other current transactions, as well as financial and capital operations in excess of CFAF 100 million, must be declared to BEAC and the MOF.

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Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Indicative limits are established for OTC foreign exchange allocations to residents traveling outside the CEMAC. A single indicative threshold of CFAF 5 million is set for all travels. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation for amounts in excess of CFAF 5 million, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Personal payments	Yes.	Transfers are unrestricted, on submission of supporting documentation.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A single indicative limit of CFAF 5 million is established for OTC foreign exchange allocations to residents traveling outside the CEMAC. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation for amounts in excess of CFAF 5 million, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers by residents and nonresidents of income from wages, subject to a declaration for statistical purposes. On presentation of a pay slip, resident foreign wage earners may transfer a portion of their net remuneration.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The use of credit cards is considered equivalent to a transfer and is not subject to specific regulations in the context of invisible transactions and current transfers. Residents may use credit cards within the CEMAC and abroad.
Other payments	Yes.	These are treated the same as trade-related payments.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts

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		exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided. Amounts exceeding CFAF 100 million must be declared to BEAC and the MOF.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Amounts owed by nonresidents for services and all income from foreign assets earned outside the CEMAC must be collected through a licensed bank and repatriated immediately.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currency must be surrendered to the BEAC within 3 days of receipt.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The exchange regulations, including the section on capital flows within the CEMAC, do not apply to transactions between CEMAC member countries. There are no restrictions on most capital flows between CEMAC and non-CEMAC countries, provided they comply with the laws and regulations prohibiting drug financing and trafficking. Certain loans, direct investments, and the issuance, advertisement, and sale of foreign securities within the CEMAC are subject to administrative controls and require approval from the appropriate authorities. Controls on these transactions are applied indiscriminately to countries in the CFA franc zone, other than CEMAC member countries, and all non-CFA franc zone countries. Moreover, Article 61 of the General Regulations of the Central African Financial Market Supervisory Commission (COSUMAF), which entered into effect January 15, 2009, specifies that "when a nonresident legal entity plans a public offering on the Central African regional financial market, it must prepare a disclosure document and submit it to COSUMAF for approval prior to dissemination. The prior approval of the exchange control authority in the various countries concerned must also be obtained." The article also states that "the issuer must appoint a correspondent (securities dealer) established in a CEMAC member state, where it elects domicile. This correspondent must be responsible for: (1) receiving correspondence from COSUMAF and (2) forwarding to COSUMAF all documents and information required under the laws and regulations or requested by COSUMAF."
Repatriation requirements	Yes.	In the context of the centralization of foreign exchange reserves, foreign currency collected from capital transactions must be repatriated immediately after collection.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currencies must be surrendered to the BEAC no later than 3 days after receipt.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	The issuance, advertisement, and sale of foreign securities (shares and bonds issued by foreign enterprises) whose value exceeds CFAF 10 million are subject to MOF approval. Under CEMAC exchange

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		regulations, transactions in capital market securities are treated in the same way as simple borrowing and lending operations, as opposed to direct investments, when the shares or equity held by the individual or legal entity represent less than 10% of the enterprise's total equity. Borrowing and lending are not regulated by type of instrument or maturity.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported 30 days before the transaction when the transaction is less than CFAF 20 million. Above this amount, the transaction is subject to prior CB approval. There is no minimum (or maximum) holding period for securities.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days. There is no minimum (or maximum) holding period for securities.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared 30 days before the transaction when the amount is less than CFAF 20 million. Above this amount, it requires prior CB approval.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. Prior approval by the Banking Commission is required in all occasions.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities by residents. Transactions must be declared 30 days before when the transaction is no more than CFAF 20 million. Above this amount, prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be declared 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of money market instruments within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment abroad for purchases of money market instruments by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.

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Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above this amount, prior CB approval is required.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared to the CB 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that "the regulations governing the management of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC."
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that "the regulations governing the management of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC."
Controls on derivatives and other instruments	n.r.	These instruments are not regulated.
Purchase locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.
Sale or issue locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.
Purchase abroad by residents	No.	Licensed banks are free to deal in derivatives, subject to compliance with the prudential rules issued by the Banking Commission, which is responsible for supervision of the banking system.
Sale or issue abroad by residents	n.r.	There is no derivatives market in the CEMAC.
Controls on credit operations	Yes.	There are no specific regulations on borrowing and lending by instrument type or by maturity.
Commercial credits	Yes.	Borrowing directly related to the financing of commercial transactions and borrowing and lending contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction.
By residents to nonresidents	Yes.	Banks may verify and then execute commercial credits granted to nonresidents, except when the customer's total outstanding debt exceeds CFAF 100 million, in which case such credits must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.

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To residents from nonresidents	No.	Only banks are authorized to verify and then execute commercial credits received by residents, which they must declare to the appropriate MOF and BEAC departments within 30 days of each transaction.
Financial credits	Yes.	Loans contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Banks may verify and execute borrowing and lending transactions for their customers, as well as their repayment, except when the customer's total outstanding debt exceeds CFAF 100 million, in which case they must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment by CEMAC countries is subject to prior approval by the CB. Only licensed banks may verify and execute such transactions. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Inward direct investment	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Controls on liquidation of direct investment	Yes.	The total or partial liquidation of CEMAC countries' outward (and inward) direct investment in amounts exceeding CFAF 100 million is subject to prior declaration and must be reported to the MOF 30 days before execution.
Controls on real estate transactions	Yes.	This category of transaction is not subject to specific regulations. It is implicitly subject to the same regulations as FDI.
Purchase abroad by residents	Yes.	Outward direct investment by CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions.

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		Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Purchase locally by nonresidents	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Sale locally by nonresidents	n.r.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Residents may grant loans to nonresidents, as long as the total outstanding amount does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
To residents from nonresidents	Yes.	Residents may contract loans from nonresidents, provided a single borrower's total outstanding debt does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
Gifts, endowments, inheritances, and legacies	Yes.	Receipts from abroad related to gifts must be reported to the appropriate administrative authorities, and all such items exceeding CFAF 5 million must be domiciled with a licensed CEMAC bank.
By residents to nonresidents	n.r.	
To residents from nonresidents	Yes.	Receipts from abroad related to gifts must be reported to the appropriate administrative authorities, and all such items exceeding CFAF 5 million must be domiciled with a licensed CEMAC bank.
Settlement of debts abroad by immigrants	Yes.	Residents' settlement of debts abroad of up to CFAF 100 million must be reported to the MOF and the BEAC within 30 days of the transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
Transfer of assets	n.r.	
Transfer abroad by emigrants	n.r.	
Transfer into the country by immigrants	n.r.	
Transfer of gambling and prize earnings	n.r.	

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks' capital transactions must be reported after their execution. The business and accounting regulations applicable in the banking sector are based on the application of the COBAC regulations and instructions.
Borrowing abroad	No.	Borrowing by resident licensed banks from nonresidents and repayment of such loans is not subject to prior approval, but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Maintenance of accounts abroad	No.	Licensed banks may, without prior approval, open accounts with their correspondent banks abroad for their business purposes. Such accounts are monitored by the COBAC in the context of its supervision of the banking system.
Lending to nonresidents (financial or commercial credits)	No.	Lending by resident licensed banks to nonresidents and repayment of such loans is not subject to approval but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Lending locally in foreign exchange	No.	Transactions between residents must be effected in domestic currency. Residents may purchase foreign currency for the settlement of their transactions with nonresidents.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Securities issued within the CEMAC are denominated in domestic currency, and securities denominated in foreign exchange do not exist. However, these transactions are in principle subject to compliance with the provisions of the CEMAC Regulation, in particular, prior declaration to BEAC and the MOF.
Differential treatment of deposit accounts in foreign exchange	No.	The books of licensed banks are maintained in CFA francs. No specific requirements apply to foreign currency deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	No specific requirements apply to these accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	Investment operations of licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Moreover, these transactions must be executed in compliance with the COBAC prudential rules.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The monitoring and control of the foreign exchange positions of local banks are described in COBAC Regulation No. R-2003/03 on the Supervision of Foreign Exchange Positions.

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On resident assets and liabilities	n.a.	
On nonresident assets and liabilities	n.a.	
Provisions specific to institutional investors	Yes.	In the exchange regulations, the applicable provisions are the same as those for borrowing and lending by the private sector.
Insurance companies	Yes.	Insurance companies' capital transactions must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for the insurance sector are based on the Code of the Inter-African Conference on Insurance Markets (CIMA Code) of the CFA franc area member countries.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The capital transactions of investment firms and collective investment funds must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for this sector are based on the regulations and instructions of the COSUMAF.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.

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Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.

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Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Arrangements for Payments and Receipts

Prescription of currency requirements		
Use of foreign exchange among residents	*04/22/2022*	The Central African Republic adopted a law which governs cryptocurrency transactions in the country and considers Bitcoin as the reference currency.

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CHAD

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 10, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	For security reasons, Chad supports UNSC Resolution No. 1373 to combat money laundering and terrorism financing (Regulation No. 01/03/CEMAC/UMAC/CM of April 4, 2003).

Exchange Arrangement

Currency	Yes.	The currency issued within the CEMAC, which is legal tender in Chad and the other member countries, is the CFA franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the CAMU is a conventional peg. Chad participates in the CAMU and has no separate legal tender. The Monetary Cooperation Agreement (MCA) between CAMU member countries and France is based on three principles: (1) a common CB; (2) fixed parity with the euro; and (3) an unlimited convertibility guarantee. Article 16 empowers the finance ministers of signatory countries (Joint Monetary Committee) to amend the MCA. Article 17 permits signatories to renounce the agreement. Article 18 specifies that the expulsion of a member country from the BEAC automatically results in that country's renunciation of the MCA.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		

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Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the intervention currency, at a fixed rate of CFAF 655.957 per euro. The exchange rate is fixed by Article 12 of the MCA of November 23, 1972, between the BEAC and France, which states that the par value may be modified following consultation among the signatory countries (BEAC members and France), taking into account the demands of the economic and financial situation of the member countries. Exchange transactions in euros between the BEAC and commercial banks are made at this rate. Buying and selling rates for certain other foreign currencies are also listed officially based on the fixed rate for the euro and the rates for these foreign currencies prevailing in the Paris foreign exchange market. The official rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		

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CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	Yes.	Transfers of funds with the rest of the world are subject to transfer fees determined freely by the market but not exceeding 1%, excluding any other special tax. Licensed intermediaries may effect transfers with the rest of the world through the BEAC. Within the CEMAC, transfers of funds are subject to transfer fees determined freely by the market and not exceeding 0.25%, excluding the VAT and any other special tax.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Licensing of exchange bureaus is the responsibility of the MOFs of the CEMAC member countries. Their operations are limited to OTC transactions. Licensed intermediaries, who set their own exchange rates with their customers for currencies other than the euro, may freely conduct foreign exchange transactions with their customers. The BEAC's OTC foreign exchange transactions are conducted exclusively with national public accountants and treasuries. Commercial banks may also acquire euro notes at 1.5% from the CB. There are eight authorized foreign exchange bureaus in Chad.
Operated by the central bank	Yes.	The BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries. Commercial banks may also acquire euro notes at 1.5% from the CB.
Foreign exchange standing facility	Yes.	Within the limits of available stocks, the BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Allocation	No.	

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Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no restrictions on interbank foreign exchange transactions within the CEMAC. Exchange transactions are OTC transactions. The BEAC does not intervene in exchange transactions within the CEMAC. These transactions are freely conducted by operators licensed by the MOF with the approval of the Central African Banking Commission (COBAC). A fee of no more than 3% for CFA franc area notes and 5% for other currencies, not including the VAT and any other specific tax, is collected by licensed intermediaries on transactions in foreign banknotes and traveler's checks. This fee covers all charges on OTC transactions and the intermediation margin. All banks approved by COBAC and authorized by the Monetary Authority to operate in the country are automatically eligible to participate in the interbank market. Only participation in BEAC intervention requires the approval of the governor after COBAC's consent. There are eight authorized banks, all of which participate in the interbank market. In principle, all licensed banks participate in the interbank market, but at different levels.
Over the counter	Yes.	Foreign exchange transactions are conducted on an OTC basis.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	There is no forward foreign exchange market in the CEMAC. Licensed intermediaries may enter into forward exchange contracts on presentation of supporting documentation (invoices, debt repayment schedules, or other foreign-currency-denominated debt instruments) and must report such activities to the BEAC. They are required to adhere to the limits of foreign holdings allowed by the Banking Commission.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Within the CEMAC, the CFA franc is used freely for payments and receipts relating to current and capital transactions and payments. Settlements with all countries other than CEMAC members must be made through correspondent banks in one of the currencies of the two parties or in any other currency agreed on by the two parties to the transaction.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	The monetary unit is the CFA franc, which is the sole official currency and legal tender in all CEMAC member countries.

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		Consequently, transactions among residents must be settled in domestic currency. However, the Central African Republic adopted a law on April 22, 2022, which governs cryptocurrency transactions in the country and considers Bitcoin as the reference currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	An operations account links all the countries with the French Treasury. All purchases and sales of foreign currencies and euros in exchange for CFA francs are ultimately settled by a debit or credit to the operations account. Governments may maintain foreign currency deposits related to oil reserves at commercial banks and use them to meet their external debt service obligations. Exchange regulations in the CEMAC member countries are harmonized.
Clearing agreements	No.	
Barter agreements and open accounts	No.	There is no formal clearing agreement between any CEMAC country and other countries. Nor are there any regulatory provisions governing this mechanism. In practice, however, some countries may receive production or capital goods from abroad in exchange for financial flows. The BEAC does not have more detailed information on this issue.
Administration of control	Yes.	Administration of the foreign exchange regulations is the responsibility of the MOFs of the CEMAC countries, which may delegate all or a portion of their authority to the BEAC, the COBAC, and licensed intermediaries. For example, authority is delegated to licensed intermediaries to carry out transactions with the rest of the world. They must verify the validity of transactions, collect statistics, and report these activities to the monetary authorities. However, certain types of transactions may not be delegated. The BEAC supervises the exchange regulations; evaluates foreign exchange hedging operations; reviews requests for approval of foreign exchange accounts by some resident legal entities; and monitors the repatriation of export proceeds. The COBAC ensures that licensed intermediaries comply with certain provisions of these regulations, especially to prevent weakening of the CEMAC banking system.
Payments arrears	No.	Licensed intermediaries may freely execute their customers' payment orders. The related transfers may, at their request, be made through the BEAC. When banks execute payment order requests through their liquidity buffer, these requests do not come back to the BEAC but are checked during on-site or off-site inspections. In this context, the MCA with France serves to guarantee the convertibility of the CFA franc. No payment arrears are allowed on the grounds that insufficient foreign exchange is available.
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	CEMAC residents are free to hold, purchase, and sell gold in any form within the CEMAC.
On external trade	Yes.	Except in the case of manufactured articles containing small

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		quantities of gold, CEMAC gold imports and exports are subject to approval by the appropriate authorities. The national treasuries and the BEAC are exempt from this requirement.
Controls on exports and imports of banknotes	Yes.	Residents and nonresidents traveling from one country to another within the CEMAC may take with them an unlimited amount of CEMAC banknotes and coins.
On exports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be exported to countries outside the CEMAC. However, departing resident travelers may have in their possession up to CFAF 5 million. During their trips outside the CEMAC, travelers must use payment instruments other than BEAC banknotes (foreign currency, traveler's checks, bank drafts, transfers, etc.).
Foreign currency	Yes.	Resident and nonresident travelers crossing CEMAC borders must, on exit, declare any foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities. Nonresident travelers leaving the CEMAC may take with them foreign currency valued at up to the amount they declared on entering the CEMAC. If they made no declaration on entry or if they are carrying sums exceeding those they brought into the CEMAC, they must explain the source of the amount in excess of CFAF 1 million. Supporting documents include pay slips and work permits (wage income), student cards (parental assistance for students and trainees), and notarized instruments (donations), among others.
On imports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be imported from countries outside the CEMAC. However, arriving resident travelers may have in their possession up to CFAF 5 million.
Foreign currency	No.	Resident and nonresident travelers crossing CEMAC borders must, on entry, declare foreign currency, securities, and instruments valued at more than CFAF 5 million to the customs authorities.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may not open foreign exchange accounts in local banks. However, the BEAC may allow certain resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts.
Approval required	Yes.	The BEAC may allow resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts. The authorization to open bank accounts in foreign currency is granted by the BEAC. Generally, the BEAC's approval is given when the entity in question cannot easily carry out all its operations with accounts in CFA francs only or when a financial arrangement following an external financial contribution requires the opening of foreign currency accounts.
Held abroad	Yes.	Resident legal entities, except credit institutions, are prohibited from opening foreign currency bank accounts outside the CEMAC in accordance with Regulation No. 02/18/CEMAC/UMAC/CM of December 21, 2018. However, the BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive on June 10, 2019. Previously, although the principle underlying foreign currency transactions was the systematic

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		repatriation and surrender of foreign exchange to the BEAC and residents were not allowed to maintain foreign exchange accounts abroad, the opening of such accounts was not explicitly regulated by law. In general, when resident entities borrow abroad and the lenders require foreign currency accounts to be established, these are authorized by the BEAC. In addition, companies in the extractive sector benefit from a special provision allowing them to hold foreign currency accounts abroad as part of their ordinary operations.
Approval required	Yes.	The BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive in June 2019.
Accounts in domestic currency held abroad	Yes.	Accounts in domestic currency held abroad are permitted.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions on the opening of nonresident foreign exchange accounts within the CEMAC. Licensed intermediaries may open such accounts for any nonresident, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn. On account closure (for example, for loss of nonresident status), the account balance must be transferred to a resident account in CFAF.
Approval required	No.	
Domestic currency accounts	Yes.	There are no restrictions on the opening of nonresident CFA franc accounts within the CEMAC. Licensed intermediaries may open such accounts for nonresidents, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn.
Convertible into foreign currency	No.	Nonresidents may not convert the balances of their domestic currency accounts to foreign currency or transfer them abroad.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	The exchange regulations do not limit access to foreign exchange. Payments for imports must be made regularly through licensed intermediaries.
Financing requirements for imports	No.	Economic agents may freely enter into commercial contracts with their partners abroad. These contracts are executed through the banking system, subject to compliance with the exchange regulations.
Minimum financing requirements	No.	There are no financing requirements.
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license. Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must

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		check the supporting documents. Legally registered legal entities and declared or certified professionals may be exempt from the requirement to produce supporting documents, provided they submit an annual estimate of imports corroborated by a business forecast.
Domiciliation requirements	Yes.	Imports valued at more than CFAF 5 million must be domiciled with a resident licensed intermediary.
Preshipment inspection	Yes.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard. In Chad, imports with an f.o.b. value exceeding the equivalent of CFAF 2 million are subject to preshipment inspection.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Import licenses used as exchange licenses	No.	Import licenses are not used in the CEMAC countries to restrict the availability of foreign exchange for legitimate trade, as defined in the Compilation Guide. When such licenses exist, they are used for trade policy purposes.
Other	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license (registration number, professional ID card, extract from the commercial registry, or tax clearance). Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legal entities and certified professionals can no longer use annual estimates of imports and must produce all supporting documents to carry out transactions.
Import licenses and other nontariff measures	Yes.	In general, CEMAC countries no longer use quantitative restrictions as a means of protecting local production. Merchandise originating from all countries may be freely imported, with the exception of gold, to which special regulations apply.
Positive list	No.	
Negative list	Yes.	Imports of some products may be prohibited, restricted, or require national authorization for humanitarian, security, or health reasons.
Open general licenses	No.	There is no system of OGLs at the CEMAC level.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The CEMAC CET applies to imports from non-CEMAC countries, at four rates: 5% for staple goods, 10% for raw materials and capital goods, 20% for intermediate goods, and 30% for consumer goods. The taxes are imposed by the national customs administration in CFA francs at the merchandise point of entry.
Taxes collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and related fees established by law and surrendering them to the monetary authority.
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export-related transactions must be reported to the appropriate administrative authorities, and all those exceeding CFAF 5 million must be domiciled at a licensed CEMAC bank. Export proceeds originating in non-CEMAC countries must be collected and repatriated immediately, through the domiciling bank, with the BEAC acting as intermediary.

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Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds collected in foreign currencies must be surrendered to the BEAC within 3 days of collection.
Surrender to authorized dealers	No.	
Financing requirements	No.	Economic agents and their partners abroad may enter freely into commercial contracts, which are executed through the banking system, subject to compliance with the exchange regulations. There are no financing requirements.
Documentation requirements	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank. Each domiciliation file must contain an export contract, a foreign exchange declaration under which the exporter agrees to repatriate all export earnings within a month of the payment due date, and a customs export certificate duly signed by a customs officer.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Guarantees	n.r.	
Domiciliation	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank.
Preshipment inspection	Yes.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard. In Chad, the Customs office must stamp a certificate of departure of the goods and send a copy to the exporter, paying bank, BEAC, and foreign MOF.
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	Export taxes established by the budget laws are levied by the Customs Directorate or via licensed intermediaries.
Collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and fees established in the law and surrendering them to the monetary authority.
Other export taxes	Yes.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	There are no exchange restrictions on service-related transactions. Payments for such transactions are subject to the same requirements as the underlying commercial transactions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided, and amounts exceeding CFAF 100 million must be declared to BEAC

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		and the MOF. Licensed intermediaries must obtain a pro forma invoice or other supporting documents for payments for service-related expenditures under CFAF 10 million.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers of capital income outside the CEMAC in the form of profits, dividends, interest, royalties, etc., payable to nonresidents, provided the underlying transaction was authorized or is not subject to authorization. Supporting documents on the decision to distribute income (profits and dividends), the repayment schedule, and the debt security involved (loans contracted and granted) must be provided. Transactions in excess of CFAF 5 million must be domiciled with CEMAC credit institutions. Other current transactions, as well as financial and capital operations in excess of CFAF 100 million, must be declared to BEAC and the MOF.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Indicative limits are established for OTC foreign exchange allocations to residents traveling outside the CEMAC. A single indicative threshold of CFAF 5 million is set for all travels. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation for amounts in excess of CFAF 5 million, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Personal payments	Yes.	Transfers are unrestricted, on submission of supporting documentation.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A single indicative limit of CFAF 5 million is established for OTC foreign exchange allocations to residents traveling outside the CEMAC. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation for amounts in excess of CFAF 5 million, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers by residents and nonresidents of

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		income from wages, subject to declaration for statistical purposes. On presentation of a pay slip, resident foreign wage earners may transfer a portion of their net remuneration.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The use of credit cards is considered equivalent to a transfer and is not subject to specific regulations in the context of invisible transactions and current transfers. Residents may use credit cards within the CEMAC and abroad.
Other payments	Yes.	These are treated the same as trade-related payments.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided. Amounts exceeding CFAF 100 million must be declared to BEAC and the MOF.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Amounts owed by nonresidents for services and all income from foreign assets earned outside the CEMAC must be collected through a licensed bank and repatriated immediately.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currency must be surrendered to the BEAC within 3 days of receipt.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The exchange regulations, including the section on capital flows within the CEMAC, do not apply to transactions between CEMAC member countries. There are no restrictions on most capital flows between CEMAC and non-CEMAC countries, provided they comply with the laws and regulations prohibiting drug financing and trafficking. Certain loans, direct investments, and the issuance, advertisement, and sale of foreign securities within the CEMAC are subject to administrative controls and require approval from the appropriate authorities. Controls on these transactions are applied to countries in the CFA franc area, other than CEMAC member countries, and all non-CFA franc area countries. Moreover, Article 61 of the General Regulations of the Central African Financial Market Supervisory Commission (COSUMAF), which went into effect January 15, 2009, specifies that "when a nonresident legal entity plans a public offering on the Central African regional financial market, it must prepare a disclosure document and submit it to COSUMAF for approval prior to dissemination. The prior approval of the exchange control authority in the various countries concerned must also be obtained." The article also states that "the issuer must appoint a correspondent (securities dealer) established in

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		a CEMAC member country, where it elects domicile. This correspondent must be responsible for: (1) receiving correspondence from COSUMAF and (2) forwarding to COSUMAF all documents and information required under the laws and regulations or requested by COSUMAF."
Repatriation requirements	Yes.	In the context of the centralization of foreign exchange reserves, foreign currency collected from capital transactions must be repatriated immediately after collection.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currencies must be surrendered to the BEAC no later than 3 days after receipt.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	The issuance, advertisement, and sale of foreign securities (shares and bonds issued by foreign enterprises) whose value exceeds CFAF 10 million are subject to MOF approval. Under CEMAC exchange regulations, transactions in capital market securities are treated in the same way as simple borrowing and lending operations, as opposed to direct investments, when the shares or equity held by the individual or legal entity represent less than 10% of the enterprise's total equity. Borrowing and lending are not regulated by type of instrument or maturity.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported 30 days before the transaction when the transaction is less than CFAF 20 million. Above this amount, the transaction is subject to prior CB approval. There is no minimum (or maximum) holding period for securities.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days. There is no minimum (or maximum) holding period for securities.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared 30 days before the transaction when the amount is less than CFAF 20 million. Above this amount, it requires prior CB approval.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. Prior approval by the Banking Commission is required in all occasions.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities by residents. Transactions must be declared 30 days before when the transaction is no more than CFAF 20 million. Above this amount,

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		prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be declared 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of money market instruments within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment abroad for purchases of money market instruments by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above this amount, the prior CB approval is required.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared to the CB 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that “the regulations governing the management of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC.”
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that “the regulations governing the management of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC.”
Controls on derivatives and other instruments	n.r.	These instruments are not regulated.
Purchase locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.
Sale or issue locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.

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Purchase abroad by residents	No.	Licensed banks are free to deal in derivatives, subject to compliance with the prudential rules issued by the Banking Commission, which is responsible for supervision of the banking system.
Sale or issue abroad by residents	n.r.	There is no derivatives market in the CEMAC.
Controls on credit operations	Yes.	There are no specific regulations on borrowing and lending by instrument type or by maturity.
Commercial credits	Yes.	Borrowing directly related to the financing of commercial transactions and borrowing and lending contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction.
By residents to nonresidents	Yes.	Banks may verify and then execute commercial credits granted to nonresidents, except when the customer's total outstanding debt exceeds CFAF 100 million, in which case such credits must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
To residents from nonresidents	No.	Only banks are authorized to verify and then execute commercial credits received by residents, which they must declare to the appropriate MOF and BEAC departments within 30 days of each transaction.
Financial credits	Yes.	Loans contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Banks may verify and execute borrowing and lending transactions for their customers, as well as their repayment, except when the customer's total outstanding debt exceeds CFAF 100 million, in which case they must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment by CEMAC countries is subject to prior approval by the CB. Only licensed banks may verify and execute such transactions. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Inward direct investment	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only

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		licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Controls on liquidation of direct investment	Yes.	The total or partial liquidation of CEMAC countries' outward (and inward) direct investment in amounts exceeding CFAF 100 million is subject to prior declaration and must be reported to the MOF 30 days before execution.
Controls on real estate transactions	Yes.	This category of transaction is not subject to specific regulations. It is implicitly subject to the same regulations as FDI.
Purchase abroad by residents	Yes.	Outward direct investment by CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Purchase locally by nonresidents	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Sale locally by nonresidents	n.r.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Residents may grant loans to nonresidents, as long as the total outstanding amount does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
To residents from nonresidents	Yes.	Residents may contract loans from nonresidents, provided a single borrower's total outstanding debt does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.

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Gifts, endowments, inheritances, and legacies	Yes.	Receipts from abroad related to gifts must be reported to the appropriate administrative authorities, and all such items exceeding CFAF 5 million must be domiciled with a licensed CEMAC bank.
By residents to nonresidents	n.r.	
To residents from nonresidents	Yes.	Receipts from abroad related to gifts must be reported to the appropriate administrative authorities, and all such items exceeding CFAF 5 million must be domiciled with a licensed CEMAC bank.
Settlement of debts abroad by immigrants	Yes.	Residents' settlement of debts abroad of up to CFAF 100 million must be reported to the MOF and the BEAC within 30 days of the transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
Transfer of assets	n.r.	
Transfer abroad by emigrants	n.r.	
Transfer into the country by immigrants	n.r.	
Transfer of gambling and prize earnings	n.r.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks' capital transactions must be reported after their execution. The business and accounting regulations applicable in the banking sector are based on the application of the COBAC regulations and instructions.
Borrowing abroad	No.	Borrowing by resident licensed banks from nonresidents and repayment of such loans are not subject to approval, but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Maintenance of accounts abroad	No.	Licensed banks may, without approval, open accounts with their correspondent banks abroad for their business purposes. Such accounts are monitored by the COBAC in the context of its supervision of the banking system.
Lending to nonresidents (financial or commercial credits)	No.	Lending by resident licensed banks to nonresidents and repayment of such loans are not subject to approval but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Lending locally in foreign exchange	No.	Transactions between residents must be effected in domestic currency. Residents may purchase foreign currency for the settlement of their transactions with nonresidents.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Securities issued within the CEMAC are denominated in domestic currency, and securities denominated in foreign exchange do not exist. However, these transactions are in principle subject to compliance with the provisions of the CEMAC Regulation, in particular, prior declaration to BEAC and the MOF.
Differential treatment of deposit accounts in foreign exchange	No.	The books of licensed banks are maintained in CFA francs. No specific requirements apply to foreign currency deposit accounts.
Reserve requirements	No.	The accounts of banks are held in CFA francs, so the calculation of reserve requirements is also in CFA francs.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	

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Differential treatment of deposit accounts held by nonresidents	No.	No specific requirements apply to these accounts.
Reserve requirements	No.	There are no specific provisions applicable to nonresident deposit accounts.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	Investment operations of licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Moreover, these transactions must be executed in compliance with the COBAC prudential rules.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The monitoring and control of the foreign exchange positions of local banks are described in COBAC Regulation No. R-2003/03 on the Supervision of Foreign Exchange Positions.
On resident assets and liabilities	n.a.	
On nonresident assets and liabilities	n.a.	
Provisions specific to institutional investors	Yes.	In the exchange regulations, the applicable provisions are the same as those for borrowing and lending by the private sector.
Insurance companies	Yes.	Insurance companies' capital transactions must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for the insurance sector are based on the Code of the Inter-African Conference on Insurance Markets (CIMA Code) of the CFA franc area member countries.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The capital transactions of investment firms and collective investment funds must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for this sector are based on the regulations and instructions of the COSUMAF.
Limits (max.) on securities issued by	Yes.	

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nonresidents	
Limits (max.) on investment portfolio held abroad	Yes.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.

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Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

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No significant changes occurred in the exchange and trade system.

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CHILE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 31, 1945.
Article VIII	Yes.	Date of acceptance: July 27, 1977.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Chile is the Chilean peso.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The Central Bank of Chile (BCCH) reserves the right to intervene in the foreign exchange market, in exceptional circumstances, to keep the currency near its equilibrium value to avoid costly future reversals. These interventions take the form of transparent, well-founded measures,

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		including explicit definitions of the periods and amounts involved and clearly explained reasons for the intervention. The BCCH usually announces the amount of foreign exchange it intends to buy or sell in its monthly bulletin. It publishes its auction results daily and its reserves weekly. Since January 2021, the Board of the BCCH announced a program for replenishment and expansion of international reserves, which was suspended in October of that year. However, to facilitate Chile's economic adjustment, in light of the uncertain, changing domestic and international conditions, the bank decided to implement a program of foreign exchange intervention and precautionary provision of liquidity in US dollars, of up to US$25,000 million between June 18, 2022, and September 30, 2022. This reflects the spot sale of US dollars of up to US$10,000 million, the sale of foreign exchange hedging instruments of up to US$10,000 million, and the precautionary provision of a foreign exchange swap program of up to US$5,000 million, that will be supplemented with a liquidity program in pesos with repurchase operations through the facility, having the same terms. The de facto exchange rate arrangement was reclassified to floating from free floating, effective June 17, 2022.
Free floating		
Official exchange rate	Yes.	The exchange rate in the Formal Exchange Market (MCF) is the rate freely agreed by the participants. The BCCH publishes daily exchange rates of the foreign currencies generally accepted in international exchange markets in the Official Gazette, based on the previous day's transactions in the MCF and, where appropriate, on reports on transactions in international markets. The Law of the CB specifically states that the exchange rate in the MCF is the one freely agreed by the intervening parties. Nevertheless, the Law of the CB also requires it to authorize "adjustment systems" ("sistemas de reajuste") for credit operations in local currency of banks and cooperatives (Article 35.9), and the US dollar and other foreign currencies have been authorized as one of those "adjustment systems." Only for those specific transactions (credit operations in local currency of banks and cooperatives), the exchange rates published in the Official Gazette are mandatory.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee		

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Central Bank Board	Yes.	The Board of the BCCH sets targets and carries out such functions in accordance with the Organic Constitutional Law (LOC). In general, the adoption of Agreements by the Board requires a majority vote by its members. The Board is free to change the target.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	Since 2007, the explicit objective of the BCCH has been to maintain annual inflation of the headline CPI at about 3% most of the time, with a tolerance range of ±1%. There are no automatic consequences from missing the inflation target, but rather the authorities use their discretion to return inflation to within the target band.
Band/Range		
Target measure	Yes.	
CPI	Yes.	Since 2007, the explicit objective of the BCCH has been to maintain annual inflation of the headline CPI.
Core inflation		
Target horizon	Yes.	The target is always for a two-year period.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The BCCH executes its monetary policy by influencing the overnight interbank interest rate, the rate at which banks lend to each other from one day to the next. The Monetary Policy Meeting (MPM) is the BCCH's Board instance to decide any change in the Monetary Policy Rate. There are 8 scheduled MPMs in a year. The dates for these meetings are published the previous year, although the Board reserves the right to hold special MPMs if deemed necessary.
Target corridor band	Yes.	The target corridor band is set symmetrically in relation to the monetary policy rate ±50 basis points. The permanent liquidity facility (PLF) provides overnight liquidity at the monetary policy rate +25 basis points, while the permanent deposits facility absorbs overnight liquidity at the monetary policy rate of –25 basis points.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	The BCCH presents its Monetary Policy Report (IPOM) to the Finance Commission on a quarterly basis and the Financial Stability Report every six months. In total, there are 6 hearings in the year, one of which (the September IPOM) is in front of the entire Senate. It should be noted that Article 4 of the Organic Law of the BCCH states that the BCCH must inform the President of the republic and the Senate of the policies and general rules it sets in the exercise of its functions.
Other	No.	

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Transparency	Yes.	
Publication of votes	Yes.	The minutes of the MPM state whether the decision was unanimous or, if not, the number of votes in favor and against the decision. These votes are not anonymous, although the reasons behind the votes are.
Publication of minutes	Yes.	On the day of the MPM, the decision adopted is reported to the public through a communiqué published at 6 p.m. The minutes of MPMs, which present the contents and basis for the voting, are published 11 business days after the meeting is held. The official records of the meetings are published 10 years later.
Publication of inflation forecasts	Yes.	The IPOM, which is signed by the Board and published quarterly (in March, June, September, and December), includes the inflation projections.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set their exchange rates in transactions with their clients.
Spot exchange market	Yes.	Only institutions licensed by the BCCH may conduct foreign exchange transactions, which must be carried out through the MCF. As of November 1, 2023, 17 banks and 10 nonbank entities (9 stock brokers and 1 securities dealer) are authorized institutions. Under Article 39 of the LOC of the BCCH, anyone may freely engage in foreign exchange operations. Without prejudice to that provision, Article 42 of that law authorizes the BCCH to limit execution of certain operations to the MCF. The MCF comprises all banking institutions; the BCCH may authorize other entities and individuals, provided they meet the requirements in Chapter III of the Compendium of Foreign Exchange Regulations (CNCI). A list of these entities is given in the annex to Chapter III. Chapter I also lists operations that must be conducted exclusively through the MCF and reported to the BCCH. Therefore, exchange bureaus may operate in the exchange market, except for transactions that must be executed exclusively through the MCF. At present, no exchange bureaus participate in the MCF, although they are not legally barred from requesting authorization to do so if they meet the CNCI requirements. In Chile, there are 13 private banks and one State bank, in addition to three branches of foreign banks. Regulatory changes in the texts governing access to and operation of the formal foreign exchange market were published on August 30, 2022. They are designed, inter alia, to allow more expeditious access to this market for financial intermediaries supervised by the Financial Markets Board (CMF). Note: As of December 31, 2022, the CMF audited 21 banks. In November 2023, it audited 17 because of the exit of 3 branches of foreign banks and the merger of 2 banks. With respect to nonbank entities of the MCF, there were 9 of them: 8 stock brokers and 1 securities dealer.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	

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Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The interbank market includes 17 banks licensed by the Superintendency of Banks and Financial Institutions (SBIF) (currently the CMF). There are no limits on the bid-ask spreads and commissions of market participants. The CB has not intervened in this market. Note: As of December 31, 2022, the CMF audited 21 banks. In November 2023, it audited 17 because of the exit of 3 branches of foreign banks and the merger of 2 banks.
Over the counter	Yes.	The interbank market is operated as a continuous electronic OTC market by the Bolsa de Comercio (Stock Exchange), based on market-making agreements. Banks and other members of the MCF also deal on their own account.
Brokerage	No.	
Market making	Yes.	The interbank market is operated as a continuous electronic OTC market by the Bolsa de Comercio, based on market-making agreements.
Forward exchange market	Yes.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	There are no controls on the use of local currency (CLP) in transactions between residents and nonresidents, domestically or abroad. The provisions in reference were included in Chapter VIII of the Compendium of International Foreign Exchange Regulations that was repealed effective April 14, 2022.
For capital transactions	No.	
Transactions in capital and money market instruments	No.	There are no controls on the use of CLP in transactions between residents and nonresidents, domestically or abroad. The provisions in reference were included in Chapter VIII of the Compendium of International Foreign Exchange Regulations that was repealed effective April 14, 2022. The control on the use of CLP for cross border payments of payment cards (for payment between financial institutions) was abolished. The use of CLP is authorized for opening and holding of bank accounts in CLP by nonresidents or persons without a domicile in Chile. The use of CLP is also authorized for deposits or investment abroad by Chilean residents or persons domiciled in Chile. Liberalization applies to all kinds of investments (direct investment, money market,

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		equity, bond, derivative, real estate, personal transaction, etc.).
Transactions in derivatives and other instruments	No.	The use of CLP is authorized for the subscription of derivatives that can be settled through the delivery of CLP.
Credit operations	No.	The use of CLP is authorized for granting of credit by Chilean residents or persons with a domicile in Chile, to nonresidents or persons without a domicile in Chile. This refers to granting of credit in CLP in an offshore market. It covers individual as well as institutional investors, and all kinds of credits. The use of CLP is authorized for granting or constituting credits, deposits, investment, and capital contributions in Chile by nonresidents or persons without a domicile in Chile. It applies to all types of credits, deposits, investment and applies to both individual and institutional investors.
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Settlements between Chile and the other member countries of the Latin American Integration Association (ALADI) may be made through accounts maintained in the corresponding CBs, under the framework of the ALADI multilateral clearing system.
Clearing agreements	Yes.	Chile participates in the clearing system of the ALADI.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange market regulations are the responsibility of the BCCH.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Monetary gold transactions are classified as international exchange transactions. As a result, they may be subject to the CB's exchange standards, depending on the particular transaction. There are no restrictions on customary transactions in nonmonetary gold between private individuals.
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

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Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Current accounts, in both domestic and foreign currencies, are governed by the Law on Bank Current Accounts and Checks (Executive Decree (DFL) No. 707 of 1982) and by each bank's general conditions. There are no restrictions on the transfer of balances abroad, but such transfers must comply with the applicable BCCH foreign exchange regulations.
Approval required	No.	
Held abroad	Yes.	Nonbank financial institutions, individuals, and nonfinancial sector companies may maintain accounts abroad.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents may hold accounts in domestic or foreign currencies at home or abroad. The transfer of funds to or from foreign accounts does not require any prior authorization, and their rules of operation are determined by the entities in which the accounts have been opened.
Accounts in domestic currency convertible into foreign currency	Yes.	Residents are free to convert their account balances in domestic currency to a foreign currency or vice versa, without any regulatory limits.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Account balances of nonresidents may be moved abroad freely. There are no applicable regulatory limits, and the rules of operation are determined by the entities in which the accounts have been opened.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Nonresidents are free to convert their account balances in domestic currency to a foreign currency or vice versa, without any regulatory limits.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.

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Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of used motor vehicles are restricted.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Most imports are subject to a uniform 6% tariff rate, except some goods that are imported free of tariffs (capital goods) and no changes to the tariff regime have been made in years. It should be borne in mind that, as a result of the tariff preferences negotiated in the Free Trade Treaties, the effective tariff is below 1%. Imports of wheat, wheat flour, and sugar are subject to a tariff band system. No safeguard measures, anti-dumping duties, or countervailing duties are currently being applied.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	No.	

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Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Banks and financial institutions may conduct the following foreign currency operations: (1) engage in credit operations with the rest of the world; (2) acquire credit granted abroad to residents, including for foreign trade; (3) participate as agents in international financing operations in favor of residents; (4) discount commercial paper whose obligors are not banks established in Chile; (5) purchase bonds issued abroad by residents and by state enterprises; and (6) invest in bonds issued by foreign enterprises and in claims issued or guaranteed by foreign governments, CBs, and foreign or international banking or financial institutions.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Nonresidents may sell securities and other instruments through the extraterritorial mechanisms of the securities exchange.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The purchase of shares and other securities of a participating nature may be affected by laws on inward direct investment.
Sale or issue locally by nonresidents	No.	There is no currency restriction on foreign-currency-denominated securities. To facilitate the development of a broader range of investment alternatives in the local market, admission of shares and other securities, such as exchange-traded funds, denominated in pesos and issued by nonresident on the domestic market is authorized based on the conditions established by the BCCH.
Purchase abroad by residents	Yes.	Limits apply to purchases of foreign securities by (1) insurance companies that would cause foreign assets to exceed 25%, and 30% of technical provisions and risk capital reserves; (2) managers of DL 3500 pension funds, Retirement Bonus Fund of Law 19882 funds, and Unemployment Fund of Law 19728 funds that would cause foreign assets to exceed the limits established in DL 3500, as amended in 2008; and (3) managers of housing funds that would cause foreign assets to exceed 30% of total assets under management.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	There is no currency restriction on foreign-currency-denominated securities. The issue of bonds in pesos locally by nonresidents can be done without prior approval requirement; however, registration with the Financial Market Commission is required. There are no quantitative limits on it. In addition, funds associated with the issuance of peso denominated bonds by nonresidents are required to be conducted through the MCF and be reported to the CB.
Purchase abroad by residents	Yes.	Limits apply to purchases of foreign securities by (1) insurance companies that would cause foreign assets to exceed 25%, and 30% of technical provisions and risk capital reserves; (2) managers of DL 3500 pension funds, Retirement Bonus Fund of Law 19882 funds, and Unemployment Fund of Law 19728 funds that would cause foreign assets to exceed the limits established in DL 3500, as amended in 2008; and (3) managers of housing funds that would cause foreign assets to exceed 30% of total assets under management.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	There is no currency restriction on foreign-currency-denominated securities. To facilitate the development of a broader range of investment alternatives in the local market, admission of shares and other securities, such as exchange-traded funds, denominated in pesos and issued by nonresident on the domestic market is authorized based on the conditions established by the BCCH.
Purchase abroad by residents	Yes.	Limits apply to purchases of foreign securities by (1) insurance companies that would cause foreign assets to exceed 25%, and 30% of technical provisions and risk capital reserves; (2) managers of DL 3500 pension funds, Retirement Bonus Fund of Law 19882 funds, and Unemployment Fund of Law 19728 funds that would cause foreign assets to exceed the limits established in DL 3500, as amended in 2008; and (3) managers of housing funds that would cause foreign assets to exceed 30% of total assets under management.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	There is no currency restriction on foreign-currency-denominated securities. To facilitate the development of a broader range of investment alternatives in the local market, admission of securities denominated in pesos and issued by nonresident on the domestic market is authorized based on the conditions established by the BCCH.
Purchase abroad by residents	Yes.	Limits apply to purchases of foreign securities by (1) insurance companies that would cause foreign assets to exceed 25%, and 30% of technical provisions and risk capital reserves; (2) managers of DL 3500 pension funds, Retirement Bonus Fund of Law 19882 funds, and Unemployment Fund of Law 19728 funds that would cause foreign assets to exceed the limits established in DL 3500, as amended in 2008; and (3) managers of housing funds that would

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		cause foreign assets to exceed 30% of total assets under management.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	Banks may engage in operations in financial derivatives in accordance with the rules issued by the BCCH. Banks must limit their risk exposure (including exchange risk) in accordance with the recommendations of the Basel Committee on Banking Supervision (BCBS).
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	There is no currency restriction on foreign-currency-denominated securities. The issue of derivatives in pesos locally by nonresidents is authorized. There is no prior approval requirement nor quantitative limit. Public offering of foreign securities require registration to the Commission of Financial Markets (just as the public offering of domestic securities), and funds associated with those transactions are required to be conducted through the MCF and be reported to the CB.
Purchase abroad by residents	Yes.	Limits apply to purchases of foreign securities by (1) insurance companies that would cause foreign assets to exceed 25%, and 30% of technical provisions and risk capital reserves; (2) managers of DL 3500 pension funds, Retirement Bonus Fund of Law 19882 funds, and Unemployment Fund of Law 19728 funds that would cause foreign assets to exceed the limits established in DL 3500, as amended in 2008; and (3) managers of housing funds that would cause foreign assets to exceed 30% of total assets under management. The acquisition, through purchase or exchange for other assets, of foreign financial derivative products may not exceed 3% of the technical reserves or risk capital of insurance companies.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Limits apply to lending abroad by (1) insurance companies that would cause foreign assets to exceed 25%, and 30% of technical provisions and risk capital reserves; (2) managers of DL 3500 pension funds, Retirement Bonus Fund of Law 19882 funds, and Unemployment Fund of Law 19728 funds that would cause foreign assets to exceed the limits established in DL 3500, as amended in 2008; and (3) managers of housing funds that would cause foreign assets to exceed 30% of total assets under management.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Controls apply to the granting by a domestic bank to nonresidents of sureties, guarantees, and financial backup facilities in foreign currency that would ensure the total value of such operations does not exceed the equivalent of 25% of the bank's effective net worth. This limit increases to 37.5% for banking institutions with a Basel

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		indicator (regulatory capital over risk-weighted assets in accordance with the General Banking Act) equal to or greater than 10%. The limit for residents and entities domiciled in the country is 100% of the bank's effective net worth. The limit has been in effect since December 29, 1997.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Auditors of financial institutions must be incorporated in Chile. Controls apply to the establishment of branches of nonresident financial institutions except banks and insurance companies. Registration of aircraft is reserved for Chilean natural persons and enterprises majority owned by Chileans. Shipping vessels must be registered and incorporated in Chile. Vessels for water transportation, fishing, cabotage, and tugging activities in Chilean ports must be owned by Chilean natural persons and enterprises majority owned by Chileans. Vessels must be majority owned by resident Chileans, and Chileans must hold majority rights. International land transportation is reserved for enterprises majority owned by Chileans or by citizens of Argentina, Bolivia, Brazil, Paraguay, Peru, and Uruguay. Stowage and dockage are reserved for enterprises majority owned by Chileans. Small-scale fishing is reserved for enterprises majority owned by Chileans or permanent residents. Only residents or legal entities incorporated in Chile may hold concessions for aquaculture activities. Radio broadcasting is limited to enterprises whose foreign ownership does not exceed 10%. Social media owners must be incorporated in Chile. Nuclear energy for peaceful ends may only be produced by the Chilean Nuclear Energy Commission. Investment in mining (including exploration, exploitation, and treatment) of liquid and gaseous hydrocarbons, uranium, and lithium must be authorized. Generally, restrictions for purchases by nonresidents in certain sectors are mentioned as non-conforming measures in FTAs.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Businesses may not acquire land in the border zone if they (1) are headquartered in the territory of a neighboring country, (2) are more than 40% owned by citizens of these countries, or (3) are under the effective control of such persons.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks and financial institutions may conduct the following foreign currency operations: (1) engage in credit operations with the rest of the world; (2) acquire credit granted abroad to residents, including for foreign trade; (3) participate as agents in international financing operations in favor of residents; (4) discount commercial paper whose obligors are not banks established in Chile; (5) purchase bonds issued abroad by residents and by state enterprises; and (6) invest in bonds issued by foreign enterprises and in claims issued or guaranteed by foreign governments, CBs, and foreign or international banking or financial institutions. Banks may also engage in financial derivatives operations under BCCH rules. Banks must limit their exposure (including foreign exchange risk) as recommended by the BCBS.
Borrowing abroad	No.	
Maintenance of accounts abroad	Yes.	Banks may hold foreign exchange accounts and demand or time deposits within the margin for financial investment abroad. Nonbank financial institutions are allowed to maintain accounts abroad. External current accounts are not subject to controls.
Lending to nonresidents (financial or commercial credits)	Yes.	Banks may deal in debt instruments and sovereign bonds issued abroad and may grant loans to individuals and legal entities residing abroad, observing the prudential margins and provisions set by the BCCH.
Lending locally in foreign exchange	No.	Banks may grant loans and purchase securities issued in Chile and denominated or expressed in foreign exchange. Banks are required to limit interest rate and currency risk exposure, in accordance with the recommendations of the BCBS.
Purchase of locally issued securities denominated in foreign exchange	Yes.	There are no restrictions on the purchase of locally issued securities denominated in foreign exchange: banks may purchase such securities. Banks must, however, abide by the restrictions in the General Law on Banks, which specifies allowable transactions, and they must limit their risk exposure (including exchange risk) in keeping with the recommendations of the BCBS.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The reserve requirement for foreign currency deposits and other liabilities and assets must be held in US dollars, regardless of the currency of the deposit or assets.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts	No.	

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held by nonresidents		
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Foreign financial investments by commercial banks are subject to prudential regulations.
In banks by nonresidents	No.	The incorporation of a bank in Chile requires, among other things, that the company be incorporated in the country as a corporation. In addition, the founding or controlling shareholders are required to comply with a set of fit and proper requirements, but none concerning nationality (Articles 27 and 28 of the General Banking Law, LGB). In addition, Article 29 of the General Banking Law regulates how financial institutions incorporated abroad can significantly participate in the creation or acquisition of shares of a Chilean bank: "A financial institution incorporated abroad that requests to take a significant part in the creation or acquisition of shares of a Chilean bank or to establish a branch in accordance with Article 32 may only be authorized if, in the country in which its head office operates, there is supervision that allows adequate monitoring of the risk of its operations and, in addition to complying with the provisions of the previous article, if it has prior authorization from the supervisory authority of the country in which its head office is incorporated. Additionally, to grant authorization, the supervisory bodies of both countries must be able to exchange relevant information on these institutions on a reciprocal basis. In the case of investment holdings or other types of companies incorporated abroad, they must assure the Financial Market Commission, in whatever manner the latter deems necessary, that the provisions of the foregoing paragraph are permanently complied with if they hold or subsequently acquire a significant interest in a bank or financial institution in the country in which they are incorporated or in another country. As for the companies referred to in the previous paragraph, which are incorporated in a country that applies the rules of the Basel Committee, the preceding paragraphs are not applicable, if they are obliged to deliver, in the manner and within a time frame determined by the Board, reliable financial information regarding said companies and their subsidiaries, it being understood that such information emanates from the supervisory bodies. When these companies are not subject to the supervision of a body or are not required to provide such information to the body, the information must be endorsed by internationally recognized external auditors. To grant the corresponding authorization to these companies, they must assure the Board, in the manner it determines, that the provisions of this paragraph will be permanently complied with when they hold or subsequently acquire a significant interest in a bank or financial institution in the country in which they are incorporated or in another country. In the event of non-compliance with the provisions of this article, the provisions of the second and final paragraphs of Article 36 of this law apply. For the purposes of this article, a significant shareholding in a

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		Chilean bank is considered to be one which, according to the rules of Article 36, requires authorization from the Board."
Open foreign exchange position limits	Yes.	Banks are required to observe a limit on interest rates and currency risk exposure.
On resident assets and liabilities	Yes.	Chapter III B. 2 of the Compendium of Financial Standards of the BCCH states that the difference between payables, in the liabilities and expenditure accounts, and receivables, in the assets and revenue accounts, that have different maturities—the so-called maturity mismatch—must comply with the following: (1) The sum of the 30-day maturity mismatches denominated in domestic and foreign currency may not exceed core capital. (2) The 30-day maturity mismatches denominated in foreign currency may not exceed core capital. (3) The sum of the 90-day maturity mismatches denominated in domestic and foreign currency may not exceed twice the core capital.
On nonresident assets and liabilities	Yes.	Chapter III B. 2 of the Compendium of Financial Standards of the BCCH states that the difference between payables, in the liabilities and expenditure accounts, and receivables, in the assets and revenue accounts, that have different maturities—the so-called maturity mismatch—must comply with the following: (1) The sum of the 30-day maturity mismatches denominated in domestic and foreign currency may not exceed core capital. (2) The 30-day maturity mismatches denominated in foreign currency may not exceed core capital. (3) The sum of the 90-day maturity mismatches denominated in domestic and foreign currency may not exceed twice the core capital.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Limits apply to purchases of foreign securities by insurance companies that would cause foreign assets to exceed 25%, and 30% of technical provisions and risk capital reserves. Foreign financial derivative products purchased or exchanged for other assets may not exceed 3% of insurance companies' technical reserves or risk assets.
Limits (max.) on investment portfolio held abroad	Yes.	Limits apply to lending abroad by insurance companies that would cause foreign assets to exceed 25%, and 30% of technical provisions and risk capital reserves.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	A degree of consistency between asset and liability flows, both in terms of currency and maturity, must be maintained.
Pension funds	Yes.	There are five types of pension funds: A, B, C, D, and E.
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds of types A, B, C, and D may invest up to 1% of their assets in equity shares issued by foreign capital investment funds and may invest no more than 1% of their assets in the equity shares of a single foreign capital investment fund. Limits apply to the purchase of foreign securities by managers of DL 3500 pension funds, Retirement Bonus Fund of Law 19882 funds, and Unemployment Fund of Law 19728 funds that would cause foreign assets to represent an amount greater than the limits established for them in DL 3500, as amended in 2008.
Limits (max.) on investment portfolio held abroad	Yes.	Limits apply to investment abroad by managers of DL 3500 pension funds, Retirement Bonus Fund of Law 19882 funds, and Unemployment Fund of Law 19728 funds that would cause foreign assets to represent an amount greater than the limits established for them in DL 3500, as amended in 2008. The sum of investments in

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		foreign securities of A, B, C, D, and E funds managed by the same pension fund manager plus the amount of their investments abroad through mutual fund and national investment shares may not exceed 80% of the total value of the funds.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	The limits on foreign currency investments without hedging applicable to A, B, C, D, and E funds are, respectively, 50%, 40%, 35%, 25%, and 15% of the total value of the fund.
Investment firms and collective investment funds	No.	Investment funds must state their investment policies in their regulations and must stay within the limits they are free to set.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.

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Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market	No.

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instruments		
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Alternative Trading Systems that deal with crypto assets and/or other type of "financial assets" as defined by the FinTech Law fall within the regulatory perimeter of the Financial Market Commission (CMF). The FinTech Law was enacted in January of 2023, and its regulatory implementation is still being developed by the CMF.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Classification

Floating	*06/17/2022*	The de facto exchange rate arrangement was reclassified to floating from free floating.

Arrangements for Payments and Receipts

Prescription of currency requirements		
Controls on the use of domestic currency		
For current transactions and payments	*04/14/2022*	There are no controls on the use of local currency in transactions between residents and nonresidents, domestically or abroad. The provisions in reference were included in Chapter VIII of the Compendium of International Foreign Exchange Regulations that was repealed.
For capital transactions		
Transactions in capital and money market instruments	*04/14/2022*	There are no controls on the use of local currency (CLP) in transactions between residents and nonresidents, domestically or abroad. The provisions in reference were included in Chapter VIII of the Compendium of International Foreign Exchange Regulations that was repealed. The control on the use of CLP for cross border payments of payment cards (for payment between financial institutions) was abolished.

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CHINA

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: December 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Measures have been taken to freeze the accounts and assets of listed individuals, groups, and organizations associated with terrorism, in accordance with the relevant UNSC resolutions.
Other security restrictions	Yes.	

Exchange Arrangement

Currency	Yes.	The currency of China is the Chinese renminbi (RMB). The currency unit is the yuan.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	China officially maintains a de jure managed floating exchange rate arrangement with a view to keeping the RMB exchange rate stable at an adaptive and equilibrium level based on market supply and demand with reference to a basket of currencies to preserve the stability of the Chinese economy and financial markets. The floating band of the RMB's trading prices is 2% against the US dollar in the

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interbank foreign exchange market—that is, on each business day, the trading prices of the RMB against the US dollar in the market may fluctuate within a band of ±2% around the midrate released that day by China's Foreign Exchange Trading System (CFETS). The People's Bank of China (PBC) announced that the RMB's floating range would be expanded in an orderly manner, based on the developments of the foreign exchange market and economic and financial situation. Based on the market demand and their pricing capacity, banks can determine their quotes of RMB against other currencies. There is no limit on the purchasing and selling prices of spot exchange and cash, which are determined by market supply and demand (PBC No. 2014/188).

The CFETS publishes exchange rate indices based on the Bank for International Settlements currency basket and the SDR currency basket, and an exchange rate index against a basket of the currencies listed on CFETS (the CFETS RMB Index). In 2022, the CFETS RMB Index fell by 3.7%. In 2023, the index has remained stable, with a small rise of 0.9% in the first nine months of the year. To ensure that CFETS basket remains representative, CFETS reviews the currency basket for the RMB Index annually and adjusts the composition and the weightings of the currencies as necessary. In December 2022, the CFETS recalculated and adjusted the weightings for the currencies in the RMB Index basket, applying a trade weighting methodology that considers re-export factors. The de facto exchange rate arrangement was reclassified from crawl-like to other managed, effective March 3, 2022.

Floating

Free floating

Official exchange rate Yes.

The PBC authorizes the CFETS to publish the daily midrates for the RMB against the Australian dollar, Canadian dollar, Danish krone, euro, Hong Kong dollar, Hungarian forint, Japanese yen, Korean won, Malaysian ringgit, Mexican peso, New Zealand dollar, Norwegian krone, Polish zloty, pound sterling, Russian ruble, Saudi Arabian riyal, South African rand, Singapore dollar, Swedish krona, Swiss franc, Turkish lira, UAE dirham, Thai baht, and the US dollar at 9:15 a.m. each working day to serve as the day's midrates for the interbank spot foreign exchange market (including the OTC method and the bid-offer method). At the same time, the CFETS also publishes the daily reference rate (similar to the midrate) of the RMB against Kazakhstani tenge, Mongolian tögrög, and Cambodian riel. For bank's counter transactions (that is, bank customer transactions), banks can determine their RMB quotes against other currencies. There is no limit on the purchasing and selling prices of spot foreign exchange and cash, which are determined by market supply and demand.

The method for determining the RMB–US dollar midrate is as follows: The CFETS, before the daily interbank foreign exchange market opening quote, asks for quotes from all market makers in the interbank foreign exchange market and uses their quoted prices as the calculation sample for the RMB–US dollar midrate. The quotes for the US dollar must refer to the closing price of the previous day and take into account foreign exchange supply and demand and changes in the exchange rates of the main international currencies. After eliminating the highest and lowest quotes, it takes the weighted average of the remaining market makers' quotes and obtains the daily RMB–US dollar midrate. The weighting is determined by the CFETS

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		based on indicators including the transaction volume of the quoting parties in the interbank foreign exchange market and the circumstances of the quotes. The method for determining the midrate of the RMB against the Australian dollar, Canadian dollar, Danish krone, euro, Hungarian forint, Japanese yen, Korean won, Malaysian ringgit, Mexican peso, New Zealand dollar, Norwegian krone, Polish zloty, pound sterling, Russian ruble, Saudi Arabian riyal, South African rand, Singapore dollar, Swedish krona, Swiss franc, Turkish lira, UAE dirham, and Thai baht is as follows: The CFETS, before the daily interbank foreign exchange market opens, asks for quotes from market makers of the corresponding currencies in the interbank foreign exchange market, eliminates the highest and lowest quotes, takes the average of the remaining market makers' quotes, and obtains the daily RMB midrates against the corresponding currencies. The midrate against the Hong Kong dollar is determined by the CFETS through cross-rates based, respectively, on the day's midrate of the RMB against the US dollar and the exchange rate for the US dollar against the Hong Kong dollar on international foreign exchange markets at 9:00 a.m. The regional trading reference rates for the Kazakhstani tenge, Mongolian tögrög, and Cambodian riel are determined by the CFETS by asking for quotes from quoting banks before the opening quote and then taking a simple average of the quotes. The CFETS publishes its exchange rate index, and other RMB indices based on the Bank for International Settlements currency basket and the SDR currency basket. The number of currencies included in the CFETS RMB currency basket was increased from 13 to 24 in 2017. The new currencies account for about 21% of the new basket and are included as they have become directly traded in the onshore foreign exchange market in 2016.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The Law of the People's Republic of China on the PBC stipulates that "the aim of monetary policies must be to maintain the stability of the value of the currency and thereby promote economic growth." The current reality in China requires that monetary policy take into account multiple objectives such as inflation, growth, employment, balance of payments, and also set aside space for financial stability and financial reforms. Therefore, in developing and implementing monetary policies, the PBC needs to consider multiple factors such as currency stability and economic growth and to properly adjust the weights of each objective according to key tasks of economic management.

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In recent years, the PBC has continued to refine the modern monetary policy framework in pursuit of the ultimate goal of a stable currency. It explicitly maintains the intermediate objective of matching the growth in money supply and total social financing to the nominal growth rate and continues to refine the policy rate system involving a short-term rate (open market operations rate) and a medium-term rate (medium-term lending facility rate). This provides guidance to the market interest rates, which float around the pivotal policy rates. Together with robust mechanisms for the formation and transmission of market interest rates, and refined mechanisms for adjustments in money supply, these PBC systems form an organic whole, providing a positive monetary and financial environment for high-quality economic growth.

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

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Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The floating band of the RMB's trading prices against the US dollar in the interbank foreign exchange market is 2%—that is, each business day, the trading prices of the RMB against the US dollar may fluctuate within a band of ±2% around the central parity released on the same day by the CFETS. The trading prices for the RMB against the Australian dollar, Canadian dollar, euro, Hong Kong dollar, Japanese yen, New Zealand dollar, pound sterling, and Singapore dollar float within a 3% range of the current day's midrates for the RMB against these currencies. The trading prices against the Malaysian ringgit, Swiss franc, Korean won, UAE dirham, Saudi Arabian riyal, Hungarian forint, Polish zloty, Danish krone, Swedish krona, Norwegian krone, Turkish lira, and Mexican peso float within 5% range of the current day's midrates of the RMB against these currencies. The trading prices of the RMB against the , South African rand and Thai baht float within a ±10% range of their respective midrates on the current trading day. Effective March 11, 2022, the trading prices of the RMB against the Russian ruble float within a ±10% range (previously within ±5%) of the respective midrates on the current trading day. In regional trading, the price of the RMB against the Kazakhstani tenge, the Mongolian tögrög, and the Cambodian riel floats within a 10% band around the respective reference rates.
Spot exchange market	Yes.	As of the end of June 2023, 523 banks were qualified to engage in spot foreign exchange settlement and sales operations. Of these, 127 are qualified to initiate forward and swap transactions for their customers. Banks may determine their RMB exchange rates to the US dollar with their clients without any limit on the spread, based on market supply and demand. In August 2008, the State Administration of Foreign Exchange (SAFE) launched a pilot project to license institutions to provide foreign currency conversion services to individuals. As of the end of June 2023, there were 52 institutions across the country licensed to provide such services. These institutions are only permitted to handle banknote conversion transactions for individuals; they are not permitted to handle foreign currency payments and transfers, maintain accounts abroad, or engage in foreign exchange transactions directly with the PBC. The licensed institutions may freely determine the currencies they trade unless otherwise required by the State, and set their exchange rates according to relevant regulations of the PBC and SAFE regarding banks' exchange rates. Foreign CBs (monetary authorities) and other reserve management institutions, international financial organizations, and sovereign wealth funds may enter the Chinese interbank foreign exchange market and initiate various types of foreign exchange transactions,

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		including forward, swap, and option, through one or more of the following three avenues: through the PBC as their agent, through a Chinese interbank foreign exchange market member as their agent, and by directly becoming a foreign member of the Chinese interbank foreign exchange market. Transaction methods include OTC and price-matching, without limits on the amount. Foreign banks can apply for membership of the CFETS, and can then participate directly in the foreign currency interbank market; or they may apply for membership of the CFETS and then participate in the market through an agent. Foreign nonbank financial institutions can apply for membership of the CFETS and can then participate in the foreign currency interbank market through an agent.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Within the trading band, banks may independently decide the buying and selling prices for interbank market transactions based on market supply and demand. As of the end of June 2023, 750 institutions have been approved as participants on the interbank spot markets. Direct trading of the following foreign currencies against the renminbi has been launched on the interbank foreign exchange market. The interbank foreign exchange market launched direct trading of the RMB against Malaysian ringgit (August 19, 2010), Russian ruble (November 22, 2010), Thai baht (originally a regional trading currency, direct trading began on February 5, 2018), Japanese yen (June 1, 2012), Australian dollar (April 10, 2013), New Zealand dollar (March 19, 2014), pound sterling (June 19, 2014), euro (September 30, 2014), Singapore dollar (October 28, 2014), Swiss francs (November 10, 2015), South African rand (June 20, 2016), Korean won (June 27, 2016), UAE dirham (September 26, 2016), Saudi Arabian riyal (September 26, 2016), Canadian dollar (November 14, 2016), Hungarian forint, Polish zloty, Danish krone, Swedish krona, Norwegian krone, Turkish lira, and Mexican peso (all on December 12, 2016). The midrate of the trading band does not need to be between bank's bid and ask price. Market makers propose their quotes based on market prices.
Over the counter	Yes.	The interbank market may operate over the counter.
Brokerage	Yes.	The interbank market may operate by means of a bid-offer method.
Market making	Yes.	The SAFE has adjusted the market making system to better exploit the potential of existing market makers. It no longer assigns market makers to specific products, but encourages market makers to expand their capacity for trading and market making across all product categories. It has also adjusted its mechanisms for testing, licensing, and delicensing market making organizations. As of the end of June 2023, 25 banks have been approved as market makers on the interbank markets. Market makers may operate in

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		foreign exchange spot markets, futures markets, swap markets, and forward markets, depending on their capacity and capabilities. As of the same date, there are currently 25 banks providing market-making services in the RMB spot trade foreign exchange market; 20 in the options market; and 7 in the swap market.
Forward exchange market	Yes.	Banks may offer their customers products such as RMB–foreign currency forward transactions, foreign exchange swaps, and currency swaps and options. Foreign CBs (monetary authorities) and other reserve management institutions, international financial organizations, and sovereign wealth funds may enter the Chinese interbank foreign exchange market and initiate various types of foreign exchange transactions, including forward, swap, and option, through one or more of the following three avenues: through the PBC as their agent, through a Chinese interbank foreign exchange market member as their agent, and by directly becoming a foreign member of the Chinese interbank foreign exchange market. Transaction methods include OTC and price-matching, without limits on the amount. Foreign banks can apply for membership of the CFETS, and can then participate directly in the foreign currency interbank market; or they may apply for membership of the CFETS and then participate in the market through an agent. Foreign nonbank financial institutions can apply for membership of the CFETS and can then participate in the foreign currency interbank market through an agent. Financial institutions (including finance companies) that sell foreign exchange forwards to their clients must deposit foreign exchange risk reserves. The risk reserve ratio is currently 20%. The calculation should be based on the amount of contracted forward foreign exchange sales of the previous month and the reserves should be deposited in dollars with the PBC. The holding period of the foreign exchange risk reserve is one year and the interest rate is tentatively set at 0. Domestic institutions approved by the SAFE for derivatives business of RMB against foreign exchange for customers are allowed to handle foreign exchange derivatives business for foreign institutional investors if they meet the conditions for settlement agents in the interbank market set out in the Announcement No. 3 of the PBC [2016].
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Pursuant to the Regulations of the People's Republic of China on the Administration of Foreign Exchange, for all cross-border trade (including border trade), there are no restrictions on the foreign currencies that can be used. In cross-border transactions, contractual parties may agree to use freely convertible currencies or RMB. When transnational trading companies carry out cross-border trade with foreign trading agencies, they may value and settle accounts in freely convertible currencies, the currency of the neighboring country, or RMB.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	No.	Enterprises and individuals in all regions of China may settle cross-border transactions for current account items using RMB because the deregulation of personal cross-border receipts and payments of renminbi under current accounts became complete under Yin Fa

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		[2018] No. 3.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	RMB may be used for both outward and inward FDI. Eligible institutions outside mainland China may invest in China subject to conditions. Qualified investors that meet the conditions listed in PBC Announcement [2016] No. 3, including financial institutions legally registered and established outside China, such as commercial banks, insurance companies, securities companies, fund management companies, and other asset management institutions, sell investment products to clients according to law and in compliance with rules and regulations, and other medium- and long-term institutional investors approved by the PBC, such as pension funds, charitable funds, and endowment funds, may engage in bond and spot bond trading approved by the PBC on the interbank bond market. All types of foreign institutional investors can also carry out transactions such as bond lending, bond forwards, forward interest rate agreements, and interest rate swaps based on hedging needs, without investment limits. RMB clearing banks may participate in the domestic interbank lending market. Foreign RMB clearing banks and foreign participating banks may carry out spot securities trading and bond repo business in the interbank bond market. Foreign CBs or monetary authorities, international financial organizations, and sovereign wealth funds may conduct transactions permitted by the PBC on the interbank market, including spot bond trading, bond repos, and bond lending, without restriction on the amounts. The financing ratio of domestic correspondent banks with respect to the renminbi accounts of foreign participating banks must not exceed 3% of the domestic correspondent bank's total renminbi deposits at the end of the previous year. China Securities Regulatory Commission (CSRC), PBC, and SAFE Decree [2006] No. 176 and CSRC Announcement [2020] No. 63 expanded the range of financial instruments in which the PBC permits QFIIs/RQFIIs to invest. QFIIs/RQFIIs may invest in domestic securities and futures markets, including: shares, depositary receipts, bonds, bond repo, and bonds with warrants traded or sold on securities exchanges; shares and other securities on the National Equities Exchange and Quotations (NEEQ); products on the interbank bond markets in which the PBC permits QFIIs/RQFIIs to invest; bond, interest rate, and foreign exchange derivatives; publicly traded investment funds; financial futures traded on Chinese financial futures exchanges; commodity futures contracts traded on futures exchanges approved by the CSRC; options traded on exchanges approved by the State Council or the CSRC; foreign exchange derivatives for hedging purposes that the CSRC permits QFIIs/RQFIIs to trade; and other financial instruments as permitted by the CSRC. Announcement Concerning Matters Related to Further Facilitating Investment in Chinese Bond Markets by Foreign Institutional Investors (PBC, CSRC, SAFE Announcement [2022] No. 4) specifies that foreign institutional investors granted access to the interbank bond market may invest and trade in the bond market either directly or through a market connect. Domestic banks, securities, and insurance institutions may invest in external capital markets as qualified domestic institutional investors (QDIIs) or RMB qualified domestic institutional investors (RQDIIs). QDIIs have an overall total limit on the size of their investments (currently US$180 billion), but RQDIIs have no size limit. However, they need to invest in security products denominated in RMB. As of

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		September 30, 2023, a total of 186 QDIIs had obtained limits totaling US$165.519 billion. On April 30, 2018, the PBC published Yin Ban Fa [2018] No. 81, perfecting and clarifying that QDIIs can use RMB to invest in offshore financial products valued in RMB. On May 2, 2018, the Shanghai headquarters of the PBC published the supporting Shanghai Headquarters Notice (2018) No. 1, clarifying requirements related to macroprudential management and information disclosures of RQDIIs. Hong Kong institutions and individuals may invest in domestic A shares through Hong Kong brokerage agencies and institutions (northbound Shanghai stock connect and Shenzhen stock connect), and domestic institutions and individuals may invest in Hong Kong shares through domestic securities companies (southbound HK stock connect). The Shanghai–Hong Kong and Shenzhen-Hong Kong stock connects have a daily cap on investments, and investment targets are limited. To support competent domestic institutions in carrying out various types of outbound investments, in additional to the QDII scheme, the SAFE has launched Qualified Domestic Investment Entity (QDIE) pilots in Shenzhen and QDLP in Shanghai, Beijing, Hainan, Chongqing, Jiangsu, Guangdong (exc. Shenzhen), Qingdao, and Ningbo since 2013. These programs enable domestic investors who meet qualifications to raise funds domestically and invest them abroad in securities, private equity, commodities, and real estate. The QDLP/QDIE schemes are currently pilot operations; the SAFE exercises regional quota controls, and the competent local financial administrative authorities have led the formation of joint review teams charged with managing the qualifications of qualified institutions and individual institution quotas within the pilot regions. The total approved QDLP/QDIE quota is currently US$54 billion. In October 2013, a quota of US$1 billion was set for the QDLP pilot in Shanghai. In December 2014, a quota of US$1 billion was set for the QDIE pilot in Shenzhen. In April 2018, the quotas for QDLP in Shanghai and QDIE in Shenzhen were both raised to US$5 billion. In December 2019, a quota of US$5 billion was set for the QDLP scheme in Beijing. In November 2020, the quotas for QDLP/QDIE in Shanghai, Shenzhen, and Beijing were all raised to US$10 billion. In December 2020, quotas of US$5 billion were set for the QDLP schemes in Hainan and Chongqing. In March 2021, new QDLP pilots began in Qingdao (US$3 billion), Jiangsu (US$5 billion), and Guangdong (ex. Shenzhen) (US$5 billion). In June 2021, a quota of US$1 billion was set for a QDLP scheme in Ningbo.
Transactions in derivatives and other instruments	Yes.	Foreign CBs, monetary authorities, international financial organizations, and sovereign wealth funds may initiate bond forward and interest rate swaps, forward rate agreements, and other interbank market transactions permitted by the PBC without limitation on the amount. Qualified institutions that meet the requirements of PBC Announcement [2016] No. 3, including all types of financial institutions that are legally registered and established outside China, including commercial banks, insurance companies, securities companies, fund management companies, and other asset

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management institutions, the investment products the aforementioned financial institutions issue to clients legally and in compliance with rules and regulations, and other medium- and long-term institutional investors approved by the PBC, such as pension funds, charitable funds, and endowment funds, may carry out spot bond trading on the interbank market, and can also carry out transactions such as bond lending, forward bond, forward rate agreements, and interest rate swaps based on hedging needs, with no investment limit. Foreign institutional investors granted access to the interbank bond market may engage in spot transactions of securities, derivatives transactions of such securities for the purpose of risk management, and other transactions as approved by the PBC and the CSRC.

Domestic correspondent banks, foreign clearing banks, and foreign participant banks can process renminbi purchase and sales operations for capital and financial accounts based on cross-border renminbi settlement needs for current account items, direct investment, and approved securities investments; transaction varieties include spot, forward, foreign exchange swaps, currency swaps, and options.

Bank financial institutions initiating derivative product trading operations must be approved by the China Banking and Insurance Regulatory Commission (CBIRC) and be subject to supervision and examination by the CBIRC.

On March 26, 2018, formal trading of RMB-denominated crude oil futures targeting domestic and foreign investors began on the Shanghai Energy Exchange.

On May 4, 2018, foreign investors were introduced into iron ore futures trading on the Dalian Commodity Exchange.

On November 30, 2018, foreign investors were formally introduced into purified terephthalic acid futures on the Zhengzhou Commodity Exchange.

On August 12, 2019, formal trading of RMB-denominated TSR 20 futures targeting domestic and foreign investors began in the Shanghai Energy Exchange.

On June 22, 2020, formal trading of RMB-denominated low-sulfur fuel oil futures began on the Shanghai Energy Exchange.

On November 19, 2020, formal trading of RMB-denominated international copper futures targeting domestic and foreign investors began on the Shanghai Energy Exchange.

On December 22, 2020, foreign investors were introduced into palm oil futures trading on the Dalian Commodity Exchange.
On June 18, 2021, foreign investors were introduced into palm oil options trading on the Dalian Commodity Exchange.

On June 21, 2021, foreign investors were introduced into crude oil options trading on the Shanghai International Energy Exchange.

On December 26, 2022, foreign investors were introduced into the trading of eight products on the Dalian Commodity Exchange: no. 1 soybean futures and options, no. 2 soybean futures and options, soybean meal futures and options, and soybean oil futures and options.

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		On January 12, 2023, foreign investors were introduced into the trading of six products on the Zhengzhou Commodity Exchange: peanut futures and options, rapeseed meal futures and options, and rapeseed oil futures and options. On August 18, 2023, foreign investors were introduced into the Shanghai Export Containerized Freight Index based on Settle Rates SCFIS (Europe) Futures Contract trading on the Shanghai International Energy Exchange. On May 15, 2023, overseas investors from Hong Kong and other countries and regions were permitted to participate in the mainland Chinese interbank interest rate swap (IRS) market through the northbound leg of the Swap Connect. The northbound Swap Connect is subject to a daily transaction limit.
Credit operations	Yes.	RMB cross-border lending by domestic companies requires registration at the local branch of the SAFE. The sum of their offshore RMB and foreign currency lending should not exceed 30% of shareholder's equity as indicated by the audited financial statements of the previous year. Additional requirements on the loan's objectives, funding sources, lending period, usage, withdrawal, etc., are also in place. Domestic correspondent banks may offer RMB financing accounts to banks participating in foreign RMB operations within certain limits and maturities. Domestic enterprises and financial institutions may, subject to macroprudential policies, attract RMB funds from abroad. Domestic parent banks or head offices may provide RMB liquidity support to foreign RMB clearing banks. Within the present institutional framework of foreign debt and foreign lending, resident enterprises may use RMB to manage cross-border credit business. Legal person financial institutions and enterprises in China can freely carry out cross-border financing in RMB or in foreign currencies within the limit determined by their capital and net assets, without being subject to PBC and SAFE advance review and approval requirement. Domestic banks may freely conduct domestic and foreign currency cross-border financing within the limit determined by their Tier 1 capital or working capital, without being subject to PBC and SAFE advance review and approval requirement. Multinational enterprise groups, in accordance with their own operational and management needs, may engage in currency (RMB/foreign) pooling transactions with member enterprises both domestically and abroad. (1) The macroprudential adjustment parameter for overseas loans by domestic enterprises was increased from 0.3 to 0.5 on January 5, 2021. (2) As of February 4, 2021, the regulation of renminbi-denominated overseas loans has been simplified. Loans repaid ahead of schedule are not counted in the loan quota for domestic companies making overseas renminbi loans; the currency conversion factor has been adjusted to 0.5. (3) As of February 4, 2021, refinements have been made under the regulation of renminbi-denominated overseas borrowing by domestic enterprises. Domestic enterprises may open multiple renminbi

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		accounts if required to handle a single renminbi loan borrowed overseas; they may also use a single renminbi account to handle receipts and payments connected to multiple overseas renminbi loans. (4) Effective April 18, 2022, non-financial enterprises may use a single foreign currency account to receive loan payments from multiple separate overseas loans.
Use of foreign exchange among residents	Yes.	The use of foreign exchange for pricing or settlement of transactions among residents is prohibited.
Payments arrangements	Yes.	By the end of 2020, the PBC had signed or renewed bilateral local currency swap agreements with CBs or the monetary authorities of 40 countries or regions, of which 25 are currently in effect.
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	Yes.	The PBC has established RMB clearing arrangements with the CBs or monetary authorities of 29 economies: Argentina, Australia, Canada, Chile, France, Germany Kong SAR, Hungary, Japan, Korea, Luxembourg, Macao SAR, Malaysia, Philippines, Qatar, Russia, Singapore, South Africa, Switzerland, Taiwan Province of China, Thailand, UAE, the United Kingdom, the United States, Zambia, Laos, Kazakhstan, Pakistan, and Brazil.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The SAFE is responsible for foreign exchange administration, under the direction of the PBC.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Domestic gold transactions are organized on a market basis. Enterprises and individuals may transact in gold spot and spot-deferred products on the Shanghai Gold Exchange, gold futures products on the Shanghai Futures Exchange, and OTC gold products at commercial banks.
On domestic ownership and/or trade	No.	Enterprises with a business registration may independently produce, process, or engage in the production, processing, sale, or resale of gold products. The government protects individuals' holdings of legitimately obtained gold or silver.
On external trade	Yes.	Imports of gold require PBC approval. Individuals may carry gold in and out of the country for their own use, subject to a reasonable limit.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Individuals may not take out more than Y 20,000 from China.
Foreign currency	Yes.	Foreign currency cash not exceeding the amount declared on the most recent entry may be taken out without a foreign currency holding certificate (FCHC). Customs clearance is required for larger amounts or in the absence of a record as follows:

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		(1) Foreign currency cash not exceeding the equivalent of US$5,000 may be taken out without an application for an FCHC and customs clearance. (2) Foreign currency cash exceeding the equivalent of US$5,000 up to and including the equivalent of US$10,000 may be taken out with an FCHC issued by a bank. (3) In general, cash exceeding the equivalent of US$10,000 may not be carried out of the country, but under special circumstances established by law and regulations, application for an FCHC may be made at the local SAFE office.
On imports	Yes.	
Domestic currency	Yes.	Residents and nonresidents may bring into China up to RMB 20,000.
Foreign currency	Yes.	Persons entering China with foreign currency cash equivalent to more than US$5,000 must declare it in writing to customs, except those going and returning several times on the same day or within a short period of time, who should make a written declaration on their second and all subsequent entries for any amount of cash.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Resident institutions setting up foreign exchange accounts for current account transactions and resident individuals setting up foreign exchange savings accounts, etc., do not need to register with or be approved by the SAFE. Resident individuals may, with valid identification documents, open foreign exchange savings accounts. Cumulative withdrawals of foreign currency by individuals not exceeding the equivalent of US$10,000 a day can be transacted directly at banks. Under exceptional circumstances defined by law, individuals may file in advance with the bank's local foreign exchange bureau to make withdrawals that exceed a total of US$10,000. Filings must include the individual's valid identification document and an explanation of the purpose of the cash withdrawals.
Approval required	Yes.	Mainland institutions opening foreign exchange accounts for capital account transactions must register with or be approved by the SAFE. Generally, mainland institutions open an account for current account trading directly with the bank. Only a small number of special business current accounts (offshore foreign exchange accounts) require SAFE approval. To borrow and raise external debt, a domestic bank may directly open the necessary accounts in domestic or foreign banks and follow the procedures of drawing and repaying external debt.
Held abroad	Yes.	
Approval required	Yes.	Export enterprises may open foreign exchange accounts abroad to deposit proceeds from bona fide and legitimate export transactions with SAFE registration. To deposit the foreign exchange export revenues abroad, enterprises should meet the following requirements: (1) Export revenues must be legally-compliant and accurately reported; they must have a genuine need to make payments overseas in compliance with relevant regulations. (2) They must not have

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		violated the foreign exchange management rules in the past two years. To deposit foreign exchange revenues abroad, services and trade enterprises should meet the following requirements: (1) Foreign Exchange revenues from services or trade must be legally-compliant and accurately reported; they must have a genuine need to make payments overseas in compliance with relevant regulations. (2) They must not have violated the foreign exchange management rules in the past two years. Domestic group companies in compliance with the conditions above may nominate a single corporate entity to manage all overseas receipts and payments for other domestic group members that make overseas deposits.
Accounts in domestic currency held abroad	Yes.	Resident entities may deposit their RMB proceeds received from RMB cross-border transactions in their offshore accounts without SAFE approval/registration.
Accounts in domestic currency convertible into foreign currency	Yes.	When making external payments, institutions and individuals must present valid evidence and commercial documents to banks to convert domestic currency to foreign currency. Current account transactions do not require permission, but capital account transactions require permission or registration; cross-border payments for direct investment require registration with SAFE or a bank. The registration serves information collection and statistical purposes. For cases subject to registration, institutions need only to comply with the relevant laws and regulations. Because approval involves market access, the authorities have the discretion to grant approval (for example, QDII quota). Facilitated exchange annual quota controls are in place for the settlement of foreign exchange by individuals and the purchase of foreign exchange by domestic individuals. The annual facilitated quota is the equivalent of US$50,000 per individual a year. Within the annual facilitated quota, these transactions can be completed at the bank based on valid identification; for current accounts, transactions that do not use the facilitated quota can be completed at the bank based on valid identification and documentation of the existence of a trading quota; under capital accounts, such transactions are completed in accordance with the relevant regulations concerning individual foreign exchange controls for capital accounts.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Overseas individuals with valid identification documents may open foreign exchange savings accounts in banks. Domestic banks that open foreign exchange accounts for foreign institutions should verify the documents provided such as their proof of legal registration abroad. Pursuant to the Notice of the SAFE Concerning Questions Related to the Administration of Foreign Exchange Accounts of Foreign Institutions, without approval, funds in the domestic foreign exchange accounts of foreign institutions (as referred to in this document—institutions legally registered and established outside China (including the Hong Kong, Macau, and Taiwan regions)) must not be directly or covertly used for foreign exchange settlements. Foreign institutions in free trade zones (FTZs) are permitted to settle foreign exchange using their domestic foreign exchange accounts on a trial basis. Where RMB is remitted onshore for use after settlements of foreign exchange, domestic banks must first review the valid commercial documents and vouchers of domestic institutions and domestic individuals concerned before processing the

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		transactions, in accordance with the relevant provisions on cross-border transactions.
Approval required	Yes.	On registration by SAFE or a bank, foreign investors may establish foreign exchange accounts to retain foreign exchange related to direct investment.
Domestic currency accounts	Yes.	Hong Kong and Macao RMB business clearing banks may open RMB clearing accounts with the PBC; other RMB clearing banks may open RMB clearing accounts at their China head office or at branches designated by their China head offices. Domestic correspondent banks may open RMB interbank current accounts for foreign participating banks and act as agents for foreign participating banks to carry out cross-border RMB payments. Account financing is also available on correspondent bank accounts. Foreign participating banks may use RMB funds from RMB cross-border trade and investment business including RMB funds in domestic interbank current accounts to invest in China's interbank bond market subject to conditions. Nonresidents who engage in cross-border RMB business settlements may open RMB bank settlement accounts domestically. Foreign CBs and similar institutional investors investing in the interbank bond and foreign exchange markets may open special RMB deposit accounts at the PBC or at commercial banks.
Convertible into foreign currency	Yes.	Foreign individuals may convert and transfer abroad RMB (1) obtained from their legitimate current transactions in China and (2) originally converted but not yet completely used, in accordance with the relevant SAFE regulations. Nonresident enterprises may convert to foreign exchange RMB funds deposited on settlement accounts in domestic banks and transfer abroad. Domestic correspondent banks and nonresident clearing banks may process trade of goods and services and direct investments for nonresident participating banks and enter China's interbank foreign exchange market to clear their positions.
Approval required	Yes.	Foreign institutions issuing RMB bonds in China may follow rules and open nonresident RMB accounts to deposit proceeds from bond issuance.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.
Letters of credit	No.

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Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	The positive list is for goods that can be imported freely.
Negative list	Yes.	The negative list includes goods for which imports are prohibited or restricted. Goods prohibited for import include tiger bones, rhinoceros' horns, opium, asbestos, carbon tetrachloride, old clothing, asphalt macadam, urban garbage, coin-operated electronic game machines, used CRT glass bulbs, and used overheated boilers (for details, see the Index of Prohibited Imports). In addition, the importation of the following items is prohibited: weapons; ammunition and explosives; manuscripts; printed and recorded materials; and films that are deemed detrimental to Chinese political, economic, cultural, or moral interests. Goods for which imports are restricted may be imported if a permit is obtained.
Open general licenses	Yes.	Such licenses are applicable to certain categories of old electrical products.
Licenses with quotas	Yes.	Such licenses apply to substances that deplete the ozone layer.
Other nontariff measures	Yes.	China implements inspections, quarantines, and certifications with regard to import products according to the law. An import quarantine approval system is applied to high-risk plants and animals, and related products.
Import taxes and/or tariffs	Yes.	Based on the Regulations of the People's Republic of China on Import and Export Tariffs, import tariffs may follow the MFN rates, agreed rates, preferential rates, regular rates, quota rates, or provisional rates. MFN duty rates apply to imported goods originating in WTO member countries that are subject to the MFN clause, import goods originating in countries or regions with which China has bilateral trade agreements for reciprocal MFN treatment, and goods originating in the customs territory of China. Agreed duty rates apply to imported goods originating in countries or regions with which China has regional trade agreements that include preferential duty clauses. Special preferential duty rates apply to imported goods originating in countries or regions with which China has trade agreements that include special preferential duty clauses. General duty rates apply to imported goods originating in countries or regions other than those with MFN rates, agreed rates, and preferential rates and to imported goods of undetermined origin. Import tariff quota controls are in effect for wheat, corn, rice, sugar, cotton, wool, wool top, and chemical fertilizer, and within the tariff quota, the tariff quota duty rate applies to imported goods subject to tariff quotas. (The tariff rate for imports subject to tariff quota depends on quantity imported. A lower tariff rate applies to imports below a certain threshold volume and a higher tariff applies to imports above the threshold volume. There are no quantitative restrictions.) Provisional rates may be applied to imported goods subject to MFN rates, agreed rates,

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		preferential rates, and tariff quota rates for specified time periods.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	In accordance with the relevant laws, regulations, and China's WTO accession protocol, state trading is in effect for importing activities involving the following products: grain (wheat, corn, and rice), crude oil, oil products, sugar, tobacco, chemical fertilizers, and cotton.

Exports and Export Proceeds

Repatriation requirements	Yes.	Foreign exchange proceeds of resident entities may be repatriated to China or deposited abroad; the conditions and terms for deposit abroad are regulated by the SAFE based on the international balance of payments status and foreign exchange management needs. Domestic entities with bona fide and legitimate export revenues and external payment needs in line with foreign exchange regulations, and which have not violated the foreign exchange regulations in the past two years, may open accounts abroad and deposit the proceeds from bona fide and legitimate transactions after registration with SAFE. The registration needs to be revised in case the total funds deposited abroad annually exceed the amount of funds originally registered with SAFE. Resident entities may freely determine the period for keeping their deposit abroad, except when SAFE requires the repatriation of the funds because the entity violated the regulations. The RMB revenue of resident entities and individuals may be repatriated to China or deposited externally without PBC or SAFE approval.
Surrender requirements	No.	Resident entities may retain foreign exchange revenue from current account transactions in foreign exchange demand deposit accounts.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	The SAFE registers and maintains a list of resident institutions that have trade receipts and payments in foreign currencies and publishes the list through an electronic information platform for financial institutions. Institutions registered at the SAFE on this list may sell their foreign-currency-denominated export proceeds for RMB or deposit them in foreign exchange settlement accounts.
Export licenses	Yes.	
Without quotas	Yes.	Foreign trade operators exporting goods including live cattle (to markets other than Hong Kong or Macau), live pigs (to markets other than Hong Kong or Macau), live chickens (to markets other than Hong Kong), beef, pork, or chicken meat, natural sand (including standard sand), bauxite, phosphate rock, magnesia sand, talc lump (powder), fluorite (fluorspar), rare earth, tin and tin products, tungsten and tungsten products, molybdenum and molybdenum

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		products, antimony and antimony products, coke, refined oil (lubricating oil, lubricating grease, base oil for lubricating oil), paraffin, some metals and metallic products, disodium sulfate, silicon carbide, substances that deplete the ozone layer, citric acid, silver, platinum (exported using the processing trade method), indium and indium products, motorcycles (including all-terrain vehicles) and their engines and frames, automobiles (including knocked-down kits) and their chassis must apply for and obtain export permits according to regulations.
With quotas	Yes.	Exporters of the following products may apply for an export license only if they have documentary evidence of a quota allocation: live cattle (to Hong Kong/Macau), live pigs (to Hong Kong/Macau), live chickens (to Hong Kong/Macau), wheat, maize, rice, wheat flour, maize flour, rice flour, cultivated Ephedra sinica for medicinal use, coal, crude oil, refined petroleum products (excluding lubricating oil, lubricating grease, and lubricating base oil), sawn timber, cotton; exporters of the following products may apply for an export license only if they have documentary evidence of a successful bid for a quota allocation: licorice and licorice products, mat rush and mat rush products.
Export taxes	Yes.	Export duty rates have been established for the taxation of exports. Provisional duty rates may be applied to export goods for a specified time period.
Collected through the exchange system	No.	
Other export taxes	Yes.	Export rebates are standard international practice, conform to WTO rules and requirements, and do not constitute an export subsidy. If the legally prescribed VAT rate is not exceeded, China implements full tax rebates for the majority of export cargo; at the same time, to promote environmental protection, tax rebates are not offered for certain export products, to reflect the environmental pollution caused by the products in the cost of exporting them. China continues to refine its export rebate policy to deliver higher quality growth in international trade. Export rebates for export of goods were offered at three levels: 13%, 9%, and 0%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Regulations for non-trade payments are the same for foreign-owned and domestically owned enterprises. There are separate rules for individuals. Facilitated exchange annual quota controls are in place for the settlement of foreign exchange by individuals and the purchase of foreign exchange by domestic individuals. The annual facilitated quota is the equivalent of US$50,000 per individual a year. Within the annual facilitated quota, such transactions can be completed at the bank based on valid identification; for current accounts, transactions that do not use the facilitated quota can be completed at the bank based on valid identification and documentation of the existence of a trading quota.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments in foreign exchange can be made directly through authorized banks by presenting valid proof and commercial bills. No transaction evidence is needed for trade-related RMB cross-border

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payments. On the basis of the three principles of "know your customer," "know your business," and "conduct due diligence," banks may effect current account RMB cross-border settlement according to the payment or receipt instructions submitted by domestic enterprises. Receipts may be repatriated or deposited overseas. When a single service trade transaction (including transport, travel, communication, building installation, labor contracting, insurance, financial, computer and information, exclusive right to use and franchise sports, cultural and entertainment services, other commercial services, government services) exceeds the equivalent of US$50,000, the resident payer must submit a "Taxation Filing Form for Foreign Payments under Trade in Services and Other Items" to the financial institution making the transfer. When multiple overseas payments are required for a single contract, domestic organizations and individuals need only file before the first payment. The Taxation Filing Form does not need to be completed or submitted for the following foreign payments with foreign exchange by domestic institutions and individuals:

(1) Travel, conference, product exhibition, and other expenses incurred overseas by domestic institutions;

(2) Office expenses incurred by the overseas representative offices of domestic institutions and project payments for projects contracted overseas by domestic institutions;

(3) Import and export trade commissions, insurance premiums, and compensation paid overseas by domestic institutions;
(4) International transportation payments that overseas institutions obtain under import trade;

(5) Insurance premiums, insurance benefits, and other relevant expenses under the insurance item;

(6) Repair fees, fuel costs, port charges, and other expenses incurred overseas by domestic institutions engaging in transportation or distant fishery;

(7) Group charges of domestic travel agencies for overseas tourism and boarding, travel, and other relevant expenses paid for reservations on behalf of tourists;

(8) Income or revenues that the Asian Development Bank or International Finance Corporation under the World Bank Group obtain in China, including profits distributed from and income from transfer of shares in joint ventures in which they invest, revenues from leasing out or transferring property (including real estate) in China, and interest on loans to institutions in China;

(9) Interest under foreign government loans (onlending) (including mixed foreign government loans (onlending)) and international financial organization loans provided to China by foreign governments and international financial organizations. The term "international financial organizations" herein includes but is not limited to the IMF, the World Bank Group, the International Development Association, the International Fund for Agricultural Development, and the EIB; The term "international financial organizations" herein includes but is not limited to the IMF, the World Bank Group, the International Development Association, the International Fund for Agricultural Development, and the EIB;

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		(10) Interest on the foreign financing of designated foreign exchange banks or finance companies, such as overseas loans, overseas interbank lending, overseas agency payments, and other debts; (11) Foreign aid funds gratuitously donated by a state organ of China at or above the provincial level; (12) Legally obtained dividends, bonuses, interests, or proceeds obtained from the sale of securities paid by a domestic securities company or a depository and clearing company to an overseas institution or individual; (13) Foreign exchange for personal use of overseas education, tourism, and family visits by domestic individuals; (14) Remittance refund under service trade, proceeds, and current transfers by domestic institutions and individuals; (15) Domestic reinvestment of lawful revenues earned by foreign investors from FDI; (16) Payments for non-trade and non-profit purposes made in compliance with an approved budget by a government authority, agency, or social organization; (17) Other cases prescribed by the authorities.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Profit below US$50,000 from direct investments may be repatriated following a bona fide test by the bank. For the repatriation of profits above US$50,000, banks must verify documents related to the current profit repatriation, including the board of directors' resolutions on the distribution of profits (or the partners' resolution on the distribution of profits), originals of the tax filing forms, and audited financial statements. Companies with losses in previous years should cover losses before distributing dividends. No transaction evidence is needed for investment-related current account RMB payments. No transaction evidence is needed for investment-related current payments in RMB; proof of transactions is required for payments in foreign exchange only. On the basis of the three principles of "know your customer," "know your business," and "conduct due diligence," banks may effect investment-related current account RMB cross-border settlements relying on the income and payment instructions submitted by domestic enterprises.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Resident individuals may purchase foreign exchange at banks up to the facilitated exchange limit of US$50,000 equivalent a person a year, on the basis of valid personal identification documents, or, may purchase foreign exchange for current account purposes without using up their personal facilitated exchange limit by presenting valid

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		personal identification and documentary evidence of the use of the currency at a bank.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Resident individuals may purchase foreign exchange at banks up to the facilitated exchange limit of US$50,000 equivalent a person a year, on the basis of valid personal identification documents, or, may purchase foreign exchange for current account purposes without using up their personal facilitated exchange limit by presenting valid personal identification and documentary evidence of the use of the currency at a bank.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Real documentation such as proof of earnings and tax clearance is required.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	When individuals using domestic bank cards to withdraw cash abroad, for foreign currency cards and renminbi cards (UnionPay cards), the limit is RMB 10,000 per card per day. The yearly cumulative cash withdrawal limit using domestic bank cards under the name of the same individual may not exceed the equivalent of RMB 100,000. In case of overseas withdrawals in excess of the annual quota, the individual will not be allowed to withdraw cash overseas with the domestic bank cards in the current and second years.
Indicative limits/bona fide test	Yes.	Domestic bank cards may be used abroad for current account transactions, but not for other payments, nor may they be used for unlawful transactions. Management of overseas spending is effected primarily through merchant category codes. Merchant category codes are divided into fully prohibited, capped, and not restricted transactions. No payment can be made for fully prohibited transactions. As for transactions in the capped category, it is required that cardholders, except for those belonging to the “6010” (financial institution teller services) and “6011” (financial institution automated teller machine services) categories, should not exceed an amount equivalent to US$5,000 in a single transaction.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Proof of the transaction is required for transfers for subscriptions and membership dues.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Resident entities must repatriate foreign exchange proceeds from services trade to China. With SAFE approval, resident entities may place the foreign exchange proceeds from service trade abroad within

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		the limit registered with the SAFE.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	Yes.	

Capital Transactions

Controls on capital transactions	Yes.	To apply for QFII/RQFII qualification, applicants should meet the following conditions: (1) The applicant has sound finances and good credit and experience investing in securities and futures; (2) the main personnel responsible for domestic investments are professionally qualified in the applicant's country or region (if it has professional qualification standards); (3) governance structures, internal controls, and compliance management systems are robust and effective, with a compliant system supervisory personnel who are responsible for monitoring the compliance of investment activities in China; (4) business conduct is standard and has received no major punishments from regulatory agencies in the last three years; and (5) no other condition obtains that could have a material impact on the applicant's capital operations in China. QFIIs/RQFIIs may invest in domestic securities markets, including: shares, depositary receipts, bonds, bond repo, and bonds with warrants traded or sold on securities exchanges; shares and other securities on the NEEQ; products on the interbank bond markets in which the PBC permits QFIIs/RQFIIs to invest; bond, interest rate, and foreign exchange derivatives; publicly traded investment funds; financial futures traded on Chinese financial futures exchanges; commodity futures contracts traded on futures exchanges approved by the CSRC; options traded on exchanges approved by the State Council or the CSRC; foreign exchange derivatives for hedging purposes that the CSRC permits QFIIs/RQFIIs to trade; and other financial instruments as permitted by the CSRC. Institutions that invest in the interbank bond market include: foreign CBs or monetary authorities, international financial organizations, and sovereign wealth funds; various types of financial institutions incorporated outside the borders of China, in satisfaction of the requirements listed in PBC Announcement [2016] No. 3, including commercial banks, insurance companies, securities companies, fund management companies, and other asset management institutions, and the investment products issued by such institutions, and other medium- and long-term institutional investors approved by the PBC, such as retirement funds, charitable funds, and endowment funds; foreign RMB clearing banks, foreign participating banks, foreign insurance companies, and those that access the market through QFII and RQFII channels.
Repatriation requirements	Yes.	Proceeds from the issuance of shares by an overseas-listed enterprise controlled by foreign shareholders may, after registration, be retained overseas. Domestic institutions should repatriate profits from direct investment abroad in RMB or foreign currencies according to relevant rules. SAFE approval is not required for the repatriation of funds from settlements. In principle, domestic institutions should repatriate all proceeds from issuing foreign exchange bonds abroad unless being granted approval.

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Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	SAFE approval or bank registration in compliance with regulations is required for resident entities to open foreign exchange accounts to deposit capital account receipts in foreign currency. Foreign-owned domestic enterprises opening foreign exchange capital accounts at a domestic bank are required to register their basic information at a qualified bank. The prerequisites are: enterprise has obtained a business license from the market regulator; financial regulatory agency verification or approval is required for some transactions.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The procedures for repatriation of profits by QFIIs and RQFIIs investing in Chinese securities have been significantly simplified. They are no longer required to submit documentation such as audit reports from a registered Chinese accountant and tax certificates; they must simply sign a commitment to file and pay all relevant taxes. CSRC, PBC, and SAFE Decree [2006] No. 176 and CSRC Announcement [2020] No. 63 expanded the range of financial instruments in which the PBC permits QFIIs/RQFIIs to invest. QFIIs/RQFIIs may invest in domestic securities markets, including: shares, depositary receipts, bonds, bond repo, and bonds with warrants traded or sold on securities exchanges; shares and other securities on the NEEQ; products on the interbank bond markets in which the PBC permits QFIIs/RQFIIs to invest; bond, interest rate, and foreign exchange derivatives; publicly traded investment funds; financial futures traded on Chinese financial futures exchanges; commodity futures contracts traded on futures exchanges approved by the CSRC; options traded on exchanges approved by the State Council or the CSRC; foreign exchange derivatives for hedging purposes that the CSRC permits QFIIs/RQFIIs to trade; and other financial instruments as permitted by the CSRC. Investment in domestic securities by QFIIs/RQFIIs or other overseas investors are subject to the following restrictions on equity shares: (1) No single QFII/RQFII or other overseas investor may hold more than a 10% share of the total shares of listed company and (2) all QFIIs/RQFIIs or other overseas investors may not hold a total that exceeds 30% a company's A shares, or of all of its shares listed on domestic exchanges. Foreign investors may make strategic investments in A shares of domestically listed companies, but are subject to the following restrictions. (1) Investors must (a) be legally incorporated and operating foreign legal entities or other organizations that are financially sound and have good credit and mature management experience; (b) have actual offshore assets totaling no less than US$100 million or actual offshore assets under management totaling no less than US$500 million, parent company actual offshore assets totaling no less than US$100 million, or actual offshore assets under management totaling no less than US$500 million; (c) have a sound governance structure and good internal control systems with

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standardized operations; and (d) have received no material penalties from domestic or foreign regulatory agencies in the past three years (including parent company). (2) A shares of the listed company must be acquired through acquisition under contract or acquisition through issuance of new shares by the listed company or by other means set forth in national laws and regulations. (3) Investment may take place in installments; the percentage of shares obtained on completion of the first installment may not be less than 10% of the company's shares issued and outstanding, with the exception of special industries with specific requirements or with approval of the relevant authority. (4) A shares of the listed company may not be transferred for three years. (5) Investors' shareholdings may not exceed the limits stipulated by law or regulations, and investment is not allowed in listed companies in areas prohibited by law or regulations. (6) Shareholders of government-owned shares in listed companies must comply with the relevant regulations.

In August 2018, the CSRC amended the Measures for the Administration of Equity Incentives of Listed Companies, permitting listed companies to extend equity incentives to non-Chinese employees working outside China as well as those working in China. The Measures for the Administration of Registration and Settlement of Securities were also amended at the same time, permitting foreign natural persons working outside China to open trading accounts for A shares. In February 2019, the PBC and SAFE issued the Regulation on the Administration of Funds for Equity Incentives for Foreign Employees of Domestic Listed Companies, setting out the principles for the administration of funds used in equity incentive plans for the foreign employees of domestic listed companies.

Since November 2014, investors from the Mainland and Hong Kong SAR can invest in Hong Kong and Shanghai stock markets, respectively (SH–HK stock connect), under certain conditions and within the limit jointly published by the CSRC and the Hong Kong Securities and Futures Commission. Since December 2016, when certain conditions are met, investors from the Hong Kong SAR may invest in the Shenzhen stock market and vice versa (SZ–HK stock connect). The overall quota for the SH–HK stock connect was abolished in August 2016, while SZ–HK stock connect was established without overall limits, but both schemes have daily quotas: for the Shanghai and Shenzhen component RMB 52 billion and for the Hong Kong component RMB 42 billion.

Foreign investors may complete foreign exchange fund exchange and foreign exchange risk hedging operations at Hong Kong renminbi clearing banks or participating banks, incorporated into renminbi purchase and sales operations. Global Depository Receipts (GDR): Based on the objective of hedging risk, overseas securities institutions engaged in cross-border conversion operations may buy and sell underlying stocks and permitted investment products corresponding to depositary receipts in accordance with the requirements of the relevant competent authorities. The CSRC sets an upper bound on the total level of GDR assets that may circulate on the domestic market. The first GDR was issued by Huatai Securities on June 17, 2019, and has been eligible for cross-border conversion since October 17, 2019. The Measures for the Administration of the Cross-Border Funds for Depositary Receipts (Provisional) (PBC and SAFE Announcement [2019] No. 8) were published on May 27, 2019.

Sale or issue locally by nonresidents Yes. The CSRC launched a pilot program in March 2018 for the issuance

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		of Chinese Depository Receipts (CDRs) by innovative enterprises, making arrangements for the issuance, public offering, and trading of CDRs, setting forth the basic conditions and procedures for CDR offerings, and producing the general requirements for the use of CDRs to engage in refinancing. Subsequently, the PBC and the SAFE issued regulations concerning the administration of cross-border funding of depositary receipts. In October 2018, the CSRC published the Regulatory Provisions of the CSRC on the Interconnection Depositary Receipt Business of the Shanghai Stock Exchange (SSE) and the London Stock Exchange (LSE) (Provisional) (CSRC Announcement [2018] No. 30), clarifying the institutional arrangements related to CDRs under the terms of Shanghai–London connect, including review and approval of offerings, listing and trading, information disclosures, cross-border exchange, and registration and clearing. Effective February 11, 2022, as part of the project of opening up capital markets, the CSRC expanded and enhanced the Shanghai-London Stock Connect. In China, the mechanism was extended to the Shenzhen Stock Exchange; overseas, it was extended to the Swiss and German markets. Regulatory Provisions of the CSRC on the Interconnection Depositary Receipt Business of the SSE and the LSE (Provisional) was amended; the amended regulation has been renamed Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchange, and was published and promulgated on February 11, 2022. Capital raised by foreign issuers of domestic CDRs based on new securities can be remitted abroad in renminbi or foreign currencies and may also be retained for use domestically. In accordance with the dividends and allotments distributed by a foreign issuer, the domestic depository trustee of CDRs may provide corresponding services to the holders of CDRs and process the receipts, payments, and currency conversions of the related funds.
Purchase abroad by residents	Yes.	Overseas-listed companies controlled by foreign shareholders may repurchase their overseas-listed and traded shares, provided the SAFE verifies the source of the funds and approves payment abroad. Insurance companies may invest overseas subject to approval. The aggregate balance of insurance companies' overseas investment may not exceed 15% of the insurance company's total assets at the end of the previous quarter, and the total amount of actual investment must not exceed the investment payment limit approved by the SAFE. A solvency-based differentiated proportional supervision policy has been instituted for the book value of insurance companies' investments in equity-type assets (previously no more than 30% of the company's total assets at the end of the previous quarter), and the book value of major equity investments must not exceed the company's net assets at the end of the previous quarter; the book value does not include investments in insurance enterprise stock made using the insurance company's own funds. The book values of investments in single fixed-income assets, equity-type assets, fixed assets, and other financial assets must not exceed 5% of the company's total assets at the end of the previous quarter. Single-asset investments refer to investments in single, specific investment varieties among the major investment asset categories. For investment varieties issued in installments, the book value of single-asset investments is the total amount invested in each installment

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period. A single investment in a single legal entity may not exceed 20% of the insurance company's total assets at the end of the previous quarter. Insurance fund offshore investment in equity-type assets includes equity instruments or products such as common stock, preferred stock, global depositary receipts, American depositary receipts, and equity of unlisted enterprises. When insurance institutions invest in foreign shares, the shares should be traded on the main board of the securities exchange in a specified country or region, or on the Hong Kong ChiNext board. Major investments are limited to equity of enterprises in the financial services, pension, health care, energy, resources, automotive services, new services, modern agriculture sectors, and insurance. In 2020, Notice of the China Banking and Insurance Regulatory Commission on Matters Concerning Financial Equity Investment with Insurance Funds removed limits on the scope of equity investment by insurance funds.

On approval, qualified fund management firms and other securities management organizations may, within limits, combine foreign exchange funds and RMB funds of resident entities and individuals and use the funds to engage in portfolio investment, including in stocks. QDIIs, including banks, fund management firms, securities companies, and insurance companies, may use foreign exchange to purchase stock and other investment instruments as permitted by regulations abroad within their respective SAFE-approved investment quotas and regulatory limits. As of September 30, 2023, a total of 186 QDIIs had obtained limits totaling US$165.519.

Under the RQDII system, foreign investments in RMB are not subject to quotas, overall limits, and internal limits on the financial instruments acquired and must be invested in RMB-denominated products in foreign financial markets.

The market value of securities issued by the same institution (except governments and international financial organizations) held by a single fund or collective plan may not exceed 10% of the net value of the fund or collective plan; funds and collective schemes must not buy securities with the intention to control or influence the institution that issues the security or its management. The entire fund or collective plan managed by the same domestic institutional investor may not hold more than 10% of the total volume of the same institution's voting securities. Index funds may not be subject to these restrictions.

On registration with the SAFE, domestic employees of domestic affiliates of foreign listed companies may participate in these companies' equity incentive programs and purchase shares or options under the terms of such programs.

Yin Ban Fa [2018] No. 81 further standardized matters related to the investment products, use of funds, macroprudential management, and information reporting for foreign securities investments of qualified renminbi investors. To support competent domestic institutions in carrying out various types of outbound investments, in additional to the QDII scheme, the SAFE has launched QDIE pilots in Shenzhen and QDLP in Shanghai, Beijing, Hainan, Chongqing, Jiangsu, Guangdong (exc. Shenzhen), and Qingdao since 2013. QDLP/QDIE programs enable domestic investors who meet qualifications to raise

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		funds domestically and invest them abroad in securities, private equity, commodities, and real estate. The total approved QDLP/QDIE quota is currently US$54 billion. In October 2013, a quota of US$1 billion was set for the QDLP pilot in Shanghai. In December 2014, a quota of US$1 billion was set for the QDIE pilot in Shenzhen. In April 2018, the quotas for QDLP in Shanghai and QDIE in Shenzhen were both raised to US$5 billion. In December 2019, a quota of US$5 billion was set for the QDLP scheme in Beijing. In November 2020, the quotas for QDLP/QDIE in Shanghai, Shenzhen, and Beijing were all raised to US$10 billion. In December 2020, quotas of US$5 billion were set for the QDLP schemes in Hainan and Chongqing. In March 2021, new QDLP pilots began in Qingdao (US$3 billion), Jiangsu (US$5 billion), and Guangdong (ex. Shenzhen) (US$5 billion). In June 2021, a quota of US$1 billion was set for a QDLP scheme in Ningbo. CDRs: Based on the objective of hedging risk, domestic securities companies engaged in cross-border conversion operations may buy and sell the underlying stocks for depositary receipts and their permitted investment products; the balance of assets in overseas markets must not exceed the cap set by the CSRC.
Sale or issue abroad by residents	Yes.	Effective March 31, 2023, domestic enterprises that issue stock overseas must file records with the regulator; global depositary receipts and the underlying shares must be registered; and global depositary receipts must be filed. Previously, approval by the CSRC and registration with the SAFE are required for the issuance of shares or depositary receipts abroad by resident enterprises. Funds originating from such issuance are not subject to the restrictions required for repatriation. Renminbi capital raised by domestic enterprises by issuing stocks abroad can be remitted into and used in China.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Foreign RMB clearing banks and foreign participating banks may carry out spot bond trading and bond repo business on the interbank bond market. The PBC and other monetary authorities, international financial organizations, and sovereign wealth funds may conduct other interbank market transactions permitted by the PBC, such as spot bond trading, bond repos, bond loans, bond forward and interest rate swaps, and forward rate agreements without restriction on the amounts. Various types of financial institutions legally registered and established outside China, such as commercial banks, insurance companies, securities companies, fund management companies, and other asset management institutions, the investment products issued by the aforementioned financial institutions to clients in compliance with rules and regulations, and other medium- and long-term institutional investors approved by the PBC, such as pension funds, charitable funds, and endowment funds, may conduct spot bond trading on the interbank bond market, and can also carry out transactions such as bond lending, forward bond, forward rate agreements, and interest rate swaps based on their hedging needs, with no investment limit. CSRC, PBC, and SAFE Decree [2006] No. 176 and CSRC Announcement [2020] No. 63 expanded the range of financial instruments in which the PBC permits QFIIs/RQFIIs to invest. QFIIs/RQFIIs may invest in domestic securities markets, including: shares, depositary receipts, bonds, bond repo, and bonds with

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warrants traded or sold on securities exchanges; shares and other securities on the NEEQ; products on the interbank bond markets in which the PBC permits QFIIs/RQFIIs to invest; bond, interest rate, and foreign exchange derivatives; publicly traded investment funds; financial futures traded on Chinese financial futures exchanges; commodity futures contracts traded on futures exchanges approved by the CSRC; options traded on exchanges approved by the State Council or the CSRC; foreign exchange derivatives for hedging purposes that the CSRC permits QFIIs/RQFIIs to trade; and other financial instruments as permitted by the CSRC.

These investors may also apply to participate in new stock offerings, convertible bond offerings, additional share offerings, allotments of shares, and other similar type investments. Such investments are subject to the upper limits on individual institutions.

Foreign CBs (monetary authorities) and other reserve management institutions, international financial organizations, and sovereign wealth funds may participate in all listed transactions without limits on the amounts through one or more of the following three avenues: through the PBC as their agent, through a commercial bank with international clearing qualifications and clearing agent qualifications, and through direct investment.

Foreign participating banks of RMB purchasing and selling business, after applying to the CFETS, can become members of the interbank foreign exchange market. They have access to all listed transaction products with no quota limits, but the transaction context is limited to the RMB purchasing and selling business. The arrangement of foreign RMB clearing banks was at the beginning a supportive arrangement for the RMB business in Hong Kong SAR and Macau SAR in 2003. In 2009, with the pilot program of cross-border RMB business, the arrangement was expanded. Direct investment by foreign investors in the interbank bond market has been gradually developed since 2016.

Indirect investment can be made in the domestic bond market by foreign investors through the bond market connect, with subject bonds comprising all bond types that can be traded and circulate on the domestic interbank bond market.

Effective June 30, 2022, foreign institutional investors granted access to the interbank bond market may invest and trade in the bond market either directly or through a market connect. This arrangement allows investors from mainland China and overseas to participate in each other's bond markets. "Northbound trading" has been permitted since July 2017, allowing investors from Hong Kong and other regions to invest in the China interbank bond market; "southbound trading" was launched in September 2021, enabling domestic institutions to invest in Hong Kong and global bond markets.

Sale or issue locally by nonresidents — Yes.

Foreign governmental institutions, international development institutions, foreign financial institution corporations, and non-financial enterprise corporations can all issue RMB bonds on China's bond market. Of these, foreign financial institution corporations issuing bonds on the national interbank bond market should be approved by the PBC; foreign governmental institutions and international development institutions issuing relevant bonds on the national interbank bond market, and foreign non-financial enterprise corporations issuing non-financial corporate debt financing instruments on the national interbank bond market should apply to

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		register with the National Association of Financial Market Institutional Investors. The National Association of Financial Market Institutional Investors issued guidelines that apply to issuances of renminbi bonds by foreign non-financial institutions, foreign government institutions, and international development agencies. On December 2015, the CSRC launched the pilot program to issue Panda Bonds on the exchange bond market; foreign institutions can issue Panda Bonds on the exchanges.
Purchase abroad by residents	Yes.	QDIIs, which include banks, fund management firms, securities companies, and insurance companies, may purchase bonds abroad, within their respective SAFE-approved foreign exchange quotas and regulatory limits. For QDIIs, the net amount of funds remitted abroad by banks, securities dealers, and insurance companies for investment in securities may not exceed their approved investment limits. Insurance companies may invest overseas subject to approval. The aggregate balance of insurance companies' overseas investment may not exceed 15% of the insurance company's total assets at the end of the previous quarter, and the total amount of actual investment must not exceed the investment payment limit approved by the SAFE. The book values of investments in single fixed-income assets, equity-type assets, fixed assets, and other financial assets must not exceed 5% of the company's total assets at the end of the previous quarter. Single-asset investments refer to investments in single, specific investment varieties among the major investment asset categories. For investment varieties issued in installments, the book value of single-asset investments is the total amount invested in each installment period. A single investment in a single legal entity (domestic or overseas) may not exceed 20% of the insurance company's total assets at the end of the previous quarter. When insurance funds make offshore investments in fixed-income products such as government bonds, government-backed bonds, international financial institution bonds, corporate bonds, or convertible bonds, the currency of denomination need not be a major international currency; bonds should have a BBB- or BBB-equivalent rating from an internationally-recognized ratings agency. In the event that an issue is exempt from credit rating requirements in accordance with regulations, the issuer should have a credit rating not less than this bond credit rating requirement. Bonds issued abroad by the Chinese government are not subject to credit rating restrictions. Convertible bonds should be listed and traded on the required main board market of national or regional securities exchanges. As of September 30, 2023, a total of 186 QDIIs had obtained limits totaling US$165.519. Under the RQDII system, foreign investments in RMB are not subject to quotas, overall limits, and internal limits on the financial instruments acquired. RMB funds cannot be remitted offshore to purchase foreign exchange. To support competent domestic institutions in carrying out various types of outbound investments, in additional to the QDII scheme, the SAFE has launched QDIE pilots in Shenzhen and QDLP in Shanghai, Beijing, Hainan, Chongqing, Jiangsu, Guangdong (exc. Shenzhen), and Qingdao since 2013. QDLP/QDIE programs enable

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		domestic investors who meet qualifications to raise funds domestically and invest them abroad in securities, private equity, commodities, and real estate. The total approved QDLP/QDIE quota is currently US$54 billion. In October 2013, a quota of US$1 billion was set for the QDLP pilot in Shanghai. In December 2014, a quota of US$1 billion was set for the QDIE pilot in Shenzhen. In April 2018, the quotas for QDLP in Shanghai and QDIE in Shenzhen were both raised to US$5 billion. In December 2019, a quota of US$5 billion was set for the QDLP scheme in Beijing. In November 2020, the quotas for QDLP/QDIE in Shanghai, Shenzhen, and Beijing were all raised to US$10 billion. In December 2020, quotas of US$5 billion were set for the QDLP schemes in Hainan and Chongqing. In March 2021, new QDLP pilots began in Qingdao (US$3 billion), Jiangsu (US$5 billion), and Guangdong (ex. Shenzhen) (US$5 billion). In June 2021, a quota of US$1 billion was set for a QDLP scheme in Ningbo. The Southbound Connect, launched on September 24, 2021, enables domestic institutions to invest in equity markets in Hong Kong and globally.
Sale or issue abroad by residents	Yes.	Effective February 10, 2023, enterprises and financial institutions that issue bonds abroad with maturities in excess of one year must apply in advance to the National Development and Reform Commission (NDRC) for review and approval (previously, only for filing and registration purposes). Domestic financial institution legal persons may issue RMB bonds abroad with PBC approval. Domestic financial institution legal persons may issue RMB bonds abroad with PBC approval. Domestic financial institution legal persons may issue RMB bonds abroad with PBC approval. Legal person financial institutions and enterprises in China, as well as domestic branches of foreign banks (including banks in Hong Kong SAR, Macau SAR, and Taiwan Province of China), may freely carry out cross-border financing in RMB or in foreign currencies within the limit determined by their capital and net assets, without being subject to PBC and SAFE advance review and approval requirement. Effective October 25, 2022, the macroprudential adjustment parameter for financial institutions and enterprises was raised from 1 to 1.25. Effective June 20, 2023, it was further raised to 1.5. As defined in Notice of the PBC Concerning Matters Related to the Comprehensive Macroprudential Management of Cross-Border Financing (Yin Fa [2017] No. 9), this applies to companies other than finance companies, and does not include government financing platforms or real estate developers. The financial institutions to which it applies include all financial institution legal persons approved by the PBC, CBRC, CSRC, and CIRC.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	QFIIs/RQFIIs may purchase money market funds. QFIIs/RQFIIs may directly participate in investment transactions in interbank bond markets. Foreign RMB clearing banks and foreign participating banks with quotas to invest in the interbank bond market may carry out bond repo business in the interbank bond market to fund offshore RMB business. The limit on financing through repos is tied to the bonds held onshore. Foreign CBs or monetary authorities, international financial organizations, and sovereign wealth funds may conduct other interbank market

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		transactions permitted by the PBC, such as spot bond trading, bond repos, bond loans, bond forward and interest rate swaps, and forward rate agreements without restriction on the amounts. An archival filing requirement is implemented instead of the previous quota approval. Various types of financial institutions legally registered and established outside China, such as commercial banks, insurance companies, securities companies, fund management companies, and other asset management institutions, the investment products issued legally and in compliance with rules and regulations to clients by the aforementioned financial institutions, and other medium- and long-term institutional investors approved by the PBC, such as pension funds, charitable funds, and endowment funds, may conduct spot bond trading and other interbank bond market transactions approved by PBC on the interbank bond market without restriction on the investment amount. GDR: Based on the objective of hedging risk, overseas securities institutions engaged in cross-border conversion operations may buy and sell currency management instruments and hedge-based stock market risk and exchange rate risk financial products or instruments in accordance with the requirements of the relevant competent authorities. The CSRC sets an upper bound on the total level of GDR assets that may circulate on the domestic market.
Sale or issue locally by nonresidents	Yes.	Foreign issuers that meet the conditions in Yin Zong Bu [2015] No. 72 may issue cross-border interbank certificates of deposit in the Shanghai Pilot FTZ.
Purchase abroad by residents	Yes.	QDIIs may purchase money market instruments permitted by regulation, subject to their respective foreign exchange quotas and regulatory limits. RQDIIs may invest in renminbi-denominated products in foreign financial markets. Insurance companies may invest overseas subject to approval. The aggregate balance of insurance companies' overseas investment may not exceed 15% of the insurance company's total assets at the end of the previous quarter, and the total amount of actual investment must not exceed the investment payment limit approved by the SAFE. Foreign investment of insurance funds in money market products includes money market instruments or products with maturities of not more than one year, such as commercial paper, bankers acceptances, large negotiable certificates of deposit, reverse repo agreements, short-term government bonds, and overnight interbank borrowings. When insurance funds invest in securities investment funds, the funds should be approved or registered by the specified country or region's securities regulator; fund managers must comply with relevant regulations; they must be able to supply verifiable performance records covering a history of no less than three years; the investment mix must be simple and clear, with underlying assets that are clear and compliant with relevant regulations; currency market funds must have an AAA or equivalent rating. To support competent domestic institutions in carrying out various types of outbound investments, in additional to the QDII scheme, the SAFE has launched QDIE pilots in Shenzhen and QDLP in Shanghai, Beijing, Hainan, Chongqing, Jiangsu, Guangdong (exc. Shenzhen), and Qingdao since 2013. QDLP/QDIE programs enable domestic investors who meet qualifications to raise funds domestically and invest them abroad in securities, private equity, commodities, and real estate. The total approved QDLP/QDIE quota is currently US$54 billion. In October 2013, a quota of US$1 billion was set for the QDLP pilot in Shanghai. In December 2014, a quota of US$1 billion was set for the QDIE pilot in Shenzhen. In April

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		2018, the quotas for QDLP in Shanghai and QDIE in Shenzhen were both raised to US$5 billion. In December 2019, a quota of US$5 billion was set for the QDLP scheme in Beijing. In November 2020, the quotas for QDLP/QDIE in Shanghai, Shenzhen, and Beijing were all raised to US$10 billion. In December 2020, quotas of US$5 billion were set for the QDLP schemes in Hainan and Chongqing. In March 2021, new QDLP pilots began in Qingdao (US$3 billion), Jiangsu (US$5 billion), and Guangdong (ex. Shenzhen) (US$5 billion). In June 2021, a quota of US$1 billion was set for a QDLP scheme in Ningbo. CDRs: Based on the objective of hedging risk, domestic securities companies engaged in cross-border conversion operations may buy and sell the underlying stocks for depositary receipts and their permitted investment products; the balance of assets in overseas markets must not exceed the cap set by the CSRC.
Sale or issue abroad by residents	Yes.	Under the framework of the comprehensive macroprudential management of cross-border financing, the PBC and SAFE will no longer enforce advance review and preapproval requirements for the issuance of foreign debt, but each financial institution and enterprise will follow uniform and clear rules to estimate a cap on the financing-risk-weighted balance of cross-border financing linked to their capital or net assets, and the financial institution or enterprise will be permitted to engage in cross-border RMB or foreign currency financing within that limit. At the same time, the PBC will set and adjust the relevant parameters based on macro control requirements to make countercyclical adjustments to the cross-border financing of financial institutions and enterprises. This covers all domestic institutions that take in funds in local or foreign currency from nonresidents and includes on- and off-balance-sheet financing.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	CSRC, PBC, and SAFE Decree [2006] No. 176 and CSRC Announcement [2020] No. 63 expanded the range of financial instruments in which the PBC permits QFIIs/RQFIIs to invest. QFIIs/RQFIIs may invest in domestic publicly traded investment funds, securities and futures institutions, and private investment funds established lawfully by a private investment fund manager registered with the Asset Management Association of China. As of September 10, 2021, Hong Kong and Macau residents can purchase qualified investment products sold by mainland banks in the Guangdong/Hong Kong/Macau Greater Bay Area. Effective July 4, 2022, exchange-traded open-ended funds are officially added to the Stock Connect mechanism between Hong Kong and the mainland.
Sale or issue locally by nonresidents	Yes.	Hong Kong public placement fund products that meet requirements may be publicly offered for sale in mainland China subject to registration with the CSRC.
Purchase abroad by residents	Yes.	QDIIs may purchase collective investment securities abroad, subject to their respective foreign exchange quotas and regulatory limits. RQDIIs may invest in renminbi-denominated products in foreign financial markets according to regulations. To support competent domestic institutions in carrying out various types of outbound investments, in additional to the QDII scheme, the SAFE has launched QDIE pilots in Shenzhen and QDLP in Shanghai, Beijing, Hainan, Chongqing, Jiangsu, Guangdong (exc. Shenzhen), and Qingdao since 2013. QDLP/QDIE programs enable domestic investors who meet qualifications to raise funds domestically and invest them abroad in securities, private equity,

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		commodities, and real estate. The total approved QDLP/QDIE quota is currently US$54 billion. In October 2013, a quota of US$1 billion was set for the QDLP pilot in Shanghai. In December 2014, a quota of US$1 billion was set for the QDIE pilot in Shenzhen. In April 2018, the quotas for QDLP in Shanghai and QDIE in Shenzhen were both raised to US$5 billion. In December 2019, a quota of US$5 billion was set for the QDLP scheme in Beijing. In November 2020, the quotas for QDLP/QDIE in Shanghai, Shenzhen, and Beijing were all raised to US$10 billion. In December 2020, quotas of US$5 billion were set for the QDLP schemes in Hainan and Chongqing. In March 2021, new QDLP pilots began in Qingdao (US$3 billion), Jiangsu (US$5 billion), and Guangdong (ex. Shenzhen) (US$5 billion). In June 2021, a quota of US$1 billion was set for a QDLP scheme in Ningbo. Insurance companies may invest overseas subject to approval. The aggregate balance of insurance companies' overseas investment may not exceed 15% of the insurance company's total assets at the end of the previous quarter, and the total amount of actual investment must not exceed the investment payment limit approved by the SAFE. A solvency-based differentiated proportional supervision policy has been instituted for the book value of insurance companies' investments in equity-type assets (previously no more than 30% of the company's total assets at the end of the previous quarter), and the book value of major equity investments must not exceed the company's net assets at the end of the previous quarter; the book value does not include investments in insurance enterprise stock made using the insurance company's own funds. The book values of investments in single fixed-income assets, equity-type assets, fixed assets, and other financial assets must not exceed 5% of the company's total assets at the end of the previous quarter. Single-asset investments refer to investments in single, specific investment varieties among the major investment asset categories. For investment varieties issued in installments, the book value of single-asset investments is the total amount invested in each installment period. A single investment in a single legal entity may not exceed 20% of the insurance company's total assets at the end of the previous quarter. Cross-Border Wealth Connect: Qualified domestic individuals may purchase qualified investment products at banks in Hong Kong and Macao. Effective July 4, 2022, exchange-traded funds were officially added to the Stock Connect mechanism between Hong Kong and the mainland.
Sale or issue abroad by residents	Yes.	Domestic public placement fund products that meet legal requirements may be sold or issued in the Hong Kong SAR region subject to approval by the Securities and Futures Commission.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	CSRC, PBC, and SAFE Decree [2006] No. 176 and CSRC Announcement [2020] No. 63 expanded the range of financial instruments in which the PBC permits QFIIs/RQFIIs to invest. For the purpose of hedging risk, based on hedge trading objectives, QFIIs and RQFIIs may invest in domestic stock index futures and engage in foreign exchange risk hedging. Foreign CBs (monetary authorities) and other reserve management institutions, international financial organizations, and sovereign wealth funds may enter the Chinese interbank foreign exchange market and initiate various types of foreign exchange transactions, including forward, swap, and option,

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through one or more of the following three avenues: through the PBC as their agent, through a Chinese interbank foreign exchange market member as their agent, and by directly becoming a foreign member of the Chinese interbank foreign exchange market. Transaction methods include OTC and price-matching, without limits on the amount. Foreign banks can apply for membership of the CFETS, and can then participate directly in the foreign currency interbank market; or they may apply for membership of the CFETS and then participate in the market through an agent. Foreign nonbank financial institutions can apply for membership of the CFETS and can then participate in the foreign currency interbank market through an agent.

Foreign CBs, monetary authorities, international financial organizations, and sovereign wealth funds may initiate bond forwards and interest rate swaps, forward interest rate agreements, and other interbank market transactions approved by the PBC. Qualified institutional investors that meet the requirements of PBC Announcement [2016] No. 3, including all types of financial institutions legally registered outside China, such as commercial banks, insurance companies, securities companies, fund management companies, and other asset management institutions, and the investment products legally issued to clients by said financial institutions, as well as other medium- to long-term institutional investors approved by the PBC, such as pension funds, charitable funds, and endowment funds, may initiate spot trading on the interbank bond market and may engage in bond lending, bond forward, forward interest rate agreement, and interest rate swap transactions. Effective May 15, 2023, the Swap Connect went online. Overseas investors from Hong Kong and other countries and regions were permitted to participate in the mainland Chinese interbank interest rate swap (IRS) market through the northbound leg of the Swap Connect.

Financial institutions (including finance companies) that sell foreign exchange forwards to their clients must deposit foreign exchange risk reserves. The risk reserve ratio for foreign exchange forwards is currently 20%. The calculation should be based on the amount of contracted forward foreign exchange sales of the previous month and the reserves should be deposited in dollars with the PBC. The holding period of the foreign exchange risk reserve is one year and the interest rate is tentatively set at 0.

On March 26, 2018, formal trading of RMB-denominated crude oil futures targeting domestic and foreign investors began on the Shanghai Energy Exchange.

On May 4, 2018, foreign investors were introduced into iron ore futures trading on the Dalian Commodity Exchange.

Since November 30, 2018, foreign investors were formally introduced into purified terephthalic acid futures on the Zhengzhou Commodity Exchange.

On August 12, 2019, formal trading of RMB-denominated TSR 20 futures targeting domestic and foreign investors began in the Shanghai Energy Exchange.

On June 22, 2020, formal trading of RMB-denominated low-sulfur fuel oil futures began on the Shanghai Energy Exchange.

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		On November 19, 2020, formal trading of RMB-denominated international copper futures targeting domestic and foreign investors began on the Shanghai Energy Exchange. On December 22, 2020, foreign investors were introduced into palm oil futures trading on the Dalian Commodity Exchange. On June 18, 2021, foreign investors were introduced into palm oil options trading on the Dalian Commodity Exchange. On June 21, 2021, foreign investors were introduced into crude oil options trading on the Shanghai International Energy Exchange. Effective December 26, 2022, foreign investors were introduced into the trading of eight products on the Dalian Commodity Exchange: no. 1 soybean futures and options, no. 2 soybean futures and options, soybean meal futures and options, and soybean oil futures and options. Effective January 12, 2023, foreign investors were introduced into the trading of six products on the Zhengzhou Commodity Exchange: peanut futures and options, rapeseed meal futures and options, and rapeseed oil futures and options. Effective August 18, 2023, foreign investors were introduced into SCFIS (Europe) Futures Contract trading on the Shanghai International Energy Exchange.
Sale or issue locally by nonresidents	Yes.	Foreign CBs, monetary authorities, international financial organizations, and sovereign wealth funds may initiate bond forwards and interest rate swaps, forward interest rate agreements, and other interbank market transactions approved by the PBC. Qualified institutional investors that meet the requirements of PBC Announcement [2016] No. 3, including all types of financial institutions legally registered outside China, such as commercial banks, insurance companies, securities companies, fund management companies, and other asset management institutions, and the investment products legally issued to clients by said financial institutions, as well as other medium- to long-term institutional investors approved by the PBC, such as pension funds, charitable funds, and endowment funds, may initiate spot trading on the interbank bond market and may engage in bond lending, bond forward, forward interest rate agreement, and interest rate swap transactions. Qualified investors in compliance with PBC [2016] No. 3 may participate in all activities in the interbank derivatives markets except for issuing.
Purchase abroad by residents	Yes.	Bank financial institutions under the regulatory jurisdiction of the CBIRC may purchase and sell derivative instruments with the approval of the former CBRC for the following purposes: (1) to hedge inherent balance sheet risk, (2) for profit, and (3) to provide customers (including financial institutions) derivatives trading services. Before such innovations as initiating new operational varieties or expanding to new markets, bank financial institutions should seek the opinions of regulatory agencies in writing. Commercial banks conducting overseas wealth management services on behalf of clients may not invest in commodity derivatives. Institutions that engage in derivatives trading related to foreign exchange, stocks, and commodities and exchange-listed derivatives must comply with SAFE and other relevant regulations. Banking industry financial institutions that comply with the relevant

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		requirements may engage in domestic gold futures trading business. QDIIs may, in accordance with regulations, invest in foreign derivative instruments subject to their foreign exchange quotas. With the permission of the State-Owned Assets Supervision and Administration Commission, central-government-owned enterprises may conduct offshore derivatives products business. The CIRC allows insurance companies to use such products as forwards, swaps, options, and futures to hedge risks. On registration with the SAFE, domestic employees of domestic affiliates of foreign listed companies may participate in these companies' equity incentive programs and purchase shares or options under the terms of such programs. Since 2015, financial institutions or enterprises in Shanghai may participate in offshore derivatives trading by establishing free trade accounts. RQDIIs may invest in RMB-denominated foreign derivate products in accordance with the relevant requirements of the CBIRC.
Sale or issue abroad by residents	Yes.	Without approval, sale or issue abroad is not permitted by nonbank institutions. Banks require prior approval from the CBIRC, to engage in sale or issue abroad of derivative products.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	The macroprudential adjustment parameter for overseas borrowing by domestic enterprises was increased from 0.3 to 0.5 on January 5, 2021. As of February 4, 2021, the regulation of renminbi-denominated overseas loans has been simplified. Loans repaid ahead of schedule are not counted in the loan quota for domestic companies making overseas renminbi loans; the currency conversion factor has been adjusted to 0.5. Effective March 1, 2022, domestic banks may freely conduct domestic and foreign currency cross-border financing within the limit determined by their Tier 1 capital or working capital, without being subject to PBC and SAFE advance review and approval requirement. Previously, prior approval was required. The outstanding overseas loans of domestic banks may not exceed the upper limit determined by its net Tier 1 capital (calculated as working capital for domestic branches of foreign banks), the leverage ratio of overseas loans, and the macroprudential adjustment parameters. In principle, overseas loans issued by domestic banks may be used for relevant expenses within the scope of operation of overseas enterprises and may not be used for the following purposes: securities investment or repayment of overseas debts under Domestic Guarantees for Foreign Loans; transactions without authentic trade background or other forms of speculative arbitrage transactions; and the repatriation of funds to China through financing provided to domestic entities, equity investment, etc. If the overseas loan is used for overseas investment, it should comply with the regulations of the relevant domestic authorities on overseas investment.
To residents from nonresidents	Yes.	Enterprises in China can freely carry out cross-border financing in RMB or in foreign currencies within the limit determined by their net assets, without being subject to PBC and SAFE advance review requirement.

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		Effective February 10, 2023, if a domestic financial institution is to receive a commercial loan with a maturity of than one year, it must apply in advance with the NDRC for approval and registration. As of February 4, 2021, the regulation of renminbi-denominated overseas borrowing by domestic enterprises has been updated. Domestic enterprises which needed to open multiple renminbi accounts to handle separate renminbi loans may now instead use a single renminbi account to handle payment and receipt of funds released from multiple loans. Effective April 18, 2022, non-financial enterprises may use a single foreign currency account to receive loan payments from multiple separate overseas loans.
Financial credits	Yes.	
By residents to nonresidents	No.	Within their approved scopes of operations, bank financial institutions may provide commercial loans directly abroad. Beginning on March 1, 2022, Domestic banks may freely conduct domestic and foreign currency cross-border financing within the limit determined by their Tier 1 capital or working capital, without being subject to PBC and SAFE advance review and approval requirement. Previously, prior approval was required. The outstanding overseas loans of domestic banks may not exceed the upper limit determined by its net Tier 1 capital (calculated as working capital for domestic branches of foreign banks), the leverage ratio of overseas loans, and the macroprudential adjustment parameters. In principle, overseas loans issued by domestic banks may be used for relevant expenses within the scope of operation of overseas enterprises and may not be used for the following purposes: securities investment or repayment of overseas debts under Domestic Guarantees for Foreign Loans; transactions without authentic trade background or other forms of speculative arbitrage transactions; and the repatriation of funds to China through financing provided to domestic entities, equity investment, etc. If the overseas loan is used for overseas investment, it should comply with the regulations of the relevant domestic authorities on overseas investment. RMB cross-border lending by domestic companies requires registration at the local branch of the SAFE. The sum of their offshore RMB and foreign currency loans should not exceed 30% of shareholder's equity as indicated by the audited financial statements of the previous year. Additional requirements on the loan's objectives, funding sources, lending period, usage, withdrawal, etc., are also in place. Domestic correspondent banks may offer RMB financing accounts to banks participating in foreign RMB operations within certain limits and maturities. Domestic parent banks or head offices may provide RMB liquidity support to foreign RMB clearing banks. Within the present institutional framework of foreign debt and foreign lending, resident enterprises may use RMB to manage cross-border credit business. The macroprudential adjustment parameter for overseas borrowing by domestic enterprises was increased from 0.3 to 0.5 on January 5, 2021. As of February 4, 2021, the regulation of renminbi-denominated

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		overseas loans has been simplified. Loans repaid ahead of schedule are not counted in the loan quota for domestic companies making overseas renminbi loans; the currency conversion factor has been adjusted to 0.5.
To residents from nonresidents	Yes.	Effective February 10, 2023, if a domestic financial institution is to receive a commercial loan with the maturity of than one year, it must apply in advance with the NDRC for approval and registration. Legal person financial institutions and enterprises in China can freely carry out cross-border financing in RMB or in foreign currencies within the limit determined by their capital and net assets, without being subject to PBC and SAFE advance review and approval requirement. Domestic branches of foreign banks (including banks in Hong Kong SAR, Macau SAR, and Taiwan Province of China) may freely conduct domestic and foreign currency cross-border financing within the limit determined by their capital or net asset, without being subject to PBC and SAFE advance review and approval requirement. Within the present institutional framework of foreign debt and foreign lending, resident enterprises may use RMB to manage cross-border credit business. The aggregate balance of medium- and long-term foreign debt and outstanding short-term foreign debt of foreign-invested enterprises may not exceed the difference between total investment and registered capital. "Total investment" means the sum of construction funds and working capital required for production as stipulated in joint investment contracts and enterprise articles of association. Within this scope, preapproval is not required to borrow from nonresidents; however, the borrower must complete the SAFE registration procedures. Converting such funds to RMB does not require SAFE approval. Multinational enterprise groups, in accordance with their own operational and management needs, may engage in currency (RMB/foreign) pooling transactions with member enterprises both domestically and abroad. As of February 4, 2021, the regulation of renminbi-denominated overseas borrowing by domestic enterprises has been updated. Domestic enterprises which needed to open multiple renminbi accounts to handle separate renminbi loans may now instead use a single renminbi account to handle payment and receipt of funds released from multiple loans.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Cross-border guarantees by residents and nonresidents are not subject to SAFE approval. Resident nonfinancial entities may provide RMB guarantees abroad without PBC approval. All guarantees must be registered individually. Offshore guarantees for onshore loans must be registered individually.
To residents from nonresidents	Yes.	Cross-border guarantees by residents and nonresidents are not subject to SAFE approval. Under certain conditions, domestic institutions may accept guarantees offered by foreign institutions or individuals. Foreign nonfinancial institutions may use the funds on their RMB settlement accounts as collateral for domestic financing. Onshore guarantees for offshore loans must be registered individually.
Controls on direct investment	Yes.	

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Outward direct investment	Yes.	In 2014, the Ministry of Commerce amended the Administrative Measures on Overseas Investment, implementing an administrative model that "primarily relies on a filing system and is supported by approvals" for enterprises investing and incorporating overseas. With the exception of overseas investments in sensitive countries and regions and sensitive industries, for which an approval system is in place, all other overseas investments are administered using a filing system. Countries for which approvals are required refer to countries that have no diplomatic relationship with the People's Republic of China and countries that are subject to UN sanctions; when necessary, the Ministry of Commerce may additionally announce a list of other countries for which approval management is required. Industries for which approvals are required are those that involve the export of products and technologies with export restrictions placed by the People's Republic of China, and industries that affect more than one country's (region's) interests. At present, 99% of overseas investment matters are administered using the filing system. In August 2017, the Ministry of Commerce, NDRC, PBC, and Ministry of Foreign Affairs jointly issued Guiding Opinions on Further Directing and Regulating the Direction of Overseas Investments, which defined three classes of overseas investment: encouraged, limited, and forbidden. In December 2017, the NDRC issued Administrative Measures for Outbound Investment by Enterprises, providing a comprehensive regulation for overseas investment. This regulation facilitated overseas investment by specifying that for non-sensitive projects, enterprises are required only to register their investments; for sensitive projects, assessment is still required. Outward direct investment should also be registered at banks. Banks may process such operations as opening accounts and remitting funds for enterprises on the basis of the three principles of "know your customer," "know your business," and "conduct due diligence." Domestic institutions may use a variety of legitimate asset sources for outward direct investment, including their own foreign exchange funds, foreign currency loans obtained domestically in accordance with regulations, foreign exchange purchased using RMB, or tangible or intangible assets, and such profits as are kept abroad. During the preparatory stage of formal startup of a foreign project, resident entities may remit funds overseas in an amount not to exceed the smaller value of US$300 million and 15% of the Chinese investor's total investment. To support competent domestic institutions in carrying out various types of outbound investments, in additional to the QDII scheme, the SAFE has launched QDIE pilots in Shenzhen and QDLP in Shanghai, Beijing, Hainan, Chongqing, Jiangsu, Guangdong (exc. Shenzhen), and Qingdao since 2013. QDLP/QDIE programs enable domestic investors who meet qualifications to raise funds domestically and invest them abroad in securities, private equity, commodities, and real estate. The total approved QDLP/QDIE quota is currently US$54 billion. In October 2013, a quota of US$1 billion was set for the QDLP pilot in Shanghai. In December 2014, a quota of US$1 billion was set for the QDIE pilot in Shenzhen. In April 2018, the quotas for QDLP in Shanghai and QDIE in Shenzhen were both raised to US$5 billion. In December 2019, a quota of US$5 billion was set for the QDLP scheme in Beijing. In November 2020, the quotas for QDLP/QDIE in Shanghai, Shenzhen, and Beijing were all raised to US$10 billion. In December 2020, quotas of US$5

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		billion were set for the QDLP schemes in Hainan and Chongqing. In March 2021, new QDLP pilots began in Qingdao (US$3 billion), Jiangsu (US$5 billion), and Guangdong (ex. Shenzhen) (US$5 billion). In June 2021, a quota of US$1 billion was set for a QDLP scheme in Ningbo.
Inward direct investment	Yes.	Because the Foreign Investment Law and the corresponding implementation regulations went into effect, China has implemented a pre-establishment national treatment plus negative list administration system for foreign investors. Foreign investors are not permitted to invest in fields listed on the negative list as prohibited. To invest in in fields listed on the negative list as restricted, foreign investors must comply with the relevant restrictive investment requirements, including the holdings requirements on the negative list, and restrictions on senior managers. Foreign investment in fields not contained in the access negative list is administered in accordance with the principle of equal treatment for domestic and foreign capital. Nonresidents may invest in China, provided they are in compliance with the requirements of laws and regulations concerning foreign investment and other laws and regulations. Foreign enterprises and individuals that establish a partnership enterprise in China must apply for registration of the enterprise to the local administrative department for industry and commerce authorized by the State Administration for Industry and Commerce; approval of the Ministry of Commerce is not required in such cases. Partnership enterprises whose main business is investment are subject to additional government provisions. Conversion of the invested funds from foreign exchange to RMB may be carried out as determined by the enterprise. FDI should also be registered at banks. Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Edition) and Special Administrative Measures (Negative List) for Foreign Investment Access in Free Trade Pilot Areas (2021 Edition) have gone into effect. They were issued by the NDRC and Ministry of Commerce on December 27, 2021. The negative list for foreign investment was further reduced. The national negative list was cut from 33 items to 31; the negative list for FTZs was cut from 30 items to 27. The 2021 edition of the negative lists further reduced the number of restricted items, improved the regulations, and targeted the restrictions more precisely. The reduction in the national list down to 31 items represents a 6.1% decrease; the cut in the FTZ list to 27 items a 10% decrease. Effective January 1, 2022, the 2021 edition of the negative lists entered into force. Major changes: (1) Increasing openness in the manufacturing sector. For example, in vehicle manufacturing, the foreign ownership limits on manufacturers of passenger vehicles were canceled, as was the restriction that a single foreign investor may invest in a maximum of two joint ventures in the same category of vehicle. (2) Continued expansion of access to entry in the service sector in FTZ pilot regions. In market surveys, restrictions on foreign investment were canceled with the exception of the requirement that a Chinese partner must hold a controlling stake in companies carrying out TV and radio audience surveys. In social surveys, foreign companies are permitted to invest, but Chinese partners must

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hold a stake of no less than 67%, and the company's legal representative should be a Chinese citizen.

(3) Increased precision in the negative lists for foreign investment. The following new clause was added to the rubric of the 2021 edition of the negative list: "A Chinese company in an industry which is forbidden to foreign investment must obtain the agreement of the relevant Chinese national regulators before making a public offering of shares overseas. Foreign investors may not participate in the operations or management of the company, and their holdings in the company must comply with the holdings restrictions that apply within China."

(4) Improved management of the negative lists. In compliance with the Implementation Regulations for the Foreign Investment Law, the following was added to the rubric of the negative lists: "When a foreign-owned company in China makes an investment within China, the rules of the negative list for investments shall apply." The connection between the negative lists for investment and the negative lists for market access was improved. The following was added to the rubric of the negative lists: "The terms of the Market Access Negative Lists shall apply to all investors, Chinese as foreign."

The aggregate balance of medium- and long-term foreign debt and outstanding short-term foreign debt of foreign-invested enterprises may not exceed the difference between total investment and registered capital. "Total investment" means the sum of construction funds and working capital required for production as stipulated in joint investment contracts and enterprise articles of association. Within this scope, preapproval is not required to borrow from nonresidents; however, the borrower must complete the SAFE registration procedures. Converting such funds to RMB does not require SAFE approval.

Foreign investors currently are not subject to restrictions in investing in the B shares of domestically listed companies.

Foreign investors may make strategic investments in A shares of domestically listed companies, but are subject to the following restrictions. (1) Investors must (a) be legally incorporated and operating foreign legal entities or other organizations that are financially sound and have good credit and mature management experience; (b) have actual offshore assets totaling no less than US$100 million or actual offshore assets under management totaling no less than US$500 million, parent company actual offshore assets totaling no less than US$100 million, or actual offshore assets under management totaling no less than US$500 million; (c) have a sound governance structure and good internal control systems with standardized operations; and (d) have received no material penalties from domestic or foreign regulatory agencies in the past three years (including parent company). (2) A shares of the listed company must be acquired through acquisition under contract or acquisition through targeted issuance of new shares by the listed company or by other means set forth in national laws and regulations. (3) Investment may take place in installments; the percentage of shares obtained on completion of the first installment may not be less than 10% of the company's shares issued and outstanding, with the exception of industries with specific requirements or approval of the relevant authority. (4) A shares of the listed company may not be transferred for three years. (5) Investors' shareholdings may not exceed the

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		limits stipulated by law or regulation, if such limits are in place for specific industries, and investment is not allowed in listed companies in areas prohibited by law or regulation. (6) Shareholders of government-owned shares in listed companies must comply with the relevant regulations. Foreign investors may engage in direct investment activities in China using RMB legally obtained abroad. Legitimately obtained RMB includes RMB obtained by foreign investors from (1) cross-border trade settlement in RMB; (2) mainland China in the form of profits and earnings from equity swaps, reduction of invested capital, clearing, and advance recovery of investment; and (3) the issuance of bonds and shares denominated in RMB abroad and other ways. Banks may settle inward direct investment transactions in RMB on the basis of the three principles of "know your customer," "know your business," and "conduct due diligence," relying on the income and payment instruction submitted by the enterprises. Profit of less than US$50,000 from direct investments may, following a bona fide test by the bank, be repatriated without documentary proof. For the repatriation of profits above US$50,000, banks must verify documents related to the current profit repatriation, including the board of directors' resolutions on the distribution of profits (or the partners' resolution on the distribution of profits), originals of tax filing forms, and audited financial reports. In October 2022 and effective January 1, 2023, the NDRC issued the current 2022 edition of the Catalogue of Encouraged Foreign Investment Industries, with 1474 items (519 national; 955 for central and western regions). This was a net increase of 239 items over the 2020 list. Major supportive policies include: (1) When a foreign company invests in an encouraged industry, equipment imported as part of the investment is exempted from any customs tariff, unless it is in the no-exemptions catalogue. (2) For eligible investments in companies in western China or Hainan Province in an encouraged industry, corporate income tax is reduced to 15%. (3) Industrial projects that make intensive use of land must receive priority assignment of land. On confirmation of eligibility for low-priced land, the land may be offered at a rate equivalent to 70% of the national minimum price for industrial land.
Controls on liquidation of direct investment	Yes.	"A" shares of listed companies may not be transferred for three years. Premature liquidation before expiration of the term of operations requires approval of the original reviewing and approving authority or a judicial decision. On liquidation, after registering with the relevant bank, a foreign investor may purchase foreign currency and initiate repatriation of funds. RMB funds obtained from liquidation by foreign investors may be remitted abroad by banks, with no need for PBC approval.
Controls on real estate transactions	Yes.	The regulations governing direct investment apply.
Purchase abroad by residents	Yes.	Purchases of real estate abroad by resident entities are conducted similarly to direct investment abroad. Insurance companies may invest overseas subject to approval. The aggregate balance of insurance companies' overseas investment may not exceed 15% of the insurance company's total assets at the end of the previous quarter. A single investment in equity and fixed-income assets may not exceed 5%, and investments in a single legal entity may not exceed 20% of the insurance company's total assets at the end of the previous quarter. The balance of foreign and domestic real estate

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		investments may not exceed 30% of the insurance company's total assets at the end of the previous quarter. The total balance does not include real estate purchased with insurance companies' own funds for their own use, the balance of which may not exceed 50% of their total net assets at the end of the previous quarter. A single investment in real estate may not exceed 5% of the insurance company's total assets at the end of the previous quarter. To support competent domestic institutions in carrying out various types of outbound investments, in additional to the QDII scheme, the SAFE has launched QDIE pilots in Shenzhen and QDLP in Shanghai, Beijing, Hainan, Chongqing, Jiangsu, Guangdong (exc. Shenzhen), and Qingdao since 2013. QDLP/QDIE programs enable domestic investors who meet qualifications to raise funds domestically and invest them abroad in securities, private equity, commodities, and real estate. The total approved QDLP/QDIE quota is currently US$54 billion. In October 2013, a quota of US$1 billion was set for the QDLP pilot in Shanghai. In December 2014, a quota of US$1 billion was set for the QDIE pilot in Shenzhen. In April 2018, the quotas for QDLP in Shanghai and QDIE in Shenzhen were both raised to US$5 billion. In December 2019, a quota of US$5 billion was set for the QDLP scheme in Beijing. In November 2020, the quotas for QDLP/QDIE in Shanghai, Shenzhen, and Beijing were all raised to US$10 billion. In December 2020, quotas of US$5 billion were set for the QDLP schemes in Hainan and Chongqing. In March 2021, new QDLP pilots began in Qingdao (US$3 billion), Jiangsu (US$5 billion), and Guangdong (ex. Shenzhen) (US$5 billion). In June 2021, a quota of US$1 billion was set for a QDLP scheme in Ningbo.
Purchase locally by nonresidents	Yes.	Nonresidents purchasing commercial residential housing must abide by the principles of actual need and self-use and may directly convert foreign exchange to RMB at a designated foreign exchange bank for the purchase.
Sale locally by nonresidents	Yes.	Nonresidents may directly perform the procedures for repatriating proceeds from the sale of real estate at banks in accordance with the relevant foreign exchange regulations. The transfer of foreign exchange does not require separate approval.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Resident individuals may not provide loans to nonresidents without specific authorization.
To residents from nonresidents	Yes.	Nonresident individuals may not provide loans to residents without specific authorization.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Residents may purchase foreign exchange at banks up to the facilitated exchange limit of US$50,000 equivalent per person per year, on the basis of valid personal identification documents; or, with valid personal identification and documentary evidence of the use of the currency to support family members overseas, may purchase foreign exchange at banks as current account items, without using up their personal facilitated exchange limit. Foreign heirs, including those from Hong Kong SAR, Macao SAR, and Taiwan Province of China, are permitted to transfer inheritances out of the country.
To residents from nonresidents	Yes.	With valid personal identification, residents' income from endowments, bequests, and legacies not exceeding the amount equivalent to US$50,000 may be converted to RMB with a bank.

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		Sale or settlement of amounts exceeding this amount requires valid personal identification, legal documents, and other related explanations and materials.
Settlement of debts abroad by immigrants	n.a.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Retirement and pension funds may be remitted abroad. Natural persons moving abroad or going to reside in Hong Kong SAR and Macao SAR may, before obtaining emigrant status, liquidate their lawfully owned property in China and purchase and remit the foreign exchange abroad. The purchase and payment of foreign exchange by emigrants transferring property abroad require SAFE approval.
Transfer into the country by immigrants	No.	Currently, there is no applicable legislation.
Transfer of gambling and prize earnings	No.	Currently, there is no applicable legislation.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	In accordance with China's WTO accession, foreign financial institutions may establish wholly owned subsidiary banks, Chinese–foreign joint venture banks, or branches of foreign banks in China. Pursuant to the Regulations on the Administration of Foreign-Funded Banks amended and announced in September 2019, foreign banks may simultaneously establish a wholly owned subsidiary bank and a foreign bank branch, or simultaneously establish a Chinese–foreign joint venture bank and a foreign bank branch. The restriction requiring foreign sole or major shareholders planning to establish Chinese–foreign joint venture banks to "present year-end total assets of not less than US$10 billion for the year preceding the application to establish" was eliminated, and the restriction requiring foreign banks planning to establish branches to "present year-end total assets of not less than US$20 billion" was eliminated. Branches of foreign banks may accept time deposits from resident Chinese citizens for individual deposits in amounts not less than RMB 500,000. A subsidiary of a foreign-owned bank or a foreign bank branch can engage in renminbi operations immediately on startup; no separate review and approval are needed. Business entities of a foreign-owned banks engaged in renminbi operations as set forth in Article 29 or Article 31 of the Regulation within their scope of operations should make preparations and complete the following tasks during the preparation period: A subsidiary of a foreign-owned bank or a foreign bank making its first application to engage in RMB operations should meet the following requirements: (1) allocate an appropriate number operating personnel who meet business development needs; (2) produce important business vouchers and forms for use with the public; (3) outfit themselves with security facilities approved by the competent authorities; (4) establish internal control systems and operational procedures for renminbi operations; and (5) if a business entity of a foreign-owned bank needs to increase registered capital or working capital to engage in renminbi operations, it should retain a certified public accounting firm registered in China to verify capital, and submit the capital verification certificate to the local office of the CBIRC.

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		Hong Kong, Macau, and Taiwanese banks that establish wholly owned banks, joint venture banks, and branches on the mainland are subject to the relevant requirements of the Regulations on the Administration of Foreign-Funded Banks.
Borrowing abroad	Yes.	Effective February 10, 2023, commercial banks and other financial institutions borrowing loans abroad with maturities in excess of one year must apply in advance for approval and registration with the NDRC (previously, only for filing and registration purposes). All foreign borrowing must be registered with the SAFE. Chinese-funded commercial banks issuing bonds must obtain the permission of the CBIRC. Domestic financial institutions may issue RMB bonds abroad with PBC approval. Legal person financial institutions and enterprises in China can freely carry out cross-border financing in RMB or in foreign currencies within the limit determined by their capital and net assets, without being subject to PBC and SAFE advance review and approval requirement. Domestic branches of foreign banks (including banks in Hong Kong SAR, Macau SAR, and Taiwan) may freely conduct domestic and foreign currency cross-border financing within the limit determined by their capital or net asset, without being subject to PBC and SAFE advance review and approval requirement. To promote the smooth linkage and transition of policies, in accordance with national treatment principles, the "cross-border financing leverage ratios" for Chinese and foreign-invested enterprises were uniformly increased. The leverage ratio for cross-border financing of bank type corporate financial institutions and branches of foreign banks is 0.8 (for enterprises the leverage ratio is 2 and for nonbank financial institutions it is 1). Effective October 25, 2022, the macroprudential adjustment parameter for financial institutions and enterprises was raised from 1 to 1.25; effective June 20, 2023, it was further raised to 1.5.
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	Yes.	Banking financial institutions may, within the approved scope of operations, directly provide commercial loans abroad. There are no quota and no requirement for approval for RMB loans. For domestic institutions other than commercial banks carrying out cross-border lending business, their overseas loan balance, in RMB and in foreign currencies combined, should not exceed 30% of shareholder's equity as indicated by the audited financial statements of the previous year. Effective March 1, 2022, Domestic banks may freely conduct domestic and foreign currency cross-border financing within the limit determined by their Tier 1 capital or working capital, without being subject to PBC and SAFE advance review and approval requirement. Previously, prior approval was required. The outstanding overseas loans of domestic banks may not exceed the upper limit determined by its net Tier 1 capital (calculated as working capital for domestic branches of foreign banks), the leverage ratio of overseas loans, and the macroprudential adjustment parameters. In principle, overseas loans issued by domestic banks may be used for relevant expenses within the scope of operation of overseas enterprises and may not be used for the following purposes: securities investment or repayment of overseas debts under Domestic Guarantees for Foreign Loans; transactions without authentic trade background or other forms of speculative arbitrage transactions; and the repatriation of funds to China through financing provided to

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		domestic entities, equity investment, etc. If the overseas loan is used for overseas investment, it should comply with the regulations of the relevant domestic authorities on overseas investment.
Lending locally in foreign exchange	Yes.	Banks must comply with provisions of the Commercial Banking Law of China concerning asset–debt ratio management. SAFE registration and permission are not required for residents who borrow foreign exchange from domestic Chinese financial institutions to repay principal. However, creditors must submit regular loan registrations and report the principal and interest repayment status to the SAFE.
Purchase of locally issued securities denominated in foreign exchange	Yes.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The PBC enforces different deposit reserve ratio for differing types of financial institutions for RMB deposits. Currently, the reserve ratio for major banks is 9%; for medium banks, it is 7%; for small banks, it is 5%. On July 15, 2021, the PBC lowered financial institutions' deposit reserve ratio on RMB deposits by 0.5 percentage points. On December 15, 2021, it lowered financial institutions' deposit reserve ratio on RMB deposits by 0.5 percentage points and applied the most favorable deposit reserve ratio gearing to all financial institutions which submit to inclusive finance assessments and use a certain proportion of new deposits for local lending. Effective April 25, 2022, the PBC reduced all required reserve ratios of RMB deposits by 0.25 percentage points. For local commercial banks operating within a single province, and for rural commercial banks with deposit reserve rates higher than 5%, the reserve requirement ratiowas reduced by a further 0.25 percentage points. On June 15, 2021, the PBC raised financial institutions' deposit reserve ratio on foreign exchange deposits by 2 percentage points to 7%. On December 15, 2021, it raised financial institutions' deposit reserve ratio on foreign exchange deposits by 2 percentage points to 9%. Effective May 15, 2022, it lowered financial institutions' deposit reserve ratio on foreign exchange deposits by 1 percentage point to 8%. Effective December 5, 2022, the PBC lowered financial institutions' deposit reserve ratio on RMB deposits by 0.25 percentage points. Effective March 27, 2023, the PBC lowered financial institutions' deposit reserve ratio on RMB deposits by 0.25 percentage points. Effective September 15, 2023, the PBC lowered financial institutions' deposit reserve ratio on RMB deposits by 0.25 percentage points. Effective September 15, 2022, the PBC lowered financial institutions' deposit reserve ratio on foreign exchange deposits by 2 percentage points to 6%. Effective September 15, 2023, the PBC lowered financial institutions' deposit reserve ratio on foreign exchange deposits by 2 percentage points to 4%.
Liquid asset requirements	No.	The ratio of the balance of current assets to the balance of current liabilities may not be lower than 25%.
Interest rate controls	No.	
Credit controls	No.	Commercial bank loans to single nonbank customers must not exceed 10% of their net capital; risk exposure to single nonbank customers must not exceed 15% of net Tier 1 capital.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	

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Liquid asset requirements	No.	The ratio of the balance of current assets to the balance of current liabilities may not be lower than 25%.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	For a Chinese-funded commercial bank to apply to invest in the formation of, hold shares in, or acquire an overseas institution, the applicant must meet the following conditions: (1) It must have a sound and effective corporate governance structure and internal controls, business line management, and risk control capabilities that are compatible with the development of its overseas business. (2) It must have a clear overseas development strategy. (3) It must have good consolidated management capabilities. (4) The primary main prudential regulatory indicators must meet the regulatory requirements. (5) The balance of its equity investments must in principle not exceed 50% of its net assets (on a consolidated accounting basis). (6) It must have been profitable for the latest three consecutive fiscal years. (7) The balance of its year-end assets must be at least RMB 100 billion for the year preceding its application. (8) It must have a team of professionals compatible with the foreign business environment. (9) Other prudential conditions prescribed by the CBIRC. As referred to here, overseas institutions must mean the overseas level-one branches, wholly affiliated or controlled financial institutions of Chinese-funded commercial banks, representative institutions, and transnational (cross-border) institutions established by level-one branches or wholly owned subsidiaries.
In banks by nonresidents	Yes.	As a founder or strategic investor of a Chinese-funded commercial banking institution, overseas financial institutions must meet the following conditions: (1) It must have a good long-term credit rating in the most recent two years by an international rating institution accepted by the CBIRC. (2) It must have been continuously profitable in the most recent two fiscal years. (3) Commercial bank capital adequacy ratios must reach the local banking industry average in the place of incorporation and must not be lower than 10.5%. The total capital of nonbank financial institutions must not be lower than 10% of total weighted risk assets. (4) It must have sound and effective internal controls. (5) There must be a complete financial institution supervision and regulatory system in the place of incorporation. (6) Economic conditions must be good in the country (region) where the institution is located. (7) Other prudential conditions prescribed by the CBIRC. Effective October 8, 2022, the requirement for overseas financial institutions to have total year-end assets no less than US$10 billion in the most recent year as a founder or strategic investor of a Chinese-funded commercial banking institution no longer applies. As founders or strategic investors, overseas financial institutions that become shareholders of Chinese-funded commercial banks should abide by the principles of long-term shareholding, optimized governance, business cooperation, and competition avoidance. The CBIRC may adjust the requisite conditions for an overseas financial institution to become a founder in accordance with financial

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		sector risk conditions and regulatory requirements. When a foreign bank invests in or buys an equity stake in a small rural bank, the regulatory regime depends on the category of the small rural bank at the time of the investment. Foreign banks must also comply with national regulations governing foreign investors in China. As a founder or strategic investor of a rural commercial bank, overseas financial institutions must meet the following conditions: (1) It must have a good long-term credit rating in the most recent two years by an international rating institution accepted by the CBIRC. (2) It must have been continuously profitable in the most recent two fiscal years. (3) Capital adequacy ratios must reach the local banking industry average in the place of incorporation and must not be lower than 10.5%. (4) It must have sound and effective internal controls. (5) The investment funds must be the investor's own capital, not funds under management or debt financing. (6) Economic conditions must be good in the country (region) where the institution is located. (7) There must be a complete financial institution supervision and regulatory system in the place of incorporation. (8) Other prudential conditions prescribed by the CBIRC. As founders or strategic investors, overseas banks that become shareholders must abide by the principles of long-term shareholding, optimized governance, business cooperation, and competition avoidance. The CBIRC may adjust the requisite conditions for an overseas banks to become a founder in accordance with financial sector risk conditions and regulatory requirements. When a foreign bank or joint venture bank is a founder or strategic investor in an overseas bank, it must be subject to the same rules as overseas banks
Open foreign exchange position limits	Yes.	SAFE Administrative Regulations for Financial Institutions that Handle Proprietary Foreign Exchange Trading Operations also includes a relevant regulations. Financial institutions trading foreign exchange on their own behalf may not have a daily total transaction volume (total open foreign exchange position) and exceed 20% of foreign exchange working capital. As authorized by top management, financial institutions trading foreign exchange on their own behalf may retain a small overnight open foreign exchange position no greater than 1% of foreign exchange working capital or foreign exchange operating funds. The cumulative foreign exchange open position ratio is the ratio of cumulative foreign exchange open positions to net capital, which is calculated on a quarterly basis and should not exceed 20%. Qualified commercial banks may simultaneously use other methods to measure foreign exchange risk (for example, the at-risk value method or the base-point present value method).
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	

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Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies must calculate ratios for the various types of investment products on a consolidated basis (including domestic and foreign investment amounts). A differential, solvency-based proportional supervision policy has been instituted for the book value of insurance company investments in equity-type assets, with eight different bands. The highest permitted book value must not exceed 45% of the company's total assets at the end of the previous quarter. The book values of investments in single fixed-income assets or equity-type assets must not exceed 5% of the company's total assets at the end of the previous quarter. Single-asset investments refer to investments in single, specific investment varieties among the major investment asset categories.
Limits (max.) on investment portfolio held abroad	Yes.	The total amount of foreign investments of insurance companies must not exceed 15% of the company's total assets at the end of the previous quarter, and the total amount actually investment must not exceed the investment payment limit approved by the SAFE. Insurance companies must calculate ratios for the various types of investment products on a consolidated basis (including domestic and foreign investment amounts); ratios for individual projects are required to be consistent with domestic products of the same type. A differential, solvency-based proportional supervision policy has been instituted for the book value of insurance company investments in equity-type assets (both domestic and foreign), and the book value of major equity investments must not exceed the company's net assets at the end of the previous quarter; the book value does not include investments in insurance enterprise stock made using the insurance company's own funds. The balance of foreign and domestic real estate investments may not exceed 30% of the company's total assets at the end of the previous quarter; this total book value does not include real estate purchased with insurance companies' own funds for their own use, whose balance may not exceed 50% of their total net assets at the end of the previous quarter. The book values of investments in single fixed-income assets, equity-type assets, fixed assets, and other financial assets must not exceed 5% of the company's total assets at the end of the previous quarter. Single-asset investments refer to investments in single, specific investment varieties among the major investment asset categories. For investment varieties issued in installments, the book value of single-asset investments is the total amount invested in each installment period.
Limits (min.) on investment portfolio held locally	Yes.	The total amount of foreign investments of insurance companies must not exceed 15% of the company's total assets at the end of the previous quarter, and the total amount actually investment must not exceed the investment payment limit approved by the SAFE. Insurance companies must calculate ratios for the various types of investment products on a consolidated basis (including domestic and foreign investment amounts); ratios for individual projects are required to be consistent with domestic products of the same type. A differential, solvency-based proportional supervision policy has been instituted for the book value of insurance company investments in equity-type assets (both domestic and foreign), and the book value of major equity investments must not exceed the company's net assets at the end of the previous quarter; the book value does not include investments in insurance enterprise stock made using the insurance company's own funds. The balance of foreign and domestic real estate investments may not exceed 30% of the company's total assets at the end of the previous quarter; this total book value does not include real estate purchased with insurance companies' own funds

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		for their own use, whose balance may not exceed 50% of their total net assets at the end of the previous quarter. The book values of investments in single fixed-income assets, equity-type assets, fixed assets, and other financial assets must not exceed 5% of the company's total assets at the end of the previous quarter. Single-asset investments refer to investments in single, specific investment varieties among the major investment asset categories. For investment varieties issued in installments, the book value of single-asset investments is the total amount invested in each installment period.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	The Social Security Fund's overseas investment ratios are calculated at cost and may not exceed 20% of total assets. The entrusted assets of the National Social Security Fund invested in a single security issued by an institution and managed by a single National Social Security Fund overseas investment manager may not exceed 10% of the quota for the security and fund. Calculation is at cost and may not exceed 20% of the total value of the National Social Security Fund overseas entrusted assets managed, unless the fund investment manager acts as an institutional investor to participate in overseas public listing placements and private placements for the Social Security Foundation and the Social Security Fund entrusts the shares it holds to the overseas investment manager for investment operations.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	On approval, and within defined quotas, qualified fund management firms and other securities operators may pool the foreign exchange and RMB funds of resident entities and individuals to engage in investment abroad in portfolio securities, including stocks. The market value of securities issued by the same institution (except governments and international financial organizations) held by a single fund or collective plan may not exceed 10% of the fund's net value; funds and collective plans must not purchase securities with the intention to control or influence the institution that issues the security or its management, and all funds and collective plans managed by the same domestic institutional investor must not hold more than 10% of the total outstanding voting securities of the same institution. Index funds may not be subject to these restrictions.
Limits (max.) on securities issued by nonresidents	Yes.	The market value of securities issued by the same institution (excluding governments and international financial organizations) held by a single fund or a collective plan must not exceed 10% of the net value of such fund or collective plan.
Limits (max.) on investment portfolio held abroad	Yes.	The market value of shares of overseas investment funds held by a single fund or a collective plan must not exceed 10% of the net value of such fund or collective plan. The holding of shares of money market funds may not be subject to this restriction.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

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Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	Definition of the electronic Chinese yuan (CNY): The e-CNY is a form of digital legal tender created by the PBC, along with its associated payment systems. It is used by selected authorized operators, both as a store of value in named accounts, and for the transfer of value between transactors. The e-CNY is based on the concept of personal accounts (broadly understood) and interoperable with existing bank account systems. The e-CNY and the physical units of renminbi currency are payment instruments that together constitute cash in the broad sense. The currency supports controllable anonymity, and it is legal tender. The e-CNY is a general payment instrument for all use cases, including both retail and wholesale payments. Practically, it has already been implemented for all payment use cases. Central management and two layers of operational structure The first layer is the PBC, which is responsible for issuing e-CNY to authorized operators. It manages and controls the currency and operates its core infrastructure. The second layer is the authorized operators, the group of commercial banks and other institutions which have obtained authorization to operate e-CNY. They are jointly responsible for the exchange and circulation of e-CNY and provide these services directly to the public. This two layer structure ensures that the e-CNY can benefit from the resources, personnel, and technologies held by commercial banks and from the power of markets to drive competition and innovation. The two layer structure also helps with the dispersal of risk and avoids the accumulation of risk in any single sector. The two layer structure can also prevent financial disintermediation, reducing the impact on the monetary and financial systems. Development timeline The PBC has carried out a program of pilot trials for the e-CNY since the end of 2019, while ensuring steadiness, security, controllability, innovation, and practicality. These pilots have tested the e-CNY's theoretical reliability, systemic stability, utility, convenience, applicability to use cases, and whether risk is properly controlled. The PBC assessed the industrial and economic features of each region and selected 26 regions in 17 provinces (municipalities) for e-CNY pilot programs. The pilot regions provided coverage of the Yangtze delta, Pearl delta, Beijing-Tianjin-Hebei region, central China, western China, the northeast, and the northwest. Pilot regions The 26 pilot regions for the digital renminbi are: Beijing, Tianjin, Hubei Province, Dalian, Shanghai, Jiangsu Province, Jiangsu (Hangzhou, Ningbo, Wenzhou, Huzhou, Shaoxing, Jinhua), Fujian (Fuzhou, Xiamen), Shandong (Jinan, Qingdao), Changsha, Guangdong Province, Guangxi (Nanning, Fangchenggang), Hainan Province, Chongqing, Sichuan Province, Yunnan (Kunming, Xishuangbanna), and Xi'an.
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	

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Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	Yes.	
Use among residents	Yes.	(1) Legal controls An amendment to the Law of the People's Republic of China on the PBC is currently in the public consultation phase. The amendment includes the new clause, "the renminbi shall include both physical and digital forms." Applications of the e-CNY must also comply with laws including the AML Law, the Anti-Terrorism Law, and the Personal Information Protection Law. (2) Departmental regulations The PBC issued Guidance on AML and Anti-Financing of Terrorism for e-CNY to help authorized operators effectively carry out the necessary work on money laundering and CFT. It also made changes to the current regulatory regime to adapt to the needs of e-CNY operations. It assessed the current mechanisms for assigning responsibility and specified rules for KYC checks on customers; suspicious transaction reports; and purchase and sale of e-CNY. It created systems for AML and financing of terrorism with clear priorities and gradations of severity. For any issues not covered in the Guidance on AML and Anti-Financing of Terrorism for e-CNY, departmental regulations will still apply, including Administrative Measures on the Reporting of Large Transactions and Suspicious Transactions by Financial Institutions; Administrative Measures on AML and CFT for Banks; and Administrative Measures on Identification of Customers and Retention of Customer Identity Materials and Transaction Records for Financial Institutions. (3) Operational regulations The PBC Digital Currency Research Institute is building out the financial infrastructure for the e-CNY within the framework of the laws and regulations, as required for the e-CNY development strategy. It has produced an operational framework covering areas such as institutions, operations, products, risk, emergency response, brands, and cross-border issues. It has also published standards for the most urgently-needed operations and products, in line with the approach of "comprehensive planning, fast delivery of immediate priorities, showcase projects to stimulate each sector, gaps to be filled in later." Among the operational regulations, the Digital Currency Research Institute has issued regulations on the management of online commercial customers over the full customer lifecycle; the marking and use of marks in e-CNY; and the design and use of dedicated profile pendants for e-CNY. These have helped bring about orderly growth in markets supporting multiple operations. Among the product regulations, the Digital Currency Research Institute has issued guidance on wallet devices for e-CNY, standards for e-CNY smart contracts, project requirements, and technical standards for transaction verification in multilateral CBDC bridge projects. Among the risk regulations, the Digital Currency Research Institute has issued risk control requirements for institutions and a ban on the use of digital renminbi to provide any services for virtual currencies or NFTs. Among the business continuity regulations, the Digital Currency Research Institute has issued environmental impact management standards; standards for change management in participating institutions; and working requirements for service guarantees during major sporting events or

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		at Chinese New Year.
Between residents and nonresidents	Yes.	For international transactions, the PBC remains committed to the principles of no loss, compliance, and interoperability. We also wish to see more cooperation and trust across legal jurisdictions. "No loss" means respecting the sovereignty of other CB currencies and the independence of their monetary policy. "Compliance" means respecting the regulatory rules of every jurisdiction. "Interoperability" means connecting the digital currencies of different CBs and other traditional financial market infrastructure. Given these principles, transactions between residents and nonresidents should comply with China's current regulatory requirements, including foreign exchange management and reporting of international payments, and with the regulations listed in XIII.B.
For current transaction	Yes.	For international transactions, the PBC remains committed to the principles of no loss, compliance, and interoperability. We also wish to see more cooperation and trust across legal jurisdictions. "No loss" means respecting the sovereignty of other CB currencies and the independence of their monetary policy. "Compliance" means respecting the regulatory rules of every jurisdiction. "Interoperability" means connecting the digital currencies of different CBs and other traditional financial market infrastructure. Given these principles, transactions between residents and nonresidents should comply with China's current regulatory requirements, including foreign exchange management and reporting of international payments, and with the regulations listed in XIII.B.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	For international transactions, the PBC remains committed to the principles of no loss, compliance, and interoperability. We also wish to see more cooperation and trust across legal jurisdictions. "No loss" means respecting the sovereignty of other CB currencies and the independence of their monetary policy. "Compliance" means respecting the regulatory rules of every jurisdiction. "Interoperability" means connecting the digital currencies of different CBs and other traditional financial market infrastructure. Given these principles, transactions between residents and nonresidents should comply with China's current regulatory requirements, including foreign exchange management and reporting of international payments, and with the regulations listed in XIII.B.
Transactions in derivatives and other instruments	Yes.	For international transactions, the PBC remains committed to the principles of no loss, compliance, and interoperability. We also wish to see more cooperation and trust across legal jurisdictions. "No loss" means respecting the sovereignty of other CB currencies and the independence of their monetary policy. "Compliance" means respecting the regulatory rules of every jurisdiction. "Interoperability" means connecting the digital currencies of different CBs and other traditional financial market infrastructure. Given these principles, transactions between residents and nonresidents should comply with China's current regulatory requirements, including foreign exchange management and reporting of international payments, and with the regulations listed in XIII.B.
Credit operations	Yes.	For international transactions, the PBC remains committed to the principles of no loss, compliance, and interoperability. We also wish to see more cooperation and trust across legal jurisdictions. "No loss" means respecting the sovereignty of other CB currencies and the independence of their monetary policy. "Compliance" means respecting the regulatory rules of every jurisdiction. "Interoperability" means connecting the digital currencies of different CBs and other traditional financial market infrastructure.

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		Given these principles, transactions between residents and nonresidents should comply with China's current regulatory requirements, including foreign exchange management and reporting of international payments, and with the regulations listed in XIII.B.
Between nonresidents	Yes.	For international transactions, the PBC remains committed to the principles of no loss, compliance, and interoperability. We also wish to see more cooperation and trust across legal jurisdictions. "No loss" means respecting the sovereignty of other CB currencies and the independence of their monetary policy. "Compliance" means respecting the regulatory rules of every jurisdiction. "Interoperability" means connecting the digital currencies of different CBs and other traditional financial market infrastructure. Given these principles, transactions between residents and nonresidents should comply with China's current regulatory requirements, including foreign exchange management and reporting of international payments, and with the regulations listed in XIII.B.
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) Financial institutions and payment channels may not engage in

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		any operations involving Bitcoin At this time, financial institutions and payment channels may not use Bitcoin in the pricing of their products and services; they may not buy, sell, or serve as counterparty for transactions of Bitcoin; they may not underwrite any insurance connected to Bitcoin or take on any insurance obligations relating to Bitcoin; they may not directly or indirectly provide customers with any other services relating to Bitcoin, including: registration, trading, liquidation, or settlement services for Bitcoin; accepting Bitcoin or using Bitcoin as an instrument for settlement or payment; offering exchange services between Bitcoin and renminbi or any foreign currency; offering Bitcoin savings, custody, or asset pledging services; issuing financial products relating to Bitcoin; or investing in Bitcoin as a trust or fund. (3) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (4) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or “virtual currencies”; nor may tokens or “virtual currencies” be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Acquisition by residents	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law.

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Use among residents	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law.

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Between residents and nonresidents	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and

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For capital transactions	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any

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Transactions in capital and money market instruments	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their

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		juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) Financial institutions and payment channels may not engage in any operations involving Bitcoin At this time, financial institutions and payment channels may not use Bitcoin in the pricing of their products and services; they may not buy, sell, or serve as counterparty for transactions of Bitcoin; they may not underwrite any insurance connected to Bitcoin or take on any insurance obligations relating to Bitcoin; they may not directly or indirectly provide customers with any other services relating to Bitcoin, including: registration, trading, liquidation, or settlement services for Bitcoin; accepting Bitcoin or using Bitcoin as an instrument for settlement or payment; offering exchange services between Bitcoin and renminbi or any foreign currency; offering Bitcoin savings, custody, or asset pledging services; issuing financial products relating to Bitcoin; or investing in Bitcoin as a trust or fund. (3) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (4) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or "virtual currencies"; nor may tokens or "virtual currencies" be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Transactions in derivatives and other instruments	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its

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		associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) Financial institutions and payment channels may not engage in any operations involving Bitcoin At this time, financial institutions and payment channels may not use Bitcoin in the pricing of their products and services; they may not buy, sell, or serve as counterparty for transactions of Bitcoin; they may not underwrite any insurance connected to Bitcoin or take on any insurance obligations relating to Bitcoin; they may not directly or indirectly provide customers with any other services relating to Bitcoin, including: registration, trading, liquidation, or settlement services for Bitcoin; accepting Bitcoin or using Bitcoin as an instrument for settlement or payment; offering exchange services between Bitcoin and renminbi or any foreign currency; offering Bitcoin savings, custody, or asset pledging services; issuing financial products relating to Bitcoin; or investing in Bitcoin as a trust or fund. (3) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (4) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or “virtual currencies”; nor may tokens or “virtual currencies” be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Credit operations	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal

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		person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) Financial institutions and payment channels may not engage in any operations involving Bitcoin At this time, financial institutions and payment channels may not use Bitcoin in the pricing of their products and services; they may not buy, sell, or serve as counterparty for transactions of Bitcoin; they may not underwrite any insurance connected to Bitcoin or take on any insurance obligations relating to Bitcoin; they may not directly or indirectly provide customers with any other services relating to Bitcoin, including: registration, trading, liquidation, or settlement services for Bitcoin; accepting Bitcoin or using Bitcoin as an instrument for settlement or payment; offering exchange services between Bitcoin and renminbi or any foreign currency; offering Bitcoin savings, custody, or asset pledging services; issuing financial products relating to Bitcoin; or investing in Bitcoin as a trust or fund. (3) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (4) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or “virtual currencies”; nor may tokens or “virtual currencies” be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Controls on utility and security tokens	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or

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		transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or "virtual currencies"; nor may tokens or "virtual currencies" be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Acquisition by residents	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the

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Use among residents	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or "virtual currencies"; nor may tokens or "virtual currencies" be included as insured assets on any

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		policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Between residents and nonresidents	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or “virtual currencies”; nor may tokens or “virtual currencies” be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
For current transaction	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly

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For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law.

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Transactions in derivatives and other instruments	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens

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Credit operations	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or "virtual currencies"; nor may tokens or "virtual currencies" be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Controls on stablecoins	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for

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		virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or “virtual currencies”; nor may tokens or “virtual currencies” be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Acquisition by residents	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any

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Use among residents	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed.

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Between residents and nonresidents	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or "virtual currencies"; nor may tokens or "virtual currencies" be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
For current transaction	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual

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		currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or “virtual currencies”; nor may tokens or “virtual currencies” be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will

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		be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or "virtual currencies"; nor may tokens or "virtual currencies" be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Transactions in derivatives and other instruments	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already

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		completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite insurance services relating to tokens or "virtual currencies"; nor may tokens or "virtual currencies" be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Credit operations	Yes.	(1) Preventing and penalizing fraudulent inflation of prices in virtual currency transactions Virtual currency operations are illegal financial practices. The exchange of virtual currency for legal tender, the exchange of one virtual currency for another, acting as a central counterparty for virtual currency transactions, providing information brokerage or pricing services for virtual currencies, the issuing of tokens, and the trading of virtual currency derivatives are illegal activities which may constitute the illegal sale of tokens or instruments, unlicensed public issuance of securities, illegal operation of futures and forwards contracts, or illegal financing. These activities are strictly prohibited; the law will be rigorously enforced. Where illegal financial activities are found to constitute a crime, participants will be held criminally responsible. There is legal risk for those who participate in investment or transactions using virtual coins. When any legal person, non-legal person organization, or natural person invests in a virtual coin or its associated derivatives in violation of public order and morality, their juridical acts must be void under civil law, and they must accept any losses thereby incurred. If their conduct damages the financial order or threatens financial security, they must be investigated and penalized by the relevant agencies in compliance with the law. (2) No organization or individual may engage in the illegal issuing of tokens All financing activities through the issuing of tokens must cease immediately. Organizations and individuals that have already completed the issue of a token should make arrangements to liquidate and exit the market, taking reasonable efforts to protect the interests of investors, and deal effectively with any risks. Relevant authorities will carefully investigate and handle any illegal conduct in token issues which are already complete and token issues which do not cease as instructed. (3) Financial institutions and nonbank payment channels may not engage in any operations involving the issue, sale, or trading of tokens Financial institutions and nonbank payment channels may not directly or indirectly provide products and services to support token issues or virtual coins, including provision of accounts, registration, trading, liquidation, or settlement. They may not underwrite

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		insurance services relating to tokens or "virtual currencies"; nor may tokens or "virtual currencies" be included as insured assets on any policy. If a financial institution or nonbank payment channel discovers evidence of illegal issue or trade of coins, it must submit a report promptly to the relevant agencies.
Controls on crypto exchanges and trading platforms	Yes.	(1) The provision of services to Chinese residents by overseas virtual currency exchanges through the internet is also an illegal financial activity Legal consequences will apply if any employee of an overseas virtual currency exchange who works in China and that knows or ought to know that they are engaged in virtual currency business, but continues to advertise or provide payment and settlement or technical support; and to any other legal person, non-legal person organization or natural person that does the same. (2) Increased regulation of platforms for token trading and token financing No token platform may engage in the exchange of tokens for legal tender or of any "virtual currency" for another; they may not buy or sell, or act as a central counterparty for the buying or selling of tokens or "virtual currencies"; they may not provide pricing or information broking services for tokens or "virtual currencies."
Domestic exchanges	Yes.	(1) The provision of services to Chinese residents by overseas virtual currency exchanges through the internet is also an illegal financial activity Legal consequences will apply if any employee of an overseas virtual currency exchange who works in China and that knows or ought to know that they are engaged in virtual currency business, but continues to advertise or provide payment and settlement or technical support; and to any other legal person, non-legal person organization or natural person that does the same. (2) Increased regulation of platforms for token trading and token financing No token platform may engage in the exchange of tokens for legal tender or of any "virtual currency" for another; they may not buy or sell, or act as a central counterparty for the buying or selling of tokens or "virtual currencies"; they may not provide pricing or information broking services for tokens or "virtual currencies."
Access to crypto exchange/trading platform by residents	Yes.	(1) The provision of services to Chinese residents by overseas virtual currency exchanges through the internet is also an illegal financial activity Legal consequences will apply if any employee of an overseas virtual currency exchange who works in China and that knows or ought to know that they are engaged in virtual currency business, but continues to advertise or provide payment and settlement or technical support; and to any other legal person, non-legal person organization or natural person that does the same. (2) Increased regulation of platforms for token trading and token financing No token platform may engage in the exchange of tokens for legal tender or of any "virtual currency" for another; they may not buy or sell, or act as a central counterparty for the buying or selling of tokens or "virtual currencies"; they may not provide pricing or information broking services for tokens or "virtual currencies."

Changes during 2022 and 2023

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Exchange Arrangement

Classification

Other managed arrangement	*03/03/2022*	The de facto exchange rate arrangement was reclassified from crawl-like to other managed.
Foreign exchange market	*03/11/2022*	The trading prices of the RMB against the Russian ruble float within a ±10% range (previously within ±5%) of the respective midrates on the current trading day.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

For capital transactions

Credit operations	*04/18/2022*	Non-financial enterprises may use a single foreign currency account to receive loan payments from multiple separate overseas loans.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Sale or issue locally by nonresidents	*02/11/2022*	As part of the project of opening up capital markets, the China Securities Regulatory Commission expanded and enhanced the Shanghai–London Stock Connect. In China, the mechanism was extended to the Shenzhen Stock Exchange; overseas, it was extended to the Swiss and German markets.
Sale or issue abroad by residents	*03/31/2023*	Domestic enterprises that issue stock overseas must file records with the regulator; global depositary receipts and the underlying shares must be registered; and global depositary receipts must be filed. Previously, approval by the China Securities Regulatory Commission and registration with the State Administration of Foreign Exchange are required for the issuance of shares or depositary receipts abroad by resident enterprises.

Bonds or other debt securities

Purchase locally by nonresidents	*06/30/2022*	Foreign institutional investors that have been granted access to the interbank bond market may trade directly on the market or through the bond market connect.
Sale or issue abroad by residents	*10/25/2022*	The macroprudential adjustment parameter for financial institutions and enterprises was raised from 1 to 1.25
	02/10/2023	Enterprises and financial institutions that issue bonds abroad with maturities in excess of one year must apply in advance to the National Development and Reform Commission for review and approval (previously, only for filing and registration purposes).
	06/20/2023	The macroprudential adjustment parameter for financial institutions and enterprises was further raised from 1.25 to 1.5.

On collective investment securities

Purchase locally by nonresidents	*07/04/2022*	Exchange trade open-ended funds are officially added to the Stock Connect mechanism between Hong Kong and the mainland.
Purchase abroad by residents	*07/04/2022*	Exchange trade open-ended funds are officially added to the Stock Connect mechanism between Hong Kong and the mainland.

Controls on derivatives and other instruments

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Purchase locally by nonresidents	*12/26/2022*	Foreign investors were introduced into the trading of eight products on the Dalian Commodity Exchange: no. 1 soybean futures and options, no. 2 soybean futures and options, soybean meal futures and options, and soybean oil futures and options.
	01/12/2023	Foreign investors were introduced into the trading of six products on the Zhengzhou Commodity Exchange: peanut futures and options, rapeseed meal futures and options, and rapeseed oil futures and options.
	05/15/2023	The Swap Connect went online. Overseas investors from Hong Kong and other countries and regions were permitted to participate in the mainland Chinese interbank interest rate swap market through the northbound leg of the Swap Connect.
	08/18/2023	Foreign investors were introduced into SCFIS (Europe) Futures Contract trading on the Shanghai International Energy Exchange.
Controls on credit operations		
Commercial credits		
By residents to nonresidents	*03/01/2022*	Domestic banks may freely conduct domestic and foreign currency cross-border financing within the limit determined by their Tier 1 capital or working capital, without being subject to People's Bank of China and State Administration of Foreign Exchange advance review and approval requirement. Previously, prior approval was required.
To residents from nonresidents	*04/18/2022*	Non-financial enterprises may use a single foreign currency account to receive loan payments from multiple separate overseas loans.
	02/10/2023	If a domestic financial institution is to receive a commercial loan with a maturity of than one year, it must apply in advance with the National Development and Reform Commission for approval and registration.
Financial credits		
By residents to nonresidents	*03/01/2022*	Domestic banks may freely conduct domestic and foreign currency cross-border financing within the limit determined by their Tier 1 capital or working capital, without being subject to People's Bank of China and State Administration of Foreign Exchange advance review and approval requirement. Previously, prior approval was required.
To residents from nonresidents	*02/10/2023*	If a domestic financial institution is to receive a commercial loan with a maturity of than one year, it must apply in advance with the National Development and Reform Commission for approval and registration.
Controls on direct investment		
Inward direct investment	*01/01/2022*	The 2021 edition of the negative lists entered into force. Major changes include continued expansion of access to entry in the service sector in free trade zone pilot regions. In market surveys, restrictions on foreign investment were canceled with the exception of the requirement that a Chinese partner must hold a controlling stake in companies carrying out TV and radio audience surveys. In social surveys, foreign companies are permitted to invest, but Chinese partners must hold a stake of no less than 67%, and the company's legal representative should be a Chinese citizen.
	01/01/2022	The 2021 edition of the negative lists entered into force. Major changes include improved management of the negative lists. In compliance with the Implementation Regulations for the Foreign Investment Law, the following was added to the rubric of the negative lists: "When a foreign-owned company in China makes an investment within China, the rules of the negative list for investments shall apply." The connection between the negative lists for investment and the negative lists for market access was improved. The following was added to the rubric of the negative lists: "The terms of the Market Access Negative Lists shall apply to all

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		investors, Chinese as foreign."
	01/01/2022	The 2021 edition of the negative lists entered into force. Major changes include increased precision in the negative lists for foreign investment. The following new clause was added to the rubric of the 2021 edition of the negative list: "A Chinese company in an industry which is forbidden to foreign investment must obtain the agreement of the relevant Chinese national regulators before making a public offering of shares overseas. Foreign investors may not participate in the operations or management of the company, and their holdings in the company must comply with the holdings restrictions that apply within China."
	01/01/2023	The National Development and Reform Commission issued the current 2022 edition of the Catalogue of Encouraged Foreign Investment Industries, with 1474 items (519 national; 955 for central and western regions). This was a net increase of 239 items over the 2020 list. Major supportive policies include: (1) When a foreign company invests in an encouraged industry, equipment imported as part of the investment is exempted from any customs tariff, unless it is in the no-exemptions catalogue. (2) For eligible investments in companies in western China or Hainan Province in an encouraged industry, corporate income tax is reduced to 15%. (3) Industrial projects that make intensive use of land must receive priority assignment of land. On confirmation of eligibility for low-priced land, the land may be offered at a rate equivalent to 70% of the national minimum price for industrial land.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Borrowing abroad	*10/25/2022*	The macroprudential adjustment parameter for financial institutions and enterprises was raised from 1 to 1.25.
	02/10/2023	Commercial banks and other financial institutions borrowing loans abroad with maturities in excess of one year must apply in advance for approval and registration with the National Development and Reform Commission (previously, only for filing and registration purposes).
	06/20/2023	The macroprudential adjustment parameter for financial institutions and enterprises was raised from 1.25 to 1.5.
Lending to nonresidents (financial or commercial credits)	*03/01/2022*	Domestic banks may freely conduct domestic and foreign currency cross-border financing within the limit determined by their Tier 1 capital or working capital, without being subject to People's Bank of China and State Administration of Foreign Exchange advance review and approval requirement. Previously, prior approval was required.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*04/25/2022*	The People's Bank of China reduced all required reserve ratios of RMB deposits by 0.25 percentage points.
	05/15/2022	The People's Bank of China lowered financial institutions' deposit reserve ratio on foreign currency deposits by 1 percentage point to 8%.
	09/15/2022	The PBC lowered financial institutions' deposit reserve ratio on foreign exchange deposits by 2 percentage points to 6%.
	12/05/2022	The PBC lowered financial institutions' deposit reserve ratio on RMB deposits by 0.25 percentage points.
	03/27/2023	The PBC lowered financial institutions' deposit reserve ratio on RMB deposits by 0.25 percentage points.
	09/15/2023	The PBC lowered financial institutions' deposit reserve ratio on RMB deposits by 0.25 percentage points.
		The PBC lowered financial institutions' deposit reserve ratio on

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	09/15/2023	foreign exchange deposits by 2 percentage points to 4%.
Investment regulations		
In banks by nonresidents	*10/08/2022*	The requirement for overseas financial institutions to have total year-end assets no less than US$10 billion in the most recent year as a founder or strategic investor of a Chinese-funded commercial banking institution no longer applies.

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COLOMBIA

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: August 01, 2004.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The monetary unit and unit of account in Colombia is the Colombian peso.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. All foreign exchange transactions are conducted at the market-determined exchange rate. During 2022, the US dollar strengthened against most currencies of

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		its peers among developed countries and against some currencies of emerging markets, supported by increased demand for safe-haven assets and with expectations and materialization of a tighter monetary policy by the Federal Reserve in response to inflationary pressures. The Colombian peso weakened, and the peso-dollar exchange rate reached an all-time high, also affected by some events that increased the perception of local risk, such as uncertainty regarding the presidential elections and the economic policies to be implemented by the incoming government, together with the persistence of inflationary pressures. During the first half of 2023, the behavior of the dollar was volatile and it closed with a slight variation, amid changes in expectations of the magnitude of monetary tightening by the Federal Reserve, the publication of mixed economic data in the United States, and some particular events that generated greater risk aversion. On the other hand, the Colombian peso appreciated, favored by a lower risk perception toward Latin America, higher foreign currency supply flows in the spot market (foreign direct investment income), and the impact of a positive perception of the strength of institutions, mentioned by different market operators. The de facto exchange rate arrangement is classified as floating. The Banco de la República (Bank of the Republic, or BR) publishes daily data on interventions on the exchange market. The BR publishes the date, amount, and mechanism. When an intervention involves options, the information is published on the day that the option is exercised. Each month (on the fifth business day), the BR publishes a press release indicating the amount purchased or sold in the previous month (aggregate monthly amount).
Free floating		
Official exchange rate	Yes.	The representative market rate (RMR) is the economic indicator of the peso–US dollar exchange rate; it is not an official exchange rate. It is used as a reference for the quotation and settlement of foreign exchange transactions, for transactions indexed to the US dollar, and for the conversion of accounts in foreign currency to local currency. The RMR is the weighted average amount of US dollar buy/sell operations in exchange for Colombian legal currency, for settlement in both currencies on the same day, conducted by exchange market intermediaries (EMIs) during the hours of operation established by the BR in its general regulations. To calculate the RMR, derivative operations must be excluded, as well as operations conducted by EMIs with entities other than those supervised by the Office of the Financial Superintendence of Colombia (Superintendencia Financiera de Colombia – SFC) and with the State – Ministry of Finance and Public Credit. Also excluded are operations by EMIs with the following entities supervised by the SFC: foreign financial entities, foreign reinsurers, foreign financial entities with no trade offices, and representative offices of the foreign securities market, cash-settled spot transactions and spot transactions with fulfillment on the same trading day as the one on which the purchase or sale exchange rate is not explicitly negotiated, but the negotiation involves a price differential with other operations. (External Regulatory Circular DOAM-146 of November 4, 2020). The RMR is calculated daily and certified by the SFC (not by the central bank) based on available information, in accordance with the methodology established by the BR in the above-mentioned External Regulatory Circular.
Monetary policy framework		

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Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee		
Central Bank Board	Yes.	It is the responsibility of the BR to maintain the purchasing power of the currency. To that end, its Board of Directors must establish a specific inflation target. The target decision is adopted by a majority vote. The monetary policy objective is to maintain a low, stable inflation rate and achieve the maximum sustainable level of production and employment.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	In Colombia, the inflation target was set by the BR Board at 3% (with an allowable deviation margin of ±1 percentage point). The BR Board's monetary policy actions are aimed at bringing inflation to 3% over the monetary policy horizon and the allowable range or margin recognizes that inflation may temporarily deviate from the target.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The target is set for the annual variation in the consumer price index.
Core inflation		
Target horizon	No.	There is no target horizon.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	To achieve the inflation target, the BR performs repo auctions to provide liquidity to the banking system by granting overnight and sometimes longer-term loans, all with the aim of keeping the Overnight Banking Reference Indicator (IBR) close to the policy rate, which is fixed by the BR Board of Directors.

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Target corridor band	No.	
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	Within the first 10 days of each period of regular meetings, the BR Board of Directors is required to submit a report, via the General Manager, to the Congress of the Republic on the implementation of the monetary, exchange, and credit policies, including broad guidelines, an assessment of the results obtained in the preceding period, and the respective objectives, proposals, and targets for the following period and the medium term.
Other	No.	
Transparency	Yes.	
Publication of votes	Yes.	The press releases issued by the Board of Directors disclose the number of votes in favor and against the decisions on interest rate interventions.
Publication of minutes	Yes.	The minutes are published on the third business day following the meeting (Internal Resolution No. 3 of August 30, 2019, as amended by Internal Resolution No. 2 of May 26, 2023).
Publication of inflation forecasts	Yes.	Chapter 2 of the Report on Monetary Policy (previously called the Report on Inflation) contains forecasts and the balance of inflation risks. This report, on the basis of which the technical team makes its monetary policy recommendation, is published on the second business day following the meeting of the Board of Directors for the months of January, April, July, and October. Likewise, an Excel annex is published detailing the specific forecasts of the main variables of the macroeconomic forecast. Inflation forecasts are quarterly for a two-year horizon.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Banking institutions, financial corporations, finance companies, financial cooperatives (with SFC authorization), stock brokerage companies, the National Development Financial Corporation (Financiera de Desarrollo Nacional – FDN), the Foreign Trade Bank (BANCOLDEX – Banco de Comercio Exterior), Special Financial Services and Exchange Intermediation Companies (Sociedades de Intermediación Cambiaria y Servicios Financieros Especiales – SICSFEs, formerly exchange bureaus), and Companies Specializing in Electronic Deposits and Payments (Sociedades Especializadas en Depósitos Electrónicos – SEDPE), the Financial Corporation for Territorial Development (FINDETER), the Agricultural Sector Financing Fund (FINAGRO), the Colombian Institute of Educational Credit and Technical Studies Abroad (ICETEX), the National Corporation for Promotion of Territorial Development (ENTerritorio), and the National Savings Fund (FNA) are the EMIs authorized to intermediate in foreign exchange market operations. Authorized entities that are not registered with the BR as EMIs may not perform authorized operations as EMIs, nor are they subject to the regulations and obligations applicable to such intermediaries.

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		ICETEX also requires that the Office of the Financial Superintendence issues prudential rules that are applicable to it to perform authorized exchange operations. (R.E. 1 of February, 28, 2020, as amended by R.E. 25 of October 30, 2020). The BR Board of Directors determines the foreign exchange transactions that EMIs are authorized to carry out, based on the type of entity and its capital, with regard to EMIs referred to in Article 8(1), (2), (3), (4), and (5) of R.E. 1/2018. In the case of EMIs referred to in Article 8(6) of R.E. 1/2018, the level of capital is not taken into account. EMIs may freely determine their foreign exchange buying and selling rates and commissions. As of December 31, 2022, there were 44 EMIs registered with the BR (22 banking institutions, 2 financial corporations, 2 finance companies, 10 stock brokers, 1 financial cooperative, BANCOLDEX, FDN, the Central Counterparty Clearinghouse (CCP) of Colombia, FINDETER, and 3 SICSFEs).
Spot exchange market	Yes.	Spot foreign exchange transactions may be conducted through or outside trading systems. All entities supervised by the SFC, including EMIs as well as the State, are authorized to participate in foreign exchange trading systems or to act as clearing members in spot transactions before a CCP. The Central Counterparty Clearinghouse of Colombia (CRCC) is the sole CCP in the country. CCPs may perform clearing and settlement of peso-dollar spot transactions (R.E. 22/2020). EMIs must record all spot foreign exchange transactions in a foreign exchange transaction registration system, with the exceptions of spot transactions with unsupervised entities or the State involving amounts of less than US$250,000. Entities supervised by the SFC, other than EMIs, must record spot foreign exchange transactions performed with foreign agents (R.E. 2/2020). Spot foreign exchange transactions conducted (1) between EMIs and (2) between an EMI and another entity that is supervised by the SFC and participates in a foreign exchange trading system must be cleared through an authorized foreign exchange clearing and settlement system or a CCP. Spot foreign exchange transactions performed by FINDETER, FINAGRO, ICETEX, ENTerritorio, and the FNA are exempt from this requirement if these entities are not participants in foreign exchange trading systems (R.E. 1/2020). Spot foreign exchange transactions in the trading systems are blind when the CCP is involved in the clearing and settlement of these transactions. In addition, residents may engage professionally in the purchase and sale of foreign exchange and traveler’s checks, provided they are registered in advance in the trade register and in the register of professional foreign exchange dealers established by the National Tax and Customs Directorate (DIAN). Residents who engage professionally in buying and selling foreign exchange may not carry out foreign exchange transactions directly with the BR. Residents may make foreign exchange purchases and sales on the

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unregulated market with other residents, provided they do not do so habitually or in a professional capacity. If they do so habitually, they must comply with the requirements applicable to professionals who buy and sell foreign exchange and traveler's checks.

As of December 31, 2022, there were 44 EMIs registered with the BR (22 banking institutions, 2 financial corporations, 2 finance companies, 10 stock brokers, 1 financial cooperative, BANCOLDEX, FDN, the CCP of Colombia, FINDETER, and 3 SICSFEs).

Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The BR may intervene in the foreign exchange market to regulate financial market liquidity and the normal functioning of the domestic and external payments of the economy, to prevent undesirable exchange rate fluctuations, and to increase and reduce international reserves, in accordance with the directives of the Board of Directors, through spot or forward foreign exchange purchases or sales, to or from banking institutions, financial corporations, finance companies, financial cooperatives, the FDN, BANCOLDEX, stock brokerage companies, companies that manage pensions and severance benefits, foreign exchange clearing and settlement systems, and CCPs as well as the State – Ministry of Finance and Public Credit, as long as they are registered with the BR as EMIs and have standing instructions with the BR. The authorization to participate depends on the intervention mechanism, as explained below. The BR may conduct intervention operations through various systems and mechanisms. The authorized intervention operations are as follows: (1) Direct uniform price auction sales of put or call options at market rates; (2) Direct uniform price auctions (with three minutes of bids) or discriminatory price auction sales of foreign exchange (with three minutes of bids); (3) Spot sales of foreign exchange and forward purchases of dollars by means of foreign exchange swap contracts with delivery in auctions and OTC transactions. (4) Forward dollar sales at market rates through forward contracts, by means of the auction mechanism (R.E. 4 of March 12, 2020). The auction quotas of the different mechanisms are announced in advance in the invitations to bid. The amount of the direct purchase/sale intervention in the trading systems is not announced in advance, but the exchange intervention carried out over a month is reported on the fifth business day of the following month through a press release. Delays, incompletion of intervention operations, and errors in the price of auctions by authorized agents are subject to sanctions. The sanction regime does not apply to: (1) direct foreign currency purchase or sale operations with the national government – the Ministry of Finance and Public Credit; (2) dollar purchase or sale

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operations that are cleared and settled through foreign currency clearance and settlement systems; and (3) operations that are cleared and settled through a CCP (R.E. 17 of June 30, 2020).
(1) Option auctions:
The auction may be held with banking institutions, financial corporations, finance companies, financial cooperatives (once they have been authorized as EMIs by the SFC), the FDN, and BANCOLDEX, whose capital reaches the minimum amount required for the establishment of a financial corporation, as well as the State – Ministry of Finance and Public Credit. Stock brokerages whose capital equals the minimum amount required for the establishment of a financial corporation may also be counterparties.
The entities must be registered with the BR and must maintain permanent instructions with the BR. The BR may intervene in the foreign exchange market through options to increase or reduce international reserves and control exchange rate volatility. The BR sells put or call options in uniform price auctions. The participants must offer the option premium (bid price expressed in pesos per US$1,000), as well as the amount of the bid in dollars. In the auction, the bids are arranged in strict descending order based on the amount of the premium, and all bids with a premium equal to or exceeding the premium at which the auction limit is met (hereinafter the cut-off premium) are approved. All approved bids must pay the cut-off premium. The BR may partially approve bids it believes could give rise to an unacceptable concentration. The BR reserves the right to approve a put or call options auction below the announced amount or to declare the auction void. The general terms and conditions of auctions are announced in an invitation to bid on the immediately preceding business day. Options may be exercised only when the option exercise conditions established by the BR are satisfied.
(a) Options to increase or reduce international reserves:
The BR may auction put options to increase international reserves. The call option to reduce international reserves has been discontinued since May 27, 2016.

In accordance with the regulations, put options may be exercised only when the RMR is below its recent average (average for the preceding 20 business days). The amount of the auctions is announced in the invitation. The participants must pay a premium established by means of the uniform price auction mechanism. The exercise price for options is the RMR in effect the day the option is exercised. Entities that comply with the provisions of Regulatory Circular DODM 143 (now Market Operations and Analysis Department (DOAM-143)) participate in this program.

(b) Options to control exchange rate volatility: It is established in the regulation that the BR will announce and hold a put or call option auction to control volatility when the RMR is 4% or more below or above its moving average for the preceding 20 business days. This instrument is inactive and was last used in 2009.

(2) Purchase or sale of foreign exchange at market rates:
The BR may buy and sell US dollars directly through auctions or other systems and mechanisms through which interbank foreign currency operations are performed. Banks, financial corporations, finance companies, and financial cooperatives (provided they are authorized as EMIs by the SFC), FDN, and BANCOLDEX may participate. Stock brokerages whose capital equals the minimum amount required for the establishment of a financial corporation and the State – Ministry of Finance and Public Credit may also

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participate. The entities must be registered with the BR and must maintain permanent instructions with the BR.
The BR buys and sells dollars in uniform price auctions (with 3 minutes of bids) or discriminatory price auctions (depending on what is announced in the invitation to bid. Uniform price auctions have always been used). The BR announces to the agents the quota of dollars to be auctioned. Participants offer the exchange rate (bid price expressed in pesos per dollar) at which they would be prepared to sell or buy dollars to or from the BR, as well as the amount in dollars. Each agent may submit only one offer in an amount that does not exceed 80% of the auction quota, which may be altered in the first three minutes of the auction. The BR reserves the right to approve an auction to buy or sell dollars below the announced amount or to declare the auction void. Foreign exchange trading systems must grant access to the BR on special terms when it intervenes to implement exchange policy. These terms must be defined in the regulations governing the operation of such systems.
(3) Foreign exchange swap contracts at rates set by the BR through auction or over-the-counter mechanisms:
The BR may also intervene through foreign exchange swap contracts, under which a spot sale of dollars by the BR and a forward purchase of dollars in the amount traded are transacted simultaneously. The swap contracts are offered through auctions (uniform price) or over the counter. The auction may be held with banking institutions, financial corporations, finance companies, financial cooperatives (once they have been authorized as EMIs by the SFC), the FDN, and BANCOLDEX, whose capital reaches the minimum amount required for the establishment of a financial corporation, as well as the State – Ministry of Finance and Public Credit. Companies that manage pension funds and severance benefits, on their own account or for third parties or managed funds, may also be counterparties (R.E. 5 of March 18, 2020), whereas only foreign exchange clearing and settlement systems and CCPs that clear peso-dollar spot purchase and sale contracts may participate in over-the-counter transactions (this applies to the latter, pursuant to R.E. 24 of September 25, 2020). In the auction, participants offer the exchange rate (bid price expressed in pesos per US dollar) at which they would be willing to buy dollars from the BR at the start of the operation, as well as the amount in dollars to be exchanged. They may submit as many bids as they wish for a total not to exceed the total amount of the auction. The BR will announce the total amount of the auction. They may be conducted at 30, 60, 90, 180, or 365 calendar days. They are forward delivery transactions. Spot dollar sales are carried out by the BR on the day of the auction, and forward dollar purchases on the maturity date of the foreign exchange swap contract.
OTC participants offer the amount in dollars to be exchanged. Ten minutes prior to the OTC operation, the BR announces the initial and forward exchange rates.
(4) NDF sale contracts at market rates.
The BR may execute forward contracts in which it negotiates the future sale of dollars. These are non-delivery contracts. Forward contracts for the sale of dollars are offered through auctions. The same entities authorized for option auctions may participate, but stock brokers may perform these operations only when the contracts are cleared and settled through a CCP (External Regulatory Circular DOAM-143 of August 14, 2020). Forward contracts for the sale of dollars are offered through a uniform price auction. The participants offer the exchange rate (the offer price expressed in pesos per dollar) at which the dollars are available to the BR for purchase on maturity

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		of the contract, as well as the amount of the bid in dollars. The general terms and conditions of the auction are announced through an invitation on the previous business day. Each authorized agent may present as many bids as it wishes and in a total amount that does not exceed the auction quota. In the process of the auction, the bids are arranged in strict descending order by the offer price and all bids that contain a price that is greater than or equal to the cut-off at which the auction quota is met (the cut-off price) are approved. All of the approved bids pay the cut-off price. The BR may partially approve bids which in its opinion give rise to an unacceptable concentration of the forward contracts. The BR reserves the right to approve an auction below the announced quota or to declare it void. Forward contracts for the sale of dollars may be performed for 30 calendar days. The plan for the performance of bilateral operations or operations through a CCP is announced in an invitation through the means available. The BR intervention operations that are performed through a CCP are subject to the terms and conditions set forth in the operating regulations of the given clearinghouse. The BR's sanctions scheme is not applicable to operations that are cleared and settled through a CCP (R.E. 17 of June 30, 2020). Performance of bilateral operations or operations through a CCP was established by R.E. 18 of June 30, 2020 and an amendment to External Regulatory Circular DOAM-143. There are no restrictions on the use of resources that agents acquire in BR auctions.
Fixing	No.	
Interbank market	Yes.	Almost all operations on the spot interbank market are carried out through foreign exchange trading systems. There are no limits on the bid-ask spreads or on the commissions of market participants. As of December 31, 2022, there were 44 EMIs registered with the BR (22 banking institutions, 2 financial corporations, 2 finance companies, 10 stock brokers, 1 financial cooperative, BANCOLDEX, FDN, the CCP, FINDETER, and 3 SICSFEs). The BR may buy and sell US dollars directly through auctions or other systems and mechanisms through which interbank foreign currency operations are performed. If the BR intervenes directly, it carries out the operations using the quotations found in the market, and it proposes its own quotes.
Over the counter	Yes.	Foreign exchange transactions may be conducted through trading systems or on the OTC market.
Brokerage	Yes.	Authorized purchases and sales of foreign exchange by stock brokerage companies may be conducted through their proprietary position or under commission contracts.
Market making	No.	
Forward exchange market	Yes.	Trades of non-standardized foreign exchange derivatives may be carried out through trading systems or other trading platforms used by the market (OTC market). Entities supervised by the SFC, the State, and foreign agents may participate in the trading systems. EMIs must record all non-standardized financial derivatives transactions daily in a foreign exchange transaction register. Entities supervised by the SFC, other than EMIs, that engage in foreign exchange derivatives transactions with foreign agents on the OTC market must record those transactions in an authorized foreign exchange transaction register. This recording is mandatory for application of close-out netting. The EMIs referred to in Article 8(1)

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		of R.E. 1/2018 may carry out transactions in financial derivatives on any type of underlying asset with authorized foreign agents with which they have signed a framework contract. They may also contract financial derivatives on any type of underlying asset denominated in foreign currencies with any other resident EMI. EMIs may carry out transactions in commodity derivatives with authorized foreign agents and contract commodity derivatives denominated in foreign currencies with residents and with other EMIs. The stock brokerage companies referred to in Article 8(3) of R.E. 1/2018 (EMIs) may offer their clients foreign exchange rate derivatives only when they are cleared and settled through a CCP authorized by the SFC. Residents (other than the EMIs specified in Article 8(1) of R.E. 1/2018) may carry out transactions in financial derivatives on any type of underlying asset with authorized foreign agents that have carried out financial derivatives transactions in the immediately preceding calendar year amounting to more than US$1 billion or with the EMIs specified in Article 8(1) of R.E. 1/2018. The BR also authorizes residents (other than EMIs) to carry out commodity-price derivatives transactions in foreign currency, provided they are carried out with authorized foreign agents. Entities supervised by the SFC may enter into credit derivatives with authorized foreign agents exclusively in the form of credit default swaps (CDS). These instruments are no longer restricted to portfolio hedging, do not require the prior authorization of the SF but must be issued by foreign issuers. The BR may intervene in the exchange market through forward contracts in which the future sale of dollars is negotiated. These are non-delivery contracts. Forward contracts for the sale of dollars are offered through uniform price auctions, in which the participants offer the exchange rate (bid price expressed in pesos per dollar) at which they would be prepared to buy dollars from the BR on the maturity of the contract, as well as the amount of the bid in dollars.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Residents may not make foreign currency deposits or use foreign exchange for any other financial transactions or, generally, any type of domestic transaction with other residents, with the exception of the following special authorizations: (1) Sales to other residents. (2) Payments for goods in bonded warehouses. (3) Payments for freight and international transport tickets. (4) Payment of personal expenses using international credit cards. (5) Payment of insurance premiums denominated in foreign currency, pursuant to Decree No. 2821/1991. (6) Payment of

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		obligations arising from reinsurance contracts abroad and payment in Colombia or abroad of damages payable in foreign currency by insurance companies based in Colombia, as determined by the national government in implementation of Article 14 of Law No. 9/1991. (7) Domestic enterprises with capital abroad that are engaged in oil, natural gas, coal, ferronickel, or uranium exploration and mining, and companies engaged exclusively in the provision of technical services in the hydrocarbons sector may pay one another for contracts in foreign currency within the country. (8) Purchases and sales of fuel for ships and aircraft used in international travel. (9) Purchases and sales of crude oil and natural gas produced nationally by Ecopetrol and other entities engaged in industrial refining, carried out with other residents. (10) Payments through clearing accounts of obligations derived from domestic operations. (11) Payments for landing rights in international travel between airport services concessionaires and other residents. Fiduciary transactions may be carried out in foreign currency in respect of resources received by residents when such payment is authorized, or payment for services with nonresidents in execution of the activities referred to in Article 8(1)(d) of R.E. 1/2018. Residents may engage professionally in the purchase and sale of foreign exchange and traveler's checks. Residents may use clearing accounts to fulfill obligations derived from operations between residents.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Settlements between Colombia and other Latin American Integration Association countries may be made freely within the framework of the multilateral clearing system of the Reciprocal Payments and Credit Agreement concluded by the CBs of the Latin American Integration Association member countries.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Office of the Superintendent of Corporations, the DIAN, and the SFC are responsible for ensuring compliance with the exchange regime.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	Inward and outward flows of cash in foreign currency or Colombian legal currency (except by the BR) in excess of US$10,000 or the equivalent in other currencies must, under a separate procedure from that used for travelers, be effected through securities transport companies. The related customs declarations must be submitted.

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On exports	Yes.	
Domestic currency	Yes.	Inward and outward flows of cash in foreign currency or Colombian legal currency (except by the BR) in excess of US$10,000 or the equivalent in other currencies must, under a separate procedure from that used for travelers, be effected through securities transport companies. The related customs declarations must be submitted.
Foreign currency	Yes.	Inward and outward flows of cash in foreign currency or Colombian legal currency (except by the BR) in excess of US$10,000 or the equivalent in other currencies must, under a separate procedure from that used for travelers, be effected through securities transport companies. The related customs declarations must be submitted.
On imports	Yes.	
Domestic currency	Yes.	Inward and outward flows of cash in foreign currency or Colombian legal currency (except by the BR) in excess of US$10,000 or the equivalent in other currencies must, under a separate procedure from that used for travelers, be effected through securities transport companies. The related customs declarations must be submitted.
Foreign currency	Yes.	Inward and outward flows of cash in foreign currency or Colombian legal currency (except by the BR) in excess of US$10,000 or the equivalent in other currencies must, under a separate procedure from that used for travelers, be effected through securities transport companies. The related customs declarations must be submitted.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	These accounts may be opened with the EMIs indicated in Article 8 (1) of R.E. 1/2018 by (1) international transport companies; (2) travel and tourism agencies; (3) bonded warehouses and free warehouses; (4) port and airport services companies; (5) public or private entities conducting international technical cooperation programs with the national government for the deposit of amounts actually disbursed by foreign cooperation agencies; and (6) trust companies under fiduciary mandates or acting as representatives, spokespersons, and managers of independent pools of foreign exchange assets generated by the activities indicated above. These accounts do not have to be registered with the BR and may not be used to pay for exchange transactions that must be channeled through the foreign exchange market.
Approval required	No.	
Held abroad	Yes.	Residents may open accounts in financial institutions abroad with foreign exchange acquired on the foreign exchange market or foreign exchange unrelated to operations that must be channeled through the foreign exchange market. Residents carrying out foreign exchange transactions that are required to be channeled through the foreign exchange market may meet this requirement using accounts with foreign financial institutions registered with the BR as clearing accounts.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	The EMIs indicated in Article 8(1) of R.E. 1/2018 may receive deposits in foreign currency from (1) nonresident individuals and legal entities; (2) accredited diplomatic and consular missions to the government of Colombia and their employees; (3) multilateral organizations and their employees; and (4) foreign agents acting as liquidity providers for foreign currency clearing and settlement systems. These accounts may not be used to pay for transactions that must be channeled through the foreign exchange market, nor do they have to be registered at the BR.
Approval required	No.	
Domestic currency accounts	Yes.	The EMIs indicated in Article 8(1) of R.E. 1/2018 may receive demand deposits in current accounts, savings accounts, and electronic deposits in Colombian pesos from nonresident individuals and legal entities or like entities. The accounts are classified as general-use accounts and restricted-use accounts. General-use accounts may be opened by nonresidents for any purpose but may not be used to disburse loans in Colombian legal currency or to carry out exchange transactions that must be channeled through foreign exchange market, with the exception of: (1) payments for imports and exports of goods made by residents which are settled in Colombian legal currency; and (2) settlement in Colombian legal currency of transactions in derivatives. Restricted-use accounts are accounts intended for the following activities: (1) accounts for direct investment operations; (2) deposits of foreign capital portfolio investors (individual investors and omnibus accounts); (3) centralized foreign securities deposit accounts; and (4) accounts for foreign lending operations in Colombian legal currency.
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	All payments for imports must be channeled (traded and/or

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		transferred) through EMIs or accounts in foreign financial institutions, which must be registered with the BR under the clearing mechanism. To that end, a foreign exchange declaration must be submitted to report certain minimum data for the operation, which must be provided to EMIs for forwarding to the BR or submitted directly to the BR if the payments are channeled through clearing accounts.
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	In Colombia, products that require prior authorization, permit, or approval for importation and those that, because of their nature and special characteristics, require specific prior control, are subject to the Prior Licensing System and the Free Import System. Prior Licensing System There is a list of imports subject to the prior licensing system, which is administered by the Ministry of Trade, Industry, and Tourism; thus, in accordance with the provisions of Article 14 of Decree No. 0925, prior licensing is required for the following: (1) The importation of products classified by the tariff subheadings listed in Annex 1 to said Decree. (2) The importation of surpluses, understood as such with 2 or more years of production. (3) The importation of products under special market conditions, such as those that are used, defective, repaired, rebuilt, reconditioned, remanufactured, second-hand, of poor quality, or another similar condition. (4) The importation of goods with a request for exemption from customs duty (Category 1.7 of Circular No. 010/2016). (5) The importation of products controlled by the National Narcotics Fund (FNE) of the National Council of Narcotics (CNE) and the military industry (INDUMIL). (6) Imports of goods intended for the armed forces and the national police in the case of goods for national security and defense or war or reserved material, in accordance with the provisions of Article 3.2.8.1 of Decree No. 734/2012. (7) Since June 9, 2013, requests for imports that cover private garments of the Public Forces and therefore require the approval of the XIII Brigade of the National Army must be submitted by the prior licensing system, attaching the operating permit to sell articles and elements for uniforms of the Military Forces, issued by the aforementioned brigade (item 11 of Circular No. 023/2018). (8) Imports that use the annual licensing system. Free Import System On the other hand, registration is required for goods subject to permits or prior authorization, such as fishery products, private surveillance and security equipment, radioisotopes and radioactive material, law enforcement uniforms, and hydrocarbons and gasoline. Registration is also required for products subject to: (1) sanitary controls to protect human, plant, and animal health; (2) technical regulation compliance; (3) emissions certification by dynamic testing; (4) vehicle inspection; (5) quantitative safeguards quotas, without prejudice to those established for imports under the previous licensing system; (6) quotas established pursuant to international treaties, conventions, agreements, and protocols or in the context of trade policy; and (7) controls for environmental protection under international treaties, agreements, or protocols or national policy. Controls are applied for sanitary, security, health, or environmental protection purposes. (9) The importation of seeds for sowing, cannabis plants, cannabis,

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		cannabis derivatives, and products containing them is subject to the prior licensing import system indicated in Decree No. 0925/2013, as provided for in Article 2.8.11.4.1 of Decree No. 613/2017.
Negative list	Yes.	There is a ban on imports of the following goods, in accordance with the following provisions: Chemical, biological, and nuclear weapons. Nuclear and toxic waste. Products that contain ozone-depleting substances. Toy weapons. Pornographic material. Mini gelatin capsules. Certain products originating in and/or coming from the Democratic People's Republic of Korea. Incandescent light bulbs. Tetraethyl leaded gasolines. Products containing lead at levels above those established in the Technical Regulations. Mercury for mining and industrial activities (except those in the health sector) and mercury-added products, effective July 13, 2023, in accordance with the provisions of Law No. 1658/2013 and Decree No. 419/2021, as amended by Decree No. 1433/2022. Importation of any variety of asbestos since January 10, 2021, in accordance with the provisions of Decree No. 402/2021, in accordance with Law No. 1968/2019. Waste oils containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs), or polybrominated biphenyls (PBBs). Other waste oils according to the Basel Convention. Insecticides, rat poison and other rodenticides, fungicides, herbicides, germination inhibitors and plant growth regulators, disinfectants and similar products presented in forms or packaging for retail sale, or as preparations or articles such as ribbons, wicks and candles, sulfur, and flypaper. Dichlorodiphenyltrichloroethane DDT (ISO) (clofenotane (CID)), packaged in containers with a net weight of less than or equal to 300 g. Other insecticides, presented in forms or packaging for retail sale or in articles that contain mirex or endrin. Other insecticides that contain carbofuran (only if they are used in the area of public health). Other insecticides that contain bromomethane (methyl bromide) or bromochloromethane or that contain mirex or endrin (only if they are used in the area of public health). Fungicides presented in forms or packaging for retail sale or in articles that contain bromomethane (methyl bromide) or bromochloromethane (only if they are used in the area of public health). Other fungicides that contain copper compounds (only if they are used in the area of public health). Herbicides, germination inhibitors, and plant growth regulators presented in forms or packaging for retail sale or in articles that contain bromomethane (methyl bromide) or bromochloromethane or that contain butachlor or alachlor (only if they are used in the area of public health). Disinfectants presented in forms or packaging for retail sale or in articles that contain bromomethane (methyl bromide) or bromochloromethane (only if they are used in the area of public health). Other rat poisons and other rodenticides presented in forms or packaging for retail sale or in articles that contain bromomethane (methyl bromide) or bromochloromethane (only if they are used in the area of public health).
Open general licenses	No.	
Licenses with quotas	No.	

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Other nontariff measures	Yes.	Controls are applied for sanitary, security, health, environmental protection, and national production purposes.
Import taxes and/or tariffs	Yes.	Tariff Duties Article 1 of Decree No. 1881 of December 30, 2021 (in force from January 1, 2022), by which Colombia adopts customs tariffs and other provisions, establishes that the duties referred to in this Decree include ad valorem duties, which must be paid in the country's legal currency. The tariff rates in Colombia indicated there are subject to the tariff classification of each of the goods to be imported and range between: 0%, 5%, 10%, 15%, 20%, 25%, 30%, and 35%. (2) Andean Price Band System (APBS) There are ad valorem duties applicable to reference agricultural products, their substitutes, agro-industrial products or by-products, in accordance with the provisions of Decree No. 547 of January 31, 1995 establishing the Andean Price Band System (SAFP). These charges are determined through bi-weekly circulars issued by the National Tax and Customs Directorate (DIAN). (3) Taxable Base Article 16(1) of Decree No. 1165/2019 establishes the following: Article 16. TAXABLE BASE. The customs charges arising from imports must be paid as follows: 1. For customs duties, the taxable base must be the customs value of the imported goods, determined in accordance with the provisions governing customs valuation. 2. For the other duties that make up customs dues, it will be the customs value of the imported merchandise when applicable and, in special cases, it will be as provided for in the regulations that governing the matter. 3. For sales tax (VAT) on imports, the taxable base must be established in accordance with the provisions of Article 459 of the Tax Law and the rules that governing the tax, that is, "The taxable base on which the sales tax is calculated must, in the case of imported goods, be the same as that taken into account to assess the customs duties, plus the value of this charge." (4) Specific Tariff Treatments - Temporary reduction of tariffs on inputs for the production of consumer goods by low-income households for 6 months, in accordance with the provisions of Decree No. 307 of March 3, 2022 (effective March 3, 2022). Effective September 3, 2022, the temporary reduction of tariffs on inputs for the production of consumer goods by low-income households expired. - Effective March 3, 2022, tariff of 0% for importation of agricultural inputs for 12 months (Decree 307, 2022). Effective April 8, 2022, Decree No. 504 of April 4, 2022, extended the period for 6 months. - 0% MFN tariff for wheat, established in Decree No. 882/2020 for 2 years, in accordance with the provisions of Decree No. 1174 of July 11, 2022 (effective July 11, 2022). - Extension of the zero percent (0) tariff deferral for the importation of shelled peanuts, whether or not broken, classified under tariff subheading 1202.42.00.00, provided for in Decree No. 882/2020 for one year as of July 11, 2022, in accordance with the provisions of Decree No. 1175 of July 11, 2022. - Partial modification of Decree No. 1881 of December 30, 2021, to establish an ad valorem tariff of forty percent (40%) on imports of any most favored nation (MFN) origin, for products classified in

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		Chapters 61 and 62 of the National Customs Tariff, with an annual review, in accordance with the provisions of Decree No. 2598 of December 23, 2022 (enters into force 15 calendar days after the date of publication in the Official Gazette of December 23, 2022, that is, effective on January 8, 2023). - Reintroduction of the tariff in the subheadings with registration of national production established in Decree No. 272/2018 establishing a 0% tariff for raw materials and capital goods, without registration of national production, in accordance with the provisions of Decree No. 2616 of December 29, 2022 (enters into force 15 calendar days after the date of publication in the Official Gazette of December 29, 2022, that is, effective January 13, 2023). - Extension of the tariff for the footwear sector in accordance with the provisions of Decree No. 2632 of December 30, 2022 (in force as of December 30, 2022). - Extension of Decree Nos. 504/2022 and 1176/2022, "partially modifying the customs tariff for the importation of agricultural inputs" and "partially modifying the customs tariff for the importation of fertilizers and pesticides," respectively, for 12 months, in accordance with the provisions of Decree No. 809 of May 25, 2023 (in force as of May 26, 2023). Taxable base of customs duties - Reduction of 100% of the freight value of the taxable base of customs duties for 327 tariff subheadings for 6 months, in accordance with the provisions of Decree No. 955 of June 4, 2022 (Effective June 5, 2022). Effective January 5, 2023, the reduction of 100% of the freight value of the taxable base of customs duties for 327 tariff subheadings expired. - Inclusion of subheadings in the exclusion of freight from the taxable base for the assessment of customs duties for 6 months, in accordance with Decree No. 1132 of June 30, 2022 (Effective July 1, 2022). Effective January 1, 2023, the inclusion of subheadings in the exclusion of freight from the taxable base for the assessment of customs duties expired. (5) Other Taxes. According to Article 512-3 of the Tax Law. Consumption Tax: 8%. Free on board (FOB) value less than or equal to US$30,000, for the importation of transport equipment classified under tariff headings: 87.03 and 87.04. As well as an 8% consumption tax for those classified under tariff headings 8711 and 8903. With certain exceptions, imports are subject to the CET of the Andean Community. The weighted average tariff rate for the year 2023 between January and June was 6.25%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Foreign currency proceeds from exports must be channeled through EMIs or clearing accounts no later than six months after receipt.
Surrender requirements	No.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Export proceeds must be repatriated through EMIs or foreign financial institutions, which must be registered with the BR under the clearing mechanism. A foreign exchange declaration must be submitted to report certain minimum data for the operation. It must be provided to EMIs for forwarding to the BR or submitted directly to the BR if the payments are channeled through clearing accounts.
Export licenses	Yes.	
Without quotas	Yes.	Products that require authorization, approval, and certification prior to export by entities that operate in the Single Foreign Trade Window (VUCE), which is administered by the Ministry of Trade, Industry, and Tourism. * The prior export authorizations granted by the National Authority for Aquaculture and Fisheries through the VUCE are for ornamental fish and for fishery resources. * The prior export authorizations granted by the National Authority for Environmental Licensing through the VUCE are for specimens not listed in the Non-CITES Appendices and for ozone-depleting substances. * The prior export authorizations granted by the Ministry of Environment and Sustainable Development through the VUCE are for specimens listed in the CITES Appendices – fauna and for specimens listed in the CITES Appendices – flora. * The prior export authorizations granted by the National Mining Agency through the VUCE are the declaration of export coal for shipment, precious metals, other minerals, and precious and semi-precious stones and jewelry. * The prior export authorizations granted by the Ministry of Justice and Law through the VUCE are for controlled chemical substances and products. *The prior export authorizations granted by the INDUMIL through the VUCE are for weapons and ammunition; the chemical weapons convention; explosives; raw materials (Decree No. 2535/1993); samples of raw materials with no commercial value less than or equal to 50 kg; and samples of raw materials with no commercial value less than or equal to 50 kg with the INDUMIL. * The prior export authorizations granted by the Ministry of Agriculture through the VUCE are for export quotas to Mexico (milk and dairy products; oils derived from soy, sunflower, safflower, turnip seed, or rapeseed; wheat flour, groats, and wheat semolina; boneless meat). * The prior export authorizations granted by the National Council of Narcotics through the VUCE are for substances and products subject to its control.
With quotas	Yes.	An export quota for substances that deplete the ozone layer and controlled chemical substances. An export quota for unrefined sugar (crystals and loaf sugar) granted by the US government to Colombia for access to preferential treatment. An export quota for sugar and products containing sugar within the framework of the trade promotion agreement between Colombia and

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	the United States. In accordance with the protocol amending the free trade treaty between Colombia and Mexico, export quotas are granted by Mexico for goods originating in Colombia, including milk and dairy products; oils derived from soy, sunflower, safflower, turnip, or rape; flour from wheat, groats, and semolina; and boneless meat. Export quota for confectionery products and chocolates to Argentina. Effective May 14, 2023, export quota measures for ferrous scrap, classified under tariff subheadings 7204.10.00.00, 7204.21.00.00, 7204.29.00.00, 7204.30.00.00, and 7204.49.00.00, were established for a period of two (2) years in accordance with the provisions of Decree No. 0647 of April 28, 2023.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Foreign capital portfolio investments in (1) securities listed in the National Register of Securities and Issuers (RNVE) or listed in foreign securities listing systems, (2) collective investment funds, and (3) negotiable certificates of deposit representing securities must be made through local administrators (stock brokerage companies, trusts, or investment management companies subject to inspection and supervision by the SFC and trusts authorized to engage in the safekeeping of securities).
Sale or issue locally by nonresidents	Yes.	SFC approval is required for local issuance by nonresidents. Public offerings of securities issued by foreign governments, foreign public entities, or foreign entities are allowed, provided they comply with certain requirements. Securities issued abroad may be traded in Colombia, provided they are listed in foreign securities listing systems by stock brokerage companies or under stock market

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		integration agreements or conventions between securities trading or securities transaction registration systems or are registered in the RNVE.
Purchase abroad by residents	Yes.	Primary or secondary public offerings of foreign securities that have been granted prior express authorization by a supervisory authority, under the applicable legal regime in the respective jurisdiction, may be purchased, provided the said authority has signed information sharing agreements or conventions and supervision protocols with the SF. Those who, in accordance with the regulation, qualify as professional investors or investment clients may invest in these foreign securities.
Sale or issue abroad by residents	Yes.	Entities established in Colombia may issue securities to be offered in securities markets abroad or register securities issued in Colombia on international stock markets without making an offering, in which case they are subject only to the applicable foreign regulations, without prejudice to compliance with the applicable Colombian tax, exchange, and foreign capital investment rules. Authorized securities issuers established in Colombia may simultaneously offer securities in the international and local markets, with prior SFC authorization for local offerings. In the case of a simultaneous offering of shares and convertible bonds, the issuing company must list its shares on a Colombian stock market.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Foreign capital portfolio in: (1) securities listed in the RNVE or listed in foreign securities listing systems, (2) collective investment funds, and (3) negotiable certificates of deposit representing securities must be made through local administrators (stock brokerage companies, trusts, or investment management companies subject to inspection and supervision by the SFC, and trusts authorized to engage in the safekeeping of securities).
Sale or issue locally by nonresidents	Yes.	SFC approval is required for local issuance by nonresidents. Public offerings of securities issued by foreign governments or foreign entities are allowed, provided they comply with certain requirements. Securities issued abroad may be traded in Colombia, provided they are listed in foreign securities listing systems by stock brokerage companies or under stock market integration agreements or conventions/agreements between securities trading or securities transaction registration systems or are registered in the RNVE.
Purchase abroad by residents	Yes.	Primary or secondary public offerings of foreign securities that have been granted prior express authorization by a supervisory authority, under the applicable legal regime in the respective jurisdiction, may be purchased, provided the said authority has signed information sharing agreements or conventions and supervision protocols with the SF. Those who, in accordance with the regulation, qualify as professional investors or investment clients may invest in these foreign securities.
Sale or issue abroad by residents	Yes.	Entities established in Colombia may issue securities to be offered in securities markets abroad or register securities issued in Colombia on international stock markets without making an offering, in which case they are subject only to the applicable foreign regulations, without prejudice to compliance with the applicable Colombian tax, exchange, and foreign capital investment rules. Authorized securities issuers established in Colombia may simultaneously offer securities in the international and local markets, with prior SFC authorization for local offerings. In the case of a simultaneous offering of shares and convertible bonds, the issuing company must list its shares on a Colombian stock market.
On money market instruments	Yes.	

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Purchase locally by nonresidents	Yes.	Foreign capital portfolio investments must be made through local administrators. Foreign capital portfolio investment managers may carry out operations in the money market and establish the respective guarantees.
Sale or issue locally by nonresidents	Yes.	SFC approval is required for local issues by nonresidents. Public offerings of securities issued by foreign governments or foreign entities are allowed, provided they comply with certain requirements. Securities issued abroad may be traded in Colombia, provided they are either listed in securities listing systems abroad or registered in the RNVE.
Purchase abroad by residents	Yes.	Primary or secondary public offerings of foreign securities that have been granted prior express authorization by a supervisory authority, under the applicable legal regime in the respective jurisdiction, may be purchased, provided the said authority has signed information sharing agreements or conventions and supervision protocols with the SF. Those who, in accordance with the regulation, qualify as professional investors or investment clients may invest in these foreign securities.
Sale or issue abroad by residents	Yes.	Entities established in Colombia may offer securities in the markets abroad or register securities issued in Colombia on international stock markets without making an offering, in which case they are subject only to the applicable foreign regulations, without prejudice to compliance with the applicable Colombian tax, exchange, and foreign capital investment rules. Authorized securities issuers established in Colombia may simultaneously offer securities in the international and local markets, with prior SFC authorization in the case of local offerings.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Foreign capital portfolio investments must be made through local administrators. These include holdings in collective investment funds.
Sale or issue locally by nonresidents	Yes.	Issuance is not allowed. The offering of financial and foreign securities market services in Colombia is expressly regulated and must be conducted through representation offices and under correspondent contracts with authorized securities market intermediaries. Representation offices may not provide advertised services, such as sales of holdings in collective portfolios.
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	The EMIs specified in Article 8(1) of R.E. 1/2018 and residents may carry out transactions in financial derivatives on any type of underlying asset with foreign agents, as well as in financial derivatives on any type of underlying asset denominated in foreign exchange with residents and other EMIs. Stock brokerage companies specified in Article 8(3) of R.E. 1/2018 (EMIs) may offer their clients exchange rate financial derivatives only when they are cleared and settled through a CCP authorized by the SFC. Derivatives with cash settlement to cover any obligation may be contracted by EMIs and residents.
Purchase locally by nonresidents	Yes.	The foreign agents authorized to engage in derivatives transactions with the EMIs specified in Article 8(1) of R.E. 1/2018 are nonresidents who have framework contracts with a close-out netting

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clause with EMIs, in accordance with the provisions established by the SFC in the Basic Accounting and Financial Circular, and foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and when dealing with novation of contracts. The requirement for a close-out netting clause in a framework contract took effect on September 1, 2018 (Circular DODM 144).

The foreign agents authorized to engage in derivatives transactions with residents other than the EMIs specified in Article 8(1) of R.E. 1/2018 are: (i) nonresidents who completed derivative transactions in the calendar year immediately preceding the transaction with a nominal value of more than one billion United States dollars (US$1,000,000,000) and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts.

EMI may carry out financial derivative transactions denominated in Colombian legal tender with authorized foreign agents, subject to the restrictions and prohibitions applicable to them in accordance with their special regulatory regimes (R.E. 8/2022, effective August 26, 2022, which added paragraph 7 to Article 8 of R.E. 1/2018). Previously, this was not allowed for EMIs that were broker-dealers.

The foreign agents authorized to carry out financial derivative transactions denominated in pesos with EMIs other than those specified in Article 8(1) of R.E. 1/2018 are: (i) nonresidents who have framework contracts with a close-out netting clause concluded with EMIs, in accordance with the provisions established by the SFC in the Basic Accounting and Financial Circular, and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts.

The foreign agents authorized to enter into financial derivatives transactions with EMIs in which the latter act in their capacity as residents (Article 8(4) of Resolution 1/2018) are: (i) nonresidents who completed derivative transactions in the calendar year immediately preceding the transaction with a nominal value of more than US$1 billion and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts.

Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may enter into credit derivatives with authorized foreign agents, with no requirement that it only be through a CDS (R.E. 10 of December 16, 2022, effective February 1, 2023). Prior to this date, it could only be done through CDS.

Additionally, in the case of entering into credit derivative transactions with EMIs and residents, foreign agents must also be rated as investment grade by at least one internationally renowned credit rating agency.

Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may not issue credit derivatives (Article 65 of R.E. 1/2018, as amended by R.E. 10/2022, effective February 1, 2023).

Sale or issue locally by nonresidents Yes. The foreign agents authorized to engage in derivatives transactions with the EMIs specified in Article 8(1) of R.E. 1/2018 are

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		nonresidents who have framework contracts with a close-out netting clause with EMIs, in accordance with the provisions established by the SFC in the Basic Accounting and Financial Circular, and foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and when dealing with novation of contracts. The requirement for a close-out netting clause in a framework contract took effect on September 1, 2018 (Circular DODM 144). The foreign agents authorized to engage in derivatives transactions with residents other than the EMIs specified in Article 8(1) of R.E. 1/2018 are: (i) nonresidents who completed derivative transactions in the calendar year immediately preceding the transaction with a nominal value of more than one billion United States dollars (US$1,000,000,000) and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts. EMI may carry out financial derivative transactions denominated in Colombian legal tender with authorized foreign agents, subject to the restrictions and prohibitions applicable to them in accordance with their special regulatory regimes (R.E. 8/2022, effective August 26, 2022, which added paragraph 7 to Article 8 of R.E. 1/2018). Previously, this was not allowed for EMIs that were broker-dealers. The foreign agents authorized to carry out financial derivative transactions denominated in pesos with EMIs other than those specified in Article 8(1) of R.E. 1/2018 are: (i) nonresidents who have framework contracts with a close-out netting clause concluded with EMIs, in accordance with the provisions established by the SFC in the Basic Accounting and Financial Circular, and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts. The foreign agents authorized to enter into financial derivatives transactions with EMIs in which the latter act in their capacity as residents (Article 8(4) of Resolution 1/2018) are: (i) nonresidents who completed derivative transactions in the calendar year immediately preceding the transaction with a nominal value of more than US$1 billion and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts. Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may enter into credit derivatives with authorized foreign agents, with no requirement that it only be through a CDS (R.E. 10 of December 16, 2022, effective February 1, 2023). Prior to this date, it could only be done through CDS. Additionally, in the case of entering into credit derivative transactions with EMIs and residents, foreign agents must also be rated as investment grade by at least one internationally renowned credit rating agency. Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may not issue credit derivatives (Article 65 of R.E. 1/2018, as amended by R.E. 10/2022, effective February 1, 2023).
Purchase abroad by residents	Yes.	The foreign agents authorized to engage in derivatives transactions

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with the EMIs specified in Article 8(1) of R.E. 1/2018 are nonresidents who have framework contracts with a close-out netting clause with EMIs, in accordance with the provisions established by the SFC in the Basic Accounting and Financial Circular, and foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and when dealing with novation of contracts. The requirement for a close-out netting clause in a framework contract took effect on September 1, 2018 (Circular DODM 144).

The foreign agents authorized to engage in derivatives transactions with residents other than the EMIs specified in Article 8(1) of R.E. 1/2018 are: (i) nonresidents who completed derivative transactions in the calendar year immediately preceding the transaction with a nominal value of more than one billion United States dollars (US$1,000,000,000) and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts.

EMI may carry out financial derivative transactions denominated in Colombian legal tender with authorized foreign agents, subject to the restrictions and prohibitions applicable to them in accordance with their special regulatory regimes (R.E. 8/2022, effective August 26, 2022, which added paragraph 7 to Article 8 of R.E. 1/2018). Previously, this was not allowed for EMIs that were broker-dealers.

The foreign agents authorized to carry out financial derivative transactions denominated in pesos with EMIs other than those specified in Article 8(1) of R.E. 1/2018 are: (i) nonresidents who have framework contracts with a close-out netting clause concluded with EMIs, in accordance with the provisions established by the SFC in the Basic Accounting and Financial Circular, and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts.

The foreign agents authorized to enter into financial derivatives transactions with EMIs in which the latter act in their capacity as residents (Article 8(4) of Resolution 1/2018) are: (i) nonresidents who completed derivative transactions in the calendar year immediately preceding the transaction with a nominal value of more than US$1 billion and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts.

Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may enter into credit derivatives with authorized foreign agents, with no requirement that it only be through a CDS (R.E. 10 of December 16, 2022, effective February 1, 2023). Prior to this date, it could only be done through CDS.

Additionally, in the case of entering into credit derivative transactions with EMIs and residents, foreign agents must also be rated as investment grade by at least one internationally renowned credit rating agency.

Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may not issue credit derivatives (Article 65 of R.E. 1/2018, as amended by R.E. 10/2022, effective February 1, 2023).

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Sale or issue abroad by residents	Yes.	The foreign agents authorized to engage in derivatives transactions with the EMIs specified in Article 8(1) of R.E. 1/2018 are nonresidents who have framework contracts with a close-out netting clause with EMIs, in accordance with the provisions established by the SFC in the Basic Accounting and Financial Circular, and foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and when dealing with novation of contracts. The requirement for a close-out netting clause in a framework contract took effect on September 1, 2018 (Circular DODM 144). The foreign agents authorized to engage in derivatives transactions with residents other than the EMIs specified in Article 8(1) of R.E. 1/2018 are: (i) nonresidents who completed derivative transactions in the calendar year immediately preceding the transaction with a nominal value of more than one billion United States dollars (US$1,000,000,000) and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts. EMI may carry out financial derivative transactions denominated in Colombian legal tender with authorized foreign agents, subject to the restrictions and prohibitions applicable to them in accordance with their special regulatory regimes (R.E. 8/2022, effective August 26, 2022, which added paragraph 7 to Article 8 of R.E. 1/2018). Previously, this was not allowed for EMIs that were broker-dealers. The foreign agents authorized to carry out financial derivative transactions denominated in pesos with EMIs other than those specified in Article 8(1) of R.E. 1/2018 are: (i) nonresidents who have framework contracts with a close-out netting clause concluded with EMIs, in accordance with the provisions established by the SFC in the Basic Accounting and Financial Circular, and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts. The foreign agents authorized to enter into financial derivatives transactions with EMIs in which the latter act in their capacity as residents (Article 8(4) of Resolution 1/2018) are: (i) nonresidents who completed derivative transactions in the calendar year immediately preceding the transaction with a nominal value of more than US$1 billion and (ii) foreign clearing and settlement houses in the case of derivatives traded on securities exchanges and in the case of novation of contracts. Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may enter into credit derivatives with authorized foreign agents, with no requirement that it only be through a CDS (R.E. 10 of December 16, 2022, effective February 1, 2023). Prior to this date, it could only be done through CDS. Additionally, in the case of entering into credit derivative transactions with EMIs and residents, foreign agents must also be rated as investment grade by at least one internationally renowned credit rating agency. Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may not issue credit derivatives (Article 65 of R.E. 1/2018, as amended by R.E. 10/2022,

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		effective February 1, 2023).
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	No.	Residents and EMIs (Article 8(1) of R.E. 1/2018) may grant credits to nonresidents regardless of the currency of denomination, disbursement, or payment. The credit may be denominated, disbursed, or paid in foreign currency and Colombian legal currency, as agreed by the parties.
To residents from nonresidents	Yes.	Nonresidents may grant credits to EMIs and residents, regardless of the currency of denomination, disbursement, or payment, as agreed by the parties. As a requirement for the disbursement and channeling of foreign credits obtained by residents from nonresidents, a deposit must be made with the BR under the conditions, amount, and term indicated in general by the Board of Directors (currently 0%). Disbursements in Colombian legal currency of credits granted by nonresidents should take place through Colombian legal currency accounts of nonresidents with EMIs used exclusively for external credits. Transfers of foreign amounts into these accounts of nonresidents are subject to the deposit requirement.
Financial credits	Yes.	
By residents to nonresidents	No.	Residents and EMIs (Article 8(1) of R.E. 1/18) may grant credits to nonresidents regardless of the currency of denomination, disbursement, or payment. Prior to the issuance of R.E. 1/18, disbursements in foreign currency were considered foreign credits regardless of their denomination.
To residents from nonresidents	Yes.	Nonresidents may grant credits to EMIs and residents, regardless of the currency of denomination, disbursement, or payment, as agreed by the parties. As a requirement for the disbursement and channeling of foreign credits obtained by residents from nonresidents, a deposit must be made with the BR under the conditions, amount, and term indicated in general by the Board of Directors (currently 0%). Disbursements in Colombian legal currency of credits granted by nonresidents should take place through the Colombian legal currency accounts of nonresidents with EMIs used exclusively for external credits. Transfers of foreign amounts into these accounts of nonresidents are subject to the deposit requirement.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	Residents may grant stipulated sureties and guarantees in foreign currency or Colombian legal currency to nonresidents to back any obligation.
To residents from nonresidents	No.	Nonresidents may grant stipulated sureties and guarantees in foreign currency or Colombian legal currency to residents and EMIs to back any obligation.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	
Inward direct investment	Yes.	Investment in the defense and national security sector and in the handling of toxic, dangerous, or radioactive waste is not permitted.
Controls on liquidation of direct investment	Yes.	The terms for the reimbursement of investment income and the legal remittance of profits in effect the date of registration of the

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		investment abroad may not be changed in such a way that they adversely affect the investor, except temporarily when international reserves fall below the equivalent of three months of imports.
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	Nonresidents may grant credits to residents, regardless of the currency of denomination, disbursement, or payment, as agreed by the parties. As a requirement for the disbursement and channeling of foreign credits obtained by residents from nonresidents, a deposit must be made with the BR under the conditions, amount, and term indicated in general by the Board of Directors (currently 0%). Disbursements in Colombian legal currency of credits granted by nonresidents should take place through the Colombian legal currency accounts of nonresidents with EMIs used exclusively for external credits. Transfers of foreign amounts into these accounts of nonresidents are subject to the deposit requirement.
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Borrowing from abroad by EMIs is governed by R.E. 1/2018. The EMIs specified in Article 8(1) and (2) of R.E. 1/2018 may obtain financing denominated in Colombian legal currency from nonresidents or through the placement of securities on international capital markets for the purpose of carrying out lending operations denominated in Colombian legal currency. When this financing is disbursed in a foreign currency, the EMI must make the deposit required pursuant to Article 47 of R.E. 1/2018. As long as the resources are used in authorized operations in Colombian legal

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currency, they may be held in foreign currency assets.

The EMIs specified in Article 8(1), (2), and (6) of R.E. 1/2018 may obtain financing denominated in foreign currency from nonresidents, from EMIs, or through the placement of securities on international capital markets exclusively for the purpose of carrying out the following activities:

(1) Lending operations, directly or through rediscounting, denominated in foreign currency in the same currency in which the financing was obtained, with a term equal to or less than that of the financing obtained.

(2) Lending operations, directly or through rediscounting, denominated in Colombian legal currency, with a term equal to or less than that of the financing obtained. The financing in foreign currency must be covered by a foreign currency derivative effective from the date the financing is disbursed until it reaches maturity, or it must be designated by the competent body of the EMI as a hedging instrument for the investments controlled abroad, in compliance with the hedge accounting requirements of the IFRS. As long as the resources are used for authorized operations in Colombian legal currency, they may be held in foreign currency assets.

(3) Operations carried out in their capacity as local suppliers of foreign currency liquidity to foreign exchange clearing and settlement systems and CCPs in accordance with operating rules of the system or clearinghouse, as the case may be. These operations must have a shorter term than that of the financing obtained.

The financing obtained by these EMIs must be reported to the BR in accordance with the form and within the deadlines determined by the latter and is subject to the deposit referred to in Article 47 of this resolution. No deposit is required in some cases (R.E. 1 of February 28, 2020, as amended by R.E. 25 of October 30, 2020).

The authorization to perform export leasing operations was removed from R.E. 1/2018 given that they are already considered to be part of authorized lending operations.

The EMIs specified in Article 8(6) of R.E. 1/2018 may also obtain financing denominated in Colombian legal currency from nonresidents other than individuals or through the placement of securities on international capital markets for the purpose of carrying out lending operations, directly or through rediscounting, denominated in Colombian legal currency.
This financing must be reported to the BR in accordance with the form and within the deadlines it has determined.

When the financing is disbursed in foreign currency, the EMI must provide a deposit referred to in Article 47 of this resolution.
As long as the resources are used in authorized operations in Colombian legal currency, they may be held in foreign currency assets.

Financing disbursed in Colombian legal currency by nonresidents in accordance with the provisions of Article 45(2) of this resolution is not subject to the deposit requirement provided for under Article 47 of R.E. 1/2018.

Maintenance of accounts abroad	No.	EMIs are allowed to maintain accounts abroad.

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Lending to nonresidents (financial or commercial credits)	No.	Residents and EMIs (Article 8(1) of R.E. 1/18) may grant credits to nonresidents regardless of the currency of denomination, disbursement, or payment.
Lending locally in foreign exchange	Yes.	The specified EMIs may obtain financing in foreign currency from nonresidents, from EMIs, or through the placement of securities on international capital markets, to be used exclusively for specific purposes, including foreign currency lending operations in the same currency in which the financing was obtained, at equal or shorter terms than the financing.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Entities subject to SFC inspection and supervision may make capital investments abroad in accordance with the Organic Law No. on the Financial System, as well as financial investments abroad. EMIs in general are authorized to make financial investments abroad. Financial institutions supervised by the SFC that wish to directly make or increase their capital investments in financial institutions, the securities market, insurance and reinsurance companies, and branches and agencies domiciled abroad must obtain prior authorization from the SFC. Such authorization is also required if they intend to make such investments indirectly through their affiliates and subsidiaries abroad, provided the investment is made through one or more transactions within a period of one year and in compliance with any of the materiality criteria indicated in the regulation, namely: (1) the amount of the investment: when the initial investment is no less than 10% of the subscribed and paid-up capital of the entity making the investment and the increase in the investment is no less than 5% of the subscribed and paid-up capital of the entity making the investment. For purposes of calculating the initial investment, it will be understood that, in addition to the first operation, the initial investment will include the investment increases made within the 12 months following the first operation; and (2) coordination between the supervisors: when the financial supervisor in the location where the investment is to be made does not have a MoU with the SF. Capital investments or increases that do not meet the above criteria must be reported to the SFC before the operation is carried out.

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In banks by nonresidents	Yes.	The acquisition of 10% or more of the subscribed shares of entities subject to SFC inspection or an increase in that percentage requires prior approval by the SFC.
Open foreign exchange position limits	Yes.	The limits take into account foreign currency rights and obligations regardless of whether the counterparties to the positions are residents or nonresidents. The proprietary position in foreign currency (the difference between the balance-sheet and off-balance-sheet claims and liabilities denominated in foreign currency) excludes the value of investments controlled abroad and derivatives and other obligations designated by the EMI as hedging instruments for these investments. The three-business-day arithmetic mean of EMI's own foreign currency position may not exceed the equivalent in foreign currency of 20% of the EMI's capital, and the position may be negative, but the absolute value of the negative position may not exceed the equivalent in foreign currency of 5% of capital. Moreover, EMIs are required to meet the limits on the following consolidated indicators: (1) positive exchange risk indicator (IRC+) (sum in dollars of proprietary positions per currency that are greater than 0); the three-business day average of the IRC+ may not be less than 40% of the EMI's capital; (2) negative exchange risk indicator (IRC−) (sum in dollars of proprietary positions per currency that are less than 0); the three-business-day average of the IRC− may not be less than 40% of capital; and (3) short-term exposure indicators. The "Individual Short-Term Exposure Indicator" the sum of (1) the EMI's net surpluses per currency, adjusted by a foreign exchange haircut, and (2) the EMI's net shortfalls per currency; net surpluses or shortfalls per currency (which are the difference between liquid assets per currency and net liquidity requirements per currency) will be calculated for periods of seven (7) and thirty (30) calendar days and must be greater than 0. The "Consolidated Short-Term Exposure Indicator" (the sum of (1) the EMI's "Individual Short-Term Exposure Indicator," considering significant currencies at the consolidated level, and (2) the Individual Short-Term Exposure Indicators calculated by country where their affiliates are established, provided they are less than 0, will be calculated for a period of 30 calendar days and must be greater than 0. (4) The position in investments controlled abroad (PICE) (the difference between the value of investments controlled abroad and the value of derivatives and other obligations designated by the EMI as hedging instruments for these investments). Since July 31, 2019, the PICE may not exceed the equivalent in foreign currency of 150% of capital for controlled investments. (Before the PICE was introduced, these items were part of the global foreign currency position).
On resident assets and liabilities	Yes.	The limits take into account foreign currency rights and obligations regardless of whether the counterparties to the positions are residents or nonresidents.
On nonresident assets and liabilities	Yes.	The limits take into account foreign currency rights and obligations regardless of whether the counterparties to the positions are residents or nonresidents.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	General insurance companies and savings investment companies (sociedades de capitalización) may invest up to 40% of their technical reserves in securities or holdings of external issuers (indicated in paragraph 2 of Article 2.31.3.1.2) and in demand

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		deposits in banks abroad (paragraph 3.2). The securities of issuers abroad that are part of the holdings in collective investment funds of authorized national issuers will be calculated for the purposes of that limit.
Limits (max.) on investment portfolio held abroad	Yes.	General insurance companies and savings investment companies (sociedades de capitalización) may invest up to 40% of their technical reserves in securities or holdings of external issuers (indicated in numeral 2 of Article 2.31.3.1.2) and in demand deposits in banks abroad (paragraph 3.2).
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Total unhedged foreign currency investments in the portfolio backing the technical reserves may not exceed 35% of the value of the portfolio. The sum of the investments in foreign currency that the portfolio supporting the technical reserves may have without exchange hedging may not exceed 35% of the value of the portfolio. Within this amount, the investments in foreign currency based on the instruments described in subparagraphs 1.7, 1.9, 1.10.3, and 1.11 of Article 2.31.3.1.2 of Decree No. 2555/2010 must be taken into account.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The limits on investments in instruments, securities, or holdings of external issuers (indicated in Article 2.6.12.1.2(2)) and in demand deposits in banks abroad (paragraph 3.3.)) of Article 2.6.12.1.2. are 40%, 60%, and 70% for conservative, moderate, and higher risk funds, respectively.
Limits (max.) on investment portfolio held abroad	Yes.	The limits on investments in instruments, securities, or holdings of external issuers (indicated in Article 2.6.12.1.2(2)) and in demand deposits in banks abroad are 40%, 60%, and 70% for conservative, moderate, and higher-risk funds, respectively.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	The maximum limits for the unhedged foreign currency position of pension funds are 15%, 35%, and 50% for conservative, moderate, and higher-risk funds, respectively.
Investment firms and collective investment funds	No.	Collective investment funds or families of collective investment funds must first define their investment policy in the prospectus and regulation, which must contain the investment plan, the parameters for the management of money market operations, the policy on deposits in current or savings accounts, the risk profile of the fund, the risk management policy, and other aspects determined by the SFC.
Limits (max.) on securities issued by nonresidents	No.	Management companies may include in investment fund portfolios any economic asset or claim, including securities issued by banking institutions located abroad; securities issued by foreign companies in the real sector whose stocks are registered in internationally recognized stock markets; bonds issued by multilateral credit institutions or foreign governments; and shares in foreign investment funds or funds that mirror national or foreign indexes.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

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Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	In the case of transactions that must be channeled through the foreign exchange market, they cannot be paid using means of payment other than foreign currency.
For current transaction	n.r.	Imports and exports of goods as well as foreign debt transactions are transactions that must be channeled through the foreign exchange market.
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	Foreign portfolio investments and financial investments in securities issued abroad are transactions that must be channeled through the foreign exchange market.
Transactions in derivatives and other instruments	n.r.	Derivative transactions must be channeled through the foreign exchange market.
Credit operations	n.r.	Foreign debt transactions are transactions that must be channeled through the foreign exchange market.
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	In the case of transactions that must be channeled through the foreign exchange market, they cannot be paid using means of payment other than foreign currency.
For current transaction	n.r.	Imports and exports of goods as well as foreign debt transactions are transactions that must be channeled through the foreign exchange market.
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	Foreign portfolio investments and financial investments in securities issued abroad are transactions that must be channeled through the foreign exchange market.
Transactions in derivatives and other instruments	n.r.	Derivative transactions must be channeled through the foreign exchange market.
Credit operations	n.r.	Foreign debt transactions are transactions that must be channeled through the foreign exchange market.

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Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	Transactions that must be channeled through the foreign exchange market cannot be paid using means of payment other than foreign currency.
For current transaction	Yes.	Imports and exports of goods as well as foreign debt transactions are transactions that must be channeled through the foreign exchange market and therefore cannot be paid using cryptoassets.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Foreign portfolio investments and financial investments in securities issued abroad are transactions that must be channeled through the foreign exchange market and therefore cannot be paid using cryptoassets.
Transactions in derivatives and other instruments	Yes.	Derivative transactions must be channeled through the foreign exchange market and therefore cannot be paid using cryptoassets.
Credit operations	Yes.	Foreign debt transactions are transactions that must be channeled through the foreign exchange market and therefore cannot be paid using cryptoassets.
Controls on utility and security tokens	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	Transactions that must be channeled through the foreign exchange market cannot be paid using means of payment other than foreign currency.
For current transaction	Yes.	Imports and exports of goods as well as foreign debt transactions are transactions that must be channeled through the foreign exchange market and therefore cannot be paid using utility or security tokens.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Foreign portfolio investments and financial investments in securities issued abroad are transactions that must be channeled through the foreign exchange market and therefore cannot be paid using utility or security tokens.
Transactions in derivatives and other instruments	Yes.	Derivative transactions must be channeled through the foreign exchange market and therefore cannot be paid using utility or security tokens.
Credit operations	Yes.	Foreign debt transactions are transactions that must be channeled through the foreign exchange market and therefore cannot be paid using utility or security tokens.
Controls on stablecoins	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	Transactions that must be channeled through the foreign exchange market cannot be paid using means of payment other than foreign currency.
For current transaction	Yes.	Imports and exports of goods as well as foreign debt transactions are

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		transactions that must be channeled through the foreign exchange market and therefore cannot be paid using stablecoins.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Foreign portfolio investments and financial investments in securities issued abroad are transactions that must be channeled through the foreign exchange market and therefore cannot be paid using stablecoins.
Transactions in derivatives and other instruments	Yes.	Derivative transactions must be channeled through the foreign exchange market and therefore cannot be paid using stablecoins.
Credit operations	Yes.	Foreign debt transactions are transactions that must be channeled through the foreign exchange market and therefore cannot be paid using stablecoins.
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	Foreign currency for payment of transactions that must be channeled may only be transferred or negotiated through EMIs or clearing accounts.

Changes during 2022 and 2023

Imports and Import Payments

Import licenses and other nontariff measures		
Negative list	*07/13/2023*	Mercury added products were included in the negative list.
Import taxes and/or tariffs	*03/03/2022*	Temporary reduction of tariffs on inputs for the production of consumer goods by low-income households for 6 months.
	03/03/2022	Temporary tariff of 0% for importation of agricultural inputs for 12 months.
	04/08/2022	The temporary tariff of 0% for importation of agricultural inputs was extended for 6 months.
	06/05/2022	Reduction of 100% of the freight value of the taxable base of customs duties for 327 tariff subheadings for 6 months.
	07/01/2022	Inclusion of subheadings in the exclusion of freight from the taxable base for the assessment of customs duties for 6 months.
	07/11/2022	0% MFN tariff for wheat, established in Decree No. 882/2020 for 2 years.
	09/03/2022	The temporary reduction of tariffs on inputs for the production of consumer goods by low-income households expired.
	01/01/2023	The inclusion of subheadings in the exclusion of freight from the taxable base for the assessment of customs duties expired.
	01/05/2023	The reduction of 100% of the freight value of the taxable base of customs duties for 327 tariff subheadings expired.
	01/08/2023	An ad valorem tariff of forty percent (40%) on imports of any most favored nation (MFN) origin was established, for products classified in Chapters 61 and 62 of the National Customs Tariff, with an annual review.
	01/13/2023	Reintroduction of the tariff in the subheadings with registration of national production established in Decree No. 272/2018 establishing a 0% tariff for raw materials and capital goods, without registration of national production.

Exports and Export Proceeds

Export licenses

With quotas

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	05/14/2023	Export quota measures for ferrous scrap, classified under tariff subheadings 7204.10.00.00, 7204.21.00.00, 7204.29.00.00, 7204.30.00.00, and 7204.49.00.00, were established for a period of two (2) years.

Capital Transactions

Controls on capital transactions

Controls on derivatives and other instruments		
Purchase locally by nonresidents	*08/26/2022*	EMI may carry out financial derivative transactions denominated in Colombian legal tender with authorized foreign agents, subject to the restrictions and prohibitions applicable to them in accordance with their special regulatory regimes. Previously, this was not allowed for EMIs that were broker-dealers.
	02/01/2023	Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may enter into credit derivatives with authorized foreign agents, with no requirement that it only be through a credit default swap (CDS). Prior to this date, it could only be done through CDS.
	02/01/2023	Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may not issue credit derivatives.
Sale or issue locally by nonresidents	*08/26/2022*	EMI may carry out financial derivative transactions denominated in Colombian legal tender with authorized foreign agents, subject to the restrictions and prohibitions applicable to them in accordance with their special regulatory regimes. Previously, this was not allowed for EMIs that were broker-dealers.
	02/01/2023	Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may enter into credit derivatives with authorized foreign agents, with no requirement that it only be through a credit default swap (CDS). Prior to this date, it could only be done through CDS.
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Sale or issue abroad by residents	*08/26/2022*	EMI may carry out financial derivative transactions denominated in Colombian legal tender with authorized foreign agents, subject to the restrictions and prohibitions applicable to them in accordance with their special regulatory regimes. Previously, this was not allowed for EMIs that were broker-dealers.
	02/01/2023	Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may enter into credit derivatives with authorized foreign agents, with no requirement that it only be through a credit default swap (CDS). Prior to this date, it could only be done through CDS.
	02/01/2023	Residents, including entities supervised by the Office of the Financial Superintendence of Colombia, may not issue credit derivatives.

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COMOROS

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 21, 1976.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the Comoros is the Comorian franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	The exchange rate is based on fixed parity with the euro.
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The Comoros is part of the Africa-France Monetary Cooperation. The Comorian franc is pegged to the euro at the fixed rate of CF 491.96775 per euro; the value of other currencies is based on the exchange rates of these currencies in the foreign exchange markets. The exchange rate arrangement is established by the following documents: (1) the monetary November 23, 1979, cooperation agreement between the Comorian and French governments; (2) the November 23, 1998, decision by the European Council of Ministers authorizing France to maintain its monetary arrangements with the CFA area countries and the Comoros; and (3) the January 14, 1999, order of the governor of the Central Bank of Comoros (CBC) on euro–Comorian franc parity. Decree No. 87-005/PR, Regulating Financial Relations between the Comoros and Other Countries and its regulations apply. The government of either the Comoros or France may change the exchange rate arrangement after notification to the other party.

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Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Comorian franc (CF) is officially pegged to the euro at the fixed rate of CF 491.96775 per euro. The official exchange rate is used for accounting and valuation. The government of either the Comoros or France may change the exchange rate arrangement after notification to the other party to the monetary cooperation agreement.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The exchange rate of the Comorian franc against the euro is therefore an intermediate objective of the CBC's monetary policy. It is maintained within its target (official EUR/CF parity) by means of exchange rate facilities with local financial institutions. While the external anchoring of the Comorian currency is clearly defined through the rules of fixed parity between the euro and the Comorian franc and the external hedging of the national currency (the ratio of external assets to the CBC's demand deposits must remain at least 20%), the objective of monetary stability stipulated in Article 6 of the CBC's charter is not accompanied by an explicit inflation indicator or target. However, the Comoros is subject to multilateral convergence criteria in the framework of regional cooperation in Africa (COMESA; SADC; Association of African Central Banks). Among these criteria is the inflation rate, which is currently set at a maximum of 7% in the Association of African Central Banks zone and a maximum of 5% in COMESA and SADC. This inflation norm is set at 3% in the other communities of the Africa-France Monetary Cooperation. The ultimate objective of monetary policy in the Comoros is currency stability. This takes the form of external stability through the anchoring of the Comorian franc exchange rate and internal stability through a strategy of keeping inflation low. The operational instruments are the foreign exchange facilities, the reserve requirement ratio, and the main liquidity management operations whose main parameter is the limit rate for liquidity tenders (TSAO) effective July 1, 2022. The TSAO is the CBC's main policy rate. This is the maximum bid rate for negative tenders in a context of structural excess liquidity as at present or the minimum bid rate for liquidity injection tenders in a context of structural liquidity shortfall. Until December 2022, the CBC's interest rates were indexed to the weighted average overnight rate of the eurozone interbank market. Effective January 1, 2023, the CBC abandoned this automatic indexation of its rates to the Euro Short-Term Rate (currently Euro Overnight Index Average) in favor of a corridor regime centered on

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the TSAO. This is the benchmark against which all other Central Bank of the Comoros (BCC) rates are defined, by fixed increase or decrease.
The TSAO was initially set at 2.5% in July 2022 for negative tenders, and when the corridor system was introduced in January 2023, it was maintained at the same level, along with the deduction step for other interest rates, before being raised together to 3% at the Board of Directors' meeting on July 4, 2023.

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

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Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	Yes.	Foreign exchange transactions are subject to the consumption tax.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Foreign exchange dealers authorized by the CBC may deal in any currency and freely set their spreads and commissions.
Spot exchange market	Yes.	Licensed institutions must be designated authorized intermediaries by the CB to carry out foreign exchange transactions and money transfers. Nine licensed institutions have authorized intermediary status. Two other financial intermediaries are authorized to engage in OTC foreign exchange and money transfer operations. All authorized financial institutions may carry out foreign exchange transactions with the CB. Only credit institutions may maintain correspondent accounts abroad. Seven credit institutions are licensed: four commercial banks and three microfinance networks. There are also three authorized intermediaries: the financial services provided by the Postal Administration and two private money transfer and foreign exchange companies. As of December 31, 2022, there were ten approved credit institutions including four banks and four decentralized financial institutions. There are also three financial intermediaries.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The CBC exchanges Comorian francs against euros at the official rate, subject to a commission, after verification and economic justification of the transaction.
Allocation	Yes.	The CBC exchanges Comorian francs against euros at the official rate, subject to a commission, after verification of the transaction.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The interbank foreign exchange market is not active, but interbank foreign exchange dealing is permitted. At present, it is limited to deposits of cash surpluses of microfinance institutions at banks in the market. There are no limits on the bid-ask spread nor on the commissions set by market participants. All financial institutions (credit institutions and financial intermediaries) licensed by the CBC are authorized to participate in the interbank market. As of December 31, 2022, there were four banks and four decentralized financial institutions that may participate in the interbank market.
Over the counter	Yes.	OTC Comorian franc–euro exchange transactions are carried out between licensed institutions at the official rate plus a commission.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	There is no forward foreign exchange market. However, forward cover transactions against exchange rate risk are authorized by the

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		CBC and are provided to traders for up to three months by licensed commercial banks that are authorized to conduct this type of transaction.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	The Comoros is linked to the French Treasury through an operations account, through which settlements with France, Monaco, and other operations account countries (franc zone area members) take place in euros or in the currency of any other operations account country. Settlements with other countries usually take place through correspondent banks in France in the currency of the countries or in euros through foreign accounts in Comorian francs.
Controls on the use of domestic currency	Yes.	Settlements in domestic currency abroad require CBC approval.
For current transactions and payments	Yes.	Settlements abroad in banknotes are not allowed.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	Any foreign currency acquired must be converted to domestic currency at a licensed financial institution within one month.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	The Comoros is a member of COMESA and the Indian Ocean Commission.
Clearing agreements	Yes.	The Comoros is preparing to join the COMESA transaction clearing system.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBC has sole authority in exchange control matters but has delegated certain exchange control powers to authorized banks and financial establishments. The MOF supervises borrowing and lending abroad, inward direct investment, and outward investment. Except for gold-related transactions, the country's exchange control measures do not apply to (1) France (and its overseas departments and territories), (2) Monaco, or (3) other countries whose banks of issue are linked with the French Treasury by an operations account (franc zone area members).
Payments arrears	Yes.	
Official	Yes.	There are external public debt service payments arrears.
Private	No.	Private arrears consist solely of outstanding amounts for services provided to government units and are evidenced by cash bonds (bons de caisse).
Controls on trade in gold (coins and/or bullion)	Yes.	

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On domestic ownership and/or trade	No.	There are no restrictions on domestic ownership of gold or trading domestically in gold.
On external trade	Yes.	Prior authorization for imports and exports of gold bullion or coins is not required and is exempt with the exception of the business license. Exports and imports of gold, precious metals, and precious and semiprecious stones must be declared to customs.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	A limit of CF 2,000,000 applies to exports of currency by travelers leaving the Union of the Comoros on presentation of supporting documentation.
Foreign currency	Yes.	Residents traveling to France, Monaco, and operations account countries may take out the equivalent of CF 2,000,000 banknotes a person a trip and any amount in other means of payment. Residents traveling to countries other than France, Monaco, and operations account countries may take out any means of payment up to the equivalent of CF 2,000,000 a person a trip. Larger amounts require CBC approval on submission of supporting documentation. Nonresident travelers may export the equivalent of CF 2,000,000 in banknotes a person a trip and any means of payment issued abroad in their name on presentation of supporting documentation. In other cases, authorization is granted in accordance with exchange regulations when supporting documents are produced.
On imports	Yes.	
Domestic currency	No.	No controls apply to imports of Comorian francs, euro banknotes, or banknotes of countries connected to the French Treasury through an operations account.
Foreign currency	Yes.	Resident travelers must surrender all foreign exchange to an authorized intermediary within one month of return. Nonresidents bringing in foreign currency banknotes are required to declare them to customs on entry.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	These accounts are permitted with CBC approval. Transfers abroad must be economically justified. Foreign currency withdrawals in cash are not permitted; cash withdrawals are strictly limited to domestic currency.
Approval required	Yes.	
Held abroad	Yes.	These accounts are permitted with CBC approval. Currently, only banks and post office financial services have been approved—to facilitate the settlement of international trade transactions.
Approval required	Yes.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Authorization is required.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	These accounts are permitted, but approval is required.
Approval required	Yes.	

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Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Nonresidents may open accounts denominated in Comorian francs in authorized banks.
Approval required	No.	
Blocked accounts	Yes.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Import transactions equivalent to CF 500,000 or more must be domiciled with an authorized bank.
Preshipment inspection	Yes.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	Import licenses are not required. Importers are required to submit a foreign trade data sheet on imports.
Other	No.	
Import licenses and other nontariff measures	Yes.	The importation of most goods is subject to notification for statistical purposes.
Positive list	No.	
Negative list	Yes.	The importation of certain goods from all countries is prohibited for health or security reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Import taxes and tariffs are established in the budget law. The 2011 supplemental budget replaced the presumptive tax on less-than-container loads (conteneurs de groupage) with an ad valorem tax.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	The government has a monopoly on imports of hydrocarbons and ordinary rice. An exemption to the rice monopoly has been granted to private sector economic operators.

Exports and Export Proceeds

Repatriation requirements	Yes.	Proceeds from exports must be repatriated within 30 days of the execution of the commercial contract.
Surrender requirements	Yes.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	Yes.	Proceeds must be sold to an authorized bank immediately after repatriation.
Financing requirements	No.	
Documentation requirements	Yes.	With a few exceptions, licenses are not required for exports, regardless of destination.
Letters of credit	Yes.	
Guarantees	No.	
Domiciliation	Yes.	Export proceeds must be domiciled with an authorized bank if the value is equivalent to CF 500,000 or more.
Preshipment inspection	Yes.	Preshipment inspection is required by customs regulations.
Other	No.	
Export licenses	Yes.	Notification is required for statistical purposes.
Without quotas	Yes.	
With quotas	No.	
Export taxes	Yes.	Export taxes on vanilla, cloves, and ylang-ylang are set annually, with rates dependent on market conditions. The 5% export tax on cash crops (vanilla, cloves, and ylang-ylang) was suspended to support this sector following depressed world prices for these commodities.
Collected through the exchange system	No.	
Other export taxes	Yes.	Taxes are levied on specific services.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments for invisible transactions to France, Monaco, and operations account countries are permitted freely, as are those related to authorized imports. Other payments, except investment-related transfers, are subject to bona fide tests.
Trade-related payments	Yes.	
Prior approval	Yes.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	Repatriation of dividends and other earnings from nonresidents' direct investments is authorized and guaranteed under the Investment Code.
Prior approval	Yes.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	Yes.	Residents traveling to countries other than France, Monaco, and operations account countries may take out by any means of payment up to the equivalent of CF 2,000,000 a person a trip. Larger amounts require CBC approval on submission of supporting documentation.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	These transactions are authorized on presentation of supporting documentation.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments for invisible transactions to France, Monaco, and operations account countries are permitted freely. All other payments, except investment-related and import-related transfers, are subject to indicative limits or bona fide tests.
Credit card use abroad	Yes.	
Prior approval	Yes.	The issuance of means of payment or payment instruments is subject to the approval of the CBC, which is responsible for the proper functioning of the payment and settlement systems (CBC charter). The CBC is currently working on draft regulatory text governing payment means, systems, and incidents. Credit institutions require CBC approval to issue international payment cards.
Quantitative limits	Yes.	The CB sets limits by type of card based on international best practices.
Indicative limits/bona fide test	Yes.	Payments for invisible transactions to France, Monaco, and operations account countries are permitted freely. All other payments, except investment-related and import-related transfers, are subject to indicative limits or bona fide tests.
Other payments	Yes.	
Prior approval	Yes.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments for invisible transactions to France, Monaco, and operations account countries are permitted freely. All other payments, except investment-related and import-related transfers, are subject to indicative limits or bona fide tests.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from transactions with France, Monaco, and operations account countries may be retained. Proceeds from residents of other countries with respect to services and income earned in those countries from foreign assets must be repatriated within one month of the due date or date of receipt.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Export proceeds in foreign currency must be sold to an authorized bank.

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Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Income earned on foreign assets in countries other than France, Monaco, and operations account countries must be repatriated within one month of the due date or date of receipt.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	
Controls on capital and money market instruments	Yes.	Capital transfers between the Comoros and France, Monaco, and operations account countries are, in principle, free of exchange control. Capital transfers to all other countries require exchange control approval, but capital receipts from these countries are permitted freely.
On capital market securities	Yes.	CBC authorization is required to effect these transactions.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	The money market in the Comoros is not active.
Sale or issue locally by nonresidents	No.	The money market in the Comoros is not active.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	There is no collective investment securities market in the Comoros.
Sale or issue locally by nonresidents	No.	There is no collective investment securities market in the Comoros.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	

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Controls on derivatives and other instruments	n.r.	There is no derivatives market in the Comoros.
Purchase locally by nonresidents	n.r.	
Sale or issue locally by nonresidents	n.r.	
Purchase abroad by residents	n.r.	
Sale or issue abroad by residents	n.r.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Credits must have a maximum maturity of 90 days.
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	The law requires the establishment of guarantees but does not specify their nature; however, Comoros is subject to Organization for the Harmonization of Business in Africa provisions governing collateral.
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Controls relate to the approval of the underlying transactions, not to payments or receipts.
Inward direct investment	No.	
Controls on liquidation of direct investment	Yes.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	Banking law and prudential regulation apply.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Settlement of debts abroad by	Yes.	Settlement of debts abroad is permitted on presentation of supporting

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immigrants		documentation.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Credit institutions must obtain the prior authorization of the CB, particularly based on the solvency of the borrowing institution.
Maintenance of accounts abroad	Yes.	Prior authorization from the CB is required.
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents is permitted for economic activities in the Comoros.
Lending locally in foreign exchange	No.	This type of lending does not take place.
Purchase of locally issued securities denominated in foreign exchange	No.	There is no securities market in the Comoros.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	
In banks by nonresidents	Yes.	
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	n.a.	
Insurance companies	No.	
Limits (max.) on securities issued by	No.	

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nonresidents		
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	n.a.	In principle, no limits are set on pension funds' investments abroad.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	n.a.	In principle, no limits are set on investment firms' and collective investment funds' investments abroad.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.

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Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Monetary policy framework

Exchange rate anchor

Euro	*07/01/2022*	The Limit rate for liquidity tenders (TSAO) was introduced.
	01/01/2023	The Central Bank of the Comoros (CBC) abandoned the automatic indexation of its rates to the €STR (currently EONIA) in favor of a corridor regime centered on the TSAO. This is the benchmark against which all other BCC rates are defined, by fixed increase or decrease. Previously, the CBC's interest rates were indexed to the weighted average overnight rate of the eurozone interbank market.

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DEMOCRATIC REPUBLIC OF THE CONGO (DRC)

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 28, 1963.
Article VIII	Yes.	Date of acceptance: February 10, 2003.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation, Second Review Under the Extended Credit Facility Arrangement, Request for Modifications of Performance Criteria, and Financing Assurances Review with the Democratic Republic of the Congo (DRC), states that as of, June 15, 2022, the DRC maintains one exchange rate restriction subject to IMF approval arising from an outstanding net debt position against other contracting members under the inoperative regional payments' agreement with the CEPGL. (Country Report No. 22/210)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the DRC is the Congo franc (CDF).
Other legal tender	No.	In the DRC, the CDF is the only legal tender. No other currency has ever been accepted as legal tender in the DRC. However, the Central Bank of the Democratic Republic of the Congo (BCC) publishes, on a daily basis, exchange rates for certain currencies listed and admitted on the national territory by the foreign exchange regulation.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. The exchange rate

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		of the CDF is determined by supply and demand in the foreign exchange market. The BCC intervenes through auction, which is the only operational framework for the BCC's transactions with the market. Among the services of the CB, the statistics of interventions are published on a daily basis and the Directorate of Statistics layers them in its weekly, monthly, semiannual, and annual publications. This information is also published on the BCC's website. The de facto exchange rate arrangement is classified as crawl-like.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The BCC publishes the daily official (reference) exchange rate, which is based on the weighted average of the amounts and rates from market transactions, as reported by the commercial banks and foreign exchange bureaus. The official exchange rate is an indicative rather than an operational rate.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	As part of its monetary program, the BCC sets the rate of growth in the monetary base and money supply as the operational and intermediate objectives, respectively. The BCC has a policy rate, which is the rate on its short-term 7-day lending transactions.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		

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Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	A charge of 0.02% is levied by the BCC on transfer transactions entering or leaving the country, with certain exceptions, regardless of the nature of the originator or the beneficiary.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	The foreign exchange market is regulated by an agreement signed in 2003 between the BCC and the licensed banks. Participants in the exchange market are the BCC, the licensed banks, and all other licensed financial intermediaries (for example, exchange bureaus) that accede to the agreement. As of December 31, 2022, there were 15 active commercial banks. Market participants are free to determine their bid-ask spread and foreign exchange commission. There is also a parallel market with a fairly large number of participants for which the volume of transactions is difficult to estimate. The daily spread between the official rate and parallel rate averaged 1.94% in 2021. Any Congolese legal entity wishing to engage in activity as an exchange bureau must be licensed by the BCC. There are currently 30 authorized foreign exchange bureaus. The exchange bureaus cannot execute foreign exchange transactions directly with the BCC. Exchange bureaus are authorized to buy and sell foreign currencies for local currency in cash and to buy and sell foreign currencies for other currencies in cash. Exchange bureaus may not (1) maintain accounts abroad. They are required to maintain accounts in domestic

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		currency and/or foreign-currency-denominated accounts opened in the Congolese banking system or (2) conduct foreign exchange transactions in excess of US$10,000 or the equivalent in other foreign currencies a person a day. The exchange bureaus may not execute transfers with the rest of the world, import or export banknotes, or hold deposits for their customers.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The CB has been holding bilateral auctions since May 15, 2015, twice a week, on Mondays and Thursdays; in exceptional cases, depending on the monetary policy requirements, it may organize bilateral auctions on the other days of the week. Only commercial banks and the CB are authorized to participate in bilateral foreign exchange auctions, which are multiple rate auctions. The auctions are subject to rate limits. There is a mechanism to ensure that the accepted bid buying and selling exchange rates remain within plus or minus 2% of the marginal auction rate. Accordingly, buying (selling) bids greater than (less than) 102% (98%) of the marginal auction rate are honored at the maximum (minimum) auction exchange rate. There is no limit to the amount. The auction amount is not announced in advance. The BCC organizes two auctions per week in strict compliance with the schedule. Banks that fail to honor their commitments deriving from auction operations are penalized in accordance with the tariffs and conditions of the BCC of December 2003. The BCC publishes the auction results at its website and in its information system, or through other means of communication (duly signed letter, e-mail, fax, and swift messages) using a standard form. In addition, a confirmation message for the purchase or sale of foreign exchange is sent to each accepted bank.
Fixing	No.	
Interbank market	Yes.	Operations in the interbank foreign exchange market take place over the counter or by bilateral auction. No charges or commissions are assessed. Only commercial banks and the BCC participate in this market. There are currently 15 authorized commercial banks in the interbank market. Market participants are free to determine their bid-ask spread and foreign exchange commission. As of December 31, 2022, almost all banks participated in the interbank market. The BCC purchases US dollars sporadically at the banks' initiative. In 2022, the BCC was a net buyer of US dollars.
Over the counter	Yes.	Foreign currency transactions are executed over the counter at prices determined by supply and demand.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	A forward exchange market exists and is regulated by the same institutional mechanism as the spot market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

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Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	Domestic transactions between residents and nonresidents may be expressed and carried out in domestic currency. Except as otherwise provided in the Exchange Regulations, transactions may also be denominated and settled in one of the foreign currencies quoted by the BCC, by agreement of the parties. For current transactions, there are no restrictions on the use of domestic currency. International transactions are frequently expressed and settled in foreign currencies.
For capital transactions	No.	Domestic transactions between residents, and between residents and nonresidents, are expressed and settled in domestic currency. Except as otherwise provided in the Exchange Regulations, transactions may also be denominated and settled in one of the foreign currencies listed by the BCC, by agreement of the parties. For capital transactions, there are no restrictions on the use of domestic currency. International transactions are frequently expressed and settled in foreign currencies.
Transactions in capital and money market instruments	No.	International and domestic capital transactions between residents and between residents and nonresidents are expressed in the currency agreed between the parties. For capital and money market transactions, there are no restrictions on the use of domestic currency. Money market instruments are expressed and settled in national currency. However, the government may issue treasury bills in foreign currency.
Transactions in derivatives and other instruments	No.	Money market instruments are expressed and settled in national currency. For derivatives transactions, there are no restrictions on the use of domestic currency.
Credit operations	No.	Capital transactions between residents and nonresidents are expressed and settled in national currency or any other currency quoted by the BCC. For credit operations, there are no restrictions on the use of domestic currency.
Use of foreign exchange among residents	Yes.	The domestic currency and foreign currencies are in circulation. However, residential rent, education, and health-related expenditures and the cost of domestic water and electricity consumption are set and paid for only in domestic currency when the transactions are between residents.
Payments arrangements	Yes.	Foreign exchange transactions initiated in the context of international accords are settled in accordance with the provisions of the foreign exchange regulations in force.
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	There is an inoperative bilateral payments agreement with Zimbabwe.
Regional arrangements	Yes.	The DRC is a member of COMESA, the SADC, the CEPGL, and the Economic Community of Central African States.
Clearing agreements	Yes.	Within the CEPGL, the DRC has payments agreements that use the clearing mechanism. Payments are made through SDR-denominated accounts among the CBs of Burundi, the DRC, and Rwanda. These agreements are inoperative.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Foreign exchange transactions must take place through the BCC or authorized intermediaries. The BCC also supervises authorized banks and nonbank intermediaries and regulates the foreign exchange

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		positions of banks. Supporting documentation is required for operations involving (1) revenue transfers for exports of goods and services, imports of services, and imports of goods exceeding the equivalent of US$2,500 and (2) current transfers, capital movements, and international payments exceeding US$10,000.
Payments arrears	Yes.	
Official	Yes.	LAC-Air Zimbabwe Partnership; SNCC-NRZ Partnership.
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Only Congolese may purchase, transport, sell, or hold gold in areas not covered by exclusive mining concessions. Foreign individuals and legal entities may do so only on behalf of authorized marketing agencies.
On external trade	Yes.	Gold from artisanal production may be exported only by authorized marketing agencies and does not require BCC authorization. However, they must comply with the Kimberley Process Certification Scheme and require, in addition to an export declaration made through a licensed bank, an appraisal certificate from the Centre for Evaluation, Expertise and Certification (CEEC) and a certificate of origin. In addition to pre-financing, the repatriation of proceeds from exports of gold must be effected within 20 days of the date of shipment.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	No.	
Foreign currency	Yes.	There are no restrictions on the possession of foreign currency in the DRC. Travelers exiting the country may carry foreign exchange not exceeding US$10,000 or its equivalent in other currency, unless they are in transit internationally or on a service mission. Travelers must declare the amount of foreign exchange carried. Transfers of amounts exceeding US$10,000 must be made through a bank. The transfer abroad of foreign banknotes representing part of the foreign exchange position of a licensed bank requires authorization by the BCC. The bank must apply to the BCC online, specifying in foreign currency the amounts to be exported and the name and address of the recipient correspondent bank abroad.
On imports	Yes.	
Domestic currency	No.	
Foreign currency	Yes.	There are no restrictions on the possession of foreign currency in the DRC. The amount of foreign cash that may be held on entering or leaving the national territory must be less than US$10,000 or the equivalent in other foreign currencies. Larger amounts must be transferred via bank transfer. For their operations, licensed banks are authorized to physically export and import foreign-currency-denominated banknotes, which are, in their entirety, deemed to be part of the bank's exchange position, based on BCC authorization requested online.

Resident Accounts

Foreign exchange accounts permitted	Yes.	

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Held domestically	Yes.	Licensed banks are authorized to open foreign-currency-denominated accounts for residents ("Résident en Monnaies Etrangères" accounts) without prior authorization from the CB. These accounts may (1) be demand or time deposits; (2) bear interest; (3) be credited or debited without restriction; and (4) record domestic transfers between Résident en Monnaies Etrangères accounts, subject to the signature of exchange documents. Balances in foreign exchange accounts held domestically may be transferred abroad freely subject to the provision of a description and supporting documentation.
Approval required	No.	
Held abroad	Yes.	In accordance with the foreign exchange regulations, licensed banks are permitted to open bank accounts with foreign correspondents to execute transactions for their customers or themselves. Companies holding mining rights are permitted to hold foreign bank accounts with reputable international banks and report those accounts to the BCC. Accounts designated as "Principal Account" may be used to manage funds the company is permitted to hold outside the national territory, and other accounts to manage funds transferred from the principal account to service foreign debt, and for provisions and statutory, legal, and discretionary reserves.
Approval required	Yes.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Holdings in domestic currency are converted freely by agreement between the account holder and the commercial bank.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Licensed banks are authorized to open foreign-currency-denominated accounts for nonresidents ("Non-résident en Monnaies Etrangères" accounts) without prior authorization from the CB. These accounts may (1) be demand or time deposits; (2) bear interest; (3) be credited or debited without restriction; and (4) record domestic transfers between Non-résident en Monnaies Etrangères accounts, subject to the signature of exchange documents. Balances in foreign exchange accounts held domestically may be transferred abroad freely subject to the provision of a description and supporting documentation.
Approval required	No.	
Domestic currency accounts	Yes.	Licensed banks may open domestic currency accounts for nonresidents without BCC approval. These accounts may be demand or time deposit accounts.
Convertible into foreign currency	Yes.	Balances in domestic currency accounts originating from legitimate international transactions may be converted and transferred.
Approval required	No.	
Blocked accounts	No.	Transactions may be freely conducted on these accounts.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	There are no restrictions; the importer simply has to comply with administrative measures. This includes importer payments to nonresident suppliers that must be accompanied by a declaration to which the goods and services contract, the invoice, and/or any other

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		supporting documentation are attached. The importer is required to pay the invoice through an intervening bank.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	With the exception of border trade, all transactions relating to the import of goods, irrespective of the form of financing, require the prior filing of a model IB declaration for imports of goods with a resident commercial bank.
Preshipment inspection	Yes.	Imports are subject to preshipment inspection. The amount, invoice price, and quality of imports must be verified and approved by the foreign agent of the Office of Congolese Control. Verification certificates are not required for imports of up to the f.o.b. equivalent of US$2,500 a shipment.
Letters of credit	Yes.	Regulations on import payments follow generally accepted international payment methods.
Import licenses used as exchange licenses	No.	An import declaration validated by a licensed bank constitutes authorization to import and/or make payments to a foreign supplier and does not limit the amount of the transaction.
Other	Yes.	Written authorization from the relevant government department is required for certain goods, such as coins, commemorative coins, banknotes, weapons, and ammunition.
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	All products are authorized, except certain goods that require the consent of the relevant government department.
Negative list	No.	
Open general licenses	Yes.	The following may be imported without an exchange document, provided they are not intended for resale: (1) commercial samples without value; (2) newspapers, periodicals, and magazines for personal use and by subscription; (3) baggage and personal articles; (4) goods for the resupply of oil platforms carried from abroad aboard aircraft, ships, and other domestic means of transport; and (5) articles whose total value, including freight and insurance, does not exceed US$2,500 a shipment (cargo splitting is prohibited).
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The tax and customs services determine and collect import taxes and duties.
Taxes collected through the exchange system	Yes.	The BCC charges an exchange control fee of 0.02% on payments made abroad by the banks to cover import expenses and on imports for which no foreign currency is purchased.
State import monopoly	Yes.	Military materials are subject to a state import monopoly.

Exports and Export Proceeds

Repatriation requirements	Yes.	With the exception of gold and diamonds produced by artisanal miners, for which the amount must be received at the bank no later than 20 days from the date of exit, export or reexport receipts from all other products of any nature must be repatriated no later than 60

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calendar days from the date (1) the goods exit the national territory for a final destination or (2) the goods are shipped from an African country to a final destination.

The exporter is required to transmit the transport document for shipped goods to the intervening bank for certification of the shipment date. In the case of exports on consignment, the export proceeds must be repatriated as soon as the merchandise has been sold and not later than the end of the validity period of the EB declaration form. As the sales progress, the exporter is required to receive a consignment accounting statement along with the relevant payment when the exporter must repatriate the proceeds.

For companies holding mineral rights, export receipts from mining products must be received in the primary foreign account within 45 calendar days of the date the goods exited the national territory, for an African country, and from shipment from an African country, unless the sales contract includes special provisions governing the payment period.

Mineral rights holders are authorized to keep 40% of export receipts in the primary account. Only mineral rights holders that have provided the bank references and regularly report activity in the primary account to the BCC may keep a portion of export or pre-financing receipts abroad. The 60% of export receipts required to be repatriated must be deposited to an account opened with the intervening bank within 15 days of the deposit of funds in the primary foreign account. The repatriated portion of export receipts must be used to cover domestic expenses payable to residents and may not be used to finance imports or any other international payment.

Accounts opened with the national banking system must also be credited with pre-financing and miscellaneous resources and obligations related to the firm's operations.

Every mineral rights holder is required to transmit to the CB, no later than the 15th day of each month, a declaration indicating the previous month's activity in its principal foreign account together with the corresponding bank statement.

The BCC reserves the right to verify the propriety of the transaction recorded in the primary foreign accounting of a mineral rights holder, after providing written notice to the account holder in advance.

To that end, the mineral rights holder must be required to acknowledge receipt and provide the BCC with a notarized letter to its banker authorizing verification of the transactions in its primary account within 30 days of receipt of the BCC correspondence.

For petroleum production companies, export receipts from petroleum products must be received in the primary foreign account within 45 calendar days of the date the goods exited the national territory, for an African country, and of shipment from an African country, unless the sales contract includes special provisions governing the payment.

Every petroleum exploration and production company must be required to transmit to the CB, no later than the 15th day of each month, a declaration indicating the previous month's activity in its principal foreign account together with the corresponding bank statement.

The BCC reserves the right to verify the propriety of the transaction recorded in the primary foreign accounting of a petroleum exploration and production company, after providing written notice to the account holder in advance.

To that end, the petroleum exploration and production company must be required to acknowledge receipt and provide the BCC with a notarized letter to its banker authorizing verification of the transactions in its primary account within 30 days of receipt of the

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		CB.
Surrender requirements	No.	Exporters are not required to surrender their export proceeds to banks or to the BCC. If they do surrender them, the terms, conditions, and arrangements must be agreed to by the bank and its customers.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	Except for border trade, any export of goods, regardless of the mode of financing, requires the advance signature of a model EB declaration for exports with a licensed bank or any other representative designated by the BCC for that purpose. A model EB declaration may cover the export of goods of different tariff positions, provided the applicable commercial contract is concluded with a single customer and the goods have the same destination. If that condition is not met, a declaration must be signed for each customer and for each destination. A duly validated model EB declaration evidences the signatory's intent to export, and in case of export, the intervening bank is required to receive the full value of the export within the time period defined in the regulations.
Letters of credit	Yes.	Export regulations respect generally accepted international modes of payment.
Guarantees	Yes.	These are required in the case of temporary exports of goods for rental, maintenance, custom work, etc.
Domiciliation	No.	
Preshipment inspection	Yes.	Exports of goods require inspection certificates ascertaining quality, quantity, and price. EB declaration forms must be submitted with the following documents: lot ready for export report, quality certificate (coffee), appraisal certificate (precious materials), and certificate of origin (precious materials).
Other	Yes.	Written authorization from the relevant government department is required for certain goods, such as coins, commemorative coins, banknotes, weapons, and ammunition.
Export licenses	No.	Export declarations are required for statistical purposes only.
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	Yes.	The BCC imposes an exchange control fee of 0.02% on export proceeds surrendered to banks and on exports for which no foreign currency proceeds have been repatriated.
Other export taxes	Yes.	The tax and customs services collect export taxes and duties.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments from abroad for invisible transactions (services) and outward transfers in connection with primary or secondary income are permitted on submission of an exchange document, depending on the case, the IS declaration for services of any amount and the income and capital (RC) declaration for primary and secondary income for any amount equal to or exceeding US$10,000 or its equivalent in other currencies listed by the BCC. Funds sent in connection with primary and secondary income must come from

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		transactions with a lawful economic origin.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Presentation of regulatory documents is required. The resident commercial bank that validates the declaration must ensure that the AML law is observed.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For financial operations, the signing of an RC Declaration Form with a commercial bank for statistical purposes is a prerequisite, regardless of the amount. Profits, dividends, interest, rental income, and other such income earned in the DRC must be transferred through licensed banks according to contractual provisions.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Residents and nonresidents entering or leaving the country may bring foreign banknotes and coins of an amount greater than US$10,000 or the equivalent in other foreign currencies. Amounts in excess of this ceiling at the time of entering or leaving the national territory must be transferred via bank transfer.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Any payment of the amount of US$10,000 or more requires the filing of a model RC declaration and must be compliant with the AML law in the DRC.
Foreign workers' wages	Yes.	Foreign workers’ income and wages earned in the DRC may be transferred through licensed banks.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Any sending or receiving of primary or secondary income and capital having a value of US$10,000 or more or equivalent in other foreign currencies requires the prior signing of an RC Declaration Form with a licensed bank.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The issuer is responsible for defining the overall transaction limits a mechanism a day. In practice, commercial banks cap the withdrawal between US$500 and US$1,500. As a COVID-19 measure, this ceiling was increased to US$2,500 to promote the use of electronic

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		money.
Indicative limits/bona fide test	Yes.	The daily limit depends on the type of card.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For transfers or deposits to an account of a nonresident with a resident bank, any payment greater than or equal to US$10,000 is subject to the signing of an RC Declaration Form.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Payments to and from other countries for invisible transactions and current transfers are permitted with an IS or RC exchange document from a licensed bank (for statistical purposes). Payment of a current transfer of less than US$10,000 does not require an RC. Licensed banks must produce a statement of proceeds or expenses in foreign currency. Licensed banks must complete a statement of proceeds in foreign currency for proceeds from exports of services. Exporters must obtain payment from foreign buyers of services based on an export of services declaration and repatriate payments through a licensed bank. A stamped export of services from a licensed bank authorizes exportation of services on payment of the amount invoiced. The proceeds of exports of services must be repatriated no later than 30 calendar days from the date the services were rendered.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Inward and outward capital transactions are permitted on submission of an RC declaration form. The capital involved must represent the proceeds of lawful transactions.
Repatriation requirements	Yes.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Individuals and legal entities must inform the BCC in writing of their intention to raise funds through any of the following activities: (1) exports for sale; (2) offers for sale; (3) offers for subscription; (4) offers for swap or purchase; and (5) swaps and issuance of (a) shares, securities, and founders' shares, directly or indirectly representing partners' rights in companies; (b) savings or capitalization bonds; (c) bonds and other securities, regardless of the identity of the borrower; (d) certificates or shares in joint investment funds; (e) other financial claims and similar financial instruments; and (f) any documentation evidencing such assets.
On capital market securities	Yes.	

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Shares or other securities of a participating nature	Yes.	Mandatory submission of an RC declaration form to a commercial bank via the BCC's platform for any amount equal to or greater than US$10,000 is required.
Purchase locally by nonresidents	Yes.	Mandatory submission of an RC declaration form to a commercial bank via the BCC's platform for any amount equal to or greater than US$10,000 is required.
Sale or issue locally by nonresidents	Yes.	Mandatory submission of an RC declaration form to a commercial bank via the BCC's platform for any amount equal to or greater than US$10,000 is required.
Purchase abroad by residents	Yes.	Mandatory submission of an RC declaration form to a commercial bank via the BCC's platform for any amount equal to or greater than US$10,000 is required.
Sale or issue abroad by residents	Yes.	Mandatory submission of an RC declaration form to a commercial bank via the BCC's platform for any amount equal to or greater than US$10,000 is required.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Sale or issue locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Purchase abroad by residents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Sale or issue abroad by residents	Yes.	An exchange document is required for amounts of US$10,000 or more.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Sale or issue locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Purchase abroad by residents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Sale or issue abroad by residents	Yes.	An exchange document is required for amounts of US$10,000 or more.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Sale or issue locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Purchase abroad by residents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Sale or issue abroad by residents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Sale or issue locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Purchase abroad by residents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Sale or issue abroad by residents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Controls on credit operations	Yes.	Commercial banks are required to verify that the terms of the

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		commitments have been met before carrying out financial transactions. In this case, they must require the loan, borrowing, prefinancing, trade credit, or other agreement.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
To residents from nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Financial credits	Yes.	
By residents to nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
To residents from nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
To residents from nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Controls on direct investment	Yes.	An exchange document is required for amounts of US$10,000 or more.
Outward direct investment	Yes.	An exchange document is required for amounts of US$10,000 or more.
Inward direct investment	Yes.	An exchange document is required for amounts of US$10,000 or more.
Controls on liquidation of direct investment	Yes.	An exchange document is required for amounts of US$10,000 or more.
Controls on real estate transactions	Yes.	An exchange document is required for amounts of US$10,000 or more.
Purchase abroad by residents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Purchase locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Sale locally by nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Controls on personal capital transactions	Yes.	An exchange document is required for amounts of US$10,000 or more.
Loans	Yes.	An exchange document is required for amounts of US$10,000 or more.
By residents to nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
To residents from nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Gifts, endowments, inheritances, and legacies	Yes.	An exchange document is required for amounts of US$10,000 or more.
By residents to nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
To residents from nonresidents	Yes.	An exchange document is required for amounts of US$10,000 or more.
Settlement of debts abroad by immigrants	Yes.	An exchange document is required for amounts of US$10,000 or more.
Transfer of assets	Yes.	An exchange document is required for amounts of US$10,000 or more.
Transfer abroad by emigrants	Yes.	An exchange document is required for amounts of US$10,000 or

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		more.
Transfer into the country by immigrants	Yes.	An exchange document is required for amounts of US$10,000 or more.
Transfer of gambling and prize earnings	Yes.	An exchange document is required for amounts of US$10,000 or more.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Licensed banks are permitted to negotiate and obtain lines of credit for own account subject to compliance with prudential rules issued by the BCC.
Maintenance of accounts abroad	No.	Licensed banks are permitted to hold accounts with foreign correspondents. There are no requirements applicable to maintaining bank accounts abroad.
Lending to nonresidents (financial or commercial credits)	Yes.	Banks may freely debit or credit accounts in foreign exchange of nonresidents, although a foreign exchange document must be signed for transfers of more than US$10,000.
Lending locally in foreign exchange	Yes.	Financing may be provided in foreign currency. However, short-term loans to resident households must be contracted and paid in national currency.
Purchase of locally issued securities denominated in foreign exchange	Yes.	A foreign exchange document is required only for nonresidents who subscribe to these securities.
Differential treatment of deposit accounts in foreign exchange	Yes.	The CB may not purchase foreign currency deposited in residents' or nonresidents' accounts at its own initiative.
Reserve requirements	Yes.	Banks are required to hold reserves in national currency on their foreign currency deposits. The reserve ratios are 12% for term deposits and 13% for demand deposits. On the other hand, the ratios applied to demand and term deposits in national currency are 0.
Liquid asset requirements	Yes.	A liquidity ratio of 100% must be observed.
Interest rate controls	No.	The borrowing and lending rates charged by banks are liberalized.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	The treatment is the same as for residents.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	Instruction No. 18 establishes the terms and conditions for licensing of banks and bank officers and their employment status.
Abroad by banks	Yes.	Authorization must be obtained from the BCC.
In banks by nonresidents	Yes.	Authorization must be obtained from the BCC.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The limits on the open foreign exchange positions of each bank are determined by the BCC. Banks must observe the following: (1) a maximum ratio of 5% between their long or short positions in each foreign currency and their capital and (2) a maximum ratio of 15%

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		between their short positions in all foreign currencies and their capital.
On nonresident assets and liabilities	Yes.	The limits on the open foreign exchange positions of each bank are determined by the BCC. Banks must observe the following: (1) a maximum ratio of 5% between their long or short positions in each foreign currency and their capital and (2) a maximum ratio of 15% between their short positions in all foreign currencies and their capital.
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	No.	

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Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.

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For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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REPUBLIC OF CONGO (CONGO)

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 10, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	For security reasons, the CEMAC member countries support UNSC Resolution No. 1373 to combat money laundering and terrorism financing (Regulation No. 01/03/CEMAC/UMAC/CM of April 4, 2003).

Exchange Arrangement

Currency	Yes.	The currency issued within the CEMAC, which is legal tender in the Republic of Congo and the other member countries, is the CFA franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the CEMAC is a conventional peg. The Republic of Congo participates in the CEMAC and has no separate legal tender. The Monetary Cooperation Agreement (MCA) between CEMAC member countries and France is based on three principles: (1) a common CB; (2) fixed parity with the euro; and (3) an unlimited convertibility guarantee. Article 16 empowers the finance ministers of signatory countries (Joint Monetary Committee) to amend the MCA. Article 17 permits signatories to renounce the agreement. Article 18 specifies that the expulsion of a member country from the BEAC automatically results in that country's renunciation of the MCA.
Stabilized arrangement		

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Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the intervention currency, at a fixed rate of CFAF 655.957 per euro. The exchange rate is fixed by Article 12 of the MCA of November 23, 1972, between the BEAC and France, which states that the par value may be modified following consultation among the signatory countries (BEAC members and France), taking into account the demands of the economic and financial situation of the member countries. Exchange transactions in euros between the BEAC and commercial banks are made at this rate. Buying and selling rates for certain other foreign currencies are also listed officially based on the fixed rate for the euro and the rates for these foreign currencies prevailing in the Paris foreign exchange market. The official rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		

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Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	Transfers of funds with the rest of the world are subject to transfer fees determined freely by the market but not exceeding 1%, excluding any other special tax. Licensed intermediaries may effect transfers with the rest of the world through the BEAC. Within the CEMAC, transfers of funds are subject to transfer fees determined freely by the market but not exceeding 0.25%, excluding the VAT and any other special tax.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Licensing of exchange bureaus is the responsibility of the MOFs of the CEMAC member countries. Their operations are limited to OTC transactions. Licensed intermediaries, who set their own exchange rates with their customers for currencies other than the euro, may freely conduct foreign exchange transactions with their customers. The BEAC's OTC foreign exchange transactions are conducted exclusively with national public accountants and treasuries.
Operated by the central bank	Yes.	The BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Foreign exchange standing facility	Yes.	Within the limits of available stocks, the BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Allocation	No.	

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Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no restrictions on interbank foreign exchange transactions within the CEMAC. Exchange transactions are OTC transactions. The BEAC does not intervene in exchange transactions within the CEMAC. These transactions are freely conducted by operators licensed by the MOF with the approval of the Central African Banking Commission (COBAC). A fee of no more than 3% for CFA franc area notes and 5% for other currencies, not including the VAT and any other specific tax, is collected by licensed intermediaries on transactions in foreign banknotes and traveler's checks. This fee covers all charges on OTC transactions and the intermediation margin. In principle, all licensed banks participate in the interbank market, but at different levels.
Over the counter	Yes.	Foreign exchange transactions are conducted on an OTC basis.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	There is no forward foreign exchange market in the CEMAC. Licensed intermediaries may enter into forward exchange contracts up to a limit of CFAF 100 million on presentation of supporting documentation (invoices, debt repayment schedules, or other foreign-currency-denominated debt instruments) and must report such activities to the BEAC. For amounts over CFAF 100 million, requests for forward exchange contracts must be made to the BEAC so that their purpose may be verified.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Within the CEMAC, the CFA franc is used freely for payments and receipts relating to current and capital transactions and payments. Settlements with all countries other than CEMAC members must be made through correspondent banks in one of the currencies of the two parties or in any other currency agreed on by the two parties to the transaction.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	The monetary unit is the CFA franc, which is the sole official currency and legal tender in all CEMAC member countries. Consequently, transactions among residents must be settled in domestic currency. However, the Central African Republic adopted a law on April 22, 2022, which governs cryptocurrency transactions in the country and considers Bitcoin as the reference currency.

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Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	An operations account links all the countries with the French Treasury. All purchases and sales of foreign currencies and euros in exchange for CFA francs are ultimately settled by a debit or credit to the operations account. Governments may maintain foreign currency deposits related to oil reserves at commercial banks and use them to meet their external debt service obligations. Exchange regulations in the CEMAC member countries are harmonized.
Clearing agreements	No.	
Barter agreements and open accounts	Yes.	In the Republic of Congo, under production-sharing and investment contracts, clearing accounts used to make import payments from export receipts are held abroad under the control of MOF and BEAC departments.
Administration of control	Yes.	Administration of the foreign exchange regulations is the responsibility of the MOFs of the CEMAC countries, which may delegate all or a portion of their authority to the BEAC, the COBAC, and licensed intermediaries. For example, authority is delegated to licensed intermediaries to carry out transactions with the rest of the world. They must verify the validity of transactions, collect statistics, and report these activities to the monetary authorities. However, certain types of transactions may not be delegated. The BEAC supervises the exchange regulations; evaluates foreign exchange hedging operations; reviews requests for approval of opening of foreign exchange accounts by some resident legal entities; and monitors the repatriation of export proceeds. The COBAC ensures that licensed intermediaries comply with certain provisions of these regulations, especially to prevent weakening of the CEMAC banking system.
Payments arrears	No.	Licensed intermediaries may freely execute their customers' payment orders. The related transfers may, at their request, be made through the BEAC. When banks execute payment order requests through their liquidity buffer, these requests do not come back to the BEAC but are checked during on-site or off-site inspections. In this context, the MCA with France serves to guarantee the convertibility of the CFA franc. No payment arrears are allowed on the grounds that insufficient foreign exchange is available.
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	CEMAC residents are free to hold, purchase, and sell gold in any form within the CEMAC.
On external trade	Yes.	Except in the case of manufactured articles containing small quantities of gold, CEMAC gold imports and exports are subject to approval by the appropriate authorities. The national treasuries and the BEAC are exempt from this requirement.
Controls on exports and imports of banknotes	Yes.	Residents and nonresidents traveling from one country to another within the CEMAC may take with them an unlimited amount of CEMAC banknotes and coins.

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On exports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be exported to countries outside the CEMAC. However, departing resident travelers may have in their possession up to CFAF 5 million. During their trips outside the CEMAC, travelers must use payment instruments other than BEAC banknotes (foreign currency, traveler's checks, bank drafts, transfers, etc.).
Foreign currency	Yes.	Resident and nonresident travelers crossing CEMAC borders must, on exit, declare any foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities. Nonresident travelers leaving the CEMAC may take with them foreign currency valued at up to the amount they declared on entering the CEMAC. If they made no declaration on entry or if they are carrying sums exceeding those they brought into the CEMAC, they must explain the source of the amount in excess of CFAF 1 million. Supporting documents include pay slips and work permits (wage income), student cards (parental assistance for students and trainees), and notarized instruments (donations), among others.
On imports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be imported from countries outside the CEMAC. However, arriving resident travelers may have in their possession up to CFAF 5 million.
Foreign currency	No.	Resident and nonresident travelers crossing CEMAC borders must, on entry, declare foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may not open foreign exchange accounts in local banks. However, the BEAC may allow certain resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts.
Approval required	Yes.	The BEAC may allow resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts. The authorization to open bank accounts in foreign currency is granted by the BEAC. Previously, authorizations were granted by the MOF after consulting the BEAC. Generally, the BEAC's approval is given when the entity in question cannot easily carry out all its operations with accounts in CFA francs only or when a financial arrangement following an external financial contribution requires the opening of foreign currency accounts.
Held abroad	Yes.	Resident legal entities, except credit institutions, are prohibited from opening foreign currency bank accounts outside the CEMAC in accordance with Regulation No. 02/18/CEMAC/UMAC/CM of December 21, 2018. However, the BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive on June 10, 2019. Previously, although the principle underlying foreign currency transactions was the systematic repatriation and surrender of foreign exchange to the BEAC and residents were not allowed to maintain foreign exchange accounts abroad, the opening of such accounts was not explicitly regulated by law. In general, when resident entities borrow abroad and the lenders

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		require foreign currency accounts to be established, these are authorized by the BEAC. In addition, companies in the extractive sector benefit from a special provision allowing them to hold foreign currency accounts abroad as part of their ordinary operations.
Approval required	Yes.	The BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive in June 2019.
Accounts in domestic currency held abroad	Yes.	Accounts in domestic currency held abroad are permitted. Previously, these accounts were not permitted except within the CEMAC.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions on the opening of nonresident foreign exchange accounts within the CEMAC. Licensed intermediaries may open such accounts for any nonresident, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn. On account closure (for example, for loss of nonresident status), the account balance must be transferred to a resident account in CFAF.
Approval required	No.	
Domestic currency accounts	Yes.	There are no restrictions on the opening of nonresident CFA franc accounts within the CEMAC. Licensed intermediaries may open such accounts for nonresidents, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn.
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	The exchange regulations do not limit access to foreign exchange. Payments for imports must be made regularly through licensed intermediaries.
Financing requirements for imports	No.	Economic agents may freely enter into commercial contracts with their partners abroad. These contracts are executed through the banking system, subject to compliance with the exchange regulations.
Minimum financing requirements	No.	There are no financing requirements.
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license. Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legally registered legal entities and declared or certified professionals may be exempt from the requirement to produce supporting documents, provided they submit an annual estimate of imports corroborated by a business forecast.
Domiciliation requirements	Yes.	Imports valued at more than CFAF 5 million must be domiciled with

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		a resident licensed intermediary.
Preshipment inspection	Yes.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard. In the Republic of Congo, imports valued at CFAF 3 million or more are subject to inspection by the trade inspection company COTECNA.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Import licenses used as exchange licenses	No.	Import licenses are not used in the CEMAC countries to restrict the availability of foreign exchange for legitimate trade. When such licenses exist, they are used for trade policy purposes.
Other	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license (registration number, professional ID card, extract from the commercial registry, or tax clearance). Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legal entities and certified professionals can no longer use annual estimates of imports and must produce all supporting documents to carry out transactions.
Import licenses and other nontariff measures	Yes.	In general, CEMAC countries no longer use quantitative restrictions as a means of protecting local production. Merchandise originating from all countries may be freely imported, with the exception of gold, to which special regulations apply. In the Republic of Congo, an import program is established each year for five separate zones: (1) CEMAC member countries, (2) France, (3) other operations accounts countries, (4) EU countries other than France, and (5) all other countries. Under this program, imports of nine products require licenses and all others are subject to ex post declaration.
Positive list	No.	
Negative list	Yes.	Imports of some products may be prohibited, restricted, or require national authorization for humanitarian, security, or health reasons.
Open general licenses	Yes.	There is no system of OGLs at the CEMAC level. However, in the Republic of Congo, imports of cement, forest products, oil products, and some staples require a license. In addition, imports are subject to declaration.
Licenses with quotas	Yes.	In the Republic of Congo, licenses with quotas apply to imports of cement, wheat flour, and sugar.
Other nontariff measures	Yes.	In the Republic of Congo, imports of commercial goods must be insured through licensed insurance companies.
Import taxes and/or tariffs	Yes.	The CEMAC CET applies to imports from non-CEMAC countries, at four rates: 5% for staple goods, 10% for raw materials and capital goods, 20% for intermediate goods, and 30% for consumer goods. The taxes are imposed by the national customs administration in CFA francs at the merchandise point of entry. In the Republic of Congo, a surcharge of 30% applies to imports of goods previously subject to quantitative restrictions. This surcharge is to be eliminated in three to six years, with the longer period applying to certain agricultural products and textiles.
Taxes collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and related fees established by law and surrendering them to the monetary authority.
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	Yes.	Export-related transactions must be reported to the appropriate administrative authorities, and all those exceeding CFAF 5 million must be domiciled at a licensed CEMAC bank. Export proceeds originating in non-CEMAC countries must be collected and repatriated immediately, through the domiciling bank, with the BEAC acting as intermediary.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds collected in foreign currencies must be surrendered to the BEAC within 3 days of collection.
Surrender to authorized dealers	No.	
Financing requirements	No.	Economic agents and their partners abroad may enter freely into commercial contracts, which are executed through the banking system, subject to compliance with the exchange regulations. There are no financing requirements.
Documentation requirements	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank. Each domiciliation file must contain an export contract, a foreign exchange declaration under which the exporter agrees to repatriate all export earnings within a month of the payment due date, and a customs export certificate duly signed by a customs officer.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Guarantees	n.r.	
Domiciliation	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank.
Preshipment inspection	Yes.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard. In the Republic of Congo, the Société Générale de Surveillance (SGS) and COTECNA handle preshipment inspections.
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	Export taxes established by the budget laws are levied by the Customs Directorate or via licensed intermediaries.
Collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and fees established in the law and surrendering them to the monetary authority.
Other export taxes	Yes.	In the Republic of Congo, export taxes of up to 13% apply to certain products.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	There are no exchange restrictions on service-related transactions. Payments for such transactions are subject to the same requirements

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		as the underlying commercial transactions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided, and amounts exceeding CFAF 100 million must be declared to BEAC and the MOF. Licensed intermediaries must obtain a pro forma invoice or other supporting documents for payments for service-related expenditures under CFAF 10 million.
Investment-related payments	Yes.	
Prior approval	Yes.	In the Republic of Congo, payments for depreciation of direct investments require authorization from the General Directorate of Money and Credit.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers of capital income outside the CEMAC in the form of profits, dividends, interest, royalties, etc., payable to nonresidents, provided the underlying transaction was authorized or is not subject to authorization. Supporting documents on the decision to distribute income (profits and dividends), the repayment schedule, and the debt security involved (loans contracted and granted) must be provided. Transactions in excess of CFAF 5 million must be domiciled with CEMAC credit institutions. Other current transactions, as well as financial and capital operations in excess of CFAF 100 million, must be declared to BEAC and the MOF.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Indicative limits are established for OTC foreign exchange allocations to residents traveling outside the CEMAC. A single indicative threshold of CFAF 5 million is set for all travels. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Personal payments	Yes.	Transfers are unrestricted, on submission of supporting documentation.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A single indicative limit of CFAF 5 million is established for OTC foreign exchange allocations to residents traveling outside the CEMAC. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation for amounts in excess of CFAF 5 million, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation

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		authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers by residents and nonresidents of income from wages, subject to a declaration for statistical purposes. On presentation of a pay slip, resident foreign wage earners may transfer a portion of their net remuneration.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The use of credit cards is considered equivalent to a transfer and is not subject to specific regulations in the context of invisible transactions and current transfers. Residents may use credit cards within the CEMAC and abroad.
Other payments	Yes.	These are treated the same as trade-related payments.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided. Amounts exceeding CFAF 100 million must be declared to BEAC and the MOF.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Amounts owed by nonresidents for services and all income from foreign assets earned outside the CEMAC must be collected through a licensed bank and repatriated immediately.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currency must be surrendered to the BEAC within 3 days of receipt.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The exchange regulations, including the section on capital flows within the CEMAC, do not apply to transactions between CEMAC member countries. There are no restrictions on most capital flows between CEMAC and non-CEMAC countries, provided they comply with the laws and regulations prohibiting drug financing and trafficking. Certain loans, direct investments, and the issuance, advertisement, and sale of foreign securities within the CEMAC are subject to administrative controls and require approval from the appropriate authorities. Controls on these transactions are applied indiscriminately to

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		countries in the CFA franc area, other than CEMAC member countries, and all non-CFA franc area countries. Moreover, Article 61 of the General Regulations of the Central African Financial Market Supervisory Commission (COSUMAF), which came into effect January 15, 2009, specifies that "when a nonresident legal entity plans a public offering on the Central African regional financial market, it must prepare a disclosure document and submit it to COSUMAF for approval prior to dissemination. The prior approval of the exchange control authority in the various countries concerned must also be obtained." The article also states that "the issuer must appoint a correspondent (securities dealer) established in a CEMAC member state, where it elects domicile. This correspondent must be responsible for: (1) receiving correspondence from COSUMAF and (2) forwarding to COSUMAF all documents and information required under the laws and regulations or requested by COSUMAF."
Repatriation requirements	Yes.	In the context of the centralization of foreign exchange reserves, foreign currency collected from capital transactions must be repatriated immediately after collection.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currencies must be surrendered to the BEAC no later than 3 days after receipt.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	The issuance, advertisement, and sale of foreign securities (shares and bonds issued by foreign enterprises) whose value exceeds CFAF 10 million are subject to MOF approval. Under CEMAC exchange regulations, transactions in capital market securities are treated in the same way as simple borrowing and lending operations, as opposed to direct investments, when the shares or equity held by the individual or legal entity represent less than 10% of the enterprise's total equity. Borrowing and lending are not regulated by type of instrument or maturity.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported 30 days before the transaction when the transaction is less than CFAF 20 million. Above this amount, the transaction is subject to prior CB approval. There is no minimum (or maximum) holding period for securities.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days. There is no minimum (or maximum) holding period for securities.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared 30 days before the transaction when the amount is less than CFAF 20 million. Above this amount, it requires prior CB approval.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. Prior approval by the Banking Commission is required in all occasions.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by

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		nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities by residents. Transactions must be declared 30 days before when the transaction is no more than CFAF 20 million. Above this amount, prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be declared 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of money market instruments within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment abroad for purchases of money market instruments by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above this amount, the prior CB approval is required.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared to the CB 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that "the regulations governing the management of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC."
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that "the regulations governing the management

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		of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC.”
Controls on derivatives and other instruments	n.r.	These instruments are not regulated.
Purchase locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.
Sale or issue locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.
Purchase abroad by residents	No.	Licensed banks are free to deal in derivatives, subject to compliance with the prudential rules issued by the Banking Commission, which is responsible for supervision of the banking system.
Sale or issue abroad by residents	n.r.	There is no derivatives market in the CEMAC.
Controls on credit operations	Yes.	There are no specific regulations on borrowing and lending by instrument type or by maturity.
Commercial credits	Yes.	Borrowing directly related to the financing of commercial transactions and borrowing and lending contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction.
By residents to nonresidents	Yes.	Banks may verify and then execute commercial credits granted to nonresidents, except when the customer’s total outstanding debt exceeds CFAF 100 million, in which case such credits must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
To residents from nonresidents	No.	Only banks are authorized to verify and then execute commercial credits received by residents, which they must declare to the appropriate MOF and BEAC departments within 30 days of each transaction.
Financial credits	Yes.	Loans contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Banks may verify and execute borrowing and lending transactions for their customers, as well as their repayment, except when the customer’s total outstanding debt exceeds CFAF 100 million, in which case they must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment by CEMAC countries is subject to prior approval by the CB. Only licensed banks may verify and execute

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		such transactions. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Inward direct investment	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Controls on liquidation of direct investment	Yes.	The total or partial liquidation of CEMAC countries' outward (and inward) direct investment in amounts exceeding CFAF 100 million is subject to prior declaration and must be reported to the MOF 30 days before execution.
Controls on real estate transactions	Yes.	This category of transaction is not subject to specific regulations. It is implicitly subject to the same regulations as FDI.
Purchase abroad by residents	Yes.	Outward direct investment by CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Purchase locally by nonresidents	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Sale locally by nonresidents	n.r.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	

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By residents to nonresidents	Yes.	Residents may grant loans to nonresidents, as long as the total outstanding amount does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
To residents from nonresidents	Yes.	Residents may contract loans from nonresidents, provided a single borrower's total outstanding debt does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
Gifts, endowments, inheritances, and legacies	Yes.	Receipts from abroad related to gifts must be reported to the appropriate administrative authorities, and all such items exceeding CFAF 5 million must be domiciled with a licensed CEMAC bank.
By residents to nonresidents	n.r.	
To residents from nonresidents	Yes.	Receipts from abroad related to gifts must be reported to the appropriate administrative authorities, and all such items exceeding CFAF 5 million must be domiciled with a licensed CEMAC bank.
Settlement of debts abroad by immigrants	Yes.	Residents' settlement of debts abroad of up to CFAF 100 million must be reported to the MOF and the BEAC departments within 30 days of the transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
Transfer of assets	n.r.	
Transfer abroad by emigrants	n.r.	
Transfer into the country by immigrants	n.r.	
Transfer of gambling and prize earnings	n.r.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks' capital transactions must be reported after their execution. The business and accounting regulations applicable in the banking sector are based on the application of the COBAC regulations and instructions.
Borrowing abroad	No.	Borrowing by resident licensed banks from nonresidents and repayment of such loans are not subject to prior approval, but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Maintenance of accounts abroad	No.	Licensed banks may, without prior approval, open accounts with their correspondent banks abroad for their business purposes. Such accounts are monitored by the COBAC in the context of its supervision of the banking system.
Lending to nonresidents (financial or commercial credits)	No.	Lending by resident licensed banks to nonresidents and repayment of such loans are not subject to approval but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Lending locally in foreign exchange	No.	Transactions between residents must be effected in domestic currency. Residents may purchase foreign currency for the settlement of their transactions with nonresidents.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Securities issued within the CEMAC are denominated in domestic currency, and securities denominated in foreign exchange do not exist. However, these transactions are in principle subject to compliance with the provisions of the CEMAC Regulation, in particular, prior declaration to BEAC and the MOF.

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Differential treatment of deposit accounts in foreign exchange	No.	The books of licensed banks are maintained in CFA francs. No specific requirements apply to foreign currency deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	No specific requirements apply to these accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	Investment operations of licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Moreover, these transactions must be executed in compliance with the COBAC prudential rules. Investment operations of licensed banks are unrestricted and must be reported to the appropriate Ministry of Economy, Finance and Budget (MEFB) and BEAC departments within 30 days of each transaction. Moreover, these transactions must be executed in compliance with the COBAC prudential rules.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The monitoring and control of the foreign exchange positions of local banks are described in COBAC Regulation No. R-2003/03 on the Supervision of Foreign Exchange Positions.
On resident assets and liabilities	n.a.	
On nonresident assets and liabilities	n.a.	
Provisions specific to institutional investors	Yes.	In the exchange regulations, the applicable provisions are the same as those for borrowing and lending by the private sector.
Insurance companies	Yes.	Insurance companies' capital transactions must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for the insurance sector are based on the Code of the Inter-African Conference on Insurance Markets (CIMA Code) of the CFA franc area member countries.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The capital transactions of investment firms and collective investment funds must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for this sector are based on the regulations and instructions of the COSUMAF.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market	No.

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instruments	
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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COSTA RICA

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: February 1, 1965.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Costa Rica is the Costa Rican colón.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	The Board of Directors of the Central Bank of Costa Rica (BCCR) has the power to determine the exchange arrangement under Article 85 of its Organic Law. On January 30, 2015, the Board of Directors of the BCCR introduced a managed float.
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is a managed float, adopted on February 2, 2015, under Article 5 of the legal act adopted during Session 5677-2015 of the Board of Directors of the BCCR held

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		January 30, 2015. Under this arrangement the CB operates on the foreign exchange market for three reasons: (1) to manage the requirements of the nonbank public sector (NBPS); (2) to address sudden movements in the exchange rate without changing the trend in this macro price (these interventions are known as stabilization operations); and (3) to meet its foreign exchange requirements. The BCCR publishes its intervention data on a daily basis right after the MONEX trading session closes. In 2022, the BCCR participated in the foreign exchange market only for the first two reasons. More specifically, during the year, it sold US$192.4 million (US$35.8 million in 2021), primarily in June. At the time, the domestic economy was facing strong demand pressures for foreign exchange caused, among other reasons, by rising commodity prices and international costs for the transport of goods as well as greater demand for foreign exchange from pension operators. For that reason, the BCCR intervened to stabilize the money market. The BCCR's participation in the foreign exchange market was consistent with the availability of foreign currency it presented, but this intervention was more intensive during the second half of the year, in relative terms. In the first six months of the year, the BCCR met the NBPS requirements with reserves because, given the reduced availability of foreign currency, it sought to avoid abrupt movements in the exchange rate; despite this, the price rose 7.7% over the half year (with a year-on-year change of 11.6%). By contrast, greater availability of foreign currency in the second half of the year led to active intervention by the BCCR, demonstrated through purchases that made it possible to not only meet the present NBPS requirements, but also restore the currencies sold to these entities in advance. In the second half, the BCCR purchased US$2,435.4 million (US$1,262.1 million in the first half), representing on average 67% of what was traded on MONEX, with sessions that even reached 97% of the total traded. For 2022 as a whole, the MONEX exchange rate weighted by the traded amount posted an average annual increase of 3.6% relative to the 2021 average, meaning that it dominated the incremental effect of the first half of the year. A similar calculation for the first quarter of 2023 indicates a year-on-year drop of 13.0%. The de facto exchange rate arrangement is floating.
Free floating		
Official exchange rate	Yes.	Costa Rica does not have an official exchange rate; however, for the liquidation of instruments, contracts, and obligations denominated in foreign currency, Article 48 of the Organic Law of the BCCR (LOBCCR) provides that, at the debtor's option, the latter may be paid in colones at an amount equivalent to the actual market value. The actual market value is determined by using the buying and selling benchmark exchange rate, which is calculated daily by the BCCR pursuant to Article 9 of the Regulation on Spot Exchange Operations (ROCC). Benchmark exchange rates will be used, as applicable, for all purposes set forth by the various laws, regulations, rules, and general provisions.

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		The buying and selling benchmark exchange rates for each day will be calculated by the BCCR based on online information submitted to the CB by each entity authorized to participate in the foreign exchange market. The benchmark exchange rates are calculated as follows pursuant to Article 9 of the ROCC: The benchmark exchange rates (buying and selling) for day t are the average (weighted by amount) of the exchange rates of the foreign currency (buying and selling) transactions between foreign exchange dealers and the public on day t1, during the period defined by agreement of the Board of Directors of the BCCR. The exchange rate is a reference for the market; its use is not mandatory.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	Under Article 5 of the minutes from Session 5813-2018 of January 31, 2018, the Board of Directors of the BCCR adopted an inflation targeting framework. The BCCR upheld the institutional commitment to the domestic stability of the colón embodied in an inflation target of 3%, with a tolerance range of ±1 percentage point (pp). This target has been ratified at every approval of monetary policy reports (IPMs). The last time was in connection with the October 2023 IPM during the Board of Directors of the BCCR under Article 7 of Session 6148-2023 on October 25. On January 5, 2022, the Board of Directors decided to combine the series of the macroeconomic program and the IPM into one report, beginning in January 2022. The report will thereafter be known as the IPM and will be published in January, April, July, and October every year.
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee		
Central Bank Board	Yes.	The Board of Directors of the BCCR upheld the institutional commitment to the domestic stability of the colón embodied in an inflation target of 3%, with a tolerance range of ±1 pp. In the October 2023 IPM, the Board of Directors of the BCCR confirmed the explicit inflation target as 3%, with a tolerance range of ±1 pp, under Article 7 of Session 6148-2023 of October 25, 2023.

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Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The long-term inflation target is 3%, with a tolerance range of ±1 pp.
Band/Range		
Target measure	Yes.	
CPI	Yes.	It is measured as the year-on-year change.
Core inflation	Yes.	It is approximated as the simple average of the year-on-year change in the fixed exclusion indicators for volatility (IEV), truncated mean (IMT), reweighting for volatility (IRV), reweighting for persistence (IRP), and fixed exclusion of agricultural products and fuels (IEF).
Target horizon	Yes.	It is biannual, associated with macroeconomic programming with a benchmark value of 3% (long-term inflation of key trading partners).
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The policy rate is defined as the BCCR target interest rate used as a benchmark to bring the cost of overnight operations in the integrated liquidity market within a band consisting of interest rates for its standing deposit and credit facilities. This band is determined by the Board of Directors. To try to contain inflationary pressures, the BCCR initiated a process in December 2021 to raise the monetary policy rate (TPM), a measure it supplemented in June 2022 with a 3-pp increase in the minimum reserve requirement rate. Thus, between December 15, 2021, and December 31, 2022, this indicator recorded a cumulative increase of 825 basis point (b.p.), consequently increasing its value at end-2022 to 9.0%. In the first seven months of 2023, the Board of Directors reduced the TPM four times, for a cumulative 250 b.p.: 50 b.p. during the monetary policy meeting on March 15, 10 b.p. during the April 20 meeting, and 50 b.p. during each of the subsequent ones (June 14 and July 26). These reductions were based on an analysis of the behavior of inflation, the anticipated development of this variable and its determinants, and the associated risks. At the September monetary policy meeting, the Board agreed to pause the TPM reduction cycle and maintained the TPM at 6.5% annually. However, at its October monetary policy meeting, the Board determined that there was room to continue with the reduction of the TPM in an attempt to move forward toward a neutral position. It reduced the TPM by 25 b.p. to 6.25%.
Target corridor band	Yes.	This band is determined by the Board of Directors. The upper value of the band is the standing credit facility (FPC) interest rate and the lower value the standing deposit facility (FPD) interest rate.

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		As of January 27, 2022, the TPM was 1.75%, the FPC was 2.5%, and the FPD on the integrated liquidity market was 1%. As of March 15, 2022, the TPM was 2.5%, the FPC was 3.25%, and the FPD on the integrated liquidity market was 1.75%. As of April 28, 2022, the TPM was 4%, the FPC was 4.75%, and the FPD on the integrated liquidity market was 3.25%. As of June 16, 2022, the TPM was 5.5%, the FPC was 6.25%, and the FPD on the integrated liquidity market was 4.75%. As of July 28, 2022, the TPM was 7.5%, the FPC was 8.25%, and the FPD on the integrated liquidity market was 6.75%. As of September 15, 2022, the TPM was 8.5%, the FPC was 9.25%, and the FPD on the integrated liquidity market was 7.75%. As of October 27, 2022, the TPM was 9%, the FPC was 9.75%, and the FPD on the integrated liquidity market was 8.25%. As of March 16, 2023, the TPM was 8.5%, the FPC was 9.25%, and the FPD on the integrated liquidity market was 7.75%. As of April 21, 2023, the TPM was 7.5%, the FPC was 8.25%, and the FPD on the integrated liquidity market was 6.75%. As of June 15, 2023, the TPM was 7%, the FPC was 7.75%, and the FPD on the integrated liquidity market was 6.25%. As of July 27, 2023, the TPM was 6.5%, the FPC was 7.25%, and the FPD on the integrated liquidity market was 5.75%. As of October 26, 2023, the TPM was 6.25%, the FPC was 7%, and the FPD on the integrated liquidity market was 5.5%.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	Under Article 29 of the LOBCCR, the CB' president is required to submit a report in March of every year and appear before the Legislative Assembly. The document includes an outline of the main policy measures adopted by the CB the year before, the outcomes of their implementation, and the challenges the CB faced in the year during which it submits the report. This accountability is reinforced, effective October 5, 2023, by the approval during the second debate in the Legislative Assembly of the draft law for the Minister of Finance and the President of the BCCR to appear before the Legislative Assembly of the Republic of Costa Rica, at least once during March of every year, processed under File No. 23.365.
Other	No.	
Transparency	Yes.	
Publication of votes	No.	They are not published, but are public documents.
Publication of minutes	No.	
Publication of inflation forecasts	Yes.	It presents a fan chart for the forecast horizon in the IPMs. Recent references are included.
Other monetary framework		
Exchange tax	Yes.	In accordance with Article 97 of the LOBCCR and Article 5 of the ROCC, foreign exchange dealers are charged a participation fee equivalent to 25% of the foreign exchange dealing spread on all their foreign exchange operations.
Exchange subsidy	No.	

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Foreign exchange market	Yes.	Article 2 of the ROCC authorizes the BCCR, financial institutions supervised by the General Superintendency of Financial Entities (SUGEF), stock brokers, and exchange houses to participate in the exchange market on their own account and at their own risk. Foreign exchange dealers may set the buying and selling exchange rate for their operations with the public, and as a result, the effective foreign exchange margin is determined by the operations they carry out in the market.
Spot exchange market	Yes.	For the purchase and sale of currencies, the foreign exchange market has: platforms for the trading of foreign exchange by dealers with the general public (including both physical and electronic "windows," automated teller machines (ATMs), and Internet banking), the MONEX, and operations between foreign exchange dealers outside MONEX. MONEX is a foreign exchange market organized and operated through an electronic platform of the BCCR. Participants in the market include foreign exchange dealers, the BCCR, and nondealers (individuals and legal entities). Outside MONEX, foreign exchange dealers may engage in foreign exchange transactions among themselves by means of transfers. As of December 31, 2022, foreign exchange dealers authorized to engage in foreign exchange operations with the public (pursuant to Article 2 of the ROCC) consisted of 14 commercial banks, 2 exchange bureaus, 9 credit and savings unions, 4 financial enterprises, 2 mutual savings and loan associations, and 5 brokerage firms. As of October 31, 2023, foreign exchange dealers authorized to engage in foreign exchange operations with the public (pursuant to Article 2 of the ROCC) consisted of 14 commercial banks, 4 exchange bureaus, 9 credit and savings unions, 4 financial enterprises, 2 mutual savings and loan associations, and 5 brokerage firms. For exchange houses, Chapter VI of the ROCC (Article 15) states that: "Exchange houses may make spot foreign exchange purchases and sales in notes, bank drafts, checks, transfers to and from other countries, and other payment instruments, on their own behalf and at their own risk." Currently, their only operations in Costa Rica are foreign exchange swaps.
Operated by the central bank	No.	According to the foreign currency management strategy for the NBPS, the BCCR has the obligation to: (1) directly meet the net daily foreign currency requirements by drawing on the sale of its international reserves and (2) replenish the foreign currency used to meet the net requirements of the NBPS through participation in MONEX on the basis of the prevailing conditions in the foreign exchange market. Currently, the CB does not have a foreign exchange allocation mechanism; there is no foreign exchange auction or any exchange rate fixing mechanism. The BCCR operates in the foreign exchange market as any market participant, in response to three reasons: (1) The purchase or sale of foreign exchange to meet the net requirements of the NBPS. (2) Purchase and sale operations for stabilization with the aim of

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		limiting abrupt movements in the exchange rate. (3) Its own transactions associated with financial hedging.
Foreign exchange standing facility	No.	The BCCR does not buy or sell foreign exchange at the request of commercial banks, nor does it deal directly with the government and other public entities.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Pursuant to Articles 2 and 3 of the ROCC, the Board of Directors of the BCCR is the body entrusted with authorizing entities to act as intermediaries in the foreign exchange market. Financial intermediaries supervised by the SUGEF are authorized to carry out foreign exchange intermediation operations and, by extension, to participate in MONEX. Foreign exchange dealers may set the buying and selling exchange rate for their operations with the public, and as a result, the effective foreign exchange margin is determined by the market. These exchange rates should take into account any surcharges for commissions or other additional costs, so that the exchange rate reported corresponds to the final amount that the customer will receive or pay for the currency traded. Therefore, BCCR does not establish limits on exchange rates or on the effective margin. As of December 31, 2022, foreign exchange dealers authorized to engage in foreign exchange operations with the public (pursuant to Article 2 of the ROCC) consisted of 14 commercial banks, 2 exchange bureaus, 9 credit and savings unions, 4 financial enterprises, 2 mutual savings and loan associations, and 5 brokerage firms. As of October 31, 2023, foreign exchange dealers authorized to engage in foreign exchange operations with the public (pursuant to Article 2 of the ROCC) consisted of 14 commercial banks, 4 exchange bureaus, 9 credit and savings unions, 4 financial enterprises, 2 mutual savings and loan associations, and 5 brokerage firms. In MONEX, foreign exchange dealers may freely publish the exchange rates at which they buy and sell dollars. Exchange dealers must pay a fee of 0.02% on the amount traded. The BCCR trades in foreign currency in MONEX directly like any other participant, but does not do so in the form of market makers. It does so to prevent undue fluctuations in the exchange rate and to meet its own needs (Article 87 of the LOBCCR) as well as to meet the foreign currency requirements of the NBPS (Article 89 of the LOBCCR).
Over the counter	Yes.	In addition to MONEX, foreign exchange dealers may engage in foreign exchange transactions among themselves (outside of MONEX) by means of transfers.
Brokerage	No.	
Market making	No.	Foreign exchange dealers may offer buying and selling rates to other

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		participants in the MONEX. The role of market makers is not taken into consideration in the Costa Rican exchange regulations. Moreover, in 2022, the requirement for foreign exchange dealers to adhere to the Global Code of Conduct for the Foreign Exchange Market was approved.
Forward exchange market	Yes.	In Article 5 from Session 5973-2020 of the Board of Directors of the BCCR of December 16, 2020, the Regulation on Derivatives in Foreign Exchange was approved. The Regulation on the Use of Derivatives in Foreign Currency and the Regulation on Operations with Foreign Exchange Derivatives were repealed at meeting 5973-2020 of the BCCR Board of Directors. Article 5 from this same session approved the Regulation on Derivatives in Foreign Currency. The BCCR does not participate in the foreign exchange derivatives market; however, to ensure compliance with the limit established for the daily change in the foreign currency position of foreign exchange dealers, it receives information from these institutions regarding their foreign exchange derivative transactions. Pursuant to Article 89 of the LOBCCR, Article 5 of the Regulation on Derivatives in Foreign Exchange enables institutions in the NBPS to engage in hedging operations with foreign exchange derivatives effectively executed with government commercial banks, although the BCCR has not participated in these markets.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Pursuant to Law No. 7558, Article 42, the colón is the national currency and legal tender. Pursuant to Article 48 of the same law, acts, contracts, and obligations in foreign currency are valid, effective, and executable but may be paid, at the debtor's election, in colones, based on the actual exchange value of the currency in question on the date of payment. There are no international treaties or conventions that limit or restrict the use of domestic or foreign currency in making or receiving payments. The National Electronic Payments System (SINPE) was created on the basis of Law No. 7558 of the BCCR to offer a secure and efficient payment system. Services for administering and managing funds and securities were implemented on the platform. Funds are moved to customers by way of collection services, such as direct debits and real-time debits, and through payment services, such as immediate transfers, direct credits, and SINPE Mobile. Services are offered through the SINPE platform via financial entities, which offer them to their customers, in accordance with the rules and standards established by the BCCR. Transactions exceeding US$10,000 (or the equivalent in domestic currency) must be reported pursuant to Law No. 8204 for the purpose of monitoring drug trafficking, related activities, money laundering, terrorism financing, and organized crime.
Controls on the use of domestic currency	No.	

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For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	The Treaty on Payments and Securities Settlement Systems in Central America and the Dominican Republic, Law No. 8876, was approved November 1, 2010, and published in the official gazette, La Gaceta No. 8 of January 12, 2011. This treaty aims to promote legal certainty, the development and strengthening of payments and securities settlement systems of systemic importance in Central America and the Dominican Republic, and stronger CB control over payment systems.
Clearing agreements	Yes.	Outward payments (PEX): The SINPE service was used to establish an interconnection with the payments system for Central America and the Dominican Republic (SIP) to offer customers the possibility of sending and receiving funds within the region. In addition, the inclusion of regional partners is allowed, which enables them to access funds mobilization services for third parties using the same SINPE platform. Currently, Banco Internacional de Costa Rica (BICSA), located in Panama, already operates in SINPE as a regional partner and carries out immediate payment transactions with Panama. New regional banks have been authorized and are in the process of getting connected: Banco Atlántida (El Salvador, Honduras, and Nicaragua) and Banco Industrial (Guatemala and Panama).
Barter agreements and open accounts	No.	
Administration of control	Yes.	The exchange market regulations are the responsibility of the BCCR. The SUGEF is responsible for supervising foreign exchange bureaus and financial intermediaries authorized to participate as foreign exchange brokers. The General Superintendency of Securities supervises brokerage firms acting as foreign exchange brokers, and effective July 1, 2022, the Superintendency of Pensions (SUPEN) supervises pension funds participating, in the foreign exchange market for their own requirements.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	There are controls only on the gold trade for national archeological treasures.

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On domestic ownership and/or trade	Yes.	The country has controls regarding the ownership of the so-called archeological assets made of gold. The National Archaeological Heritage Law No. 6703, Article 1, establishes that furniture or real estate produced by indigenous cultures previous or contemporary to the establishment of the Hispanic culture in national territory, among which figures, coins, and gold tokens may be considered as national archaeological heritage. The only possessor of archaeological objects is the State. However, individuals who already had this type of objects were given the possibility to become custodians, by registering in the Heritage Registry Archaeological of the National Museum. Regarding the commercialization of gold within the country, Article 15 bis, of Law No. 7786, states that individuals or legal entities whose activity consists of being merchants of metals and precious stones must (1) register with the SUGEF, (2) be subject to supervision by the SUGEF regarding prevention of money laundering, terrorism financing, and the financing of the proliferation of weapons of mass destruction, and (3) be subject to the prudential regulations established by the National Financial System Supervision Council, as well as to the sanctioning regime established in Article 81 of the aforementioned law.
On external trade	Yes.	The extraction and export of metals require authorization from the Directorate of Geology and Mines, which issues the technical export note required for its commercialization abroad. The Ministry of Foreign Trade and the Foreign Trade Promoter, dictates policies and establishes and coordinates plans, strategies, and official programs related to procedures for exports.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	There are no quantitative limits on transfers abroad from foreign currency accounts owned by residents. However, each financial institution is responsible for compliance with the Law on Narcotics, Psychotropic Substances, Unauthorized Drugs, Related Activities, Money Laundering, and the Financing of Terrorism (Law No. 8204), of the General Regulations Governing the Law on Drug Trafficking, Related Activities, Money Laundering, Terrorism Financing, and Organized Crime, and with SUGEF Agreement 1210, Implementing Regulations for Law No. 8204. SINPE has controls on the movement of funds; both the origin and

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		destination of the funds must be identified for each transaction in the system. Likewise, a service was designed to strengthen the work of the Compliance Officers in accessing transactions processed in SINPE by the same customer, according to identification number. In addition, there is a service called the Single Account Registry (Padrón Único de Cuentas – PUC), which centralizes the information from all customer fund accounts opened with all financial institutions in the country. Compliance Officers, the General Superintendence of Financial Institutions, and the Costa Rican Drug Institute (ICD) have access to this registry for the prevention of money laundering and terrorism financing.
Approval required	No.	
Held abroad	Yes.	The management and transfer of funds from such accounts are subject to the law of the land and to the regulations of the entity in which they are opened. A service was designed in SINPE for requesting and moving funds to and from abroad through an automatic interface between SINPE and SWIFT.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Resident agents may freely hold accounts in colones in nonresident financial institutions.
Accounts in domestic currency convertible into foreign currency	Yes.	Domestically, financial institutions may convert collections or payments received. However, this is not a regulation imposed by the BCCR, and it is an added benefit. When payment is received from a source in a particular currency, it may be converted into an open currency of the recipient, provided the institution is an authorized foreign exchange intermediary. If the institution does not offer this service, the transaction will be returned to the originator. Originating customers must authorize their currency conversions to ensure that they agree with the operation.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	A valid identity document is required. Foreign nonresident individuals located in the national territory may only use a valid passport and up-to-date authorization to be in the country. Foreign persons are not authorized to open any financial services or products unless they meet all the required immigration requirements authorizing their regular stay in the country. Financial institutions may limit the type or quantity of services they provide taking into account customer risk classifications.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Each financial institution is responsible for compliance with the Law on Narcotics, Psychotropic Substances, Unauthorized Drugs, Related Activities, Money Laundering, and the Financing of Terrorism (Law No. 8204 of the General Regulations Governing the Law on Drug Trafficking, Related Activities, Money Laundering, the Financing of Terrorism, and Organized Crime and SUGEF Agreement 12-10 Implementing Regulations for Law No. 8204).
Approval required	No.	
Blocked accounts	No.	

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	The Information Technology Customs Control system (TICA system) of the Directorate General of Customs specifies, for each import product, the requirements (technical notes) established by the Ministries of Health, Agriculture and Livestock, Public Security, and Environment, Energy, and Technology, and the National Seeds Office, among others. These permits are required for both the importation and transit of goods.
Negative list	Yes.	There is a list of prohibited imports (including, among other things, ozone-depleting substances, used tires, and weapons of war).
Open general licenses	No.	
Licenses with quotas	Yes.	There are import quotas for: dairy and poultry products (WTO); pork, refined sugar (Canada); dairy products, potatoes, onions, hulled or unhulled rice (United States); pork, palm oil, tomato sauce (Panama); pork, black beans (China); beef (Peru); bacon and ham, cheese, powdered milk, prepared pork (EU); fish food (Colombia); bacon and ham, cheese, powdered milk, and prepared pork (UK).The COMEX web page contains published annual calls for quotas detailing volumes. These are previously defined in trade agreement, as is the term over which they apply. Effective January 1, 2022, chicken thighs imported from the United States are subject to a tariff of 0%, without any quota.
Other nontariff measures	Yes.	The Ministry of Agriculture and Livestock may impose nontariff measures of a phytosanitary nature, and the Ministry of Economy, Industry, and Trade establishes technical regulations.
Import taxes and/or tariffs	Yes.	There is no uniform rate; customs tariffs on most goods vary: up to 15% in the manufacturing sector and up to 151% for certain agricultural products. The following taxes are also levied on imports: (1) a VAT of between 1% and 13% was applied to a list of goods and services, from which certain essential items are exempt, and (2) selective consumption taxes at rates ranging from 0% to 95%.

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		Trade defense measures: a 3.67% antidumping duty is applied to imports of refined sugar from Brazil. This measure will take effect until February 2022. Effective March 1, 2022, the antidumping duty of 3.67% applied to imports of refined sugar from Brazil expired. An additional tariff was implemented for a safeguard measure on imports of refined sugar (tariff paragraph 170199.00.00) of 27.68%. This measure will be in effect for 3 years since August 19, 2020. Effective October 11, 2023, the importation of 8,224 metric tons of black beans and/or red beans with a 0% tariff is authorized because of a shortage. This authorization is valid until January 31, 2024. (Executive Decree No. 44222-MAG-MEIC-COMEX, published in La Gaceta of October 11, 2023). On August 27, 2021, the volume that could be imported was increased by 18,594 tons (Decree No. 43160 MAG-MEIC-COMEX). On November 5, 2021, the importation of 83,554 metric tons of rice in bulk with a 0% tariff is authorized from January 1, 2022, to December 31, 2022 (Decree No. 43266 MAG-MEIC-COMEX). Effective February 10, 2022, the amount of bulk rice that could be imported was revised to 114,483 metric tons with a 0% tariff is authorized from January 1, 2022, to December 31, 2022 (Decree No. 43410 MAG-MEIC-COMEX). Effective August 12, 2022, as per Executive Decree No. 43642-MAG-MEIC-COMEX, the customs duty was reduced on imports of milled rice to 3.5% and on paddy rice to 4%. On August 19, 2023, the additional tariff implemented as a safeguard measure on imports of refined sugar expired. (Resolution DM-R-060 -2023-MEIC of August 28, 2023, published on September 5 in La Gaceta).
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Imports of fuel are handled by the Costa Rican Petroleum Refinery (RECOPE).

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	There is no surrender requirement. However, in Section V Temporary Instruments of the LOBCCR, Article 83 states that "when, in the opinion of the Board of Directors of the BCCR, there is a balance of payments disequilibrium which cannot be dealt with using the instruments specified in this Law, the Board of Directors may establish that any individual or legal entity that has obtained foreign exchange proceeds from exports of goods and services, must sell all or part of such foreign exchange to institutions authorized to operate on that market, within such periods of time as the Board may specify. This measure may not be established for a period of longer than 1 year."
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	Section V of the Organic Law of the Central Bank (Articles 77 through 84) addresses the use of temporary policy instruments and the conditions governing their use. In particular, Article 83 indicates that, in the event that the Board of Directors of the BCCR determines that there is an imbalance in the balance of payments that cannot be redressed using the instruments designated by law, it may, as a temporary measure, oblige any

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		individual or legal entity to sell, in part or in full, the foreign currency it has obtained through exports of goods and services. This measure may be enforced for a maximum period of one year. Because the LOBCCR was enacted in 1995, the temporary instrument established under Article 83 has not been used by the BCCR.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	An export declaration must be filed with the Foreign Trade Promotion Agency (PROCOMER).
Export licenses	Yes.	
Without quotas	Yes.	The TICA system at the General Directorate of Customs specifies for each export product the requirements (technical notes) established by the Ministries of Health, Agriculture and Livestock, Public Security, the Ministry of Environment, Energy, and Technology, and the National Seeds Office.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Taxes are levied on bananas, coffee, and cattle. There are no taxes on exports of nontraditional products to countries outside Central America.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	Yes.	There are laws to prevent money laundering and terrorism financing. These include Law No. 8204 concerning narcotics, psychotropic substances, unauthorized drugs, related activities, money laundering, and the financing of terrorism.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	There is no surrender requirement in place. However, Article 83 indicates that if the Board of Directors of the BCCR determines that there are imbalances in the balance of payments that cannot be

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		redressed using the instruments designated by law, it may, as a temporary measure, oblige any individual or legal entity to sell, in part or in full, the foreign currency it has obtained through exports of goods and services. This measure may be enforced for a maximum period of one year. The BCCR has not used the temporary instrument established under Article 83.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	External debt transactions by the executive branch or those requiring a government guarantee must be authorized by the Legislative Assembly, in particular for the issuance of bonds in international markets. Further, pursuant to Law No. 7558 (Article 106) and Law No. 7010 (Article 7), external and internal debt transactions by the public sector (except state-owned banks, the Costa Rican Electricity Institute (ICE), public universities, and municipalities, in accordance with Law No. 8131) require prior authorization from the Ministry of National Planning and Economic Policy (MIDEPLAN), the Directorate for Public Credit, and the BCCR. In the latter case, a binding opinion is issued.
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Commercial banks and financial institutions supervised by the SUGEF must inform the BCCR in advance when contracting credit abroad (Article 72 of the LOBCCR). Cooperative savings and loan banks (credit unions) can contract credit abroad without BCCR approval.
To residents from nonresidents	Yes.	Commercial banks and financial institutions supervised by the SUGEF must inform the BCCR in advance when contracting credit abroad. (Article 72 of the LOBCCR) Cooperative savings and loan banks (credit unions) can contract credit abroad without BCCR approval. As of July 16, 2022, the minimum legal reserve requirement (EML) for deposits and liabilities in domestic currency was increased to 15% equaling that applied to deposits and liabilities denominated in foreign currency (Article 8 of the Minutes from Session 6066-2022 held June 15, 2022). Previously, the external debt operations of commercial banks and financial institutions supervised by the SUGEF were subject to a 15% reserve requirement in foreign currency and a 12% reserve requirement in domestic currency. Only the balance of long-term operations initiated prior to July 1, 2015, is exempt from the reserve requirement.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	

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Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These operations must meet the reporting requirements specified in the Law on Narcotics, Psychotropic Substances, Unauthorized Drugs, Related Activities, Money Laundering, and the Financing of Terrorism (Law No. 8204). It consists of a declaration requirement for the entry or exit of transactions, in foreign currency, in amounts equal to or greater than ten thousand dollars (US$10,000.00).
Transfer into the country by immigrants	Yes.	These operations must meet the reporting requirements specified in the Law on Narcotics, Psychotropic Substances, Unauthorized Drugs, Related Activities, Money Laundering, and the Financing of Terrorism (Law No. 8204). It consists of a declaration requirement for the entry or exit of transactions, in foreign currency, in amounts equal to or greater than ten thousand dollars (US$10,000.00).
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Paragraphs (h), (i), and (j) of Article 49 of the Organic Law of the Central Bank state that debt instruments or securities, foreign currency deposits, and loans disbursed in foreign currency may be agreed to and must be paid in foreign currency, all corresponding to entities subject to oversight by SUGEF. The Organic Law of the Central Bank, Article 86, states that only the CB, institutions supervised by SUGEF, and other institutions authorized by the CB may deal in foreign exchange. The latter two categories must meet a series of requirements established in the article. The Organic Law of the Central Bank, Article 88, authorizes the CB to regulate the limits on own-account operations by supervised institutions, with respect to their transactions in foreign currencies. The Organic Law of the Central Bank, Article 90, authorizes the CB to regulate forward or futures transactions and other similar transactions in foreign currencies. The ROCC regulates foreign exchange dealing by authorized institutions as provided under the Organic Law of the Central Bank. The regulations governing operations in foreign exchange derivatives

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		regulate operations in foreign exchange derivatives by institutions supervised by SUGEF, General Superintendency of Securities, and SUPEN. The National Banking System Organic Law (LOSBN), in Article 3(1), establishes collaboration in the execution of monetary, exchange, credit, and bank policy as a core banking function. Article 75 of the LOSBN stipulates that "All operations carried out in foreign currency by commercial banks, as well assets and liabilities held abroad in foreign currency, are subject to the provisions of the LOBCCR and to the attendant resolutions and recommendations approved by the Board of Directors of the Central Bank." There is a limit on the direct and indirect lending operations that financial intermediaries may engage in with a given individual or legal entity, amounting to 20% of the subscribed and paid-in capital plus non-redeemable reserves, as provided for in Article 135 of the Organic Law of the Central Bank. This limit applies regardless of the currency of the operations.
Borrowing abroad	Yes.	Commercial banks and financial institutions supervised by the SUGEF must inform the BCCR in advance when contracting credit abroad. The credit and saving unions can borrow abroad without BCCR approval.
Maintenance of accounts abroad	No.	Article 75 of the LOSBN stipulates that "All operations carried out in foreign currency by commercial banks, as well assets and liabilities held abroad in foreign currency, are subject to the provisions of the LOBCCR and to the attendant resolutions and recommendations approved by the Board of Directors of the Central Bank." This Article allows the CB to establish controls on the maintenance of accounts abroad; however, in practice, this authority has never been exercised and commercial banks may maintain accounts abroad without any type of controls.
Lending to nonresidents (financial or commercial credits)	Yes.	Article 74 of the LOSBN stipulates that "Commercial banks may carry out all operations in foreign currency that, in accordance with relevant bank practices and technical principles." Law No. 8204 on Narcotics, Psychotropic Substances, Unauthorized Drugs, Related Activities, Money Laundering, and the Financing of Terrorism and SUGEF Agreement 12-10 "Implementing Regulations for Law No. 8204" state that financial entities must maintain detailed information on their customers (know-your-customer policy), including those to whom they have extended credit. In practice, there are no specific requirements for lending to nonresidents.
Lending locally in foreign exchange	Yes.	Articles 74 and 75 of the LOSBN state that financial intermediaries may issue loans in foreign currency. Law No. 8204 on Narcotics, Psychotropic Substances, Unauthorized Drugs, Related Activities, Money Laundering, and the Financing of Terrorism and SUGEF Agreement 1210 "Implementing Regulations for Law No. 8204" state that financial entities must maintain detailed information on their customers (know-your-customer policy), including those to whom they have extended credit. However, the Borrower Rating Regulation (SUGEF Agreement 105) requires financial entities that extend credit in foreign currency to borrowers who do not generate foreign exchange to perform an additional generic estimate. There are no specific requirements for entities' credit operations with nonresidents. Chapter III of the

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		Macroprudential Policy Database document contains further details.
Purchase of locally issued securities denominated in foreign exchange	No.	In 1992, the Board of Directors of the CB stipulated the following during its Sessions 4554 and 4555 in Gazette 48 of March 9, 1992: "State-owned banks may, on their own account and risk, receive current account, savings, and term deposits...denominated in foreign currency. All banks in the National Banking System, except those classified in category C and followed by the BCCR, and other financial entities regulated by the Office of the Auditor General of Financial Entities, which must be authorized in advance by the BCCR, may, also on their own account and risk, issue investment certificates denominated and payable in foreign currencies and may freely sell them in the national territory or abroad." The Office of the Auditor General of Financial Entities subsequently became the SUGEF. Paragraph (i) of Article 49 of the LOBCCR establishes, from November 3, 1995, that "...the following may be agreed to in foreign currency and, in such cases, shall be paid in the said currency: (i) foreign currency deposits with entities subject to oversight by the General Superintendency of Financial Entities." Article 75 of the LOSBN states that: "Commercial banks may carry out all operations involving foreign exchange, which, in accordance with the applicable banking practices and technical principles, are usually carried out by such institutions, provided they were authorized in accordance with the Organic Law of the Central Bank to act as agents and for the account of the Central Bank in the corresponding operations and business activities."
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	As of July 2022, the reserve requirement rate is 15%, regardless of the currency. Previously, Paragraph (C) of Title III of the Monetary Policy Regulations established a minimum reserve requirement differentiated for deposits and liabilities according to currency. In Article 8 of the Minutes from Session 6066-2022, the Board of Directors of the BCCR increased the EML gradually for deposits and liabilities in domestic currency from 12.0% to 13.5% effective July 1, 2022, during the first half of July 2022, and to 15.0% effective July 16, 2022. This change in the regulation on the EML eliminated the differentiation of the reserve requirement by type of currency in which the deposits are made and now both rates are at 15%.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	According to the laws on money laundering, terrorism financing, and organized crime, financial institutions may limit the type or amount of services they offer to nonresident foreign individuals, taking into account customer risk classifications. Pursuant to Article 16 of Law No. 8204, financial institutions must require the following: Maintenance of registered accounts – they may not maintain anonymous accounts, encrypted accounts, or accounts under fictitious or imprecise names.

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		In the case of legal entities classified as risky according to the parameters established by the National Council of Supervision of the Financial System, financial institutions must require that the legal and nonlegal representatives of a company be notarized. This must be verified especially when commercial relationships are established, in particular the opening of new accounts, the issuance of deposit passbooks, the creation of trust transactions, the rental of safe deposit boxes, or the execution of transactions, including inward or outward transfers in domestic or foreign currency, in amounts equal to or greater than US$10,000 or its equivalent in other currencies. The purpose of these regulations is to prevent money laundering and the financing of terrorism, which is why they do not relate to exchange rate controls.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	There is a limit to the active, direct and indirect operations that financial intermediaries can carry out with individuals or legal entities, of 20% of the subscribed and paid capital plus non-redeemable equity reserves. This is established by provision of the Organic Law of the Central Bank, Article 135; but this limit applies regardless of the currency of the operations, so it is not a differentiated treatment for banks abroad or with nonresidents.
In banks by nonresidents	Yes.	There is a limit to the active, direct and indirect operations that financial intermediaries can carry out with individuals or legal entities, of 20% of the subscribed and paid capital plus non-redeemable equity reserves. This is established by provision of the Organic Law of the Central Bank, Article 135, but this limit applies regardless of the currency of the operations, so it is not a differentiated treatment for banks abroad or with nonresidents.
Open foreign exchange position limits	Yes.	The foreign exchange position (FXP) as a proportion of core capital must be within the range of ±100%. The average monthly ratio of the FXP to core capital expressed in dollars must be equal to the value defined by the institution as desirable, with no objection by the BCCR management. The tolerance range for compliance with the monthly average of this indicator is between −3 pp and +1 pp of the ratio. The daily change in the FXP ratio to core capital for foreign exchange operations may not exceed ±3% of the value of core capital expressed in US dollars. The National Financial System Supervision Council, pursuant to Article 10 of the legal act adopted during Session 1340-2017 of June 13, 2017, approved specific rules for financial intermediaries to improve their management of market, interest rate, and exchange rate risk in a manner that is consistent with their risk profile, systemic importance, and macroeconomic conditions. The agreement is based on the fact that a neutral FXP protects the financial intermediary's income statement from fluctuations in the exchange rate, but not necessarily its capital adequacy ratio;

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		therefore, it was requested that quantitative restrictions be determined for the FXP for "trading" and "nontrading" transactions. The formula for calculating the capital adequacy indicator was changed, in particular the capital requirement component associated with exchange risk, such that greater exposure to exchange risk results in higher capital requirements.
On resident assets and liabilities	Yes.	There are no absolute limits on open positions in foreign exchange. However, changes in these positions are subject to the conditions indicated in Article 4 of the Regulations for Exchange Operations. There are limits on changes in the foreign currency positions of foreign exchange dealers; however, no distinction is made between resident and nonresident positions.
On nonresident assets and liabilities	Yes.	There are no absolute limits on open positions in foreign exchange. However, there are limits on the FXP with respect to capital, average monthly capital levels, and daily changes in capital, subject to the provisions of Article 4 of the ROCC.
Provisions specific to institutional investors	Yes.	On February 7, 2014, amendments were made to Agreement SGV-A-61 requiring entities to communicate relevant information to the markets and to Agreement SGV-A-75 relating to periodic reporting of information.
Insurance companies	No.	Article 25 of the Regulations on the Solvency of Insurers and Reinsurers only sets forth general principles regarding investment policies. Specific provisions for the investments backing the technical reserves of insurance companies are set out in Article 23 of the Regulations on the Solvency of Insurers and Reinsurers. Although at least 40% of these securities must be instruments meeting the requirements of Article 27 of this chapter, for example, having at least one investment grade rating, investment in other types of instruments is not restricted. For derivative instruments (Articles 28 and 32 of the Regulations), entities can carry out only interest rate, price, and foreign exchange risk hedging operations.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	On November 2, 2018, the Regulation Governing the Management of Assets, a comprehensive overhaul of the Regulations Governing Investments by Authorized Entities, was published in the Official Gazette.
Limits (max.) on securities issued by nonresidents	Yes.	Authorized entities may invest in securities issued in the foreign market up to 25% of the asset administered by the fund, whose proportion may be increased up to 50%, provided it can be demonstrated through technical studies, in accordance with the provisions set forth in "Title II. Governance of Investments" of the Regulation Governing the Management of Assets, that the limit increase complies with Article 62 of the Law on Worker Protection.
Limits (max.) on investment portfolio held abroad	Yes.	Article 67. General limits: Funds must comply with the following maximum limits: Securities issued by the same issuer or its subsidiaries and affiliates, up to 10%. Up to 10% for each external investment manager.

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		Article 68 of the Regulation Governing the Management of Assets established limits by type of instrument. Funds must comply with the following maximum limits: (1) Debt securities. (a) Up to 5% in each of the following instruments: repos, securities lending, structured notes with protected capital, and level III standardized debt. (2) Securities representative of ownership: (a) Up to 25% in level I instruments. (b) Effective May 6, 2022, up to 15% in level II instruments (previously 10%). (c) Up to 5% in level III instruments. Article 17 of the Regulation Governing the Management of Assets defines the types of instruments by level: Level III standardized debt: the risk ratings corresponding to these instruments must be within the top two ratings of the scale below investment grade. Level I securities representative of ownership: shares, American depositary receipts (ADRs), and units in funds or special-purpose vehicles (financial, debt, equity, mixed, or index funds as well as exchange-traded funds (ETFs) that replicate financial indices. Funds that in their investment strategies use derivative instruments whose purpose is different from the efficient portfolio handling criterion, defined by the UCITS, are exempt). Level II securities representative of ownership: Units in funds or special-purpose vehicles that must meet all fund participation requirements established for Level I; however, these funds can venture into investment vehicles related to property management, real estate investment, real estate, and project development (past the feasibility stage). Level III securities representative of ownership: Units in funds or special-purpose vehicles that must meet all fund participation requirements established for Level I; however, these funds can venture into funds that invest in private equity. Article 69. Limits by issuer: Funds must comply with a maximum investment limit of up to 10% from a single issuer of any type of securities, except the MOF of Costa Rica, the BCCR, and issuers of international sovereign debt of countries with risk ratings within investment grade. The requirements are not differentiated by investment destinations.
Limits (min.) on investment portfolio held locally	Yes.	The Asset Management Regulations do not establish minimum limits. However, the Worker Protection Law (7983) in its Article 61 provides that "pension operators must invest, at least, 15% of the Compulsory Regime of Complementary Pensions (ROP) in securities with mortgage guarantee or product of mortgage securitization processes, as long as their yield generates, at the operators' discretion, an adequate return according to the risk that these instruments present. Investment in securities issued by entities that are, at the time of making the investment, in a situation of financial irregularity, are prohibited in accordance with the provisions of the SUGEF."
Currency-matching regulations on assets/liabilities composition	Yes.	Article 15 of the Regulation Governing the Management of assets established the following rules on permissible currencies: Securities and underlying assets in which funds invest can be denominated in any currency. The Management Body will be required to justify the use of the currencies, demonstrating that

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		aspects such as liquidity and/or traded volume were analyzed and that hedging for exchange rate risk for these currencies is possible. The foregoing is established in "Title II. Governance of Investments." The risks stemming from the above must be reported by the Management Body, in accordance with Paragraph (f) of Article 5 of this Regulation. As per the Reform on the Regulation Governing the Management of Assets, published in La Gaceta No. 193, effective December 8, 2022, the sum of investments in foreign currency exceeding 50% of the asset value of pension funds denominated in colones must be hedged against currency risk using for that purpose exchange rate hedges, in accordance with the provisions established in this regulation.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	There are no specific limits, unless a limit is set in the investment fund's prospectus.
Limits (max.) on investment portfolio held abroad	No.	There are no upper limits on the investment portfolio held abroad, unless a limit is set in the investment fund's prospectus.
Limits (min.) on investment portfolio held locally	No.	There are no lower limits on the investment portfolio held locally, unless a limit is set in the investment fund's prospectus.
Currency-matching regulations on assets/liabilities composition	Yes.	The investment fund indicates the currency in which shares (assets) are subscribed in its prospectus.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Between nonresidents	No.	
Controls on CBDC launched by another jurisdiction	No.	

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Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.

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For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Monetary policy framework

Inflation-targeting framework

Accountability

Parliamentary hearings	*10/05/2023*	The Minister of Finance and the President of the Central Bank of Costa Rica must appear before the Legislative Assembly of the Republic of Costa Rica at least once during March of every year.

Arrangements for Payments and Receipts

Administration of control	*07/01/2022*	The Superintendency of Pensions supervises pension funds participating, in the foreign exchange market for their own requirements.

Imports and Import Payments

Import licenses and other nontariff measures		
Licenses with quotas	*01/01/2022*	Chicken thighs imported from the United States are subject to a tariff of 0%, without any quota.
Import taxes and/or tariffs	*02/10/2022*	The amount of bulk rice that could be imported was revised to 114,483 metric tons with a 0% tariff is authorized from January 1, 2022, to December 31, 2022 (Decree No. 43410 MAG-MEIC-COMEX).
	03/01/2022	The antidumping duty of 3.67% applied to imports of refined sugar from Brazil expired.
	08/12/2022	Executive Decree No. 43642-MAG-MEIC-COMEX reduced the customs duty on imports of milled rice to 3.5% and on paddy rice to 4%.
	08/19/2023	The additional tariff implemented as a safeguard measure on imports of refined sugar expired.
	10/11/2023	The importation of 8,224 metric tons of black beans and/or red beans with a 0% tariff is authorized because of a shortage. This authorization is valid until January 31, 2024.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		

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Reserve requirements	*07/01/2022*	The minimum legal reserve requirement for deposits and liabilities in domestic currency changed from 12.0% to 13.5%.
	07/16/2022	The minimum legal reserve requirement for deposits and liabilities in domestic currency changed from 13.5% to 15%.
Provisions specific to institutional investors		
Pension funds		
Limits (max.) on investment portfolio held abroad	*05/06/2022*	As per the Modification of Article 68 of the Regulation Governing the Management of Assets, the maximum limit related to Securities representative of ownership in Level II instruments was increased to 15% from 10%.
Currency-matching regulations on assets/liabilities composition	*12/08/2022*	As per the Reform on the Regulation Governing the Management of Assets, the sum of investments in foreign currency exceeding 50% of the asset value of pension funds denominated in colones must be hedged against currency risk using for that purpose exchange rate hedges, in accordance with the provisions established in this regulation.

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CÔTE D'IVOIRE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		March 11, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	A regional framework to combat money laundering (AML) and the financing of terrorism (AFT) exists through two WAEMU Directives, respectively, from 2002 (AML) and 2007 (AFT) as amended. This framework facilitates the implementation of decisions taken by the UNSC on the basis of a list of persons and entities drawn up by the Committee. Effective March 31, 2023, the regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Asset Service Providers (VASPs); (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons (PEPs).

Exchange Arrangement

Currency	Yes.	The currency of Côte d'Ivoire is the CFA franc (XOF).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the WAEMU is a conventional peg. Côte d'Ivoire participates in a currency union with seven other members of the WAEMU and has no separate legal tender. A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, to replace the agreement dated December 4, 1973. The Monetary Cooperation Agreement is based on three pillars: (1) a common issuing institution, (2) fixed parity with the euro, and (3) a guarantee of unlimited convertibility.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro at the fixed exchange rate of CFAF 655.957 per euro. The exchange rates between the CFA franc and other currencies are automatically inferred based on the rates between those currencies and the euro. The Conference of Heads of State and Government may vote to modify the monetary cooperation accord between the WAMU member countries and France. Legally, the permanence of monetary cooperation accords is guaranteed by the November 23, 1998, decision of the EC concerning exchange matters relating to the CFA franc and the Comorian franc (Decision No. 98/683/CE). Effective September 2, 2022, Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The operational target of price stability is defined as an annual inflation rate in the WAEMU that falls within a band of ±1% around a central rate of 2%. The harmonized CPI (HCPI) is the benchmark rate to measure inflation.
Composite		

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Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

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Exchange tax	Yes.	The commission rate charged on transfers to all countries that are not members of the WAEMU area is 0.6%. This commission must be surrendered to the National Treasury and is a portion of its tax revenue.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	The entities authorized to conduct nonelectronic foreign currency transactions are authorized intermediary banks and individuals or companies authorized to conduct nonelectronic transactions by decision of the minister of finance, with the consent of the BCEAO. Authorized intermediaries must comply with the provisions in effect concerning the financial conditions for engaging in nonelectronic exchange operations with euro banknotes and issue a transaction receipt for any operation with a customer. In addition, to ensure that customers have satisfactory information, authorized intermediaries must (1) post at their windows, at all times, the rates effectively applied for the various currencies and (2) post a notification that a transaction slip must be issued for all foreign exchange transactions based on the requestor's identity document. As of December 31, 2022, Côte d'Ivoire had 28 banks and 127 exchange bureaus. Exchange bureaus are dealers authorized, on the approval of the Minister of Economy and Finance (MEF), to transact in foreign exchange with the public. Exchange bureaus may conduct transactions in foreign currencies (except euros) with the CB. Registered banknote exchange houses may not make transfers or payments in foreign currencies with other countries or maintain accounts abroad. In their transactions with customers, these authorized intermediaries (licensed intermediary banks and licensed exchange dealers) freely set the buying and selling rates for foreign currencies, with the exception of the euro, which is traded at the official fixed parity of CFAF 655.957 and may charge a commission of a maximum of 2.0%. Instruction No. 013-11-2015 on the terms and conditions for conducting rapid money transfers as a subagent within the WAEMU applies.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BCEAO exchanges foreign currency for CFA francs at the rates published on the international markets, with the exception of the euro, which is traded at the official fixed rate of 655.957 per euro. The nonelectronic currency exchange windows are open to owners of accounts on the BCEAO books and to the general public. A commission of 0.5% is charged on all transactions with the public (purchases and sales) and all withdrawals by banks and financial institutions (including euro withdrawals). However, no commission is charged for the following operations: (1) OTC foreign banknote exchanges conducted by state entities, government employees of WAEMU members on mission abroad, and officials of the CB and their beneficiaries and (2) payments made by banks and financial institutions.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Transactions in CFA francs between authorized intermediaries are

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		permitted. There is no foreign currency interbank market in the WAEMU. As of December 31, 2022, 12 banks participated in the interbank market in domestic currency.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Residents of the WAEMU zone are permitted to conduct the following transactions on the foreign exchange derivatives market with authorized intermediary banks established in the WAMU or with foreign banks: outright forward foreign exchange contracts (over the counter), foreign exchange options, foreign exchange swaps, and cross-currency swaps. Transactions in foreign exchange options are limited to the following two types of transactions: options to purchase foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign bank, or options to sell foreign currency purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign credit institution. Authorized intermediary banks are required to simultaneously cover the exchange risk they incur with respect to derivative instruments traded with their customers. The underlying commercial and financial operations must relate to imports and exports of goods and services by a resident, foreign borrowing operations by a resident (drawings and repayments), or direct foreign investment in a resident company. All legitimate foreign currency needs are ultimately met by the BCEAO.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments with countries outside the WAEMU are made in foreign currencies. Trade with other WAEMU countries is settled in CFA francs.
Controls on the use of domestic currency	Yes.	CFA francs may not be used for settlement of international transactions (both current and capital transactions) outside the WAEMU.
For current transactions and payments	Yes.	CFA francs may not be used for settlement of international transactions outside the WAEMU.
For capital transactions	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Investments by residents of the WAEMU zone outside the WAEMU are subject to prior authorization by the minister of finance, and at least 75% of the investment must be financed through foreign borrowing.
Transactions in capital and money market instruments	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Foreign investment by residents of the WAEMU zone is subject to authorization by the MOF. At least 75% of the investment must be financed through foreign borrowing. The interested party must request authorization through a letter designating the authorized intermediary to settle the payment. Purchases of foreign negotiable securities authorized by the regional capital markets authority to be issued or sold in WAEMU members do not require MEF authorization.
Transactions in derivatives and other instruments	Yes.	Residents of WAEMU member countries may engage in the following derivatives operations with accredited banks established in

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		the WAEMU or foreign banks: (1) forward foreign exchange contract and (2) foreign exchange swaps and options. Authorized transactions in foreign exchange derivatives can be carried out between two foreign currencies or between the CFA franc and a foreign currency with the exception of the euro or a currency whose issuing body has a transaction account with the French Treasury.
Credit operations	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted by authorized intermediaries to nonresidents of the WAEMU zone are subject to prior authorization by the Directorate of External Financial Relations of the MOF, after BCEAO approval.
Use of foreign exchange among residents	Yes.	The CFA franc is the only legal tender, and residents of the WAEMU zone are not permitted to use foreign exchange for domestic transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, replacing the previous agreement dated December 4, 1973. This monetary cooperation agreement is based on three pillars: (1) a common bank of issue; (2) a fixed exchange rate parity with the euro; and (3) an unlimited convertibility guarantee.
Clearing agreements	Yes.	There is a multilateral netting agreement between the WAEMU countries and the other ECOWAS member countries (Cabo Verde, The Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra Leone) as part of the WAMA. All payments for current transactions between countries whose CBs are WAMA members may be made under the netting agreement. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS members and payments for exports from one member country to another member country of finished products originating in countries whose CB or monetary authority is not a WAMA member.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The institutional reform of the WAMU and the BCEAO went into effect April 1, 2010, with the adoption of the following new basic instruments: (1) the WAMU Treaty, (2) the BCEAO Charter, (3) the Bank Regulation Act, and (4) the Convention governing the WAMU Banking Commission. All WAEMU residents are treated as residents of Côte d'Ivoire for the purposes of preparing the external position of banks, domiciliation and repatriation of export revenue, the issuance and sales of securities, gold imports and exports, investment and lending transactions, and physical exportation of means of payment and securities by postal package or ordinary mail. However, for statistical purposes with regard to the balance of payments, all countries other than Côte d'Ivoire are considered foreign countries. Moreover, all transfers with other countries must be made through registered intermediary banks, the postal service, or the BCEAO.
Payments arrears	No.	
Official	No.	
Private	No.	

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Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Gold imports and exports from and to foreign countries require MOF authorization, except (1) imports and exports by the Public Treasury and the BCEAO; (2) imports and exports of items with a low gold content (gold-lined or gold-plated objects); and (3) imports and exports, by travelers, of objects made of gold limited to a total weight of 500 grams. Imports and exports of gold within the WAEMU area are not subject to any restrictions.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	CFA franc (XOF) banknotes may be exported freely by travelers from one WAEMU member country to another. Shipments of banknotes issued by the BCEAO between any WAEMU resident individual or legal entity other than the BCEAO and its banking or commercial correspondents located outside WAEMU member countries are prohibited.
Foreign currency	Yes.	The reexportation of foreign banknotes by nonresident travelers is permitted up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks. Residents of the WAEMU zone traveling to countries that are not WAEMU members are required to declare foreign currency on their person in excess the equivalent of CFAF 1 million. They may carry up to the equivalent of CFAF 2 million a person in banknotes not issued by the BCEAO. Larger amounts may be exported in the form of traveler's checks, prepaid debit and payment cards, conventional debit and payment cards, or other means of payment. Foreign exchange allowances issued by authorized intermediaries in the form of traveler's checks or prepaid debit and payment cards must be based on the need to cover customary, personal travel expenses, if they exceed the equivalent of CFAF 2 million a person. The issuance of foreign currency to resident travelers is subject to the presentation of travel documents and a valid passport or national identification card.
On imports	Yes.	
Domestic currency	Yes.	Residents of the WAEMU zone and nonresidents of the WAEMU zone travelers may freely import domestic currency. However, resident individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from receiving banknotes in domestic currency.
Foreign currency	No.	Resident travelers may freely import CFA franc area banknotes or foreign-currency-denominated means of payment. Means of payment must be declared if the amount exceeds CFAF 5 million. Resident travelers are required to surrender foreign banknotes or other foreign-currency-denominated means of payment exceeding the equivalent of CFAF 500,000 to an authorized intermediary within eight days of their arrival in the national territory. Nonresident travelers may freely import CFA franc area banknotes or foreign-currency-denominated means of payment. Nonresident travelers must declare in writing all means of payment exceeding the equivalent of CFAF 5 million on arriving in and exiting the national

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territory.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	Yes.	Foreign exchange accounts in currencies other than the euro may be opened domestically with MOF authorization after non-objection from the BCEAO. The authorization specifies the operations that may be credited or debited on each such an account. These accounts are valid for a renewable term of up to one year. They cannot be credited with deposits of CFA banknotes or by debiting a CFA franc account. On expiration of the term set in the authorization, accounts are closed unless a new authorization is obtained.
Held abroad	Yes.	
Approval required	Yes.	Individuals who are residents of the WAEMU and temporarily staying or traveling outside of the WAEMU may open bank accounts outside the WAEMU to deposit foreign currency legally exported and any income acquired outside of the WAEMU during their travel or temporary stay outside of the WAEMU. These individuals are required to repatriate balances on such accounts within 30 days of return to the WAEMU. In any circumstance other than the foregoing, opening of foreign accounts by WAEMU residents is subject to MOF authorization by after non-objection from the BCEAO. The MOF authorization specifies the operations that may be credited or debited on such accounts valid for up to one year. In the event of a failure to obtain a new MOF authorization, the accredited intermediary must request that the account be closed by the end of the term authorized and that any balance be repatriated to a WAEMU member country within eight days.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	Intermediaries authorized in the WAEMU are authorized to open accounts in euros for the benefit of nonresidents, subject to proof of their status and actual residence. Nonresident accounts denominated in foreign currency other than euros are subject to BCEAO authorization. Nonresident foreign currency accounts are valid for a renewable period of two years. In the event of a failure to obtain renewal (through a new BCEAO authorization for foreign exchange other than the euro), these accounts must be closed. The balances of these accounts may be freely transferred abroad after verification.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Authorized intermediaries may open nonresident accounts in CFA francs and in euros, under their own responsibility, depending on the status and actual residence of the applicant. These accounts may be debited for spot purchases of foreign exchange.
Approval required	No.	
Blocked accounts	No.	

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of payment specified in the contract.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but no earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirements	Yes.	Import transactions from outside the CFA franc area exceeding CFAF 10 million must be effected through an authorized bank.
Preshipment inspection	Yes.	Inspection for quality and price is required for imports exceeding CFAF 3 million; imports valued at less than CFAF 3 million may be subject to random inspection.
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange authorization, final original invoice, certificate of release for consumption, import declaration, bill of lading, and export-import card are required.
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Imports are classified into three categories: (1) goods requiring authorization of ministries, (2) goods whose import is subject to quantitative or other restrictions and requires a license issued by the Foreign Trade Promotion Directorate, and (3) freely importable goods.
Negative list	Yes.	Imports of certain goods, such as narcotics, are prohibited regardless of origin.
Open general licenses	No.	Import licenses for a short list of controlled products are issued by the Directorate of External Trade Promotions in the Ministry of Commerce.
Licenses with quotas	No.	
Other nontariff measures	Yes.	Quantitative restrictions may be applied to products for public health and security reasons.
Import taxes and/or tariffs	Yes.	The WAEMU CET consists of four tariff rates (0%, 5%, 10%, and 20%). Imports are also subject to a statistical fee of 1%. A community solidarity levy of 0.8% is applied to the c.i.f. value of non-WAEMU imports. In addition, a 1% ECOWAS levy is applied to the c.i.f. value of non-ECOWAS imports. A cyclical import tax (taxe conjoncturelle à l'importation) and a regressive protection tax (taxe dégressive de protection) may be charged on some products during a given period. Only the former of these two taxes had been applied as at end-2018. Imports from countries that are not ECOWAS members are subject to a 0.5% community levy (CL/ECOWAS). A 0.2% levy is applied to the c.i.f. value of non-WAEMU imports

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		and (with the same import tax base) was introduced to help finance the African Union's budget.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Resident economic operators are required to collect and repatriate within one month of the payment due date the entire amount of sales of goods abroad in the country of origin with the bank with which the transaction is domiciled. The payment due date is specified in the trade agreement and normally falls within a period of 120 days after the goods are dispatched.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The domiciling bank is responsible for the repatriation via the accounts of foreign correspondents of the BCEAO of at least 80% of the export proceeds received. For purposes of coverage of its current foreign currency needs, the domiciling bank may hold up to 20% of its export proceeds as owned foreign exchange resources. However, it must ensure that the sum of the foreign exchange resources it has to cover its requirements does not exceed 5% of total customer demand deposits; otherwise, the surplus must be surrendered to the BCEAO. The authorized intermediary bank surrenders foreign currencies to the CB immediately.
Surrender to authorized dealers	Yes.	Exporters must collect and surrender to an authorized intermediary bank total earnings from sales of goods abroad within 30 days following the payment due date as stipulated in the sales contract, which in principle should be within a maximum of 120 days after the shipment of goods. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the issuing bank. Sales of foreign exchange by exporters to ADs other than the domiciling bank are authorized, provided the domiciling bank provides the necessary supporting documents to verify domiciliation.
Financing requirements	No.	
Documentation requirements	Yes.	Export transactions require a customs declaration.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Export transactions of more than CFAF 10 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Preshipment inspection	Yes.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports are permitted on the basis of a simple authorization from the Directorate of Foreign Trade, which issues certificates of origin, as needed. Exports of diamonds, gold, and precious metals, however, require MEF authorization, with the exception of articles with a small gold content, traveler's personal effects weighing less than 500 grams, and coins (fewer than 10 pieces, irrespective of their face

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		value or denomination).
With quotas	Yes.	Exports of lumber are subject to quantitative quotas allocated through an auction.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Exports of cocoa and coffee are subject to export tax and may be effected only by exporters authorized by the Authority for the Regulation of Coffee and Cocoa.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments and transfers for current transactions with WAEMU and non-WAEMU countries may be made freely through authorized intermediaries. Transfers exceeding CFAF 500,000 are subject to documentary requirements. Payments and receipts of foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad relating to freight and insurance (including transfers of insurance not related to commercial transactions), unloading and warehousing costs, administrative costs, commissions, and customs duties and fees are permitted in general, subject to the presentation of supporting documentation to the authorized intermediary.
Investment-related payments	Yes.	
Prior approval	Yes.	Payments for depreciation of direct investments require MEF authorization, because this type of depreciation is not specifically mentioned in the regulations.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents. Similarly, interest and dividends, shares and profits of corporations or partnerships, mortgages or real estate interests, rents and leases, operating profits of companies, pensions and annuities from life insurance contracts as well as any other periodic remuneration of a corporation may be executed on a voluntary basis by approved intermediaries subject to the submission of supporting documentation.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents of the WAEMU zone traveling for tourism or business purposes to non-WAEMU countries may take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person a trip; amounts in excess of this limit may be taken out in the form of traveler's checks, certified checks, or other means of payment.
Indicative limits/bona fide test	Yes.	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.

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Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All personal payments may be made through an authorized bank, subject to presentation of supporting documents.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to wages, salaries, and honoraria; social insurance contributions and benefits; pensions and income under labor, employment, or service contracts or involving public debt are generally permitted, subject to the presentation of the appropriate supporting documentation.
Credit card use abroad	Yes.	The use of credit cards is allowed when issued by specialized institutions which, where applicable, must report such transactions on a quarterly basis to the BCEAO.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For travelers, allocations of foreign currency in the form of debit and payment card must be justified by requirements related to travel and personal expenses if they exceed the equivalent of CFAF 2 million.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	As a general rule, payments abroad in amounts greater than CFAF 500,000 are subject to the presentation of supporting documentation.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from invisible transactions with non-WAEMU countries must be repatriated. Residents of the WAEMU zone are required to surrender to an authorized intermediary all revenues and income in foreign currency collected abroad or received from a nonresident within one month after the payment due date.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date. Resident travelers must surrender to an authorized intermediary, within eight days of their date of entry into the national territory any foreign banknotes and other means of payment denominated in foreign currency valued in excess of the equivalent

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		of CFAF 500,000. The BCEAO may, in monitoring banks' external positions, request the surrender of foreign currency held abroad by ADs.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MEF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations, (2) payments required on foreign exchange derivatives transactions or on raw material or commodity derivatives transactions, and (3) transfers of the proceeds of liquidated investments or the sale of foreign securities by nonresidents of the WAEMU zone. Capital receipts from non-WAEMU countries, however, are generally permitted.
Repatriation requirements	Yes.	Proceeds from the sale or liquidation of residents of the WAEMU zone's investments abroad must be repatriated within one month through a registered intermediary, if the resident does not have a reinvestment authorization.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	Proceeds from the sale or liquidation of WAEMU residents' investments abroad must be repatriated and surrendered within one month to an AD, if the resident does not have a reinvestment authorization. The surrender requirement applies to proceeds from all capital transactions.
Controls on capital and money market instruments	Yes.	Regional Council on Public Savings and Financial Markets (Conseil Régional de l'Epargne Publique et des Marchés Financiers – CREPMF) authorization is required for the following operations: (1) the issuance or marketing of securities and real assets of foreign entities, (2) canvassing, and (3) publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange. Soliciting the public of the WAEMU by nonresident entities is subject to authorization by the BCEAO in its capacity as the authority responsible for regulating the external financial relations of WAEMU countries. The Code of the Inter-African Conference on Insurance Markets (CIMA Code) requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
On capital market securities	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are unrestricted. However, these purchases are subject to declaration to

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		the minister of finance and the BCEAO for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to CREPMF authorization, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MEF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MEF authorization. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the CREPMF.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these transactions result in foreign control over resident entities, the foreign investors are required to make a declaration to the MEF. The sale of securities to liquidate an investment abroad is subject to declaration to the MEF for statistical purposes. Residents of the WAEMU zone may also issue securities abroad, unless the securities constitute a loan.
Bonds or other debt securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. There is no minimum holding period.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to CREPMF authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MEF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MEF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the CREPMF.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in a Côte d'Ivoire institution, the foreign investors are required to make a declaration to the MEF. The sale of securities to liquidate an investment abroad is subject to declaration to the MEF for statistical purposes. The issuance of securities to nonresidents of the WAEMU zone constituting a loan must be made through an authorized bank and must be reported to the MEF for statistical purposes.
On money market instruments	Yes.	The regulations governing shares or other securities of a participating

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		nature apply.
Purchase locally by nonresidents	No.	Purchases by nonresidents of the WAEMU zone are unrestricted. However, a declaration for statistical purposes must be filed for such purchases.
Sale or issue locally by nonresidents	Yes.	The issuance and sale of money market instruments by nonresidents of the WAEMU zone are subject to authorization by the CREPMF, with the authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of money market instruments resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of money market instruments by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MEF for approval, accompanied by supporting documentation (Article 7 of Regulation No. 09/10/CM/UEMOA).
Purchase abroad by residents	Yes.	The purchase of foreign money market instruments by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MEF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign money market instruments whose issuance or offering for sale in WAEMU countries has been authorized by the CREPMF.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local money market instruments abroad. The sale of money market instruments to liquidate an investment abroad is subject to declaration to the MEF for statistical purposes. Residents of the WAEMU zone may also issue money market instruments abroad, unless they constitute a loan.
On collective investment securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MEF for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to CREPMF authorization with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MEF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MEF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the CREPMF.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these transactions result in foreign control over Ivoirian establishments, the foreign investors are required to make a declaration to the MEF. The sale of securities to liquidate an investment abroad is subject to declaration to the MEF for statistical purposes. Residents of the WAEMU zone may also issue securities abroad, unless the securities constitute a loan.
Controls on derivatives and other	Yes.	Residents of the WAEMU zone may hedge exchange risk using

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instruments		foreign exchange derivatives for the following commercial or financial operations: (1) imports and exports of goods and services by a resident; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Residents of the WAEMU zone are not authorized to purchase raw materials or commodities on foreign markets for delivery within the framework of a derivatives transaction in raw materials or commodities. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Purchase locally by nonresidents	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone. The use of exchange risk hedging derivatives on the domestic market is reserved exclusively for Union residents. Purchase of derivatives locally by nonresidents is not permitted.
Sale or issue locally by nonresidents	Yes.	Residents are authorized to carry out transactions on approved foreign exchange derivative instruments on foreign exchange derivatives markets with nonresident banks.
Purchase abroad by residents	Yes.	These instruments are subject to general regulations that apply to securities and investments. Residents of the WAEMU zone may freely purchase abroad or from nonresidents of the WAEMU zone call or put options on primary commodities or securities transactions. Residents of the WAEMU zone may not purchase commodities or securities in foreign markets to be delivered in complying with a put option contract. Put options must be placed on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract. Residents of the WAEMU zone are permitted to purchase foreign currency purchase options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign credit institution.
Sale or issue abroad by residents	Yes.	Residents of the WAEMU zone are permitted to purchase foreign currency sell options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign (that is, non-WAEMU resident) credit institution.
Controls on credit operations	Yes.	Borrowing by residents of the WAEMU zone from nonresidents of the WAEMU zone must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MEF.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	There are no controls on credits related to exports of goods. The date on which payment falls due is specified in the contract (in principle not later than 120 days after the date of shipment).
To residents from nonresidents	No.	There are no controls, and repayments of commercial credits are generally conducted without prior authorization, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date, to the licensed intermediary bank responsible for handling the repayment.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These credits require MEF approval. Outward transfers necessary to

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		service such facilities require an exchange authorization, subject to the approval of the MEF and substantiated by documentation. However, authorized intermediaries are permitted to grant the following credits to their foreign correspondents: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance.
To residents from nonresidents	No.	There are no controls on these credits, but they must be reported for statistical purposes to the MOF and the BCEAO when granted and when repaid, except for the following credits: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance. The necessary funds must be transferred from abroad through an authorized agent. Borrowing abroad is unrestricted and must be done through intermediaries in all cases where the money borrowed is made available to the borrower in the country. These loans must be declared to the Directorate of External Finance and to the BCEAO for statistical purposes. There are no controls on repayment of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction. The repayment of any foreign loan must be reported for statistical purposes to the Directorate of External Finance and to the BCEAO and must be made through an approved intermediary.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	The granting of guarantees and sureties requires the authorization of the minister of finance. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to MEF approval and the submission of supporting documents.
To residents from nonresidents	No.	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require declaration to the MEF and the BCEAO for statistical purposes.
Controls on direct investment	Yes.	Investment implying control of a company or enterprise is considered to be direct investment. A simple investment is not considered a direct investment if it does not exceed 10% of the capital stock of a company. All investment outside of WAEMU by residents of the WAEMU, including investment through foreign companies under the direct or indirect control of WAEMU residents and investment by foreign branches or subsidiaries of companies established in a WAEMU member country, requires MEF authorization.
Outward direct investment	Yes.	All investments abroad by residents of the WAEMU zone, including investment through foreign companies under the direct or indirect control of residents of Côte d'Ivoire and investment by foreign branches or subsidiaries of companies established in Côte d'Ivoire, require MEF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU

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		member countries has been authorized by the CREPMF.
Inward direct investment	Yes.	FDI, including by resident companies that are directly or indirectly under foreign control and by branches or subsidiaries of foreign companies, must be reported to the MEF for statistical purposes. A share is not considered a direct investment unless it exceeds 10% of the capital of a company.
Controls on liquidation of direct investment	No.	The liquidation of investments abroad must be reported to the MEF and the CB for statistical purposes. Reinvestment of liquidation proceeds is subject to MEF authorization. If reinvestment is not authorized, the liquidation proceeds must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents of the WAEMU zone is unrestricted but must be reported to the MEF and the CB for statistical purposes.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These purchases require MEF authorization.
Purchase locally by nonresidents	No.	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require declaration to the MEF for statistical purposes.
Sale locally by nonresidents	No.	Sales by nonresidents of the WAEMU zone to residents of the WAEMU zone require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MEF and the BCEAO for statistical purposes.
Controls on personal capital transactions	Yes.	Personal capital transactions between residents of the WAEMU zone and nonresidents of the WAEMU zone must be made through the BCEAO, the postal service, or an authorized intermediary bank, unless authorization is obtained from the MEF.
Loans	Yes.	The regulations governing securities and investments apply.
By residents to nonresidents	Yes.	These transactions require MEF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of approved financial institutions.
To residents from nonresidents	Yes.	These transactions may be made freely, but are subject to declaration to the MEF and the BCEAO for statistical purposes when disbursed and when repaid.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Inheritances and dowries are generally allowed. Gifts and endowments, however, are subject to MEF and BCEAO authorization. These transactions must be conducted through an authorized intermediary and comply with the relevant anti-money-laundering and terrorism financing provisions.
To residents from nonresidents	No.	These transactions do not require authorization but are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Settlement of debts abroad by immigrants	Yes.	Immigrants with resident status must obtain MEF authorization to settle debts contracted abroad while they were nonresidents of the WAEMU zone.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These operations require authorization by the minister of finance if the value exceeds CFAF 500,000 a person. There are no restrictions on transfers of amounts below this threshold.
Transfer into the country by immigrants	Yes.	Foreign accounts (in foreign currencies or CFA francs) of nonresidents of the WAEMU zone who become residents of the WAEMU zone must be closed. However, they may maintain abroad

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		bank accounts opened and financial assets acquired while they were nonresidents of the WAEMU zone. New transfers to these accounts require MEF approval.
Transfer of gambling and prize earnings	No.	These transfers are conducted freely via an authorized intermediary subject to presentation of supporting documentation, as long as AML/CFT provisions are complied with.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The Uniform Law on the Treatment of Dormant Accounts on the Books of Financial Agencies of the Member States of the WAMU by the Council of Ministers of the Union took effect September 28, 2012. Decision No. CM/UMOA/023/2012 sets the deadline (December 31, 2013) for including this law in the domestic legislation of the WAMU member countries. It was integrated into Côte d'Ivoire's domestic legal framework in March 2014 (Law No. 2014-135 of March 24, 2014).
Borrowing abroad	No.	Loans from abroad are unrestricted. For statistical purposes, these transactions must be declared to the minister responsible for finance and the BCEAO when granted and when repaid.
Maintenance of accounts abroad	Yes.	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial lending is allowed. Financial loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents of the WAEMU zone are subject to MEF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which are subject to special monitoring.
Lending locally in foreign exchange	Yes.	There are no explicit regulations regarding these transactions, but MEF authorization is required with BCEAO approval.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These purchases require authorization by the MEF if their issuance has not been authorized by the CREPMF.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	A reserve requirement of 3% has been applicable to banks in the WAEMU zone since March 16, 2017. Demand deposits, other debit deposit accounts, and loan accounts are included in the calculation of required reserves. The following four elements are taken into account in calculating the required reserves to be established in the CB: (i) demand deposits; (ii) short-term loans; (iii) gross claims abroad, including customer deposits in foreign currency; (iv) medium- and long-term loans. Required reserves are therefore established on a standard, settlement, or securities account based on eligibility for calculation of reserves allocated by the MPC.
Liquid asset requirements	No.	In accordance with the prudential framework applicable to banks and financial institutions carrying out banking operations in the WAEMU, the minimum liquid asset requirement is 75%. A 50% transformation ratio is also required to ensure that banks continually have more stable financing sources to finance their long-term uses.
Interest rate controls	No.	
Credit controls	Yes.	Financial loans of any kind, CFA franc overdrafts, and, in general, advances to nonresidents of the WAEMU zone are subject to authorization by the minister responsible for finance, after BCEAO

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		approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Yes.	Banking regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Overdrafts and advances granted to nonresidents of the WAEMU zone require MEF authorization and BCEAO approval.
Investment regulations	Yes.	The regulations governing direct investment apply.
Abroad by banks	Yes.	All investments abroad by residents of the WAEMU zone are subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the CREPMF.
In banks by nonresidents	Yes.	These transactions may, depending on their volume, be subject to authorization by the minister of finance. The banking law stipulates that the investment by any person in a bank that would have the effect of changing the minority and/or majority voting rights requires authorization by the minister of finance.
Open foreign exchange position limits	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts to assist in the smooth completion of international payments, up to the equivalent of 5% of total customer demand deposits. To cover their foreign currency requirements, banks are authorized to hold the following in banking institutions located in non-WAEMU countries: (1) demand deposits that do not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that do not exceed the balance of their open foreign accounts denominated in foreign currencies other than euros and their open resident accounts in foreign currency.
On resident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts to assist in the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold the following in banking institutions located in non-WAEMU countries: (1) demand deposits that do not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that do not exceed the balance of their open foreign accounts denominated in foreign currencies other than euros and their open resident accounts in foreign currency.
On nonresident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts to assist in the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold the following in banking institutions located in non-WAEMU countries: (1) demand deposits that do not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that do not exceed the balance

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		of their open foreign accounts denominated in foreign currencies other than euros and their open resident accounts in foreign currency.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Controls are imposed by the CIMA Code of the CFA franc area members.
Limits (max.) on securities issued by nonresidents	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest up to 50% of resources collected locally in other CIMA member countries.
Limits (max.) on investment portfolio held abroad	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest up to 50% of resources collected locally in other CIMA member countries.
Limits (min.) on investment portfolio held locally	Yes.	According to the CIMA Code, a minimum of 50% of resources collected in a CIMA member country by insurance companies must be invested locally.
Currency-matching regulations on assets/liabilities composition	Yes.	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind by foreign governments, local authorities, foreign companies, or international institutions are subject to authorization by CREPMF.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold with CREPMF authorization in WAEMU member countries, all investments abroad by residents of the WAEMU zone are subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to CREPMF authorization.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold in WAEMU member countries with CREPMF authorization, all investments abroad by WAEMU residents are subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CB does not yet have a digital currency.
Retail	No.	The CB does not yet have a digital currency.
Wholesale	No.	The CB does not yet have a digital currency.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	

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Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on unbacked tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not

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		permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on utility and security tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on stablecoins	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member

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		countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on crypto exchanges and trading platforms	n.a.	
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*03/31/2023*	The regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions, and Virtual Asset Service Providers; (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and

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		supervising financial institutions; (5) review of the definitions of politically exposed persons.

Exchange Arrangement

Official exchange rate	*09/02/2022*	Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.

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CROATIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 14, 1992.
Article VIII	Yes.	Date of acceptance: May 29, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Croatia imposes certain restrictive measures (freezing of funds and other economic resources and prohibition against making them available), in accordance with relevant UNSC resolutions and decisions of the EC solely for the preservation of national and international security.
Other security restrictions	Yes.	In accordance with the relevant UNSC resolutions, there are restrictions on financial transactions relating to persons or entities on the consolidated lists of the relevant sanction committees of the UNSC.

Exchange Arrangement

Currency	Yes.	Effective January 1, 2023, the currency of Croatia is the euro. Previously, the currency was the Croatian kuna.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		

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Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Effective January 1, 2023, Croatia participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers. Previously, the de jure exchange rate arrangement was a pegged exchange rate with horizontal bands. Effective January 1, 2023, following the adoption of the euro, the de facto exchange rate arrangement of Croatia was reclassified to free floating from stabilized. Previously, on July 10, 2020, Croatia joined the ERM II with the central rate of the Croatian kuna at 1 euro = 7.53450 kuna and the standard fluctuation band of ±15% of the central rate.
Official exchange rate	Yes.	Effective January 1, 2023, the reference rate is the one published by the ECB. The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of CBs. The euro foreign exchange reference rates are determined by the ECB daily at 14:10 Central European Time and are published at around 16:00 Central European Time. The reference rates against the euro are the averages of the buying and selling rates. Previously, the reference exchange rate published daily by the Croatian National Bank (CNB) was based on the stipulated turnover and foreign currency exchange rates in the foreign exchange market. The euro–kuna midpoint exchange rate was the arithmetic mean of the weighted buying and selling exchange rates of banks. The reference exchange rate was used by market participants for accounting and statistical purposes and for banks' transactions with consumers that include currency clause.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		

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Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	Effective January 1, 2023, with the adoption of the euro, the monetary framework is aligned with the Eurosystem. To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the European Union, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term. Previously, the monetary policy framework was based on an exchange rate anchor vis-à-vis the euro. Effective July 12, 2022, the EC adopted the Decision on the adoption by Croatia of the euro on January 1, 2023, amendments to the regulation according to which Croatia becomes the 20th member of the euro area and the regulation determining a fixed conversion rate between the euro and the kuna at 7.53450 kuna per 1 euro. Previously, Croatia joined the ERM II with the central rate of the Croatian kuna at 1 euro = 7.53450 kuna and the standard fluctuation band of ±15% of the central rate.
Exchange tax	No.	

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Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs are allowed to determine freely their bid-ask spreads and foreign exchange commissions with their clients.
Spot exchange market	Yes.	As of December 31, 2022, all 20 banks and one branch of a foreign bank are licensed by the CNB to deal in foreign exchange with the public. In addition to banks, as of June 30, 2023, 311 foreign exchange bureaus were licensed by the CNB to deal in foreign exchange. Foreign exchange bureaus may be legal persons, sole traders, or craftspeople and may only buy foreign cash and checks denominated in foreign currency and sell foreign cash in exchange for euro cash and may not engage in foreign exchange transactions with the CNB. They may buy and sell foreign cash only to natural persons – that is, they may not enter into foreign exchange transactions with legal persons, sole traders, or craftspeople. Foreign exchange bureaus must sell foreign cash surpluses (difference between foreign cash bought and sold) to the credit institution with which it entered into agreement on currency exchange operations. Foreign exchange bureaus may not maintain accounts abroad for the purpose of foreign exchange activity and may not make foreign currency payments and transfers on behalf of their clients.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	Effective January 1, 2023, following the adoption of the euro, the CNB does not conduct foreign exchange auctions. Previously, the CNB can conduct ERM II interventions intra-marginal and at the margin to maintain the exchange rate within the standard fluctuation band of ±15% of the central rate of 1 euro = 7.53450 kuna.
Fixing	No.	
Interbank market	Yes.	Banks are free to set their bid-ask rates on the interbank market. All banks may participate in the interbank market. Banks quote buying and selling prices continuously, but there is no official market-making agreement. As of January 1, 2023, Eurosystem's rules apply and CNB does not conduct foreign exchange auctions anymore, and hence, banks no longer participate in foreign exchange auctions.
Over the counter	Yes.	There is an OTC foreign exchange market whose participants are monetary financial institutions and other legal entities.
Brokerage	No.	
Market making	No.	Banks quote buying and selling prices continuously, but there is no official market-making agreement.
Forward exchange market	Yes.	CNB did not participate in the foreign exchange derivatives market in 2022.
Official cover of forward operations	No.	The CNB has provided, on very few occasions, swap facilities at par for banks in a limited forward market in the distant past.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	

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Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Effective January 1, 2023, restrictions related to payments in foreign means of payment between nonresidents and residents have been lifted. Previously, under the Foreign Exchange Act, capital transactions were not restricted; nevertheless, payments and collections in the Republic of Croatia in foreign exchange between residents and nonresidents were not allowed in the case of purchase and sale of real estate in the Republic of Croatia, stakes in companies headquartered in the Republic of Croatia, and securities listed or issued in the Republic of Croatia, irrespective of their denomination in kuna or in foreign exchange, except securities issued in the Republic of Croatia which were listed in another country. In other words, according to the Foreign Exchange Act and Capital Markets Act (CMA), nonresidents were not allowed to pay directly in foreign exchange but were allowed to convert foreign exchange to kuna freely for purchases of real estate, company stakes, and securities.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	An arrangement with Italy that applies only to certain Croatian districts has been inoperative since 2013.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	Effective January 1, 2023, the CNB is an integral part of the European System of Central Banks. Previously, the CNB formulates and administers exchange rate policy and may issue foreign exchange regulations. Companies wishing to engage in foreign trade must register with the commercial courts.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	

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Controls on exports and imports of banknotes	No.	Cash flow control in the EU is related to the prevention of money laundering and terrorism financing. The export and import of cash in the Republic of Croatia are not limited, but there is only the requirement to submit a written declaration if cash in the value of 10,000 euros or more is brought in or taken out. According to the Regulation (EU) No. 2018/1672, natural persons when entering or leaving the EU through Croatia have to declare cash (accompanied cash) worth €10,000 or more to the competent authority. Also, where unaccompanied cash (for example, cash in postal packages, courier shipments, unaccompanied luggage, or containerized cargo) of a value of EUR 10,000 or more is entering or leaving the EU through Croatia, the competent authority may require the sender or the recipient of the cash, or a representative thereof, as the case may be, to make a disclosure declaration within a deadline of 30 days. In addition, according to Article 3 of the Act on Amendments to the Foreign Exchange Act (Official Gazette No. 52/2021), natural persons entering the Republic of Croatia from another Member State (EU) or leaving the Republic of Croatia and entering another Member State, or having entered the Republic of Croatia from another Member State, must, on request from the authorized customs official or border police official, declare the cash (accompanied cash) they are carrying if that cash equals a value of EUR 10,000 or more, in writing, using the declaration form containing the information referred to in Article 3, paragraph (2) of Regulation (EU) No. 2018/1672. Furthermore, according to the Act on Amendments to the Foreign Exchange Act (Official Gazette No. 52/2021), competent authority is the Customs Administration, but the Government of the Republic of Croatia may issue a decree regulating that for economic reasons the controls on accompanied cash are also to be performed by the border police if reasons of security thus allow. Submission of data to Anti-Money-Laundering Office (AMLO) by the Customs Administration is prescribed in more detail in the Rulebook on the means and extent of reporting cash transport across the State border to the AMLO by Customs Administration. Pursuant to the aforementioned Rulebook, the Customs Administration submits to AMLO the data on cash transfers across the State border by electronic data transfer using the AMLO's IT system, and thus, the Customs Administration's data are directly available in the AMLO's database.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Effective January 1, 2023, restrictions related to payments in foreign means of payment between residents have been lifted.

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		Previously, transactions related to foreign exchange accounts or foreign exchange savings deposit accounts including deposits and withdrawals of cash, as well as payments and transfers, were in accordance with foreign exchange regulations. Transfers of foreign exchange from one resident natural person's foreign exchange account to the account of another resident natural person who is the legitimate representative of the holder of the account or the custodian of the account were permitted. Residents may freely transfer abroad balances on these accounts.
Approval required	No.	
Held abroad	Yes.	In accordance with the Decision Promulgating the Act on Amendments to the Foreign Exchange Act, deposits and transactions (under certain circumstances) must be reported to the CNB for statistical purposes. Balances may be freely transferred to Croatia.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	In accordance with the Decision Promulgating the Act on Amendments to the Foreign Exchange Act, deposits and transactions (under certain circumstances) must be reported to the CNB for statistical purposes.
Accounts in domestic currency convertible into foreign currency	Yes.	Residents may convert domestic to foreign currency without limitation.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open foreign exchange accounts with fully licensed banks in Croatia. Transactions related to foreign exchange accounts and foreign exchange savings deposit accounts include deposits and withdrawals of cash and payments and transfers in accordance with the Payment System Act.
Approval required	No.	
Domestic currency accounts	Yes.	Effective January 1, 2023, nonresidents may open euro accounts and euro savings accounts with fully licensed banks in Croatia. Previously, such accounts were denominated in kuna. Transactions related to euro accounts and euro savings deposit accounts include deposits and withdrawals of cash and payments and transfers in accordance with the Payment System Act.
Convertible into foreign currency	No.	Nonresidents may convert domestic to foreign currency without limitation.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.

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Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Only certain imports require licenses (for example, arms, narcotics, chemicals, and goods that could be used for capital punishment). There are no limits on the basis of quantity or value. Licenses, where required, are issued on a case-by-case basis.
Positive list	Yes.	
Negative list	Yes.	In accordance with international commitments, Croatia applies import restrictions and arms embargoes. Restrictive measures are imposed by UNSC resolutions and EU embargoes.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	As a member of the EU, Croatia applies the Common Customs Tariff of the EU.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	Yes.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Exports are free of licensing requirements, except certain products (for example, weapons, narcotics, and dual-use items) for which permits must be obtained.
Without quotas	No.	
With quotas	No.	

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Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.

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Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions must be reported to the CNB for statistical purposes and are regulated by the Foreign Exchange Act and Capital Market Act (CMA). Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents for shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments. In the CMA (Official Gazette No. 65/18) which came into force July 27, 2018, the provisions of the Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, Directive 2014/51/EU in respect of the powers of the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority (ESMA)) and of the Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties, and trade repositories concerning definition of legal basis for services that provides central counterparties, opening of an insolvency procedure of one or more clearing members and risk control mechanisms enabling measuring and management of exposure were implemented. The CMA (Official Gazette No. 65/18) has beside above-mentioned regulations implemented Directive 2014/65/EU, Regulation (EU) No. 600/2014, and Regulation (EU) No. 596/2014. Act on Amendments to the CMA (Official Gazette No. 17/20) in 2020 fully implemented Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. Given that from July 21, 2019, Regulation (EU) No. 2017/1129 is fully directly applicable in the territory of the Republic of Croatia, provisions transposing the provisions of Directive 2003/71/EC into the Croatian legal system had to be deleted, and replaced by the provisions of Regulation (EU) No. 2017/1129. It was also necessary to prescribe the competencies of the Croatian Financial Services Supervisory Agency (hereinafter: Hanfa), and misdemeanor provisions related to violations of the provisions of Regulation (EU) No. 2017/1129. Act on Amendments to the CMA (Official Gazette No. 83/21) fully

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		implemented Directive (EU) 2019/2034 of the European Parliament and of the Council of November 27, 2019, on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, and 2014/65/EU. Furthermore, the provision of the Directive (EU) 2019/878 of the European Parliament and of the Council of May 20, 2019, amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures Directive (EU) 2019/2177 of the European Parliament and of the Council of December 18, 2019, amending Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), Directive 2014/65/EU on markets in financial instruments and Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money-laundering or terrorist financing, and Directive (EU) 2020/1504 of the European Parliament and of the Council of October 7, 2020, amending Directive 2014/65/EU on markets in financial instruments are also transposed.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Investments in capital and money market securities must be reported to the CNB for statistical purposes. Limits apply to investments by pension funds, insurance companies, investment funds and pension insurance companies. A valid prospectus must be published before offering a security to the public or admission to a regulated market, except as prescribed by the CMA. The CMA (Official Gazette No. 88/08, 146/08, 74/09, 54/13, and 159/13) – no longer in force – was amended in 2015 with the Act on Amendments to CMA (Official Gazette No. 110/15) – no longer in force – with a view to harmonization with provisions of the Directive 2013/50/EU amending Directive 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading, and Directive 2007/14/EC laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC concerning financial reporting of an issuer of securities admitted to trading on the regulated market, administrative sanctions, and measures. These regulations were also implemented in the new CMA No. 65/18. When it comes to prospectus obligation in cases of issuance and/or admission of securities to trading on a regulated market in the Republic of Croatia, major changes were represented by the Act on Amendments to the CMA (Official Gazette no. 17/20) in 2020 that fully implemented Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Pursuant to approval from the Croatian Financial Services Supervisory Agency (Hanfa), the Zagreb Stock Exchange is the

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		market operator of the regulated market and multilateral trading facility. Trading of shares or other securities is prescribed by the CMA and rules of the stock exchange. The stock exchange manages the regulated market, which consists of the regular market, the official market, and the prime market, according to its rules. Securities may be admitted to the regular and official markets in accordance with the provisions of the CMA and Regulation (EU) No. 600/2014. Delegated Regulation (EU) No. 2017/568 and the rules of the stock exchange concerning the number of shares available to the public or the number of shares available in the near future that the stock exchange considers sufficient. Securities may be admitted to the prime market, the highest segment of the regulated market, in accordance with the rules of the stock exchange. Admission to trading must be approved by the stock exchange. When it comes to prospectus obligation in cases of issuance and/or admission of securities to trading on a regulated market in the Republic of Croatia, major changes were represented by the Act on Amendments to the CMA in 2020 that fully implemented Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. Criteria for admission to listing/ trading are also regulated by the Zagreb Stock Exchange rules.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Hanfa is the competent authority in Croatia to ensure implementation of the provisions of Prospectus Regulation (EU) 2017/1129 and of Part III, Head 1. of the CMA covering the drawing up, approval, and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. Under the Prospectus Regulation (EU) 2017/1129 which is directly applicable in all member states, as well as in Croatia, issuers from another EU member and third-country issuers may make a public offering or apply for admission of securities to a regulated market in Croatia, using a prospectus previously granted by the relevant authority of the issuer's home member state. The prospectus and its supplements approved by the relevant authority of the issuer's home EU member state are considered valid, provided Hanfa, as the relevant authority of the issuer's host member, and the ESMA were notified. Under the CMA, the stock exchange operates a regulated market consisting of a regular market and an official market. The stock exchange can by its own operating rules, prescribe other segments of the regulated market for which it will prescribe stricter conditions in connection with listing and investor protection, the Zagreb Stock Exchange, as the only operator of the regulated market in Croatia, prescribed by its own Rules the three segments of the regulated market – Regular market, Official market and the Prime market (only for shares) as the highest segment with the highest standards with regard to listing, transparency and investor protection. The approval of the stock exchange is required for trading financial instruments on the regulated market, including the approval for trading of financial instruments on each of the segments of the regulated market operated by the respective stock exchange. Under Article 331 of the CMA, shares of issuers whose registered office is in a third country that are not listed in either that country or in the country where the majority of the shares are held, may be traded on the official market that is a higher segment of the regulated market, only if the stock exchange considers that the reasons for non-listing

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		are not related to investor protection. Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect, which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents for shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments. Act on Amendments to the CMA (Official Gazette No. 17/20) raises the threshold for the obligation to publish a prospectus for public offerings of securities from the existing EUR 5,000,000 to EUR 8,000,000 in kuna equivalent, with the obligation to prepare an information document on the offer for all offers of securities between EUR 4,000,000 and EUR 8,000,000 in kuna equivalent, calculated over a period of 12 months. This change represents an administrative relief for issuers (the approval of the prospectus by Hanfa is now required only for offers of securities which exceed the total consideration of EUR 8,000,000 in kuna equivalent calculated over a period of 12 months) and makes it cheaper to issue securities, and at the same time, investors receive through the information document uniform and relevant information on the basis of which they can make an investment decision.
Purchase abroad by residents	No.	Residents may freely purchase securities abroad.
Sale or issue abroad by residents	Yes.	If Croatia is the issuer's home member state Hanfa must, at the issuer's request or at the request of the offeror, the person asking for admission to trading on a regulated market or at the request of the person drawing up the prospectus, notify the relevant EU host member state's authority with a certificate of approval attesting that the prospectus has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129, an electronic copy of that prospectus, and where applicable, accompanied by a translation of the prospectus and any summary, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up the prospectus. As the competent authority that has approved a registration document or a universal registration document and any amendments thereto, according to the conditions of Article 26 of Prospectus Regulation (EU) 2017/1129, Hanfa must at the request of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such document, notify the competent authority of the home Member State for the prospectus approval with a certificate of approval attesting that the registration document, or universal registration document and any amendments thereto, has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129 and with an electronic copy of that document. Where applicable, the notification of the registration documents or universal registration documents must be accompanied by a translation of the registration document, or universal registration document and any amendments thereto, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such documents. Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect. which concern regulated sales and issues of securities locally by nonresidents and sales and issues abroad by residents for shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12

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		months, collective investment securities, and derivatives and other instruments. When it comes to "resident foreign issuance," the requirement for publication of prospectus depends on the EU member state in which issuer intends to offer securities: If it has a prospectus approved in the Republic of Croatia and wants to passport it out, it can do so under Article 25 of the Prospectus Regulation (EU) No. 2017/1129. If there is no prospectus previously approved in the Republic of Croatia and an issuer (Croatian resident) wants to offer securities in other Member State(s), outside Croatia, it can do so under the rules of Prospectus Regulation in relation to cross-border offerings and the national rules of that other Member State.
Bonds or other debt securities	Yes.	Bonds may be admitted to the regular and official market segment of the regulated market in accordance with the provisions of the CMA, Regulation No. 600/2014, and the rules of the stock exchange. Specific conditions for the admission of debt securities on the official market operated by the stock exchange are prescribed in Article 332 of the CMA according to which the form and content of debt securities submitted for admission to trading on the official market, which is a higher segment of the regulated market, must conform to the appropriate regulations, and the securities must be freely negotiable. However, a stock exchange may treat debt securities that are not fully paid up as freely negotiable as long as there are mechanisms to ensure that their negotiability is not restricted and the trading is transparent by providing the appropriate data to the public. If admission to trading on the official market is preceded by a public issue, the first admission to trading on the official market may be made only after the end of the period of subscription and payment in a public issue. This does not apply to continuous and repeated issues of debt securities whose closing date for subscription is not fixed. Application for official listing must be made equally for all debt securities. Admission to trading is approved by the stock exchange. When it comes to prospectus obligation in cases of issuance and/or admission of securities to trading on a regulated market in the Republic of Croatia, major changes were represented by the Act on Amendments to the CMA in 2020 that fully implemented Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. Criteria for admission to listing/ trading are also regulated by the Zagreb Stock Exchange rules.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Hanfa is the competent authority in Croatia to ensure implementation of the provisions of Prospectus Regulation (EU) 2017/1129 and of Part III, Head 1. of the CMA covering the drawing up, approval, and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. Under the Prospectus Regulation (EU) 2017/1129 which is directly applicable in all member states, as well as in Croatia, issuers from other EU members and third-country issuers may make a public offering or apply for admission of securities to a regulated market in Croatia using a prospectus previously granted by the relevant authority of the issuer's home member state. The prospectus and its supplements approved by the relevant authority of the issuer's home EU member state – if Croatia is not the home member – are considered valid under the provisions of the CMA, provided Hanfa, as the relevant authority of the issuer's host member state, and

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		ESMA were notified. Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect, which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents for shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments. Act on Amendments to the CMA (Official Gazette No. 17/20) raises the current threshold for the obligation to publish a prospectus for public offerings of securities from the existing EUR 5,000,000 to EUR 8,000,000 in kuna equivalent, with the obligation to prepare an information document on the offer for all offers of securities between EUR 4,000,000 and EUR 8,000,000 in kuna equivalent calculated over a period of 12 months. This change represents an administrative relief for issuers (the approval of the prospectus by Hanfa is now required only for offers of securities which exceed the total consideration of EUR 8,000,000 in kuna equivalent calculated over a period of 12 months) and makes it cheaper to issue securities, and at the same time, investors receive through the information document uniform and relevant information on the basis of which they can make an investment decision.
Purchase abroad by residents	No.	Residents may freely purchase securities abroad.
Sale or issue abroad by residents	Yes.	If Croatia is the issuer's home state, Hanfa must, at the issuer's request or at the request of the offeror, the person asking for admission to trading on a regulated market or at the request of the person drawing up the prospectus, notify the relevant EU host member state's authority with a certificate of approval attesting that the prospectus has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129, an electronic copy of that prospectus, and where applicable, accompanied by a translation of the prospectus and any summary, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up the prospectus. As the competent authority that has approved a registration document or a universal registration document and any amendments thereto, according to the conditions of Article 26 of Prospectus Regulation (EU) 2017/1129, Hanfa must at the request of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such document, notify the competent authority of the home Member State for the prospectus approval with a certificate of approval attesting that the registration document, or universal registration document and any amendments thereto, has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129 and with an electronic copy of that document. Where applicable, the notification of the registration documents or universal registration documents must be accompanied by a translation of the registration document, or universal registration document and any amendments thereto, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such documents. Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect, which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents of shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments. When it comes to "resident foreign issuance," the

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		requirement for publication of prospectus depends on the EU member state in which issuer intends to offer securities: if it has a prospectus approved in the Republic of Croatia and wants to passport it out it can do so under Article 25 of the Prospectus Regulation (EU) No. 2017/1129. If there is no prospectus previously approved in the Republic of Croatia and an issuer (Croatian resident) wants to offer securities in other Member State(s), outside Croatia, it can do so under the rules of Prospectus Regulation in relation to cross-border offerings and the national rules of that other Member State.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Issuers of money market instruments with maturity of more than 12 months (deemed transferable securities by the CMA) may use a prospectus previously granted by the relevant authority of the issuer's home member state for issuance and admission of those securities to a regulated market in Croatia. Transactions with money market instruments with maturity of less than 12 months are outside the scope of the Prospectus Regulation (EU) and not controlled by Hanfa within that respect. Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect, which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents of shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments. Act on Amendments to the CMA (Official Gazette No. 17/20) raises the current threshold for the obligation to publish a prospectus for public offerings of money market instruments having maturity greater than 12 months from the existing EUR 5,000,000 to EUR 8,000,000 in kuna equivalent, with the obligation to prepare an information document on the offer for all offers of money market instruments having maturity greater than 12 months between EUR 4,000,000 and EUR 8,000,000 in kuna equivalent calculated over a period of 12 months. This change represents an administrative relief for issuers (the approval of the prospectus by Hanfa is now required only for offers of securities which exceed the total consideration of EUR 8,000,000 in kuna equivalent calculated over a period of 12 months) and makes it cheaper to issue securities, and at the same time, investors receive through the information document uniform and relevant information on the basis of which they can make an investment decision.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	For money market instruments with maturity of more than 12 months, if Croatia is the issuer's home member state, Hanfa must, at the issuer's request or at the request of the offeror, the person asking for admission to trading on a regulated market or at the request of the person drawing up the prospectus, notify the relevant EU host member state's authority with a certificate of approval attesting that the prospectus has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129, an electronic copy of that prospectus, and where applicable, accompanied by a translation of the prospectus and any summary, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up the prospectus. As

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		the competent authority that has approved a registration document or a universal registration document and any amendments thereto, according to the conditions of Article 26 of Prospectus Regulation (EU) 2017/1129, Hanfa must at the request of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such document, notify the competent authority of the home Member State for the prospectus approval with a certificate of approval attesting that the registration document, or universal registration document and any amendments thereto, has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129 and with an electronic copy of that document. Where applicable, the notification of the registration documents or universal registration documents must be accompanied by a translation of the registration document, or universal registration document and any amendments thereto, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such documents. Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions went into effect, which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents of shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments. When it comes to "resident foreign issuance," the requirement for publication of prospectus depends on the EU member state in which issuer intends to offer securities: If it has a prospectus approved in the Republic of Croatia and wants to passport it out it can do so under Article 25 of the Prospectus Regulation (EU) No. 2017/1129. If there is no prospectus previously approved in the Republic of Croatia and an issuer (Croatian resident) wants to offer securities in other Member State(s), outside Croatia, it can do so under the rules of Prospectus Regulation in relation to cross-border offerings and the national rules of that other Member State.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	Nonresidents may freely purchase securities locally.
Sale or issue locally by nonresidents	Yes.	In accordance with Prospectus Regulation (EU) 2017/1129, which is directly applicable in all member states, as well as in Croatia, in relation to equity securities or units issued by the collective investment undertakings of the closed-end type, issuers from another EU member state and third-country issuers may make a public offering or may apply for admission of securities to a regulated market in Croatia using a prospectus previously granted by the relevant authority of the issuer's home member state. The prospectus and its supplements approved by the relevant authority of the issuer's home EU member state, if Croatia is not the home member state, are considered valid pursuant to the provisions of the CMA, provided Hanfa, as the relevant authority of the issuer's host member state, and ESMA were notified. Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect, which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents for shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments.

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Act on Amendments to the CMA (Official Gazette No. 17/20) raises the current threshold for the obligation to publish a prospectus for public offerings of securities from the existing EUR 5,000,000 to EUR 8,000,000 in kuna equivalent, with the obligation to prepare an information document on the offer for all offers of securities between EUR 4,000,000 and EUR 8,000,000 in kuna equivalent calculated over a period of 12 months.

This change represents an administrative relief for issuers (the approval of the prospectus by Hanfa is now required only for offers of securities which exceed the total consideration of EUR 8,000,000 in kuna equivalent calculated over a period of 12 months) and makes it cheaper to issue securities, and at the same time, investors receive through the information document uniform and relevant information on the basis of which they can make an investment decision.

Marketing of UCITS established in another EU Member State within the territory of the Republic of Croatia:
Marketing of units of UCITS established in another Member State within the territory of the Republic of Croatia is regulated by Articles 137 to 143 of the Croatian Act on Open-Ended Investment Funds with a Public Offering (Official Gazette Nos. 44/16, 126/19, and 110/21). Units of a UCITS established in another Member State may be marketed in the Republic of Croatia only by management companies from Croatia or another Member State which are authorized UCITS management companies pursuant to the regulation transposing the provisions of Directive 2009/65/EC into the legal system of the Member State. For the purpose of marketing units of a UCITS established in another Member State in the Republic of Croatia, a management company must ensure that facilities are available in the Republic of Croatia for: execution of requests for issuance and redemption of units and ensuring of other payments related to units of the UCITS fund to the holders of units in the manner stipulated in the prospectus of UCITS fund, providing information to investors about possible ways of submitting a request for issuance or unit redemption, as well as payment methods based on the request for unit redemption, facilitation of information processing and access to procedures and measures related to complaint resolution of investors and exercising the rights of investors arising from their investments in the UCITS fund, in accordance with Articles 63 and 64 of this Act and placing information and documents (prospectus and rules of UCITS fund, the latest audited annual reports and subsequent half-yearly reports of the UCITS fund and key investor information document (KIID)).
Management company must submit the notification letter with its annexes concerning the commencement of marketing in the Republic of Croatia to the competent authority of UCITS home Member State. The notification letter must be prepared in accordance with the standard model prescribed by Commission Regulation (EU) No. 584/2010 in the English language and sent to the designated e-mail address published on the website of the competent authority of the UCITS home Member State. Competent authority of the UCITS home Member State must forward notification letter and its annexes to Hanfa in accordance with the rules set out in the Commission Regulation (EU) No. 584/2010. Management company may commence marketing of units of UCITS established in another Member State on the territory of the Republic of Croatia as of the date when the competent authority of UCITS home Member State informs management company that the documents referred to above

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		have been forwarded to Hanfa. Management company must notify Hanfa when it starts marketing activity in the Republic of Croatia without delay. Similar rules apply for marketing of AIFs with some additional conditions for AIFs distributed to professional investors whereby national private placement regime is not established. As of 2021, the Act on Open-Ended Investment Funds with a Public Offering and the AIFs Act were harmonized with new EU framework, specifically Directive (EU) No. 2019/1160 of the European Parliament and of the Council of June 20, 2019, amending Directives 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings, Regulation (EU) No. 2019/1156 of the European Parliament and of the Council of June 20, 2019, on facilitating cross-border distribution of collective investment undertakings and amending Regulations (EU) No. 345/2013, (EU) No. 346/2013, and (EU) No. 1286/2014, as well as Guidelines under the Regulation on cross-border distribution of funds. Implementation of the Directive (EU) No. 2019/1160 and the direct application of the Regulation (EU) No. 2019/1156 aim to remove barriers to effective cross-border marketing of investment funds, to harmonize the notification process and to harmonize the different practices applied in the Member States as regards cross-border marketing of investment funds. Regulation (EU) No. 2019/1156 lays down additional rules and procedures concerning undertakings for collective investment in transferable securities (UCITS) and alternative investment fund managers (AIFMs). That Regulation and Directive 2019/1160 collectively further coordinate the conditions for fund managers operating in the internal market and facilitate cross-border distribution of the funds they manage. Regulation (EU) 2019/1156 further strengthens the principles applicable to marketing communications governed by Directive 2009/65/EC and extends the application of those principles to AIFMs, thereby resulting in a high standard of investor protection, regardless of the type of investor. Marketing of open-ended investment funds established in the third country within the territory of the Republic of Croatia: Marketing of open-ended investment funds established in the third country is permitted in Republic of Croatia by the management company from the third country (through a branch), management company from the member state (through a branch), or by the management company from Republic of Croatia, under following conditions in addition to rules mention above: level of protection of the investors in the fund is at least the same as the one prescribed for UCITS funds and the assets of the fund are invested in accordance with the risk diversification principle; the company has acquired permission for establishing a branch from Hanfa; the company has acquired permission for marketing of the fund from Hanfa.
Purchase abroad by residents	No.	Residents may freely purchase securities abroad.
Sale or issue abroad by residents	Yes.	In accordance with Prospectus Regulation (EU) 2017/1129, which is directly applicable in all member states, as well as in Croatia, in relation to equity securities or units issued by the collective investment undertakings of the closed-end type, if Croatia is the issuer’s home member state, Hanfa must, at the issuer’s request or at

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the request of the offeror, the person asking for admission to trading on a regulated market or at the request of the person drawing up the prospectus, notify the relevant EU host member state's authority with a certificate of approval attesting that the prospectus has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129, an electronic copy of that prospectus, and where applicable, accompanied by a translation of the prospectus and any summary, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up the prospectus. As the competent authority that has approved a registration document or a universal registration document and any amendments thereto, according to the conditions of Article 26 of Prospectus Regulation (EU) 2017/1129, Hanfa must at the request of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such document, notify the competent authority of the home Member State for the prospectus approval with a certificate of approval attesting that the registration document, or universal registration document and any amendments thereto, has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129 and with an electronic copy of that document. Where applicable, the notification of the registration documents or universal registration documents must be accompanied by a translation of the registration document, or universal registration document and any amendments thereto, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such documents.
Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents for shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments.

When it comes to "resident foreign issuance," the requirement for publication of prospectus depends on the EU member state in which issuer intends to offer securities: If it has a prospectus approved in the Republic of Croatia and wants to passport it out, it can do so under Article 25 of the Prospectus Regulation (EU) No. 2017/1129. If there is no prospectus previously approved in the Republic of Croatia and an issuer (Croatian resident) wants to offer securities in other Member State(s), outside Croatia, it can do so under the rules of Prospectus Regulation in relation to cross-border offerings and the national rules of that other Member State.
Marketing units of UCITS established in the Republic of Croatia within the territory of another Member State:
In general, and without a detailed presentation of all provisions that are timely compliant to the relevant EU legislation, UCITS established in Croatia may market their units in EEA member countries other than Croatia in accordance with the notification procedure (Regulation (EU) No. 584/2010) and Articles 150–154 of the Croatian Act on Open-Ended Investment Funds with a Public Offering. The management company managing the UCITS submits the notification letter, relevant documents, and their translations to the Croatian Financial Services Supervisory Agency (Hanfa). Hanfa inspects the material and submits it to the competent authority of the other EEA member country stated in the notification letter in the manner as prescribed in Regulation (EU) No. 584/2010. Hanfa sends a notice immediately to the management company when the

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		notification letter has been sent to the competent authority of the host country. The management company may begin marketing units of the UCITS in another EEA country as of the date when Hanfa notifies the management company that the documents referred to above have been forwarded to the competent authority of the host EEA country. Similar rules apply for marketing of AIFs with some additional conditions for AIFs distributed to professional investors whereby national private placement regime is not established. As of 2021, the Act on Open-Ended Investment Funds with a Public Offering and AIFs were harmonized with new EU framework, specifically Directive (EU) 2019/1160 of the European Parliament and of the Council of June 20, 2019, amending Directives 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings, Regulation (EU) No. 2019/1156 of the European Parliament and of the Council of June 20, 2019, on facilitating cross-border distribution of collective investment undertakings and amending Regulations (EU) No. 345/2013, (EU) No. 346/2013, and (EU) No. 1286/2014, as well as Guidelines under the Regulation on cross-border distribution of funds. Implementation of the Directive (EU) No. 2019/1160 and the direct application of the Regulation (EU) No. 2019/1156 aim to remove barriers to effective cross-border marketing of investment funds, to harmonize the notification process and to harmonize the different practices applied in the Member States as regards cross-border marketing of investment funds. Regulation (EU) No. 2019/1156 lays down additional rules and procedures concerning undertakings for collective investment in transferable securities (UCITS) and AIFMs. That Regulation and Directive 2019/1160 collectively further coordinate the conditions for fund managers operating in the internal market and facilitate cross-border distribution of the funds they manage. Regulation (EU) 2019/1156 further strengthens the principles applicable to marketing communications governed by Directive 2009/65/EC and extends the application of those principles to AIFMs, thereby resulting in a high standard of investor protection, regardless of the type of investor. Marketing of open-ended investment funds established in the Republic of Croatia within the territory of the third country: Marketing of UCITS established in the Republic of Croatia in the third country is permitted to the management company (from Republic of Croatia or from a third country) authorized by Hanfa for managing that UCITS, under the condition of notifying Hanfa about it.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Hanfa is the competent authority in Croatia to ensure implementation of the provisions of Prospectus Regulation (EU) 2017/1129 and of Part III, Head 1. of the CMA covering the drawing up, approval, and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. Under the Prospectus Regulation (EU) 2017/1129 which is directly applicable in all member states, as well as in Croatia, issuers of

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		structured products, such as certificates, warrants, covered warrants, etc. (which are considered transferable securities within the meaning of Article 3, Point 87c), of the CMA) from another EU member state and third-country issuers, may make a public offering or may apply for admission of securities to a regulated market in Croatia using a prospectus previously granted by the relevant authority of the issuer's home member state. The prospectus and its supplements approved by the relevant authority of the issuer's home EU member state, if Croatia is not the home member state, are considered valid pursuant to the provisions of the CMA, provided Hanfa, as the relevant authority, and ESMA were notified. Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect, which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents of shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments. Act on Amendments to the CMA raises the current threshold for the obligation to publish a prospectus for public offerings of securities from the existing EUR 5,000,000 to EUR 8,000,000 in kuna equivalent, with the obligation to prepare an information document on the offer for all offers of securities between EUR 4,000,000 and EUR 8,000,000 in kuna equivalent calculated over a period of 12 months. This change represents an administrative relief for issuers (the approval of the prospectus by Hanfa is now required only for offers of securities which exceed the total consideration of EUR 8,000,000 in kuna equivalent calculated over a period of 12 months) and makes it cheaper to issue securities, and at the same time, investors receive through the information document uniform and relevant information on the basis of which they can make an investment decision.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	If Croatia is the issuer's home state, Hanfa must, at the issuer's request or at the request of the offeror, the person asking for admission to trading on a regulated market or at the request of the person drawing up the prospectus, notify the relevant EU host member state's authority with a certificate of approval attesting that the prospectus has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129, an electronic copy of that prospectus, and where applicable, accompanied by a translation of the prospectus and any summary, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up the prospectus. As the competent authority that has approved a registration document or a universal registration document and any amendments thereto, according to the conditions of Article 26 of Prospectus Regulation (EU) 2017/1129, Hanfa must at the request of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such document, notify the competent authority of the home Member State for the prospectus approval with a certificate of approval attesting that the registration document, or universal registration document and any amendments thereto, has been drawn up in accordance with Prospectus Regulation (EU) 2017/1129 and with an electronic copy of that document. Where applicable, the notification of the registration documents or universal registration documents must be accompanied by a translation of the registration document, or universal registration

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		document and any amendments thereto, produced under the responsibility of the issuer, the offeror, the person asking for admission to trading on a regulated market or the person responsible for drawing up such documents. Following Croatia's entry into the EU in 2013, provisions regarding cross-border transactions, went into effect, which relate to regulated sales or issues of securities locally by nonresidents and sales or issues abroad by residents for shares or other securities of a participating nature, bonds and other debt securities, money market instruments with maturity of more than 12 months, collective investment securities, and derivatives and other instruments. When it comes to "resident foreign issuance," the requirement for publication of prospectus depends on the EU member state in which issuer intends to offer securities: if it has a prospectus approved in the Republic of Croatia and wants to passport it out it can do so under Article 25 of the Prospectus Regulation (EU) No. 2017/1129. If there is no prospectus previously approved in the Republic of Croatia and an issuer (Croatian resident) wants to offer securities in other Member State(s), outside Croatia, it can do so under the rules of Prospectus Regulation in relation to cross-border offerings and the national rules of that other Member State.
Controls on credit operations	No.	Foreign credit operations must be reported to the CNB for statistical purposes.
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	Investments must be reported to the CNB for statistical purposes.
Outward direct investment	No.	
Inward direct investment	Yes.	Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	Proceeds may be transferred after settlement of legal obligations, including tax.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	Residents may purchase real estate abroad, provided all legally prescribed obligations have been settled.
Purchase locally by nonresidents	Yes.	EU citizens may acquire real estate in Croatia without the reciprocity condition and without permission from the minister of justice, except for agricultural land and protected natural areas as prescribed by law.
Sale locally by nonresidents	No.	

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Controls on personal capital transactions	No.	
Loans	No.	Financial loans must be reported to the CNB for statistical purposes.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Eurosystem/CNB regulations apply.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	There are no restrictions imposed to credit institutions on lending locally in foreign exchange. However, banks are required to inform natural persons about the risks of borrowing in foreign exchange without having an income stream in these currencies.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Effective January 1, 2023, the reserve requirement of the HNB was abolished and was replaced by the minimum reserve requirement framework of the ECB. Previously, deposits in domestic and foreign currency were subject to reserve requirements. The calculation period followed the calendar month. The maintenance period covered the second Wednesday of the month to the day preceding the second Wednesday of the following month. Kuna and foreign exchange components were calculated separately. Seventy-five percent of the calculated foreign exchange component of reserve requirement was included in the calculated kuna component of reserve requirement and allocated in kunas. Banks had to allocate 70% of a the kuna component of reserve requirement to accounts at the CNB, while for allocating the foreign exchange component that percentage was 0. At least 2% of the foreign exchange component of the reserve requirement was to be maintained by the average daily balance of funds in bank's own

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		foreign exchange (euro) settlement accounts in Croatian component of TARGET2 (Payments module (PM) accounts). The remaining portion of the reserve requirement could be met with the average daily balances of liquid claims. The CNB did not remunerate reserve requirement funds. Effective December 14, 2022, the reserve requirement rate was reduced to 1% from 5%. The kuna component had to be entirely maintained by the average daily balance in the bank's settlement accounts, while the foreign exchange component had to entirely be maintained by the average daily balance of funds in bank's own foreign exchange (euro) settlement accounts in Croatian component of TARGET2. Effective August 10, 2022, the reserve requirement applied to deposits in domestic and foreign currency was lowered to 5% from 9%.
Liquid asset requirements	No.	Effective December 31, 2022, the requirement to cover foreign exchange liabilities by short-term foreign exchange assets ceased to have effect. Previously, effective August 1, 2022, 8.5% of foreign exchange liabilities (minimum required amount of foreign currency claims) had to be covered by short-term foreign exchange assets with maturity of less than three months. (Previously, minimum required amount of foreign currency claims of 17% applied.) In addition to foreign-exchange-denominated instruments, liabilities included foreign-exchange-indexed instruments (liabilities in kunas with a one- or two-way currency clause).
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Prudential capital requirement of 8% of a bank's own funds is imposed by Article 351 of the CRR.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	Along with the Insurance Act, the following laws apply to institutional investors: (1) the Act on Mandatory Pension Funds and Act on Voluntary Pension Funds, (2) the Act on Open-Ended Investment Funds with a Public Offering and AIFs Act, and (3) the Act on Pension Insurance Companies.
Insurance companies	No.	In accordance with the Insurance Act, the insurance supervisor was granted powers over the following: approval of ancillary own funds,

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		classification of own funds items, undertaking specific parameters, a full or partial internal model, ancillary own funds of an intermediate insurance holding company, a group internal model, the use of the duration-based equity risk sub-module, the use of the matching adjustment to the relevant risk-free interest rate term structure, the use of the volatility adjustment to the relevant risk-free interest rate term structure, the use of the transitional measure on the risk-free interest rates, and the use of the transitional measure on technical provisions, to determine the level and scope of group supervision, to identify the group supervisor, and to establish a college of supervisors. In accordance with the Insurance Act the insurance supervisor was granted powers over the following: to decide to deduct any participation, to determine the choice of method to calculate group solvency, to make the determination on equivalence, to permit insurance and reinsurance companies to be subject of determination of the solvency capital requirement of the subsidiary, and to make determination of the equivalence in a third country and the application of transitional measures.
Limits (max.) on securities issued by nonresidents	No.	The Insurance Act, which came into force in 2016, transposed provisions of the solvency regime, including rules of capital requirement, technical provisions, quantitative and qualitative requirements, reporting and public disclosure, transparency and system of governance of Directive 2009/138/EC (Solvency II). According to the Croatian Insurance Act, investment in particular categories of assets is not required and therefore provisions on limits are not required any longer. The assets held to cover the technical provisions related to those risks are not required to be localized within the Community or in any particular Member States. Insurance and reinsurance companies are obliged to all their assets in accordance with the Insurance Act, Commission Delegated Regulation (EU) No. 2015/35, and other regulations of the European Commission which determine qualitative requirements for identification, measurement, monitoring, and control and management of the investment risks, especially taking into account the prudent person principle. Insurance and reinsurance companies are obliged to invest only in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. All assets, in particular those covering the Minimum Capital Requirement and the Solvency Capital Requirement, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole and maintain the localization of those assets such as to ensure their availability. Insurance company should invest in derivative instruments insofar as they contribute to a reduction of risks or facilitate efficient portfolio management. Investment and assets, which are not admitted to trading on a regulated financial market, should be kept to prudent levels. Assets should be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of companies, or geographical area and excessive accumulation of risk in the portfolio as a whole. Investments in assets issued by the same issuer, or by issuers belonging to the same group, may not expose the insurance companies to excessive risk concentration. Assets held to cover the technical provisions should also be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. Those assets should be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. In the case of a conflict of interest, insurance companies, or the entity which manages their asset portfolio, should

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		ensure that the investment is made in the best interest of policyholders and beneficiaries.
Limits (max.) on investment portfolio held abroad	No.	The Insurance Act, which came into force in 2016, transposed provisions of the solvency regime, including rules of capital requirement, technical provisions, quantitative and qualitative requirements, reporting and public disclosure, transparency and system of governance of Directive 2009/138/EC (Solvency II). According to the Croatian Insurance Act, investment in particular categories of assets is not required and therefore provisions on limits are not required any longer. The assets held to cover the technical provisions related to those risks are not required to be localized within the Community or in any particular Member States. Insurance and reinsurance companies are obliged to invest all their assets in accordance with the Insurance Act, Commission Delegated Regulation (EC) No. 2015/35, and other regulations of the European Commission which determine qualitative requirements for identification, measurement, monitoring, and control, and management of the investment risks especially taking into account the prudent person principle. Insurance and reinsurance companies are obliged to invest only in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. All assets, in particular those covering the Minimum Capital Requirement and the Solvency Capital Requirement, should be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole and maintain the localization of those assets such as to ensure their availability. Insurance company should only invest in derivative instruments insofar as they contribute to a reduction of risks or facilitate efficient portfolio management. Investment and assets, which are not admitted to trading on a regulated financial market, should be kept to prudent levels. Assets should be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of companies, or geographical area and excessive accumulation of risk in the portfolio as a whole. Investments in assets issued by the same issuer, or by issuers belonging to the same group, may not expose the insurance companies to excessive risk concentration. Assets held to cover the technical provisions should be also invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. Those assets should be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. In the case of a conflict of interest, insurance companies, or the entity which manages their asset portfolio, should ensure that the investment is made in the best interest of policyholders and beneficiaries.
Limits (min.) on investment portfolio held locally	No.	The Insurance Act, which came into force in 2016, transposed provisions of the solvency regime, including rules of capital requirement, technical provisions, quantitative and qualitative requirements, reporting and public disclosure, transparency and system of governance of Directive 2009/138/EC (Solvency II). According to the Croatian Insurance Act, investment in particular categories of assets is not required and therefore provisions on limits are not required any longer. The assets held to cover the technical provisions related to those risks are not required to be localized within the Community or in any particular Member States. Insurance and reinsurance companies are obliged to invest all their assets in accordance with the Insurance Act, Commission Delegated Regulation (EC) No. 2015/35, and other regulations of the European Commission which determine qualitative requirements for

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		identification, measurement, monitoring, and control and management of the investment risks especially taking into account the prudent person principle. Insurance and reinsurance companies are obliged to invest only in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. All assets, in particular those covering the Minimum Capital Requirement and the Solvency Capital Requirement, should be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole and maintain the localization of those assets such as to ensure their availability. Insurance company should invest in derivative instruments insofar as they contribute to a reduction of risks or facilitate efficient portfolio management. Investment and assets, which are not admitted to trading on a regulated financial market, must be kept to prudent levels. Assets should be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of companies, or geographical area and excessive accumulation of risk in the portfolio as a whole. Investments in assets issued by the same issuer, or by issuers belonging to the same group, may not expose the insurance companies to excessive risk concentration. Assets held to cover the technical provisions must also be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. Those assets should be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. In the case of a conflict of interest, insurance companies, or the entity which manages their asset portfolio, should ensure that the investment is made in the best interest of policy holders and beneficiaries.
Currency-matching regulations on assets/liabilities composition	No.	According to the Croatian Insurance Act, assets should be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of companies, or geographical area and excessive accumulation of risk in the portfolio as a whole. Assets held to cover the technical provisions should be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities.
Pension funds	Yes.	Mandatory pension funds are regulated by the Act on Mandatory Pension Funds; voluntary pension funds are regulated by the Act on Voluntary Pension Funds. Pension insurance companies (pension pay-out phase) are regulated by Act on Pension Insurance Companies. Pension Insurance Companies are specific companies more or less unique to the Croatia pension sector. They have been introduced in the 2000 after pension reform and carry out their role in the pension pay-out phase. After the accumulation phase carried through mandatory and/or voluntary pension funds (or through other sources), the majority of the accumulated personal pension benefits (2nd and 3rd pillar of the Croatian pension scheme) are transferred to the Pension Insurance Companies who will carry out the pension pay-out phase.
Limits (max.) on securities issued by nonresidents	Yes.	The Act on Mandatory Pension Funds specifies three categories of mandatory pension funds (A, B, and C) and establishes limits on investments for each category. Mandatory pension fund assets may be invested as follows: (1) At least 30% A, 50% B, and 70% C of the fund's NAV must be invested in debt securities and money market instruments issued by Croatia, other EU member state or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD members. (2)

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Up to 30% A, 30% B, and 10% C of the fund's NAV may be invested in debt securities and money market instruments guaranteed by Croatia or an EU or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD members. (3) Up to 30% A, 30% B, and 10% C of the fund's NAV may be invested in debt securities traded on the organized securities market issued by units of local and regional self-government of Croatia or another EU or OECD member. (4) Up to 50% A, 30% B, and 10% C of the fund's NAV may be invested in debt securities and money market instruments traded on the regulated market whose issuer is headquartered in Croatia or another EU or OECD member. (5) Up to 65% A and 40% B of the fund's NAV may be invested in equity securities traded on the regulated market whose issuer is a joint-stock company headquartered in Croatia or another EU or OECD member according to Act on Amendments to the Mandatory Pension Funds Act (Official Gazette No. 115/18). By the amendments to the law fund assets can be invested in infrastructure projects and startups. (6) Up to 30% A, 30% B, and 10% C of the fund's NAV may be invested in units of UCITS funds registered in Croatia or in an EU or OECD member. (7) Up to 15% A and 10% B of the fund's NAV may be invested in units or shares of open-ended AIFs or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member. (8) Up to 20% A, 20% B, and 20% C of the fund's NAV may be invested in deposits with a bank headquartered in Croatia or in an EU or OECD member. (9) Up to 10% A, 5% B, and 10% C of the fund's NAV may be invested in the cash held on the business account of the pension fund. (10) Up to 55% A, 35% B of the fund's NAV may be invested in transferable equity and/or debt securities used for financing and securitization of infrastructure projects in the Republic of Croatia. Up to 10% C of the fund's NAV may be invested in transferable debt securities used for financing and securitization of infrastructure projects in the Republic of Croatia according to Act on Amendments to the Mandatory Pension Funds Act (Official Gazette No. 115/18). (11) Up to 0.2% A and 0.1% B of the fund's NAV may be invested in transferable equity securities and/or shares offered through regulated capital raising systems accepted by the Croatian Financial Services Supervisory Agency according to Act on Amendments to the Mandatory Pension Funds Act (Official Gazette No. 115/18).

Voluntary pension fund's assets may be invested as follows: (1) No more than 10% of fund's NAV may be invested in transferable securities and money market instruments of a single issuing entity. If the value of transferable securities or money market instruments of a single issuer in which the fund is invested exceeds 5% of the fund's NAV, the sum of the value of these investments for all such issuers may not exceed 40% of the fund's NAV, but with following exceptions: (a) Investments in transferable securities and money market instruments issued or guaranteed by Croatia or units of local and regional self-government of Croatia, another EU member, units of local and regional self-government of an EU member, OECD member, or public international entities with one or more EU or OECD country members may be without limitations, provided the fund's prospectus and promotional materials clearly indicate country members, units of local and regional self-government or public international entities with one or more EU or OECD country members in whose securities and money market instruments a fund may invest more than 35% of the fund's NAV; (b) no more than 25% of the fund's NAV may be invested in covered bonds issued by credit institutions headquartered in Croatia or another EU member;

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(c) no more than 10% of the fund's NAV may be invested in securities or money market instruments of issuers of related companies; (2) up to 5% of the fund's NAV may be deposited with a single credit institution whose head office is in Croatia or in an EU or OECD member; (3) the total value of investment in transferable securities or money market instruments of a single issuer, the value of deposits placed with that person, and exposures to OTC financial derivatives arranged with that person may not exceed 15% of the fund's NAV; (4) up to 30% of the fund's NAV may be invested in units or shares of UCITS funds authorized in Croatia or another EU or OECD member according to Act on Amendments to the Voluntary Pension Funds Act (Official Gazette No. 115/18); and (5) up to 15% of the fund's NAV may be invested in units or shares of an AIF according to Act on Amendments to the Voluntary Pension Funds Act (Official Gazette No. 115/18).

An individual mandatory pension fund may invest a maximum of:
(1) 10% of one issue of transferable debt securities and money market instruments issued or guaranteed by Croatia or an EU or OECD member, the CNB or CBs of EU or OECD members and public international entities with one or more EU or OECD members or issue by units of local and regional self-government in Croatia or another EU or OECD member or debt securities and MM instruments traded on regulated market whose issuer is headquartered in Croatia or another EU or OECD member.
(2) 20% of one issue of transferable equity with the right to vote and 10% without right to vote whose issuer is joint-stock company headquartered in Croatia or another EU or OECD member listed on the official market or other segments of the regulated market for which the stock exchange will prescribe stricter conditions regarding listing and protection investors in the Republic of Croatia, another Member State or a state OECD member.
(3) 20% of the share in an individual fund shares of UCITS funds registered in Croatia or EU or equivalent funds that have received a work permit in an OECD member state, provided the implementation of supervision of these funds and investor protection level identical to those prescribed by law which regulates the establishment and operation of open-ended investment funds with the public offer.
(4) 15% of units or shares of open-ended AIF or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member.
(5) 5% of the regulatory capital of one credit institutions referred (in deposits and money on account).
(6) 100% of individual issue of transferable securities – infrastructure projects and startup.

The Act on Pension Insurance Companies (which came into act in 2014 and was later amended in 2018) establishes limits on investments in different types of assets, in certain cases distinguishing between the investments of assets accumulated through mandatory or voluntary pension schemes.

Assets stemming from mandatory pension schemes may be invested as follows: (1) At least 70% of assets must be invested in debt securities and money market instruments issued by Croatia, other EU member state or OECD member; the CNB or CBs of EU or OECD members; (2) up to 10% of assets may be invested in debt securities and money market instruments guaranteed by Croatia or an EU or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD member;

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(3) up to 10% of assets may be invested in debt securities traded on the organized securities market issued by units of local and regional self-government of Croatia or another EU or OECD member; (4) up to 10% of assets may be invested in debt securities and money market instruments traded on the regulated market whose issuer is headquartered in Croatia or another EU or OECD member; (5) up to 10% of assets may be invested in equity securities traded on the regulated market whose issuer is a joint-stock company headquartered in Croatia or another EU or OECD member according; (6) up to 20% of assets may be invested in units of UCITS funds registered in Croatia or in an EU or OECD member; (7) up to 10% of assets may be invested in units or shares of open-ended AIFs or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member; (8) up to 20% of assets may be invested in deposits with a bank headquartered in Croatia or in an EU or OECD member; (9) up to 10% of assets may be invested in real estate ownership or other proprietary rights regarding real estate located in Croatia or in an EU or OECD member; (10) up to 5% of assets may be invested in the cash held on the business account in a bank headquartered in Croatia or in an EU or OECD member (or up to 10% for the period no longer than 14 days).

Assets stemming from voluntary pension schemes may be invested as follows:
(1) Up to 20% of assets may be invested in debt securities and money market instruments guaranteed by Croatia or an EU or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD member; (2) up 20% of assets may be invested in debt securities traded on the organized securities market issued by units of local and regional self-government of Croatia or another EU or OECD member; (3) up to 20% of assets may be invested in debt securities and money market instruments traded on the regulated market whose issuer is headquartered in Croatia or another EU or OECD member; (4) up to 20% of assets may be invested in equity securities traded on the regulated market whose issuer is a joint-stock company headquartered in Croatia or another EU or OECD member according; (5) up to 30% of assets may be invested in units of UCITS funds registered in Croatia or in an EU or OECD member; (6) up to 20% of assets may be invested in units or shares of open-ended AIFs or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member; (7) up to 20% of assets may be invested in deposits with a bank headquartered in Croatia or in an EU or OECD member; (8) up to 20% of assets may be invested in real estate ownership or other proprietary rights regarding real estate located in Croatia or in an EU or OECD member; (9) up to 10% of assets may be invested in the cash held on the business account in a bank headquartered in Croatia or in an EU or OECD member (or up to 20% for the period no longer than 14 days); (10) up to 5% of assets may be invested in tradeable securities and money market instruments not listed on a regulated market.

Investment of assets stemming from either mandatory or voluntary pension schemes is further limited by Ordinance on permitted investments and investment limits relating to assets covering technical provisions of the pension insurance company, as follows:

up to 10% of single issue of debt securities;
up to 10% of single issue of money market instruments;
up to 10% of single issue of equities;

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		up to 20% of units or shares of a single investment fund (UCITS); up to 10% of units or shares of a single AIF; up to 30% of regulatory capital of a single bank; up to 5% of single issue of tradeable securities or money market instruments not listed on a regulated market (assets stemming from voluntary pension schemes only). Moreover, investments of total assets (both stemming from mandatory and voluntary pension schemes) of a single Pension Insurance Company is limited as follows: up to 15% of single issue of debt securities; up to 15% of single issue of money market instruments; up to 15% of single issue of equities; up to 25% of units or shares of a single investment fund (UCITS); up to 15% of units or shares of a single AIF; up to 30% of regulatory capital of a single bank. Furthermore, for both the assets stemming from mandatory and voluntary pension schemes, investments in transferable securities, money market instruments and units or shares of investment funds are limited to 5% of total assets per single issuer or 10% of total assets per issuers that are in connection. Similar limits are set for other types of assets: (1) up to 5% of assets may be invested in a deposit in a single bank or 10% of assets in deposits in banks that are in connection; (2) up to 10% of assets may be invested in a single real estate or multiple real estates that are in connection; and (3) up to 5% of assets may be invested in OTC securities or up to 10% of assets in OTC securities of multiple counterparties that are in connection.
Limits (max.) on investment portfolio held abroad	Yes.	The Act on Mandatory Pension Funds specifies three categories of mandatory pension funds (A, B, and C) and establishes limits on investments for each category. Mandatory pension fund assets may be invested as follows: (1) At least 30% A, 50% B, and 70% C of the fund's NAV must be invested in debt securities and money market instruments issued by Croatia, other EU member state or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD members. (2) Up to 30% A, 30% B, and 10% C of the fund's NAV may be invested in debt securities and money market instruments guaranteed by Croatia or an EU or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD members. (3) Up to 30% A, 30% B, and 10% C of the fund's NAV may be invested in debt securities traded on the regulated market issued by units of local and regional self-government of Croatia or another EU or OECD member. (4) Up to 50% A, 30% B, and 10% C of the fund's NAV may be invested in debt securities and money market instruments traded on the regulated market whose issuer is headquartered in Croatia or another EU or OECD member. (5) Up to 65% A and 40% B, of the fund's NAV may be invested in equity securities traded on the regulated market whose issuer is a joint-stock company headquartered in Croatia or another EU or OECD member according to Act on Amendments to the Mandatory Pension Funds Act (Official Gazette No. 115/18). By the amendments to the law fund assets can be invested in infrastructure projects and startups. (6) Up to 30% A, 30% B, and 10% C of the fund's NAV may be invested in units of UCITS funds registered in Croatia or in an EU or OECD member. (7) Up to 15% A and 10% B of the fund's NAV may be invested in units or shares of open-ended AIFs or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member. (8) Up to 20% A, 20% B, and 20% C of the fund's NAV may be invested in

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deposits with a bank headquartered in Croatia or in an EU or OECD member. (9) Up to 10% A, 5% B, and 10% C of the fund's NAV may be invested in the cash held on the business account of the pension fund. (10) Up to 55% A and 35% B of the fund's NAV may be invested in transferable equity and/or debt securities used for financing and securitization of infrastructure projects in the Republic of Croatia. Up to 10% C of the fund's NAV may be invested in transferable debt securities used for financing and securitization of infrastructure projects in the Republic of Croatia according to Act on Amendments to the Mandatory Pension Funds Act (Official Gazette No. 115/18). (11) Up to 0.2% A and 0.1% B of the fund's NAV may be invested in transferable equity securities and/or shares offered through regulated capital raising systems accepted by the Croatian Financial Services Supervisory Agency according to Act on Amendments to the Mandatory Pension Funds Act (Official Gazette No. 115/18).

Voluntary pension fund's assets may be invested as follows: (1) No more than 10% of fund's NAV may be invested in transferable securities and money market instruments of a single issuing entity. If the value of transferable securities or money market instruments of a single issuer in which the fund is invested exceeds 5% of the fund's NAV, the sum of the value of these investments for all such issuers may not exceed 40% of the fund's NAV, but with following exceptions: (a) Investments in transferable securities and money market instruments issued or guaranteed by Croatia or units of local and regional self-government of Croatia, another EU member, units of local and regional self-government of an EU member, OECD member, or public international entities with one or more EU or OECD country members may be without limitations, provided the fund's prospectus and promotional materials clearly indicate country members, units of local and regional self-government or public international entities with one or more EU or OECD country members in whose securities and money market instruments a fund may invest more than 35% of the fund's NAV; (b) no more than 25% of the fund's NAV may be invested in covered bonds issued by credit institutions headquartered in Croatia or another EU member; (c) no more than 10% of the fund's NAV may be invested in securities or money market instruments of issuers of related companies; (2) up to 5% of the fund's NAV may be deposited with a single credit institution whose head office is in Croatia or in an EU or OECD member; (3) the total value of investment in transferable securities or money market instruments of a single issuer, the value of deposits placed with that person, and exposures to OTC financial derivatives arranged with that person may not exceed 15% of the fund's NAV; (4) up to 30% of the fund's NAV may be invested in units or shares of UCITS funds authorized in Croatia or another EU or OECD member according to Act on Amendments to the Voluntary Pension Funds Act (Official Gazette No. 115/18); and (5) up to 15% of the fund's NAV may be invested in units or shares of an AIF according to Act on Amendments to the Voluntary Pension Funds Act (Official Gazette No. 115/18).

An individual mandatory pension fund may invest a maximum of: (1) 10% of one issue of transferable debt securities and money market instruments issued or guaranteed by Croatia or an EU or OECD member, the CNB or CBs of EU or OECD members and public international entities with one or more EU or OECD members or issue by units of local and regional self-government in Croatia or another EU or OECD member or debt securities and MM instruments traded on regulated market whose issuer is

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headquartered in Croatia or another EU or OECD member.
(2) 20% of one issue of transferable equity with the right to vote and 10% without right to vote whose issuer is joint-stock company headquartered in Croatia or another EU or OECD member listed on the official market or other segments of the regulated market for which the stock exchange will prescribe stricter conditions regarding listing and protection investors in the Republic of Croatia, another Member State or a state OECD member.
(3) 20% of the share in an individual fund shares of UCITS funds registered in Croatia or EU or equivalent funds that have received a work permit in an OECD member state, provided the implementation of supervision of these funds and investor protection level identical to those prescribed by law which regulates the establishment and operation of open-ended investment funds with the public offer.
(4) 15% of units or shares of open-ended AIF or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member.
(5) 5% of the regulatory capital of one credit institutions referred (in deposits and money on account).
(6) 100% of individual issue of transferable securities – infrastructure projects and startup.

The Act on Pension Insurance Companies (which came into act in 2014 and was later amended in 2018) establishes limits on investments in different types of assets, in certain cases distinguishing between the investments of assets accumulated through mandatory or voluntary pension schemes.

Assets stemming from mandatory pension schemes may be invested as follows: (1) At least 70% of assets must be invested in debt securities and money market instruments issued by Croatia, other EU member state or OECD member; the CNB or CBs of EU or OECD members; (2) up to 10% of assets may be invested in debt securities and money market instruments guaranteed by Croatia or an EU or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD member; (3) up 10% of assets may be invested in debt securities traded on the organized securities market issued by units of local and regional self-government of Croatia or another EU or OECD member; (4) up to 10% of assets may be invested in debt securities and money market instruments traded on the regulated market whose issuer is headquartered in Croatia or another EU or OECD member; (5) up to 10% of assets may be invested in equity securities traded on the regulated market whose issuer is a joint-stock company headquartered in Croatia or another EU or OECD member according; (6) up to 20% of assets may be invested in units of UCITS funds registered in Croatia or in an EU or OECD member; (7) up to 10% of assets may be invested in units or shares of open-ended AIFs or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member; (8) up to 20% of assets may be invested in deposits with a bank headquartered in Croatia or in an EU or OECD member; (9) up to 10% of assets may be invested in real estate ownership or other proprietary rights regarding real estate located in Croatia or in an EU or OECD member; (10) up to 5% of assets may be invested in the cash held on the business account in a bank headquartered in Croatia or in an EU or OECD member (or up to 10% for the period no longer than 14 days).

Assets stemming from voluntary pension schemes may be invested as follows:

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(1) Up to 20% of assets may be invested in debt securities and money market instruments guaranteed by Croatia or an EU or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD member; (2) up 20% of assets may be invested in debt securities traded on the organized securities market issued by units of local and regional self-government of Croatia or another EU or OECD member; (3) up to 20% of assets may be invested in debt securities and money market instruments traded on the regulated market whose issuer is headquartered in Croatia or another EU or OECD member; (4) up to 20% of assets may be invested in equity securities traded on the regulated market whose issuer is a joint-stock company headquartered in Croatia or another EU or OECD member according; (5) up to 30% of assets may be invested in units of UCITS funds registered in Croatia or in an EU or OECD member; (6) up to 20% of assets may be invested in units or shares of open-ended AIFs or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member; (7) up to 20% of assets may be invested in deposits with a bank headquartered in Croatia or in an EU or OECD member; (8) up to 20% of assets may be invested in real estate ownership or other proprietary rights regarding real estate located in Croatia or in an EU or OECD member; (9) up to 10% of assets may be invested in the cash held on the business account in a bank headquartered in Croatia or in an EU or OECD member (or up to 20% for the period no longer than 14 days); (10) up to 5% of assets may be invested in tradeable securities and money market instruments not listed on a regulated market.

Investment of assets stemming from either mandatory or voluntary pension schemes is further limited by Ordinance on permitted investments and investment limits relating to assets covering technical provisions of the pension insurance company, as follows:
up to 10% of single issue of debt securities;
up to 10% of single issue of money market instruments;
up to 10% of single issue of equities;
up to 20% of units or shares of a single investment fund (UCITS);
up to 10% of units or shares of a single AIF;
up to 30% of regulatory capital of a single bank;
up to 5% of single issue of tradeable securities or money market instruments not listed on a regulated market (assets stemming from voluntary pension schemes only).
Moreover, investments of total assets (both stemming from mandatory and voluntary pension schemes) of a single Pension Insurance Company is limited as follows:
up to 15% of single issue of debt securities;
up to 15% of single issue of money market instruments;
up to 15% of single issue of equities;
up to 25% of units or shares of a single investment fund (UCITS);
up to 15% of units or shares of a single AIF;
up to 30% of regulatory capital of a single bank.
Furthermore, for both the assets stemming from mandatory and voluntary pension schemes, investments in transferable securities, money market instruments and units or shares of investment funds are limited to 5% of total assets per single issuer or 10% of total assets per issuers that are in connection. Similar limits are set for other types of assets: (1) up to 5% of assets may be invested in a deposit in a single bank or 10% of assets in deposits in banks that are in connection; (2) up to 10% of assets may be invested in a single real estate or multiple real estates that are in connection; and (3) up to 5% of assets may be invested in OTC securities or up to 10% of

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		assets in OTC securities of multiple counterparties that are in connection.
Limits (min.) on investment portfolio held locally	Yes.	The Act on Mandatory Pension Funds specifies three categories of mandatory pension funds (A, B, and C) and establishes limits on investments for each category. Mandatory pension fund assets may be invested as follows: (1) At least 30% A, 50% B, and 70% C of the fund's NAV must be invested in debt securities and money market instruments issued by Croatia, other EU member state or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD members. (2) Up to 30% A, 30% B, and 10% C of the fund's NAV may be invested in debt securities and money market instruments guaranteed by Croatia or an EU or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD members. (3) Up to 30% A, 30% B, and 10% C of the fund's NAV may be invested in debt securities traded on the regulated market issued by units of local and regional self-government of Croatia or another EU or OECD member. (4) Up to 50% A, 30% B, and 10% C of the fund's NAV may be invested in debt securities and money market instruments traded on the regulated market whose issuer is headquartered in Croatia or another EU or OECD member. (5) Up to 65% A and 40% B of the fund's NAV may be invested in equity securities traded on the regulated market whose issuer is a joint-stock company headquartered in Croatia or another EU or OECD member according to Act on Amendments to the Mandatory Pension Funds Act (Official Gazette No. 115/18). By the amendments to the law fund assets can be invested in infrastructure projects and startups. (6) Up to 30% A, 30% B, and 10% C of the fund's NAV may be invested in units of UCITS funds registered in Croatia or in an EU or OECD member. (7) Up to 15% A and 10% B of the fund's NAV may be invested in units or shares of open-ended AIFs or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member. (8) Up to 20% A, 20% B, and 20% C of the fund's NAV may be invested in deposits with a bank headquartered in Croatia or in an EU or OECD member. (9) Up to 10% A, 5% B, and 10% C of the fund's NAV may be invested in the cash held on the business account of the pension fund. (10) Up to 55% A and 35% B of the fund's NAV may be invested in transferable equity and/or debt securities used for financing and securitization of infrastructure projects in the Republic of Croatia. Up to 10% C of the fund's NAV may be invested in transferable debt securities used for financing and securitization of infrastructure projects in the Republic of Croatia according to Act on Amendments to the Mandatory Pension Funds Act (Official Gazette No. 115/18). (11) Up to 0.2% A and 0.1% B of the fund's NAV may be invested in transferable equity securities and/or shares offered through regulated capital raising systems accepted by the Croatian Financial Services Supervisory Agency according to Act on Amendments to the Mandatory Pension Funds Act (Official Gazette No. 115/18). Voluntary pension fund's assets may be invested as follows: (1) No more than 10% of fund's NAV may be invested in transferable securities and money market instruments of a single issuing entity. If the value of transferable securities or money market instruments of a single issuer in which the fund is invested exceeds 5% of the fund's NAV, the sum of the value of these investments for all such issuers may not exceed 40% of the fund's NAV, but with following exceptions: (a) Investments in transferable securities and money market instruments issued or guaranteed by Croatia or units of local and regional self-government of Croatia, another EU member, units

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of local and regional self-government of an EU member, OECD member, or public international entities with one or more EU or OECD country members may be without limitations, provided the fund's prospectus and promotional materials clearly indicate country members, units of local and regional self-government or public international entities with one or more EU or OECD country members in whose securities and money market instruments a fund may invest more than 35% of the fund's NAV; (b) no more than 25% of the fund's NAV may be invested in covered bonds issued by credit institutions headquartered in Croatia or another EU member; (c) no more than 10% of the fund's NAV may be invested in securities or money market instruments of issuers of related companies; (2) up to 5% of the fund's NAV may be deposited with a single credit institution whose head office is in Croatia or in an EU or OECD member; (3) the total value of investment in transferable securities or money market instruments of a single issuer, the value of deposits placed with that person, and exposures to OTC financial derivatives arranged with that person may not exceed 15% of the fund's NAV; (4) up to 30% of the fund's NAV may be invested in units or shares of UCITS funds authorized in Croatia or another EU or OECD member according to Act on Amendments to the Voluntary Pension Funds Act (Official Gazette No. 115/18); and (5) up to 15% of the fund's NAV may be invested in units or shares of an AIF according to Act on Amendments to the Voluntary Pension Funds Act (Official Gazette No. 115/18).

An individual mandatory pension fund may invest a maximum of:
(1) 10% of one issue of transferable debt securities and money market instruments issued or guaranteed by Croatia or an EU or OECD member, the CNB or CBs of EU or OECD members and public international entities with one or more EU or OECD members or issue by units of local and regional self-government in Croatia or another EU or OECD member or debt securities and MM instruments traded on regulated market whose issuer is headquartered in Croatia or another EU or OECD member.
(2) 20% of one issue of transferable equity with the right to vote and 10% without right to vote whose issuer is joint-stock company headquartered in Croatia or another EU or OECD member listed on the official market or other segments of the regulated market for which the stock exchange will prescribe stricter conditions regarding listing and protection investors in the Republic of Croatia, another Member State or a state OECD member.
(3) 20% of the share in an individual fund shares of UCITS funds registered in Croatia or EU or equivalent funds that have received a work permit in an OECD member state, provided the implementation of supervision of these funds and investor protection level identical to those prescribed by law which regulates the establishment and operation of open-ended investment funds with the public offer.
(4) 15% of units or shares of open-ended AIF or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member.
(5) 5% of the regulatory capital of one credit institutions referred (in deposits and money on account).
(6) 100% of individual issue of transferable securities – infrastructure projects and startup.

The Act on Pension Insurance Companies (which came into act in 2014 and was later amended in 2018) establishes limits on investments in different types of assets, in certain cases distinguishing between the investments of assets accumulated

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through mandatory or voluntary pension schemes.

Assets stemming from mandatory pension schemes may be invested as follows: (1) At least 70% of assets must be invested in debt securities and money market instruments issued by Croatia, other EU member state or OECD member; the CNB or CBs of EU or OECD members; (2) up to 10% of assets may be invested in debt securities and money market instruments guaranteed by Croatia or an EU or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD member; (3) up 10% of assets may be invested in debt securities traded on the organized securities market issued by units of local and regional self-government of Croatia or another EU or OECD member; (4) up to 10% of assets may be invested in debt securities and money market instruments traded on the regulated market whose issuer is headquartered in Croatia or another EU or OECD member; (5) up to 10% of assets may be invested in equity securities traded on the regulated market whose issuer is a joint-stock company headquartered in Croatia or another EU or OECD member according; (6) up to 20% of assets may be invested in units of UCITS funds registered in Croatia or in an EU or OECD member; (7) up to 10% of assets may be invested in units or shares of open-ended AIFs or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member; (8) up to 20% of assets may be invested in deposits with a bank headquartered in Croatia or in an EU or OECD member; (9) up to 10% of assets may be invested in real estate ownership or other proprietary rights regarding real estate located in Croatia or in an EU or OECD member; (10) up to 5% of assets may be invested in the cash held on the business account in a bank headquartered in Croatia or in an EU or OECD member (or up to 10% for the period no longer than 14 days).

Assets stemming from voluntary pension schemes may be invested as follows:
(1) Up to 20% of assets may be invested in debt securities and money market instruments guaranteed by Croatia or an EU or OECD member; the CNB or CBs of EU or OECD members; and public international entities with one or more EU or OECD member; (2) up 20% of assets may be invested in debt securities traded on the organized securities market issued by units of local and regional self-government of Croatia or another EU or OECD member; (3) up to 20% of assets may be invested in debt securities and money market instruments traded on the regulated market whose issuer is headquartered in Croatia or another EU or OECD member; (4) up to 20% of assets may be invested in equity securities traded on the regulated market whose issuer is a joint-stock company headquartered in Croatia or another EU or OECD member according; (5) up to 30% of assets may be invested in units of UCITS funds registered in Croatia or in an EU or OECD member; (6) up to 20% of assets may be invested in units or shares of open-ended AIFs or shares of closed-ended alternative funds registered in Croatia or in an EU or OECD member; (7) up to 20% of assets may be invested in deposits with a bank headquartered in Croatia or in an EU or OECD member; (8) up to 20% of assets may be invested in real estate ownership or other proprietary rights regarding real estate located in Croatia or in an EU or OECD member; (9) up to 10% of assets may be invested in the cash held on the business account in a bank headquartered in Croatia or in an EU or OECD member (or up to 20% for the period no longer than 14 days); (10) up to 5% of assets may be invested in tradeable securities and money market

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		instruments not listed on a regulated market. Investment of assets stemming from either mandatory or voluntary pension schemes is further limited by Ordinance on permitted investments and investment limits relating to assets covering technical provisions of the pension insurance company, as follows: up to 10% of single issue of debt securities; up to 10% of single issue of money market instruments; up to 10% of single issue of equities; up to 20% of units or shares of a single investment fund (UCITS); up to 10% of units or shares of a single AIF; up to 30% of regulatory capital of a single bank; up to 5% of single issue of tradeable securities or money market instruments not listed on a regulated market (assets stemming from voluntary pension schemes only). Moreover, investments of total assets (both stemming from mandatory and voluntary pension schemes) of a single Pension Insurance Company is limited as follows: up to 15% of single issue of debt securities; up to 15% of single issue of money market instruments; up to 15% of single issue of equities; up to 25% of units or shares of a single investment fund (UCITS); up to 15% of units or shares of a single AIF; up to 30% of regulatory capital of a single bank. Furthermore, for both the assets stemming from mandatory and voluntary pension schemes, investments in transferable securities, money market instruments and units or shares of investment funds are limited to 5% of total assets per single issuer or 10% of total assets per issuers that are in connection. Similar limits are set for other types of assets: (1) up to 5% of assets may be invested in a deposit in a single bank or 10% of assets in deposits in banks that are in connection; (2) up to 10% of assets may be invested in a single real estate or multiple real estates that are in connection; and (3) up to 5% of assets may be invested in OTC securities or up to 10% of assets in OTC securities of multiple counterparties that are in connection.
Currency-matching regulations on assets/liabilities composition	Yes.	Investment of a pension fund's assets must take into account the liability maturity of the fund. Invested assets must be adjusted for valuation changes resulting from risks and possible losses caused by changes in interest or exchange rates or by other capital risks. A pension fund's assets must be invested in a way that is aligned with the currency of liabilities of the fund (40% A, 60% B, and 90% C of the mandatory pension fund's NAV and 70% of the voluntary pension fund's NAV – applicable only to IORP). Assets covering the technical provisions of a Pension Insurance Company must be invested in a way that is aligned with the currency of liabilities of the company, that is, at least: 90% of assets stemming from mandatory pension schemes; 70% of assets stemming from voluntary pension schemes; must be invested in assets which are traded or settled in the same currency used for pension pay-outs.
Investment firms and collective investment funds	Yes.	Open-ended investment funds with a public offering are regulated by the Act on Open-Ended Investment Funds with a Public Offering; AIFs are regulated by the AIFs Act. Investment firms' investments are not restricted in the context of providing investment services to clients in accordance with the applicable regulations. In accordance with Regulation (EU) No. 2019/2033 of the European Parliament and of the Council of November 27, 2019, on the

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		prudential requirements of investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014, and (EU) No. 806/2014, an investment firm's limit with regard to the concentration risk of an exposure value with regard to an individual client or group of connected clients is 25% of its own funds. Where that individual client is a credit institution or an investment firm, or where a group of connected clients includes one or more credit institutions or investment firms, the limit with regard to concentration risk is the higher of 25% of the investment firm's own funds or EUR 150 million, provided for the sum of exposure values with regard to all connected clients that are not credit institutions or investment firms, the limit with regard to concentration risk remains at 25% of the investment firms' own funds. Where the amount of EUR 150 million is higher than 25% of the investment firm's own funds, the limit with regard to concentration risk may not exceed 100% of the investment firm's own funds.
Limits (max.) on securities issued by nonresidents	Yes.	Article 254 (1) An UCITS fund's assets are subject to the following limits: (1) Up to 10% of fund's NAV may be invested in transferable securities and money market instruments of a single issuer, on the condition that if the value of value of transferable securities or money market instruments of a single issuer exceeds 5% of the fund's NAV, the sum of the value of these investments for all such issuers may not exceed 40% of the fund's NAV; (2) up to 20% of the fund's NAV may be deposited with a single credit institution headquartered in Croatia, another EU member or in a third country, whereby the money in the accounts is also taken into account; (3) exposures to the counterparty in transactions with OTC financial derivatives may not exceed: (a) 10% of fund's NAV if the counterparty is a credit institution headquartered in Croatia, another EU member or in a third country or (b) 5% of fund's NAV if the counterparty is other legal person (subject to prudential supervision and belongs to the categories prescribed by Hanfa); (4) limits of 40% of the fund's NAV from paragraph (1) do not apply on (a) deposits and (b) transactions with OTC financial derivatives made with other counterparties (subject to prudential supervision and belongs to the categories prescribed by Hanfa); (5) notwithstanding the individual limits laid down in Points (1) to (4), a UCITS may not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following: (a) investments in transferable securities or money market instruments issued by that body; (b) deposits made with that body; or (c) exposures arising from OTC derivative transactions undertaken with that body; (6) exceptionally out of limitation laid down in paragraph (1) in this Article, up to 35% of the fund's NAV may be invested in securities or money market instruments issued or guaranteed by the Republic of Croatia or units of local and regional self-government of the Republic of Croatia, another Member State, or units of local and regional self-government of a Member State, a third-country, or public international bodies of which one or more Member States are members. As of 2021, Act on Amendments to the Act on Open-Ended Investment Funds with a Public Offering (Official Gazette No. 110/21) amended Point (7) of this Article: exceptionally out of limitation laid down in paragraph (1) in this Article, up to 25% (previously 35%) of the fund's NAV may be invested in covered bonds issued by credit institutions (a) where the bonds are subject to the definition of covered bonds under the law governing the issue

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and public supervision of covered bonds; or;
(b) if the bonds were issued before July 8, 2022, and, at the time of issue, the requirements were met:
- those bonds are issued by credit institutions having their registered office in the Republic of Croatia or another Member State that are subject to special public supervision by virtue of a specific law to protect investors in those bonds; and
- the proceeds from the issuance of such bonds must be invested in accordance with the specific law in the assets that will enable the bond maturities to meet the obligations arising from bonds and that, in the event of default of the issuer, used primarily to pay the principal and accrued interest from those bonds.
(c) if more than 5% of the net asset value of the fund invested in such bonds of one issuer, the total value of such investments constituting more than 5% of the net asset value of the fund must not exceed 80% of the net asset value of the fund;
(8) the transferable securities and money market instruments referred to in Points (6) and (7) may not be taken into account for the purpose of applying the limit of 40% referred to in Point (1); (9) the limits provided for in Points (1) to (7) may not be combined, and therefore, when the UCITS fund's assets must invest in the assets specified in Points (1) to (7), a maximum of 35% of fund's NAV may be invested in: (a) investments in transferable securities or money market instruments issued by that body, (b) deposits made with that body, and (c) exposures arising from OTC derivative transactions undertaken with that body; (10) up to 20% of fund's NAV may be invested in transferable securities and money market instruments the issuers of which are persons constituting related companies, in accordance with the provisions of the legislation governing the establishment and operation of companies, in accordance with the provisions regulations governing accounting of entrepreneurs and the application of financial reporting standards, and persons who are in a close connection. These persons are considered as one person in terms of calculating the limits from Points (5) and (9) of this paragraph. Article 255 (1) Without prejudice to the limits laid down in Article 254 (1) 1 and Article 258, up to 20% of fund's NAV may be invested in shares or debt securities issued by the same body when, according to the fund rules or instruments of incorporation, the aim of the UCITS' investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by Hanfa. Index replication means replication of the underlying assets of the index, and for this purpose the use of financial derivatives is allowed. The index referred to in paragraph (1) of this Article must meet the following conditions: (a) its composition is sufficiently diversified in such a way that the components of the index are in line with the principles risk allocations referred to in paragraphs (1) and (3) of this Article; (b) the index represents an adequate benchmark for the market to which it refers; and (c) it is published in an appropriate manner, paragraph (3); exceptionally out of limitation laid down in paragraph (1) in this Article, up to 35% of fund's NAV may be invested in shares or debt securities issued by the same body when it is absolutely necessary for replication of the index and justified by exceptional market conditions, especially in regulated markets on for which a particular transferable security or money market instrument is highly dominant. Investment up to 35% of the NAV of the fund in shares or debt securities of one issuer only allowed for one issuer. Article 256 Exceptionally out of limitation laid down in Article 254, paragraph (1), Hanfa may approve an investment up to 100% of fund's NAV in transferable securities or money market instruments issued or guaranteed by the Republic of

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Croatia or units of local and regional self-government of the Republic of Croatia, another Member State, or units of local and regional self-government of a Member State, a third-country, or public international bodies of which one or more Member States are members, under the following conditions: (a) the protection of investors in such UCITS fund is equal to that of investors in a UCITS fund whose assets are invested in accordance with the restrictions referred to in Article 254, paragraph (1); (b) the fund's assets consists of at least six different securities or money market instruments, but the value of any single security or money market instrument does not exceed 30% of fund's NAV; and (c) the fund prospectus and any promotional material must clearly have the statement from which it is that the UCITS fund has been approved in accordance with this Article, with clearly indicated Member States, or units of local and regional self-government of a Member State, a third-country, or public international bodies of which one or more Member States are members, in whose securities and money market instruments is intended to invest more than 35% of the NAV of the fund. Article 257 (1) A maximum of 20% of the UCITS fund's NAV may be invested in units or shares of any single UCITS, on the condition that no more than 30% of the fund's NAV is invested in funds other than open-ended investment funds with a public offering. (2) The assets of the investment fund in which the UCITS fund is invested are not included in the calculations of the limit referred to in Article 254, paragraph (1). (3) UCUTS may acquire a maximum of: (a) 10% of voting shares of any single issuer, (b) 10% of non-voting shares of any single issuer, (c) 10% of debt securities issued by any single issuer, (d) 25% of units in individual investment fund, and (e) 10% of money market instruments of any single issuer. The limitations laid down in Points (c), (d), and (e) may be disregarded at the time of acquisition if it is not possible at that time to calculate the total number or value of instruments in circulation. Limitations from paragraph (1) in this Article may not apply to transferable securities and money market instruments issued or guaranteed by the Republic of Croatia, units of local and regional self-government of the Republic of Croatia, by other Member States, units of local and regional self-government of a Member State, a third country or by a public international body of which one or more Member States are members.

Restrictions on open-ended AIF with a public offering:
Article 12 (1) of the Ordinance on Types of AIFs (Official Gazette No. 28/19 and 15/20) regulates that the investment of an open-ended AIF with a public offering is subject to the following restrictions: (1) a maximum of 10% of the NAV of the AIF may be invested in transferable securities or money market instruments of one issuer, (2) a maximum of 20% of the NAV of the AIF may be deposited with the same credit, (3) the exposure of the AIF to counterparty risk in transactions with OTC derivatives may not exceed: (a) 10% of the NAV of the AIF, if the other counterparty is a credit institution, (b) 20% of the NAV of the AIF at the time of acquisition, if all of the following conditions are met: the other counterparty is a credit institution, it is the only OTC derivative in the AIF, the AIF may not lose more than the amount paid on the initial acquisition of the derivative, by investing in the derivative a specific investment structure or strategy is achieved (for example of a fund with a capital protection), and the prospectus and/or rules of the AIF explicitly provide for the possibility of investing in OTC derivatives up to 20% of the NAV of the AIF and all the risks that have resulted from such investment and the specific investment structure or strategy are

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described, and (c) 5% of the NAV of the AIF, if the other counterparty is another legal entity, (4) notwithstanding the individual restrictions prescribed in Items (1) to (3) of this paragraph, the same may not be combined and a maximum of 20% of the NAV of the fund may be invested in: (a) transferable securities or money market instruments issued by one and the same person, (b) a deposit with that person, or (c) exposures arising from transactions with OTC derivatives concluded with that person, (5) by way of derogation from Point 1 of this paragraph, a maximum of 35% of the NAV of the AIF may be invested in transferable securities or money market instruments issued or guaranteed by the Republic of Croatia or a unit of local and regional self-government of Croatia, another Member State or a unit of local and regional self-government of a Member State, a third country or a public international body to which one or more Member States belong, (6) by way of derogation from Point (1) of this paragraph, a maximum of 25% of the NAV of the AIF may be invested in covered bonds issued by credit institutions having their registered office in the Republic of Croatia or another Member State which are subject to special law for the purpose of protecting investors in bonds. If more than 5% of the net value of the AIF's assets is invested in such bonds of one issuer, the total value of such investments constituting more than 5% of the net value of the AIF's assets may not exceed 80% of the NAV of the AIF, (7) the investment restrictions referred to in Points (1) to (6) of this paragraph may not be combined and accordingly investments in: (a) transferable securities or money market instruments issued by one and the same person, (b) deposits with that person, and (c) financial derivatives issued by that person and OTC derivatives concluded with that person, executed in accordance with Items (1) to (6) of this paragraph, may not exceed a total of 35% of the NAV of the AIF, (8) a maximum of 20% of the NAV of the AIF may be invested in transferable securities and/or money market instruments issued by persons forming affiliated companies, (9) a maximum of 20% of the NAV of the AIF may be invested in other transferable securities and money market instruments referred to in Article 10 (2) (9) of the Ordinance on Types of AIFs and units in collective investment undertakings, (10) a maximum of 10% of the NAV of the AIF may be invested in commodities traded on commodity exchange, (11) a maximum of 20% of the NAV of the AIF may be invested in real estate, (12) a maximum of 10% of the NAV of the AIF may be invested in one property (land or building) at the time of acquisition, and the total exposure to that property may be increased to a maximum of 20% of the NAV of the AIF if the increase is the consequence of rising investment values. Real estate that is adjacent to or located in the immediate vicinity of real estate from AIF assets is considered to be one real estate, (13) total value of borrowed funds, investments in other financial and shares in collective investment undertakings may not exceed 20% of the NAV of the AIF. Article 13 (1) Notwithstanding other restrictions, up to 20% of the NAV of AIF may be invested in shares or debt securities of one issuer, if the aim of the AIF's investment strategy is to replicate a particular stock index or bond index recognized by Hanfa. (2) The index must meet the following conditions: (a) its composition is sufficiently diversified in such a way that the components of the index are harmonized with the principles of risk distribution, (b) it represents an adequate reference value of the market to which it refers, and (c) it is published in an adequate manner. (3) Up to 35% of the NAV of an AIF may be invested in shares or debt securities of one issuer when strictly necessary for index replication and justified by exceptional market conditions, in particular regulated markets in

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which a particular transferable security or money market instrument is highly dominant. Investing up to 35% of the NAV of AIF in shares or debt securities of one issuer is allowed for only one issuer. Article 14 Up to 100% of the AIF's NAV may be invested in transferable securities and money market instruments issued or guaranteed by the Republic of Croatia or a local and regional unit (regional) self-government of the Republic of Croatia, another Member State or a unit of local and regional self-government of a third country or a public international body to which one or more Member States belong, provided:(a) the protection of investors in such AIF is equal to that of investors in AIF whose assets are invested in accordance with the restrictions referred to in Article 12 (1), (b) the assets of the AIF consist of at least six different securities or money market instruments, but the value of any single security or money market instrument does not exceed 30% of the net value of the assets of the AIF, and (c) the prospectus and promotional materials of the AIF clearly indicate the Member States, local and regional self-government units of the Member State, a third country or a public international body to which one or more Member States belong to whose securities and money market instruments is intended to invest more than 35% of the NAV of the fund. Article 15 (1) A maximum of 30% of the NAV of an AIF may be invested in units or shares of a single investment, provided a maximum of 40% of the NAV AIF may be invested in investment funds. Article 16 (1) AIF with a public offering may acquire a maximum of: (a) 10% of voting shares of one issuer, (b) 15% of non-voting shares of one issuer, (c) 15% of debt securities of one issuer, (d) 30% of the share of an individual investment fund, (e) 15% of money market instruments of one issuer, and (f) the restrictions referred to in Points (c), (d), and (e) of this paragraph may be disregarded at the time of acquisition if at that time it is not possible to calculate the total number or value of instruments in circulation. (2) The restrictions referred to in paragraph 1 of this Article do not apply to transferable securities and money market instruments issued or guaranteed by the Republic of Croatia, a unit of local and regional self-government of the Republic of Croatia, another Member State, a unit of local and regional self-government of a Member State, a third country or public international bodies to which one or more Member States belong.

Restrictions on the investment of a closed-ended AIF with a public offering:
Article 17 of the Ordinance on Types of AIFs (Official Gazette Nos. 28/19 and 15/20) regulates that the investment of a closed-ended AIF with a public offering is subject to the following restrictions: (1) a maximum of 15% of the NAV of the AIF may be invested in transferable securities or money market instruments of one issuer, (2) a maximum of 20% of the NAV of the AIF may be invested in deposits with the same credit institution, taking into account the cash on the accounts, (3) the AIF's exposure to counterparty risk in transactions with OTC derivatives may not exceed: (a) 10% of the NAV of the AIF, if the other counterparty is a credit institution, (b) 20% of the NAV of the AIF at the time of acquisition, if all of the following conditions are met: the other counterparty is a credit institution, it is the only OTC derivative in the AIF, the AIF may not lose more than the amount paid on the initial acquisition of the derivative, investing in a derivative achieves a specific investment structure or strategy (such as a capital protection fund), and the prospectus and/or rules of the AIF explicitly provide for the possibility of investing in OTC derivatives up to 20% of the net value of the AIF's assets and describe any risks arising from such

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investment and the specific investment structure or strategy, and (c) 5% of the NAV of the AIF, if the other counterparty is another legal entity, (4) notwithstanding the individual restrictions prescribed in Items (1) to (3) of this paragraph, it may not be combined and a maximum of 20% of the NAV of the fund may be invested in: (a) transferable securities or money market instruments issued by one and the same person, (b) a deposit with that person, or (c) exposures arising from a transaction with OTC derivatives concluded with that person, (5) by way of derogation from Point (1) of this paragraph, a maximum of 35% of the NAV of the AIF may be invested in transferable securities or money market instruments issued or guaranteed by the Republic of Croatia or a unit of local and regional self-government of Croatia, another Member State or a unit of local and regional self-government of a Member State, a third country or a public international body to which one or more Member States belong, (6) by way of derogation from Point 1 of this paragraph, a maximum of 25% of the NAV of the AIF may be invested in covered bonds issued by credit institutions having their registered office in the Republic of Croatia or another Member State which are subject in accordance with a special public law to the supervision for the purpose of protecting investors in those bonds. If more than 5% of the NAV of the AIF is invested in such bonds of one issuer, the total value of such investments constituting more than 5% of the NAV of the AIF may not exceed 80% of the NAV of the AIF, (7) the investment restrictions referred to in Points (1) to (6) of this paragraph may not be combined and, therefore, investments in: (a) transferable securities or money market instruments issued by one and the same person, (b) deposits with that person, and (c) financial derivatives issued by that person and OTC derivatives concluded with that person, executed in accordance with Items (1) to (6) of this paragraph, may not exceed a total of 35% of the NAV of the AIF, (8) A maximum of 20% of the NAV of the AIF may be invested in transferable securities and/or money market instruments issued by persons forming affiliated companies, (9) a maximum of 10% of the NAV of the AIF may be invested in the commodities traded on commodities markets, (10) a maximum of 20% of the NAV of the AIF may be invested in real estate, (11) a maximum of 10% of the NAV of the AIF may be invested in one property (land or building) at the time of acquisition, and the total exposure to that property may be increased to a maximum of 20% of the NAV of the AIF if increase is a consequence of rising investment values. Real estate that is adjacent to or located in the immediate vicinity of real estate from AIF assets is considered to be one real estate. If the AIFM intends to invest more than 40% of the NAV of the AIF in unlisted transferable securities, the AIF name must include the words “closed-ended AIF with a public offering to invest in unlisted transferable securities.” Article 18 (1) Notwithstanding other restrictions, up to 20% of the NAV of AIF may be invested in shares or debt securities of one issuer, if the goal of the AIF’s investment strategy is to replicate a particular stock index or bond index recognized by Hanfa. Replication of the index means the replication of the underlying assets of the index, and the use of financial derivatives is permitted for this purpose. (2) The index must meet the following conditions: (a) its composition is sufficiently diversified in such a way that the components of the index are harmonized with the principles of risk distribution, (b) it represents an adequate reference value of the market to which it refers, and (c) index is published in an adequate manner. (3) By way of derogation from paragraph 1 of this Article, up to 35% of the NAV of an AIF may be invested in shares or debt securities of one issuer when strictly necessary for index replication

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		and justified by exceptional market conditions, in particular regulated markets in which a particular transferable security or money market instrument is highly dominant. Investing up to 35% of the net value of AIF assets in shares or debt securities of one issuer is allowed for only one issuer. Article 19 Up to 100% of the AIF' net assets may be invested in transferable securities and money market instruments issued or guaranteed by the Republic of Croatia or a local and regional unit (regional) self-government of the Republic of Croatia, another Member State or a unit of local and regional self-government of a Member State, a third country or a public international body to which one or more Member States belong, provided (a) the protection of investors in such AIF is equal to that of investors in AIF whose assets are invested in accordance with the restrictions referred to in Article 17 (1), (b) the assets of the AIF consist of at least six different securities or money market instruments, but the value of any single security or money market instrument does not exceed 30% of the net value of the assets of the AIF, and (c) the prospectus and promotional materials of the AIF clearly indicate the Member States, local and regional self-government units of the Member State, a third country or a public international body to which one or more Member States whose securities and money market instruments are intended to invest more than 35% of the NAV of the fund. Article 20 (1) A maximum of 30% of the NAV of an AIF may be invested in units or shares of a single investment fund referred, provided a maximum of 40% of the NAV AIF may be invested in investment funds. (2) The assets of the investment fund in which the AIF has invested may not be included in the calculations of investment restrictions referred to in Article 12, paragraph 1. (3) A maximum of 10% of the NAV of the AIF may be invested in other collective investment undertakings. Article 21 (1) AIF with a public offering may acquire a maximum of: (a) 25% of voting shares of one issuer, (b) 15% of non-voting shares of one issuer, (c) 25% of debt securities of one issuer, (d) 30% of the share of an individual investment fund, (e) 15% of money market instruments of one issuer, and (f) the restrictions referred to in Points (c), (d), and (e) of this paragraph may be disregarded at the time of acquisition if at that time it is not possible to calculate the total number or value of instruments in circulation. (2) The restrictions referred to in paragraph 1 of this Article do not apply to transferable securities and money market instruments issued or guaranteed by the Republic of Croatia, a unit of local and regional self-government of the Republic of Croatia, another Member State, a unit of local and regional (regional) self-government of a Member State, a third country or public international bodies to which one or more Member States belong.
Limits (max.) on investment portfolio held abroad	Yes.	Article 254 (1) An UCITS fund's assets are subject to the following limits: (1) Up to 10% of fund's NAV may be invested in transferable securities and money market instruments of a single issuer, on the condition that if the value of value of transferable securities or money market instruments of a single issuer exceeds 5% of the fund's NAV, the sum of the value of these investments for all such issuers may not exceed 40% of the fund's NAV; (2) up to 20% of the fund's NAV may be deposited with a single credit institution headquartered in Croatia, another EU member or in a third country, whereby the money in the accounts is also taken into account; (3) exposures to the counterparty in transactions with OTC financial derivatives may not exceed: (a) 10% of fund's NAV if the counterparty is a credit institution headquartered in Croatia, another EU member or in a third country or (b) 5% of fund's NAV if the

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counterparty is other legal person (subject to prudential supervision and belongs to the categories prescribed by Hanfa); (4) limits of 40% of the fund's NAV from paragraph (1) do not apply on (a) deposits and (b) transactions with OTC financial derivatives made with other counterparties (subject to prudential supervision and belongs to the categories prescribed by Hanfa); (5) notwithstanding the individual limits laid down in Points (1) to (4), a UCITS may not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following: (a) investments in transferable securities or money market instruments issued by that body; (b) deposits made with that body; or (c) exposures arising from OTC derivative transactions undertaken with that body; (6) exceptionally out of limitation laid down in paragraph (1) in this Article, up to 35% of the fund's NAV may be invested in securities or money market instruments issued or guaranteed by the Republic of Croatia or units of local and regional self-government of the Republic of Croatia, another Member State, or units of local and regional self-government of a Member State, a third-country, or public international bodies of which one or more Member States are members; (7) As of October 21, 2021, Act on Amendments to the Act on Open-Ended Investment Funds with a Public Offering (Official Gazette No. 110/21) amended Point (7) of this Article: exceptionally out of limitation laid down in paragraph (1) in this Article, up to 25% (previously 35%) of the fund's NAV may be invested in covered bonds issued by credit institutions (a) where the bonds are subject to the definition of covered bonds under the law governing the issue and public supervision of covered bonds; or
(b) if the bonds were issued before July 8, 2022, and, at the time of issue, the requirements were met:
- those bonds are issued by credit institutions having their registered office in the Republic of Croatia or another Member State that are subject to special public supervision by virtue of a specific law to protect investors in those bonds; and
- the proceeds from the issuance of such bonds must be invested in accordance with the specific law in the assets that will enable the bond maturities to meet the obligations arising from bonds and that, in the event of default of the issuer, used primarily to pay the principal and accrued interest from those bonds.
(c) if more than 5% of the net asset value of the fund invested in such bonds of one issuer, the total value of such investments constituting more than 5% of the net asset value of the fund must not exceed 80% of the net asset value of the fund; (8) the transferable securities and money market instruments referred to in Points (6) and (7) may not be taken into account for the purpose of applying the limit of 40% referred to in Point (1); (9) the limits provided for in Points (1) to (7) may not be combined, and therefore, when the UCITS fund's assets must invest in the assets specified in Points (1) to (7), a maximum of 35% of fund's NAV may be invested in: (a) investments in transferable securities or money market instruments issued by that body, (b) deposits made with that body, and (c) exposures arising from OTC derivative transactions undertaken with that body; (10) up to 20% of fund's NAV may be invested in transferable securities and money market instruments the issuers of which are persons constituting related companies, in accordance with the provisions of the legislation governing the establishment and operation of companies, in accordance with the provisions regulations governing accounting of entrepreneurs and the application of financial reporting standards, and persons who are in a close connection. These persons are considered as one person in terms of calculating the limits from Points (5) and (9) of this paragraph. Article 255 (1) Without

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prejudice to the limits laid down in Article 254 (1) 1 and Article 258, up to 20% of fund's NAV may be invested in shares or debt securities issued by the same body when, according to the fund rules or instruments of incorporation, the aim of the UCITS' investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by Hanfa. Index replication means replication of the underlying assets of the index, and for this purpose the use of financial derivatives is allowed. The index referred to in paragraph (1) of this Article must meet the following conditions: (a) its composition is sufficiently diversified in such a way that the components of the index are in line with the principles risk allocations referred to in paragraphs (1) and (3) of this Article; (b) the index represents an adequate benchmark for the market to which it refers; and (c) it is published in an appropriate manner, paragraph (3); exceptionally out of limitation laid down in paragraph (1) in this Article, up to 35% of fund's NAV may be invested in shares or debt securities issued by the same body when it is absolutely necessary for replication of the index and justified by exceptional market conditions, especially in regulated markets on for which a particular transferable security or money market instrument is highly dominant. Investment up to 35% of the NAV of the fund in shares or debt securities of one issuer only allowed for one issuer. Article 256 Exceptionally out of limitation laid down in Article 254, paragraph (1), Hanfa may approve an investment up to 100% of fund's NAV in transferable securities or money market instruments issued or guaranteed by the Republic of Croatia or units of local and regional self-government of the Republic of Croatia, another Member State, or units of local and regional self-government of a Member State, a third-country, or public international bodies of which one or more Member States are members, under the following conditions: (a) the protection of investors in such UCITS fund is equal to that of investors in a UCITS fund whose assets are invested in accordance with the restrictions referred to in Article 254, paragraph (1); (b) the fund's assets consists of at least six different securities or money market instruments, but the value of any single security or money market instrument does not exceed 30% of fund's NAV; and (c) the fund prospectus and any promotional material must clearly have the statement from which it is that the UCITS fund has been approved in accordance with this Article, with clearly indicated Member States, or units of local and regional self-government of a Member State, a third-country, or public international bodies of which one or more Member States are members, in whose securities and money market instruments are intended to invest more than 35% of the NAV of the fund. Article 257 (1) A maximum of 20% of the UCITS fund's NAV may be invested in units or shares of any single UCITS, on the condition that no more than 30% of the fund's NAV is invested in funds other than open-ended investment funds with a public offering. (2) The assets of the investment fund in which the UCITS fund is invested are not included in the calculations of the limit referred to in Article 254, paragraph (1). (3) UCUTS may acquire a maximum of: (a) 10% of voting shares of any single issuer, (b) 10% of non-voting shares of any single issuer, (c) 10% of debt securities issued by any single issuer, (d) 25% of units in individual investment fund, and (e) 10% of money market instruments of any single issuer. The limitations laid down in Points (c), (d), and (e) may be disregarded at the time of acquisition if it is not possible at that time to calculate the total number or value of instruments in circulation. Limitations from paragraph (1) in this Article may not apply to transferable securities and money market instruments issued or guaranteed by the Republic of Croatia, units of local and regional

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self-government of the Republic of Croatia, by other Member States, units of local and regional self-government of a Member State, a third country or by a public international body of which one or more Member States are members.

Restrictions on open-ended AIF with a public offering:
Article 12 of the Ordinance on Types of AIFs (Official Gazette Nos. 28/19, 15/20, and 155/22) regulates that the investment of an open-ended AIF with a public offering is subject to the following restrictions: (1) a maximum of 10% of the NAV of the AIF may be invested in transferable securities or money market instruments of one issuer, (2) a maximum of 20% of the NAV of the AIF may be deposited with the same credit, (3) the exposure of the AIF to counterparty risk in transactions with OTC derivatives may not exceed: (a) 10% of the NAV of the AIF, if the other counterparty is a credit institution, (b) 20% of the NAV of the AIF at the time of acquisition, if all of the following conditions are met: the other counterparty is a credit institution, it is the only OTC derivative in the AIF, the AIF may not lose more than the amount paid on the initial acquisition of the derivative, by investing in the derivative a specific investment structure or strategy is achieved (for example of a fund with a capital protection), and the prospectus and/or rules of the AIF explicitly provide for the possibility of investing in OTC derivatives up to 20% of the NAV of the AIF and all the risks that have resulted from such investment and the specific investment structure or strategy are described, and (c) 5% of the NAV of the AIF, if the other counterparty is another legal entity, (4) notwithstanding the individual restrictions prescribed in Items (1) to (3) of this paragraph, the same may not be combined and a maximum of 20% of the NAV of the fund may be invested in: (a) transferable securities or money market instruments issued by one and the same person, (b) a deposit with that person, or (c) exposures arising from transactions with OTC derivatives concluded with that person, (5) by way of derogation from Point 1 of this paragraph, a maximum of 35% of the NAV of the AIF may be invested in transferable securities or money market instruments issued or guaranteed by the Republic of Croatia or a unit of local and regional self-government of Croatia, another Member State or a unit of local and regional self-government of a Member State, a third country or a public international body to which one or more Member States belong, (6) by way of derogation from Point 1 of this paragraph, a maximum of 25% of the NAV of the AIF may be invested in covered bonds issued by credit institutions having their registered office in the Republic of Croatia or another Member State which are subject to special law for the purpose of protecting investors in bonds. If more than 5% of the net value of the AIF's assets is invested in such bonds of one issuer, the total value of such investments constituting more than 5% of the net value of the AIF's assets may not exceed 80% of the NAV of the AIF, (7) the investment restrictions referred to in Points (1) to (6) of this paragraph may not be combined and accordingly investments in: (a) transferable securities or money market instruments issued by one and the same person, (b) deposits with that person, and (c) financial derivatives issued by that person and OTC derivatives concluded with that person, executed in accordance with Items (1) to (6) of this paragraph, may not exceed a total of 35% of the NAV of the AIF, (8) A maximum of 20% of the NAV of the AIF may be invested in transferable securities and/or money market instruments issued by persons forming affiliated companies, (9) a maximum of 20% of the NAV of the AIF may be invested in other transferable securities and money market instruments referred to in Article 10 (2) (9) of the

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Ordinance on Types of AIFs (Official Gazette Nos. 28/19, 15/20, and 155/22), (10) a maximum of 10% of the NAV of the AIF may be invested in commodities traded on commodity exchange, (11) a maximum of 20% of the NAV of the AIF may be invested in real estate, (12) a maximum of 10% of the NAV of the AIF may be invested in one property (land or building) at the time of acquisition, and the total exposure to that property may be increased to a maximum of 20% of the NAV of the AIF if the increase is the consequence of rising investment values. Real estate that is adjacent to or located in the immediate vicinity of real estate from AIF assets is considered to be one real estate, (13) total value of borrowed funds, investments in other financial and shares in collective investment undertakings may not exceed 20% of the NAV of the AIF. Article 13 (1) Notwithstanding other restrictions, up to 20% of the NAV of AIF may be invested in shares or debt securities of one issuer, if the aim of the AIF's investment strategy is to replicate a particular stock index or bond index recognized by Hanfa. (2) The index must meet the following conditions: (a) its composition is sufficiently diversified in such a way that the components of the index are harmonized with the principles of risk distribution, (b) it represents an adequate reference value of the market to which it refers, and (c) it is published in an adequate manner. (3) Up to 35% of the NAV of an AIF may be invested in shares or debt securities of one issuer when strictly necessary for index replication and justified by exceptional market conditions, in particular regulated markets in which a particular transferable security or money market instrument is highly dominant. Investing up to 35% of the NAV of AIF in shares or debt securities of one issuer is allowed for only one issuer. Article 14 Up to 100% of the AIF's NAV may be invested in transferable securities and money market instruments issued or guaranteed by the Republic of Croatia or a local and regional unit (regional) self-government of the Republic of Croatia, another Member State or a unit of local and regional self-government of a third country or a public international body to which one or more Member States belong, provided: (a) the protection of investors in such AIF is equal to that of investors in AIF whose assets are invested in accordance with the restrictions referred to in Article 12 (1), (b) the assets of the AIF consist of at least six different securities or money market instruments, but the value of any single security or money market instrument does not exceed 30% of the net value of the assets of the AIF, and (c) the prospectus and promotional materials of the AIF clearly indicate the Member States, local and regional self-government units of the Member State, a third country or a public international body to which one or more Member States belong to whose securities and money market instruments is intended to invest more than 35% of the NAV of the fund. Article 15 (1) A maximum of 30% of the NAV of an AIF may be invested in units or shares of a single investment, provided a maximum of 40% of the NAV AIF may be invested in investment funds. Article 16 (1) AIF with a public offering may acquire a maximum of: (a) 10% of voting shares of one issuer, (b) 15% of non-voting shares of one issuer, (c) 15% of debt securities of one issuer, (d) 30% of the share of an individual investment fund, (e) 15% of money market instruments of one issuer, and (f) the restrictions referred to in Points (c), (d), and (e) of this paragraph may be disregarded at the time of acquisition if at that time it is not possible to calculate the total number or value of instruments in circulation. (2) The restrictions referred to in paragraph 1 of this Article do not apply to transferable securities and money market instruments issued or guaranteed by the Republic of Croatia, a unit of local and regional self-government of the Republic

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of Croatia, another Member State, a unit of local and regional self-government of a Member State, a third country or public international bodies to which one or more Member States belong.

Restrictions on the investment of a closed-ended AIF with a public offering:
Article 17 of the Ordinance on Types of AIFs (Official Gazette Nos. 28/19, 15/20, and 155/22) regulates that the investment of a closed-ended AIF with a public offering is subject to the following restrictions: (1) a maximum of 15% of the NAV of the AIF may be invested in transferable securities or money market instruments of one issuer, (2) a maximum of 20% of the NAV of the AIF may be invested in deposits with the same credit institution, taking into account the cash on the accounts, (3) the AIF's exposure to counterparty risk in transactions with OTC derivatives may not exceed: (a) 10% of the NAV of the AIF, if the other counterparty is a credit institution, (b) 20% of the NAV of the AIF at the time of acquisition, if all of the following conditions are met: the other counterparty is a credit institution, it is the only OTC derivative in the AIF, the AIF may not lose more than the amount paid on the initial acquisition of the derivative, investing in a derivative achieves a specific investment structure or strategy (such as a capital protection fund), and the prospectus and/or rules of the AIF explicitly provide for the possibility of investing in OTC derivatives up to 20% of the net value of the AIF's assets and describe any risks arising from such investment and the specific investment structure or strategy, and (c) 5% of the NAV of the AIF, if the other counterparty is another legal entity, (4) notwithstanding the individual restrictions prescribed in Items (1) to (3) of this paragraph, it may not be combined and a maximum of 20% of the NAV of the fund may be invested in: (a) transferable securities or money market instruments issued by one and the same person, (b) a deposit with that person, or (c) exposures arising from a transaction with OTC derivatives concluded with that person, (5) by way of derogation from Point (1) of this paragraph, a maximum of 35% of the NAV of the AIF may be invested in transferable securities or money market instruments issued or guaranteed by the Republic of Croatia or a unit of local and regional self-government of Croatia, another Member State or a unit of local and regional self-government of a Member State, a third country or a public international body to which one or more Member States belong, (6) by way of derogation from Point (1) of this paragraph, a maximum of 25% of the NAV of the AIF may be invested in covered bonds issued by credit institutions having their registered office in the Republic of Croatia or another Member State which are subject in accordance to a special public law to the supervision for the purpose of protecting investors in those bonds. If more than 5% of the NAV of the AIF is invested in such bonds of one issuer, the total value of such investments constituting more than 5% of the NAV of the AIF may not exceed 80% of the NAV of the AIF, (7) the investment restrictions referred to in Points (1) to (6) of this paragraph may not be combined and, therefore, investments in: (a) transferable securities or money market instruments issued by one and the same person, (b) deposits with that person, and (c) financial derivatives issued by that person and OTC derivatives concluded with that person, executed in accordance with Items (1) to (6) of this paragraph, may not exceed a total of 35% of the NAV of the AIF, (8) a maximum of 20% of the NAV of the AIF may be invested in transferable securities and/or money market instruments issued by persons forming affiliated companies, (9) a maximum of 10% of the NAV of the AIF may be invested in the commodities traded on

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commodities markets, (10) a maximum of 20% of the NAV of the AIF may be invested in real estate, (11) a maximum of 10% of the NAV of the AIF may be invested in one property (land or building) at the time of acquisition, and the total exposure to that property may be increased to a maximum of 20% of the NAV of the AIF if increase is a consequence of rising investment values. Real estate that is adjacent to or located in the immediate vicinity of real estate from AIF assets is considered to be one real estate. If the AIFM intends to invest more than 40% of the NAV of the AIF in unlisted transferable securities, the AIF name must include the words “closed-ended AIF with a public offering to invest in unlisted transferable securities.” Article 18 (1) Notwithstanding other restrictions, up to 20% of the NAV of AIF may be invested in shares or debt securities of one issuer, if the goal of the AIF’s investment strategy is to replicate a particular stock index or bond index recognized by Hanfa. Replication of the index means the replication of the underlying assets of the index, and the use of financial derivatives is permitted for this purpose. (2) The index must meet the following conditions: (a) its composition is sufficiently diversified in such a way that the components of the index are harmonized with the principles of risk distribution, (b) it represents an adequate reference value of the market to which it refers, and (c) index is published in an adequate manner. (3) By way of derogation from paragraph 1 of this Article, up to 35% of the NAV of an AIF may be invested in shares or debt securities of one issuer when strictly necessary for index replication and justified by exceptional market conditions, in particular regulated markets in which a particular transferable security or money market instrument is highly dominant. Investing up to 35% of the net value of AIF assets in shares or debt securities of one issuer is allowed for only one issuer. Article 19 Up to 100% of the AIF’s net assets may be invested in transferable securities and money market instruments issued or guaranteed by the Republic of Croatia or a local and regional unit (regional) self-government of the Republic of Croatia, another Member State or a unit of local and regional self-government of a Member State, a third country or a public international body to which one or more Member States belong, provided: (a) the protection of investors in such AIF is equal to that of investors in AIF whose assets are invested in accordance with the restrictions referred to in Article 17 (1), (b) the assets of the AIF consist of at least six different securities or money market instruments, but the value of any single security or money market instrument does not exceed 30% of the net value of the assets of the AIF, and (c) the prospectus and promotional materials of the AIF clearly indicate the Member States, local and regional self-government units of the Member State, a third country or a public international body to which one or more Member States whose securities and money market instruments are intended to invest more than 35% of the NAV of the fund. Article 20 (1) A maximum of 30% of the NAV of an AIF may be invested in units or shares of a single investment fund referred, provided a maximum of 40% of the NAV AIF may be invested in investment funds. (2) The assets of the investment fund in which the AIF has invested may not be included in the calculations of investment restrictions referred to in Article 12, paragraph 1. (3) A maximum of 10% of the NAV of the AIF may be invested in other collective investment undertakings. Article 21 (1) AIF with a public offering may acquire a maximum of: (a) 25% of voting shares of one issuer, (b) 15% of non-voting shares of one issuer, (c) 25% of debt securities of one issuer, (d) 30% of the share of an individual investment fund, (e) 15% of money market instruments of one issuer, and (f) the restrictions referred to in Points (c), (d), and (e) of this

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		paragraph may be disregarded at the time of acquisition if at that time it is not possible to calculate the total number or value of instruments in circulation. (2) The restrictions referred to in paragraph 1 of this Article do not apply to transferable securities and money market instruments issued or guaranteed by the Republic of Croatia, a unit of local and regional self-government of the Republic of Croatia, another Member State, a unit of local and regional (regional) self-government of a Member State, a third country or public international bodies to which one or more Member States belong.
Limits (min.) on investment portfolio held locally	Yes.	Article 254 (1) An UCITS fund's assets are subject to the following limits: (1) Up to 10% of fund's NAV may be invested in transferable securities and money market instruments of a single issuer, on the condition that if the value of value of transferable securities or money market instruments of a single issuer exceeds 5% of the fund's NAV, the sum of the value of these investments for all such issuers may not exceed 40% of the fund's NAV; (2) up to 20% of the fund's NAV may be deposited with a single credit institution headquartered in Croatia, another EU member or in a third country, whereby the money in the accounts is also taken into account; (3) exposures to the counterparty in transactions with OTC financial derivatives may not exceed: (a) 10% of fund's NAV if the counterparty is a credit institution headquartered in Croatia, another EU member or in a third country or (b) 5% of fund's NAV if the counterparty is other legal person (subject to prudential supervision and belongs to the categories prescribed by Hanfa); (4) limits of 40% of the fund's NAV from paragraph (1) do not apply on (a) deposits and (b) transactions with OTC financial derivatives made with other counterparties (subject to prudential supervision and belongs to the categories prescribed by Hanfa); (5) notwithstanding the individual limits laid down in Points (1) to (4), a UCITS may not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following: (a) investments in transferable securities or money market instruments issued by that body; (b) deposits made with that body; or (c) exposures arising from OTC derivative transactions undertaken with that body; (6) exceptionally out of limitation laid down in paragraph (1) in this Article, up to 35% of the fund's NAV may be invested in securities or money market instruments issued or guaranteed by the Republic of Croatia or units of local and regional self-government of the Republic of Croatia, another Member State, or units of local and regional self-government of a Member State, a third-country, or public international bodies of which one or more Member States are members. As of October 21, 2021, Act on Amendments to the Act on Open-Ended Investment Funds with a Public Offering (Official Gazette No. 110/21) amended Point (7) of this Article: exceptionally out of limitation laid down in paragraph (1) in this Article, up to 25% (previously 35%) of the fund's NAV may be invested in covered bonds issued by credit institutions (a) where the bonds are subject to the definition of covered bonds under the law governing the issue and public supervision of covered bonds; or (b) if the bonds were issued before July 8, 2022, and, at the time of issue, the requirements were met: - those bonds are issued by credit institutions having their registered office in the Republic of Croatia or another Member State that are subject to special public supervision by virtue of a specific law to protect investors in those bonds; and - the proceeds from the issuance of such bonds must be invested in accordance with the specific law in the assets that will enable the

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bond maturities to meet the obligations arising from bonds and that, in the event of default of the issuer, used primarily to pay the principal and accrued interest from those bonds.
(c) if more than 5% of the net asset value of the fund invested in such bonds of one issuer, the total value of such investments constituting more than 5% of the net asset value of the fund must not exceed 80% of the net asset value of the fund (8) the transferable securities and money market instruments referred to in Points (6) and (7) may not be taken into account for the purpose of applying the limit of 40% referred to in Point (1); (9) the limits provided for in Points (1) to (7) may not be combined, and therefore, when the UCITS fund's assets must invest in the assets specified in Points (1) to (7), a maximum of 35% of fund's NAV may be invested in: (a) investments in transferable securities or money market instruments issued by that body, (b) deposits made with that body, and (c) exposures arising from OTC derivative transactions undertaken with that body; (10) up to 20% of fund's NAV may be invested in transferable securities and money market instruments the issuers of which are persons constituting related companies, in accordance with the provisions of the legislation governing the establishment and operation of companies, in accordance with the provisions regulations governing accounting of entrepreneurs and the application of financial reporting standards, and persons who are in a close connection. These persons are considered as one person in terms of calculating the limits from Points (5) and (9) of this paragraph. Article 255 (1) Without prejudice to the limits laid down in Article 254 (1) 1. and Article 258, up to 20% of fund's NAV may be invested in shares or debt securities issued by the same body when, according to the fund rules or instruments of incorporation, the aim of the UCITS' investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by Hanfa. Index replication means replication of the underlying assets of the index, and for this purpose the use of financial derivatives is allowed. The index referred to in paragraph (1) of this Article must meet the following conditions: (a) its composition is sufficiently diversified in such a way that the components of the index are in line with the principles risk allocations referred to in paragraphs (1) and (3) of this Article; (b) the index represents an adequate benchmark for the market to which it refers; and (c) it is published in an appropriate manner, paragraph (3); exceptionally out of limitation laid down in paragraph (1) in this Article, up to 35% of fund's NAV may be invested in shares or debt securities issued by the same body when it is absolutely necessary for replication of the index and justified by exceptional market conditions, especially in regulated markets on for which a particular transferable security or money market instrument is highly dominant. Investment up to 35% of the NAV of the fund in shares or debt securities of one issuer only allowed for one issuer. Article 256 Exceptionally out of limitation laid down in Article 254, paragraph (1), Hanfa may approve an investment up to 100% of fund's NAV in transferable securities or money market instruments issued or guaranteed by the Republic of Croatia or units of local and regional self-government of the Republic of Croatia, another Member State, or units of local and regional self-government of a Member State, a third-country, or public international bodies of which one or more Member States are members, under the following conditions: (a) the protection of investors in such UCITS fund is equal to that of investors in a UCITS fund whose assets are invested in accordance with the restrictions referred to in Article 254, paragraph (1); (b) the fund's assets consists of at least six different securities or money market instruments, but the value of any single

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security or money market instrument does not exceed 30% of fund's NAV; and (c) the fund prospectus and any promotional material must clearly have the statement from which it is that the UCITS fund has been approved in accordance with this Article, with clearly indicated Member States, or units of local and regional self-government of a Member State, a third-country, or public international bodies of which one or more Member States are members, in whose securities and money market instruments are intended to invest more than 35% of the NAV of the fund. Article 257 (1) A maximum of 20% of the UCITS fund's NAV may be invested in units or shares of any single UCITS, on the condition that no more than 30% of the fund's NAV is invested in funds other than open-ended investment funds with a public offering. (2) The assets of the investment fund in which the UCITS fund are invested is not included in the calculations of the limit referred to in Article 254, paragraph (1). (3) UCUTS may acquire a maximum of: (a) 10% of voting shares of any single issuer, (b) 10% of non-voting shares of any single issuer, (c) 10% of debt securities issued by any single issuer, (d) 25% of units in individual investment fund, and (e) 10% of money market instruments of any single issuer. The limitations laid down in Points (c), (d), and (e) may be disregarded at the time of acquisition if it is not possible at that time to calculate the total number or value of instruments in circulation. Limitations from paragraph (1) in this Article may not apply to transferable securities and money market instruments issued or guaranteed by the Republic of Croatia, units of local and regional self-government of the Republic of Croatia, by other Member States, units of local and regional self-government of a Member State, a third country or by a public international body of which one or more Member States are members.

Restrictions on open-ended AIF with a public offering:
Article 12 (1) of the Ordinance on Types of AIFs (Official Gazette Nos. 28/19, 15/20, and 155/22) regulates that the investment of an open-ended AIF with a public offering is subject to the following restrictions: (1) a maximum of 10% of the NAV of the AIF may be invested in transferable securities or money market instruments of one issuer, (2) a maximum of 20% of the NAV of the AIF may be deposited with the same credit, (3) the exposure of the AIF to counterparty risk in transactions with OTC derivatives may not exceed: (a) 10% of the NAV of the AIF, if the other counterparty is a credit institution, (b) 20% of the NAV of the AIF at the time of acquisition, if all of the following conditions are met: the other counterparty is a credit institution, it is the only OTC derivative in the AIF, the AIF may not lose more than the amount paid on the initial acquisition of the derivative, by investing in the derivative a specific investment structure or strategy is achieved (for example of a fund with a capital protection), and the prospectus and/or rules of the AIF explicitly provide for the possibility of investing in OTC derivatives up to 20% of the NAV of the AIF and all the risks that have resulted from such investment and the specific investment structure or strategy are described, and (c) 5% of the NAV of the AIF, if the other counterparty is another legal entity, (4) notwithstanding the individual restrictions prescribed in Items (1) to (3) of this paragraph, the same may not be combined and a maximum of 20% of the NAV of the fund may be invested in: (a) transferable securities or money market instruments issued by one and the same person, (b) a deposit with that person, or (c) exposures arising from transactions with OTC derivatives concluded with that person, (5) by way of derogation from Point 1 of this paragraph, a maximum of 35% of the NAV of the AIF may be invested in transferable

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securities or money market instruments issued or guaranteed by the Republic of Croatia or a unit of local and regional self-government of Croatia, another Member State or a unit of local and regional self-government of a Member State, a third country or a public international body to which one or more Member States belong, (6) by way of derogation from Point (1) of this paragraph, a maximum of 25% of the NAV of the AIF may be invested in covered bonds issued by credit institutions having their registered office in the Republic of Croatia or another Member State which are subject to special law for the purpose of protecting investors in bonds. If more than 5% of the net value of the AIF's assets is invested in such bonds of one issuer, the total value of such investments constituting more than 5% of the net value of the AIF's assets may not exceed 80% of the NAV of the AIF, (7) the investment restrictions referred to in Points (1) to (6) of this paragraph may not be combined and accordingly investments in: (a) transferable securities or money market instruments issued by one and the same person, (b) deposits with that person, and (c) financial derivatives issued by that person and OTC derivatives concluded with that person, executed in accordance with Items (1) to (6) of this paragraph, may not exceed a total of 35% of the NAV of the AIF, (8) A maximum of 20% of the NAV of the AIF may be invested in transferable securities and/or money market instruments issued by persons forming affiliated companies, (9) a maximum of 20% of the NAV of the AIF may be invested in other transferable securities and money market instruments referred to in Article 10 (2) (9) of the Ordinance on Types of AIFs (Official Gazette Nos. 28/19, 15/20, and 155/22), (10) a maximum of 10% of the NAV of the AIF may be invested in commodities traded on commodity exchange, (11) a maximum of 20% of the NAV of the AIF may be invested in real estate, (12) A maximum of 10% of the NAV of the AIF may be invested in one property (land or building) at the time of acquisition, and the total exposure to that property may be increased to a maximum of 20% of the NAV of the AIF if the increase is the consequence of rising investment values. Real estate that is adjacent to or located in the immediate vicinity of real estate from AIF assets is considered to be one real estate, (13) total value of borrowed funds, investments in other financial and shares in collective investment undertakings may not exceed 20% of the NAV of the AIF. Article 13 (1) Notwithstanding other restrictions, up to 20% of the NAV of AIF may be invested in shares or debt securities of one issuer, if the aim of the AIF's investment strategy is to replicate a particular stock index or bond index recognized by Hanfa. (2) The index must meet the following conditions: (a) its composition is sufficiently diversified in such a way that the components of the index are harmonized with the principles of risk distribution, (b) it represents an adequate reference value of the market to which it refers, and (c) it is published in an adequate manner. (3) Up to 35% of the NAV of an AIF may be invested in shares or debt securities of one issuer when strictly necessary for index replication and justified by exceptional market conditions, in particular regulated markets in which a particular transferable security or money market instrument is highly dominant. Investing up to 35% of the NAV of AIF in shares or debt securities of one issuer is allowed for only one issuer. Article 14 Up to 100% of the AIF's NAV may be invested in transferable securities and money market instruments issued or guaranteed by the Republic of Croatia or a local and regional unit (regional) self-government of the Republic of Croatia, another Member State or a unit of local and regional self-government of a third country or a public international body to which one or more Member States belong, provided: (a) the protection of investors in such AIF is equal

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to that of investors in AIF whose assets are invested in accordance with the restrictions referred to in Article 12 (1), (b) the assets of the AIF consist of at least six different securities or money market instruments, but the value of any single security or money market instrument does not exceed 30% of the net value of the assets of the AIF, and (c) the prospectus and promotional materials of the AIF clearly indicate the Member States, local and regional self-government units of the Member State, a third country or a public international body to which one or more Member States belong to whose securities and money market instruments is intended to invest more than 35% of the NAV of the fund. Article 15 (1) A maximum of 30% of the NAV of an AIF may be invested in units or shares of a single investment, provided a maximum of 40% of the NAV AIF may be invested in investment funds. Article 16 (1) AIF with a public offering may acquire a maximum of: (a) 10% of voting shares of one issuer, (b) 15% of non-voting shares of one issuer, (c) 15% of debt securities of one issuer, (d) 30% of the share of an individual investment fund, (e) 15% of money market instruments of one issuer, and (f) the restrictions referred to in Points (c), (d), and (e) of this paragraph may be disregarded at the time of acquisition if at that time it is not possible to calculate the total number or value of instruments in circulation. (2) The restrictions referred to in paragraph 1 of this Article do not apply to transferable securities and money market instruments issued or guaranteed by the Republic of Croatia, a unit of local and regional self-government of the Republic of Croatia, another Member State, a unit of local and regional self-government of a Member State, a third country or public international bodies to which one or more Member States belong.

Restrictions on the investment of a closed-ended AIF with a public offering:
Article 17 (1) of the Ordinance on Types of AIFs (Official Gazette Nos. 28/19, 15/20, and 155/22) regulates that the investment of a closed-ended AIF with a public offering is subject to the following restrictions: (1) a maximum of 15% of the NAV of the AIF may be invested in transferable securities or money market instruments of one issuer, (2) a maximum of 20% of the NAV of the AIF may be invested in deposits with the same credit institution, taking into account the cash on the accounts, (3) the AIF's exposure to counterparty risk in transactions with OTC derivatives may not exceed: (a) 10% of the NAV of the AIF, if the other counterparty is a credit institution, (b) 20% of the NAV of the AIF at the time of acquisition, if all of the following conditions are met: the other counterparty is a credit institution, it is the only OTC derivative in the AIF, the AIF may not lose more than the amount paid on the initial acquisition of the derivative, investing in a derivative achieves a specific investment structure or strategy (such as a capital protection fund), and the prospectus and/or rules of the AIF explicitly provide for the possibility of investing in OTC derivatives up to 20% of the net value of the AIF's assets and describe any risks arising from such investment and the specific investment structure or strategy, and (c) 5% of the NAV of the AIF, if the other counterparty is another legal entity, (4) notwithstanding the individual restrictions prescribed in Items (1) to (3) of this paragraph, it may not be combined and a maximum of 20% of the NAV of the fund may be invested in: (a) transferable securities or money market instruments issued by one and the same person, (b) a deposit with that person, or (c) exposures arising from a transaction with OTC derivatives concluded with that person, (5) by way of derogation from Point (1) of this paragraph, a maximum of 35% of the NAV of the AIF may be

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invested in transferable securities or money market instruments issued or guaranteed by the Republic of Croatia or a unit of local and regional self-government of Croatia, another Member State or a unit of local and regional self-government of a Member State, a third country or a public international body to which one or more Member States belong, (6) by way of derogation from Point 1 of this paragraph, a maximum of 25% of the NAV of the AIF may be invested in covered bonds issued by credit institutions having their registered office in the Republic of Croatia or another Member State which are subject in accordance to a special public law to the supervision for the purpose of protecting investors in those bonds. If more than 5% of the NAV of the AIF is invested in such bonds of one issuer, the total value of such investments constituting more than 5% of the NAV of the AIF may not exceed 80% of the NAV of the AIF, (7) the investment restrictions referred to in Points (1) to (6) of this paragraph may not be combined and, therefore, investments in: (a) transferable securities or money market instruments issued by one and the same person, (b) deposits with that person, and (c) financial derivatives issued by that person and OTC derivatives concluded with that person, executed in accordance with Items (1) to (6) of this paragraph, may not exceed a total of 35% of the NAV of the AIF, (8) A maximum of 20% of the NAV of the AIF may be invested in transferable securities and/or money market instruments issued by persons forming affiliated companies, (9) a maximum of 10% of the NAV of the AIF may be invested in the commodities traded on commodities markets, (10) a maximum of 20% of the NAV of the AIF may be invested in real estate, (11) a maximum of 10% of the NAV of the AIF may be invested in one property (land or building) at the time of acquisition, and the total exposure to that property may be increased to a maximum of 20% of the NAV of the AIF if increase is a consequence of rising investment values. Real estate that is adjacent to or located in the immediate vicinity of real estate from AIF assets is considered to be one real estate. If the AIFM intends to invest more than 40% of the NAV of the AIF in unlisted transferable securities, the AIF name must include the words “closed-ended AIF with a public offering to invest in unlisted transferable securities.” Article 18 (1) Notwithstanding other restrictions, up to 20% of the NAV of AIF may be invested in shares or debt securities of one issuer, if the goal of the AIF’s investment strategy is to replicate a particular stock index or bond index recognized by Hanfa. Replication of the index means the replication of the underlying assets of the index, and the use of financial derivatives is permitted for this purpose. (2) The index must meet the following conditions: (a) its composition is sufficiently diversified in such a way that the components of the index are harmonized with the principles of risk distribution, (b) it represents an adequate reference value of the market to which it refers, and (c) index is published in an adequate manner. (3) By way of derogation from paragraph 1 of this Article, up to 35% of the NAV of an AIF may be invested in shares or debt securities of one issuer when strictly necessary for index replication and justified by exceptional market conditions, in particular regulated markets in which a particular transferable security or money market instrument is highly dominant. Investing up to 35% of the net value of AIF assets in shares or debt securities of one issuer is allowed for only one issuer. Article 19 Up to 100% of the AIF’s net assets may be invested in transferable securities and money market instruments issued or guaranteed by the Republic of Croatia or a local and regional unit (regional) self-government of the Republic of Croatia, another Member State or a unit of local and regional self-government of a Member State, a third country or a public international body to

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		which one or more Member States belong, provided: (a) the protection of investors in such AIF is equal to that of investors in AIF whose assets are invested in accordance with the restrictions referred to in Article 17 (1), (b) the assets of the AIF consist of at least six different securities or money market instruments, but the value of any single security or money market instrument does not exceed 30% of the net value of the assets of the AIF, and (c) the prospectus and promotional materials of the AIF clearly indicate the Member States, local and regional self-government units of the Member State, a third country or a public international body to which one or more Member States whose securities and money market instruments are intended to invest more than 35% of the NAV of the fund. Article 20 (1) A maximum of 30% of the NAV of an AIF may be invested in units or shares of a single investment fund referred, provided a maximum of 40% of the NAV AIF may be invested in investment funds. (2) The assets of the investment fund in which the AIF has invested may not be included in the calculations of investment restrictions referred to in Article 12, paragraph 1. (3) A maximum of 10% of the NAV of the AIF may be invested in other collective investment undertakings. Article 21 (1) AIF with a public offering may acquire a maximum of: (a) 25% of voting shares of one issuer, (b) 15% of non-voting shares of one issuer, (c) 25% of debt securities of one issuer, (d) 30% of the share of an individual investment fund, (e) 15% of money market instruments of one issuer, and (f) the restrictions referred to in Points (c), (d), and (e) of this paragraph may be disregarded at the time of acquisition if at that time it is not possible to calculate the total number or value of instruments in circulation. (2) The restrictions referred to in paragraph 1 of this Article do not apply to transferable securities and money market instruments issued or guaranteed by the Republic of Croatia, a unit of local and regional self-government of the Republic of Croatia, another Member State, a unit of local and regional (regional) self-government of a Member State, a third country or public international bodies to which one or more Member States belong.
Currency-matching regulations on assets/liabilities composition	Yes.	Investment of a fund's assets must take into account the liability maturity of the fund. If the sum of an investment firm's overall net foreign exchange position exceeds 2% of its total own funds, the investment firm must calculate an own funds requirement for foreign exchange risk according to Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on Prudential Requirements for Credit Institutions and Investment Firms.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic	n.r.

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CBDC—retail and/or wholesale	
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.

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For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

Exchange Arrangement

Currency	*01/01/2023*	The currency of Croatia is the euro. Previously, the currency was the Croatian kuna.
Classification		
Free floating	*01/01/2023*	The de jure exchange rate arrangement changed from a pegged exchange rate with horizontal bands to free floating. The de facto exchange rate arrangement was reclassified from a stabilized arrangement to free floating.
Official exchange rate	*01/01/2023*	The reference rate is the one published by the ECB. The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of CBs. The euro foreign exchange reference rates are determined by the ECB daily at 14:10 Central European Time, and are published at around 16:00 Central European Time. The reference rates against the euro are the averages of the buying and selling rates. Previously, the reference exchange rate published daily by the Croatian National Bank (CNB) was based on the stipulated turnover and foreign currency exchange rates in the foreign exchange market. The euro–kuna midpoint exchange rate was the arithmetic mean of the weighted buying and selling exchange rates of banks. The reference exchange rate was used by market participants for accounting and statistical purposes and for banks' transactions with consumers that

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		include currency clause.
Monetary policy framework		
Other monetary framework	*07/12/2022*	The EC adopted the Decision on the adoption by Croatia of the euro on January 1, 2023, amendments to the regulation according to which Croatia becomes the 20th member of the euro area and the regulation determining a fixed conversion rate between the euro and the kuna at: 7.53450 kuna per 1 euro. Previously, Croatia joined the ERM II with the central rate of the Croatian kuna at 1 euro = 7.53450 kuna and the standard fluctuation band of ±15% of the central rate.
	01/01/2023	The Croatian National Bank implemented the Eurosystem monetary policy framework. Previously, the monetary policy framework was based on an exchange rate anchor vis-à-vis the euro.
Foreign exchange market		
Spot exchange market		
Operated by the central bank		
Auction	*01/01/2023*	Following the adoption of the euro, the Croatian National Bank (CNB) does not conduct foreign exchange auctions. Previously, the CNB can conduct ERM II interventions intra-marginal and at the margin to maintain the exchange rate within the standard fluctuation band of ±15% of the central rate of 1 euro = 7.53450 kuna.

Arrangements for Payments and Receipts

Prescription of currency requirements		
Use of foreign exchange among residents	*01/01/2023*	Restrictions related to payments in foreign means of payment between nonresidents and residents have been lifted. Previously, under the Foreign Exchange Act, capital transactions were not restricted, nevertheless, payments and collections in the Republic of Croatia in foreign exchange between residents and nonresidents were not allowed in the case of purchase and sale of real estate in the Republic of Croatia, stakes in companies headquartered in the Republic of Croatia, and securities listed or issued in the Republic of Croatia, irrespective of their denomination in kuna or in foreign exchange, except securities issued in the Republic of Croatia which were listed in another country. In other words, according to the Foreign Exchange Act and Capital Markets Act, nonresidents were not allowed to pay directly in foreign exchange but were allowed to convert foreign exchange to kuna freely for purchases of real estate, company stakes, and securities.
Administration of control	*01/01/2023*	Following the adoption of the euro, the Croatian National Bank is an integral part of the European System of Central Banks.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*01/01/2023*	Following the adoption of the euro, restrictions related to payments in foreign means of payment between residents have been lifted. Previously, transactions related to foreign exchange accounts or foreign exchange savings deposit accounts including deposits and withdrawals of cash, as well as payments and transfers, were in accordance with foreign exchange regulations. Transfers of foreign exchange from one resident natural person's foreign exchange account to the account of another resident natural person who is the legitimate representative of the holder of the account or the custodian of the account were permitted. Residents may freely transfer abroad balances on these accounts.

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Nonresident Accounts

Domestic currency accounts	*01/01/2023*	Nonresidents may open euro accounts and euro savings accounts with fully licensed banks in Croatia. Previously, such accounts were denominated in kuna.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*08/10/2022*	The reserve requirement applied to deposits in domestic and foreign currency was lowered to 5% from 9%.
	12/14/2022	The reserve requirement rate was reduced to 1% from 5%. The kuna component had to be entirely maintained by the average daily balance in the bank's settlement accounts, while the foreign exchange component had to entirely be maintained by the average daily balance of funds in bank's own foreign exchange (euro) settlement accounts in Croatian component of TARGET2.
	01/01/2023	Following the adoption of the euro, the reserve requirement of the HNB was abolished and was replaced by the minimum reserve requirement framework of the ECB.
Liquid asset requirements	*08/01/2022*	8.5% of foreign exchange liabilities (minimum required amount of foreign currency claims) had to be covered by short-term foreign exchange assets with maturity of less than three months. (Previously, minimum required amount of foreign currency claims of 17% applied.)
	12/31/2022	The requirement to cover foreign exchange liabilities by short-term foreign exchange assets ceased to have effect.

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CURAÇAO AND SINT MAARTEN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022. The IMF staff report for the 2022 Article IV Consultation Discussion with Curaçao and Sint Maarten states that as of July 11, 2022, the limitation on distribution of dividends or profits to nonresidents that gave rise to an exchange restriction under Article VIII, Section 2(a) of the IMF's Articles of Agreement was eliminated effective January 1, 2022. (Country Report No. 22/270)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	The consolidated list of persons, groups, and entities subject to EU financial sanctions is applicable in Curaçao and Sint Maarten. The EU implements all sanctions adopted by the UNSC. Hence, aforementioned list includes among others the (financial) sanctions pursuant to UNSC resolutions.

Exchange Arrangement

Currency	Yes.	The currency of Curaçao and Sint Maarten is the Netherlands Antillean guilder.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement. Official buying and selling rates for certain other currencies are set daily on the basis of rates of the US dollar abroad. The current peg was established in a national decree on December 24, 1971.
Stabilized arrangement		

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Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The guilder is pegged to the US dollar, the intervention currency, at NA f. 1.79 per US dollar. The official selling rate is NA f. 1.82 per US dollar. This rate includes a 1% license fee on purchases of foreign exchange. Customs applies a rate of 1.82, and a rate of 1.79 is used for valuation. The council of ministers is authorized to make changes to the exchange rate arrangement.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar. Official reserves (excluding gold) must be sufficient to cover three months of goods and services imports.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		

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Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	There is no exchange tax, but a license fee of 1% applies to all transfers to nonresidents.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Eight local banks and three money transfer companies have been licensed by the Central Bank of Curaçao and Sint Maarten (CBCS) to deal in foreign exchange with the public. For transactions exceeding NA f. 25,000, the banks may determine the buying and selling rates themselves and for transactions up to NA f. 25,000, the official rates published by the CBCS have to be used. The banks can freely determine their foreign exchange commissions with their clients.
Spot exchange market	Yes.	Foreign exchange bureaus are permitted to operate in Curaçao and Sint Maarten, conditioned on the terms of the license. However, no foreign exchange bureau is active yet. Foreign exchange bureaus cannot make foreign exchange transactions directly with the CB; they are required to have a local or foreign bank account. Foreign bank accounts must be established in a jurisdiction with membership of the FATF or Caribbean FATF and sufficiently comply with their recommendations. The types of transactions they can affect are limited to currency exchange services. Foreign currency payments and transfers are done by banks and money transfer companies. Foreign exchange bureaus are not allowed to determine freely their bid-ask spread. In accordance with Article 9 sub 8 of the National Ordinance on the Central Bank, the CBCS fixes the exchange rates for foreign exchange transactions.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The CBCS buys and sells US dollars and other officially published

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		currencies from/to foreign exchange banks, the government, and other parties. Other parties are institutions with accounts at the CBCS (for example, the public pension fund and the Social Security Bank). The buying and selling rates of US dollars are NA f. 1.7895/1.7905 for foreign exchange banks, NA f. 1.78/1.8018 for the government, and NA f. 1.78/1.82 for other parties.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is an interbank foreign exchange market in which 8 licensed foreign exchange banks may trade among themselves at freely determined rates. Trading takes place through Reuters and sometimes through OTC transactions. The CBCS sets foreign exchange rates for amounts up to NA f. 25,000. Larger transactions take place directly in the foreign exchange market via Reuters or Bloomberg platforms or over the counter. The CBCS does not intervene.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.
Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.
Barter agreements and open accounts	No.

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Administration of control	Yes.	The CBCS issues foreign exchange licenses, and the MOF issues import licenses. Authorized banks may provide foreign exchange for all current transactions without approval of the CBCS.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	Exports and imports of banknotes equal to or exceeding the equivalent of NA f. 20,000 must be declared to customs. Control is exercised on the basis of suspicious behavior of travelers and on a random basis.
On exports	Yes.	
Domestic currency	Yes.	Exports of domestic currency are prohibited, except for travel purposes.
Foreign currency	Yes.	Nonresidents may take with them on departure any foreign currency they brought in, although amounts exceeding the equivalent of NA f. 20,000 must be declared to customs.
On imports	Yes.	Control is exercised on the basis of suspicious behavior of travelers and on a random basis.
Domestic currency	Yes.	Travelers must declare imports of currency exceeding NA f. 20,000 to customs.
Foreign currency	Yes.	Travelers must declare imports of currency exceeding the equivalent of NA f. 20,000 to customs.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Resident individuals may open foreign exchange accounts without a special license. Resident companies need a license from the CBCS to open these accounts abroad.
Held domestically	No.	Effective January 1, 2022, there are no restrictions on these accounts. Previously the CBCS resumed granting foreign exchange licenses for transactions that resulted in an outflow of foreign exchange for amounts up to NA f. 300,000. A foreign exchange license is required for transaction amounts of NA f. 150,000–300,000. Prior to that as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS introduced a capital restriction, implying that no foreign exchange license would be granted for outward transaction amounts of NA f. 150,000 or higher until further notice.
Approval required	No.	
Held abroad	Yes.	Effective January 1, 2022, for transfers by individuals to their private foreign bank account a foreign exchange license is required to exceed the limit of NA f. 250,000 a year of the sum of the transfers by individuals to their private foreign bank account. Previously, as of October 1, 2021, for transfers by individuals to their private foreign bank account a foreign exchange license is required for transaction amounts of NA f. 150,000–300,000 and the annual limit for the sum of the transfers of NA f. 250,000 may be exceeded to a maximum of NA f. 300,000 with a foreign exchange license.

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		Effective January 1, 2022, for transfers by legal entities to own foreign bank account and to current account with foreign-related companies no foreign exchange license is required. However, resident companies need a license from the CBCS to open and maintain these accounts abroad. Previously, as of October 1, 2021, for transfers by legal entities to own foreign bank account and to current account with foreign-related companies transactions amounts up to NA f. 300,000 were allowed. A foreign exchange license is required for transaction amounts of NA f. 150,000–300,000. Resident companies must report the transactions through their accounts abroad on a quarterly basis. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS introduced a capital restriction, implying that, until further notice, no foreign exchange license would be granted for outward transaction amounts of NA f. 150,000 or higher including for transfers to own foreign bank account by legal entities as well as transfers by individuals to their private foreign bank account. In addition, no foreign exchange license would be granted, until further notice, for exceeding the limit of NA f. 250,000 a year of the sum of the transfers by individuals to their private foreign bank account.
Approval required	Yes.	Approval is required only for resident companies.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	Domestic currency accounts are permitted, but approval is required for balances exceeding NA f. 250,000.
Convertible into foreign currency	Yes.	
Approval required	Yes.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.

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Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	No.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Imported goods are subject to tariffs and levies. Goods for which locally produced substitutes are not available are not subject to import surcharges.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Most types of current invisible payments and remittances may be made freely.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	These transactions are subject to certain conditions.
Prior approval	Yes.	Companies must submit their financial statements to the CBCS for verification of the actual profits and dividends recorded before they may remit them. The distribution of profits and dividends does not require a license if the transaction amount is less than NA f. 150,000.
Quantitative limits	No.	As of October 1, 2021, a license from the CBCS is required for amounts of NA f. 150,000 or more and the previously imposed restriction on outward transactions of amounts NA f. 150,000 or higher was eliminated. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS introduced a capital restriction, implying that no foreign exchange license would be granted for outward transaction amounts of NA f. 150,000 or higher until further notice, including for distribution of dividends and profits to nonresidents. No license is required for amounts lower than NA f. 150,000.
Indicative limits/bona fide test	Yes.	As of October 1, 2021, a license from the CBCS is required for amounts of NA f. 150,000 or more and the previously imposed restriction on outward transactions of amounts NA f. 150,000 or higher was eliminated. Profit must be demonstrated from the annual financial statements. Previously, as of March 20, 2020, the indicative limit was replaced with a quantitative limit. Because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS introduced a capital restriction on March 20, 2020, implying that no foreign exchange license would be granted for outward transaction amounts of NA f. 150,000 or higher until further notice, including for distribution of dividends and profits to nonresidents. No license is required for amounts lower than NA f. 150,000.
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS introduced a capital restriction on March 20, 2020, implying that no foreign exchange license will be granted for outward transaction amounts of NA f. 150,000 or higher until further notice. Foreign exchange licenses for inward transaction amounts of NA f. 150,000 or higher continue to be granted. This restriction was eased on October 1, 2021, and repealed on January 1, 2022.
On capital market securities	Yes.	There are licensing requirements for most capital market transactions. Licenses are granted by the CBCS.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or

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		more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Sale or issue locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license to residents for outward capital transaction including to purchase securities issued by nonresidents for NA f. 150,000 or higher amounts until further notice.
Purchase abroad by residents	Yes.	Effective January 1, 2022, the general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions by residents up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. In addition, investments abroad by pension funds and insurance companies were allowed to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS and a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. An implicit maximum is in effect for investments abroad by insurance companies and pension funds as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Sale or issue abroad by residents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for

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		outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Bonds or other debt securities	Yes.	There are licensing requirements for most capital market transactions. Licenses are granted by the CBCS.
Purchase locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Sale or issue locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license to residents for outward capital transaction including to purchase securities issued by nonresidents for NA f. 150,000 or higher amounts until further notice.
Purchase abroad by residents	Yes.	Effective January 1, 2022, the general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions by residents up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. In addition, investments abroad by pension funds and insurance companies were allowed to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS and a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. An implicit maximum is in effect for investments abroad by insurance companies and pension funds as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Sale or issue abroad by residents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per

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		transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
On money market instruments	Yes.	There are licensing requirements for most capital market transactions. Licenses are granted by the CBCS.
Purchase locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Sale or issue locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license to residents for outward capital transaction including to purchase securities issued by nonresidents for NA f. 150,000 or higher amounts until further notice.
Purchase abroad by residents	Yes.	Effective January 1, 2022, the general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions by residents up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. In addition, investments abroad by pension funds and insurance companies were allowed to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS and a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.

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		An implicit maximum is in effect for investments abroad by insurance companies and pension funds as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Sale or issue abroad by residents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
On collective investment securities	Yes.	There are licensing requirements for most capital market transactions. Licenses are granted by the CBCS.
Purchase locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Sale or issue locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license to residents for outward capital transaction including to purchase securities issued by nonresidents for NA f. 150,000 or higher amounts until further notice.
Purchase abroad by residents	Yes.	Effective January 1, 2022, the general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions by residents up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. In addition, investments abroad by pension funds and insurance companies were allowed to a maximum of 0.25% of the

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		provisions and liabilities in 2019 as reported to the CBCS and a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. An implicit maximum is in effect for investments abroad by insurance companies and pension funds as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Sale or issue abroad by residents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Controls on derivatives and other instruments	Yes.	There are licensing requirements for most capital market transactions. Licenses are granted by the CBCS.
Purchase locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Sale or issue locally by nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license to residents for outward capital transaction including to purchase securities issued by nonresidents for NA f. 150,000 or higher amounts until further notice.
Purchase abroad by residents	Yes.	Effective January 1, 2022, the general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the

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		CBCS were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions by residents up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. In addition, investments abroad by pension funds and insurance companies were allowed to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS and a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. An implicit maximum is in effect for investments abroad by insurance companies and pension funds as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Sale or issue abroad by residents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Controls on credit operations	Yes.	Credit operations require licenses, which are normally granted.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
To residents from nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the

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		CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice, including for early redemption of loans received. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
To residents from nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice, including for early redemption of loans received. Foreign exchange licenses for inward transaction of NA f. 150,000 or higher amounts continued to be granted.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
To residents from nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice foreign exchange licenses for inward transaction

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		of NA f. 150,000 or higher amounts continued to be granted.
Controls on direct investment	Yes.	Investments require licenses, which are normally granted. Capital transactions between parent companies and subsidiaries do not require a license if the transaction amount is less than NA f. 150,000.
Outward direct investment	Yes.	Effective January 1, 2022, the general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions by residents up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. In addition, investments abroad by pension funds and insurance companies were allowed to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS and a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. An implicit maximum is in effect for investments abroad by insurance companies and pension funds as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Inward direct investment	Yes.	The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Controls on liquidation of direct investment	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. No license is required for real estate investments. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
Purchase locally by nonresidents	No.	

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Sale locally by nonresidents	No.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. No license is required for real estate investments. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. The suspension only applied if the sale was to a resident.
Controls on personal capital transactions	Yes.	There are licensing requirements for most capital market transactions. Licenses are granted by the CBCS.
Loans	Yes.	
By residents to nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
To residents from nonresidents	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice, including for early redemption of loans received.
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
Transfer of assets	Yes.	

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Transfer abroad by emigrants	Yes.	Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
Transfer into the country by immigrants	Yes.	The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Commercial banks need a license only if these transactions involve local currency. Loans do not require a license if the transaction amount is less than NA f. 150,000.
Maintenance of accounts abroad	Yes.	Credit institutions other than commercial banks need a license from the CBCS to open and maintain these accounts. Transactions through these accounts must be reported on a quarterly basis.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial banks need a license if these transactions involve local currency. Effective January 1, 2022, the limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. Loans do not require a license if the transaction amount is less than NA f. 150,000.
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	Nonresidents' deposits with local banks are not subject to reserve

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		requirements.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	CBCS approval is required for the acquisition by resident banks of more than 20% of the shares of other companies, bank or nonbank, domestic or abroad. The CBCS can attach conditions to the approval.
In banks by nonresidents	Yes.	Prior approval of the CBCS is required pursuant to the National Ordinance on the Supervision of Bank and Credit Institutions; a natural person (resident or nonresident) may not without approval directly or indirectly control or hold more than 5% of the credit institution's capital; the total of individual shareholding by natural persons may not without approval exceed 25% of the credit institution's total share capital.
Open foreign exchange position limits	Yes.	Banks are not allowed to have negative net foreign asset positions. Negative positions are subject to penalties.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	Yes.	Banks are not allowed to have negative net foreign asset positions. Negative positions are subject to penalties.
Provisions specific to institutional investors	Yes.	Funds received from the redemption of debt by the Dutch government may be invested entirely abroad.
Insurance companies	Yes.	Insurance companies, under certain conditions, may invest with nonresidents amounts equal to the amount invested in qualifying local investments (50%:50%). Deviations from these limits are allowed but carry a penalty.
Limits (max.) on securities issued by nonresidents	Yes.	Effective January 1, 2022, the limit on investments abroad by insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, investments abroad by insurance companies were allowed to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS and a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. An implicit maximum is in effect for investments abroad as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Limits (max.) on investment portfolio held abroad	Yes.	Effective January 1, 2022, the limit on investments abroad by insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, investments abroad by insurance companies were allowed to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS and a foreign

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		exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. An implicit maximum is in effect for investments abroad as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Limits (min.) on investment portfolio held locally	Yes.	The limits are 40% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 60% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Currency-matching regulations on assets/liabilities composition	Yes.	There must be sufficient assets in a particular currency to cover the liabilities in that currency. (Currency exposure is not allowed.)
Pension funds	Yes.	Pension funds, under certain conditions, may invest with nonresidents amounts equal to the amount invested in qualifying local investments (50%:50%). Deviations from these limits are allowed but carry a penalty.
Limits (max.) on securities issued by nonresidents	Yes.	Effective January 1, 2022, the limit on investments abroad by pension funds up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, investments abroad by pension funds were allowed to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS and a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. An implicit maximum is in effect for investments abroad as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Limits (max.) on investment portfolio held abroad	Yes.	Effective January 1, 2022, the limit on investments abroad by pension funds up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, investments abroad by pension funds were allowed to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the CBCS and a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice. An implicit maximum is in effect for investments abroad as dictated by minimum local investment requirements. Investments abroad are limited to 60% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 40% of additional amounts of the total provisions and liabilities. Deviations from these limits are

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		allowed but carry a penalty.
Limits (min.) on investment portfolio held locally	Yes.	The limits are 40% of the first NA f. 10 million, 50% of the next NA f. 10 million, and 60% of additional amounts of the total provisions and liabilities. Deviations from these limits are allowed but carry a penalty.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Effective January 1, 2022, the general limit of NA f. 300,000 on residents' outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions by residents up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
Limits (max.) on investment portfolio held abroad	Yes.	Effective January 1, 2022, the general limit of NA f. 300,000 on residents' outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more. Previously, as of October 1, 2021, outward transactions by residents up to NA f. 300,000 were allowed. A foreign exchange license was required for transactions amounts of NA f. 150,000 up to NA f. 300,000. Previously, as of March 20, 2020, because of the potential negative impact of the COVID-19 crisis on foreign exchange reserves, the CBCS suspended the granting of foreign exchange license for outward capital transactions for NA f. 150,000 or higher amounts until further notice.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.

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Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.

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Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

Exchange Measures

Restrictions and/or multiple currency practices	*01/01/2022*	Curaçao and Sint Maarten eliminated an exchange restriction on the limitation on distribution of dividends or profits to nonresidents.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*01/01/2022*	There are no restrictions on these accounts.
Held abroad	*01/01/2022*	For transfers by legal entities to own foreign bank account and to current account with foreign-related companies, a foreign exchange license is required for transaction amounts of NA f. 150,000 or more.
	01/01/2022	For transfers by individuals to their private foreign bank account a foreign exchange license is required for transaction amounts of NA f. 150,000 or more. Central Bank of Curaçao and Sint Maarten approval is required to exceed the limit of NA f. 250,000 a year of the sum of the transfers by individuals to their private foreign bank account.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

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	01/01/2022	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Purchase abroad by residents	*01/01/2022*	The general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue abroad by residents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Bonds or other debt securities		
Purchase locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Purchase abroad by residents	*01/01/2022*	The general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue abroad by residents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
On money market instruments		
Purchase locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Purchase abroad by residents	*01/01/2022*	The general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue abroad by residents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
On collective investment securities		
Purchase locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Purchase abroad by residents		

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	01/01/2022	The general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue abroad by residents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Controls on derivatives and other instruments		
Purchase locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Purchase abroad by residents	*01/01/2022*	The general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten were eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Sale or issue abroad by residents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Controls on credit operations		
Commercial credits		
By residents to nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
To residents from nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Financial credits		
By residents to nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
To residents from nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Guarantees, sureties, and financial backup facilities		
By residents to nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
To residents from nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Controls on direct investment		
Outward direct investment	*01/01/2022*	The general limit of NA f. 300,000 on residents' outward transactions and the limit on investments abroad by pension funds and insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten were eliminated. The resident must request a license per

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		transaction with a nonresident if the amount is NA f. 150,000 or more.
Controls on liquidation of direct investment	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Controls on real estate transactions		
Purchase abroad by residents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. No license is required for real estate investments.
Sale locally by nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. No license is required for real estate investments.
Controls on personal capital transactions		
Loans		
By residents to nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
To residents from nonresidents	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Settlement of debts abroad by immigrants	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Transfer of assets		
Transfer abroad by emigrants	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending to nonresidents (financial or commercial credits)	*01/01/2022*	The limit of NA f. 300,000 on outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Provisions specific to institutional investors		
Insurance companies		
Limits (max.) on securities issued by nonresidents	*01/01/2022*	The limit on investments abroad by insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Limits (max.) on investment portfolio held abroad	*01/01/2022*	The limit on investments abroad by insurance companies up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Pension funds		
Limits (max.) on securities issued by nonresidents	*01/01/2022*	The limit on investments abroad by pension funds up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Limits (max.) on investment portfolio held abroad	*01/01/2022*	The limit on investments abroad by pension funds up to a maximum of 0.25% of the provisions and liabilities in 2019 as reported to the Central Bank of Curaçao and Sint Maarten was eliminated. The

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		resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Investment firms and collective investment funds		
Limits (max.) on securities issued by nonresidents	*01/01/2022*	The general limit of NA f. 300,000 on residents' outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.
Limits (max.) on investment portfolio held abroad	*01/01/2022*	The general limit of NA f. 300,000 on residents' outward transactions was eliminated. The resident must request a license per transaction with a nonresident if the amount is NA f. 150,000 or more.

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CYPRUS

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 21, 1961.
Article VIII	Yes.	Date of acceptance: January 9, 1991.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with the relevant regulations of the EC and solely for the preservation of national or international security, Cyprus maintains restrictive measures (sanctions) related to Afghanistan, Belarus, Bosnia and Herzegovina, Burundi, Central African Republic, Democratic Republic of the Congo, Guinea (Conakry), Guinea-Bissau, Haiti, the Islamic Republic of Iran (as amended), Iraq, Democratic People's Republic of Korea (as amended), Lebanon, Libya, Mali, Myanmar, Russia, Somalia, South Sudan, Sudan, Syria, groups associated with terrorism (foreign organizations associated with terrorism, including Al-Qaida and ISIL (Da'esh)), Tunisia, Ukraine, Venezuela, Yemen, Yugoslavia (Serbia and Montenegro), and Zimbabwe.
Other security restrictions	Yes.	Restrictive measures against the proliferation and use of chemical weapons are in force, pursuant to Regulation (EU) No. 2018/1542. These measures are in line with UNSC Resolutions No. 1540 (2004), 2118 (2013), 2209 (2015), 2235 (2015), and 2325 (2016). The measures include freezing of financial assets and economic resources of persons, entities, or bodies that are listed in Annex I of Regulation (EU) No. 2018/1542 after having been identified by the Council of the EU as being responsible for, providing support for, or being otherwise involved in the manufacturing, acquiring, possessing, developing, transporting, stockpiling, transferring, using, or preparing for the use of chemical weapons. Regulation (EU) No. 2019/796 is in force on EU sanctions to deter and respond to cyberattacks constituting an external threat to the EU or to EU countries, including cyberattacks against non-EU countries or international organizations where action is deemed necessary to achieve EU's common foreign and security policy objectives. Sanctions include freezing of financial assets and economic resources of persons, entities, or bodies that are responsible for cyberattacks or attempted cyberattacks, or provide support for such attacks, or are otherwise involved, as identified by the Council of the EU and listed in Annex I of Regulation (EU) No. 2019/796. Restrictions concerning the situation in Nicaragua are in force, pursuant to Council Regulation (EU) No. 2019/1716: freezing of financial assets and economic resources of persons, entities, or bodies listed in Annex I after having been identified by the Council of the EU as being responsible for serious human rights violations or repression of civil society or democratic opposition; or undermining democracy and the rule of law in Nicaragua.

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		Restrictions concerning Turkey's unauthorized drilling activities in the Eastern Mediterranean are in force, pursuant to Council Regulation (EU) No. 2019/1890 in view of Turkey's unauthorized drilling activities: freezing of financial assets and economic resources of persons, entities, or bodies listed in Annex I after having been identified by the Council of the EU as being responsible for, involved in, or supporting drilling activities that have not been authorized by the Republic of Cyprus, within its territorial sea or in its exclusive economic zone or on its continental shelf. Sanctions were imposed against serious human rights violations and abuses, pursuant to Regulation (EU) No. 2020/1998, which established a framework for targeted restrictive measures to address serious human rights violations and abuses worldwide: freezing of funds and economic resources of and prohibition to make funds and economic resources available to persons, entities, or bodies listed in Annex I after having been identified by the Council of the EU as being involved in serious human rights violations and abuses.

Exchange Arrangement

Currency	Yes.	The currency of Cyprus is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Cyprus participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks, which normally takes place at, effective April 3, 2023, 14:10 Central European Time (CET) (previously 14:15 CET).

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The publication time of the euro foreign exchange reference rates is around 16:00 CET. The reference rates against the euro are the averages of the buying and selling rates.

Monetary policy framework

Exchange rate anchor

U.S. dollar

Euro

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

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Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty of the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Union with a view to contributing to the achievement of the objectives of the Union." These include "sustainable development," "balanced economic growth," "full employment," and "a high level of protection and improvement of the quality of the environment." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized credit institutions may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Institutions that have been authorized by the Central Bank of Cyprus (CBC) to carry on the business of a credit institution may engage in foreign exchange dealing with the public, and no separate license is required for this activity. As of December 31, 2022, 26 credit institutions were authorized to operate in Cyprus. Foreign exchange bureaus are allowed to operate in Cyprus subject to prior CBC approval, in accordance with the provisions of the CBC Bureaux de Change Directive of 2014. As of December 31, 2021, four foreign exchange bureaus were authorized to operate in Cyprus. Other institutions making currency payments and transfers on behalf of their clients are subject to licensing by the CBC on the basis of the Provision and Use of Payment Services and Access to Payment Systems Laws, 2018–2023.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Institutions that have been authorized by the CBC to carry on the business of a credit institution may participate in the foreign exchange market. There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	The foreign exchange market operates over the counter.
Brokerage	No.	

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Market making	No.	
Forward exchange market	Yes.	Authorized credit institutions may trade in the forward market at rates freely negotiated with their customers. The CBC participates in the forward exchange market when managing its foreign exchange reserves and when acting as a fiscal agent of the government. These operations are mainly conducted with the CBC's international counterparties.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Natural and legal persons, whether residents or nonresidents, are free to purchase and sell gold (coins and/or bullion) for commercial or industrial purposes. If gold is not to be used for commercial or industrial purposes, one of the transacting parties (purchaser or seller) must be a credit institution or a subsidiary of a credit institution.
On external trade	No.	
Controls on exports and imports of	No.	A mandatory declaration system for amounts of cash entering or

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banknotes		leaving the EU with a value of €10,000 or more was introduced by the EU Regulation (EC) No. 1889/2005, for the purpose of preventing money laundering. Regulation (EU) No. 2018/1672 replaced Regulation (EC) No. 1889/2005 and extended the definition of cash, so as to include gold and prepaid cards, in addition to banknotes, coins, and bearer-negotiable instruments (for example, traveler's checks). Travelers entering or leaving the EU and carrying more than €10,000 in cash are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be detained by administrative order. The EU regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EU regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. In addition, the EU regulation provides that national authorities may require the sender or recipient of unaccompanied cash, of a value of €10,000 or more, entering or leaving the EU to make a disclosure declaration within 30 days. The EU regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the EU regulation; the EU regulation only harmonizes the system for the EU's external borders. Effective April 29, 2022, Law 63(I)/2022 was enacted to implement Regulation (EU) No. 2018/1672; it replaced Law 53(I)/2009, which corresponded to the repealed Regulation (EC) No. 1889/2005. In addition to extending the definition of cash, the new national law introduced a disclosure requirement for unaccompanied cash, while it maintained the requirement for declaration of cash of a value of €10,000 or more by individuals traveling within the EU who enter or leave Cyprus. The new law also provides for higher fines for failure to declare the cash and introduces the possibility of imprisonment.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be freely transferred abroad; conformity with any

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		applicable financial sanctions under EU Council regulations must be ensured.
Approval required	No.	
Held abroad	Yes.	Cyprus imposes no restrictions on the holding of accounts abroad by residents.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Euro accounts are freely convertible to non-euro accounts.
Approval required	No.	
Blocked accounts	No.	Accounts may be frozen for security reasons in accordance with EU Regulations.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports are governed by EU regulations, according to which most imports are free of licensing requirements and quantitative restrictions.
Positive list	No.	
Negative list	Yes.	In accordance with relevant EU regulations, most imports are free of licensing requirements and quantitative restrictions. Imports of certain goods, such as textiles, from certain non-EU countries, are subject to import licenses or surveillance measures. For reasons of public security, imports of certain goods (such as restricted

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		explosives precursors, firearms, and goods that could be used for the purpose of capital punishment or torture) are prohibited without a license.
Open general licenses	No.	
Licenses with quotas	Yes.	Imports of certain goods, such as textiles, from certain non-EU countries are subject to import licenses or surveillance measures. Imports of agricultural products from non-EU countries are subject to an EU system of quotas.
Other nontariff measures	Yes.	The EU phytosanitary measures are applied. As an EU member state, Cyprus participates in the Kimberley Process Certification Scheme for the international trade in rough diamonds.
Import taxes and/or tariffs	Yes.	The EU Common Customs Tariff applies.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	In accordance with EU regulations and corresponding national legislation, exports of arms and military equipment, dual-use goods (that may be used for chemical, biological, or nuclear weapons), as well as certain goods which could be used for capital punishment, torture or other cruel, inhuman, or degrading treatment or punishment, are subject to licensing, in the interest of preserving international peace and security. Exports of antiquities are prohibited except with a license that may be granted only for certain purposes specified in national legislation.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

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Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	

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	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	Non-discriminatory prudential requirements, concerning the management of credit risk and liquidity risk, apply to lending to residents and nonresidents, in domestic and foreign currency.
Financial credits	No.	
By residents to nonresidents	No.	Bank loans in euro and foreign currency to either residents or nonresidents are subject to prudential requirements concerning the management of credit risk and liquidity risk, prescribed by the CBC, Regulation (EU) No. 2015/61 with regard to the liquidity coverage requirement, or the ECB in the context of the Single Supervisory Mechanism (SSM). No other controls apply.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Direct investment abroad by credit institutions (for example, establishment of a subsidiary or branch abroad) is subject to approval by the CBC or the ECB in the context of the SSM.
Inward direct investment	Yes.	Inward direct investment from EU member countries is unrestricted. Direct investment from non-EU countries is also free from restrictions in most economic sectors. However, there are restrictions (ceilings and/or discriminatory licensing requirements) in the participation of non-EU natural or legal persons in enterprises engaged in the following activities: radio and television broadcasting, tertiary education institutions other than universities, construction, travel agencies, issue or distribution of newspapers and magazines, and ownership of merchant ships and fishing vessels, airlines, as well as on the acquisition of real estate associated with direct investment. The acquisition of 10% or more of a bank's share capital by any resident or nonresident natural or legal entity, either alone or with associates, is subject to approval in accordance with the Business of Credit Institutions Laws and EU Regulation No. 1024/2013. Moreover, approval is required for additional acquisitions that increase control up to or exceeding 20%, 30%, and 50% or to the extent that the bank would become the acquirer's subsidiary.

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		Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for screening FDI from non-EU countries and for the European Commission and the Member States to exchange information and raise concerns related to specific investments in one Member State that could pose risks to security or public order in another Member State, or in the EU as a whole. Under the regulation, Member States may maintain their existing screening mechanisms, adopt new ones, or remain without such national mechanisms. Cyprus did not adopt or amend any FDI screening mechanism following this regulation.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	The acquisition of real estate in Cyprus by non-Cypriot EU nationals (natural or legal persons) is not subject to controls and is effected under the same legal provisions that apply to Cypriots. Under the Immovable Property Acquisition (Aliens) Laws, the acquisition of real estate in Cyprus by non-Cypriots from non-EU countries must be approved by the district officer (except acquisition by inheritance). When the real estate concerned exceeds 2,676 square meters (2 donums), approval is granted only for (1) a primary or secondary residence not exceeding 4,014 square meters (3 donums), (2) professional or commercial premises, and (3) premises for industrial sectors deemed beneficial to the domestic economy.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	Credit institutions may freely borrow from abroad.
Maintenance of accounts abroad	Yes.	Credit institutions may maintain accounts abroad, subject to their net

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		open positions in foreign exchange.
Lending to nonresidents (financial or commercial credits)	No.	Non-discriminatory prudential requirements, concerning the management of credit risk and liquidity risk, apply to lending to residents and nonresidents, in domestic and foreign currency. These are prescribed by the CBC, Regulation (EU) 2015/61 with regard to the liquidity coverage requirement, or the ECB in the context of the SSM.
Lending locally in foreign exchange	No.	Non-discriminatory prudential requirements, concerning the management of credit risk and liquidity risk, apply to lending to residents and nonresidents, in domestic and foreign currency.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These are subject to liquid asset and capital requirements prescribed for prudential reasons.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	In accordance with ECB regulations, the minimum reserve ratio on deposit liabilities of credit institutions is 1% for deposits in both domestic and foreign currencies.
Liquid asset requirements	No.	There is a 100% liquidity coverage requirement. As of March 12, 2020, the ECB Banking Supervision allowed banks under its direct supervision (significant institutions) to operate temporarily (until further notice) below the 100% LCR. Similarly, the CBC allowed banks under its direct supervision (less significant institutions) to operate temporarily below the 100% LCR, as of March 18, 2020. In line with the ECB announcement on July 28, 2020, on the timeline to end the temporary relief measures taken in reaction to the COVID-19 pandemic, the CBC issued a circular to less significant institutions on October 11, 2020, on the timeline to restore their capital and liquidity positions. The circular informed the less significant institutions that they may continue to operate below the Pillar 2 Guidance and the combined capital buffer requirement until at least end-2022, and below the 100% LCR until at least end-2021; the exact timeline would be decided following the 2021 supervisory review and evaluation process, on a case-by-case basis according to the individual situation of each bank. Effective January 1, 2022, the ECB expects all banks under its supervision (significant institutions) to maintain LCR above 100%.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Credit institutions may invest directly abroad (for example, establishment of a subsidiary or branch abroad), subject to approval by the CBC, or the ECB in the context of the SSM. Investments over certain thresholds are subject to capital requirements according to EU Regulation No. 575/2013.
In banks by nonresidents	Yes.	The acquisition of 10% or more of a credit institution's share capital by any resident or nonresident natural or legal person, either alone or

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		with associates, is subject to approval in accordance with the Business of Credit Institutions Law and EU Regulation No. 1024/2013. Moreover, approval is required for additional acquisitions that increase control up to or exceeding 20%, 30%, and 50% or to the extent that the credit institutions would become the acquirer's subsidiary.
Open foreign exchange position limits	Yes.	The overall net open/uncovered overnight (intraday) position in all foreign currency may not exceed 6% of a credit institution's capital base, and its overall net foreign exchange intraday exposure may not exceed 8% of its capital base. The net open/uncovered overnight (intraday) position in any one foreign currency may not exceed 3% (5% for intraday) of the credit institution's capital base. These limits do not distinguish between resident and nonresident assets and liabilities. Open foreign exchange positions are also subject to prudential own funds requirements in accordance with EU Regulation No. 575/2013.
On resident assets and liabilities	Yes.	The overall net open/uncovered overnight (intraday) position in all foreign currency may not exceed 6% of a credit institution's capital base, and its overall net foreign exchange intraday exposure may not exceed 8% of its capital base. The net open/uncovered overnight (intraday) position in any one foreign currency may not exceed 3% (5% for intraday) of the credit institution's capital base. These limits do not distinguish between resident and nonresident assets and liabilities. Open foreign exchange positions are also subject to prudential own funds requirements in accordance with EU Regulation No. 575/2013.
On nonresident assets and liabilities	Yes.	The overall net open/uncovered overnight (intraday) position in all foreign currency may not exceed 6% of a credit institution's capital base, and its overall net foreign exchange intraday exposure may not exceed 8% of its capital base. The net open/uncovered overnight (intraday) position in any one foreign currency may not exceed 3% (5% for intraday) of the credit institution's capital base. These limits do not distinguish between resident and nonresident assets and liabilities. Open foreign exchange positions are also subject to prudential own funds requirements in accordance with EU Regulation No. 575/2013.
Provisions specific to institutional investors	Yes.	Institutional investors are subject to prudential rules.
Insurance companies	Yes.	Insurance companies are subject to the provisions of the Insurance and Reinsurance Services and Other Related Matters Laws, 2016–2023 (Law 38(I)/2016 as amended), which incorporate the provisions of relevant EU Directives. The EU Solvency II Directive was implemented on January 1, 2016.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	Capital transactions of insurance companies are generally free of restrictions, in accordance with EU rules.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	
Pension funds	Yes.	Pension funds are subject to prudential rules and supervision in accordance with national legislation, which incorporates the provisions of relevant EU Directives. Pension funds are required to invest in accordance with the "prudent person" rule which, among other, includes the requirements to invest primarily in regulated markets and in properly diversified assets in such a way as to avoid excessive reliance on any particular asset, issuer, or group of

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		enterprises and accumulations of risk in the portfolio as a whole.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	Capital transactions of pension funds are generally free of restrictions, in accordance with EU rules.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Pension funds may invest up to 30% of their assets covering technical reserves in assets denominated in currencies other than those in which their liabilities are expressed.
Investment firms and collective investment funds	Yes.	Investment firms are subject to prudential requirements under the Investment Services and Activities and Regulated Markets Law, 144 (I)/2007 as amended, and Law 87(I)/2017 as amended, which incorporate the provisions of relevant EU Directives and under Regulation (EU) No. 575/2013.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	Capital transactions of investment firms and collective investment funds are generally free of restrictions, in accordance with EU rules.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Open foreign exchange positions of investment firms are subject to prudential own funds requirements in accordance with EU Regulation No. 575/2013 (Articles 351–354).

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by	No.

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another jurisdiction	
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.

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For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Crypto-asset service providers that provide services in or from Cyprus are subject to registration, initial capital requirements and organizational, operational, and prudential requirements prescribed by the Cyprus Securities and Exchange Commission. These requirements apply to the various types of crypto-assets that do not qualify as financial instruments under the Investment Services and Activities and Regulated Markets Law, or as electronic money.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*04/03/2023*	The euro foreign exchange reference rates are determined by the ECB daily at around 14:10 Central European Time (CET) (previously 14:15 CET).

Arrangements for Payments and Receipts

Controls on exports and imports of banknotes	*04/29/2022*	Law 63(I)/2022 was enacted to implement Regulation (EU) No. 2018/1672; it replaced Law 53(I)/2009, which corresponded to the repealed Regulation (EC) No. 1889/2005. In addition to extending the definition of cash, the new national law introduced a disclosure requirement for unaccompanied cash, while it maintained the requirement for declaration of cash of a value of €10,000 or more by individuals traveling within the EU who enter or leave Cyprus. The new law also provides for higher fines for failure to declare the cash and introduces the possibility of imprisonment.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Liquid asset requirements	*01/01/2022*	As announced December 17, 2021, the ECB expects all banks under its supervision (significant institutions) to maintain LCR above 100% from this date.

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CZECH REPUBLIC

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 20, 1990.
Article VIII	Yes.	Date of acceptance: October 1, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	All restrictive measures (international sanctions) are executed according to EU legislation, available on the Internet, and according to Czech Law No. 69/2006 Coll. on the Carrying Out of International Sanctions and Czech Law No. 1/2023 Coll. on Sanctions. In accordance with EC regulation, certain restrictions were imposed on the satisfaction on claims of whatever form, on the making of payments and transfers for current international transactions; prohibition on provision of crypto-wallets, freezing of funds; and economic resources of certain persons, entities, and bodies in Ukraine and in Russia.
Other security restrictions	Yes.	All restrictive measures (international sanctions) are executed according to EU legislation, available on the Internet, and according to Czech Law No. 69/2006 Coll. on the Carrying Out of International Sanctions and Czech Law No. 1/2023 Coll. on Sanctions.

Exchange Arrangement

Currency	Yes.	The currency of the Czech Republic is the Czech koruna (CZK).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		

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Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. In January 2022, the Czech National Bank (CNB) resumed its program of sales of a part of the CNB's investment income on international reserves. From March to September 2022, the CNB intervened to mitigate excessive fluctuations and depreciation of the koruna in a situation of high inflation. The program of sales of part of the income on international reserves was suspended in May 2022, while foreign exchange interventions were going on. In August 2023, the intervention regime announced in May 2022 was formally ended, and the program of sales of part of the income on international reserves has been resumed. The sales of part of the income on international reserves aim to slow the increase in the amount of CNB international reserves. The de facto exchange rate is classified as floating. Data on CNB's foreign exchange operations are published on the CNB's web page with a monthly frequency with a lag of two months.
Free floating		
Official exchange rate	Yes.	The CNB declares foreign exchange market rates on the basis of its monitoring the movement of currencies in the interbank foreign exchange market. The CNB publishes daily rates for 32 currencies against the koruna for customs and accounting purposes. The published exchange rates correspond to rates for individual currencies on the foreign exchange market at 2:15 p.m. local time. Under the Act on Accounting and other legal norms, the exchange rates are used for nontrading purposes (that is, for valuing assets and liabilities, tax and customs proceedings, etc.).
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The CNB conducts its monetary policy within an inflation-targeting framework as of 1998.
Target setting body	Yes.	The target is set by the CNB's Board, which can adjust all features of the target (targeted index, targeted level of inflation, target horizon and tolerance band). All Board decisions are taken by majority vote.
Government		
Central Bank	Yes.	
Monetary Policy Committee		

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Central Bank Board	Yes.	The target is set by the CNB's Board, which can adjust all features of the target (targeted index, targeted level of inflation, target horizon and tolerance band). All Board decisions are taken by majority vote.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The target is headline inflation of 2% with a tolerance band of ±1 percentage points.
Band/Range		
Target measure	Yes.	The CNB's inflation target is set as 2% year-on-year growth in the CPI with a tolerance band of ±1 percentage point. A tolerance band of one percentage point in either direction around the target reflects the natural volatility of inflation. The CNB endeavors to keep inflation at 2% all the time, not only at the end of the year or on average. The target measure is a monthly inflation rate defined as an increase in headline CPI compared with the corresponding month of the preceding year.
CPI	Yes.	The inflation target is set for headline CPI. The CPI measures in a representative way and over time relative changes of final consumer prices of goods and services paid by the population (including all taxes). It is published monthly by The Czech Statistical Office (CZSO). In practice, the CNB concentrates on the "monetary policy-relevant inflation," which excludes from the headline inflation first-round effects of indirect tax changes.
Core inflation		
Target horizon	Yes.	The monetary policy horizon is 12–18 months ahead. The horizon had been temporarily prolonged because of the size and nature of inflationary shocks between August 2022 and February 2023.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	There is no numerical interest rate target. Interest rates are used as the monetary policy instrument, and their changes correspond to the relevant macroeconomic forecasts and their risks. The main CNB instrument is the two-week repo rate. In some situations, the CNB may use other instruments at its disposal. For instance, it may conduct foreign exchange interventions to influence the koruna exchange rate and moderate excessive exchange rate volatility. The CNB was using foreign exchange interventions from November 2013 till April 2017 as part of its exchange rate commitment with the aim of providing the required monetary policy easing in a situation where monetary policy interest rates have reached "technical zero."
Target corridor band	No.	
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	Parliamentary hearings are held at least twice a year.

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Other	No.	
Transparency	Yes.	The CNB promotes the importance of having a credible and transparent monetary policy to effectively anchor inflation expectations and thereby maintain price stability and overall macroeconomic stability in the Czech Republic.
Publication of votes	Yes.	Voting ratio is published at the press conference on the day of decision. Individual votes on interest rates are published in the minutes of the Board meeting eight days after the meeting.
Publication of minutes	Yes.	Attributed minutes with opinions of individual board members are published eight days after the meeting.
Publication of inflation forecasts	Yes.	Forecasts are conducted and published in detail four times a year, including endogenous interest rates and exchange rate outlooks.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks and bureaux de change set their own exchange rates.
Spot exchange market	Yes.	There are two types of nonbank foreign exchange institutions in the Czech Republic: (1) foreign exchange institutions authorized only for cash transactions (bureau-de-change activity—853 registration holders as of June 30, 2023) and (2) noncash foreign exchange institutions—91 as of June 30, 2023. Noncash foreign exchange operations are governed by the Payments Act (Act No. 370/2017 Coll. on Payments) implementing the Payment Services Directive 2 (No. 2015/2366/EC, PSD 2) and the Electronic Money Directive (No. 2009/110/EC, EMD), EC delegated and implementing regulations and decrees of the CNB. Under the national legislation, noncash spot currency exchange transactions are permitted only within the framework of payment transactions, and a payment institution license or a small payment institution license (as defined in Article 32 of the PSD 2) is required. Therefore, all noncash foreign exchange institutions must have a new payment institution license or a small payment institution license. There were 52 small payment institutions and 23 payment institutions as of June 30, 2023 (not all of them necessarily engaged in the spot exchange market, though). Under EMD, electronic money institutions and small electronic money institutions may carry out noncash spot currency exchange transactions. There were 3 electronic money institution and 13 small electronic money institutions as of June 30, 2023 (not all of them necessarily engaged in the spot exchange market, though). The CNB issues all these licenses. The licensing requirements for foreign entities are similar to those for Czech entities. Payment institutions in an EU member state may operate in the Czech Republic under the European passport regime under Article 28 of the PSD 2. Electronic money institutions can also operate in the Czech Republic under the European passport regime. The operation of cash foreign exchange bureaus is governed by Act No. 277/2013 Coll. on Foreign Exchange Activities. This law sets out the license requirements, the reporting requirements to the CNB, registration of business premises, and information for customers about exchange rates and fees and requirements for the Exchange rate list. Foreign exchange services within the scope of Article 18(1)a of the PSD 2, which also apply to electronic money institutions under Article 3 of the EMD, may be provided in addition to the payment services listed in the annex to the PSD 2, including transfers on behalf of clients. Under Article 10 of

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		the PSD 2 and Article 22 of the Payments Act, noncash foreign exchange institutions may have accounts in credit institutions in an EU member country or a third country with banking supervision similar to that of the CNB. The same rules apply to electronic money institutions under Article 80 of the Payments Act. Cash foreign exchange bureaus may maintain accounts abroad and may purchase and sell only banknotes, coins, and checks. They may not make payments on behalf of their clients. All institutions must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.). Under Act No. 136/2011 Coll., on the circulation of banknotes and coins, as amended, employees handling foreign currency of cash and noncash foreign exchange institutions must complete a CNB course on the identification of counterfeit banknotes and coins.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	All banks and other institutions with valid licenses may operate in the local interbank market, but not all are active market makers. For example, according to the results of the Bank for International Settlements Triennial Survey, in 2019, only three banks represented 75% of the total turnover of the local market. There are no limits on the bid-ask spreads, which depend only on the current liquidity conditions in the market. There are no special commissions; only a brokerage fee is paid to brokers.
Over the counter	Yes.	The majority of foreign exchange transactions are made over the counter. Koruna futures contracts are traded on stock exchanges abroad, but these transactions are negligible.
Brokerage	Yes.	The majority of transactions take place via electronic or voice brokers, although bilateral direct trades are also conducted.
Market making	Yes.	Market makers provide prices continuously based on supply and demand without CNB or any other interference.
Forward exchange market	Yes.	Currently, the CNB is not active on the local derivatives market but uses derivatives in other major currencies mainly for reserve management purposes.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.

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Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	The Czech Republic is a member of the EU.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	On October 18, 2016, the Foreign Exchange Act. No. 219/1995 Coll. was repealed by Act No. 323/2016 Coll. Act No. 323/2016 Coll. does not replace the Foreign Exchange Act as most foreign exchange activities have been already regulated by Foreign Exchange Activities Act No. 277/2013 Coll. and the remaining provisions by the Crisis Management Act No. 240/2000 Coll. The Czech government is authorized to apply restrictions during the state of emergency only. To resolve the state of crisis, the Czech government must discuss with the CNB measures that are within the scope of the activity of the above bank. Certain measures are in effect to prevent money laundering and the financing of terrorism.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EC) No. 2018/1672 of the European Parliament and the Council of October 28, 2018, on controls of cash entering or leaving the EU, cash controls have been implemented by National Act No. 253/2008 Coll. on Selected Measures against Legitimization of Proceeds of Crime and Financing of Terrorism in the Czech Republic. Cash controls are based on a mandatory declaration system. Natural persons must declare to the customs authorities in writing imports and exports of currency of the Czech Republic or another country in the amount of €10,000 or more on entry into the Czech Republic from a non-EU third country and on exit to any such territory. The obligation to make such a declaration also applies to a legal person when transferring funds in excess of EUR 10,000.00, and this declaration must be made on behalf of the legal person by a natural person who has a power of attorney for such an action. There is also an obligation to make a declaration when transferring cash by international mail, which applies to both natural persons and legal persons (the so-called unaccompanied cash). The customs authorities must keep a record of such information and report it to the FIU. The obligation to declare is not fulfilled if the traveler does not make a declaration or if the information provided is incorrect or incomplete. To check compliance with the national law,

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		the customs authorities have the right to check natural persons, their baggage, and their means of transportation. Cash may be confiscated in the event of failure to comply with the declaration obligation. The national law allows penalties up to CZK 10 million or a forfeiture of the items for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, the customs authorities may exchange information with the appropriate authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EU regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. Because the Czech Republic has no external borders with third countries, cash controls are applied only at international airports and in respect to the international post. The Czech Republic does not apply cash controls to cross-border movements of cash within the EU. Such transportation is not considered "cross-border" for the purposes of the EU regulation; the EU regulation harmonizes the system only for the EU's external borders.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	At the request of the CNB, legal entities with branches in the Czech Republic and natural persons with permanent residence in the Czech Republic must report accounts and balances on accounts or other forms of deposit abroad, including money entrusted for deposit. Foreign legal entities and natural persons may be asked to fulfill this requirement for their business in the Czech Republic. Prudential limits apply to pension companies (that administer third pillar transformed and participation funds) and other institutions. Controls apply to transformed fund deposits in nonresident institutions by the pension companies unless the nonresident institution is a bank with a registered office in the Czech Republic, a branch of a foreign bank in the Czech Republic, or a bank with a registered office in an OECD member. Pension companies may invest assets in pension/participation funds (third pillar) in deposits that are freely redeemable or time deposits whose maturity does not exceed two years of a bank headquartered in the Czech Republic, a foreign bank headquartered in another EU member, or a bank headquartered in another foreign country whose prudential rules the CNB considers equivalent to those of the EU. The Solvency II regulatory regime was introduced September 23, 2016, and second pillar pension funds were abolished January 1, 2016, and liquidated by December 31,

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		2017.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	At the request of the CNB, legal entities with branches in the Czech Republic and natural persons with permanent residence in the Czech Republic must report accounts and balances on accounts and other forms of deposit abroad, including money entrusted for deposit. Foreign legal entities and natural persons may be asked to fulfill this requirement for their business in the Czech Republic.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	All measures related to the freezing of assets in accordance with relevant EU legislation apply.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	EU regulations on common trade and agricultural policies apply.
Positive list	No.	
Negative list	Yes.	EU import regulations on the common commercial policy apply.
Open general licenses	Yes.	EU regulations on the CAP and the common commercial policy apply.
Licenses with quotas	Yes.	In accordance with EU import regulations, restrictions apply to certain wood products originating in Russia and to agricultural products, in accordance with the CAP.

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Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The EU Common Customs Tariff applies.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	Effective January 1, 2022, export surveillance for a period of 24 months was introduced to replace the authorization requirement for exports of COVID-19 vaccines as well as their active substances, which was in place during January 30, 2021, until December 31, 2021.
Without quotas	Yes.	EU regulations on the CAP apply. For some armaments, a security license is required.
With quotas	No.	EU regulations on the CAP apply.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Export refunds are based on the CAP and are related to commitments in the WTO.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Controls apply to (1) purchases by pension companies when investing assets in the transformed fund (third pillar) of shares and securities not traded on a regulated market of an OECD member (maximum 5%; maximum 70% of shares or other securities traded on a regulated market of an OECD member country) and (2) purchases by pension companies when investing assets in participation funds (third pillar; excluding the conservative program, which does not permit such investments) of shares and securities not traded on a regulated market or multilateral trading facility (MTF) verified by the CNB—maximum 5%.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Only locally domiciled banks may issue mortgage bonds. There are no restrictions on the issuance or sale of foreign mortgage securities by residents or nonresidents.
Purchase abroad by residents	Yes.	Controls apply to (1) purchases by pension companies, when investing assets in the transformed fund (third pillar), of bonds other than those issued by governments and CBs of OECD members, by the EIB, EBRD, and IBRD on a foreign market, and guaranteed by an OECD member and (2) purchases by pension companies, when investing assets in participation funds (third pillar), of bonds other than (a) those issued by members of the EU or OECD with a qualified rating from an international rating institution to which the Czech Republic belongs or other bonds with a qualified rating in a conservative plan (portfolio limit 35%–100% and concentration limit 5%–35%) and (b) those traded on an EU-regulated market or EU MTF verified by the CNB for other plans.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Controls apply to (1) the purchase by pension companies, when investing assets in the transformed fund (third pillar), of manufacturers' mutual insurance unless issued by governments and CBs of OECD members, bonds issued by the EIB, EBRD, and IBRD

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		on a foreign market and bonds guaranteed by an OECD member and (2) the purchase by pension companies, when investing assets in participation funds (third pillar), of manufacturers' mutual insurance with a qualified rating in a conservative plan (portfolio limit 35%–100% and concentration limit 5%–35%).
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	Act No. 240/2013 Coll. on Investment Companies and Investment Funds replaced Act No. 189/2004 Coll. on Collective Investments.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	Trading with (issuing and selling) collective investment securities on a commercial basis is reserved for regulated financial institutions (management companies and regulated funds).
Purchase abroad by residents	Yes.	Controls apply to (1) purchases by pension companies, when investing assets in the transformed funds (third pillar), of securities other than those traded on an OECD-regulated market and (2) purchases by pension companies, when investing assets in participation funds (third pillar), of securities other than (a) money market funds with a qualified rating (portfolio limit 30% and concentration limit 10%) for the conservative plan and (b) UCITS and non-UCITS funds authorized to be publicly offered in the Czech Republic (portfolio limit 35%, 5% for non-UCITS, and concentration limit 10%) for other plans.
Sale or issue abroad by residents	No.	UCITS (65/2009/EU Directive) may be commercially sold or issued abroad with prior notification according to the UCITS directive.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	Commercial trading in derivatives and other instruments is reserved for regulated financial institutions (brokers and banks).
Purchase abroad by residents	Yes.	Controls apply to (1) purchases by pension companies, when investing assets in the transformed fund (third pillar), of derivatives; only safety derivatives are permitted—on markets that are not EU regulated or equivalent foreign markets derivatives must be valuated daily, and the pension company must be able to realize them at any time; (2) purchases by pension companies, when investing assets in participation funds (third pillar), except in the conservative plan, of derivatives not traded on a regulated market or MTF verified by the CNB or of derivatives not traded on a regulated market or MTF verified by CNB but that meet prudential requirements under Czech law; and (3) purchases by insurance companies of derivatives only if the derivative contract reduces the risk or eases the portfolio management of the assets.
Sale or issue abroad by residents	No.	Commercial trading in derivatives and other instruments is reserved for regulated financial institutions (brokers and banks). Commercial sale or issuance abroad requires notification under the 2004/39/EC Markets in the Financial Instruments Directive (MiFID).
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	

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By residents to nonresidents	Yes.	Controls apply to credits and loans to nonresident borrowers other than governments and CBs of OECD members by a private pension fund.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) airlines that must be majority owned and effectively controlled by EU countries and/or their citizens, unless otherwise provided for through an international agreement to which the EU is a signatory; (2) lotteries and similar games, except (a) casino games, which may be authorized for legal persons established in the Czech Republic, and (b) consumer lotteries, whose prizes must be in-kind fulfillment, services, goods, or products, etc., valued in one calendar year no more than CZK 0.2 million; no single prize may exceed CZK 20,000; (3) the operation of a branch as a "mortgage bank" to the extent that a mortgage bank is authorized to issue mortgage securities in the domestic market, which is reserved for financial institutions incorporated and authorized under domestic law, Act. No. 190/2004 Coll. on Bonds; and (4) the extent that under EU Directive No. 85/611/EEC, a depository of a UCITS must either have its registered office in the same EU country as that of the company or be established in the EU country if its registered office is in another EU country. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Controls apply to the acquisition of real estate abroad by pension companies, investing assets in the transformed fund, exceeding 10% of total assets. Pension companies may not invest in real estate in participation funds (third pillar).
Purchase locally by nonresidents	Yes.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	The operation of out-of-country or domestic lotteries and similar games whose proceeds are paid abroad is prohibited, unless an exception is granted.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Act No. 21/1992 Coll. on Banking was amended to implement Basel III prudential requirements, including those of the CRR (Regulation (EU) No. 575/2013) and the CRD IV (Directive No. 2013/36/EU). Decree No. 163/2014 Coll. on the activity of banks, credit unions, and investment firms fully implements CRR and CRD IV regulatory requirements. Amendments to Act No. 21/1992 Coll., Act No. 87/1995 Coll., and Decree No. 163/2014 Coll. implementing Regulation (EU) No. 2019/876—CRR II and Directive (EU) No. 2019/878—CRD V, which are based on the revised Basel III standard are in force. As of October 1, 2021, the amendments contains, in particular: - changes to the rules for calculating Pillar 2 capital requirement, - changes to the capital buffer framework, - changes to the regulation of financial holding companies and mixed financial holding companies subject to certain prudential requirements on a consolidated basis, - changes to the remuneration framework taking into account the principle of proportionality. Effective January 1, 2022, amendments introduced minor changes regarding leverage ratio requirements.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	

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Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Credit institutions are not subject to foreign exchange position limits. However, Article 351 of Regulation (EU) No. 575/2013 requires banks whose overall net foreign exchange position exceeds 2% of their own funds to calculate capital requirements for foreign exchange risk which is the sum of its overall net foreign exchange position and its net gold position in the reporting currency multiplied by 8%. Furthermore, according to Decree No. 163/2014 Coll., if the absolute value of a credit institution's net foreign exchange position in any foreign currency or in CZK, as per Article 352 of the CRR, exceeds 15% of its capital on an individual basis or its total net foreign exchange position, as per Article 352 of the CRR, exceeds 20% of its capital on an individual basis, the CNB must be notified immediately.
On nonresident assets and liabilities	Yes.	Credit institutions are not subject to foreign exchange position limits. However, Article 351 of Regulation (EU) No. 575/2013 requires banks whose overall net foreign exchange position exceeds 2% of their own funds to calculate capital requirements for foreign exchange risk which is the sum of its overall net foreign exchange position and its net gold position in the reporting currency multiplied by 8%. Furthermore, according to Decree No. 163/2014 Coll., if the absolute value of a credit institution's net foreign exchange position in any foreign currency or in CZK, as per Article 352 of the CRR, exceeds 15% of its capital on an individual basis or its total net foreign exchange position, as per Article 352 of the CRR, exceeds 20% of its capital on an individual basis, the CNB must be notified immediately.
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	In the Czech Republic, investments of insurance and reinsurance companies are regulated by the Insurance Act (Act No. 277/2009 Coll.). The Solvency II Directive was transposed into the Insurance Act on September 23, 2016. Since then, rules for investments of insurers and reinsurers have not changed. The rules are based on the prudent person principle. There are no legal quantitative limits; nevertheless, insurance and reinsurance companies must follow stipulated principles, for example: (1) Investments are only possible in assets whose risks the company concerned can properly identify, measure, monitor, manage, control, report, and take them into account appropriately in the assessment of its overall needs. All assets must be invested in such a manner as to ensure the security, liquidity, and profitability of the portfolio as a whole. (2) The assets intended to settle liabilities must be invested in a manner adequate to the nature and duration of insurance/reinsurance obligations and in the best interests of all policyholders and beneficiaries.

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		(3) Investments must be diversified in such a way as to avoid excessive dependence on a particular asset, issuer, or group of persons or geographical area and to avoid excessive accumulation of risk in the portfolio as a whole. Moreover, the relevant insurance/reinsurance company has to set the rules for its investments according to the above-mentioned principles.
Limits (max.) on securities issued by nonresidents	No.	No legal quantitative limits on securities issued by nonresidents are stipulated. Generally, the rules for investments are based on the prudent person principle. See the description in XII.B.1.
Limits (max.) on investment portfolio held abroad	No.	No legal quantitative limits on investment portfolio held abroad are stipulated. Generally, the rules for investments are based on the prudent person principle. See the description in XII.B.1.
Limits (min.) on investment portfolio held locally	No.	No legal quantitative limits on investment portfolio held locally are stipulated. Generally, the rules for investments are based on the prudent person principle. See the description in XII.B.1.
Currency-matching regulations on assets/liabilities composition	No.	In terms of currency matching, no legal quantitative rules on assets/liabilities composition are stipulated. Generally, the rules for investments are based on the prudent person principle. See the description in XII.B.1.
Pension funds	Yes.	In the Czech Republic, the pension companies and pension funds are regulated by the Supplementary Pension Savings Act No. 427/2011 Coll., also known as third pillars of the National Pension Scheme. Pension funds and pension companies are supervised by the CNB, and the law prescribes their prudential rules on eligible assets, including investment limits. These limits vary, depending on the kind of fund and its strategy. There is only a limited prescribed strategy for third pillar funds, except for the conservative plan, which must comply with the portfolio composition and investment limits. Transformed pension funds (third pillar): In 2013, pension funds were changed from self-management to transformed pension plans managed by pension companies, and clients' and shareholders' assets are now separate. There is now a guarantee of zero plus yields for which the pension company must hold sufficient funds (or decrease its own funds). General robust prudential rules apply to the management of pension funds. The law prescribes eligible assets and investment limits—for example, 10% in instruments issued by the same entity, except government bonds; 10% in real estate; and 50% in assets in the currency of liabilities to beneficiaries and use of derivatives only for hedging. Pension funds and pension companies are authorized and supervised by the CNB under Act No. 42/1994 Coll. on State-Contributory Supplementary Pension Insurance Act. Supplementary pension savings (third pillar): In 2013, the law adopted in 2011 established a new third pillar based on UCITS principles. Pension funds are managed by a pension company authorized and supervised by the CNB under UCITS-like prudential rules. Pension savings are individual pension plans that allow investment in a broader array of participation funds (type of common fund). Employers are encouraged by tax law to contribute. Savings are supported by a direct government contribution. The conservative fund for the participation pension funds (third pillar) is the only mandatory fund. Similarly to the UCITS rules, the law prescribes eligible assets. The investments may consist only of transferable securities; risk management is required, and techniques and instruments for efficient portfolio management are allowed. The conservative plan (third pillar) may invest only in bonds, money market instruments, money market funds, and deposits. Investment limits are 30% for private bonds and money market instruments. Limits for a single issuer are 5%–100% for public bonds with a

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		qualified rating. Other plans must invest in UCITS-like transferable securities. Limits for collective investment schemes are 5%–35%. IORP—second pillar: Domestic IORP are prohibited. EU-IORP are permitted if the contributing employer is in the Czech Republic.
Limits (max.) on securities issued by nonresidents	Yes.	For transitional-transformed pension funds, bonds and other debt securities are not allowed unless they are issued by governments and CBs of OECD members; guaranteed by such governments; or issued by the EIB, EBRD, or IBRD (Article 33 of the Act on Pension Funds). For supplementary pension savings (third pillar), up to 100% may be in bonds and money market instruments issued by governments and CBs of OECD members with a qualified rating. Limits for other single issuers are 5%–20%. The limit for other financial instruments is 30% (conservative fund).
Limits (max.) on investment portfolio held abroad	No.	Safekeeping of assets is provided by depository banks located in the Czech Republic; deposits abroad are allowed only under an agreement with the depository bank.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	At least 50% of assets must be denominated in the currency of pension fund liabilities to beneficiaries for plans in the transitional-transformed pension fund. Only assets in the conservative fund for supplementary pension savings (third pillar) must be fully hedged against currency risk.
Investment firms and collective investment funds	Yes.	Act No. 240/2013 Coll. on Investment Companies and Investment Funds replaced Act No. 189/2004 Coll. on Collective Investments in 2013. The law prescribes prudential rules for management of collective investment in accordance with the UCITS directive. Law No. 240/2013 Coll. on Investment Companies and Investment Funds together with implementing Government Decree No. 243/213 Coll. prescribes eligible assets and investment limits for UCITS funds and non-UCITS funds, which are permitted to offer to the general public. Funds of qualified investors have a wide range of investment opportunities.
Limits (max.) on securities issued by nonresidents	Yes.	General limits according to the UCITS IV Directive are applicable—some qualitative and quantitative limits on non-EU instruments.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.

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Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	Yes.	
Acquisition by residents	n.r.	.
Use among residents	n.r.	.
Between residents and nonresidents	Yes.	.
For current transaction	n.r.	.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Investment firms and the operators of trading venues which execute transactions in financial instruments must report complete and accurate details of such transactions to the CNB.
Transactions in derivatives and other instruments	Yes.	Investment firms and counterparties of OTC derivatives which execute transactions in financial instruments must report complete and accurate details of such transactions to the CNB or to a trade repository in case of OTC derivatives.
Credit operations	n.r.	.
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.).
Acquisition by residents	No.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.).
Use among residents	No.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.).
Between residents and nonresidents	Yes.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech

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		legislation (Act No. 253/2008 Coll.).
For current transaction	No.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.).
For capital transactions	Yes.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.).
Transactions in capital and money market instruments	Yes.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.). Investment firms and the operators of trading venues which execute transactions in financial instruments must report complete and accurate details of such transactions to the CNB.
Transactions in derivatives and other instruments	Yes.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.). Investment firms and counterparties of OTC derivatives which execute transactions in financial instruments must report complete and accurate details of such transactions to the CNB or to a trade repository in case of OTC derivatives.
Credit operations	No.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.).
Controls on utility and security tokens	Yes.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	Yes.	
For current transaction	n.r.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Investment firms and the operators of trading venues which execute transactions in financial instruments must report complete and accurate details of such transactions to the CNB.
Transactions in derivatives and other instruments	Yes.	Investment firms and counterparties of OTC derivatives which execute transactions in financial instruments must report complete and accurate details of such transactions to the CNB or to a trade repository in case of OTC derivatives.
Credit operations	No.	
Controls on stablecoins	Yes.	All institutions providing services with the stablecoins that could be classified as electronic money must be licensed and must comply

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		with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.) such as identification or controlling of clients and their transactions.
Acquisition by residents	No.	All institutions providing services with the stablecoins that could be classified as electronic money must be licensed and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.) such as identification or controlling of clients and their transactions.
Use among residents	No.	All institutions providing services with the stablecoins that could be classified as electronic money must be licensed and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.) such as identification or controlling of clients and their transactions.
Between residents and nonresidents	Yes.	All institutions providing services with the stablecoins that could be classified as electronic money must be licensed and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.) such as identification or controlling of clients and their transactions.
For current transaction	No.	All institutions providing services with the stablecoins that could be classified as electronic money must be licensed and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.) such as identification or controlling of clients and their transactions.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	All institutions providing services with the stablecoins that could be classified as electronic money must be licensed and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.) such as identification or controlling of clients and their transactions. Investment firms and the operators of trading venues which execute transactions in financial instruments must report complete and accurate details of such transactions to the CNB.
Transactions in derivatives and other instruments	Yes.	All institutions providing services with the stablecoins that could be classified as electronic money must be licensed and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.) such as identification or controlling of clients and their transactions. Investment firms and counterparties of OTC derivatives which execute transactions in financial instruments must report complete and accurate details of such transactions to the CNB or to a trade repository in case of OTC derivatives.

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Credit operations	No.	All institutions providing services with the stablecoins that could be classified as electronic money must be licensed and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.) such as identification or controlling of clients and their transactions.
Controls on crypto exchanges and trading platforms	No.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.).
Domestic exchanges	No.	All institutions providing services with the unbacked tokens must be registered and must comply with measures for the prevention of money laundering and terrorism financing under the Anti-Money-Laundering Directive (No. 2015/849) and implementing Czech legislation (Act No. 253/2008 Coll.).
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exports and Export Proceeds

Export licenses	*01/01/2022*	Export surveillance for a period of 24 months was introduced to replace the authorization requirement for exports of COVID-19 vaccines as well as their active substances, which was in place during January 30, 2021, until December 31, 2021.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	*01/01/2022*	Amendments introduced minor changes regarding leverage ratio requirements.

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DENMARK

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		March 20, 1946.
Article VIII	Yes.	Date of acceptance: May 1, 1967.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Measures freeze the funds of certain individuals and entities in accordance with relevant UN sanctions and EU regulations and prohibit payment of certain claims by Iraq, Libya, and the Haitian authorities, by designated Russian persons, entities, and bodies, and by designated persons or bodies of the former Federal Republic of Yugoslavia (Serbia and Montenegro) with regard to contracts affected by UNSC Resolution No. 757 and related resolutions. The regulations are as follows: Afghanistan (Council Regulation (EU) No. 753/2011 as amended), Belarus (Council Regulation (EC) No. 765/2006 as amended), Burundi (Council Regulation (EU) No. 1755/2015, as amended), Central African Republic (Council Regulation (EU) No. 224/2014, as amended), Democratic People's Republic of Korea (DPRK) (Council Regulation (EU) No. 1509/2017), Democratic Republic of the Congo (Council Regulation (EC) No. 1183/2005 as amended), Guinea (Conakry) (Council Regulation (EU) No. 1284/2009 as amended), Guinea-Bissau (Council Regulation (EU) No. 377/2012 as amended), Haiti effective November 28, 2022 (Council Regulation (EU) No. 2309/2022 as amended, Council Regulation (EC) No. 1264/1994), Iraq (Council Regulation (EC) No. 1210/2003 as amended, Council Regulation (EEC) No. 3541/1992), Islamic Republic of Iran (Council Regulation (EU) No. 359/2011 as amended, Council Regulation (EU) No. 267/2012 as amended, Council Regulation (EU) No.1529/2023 as amended effective July 25, 2023), Lebanon (Council Regulation (EC) No. 305/2006 as amended, Council Regulation (EU) No. 1275/2021 as amended, Council Regulation (EC) No. 1412/2006 as amended), Libya (Council Regulation (EU) No. 44/2016 as amended, Council Regulation (EC) No. 3275/1993), Mali (Council Regulation (EU) No. 1770/2017), Myanmar (Council Regulation (EU) No. 401/2013), Nicaragua (Council Regulation (EU) No. 2019/1716), The Republic of Moldova effective May 2, 2023 (Council Regulation (EU) No. 888/2023 as amended), Russia (Council Regulation (EU) No. 269/2014 as amended imposing restrictions with respect to activity that undermines or threatens the territorial integrity, sovereignty, and independence of Ukraine, Council Regulation (EU) No. 833/2014, as amended, Council Regulation (EU) No. 263/2022 as amended, Council Regulation (EU) No. 692/2014 as amended concerning, among other things, prohibition to satisfy certain claims made by certain persons, entities, and bodies in response to the illegal annexation of Crimea and Sevastopol), Somalia (Council

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		Regulation (EU) No. 356/2010 as amended), South Sudan (Council Regulation (EU) No. 735/2015, as amended (repealing Regulation No. 748/2014)), Sudan (Council Regulation (EU) No. 747/2014, as amended), Syria (Council Regulation (EU) No. 36/2012 as amended, Council Regulation (EC) No. 305/2006 as amended), groups associated with terrorism (foreign organizations associated with terrorism; Council Regulation (EC) No. 881/2002 as amended, Council Regulation (EC) No. 2580/2001 as amended, and Council Regulation (EU) No. 1686/2016), Tunisia (Council Regulation (EU) No. 101/2011), Turkey (Council Regulation (EU) No. 1890/2019), Ukraine (Council Regulation (EU) No. 208/2014 imposing restrictions, including freezing funds, against certain persons, entities, and bodies in view of the situation in Ukraine, Venezuela (Council Regulation (EU) No. 2063/2017), Yemen (Council Regulation (EU) No. 1352/2014, as amended), former Federal Republic of Yugoslavia (Serbia and Montenegro) (Council Regulation (EC) No. 1733/1994), and Zimbabwe (Council Regulation (EC) No. 314/2004 as amended). Measures against the proliferation and use of chemical weapons, including freezing of funds of certain persons, entities, and bodies (Council Regulation (EU) No. 1542/2018). Measures against cyber-attacks threatening the Union or its member states, including freezing of funds of certain persons, entities, and bodies (Council Regulation (EU) No. 796/2019). Measures are implemented against serious human rights violations and abuses, including freezing of funds of certain persons, entities, and bodies (Council Regulation (EU) No. 1998/2020).
Other security restrictions	Yes.	

Exchange Arrangement

Currency	Yes.	The currency of Denmark is the Danish krone.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional peg. The formal framework for the Danish fixed exchange rate policy is the ERM II. Denmark participates in the ERM II with a central rate of DKr 746.038 per €100. The central rate is a conversion of the central rate vis-à-vis the deutsche mark before the third stage of the EMU and was last adjusted in January 1987. Denmark has entered into an agreement with the ECB and the euro area member countries on a narrower fluctuation band of ±2.25%. In recent years, the Danmarks Nationalbank (DN) has consistently maintained a stable krone within less than 1% of the central rate. The DN's net purchase or sale of foreign currency during a month is published at 5:00 p.m. on the second working day of the following month in the Foreign Exchange

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		and Liquidity press release. The agreement on Denmark's fixed exchange rate policy vis-à-vis the euro within a narrow fluctuation band of ±2.25% around the central rate in ERM II was concluded at an informal meeting of the Economic and Financial Affairs Council of September 25–27, 1998, in Vienna, between the ministers of economy and finance and the CB governors of the EU member countries.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The DN is responsible for monetary policy; exchange rate policy is set by the Danish government in consultation with the DN. Section 2 (3) of the Danish Act on Foreign Exchange (Consolidated Act No. 279, April 11, 1988) states "Guidelines for the foreign-exchange policy to be conducted while the Act is in force shall be laid down after negotiation between DN and the Royal Bank Commissioner." The Royal Bank commissioner is the formal link between the government and the DN. The minister for business and growth is the Royal Bank commissioner. The DN publishes reference exchange rates (fixed by the DN against kroner).
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The formal framework for the Danish fixed exchange rate policy is the ERM II. Denmark participates in the ERM II with a central rate of DKr 746.038 per €100.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		

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Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely set their exchange rates in transactions with their clients.
Spot exchange market	Yes.	Institutions do not need a license to deal in the foreign exchange market and are free to make foreign currency payments and transfers.
Operated by the central bank	Yes.	The CB intervenes directly with banks by proposing its own quotes to market participants by electronic trading and by voice brokers. The CB may trade with all banks but currently engages in euro–krone trading with six Danish banks.
Foreign exchange standing facility	No.	
Allocation	No.	

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Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spread and commissions of market participants.
Over the counter	Yes.	
Brokerage	Yes.	
Market making	Yes.	There is no market-making agreement in place. Market making is primarily done by the largest local banks.
Forward exchange market	Yes.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Denmark is a member of the EU.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	

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Controls on exports and imports of banknotes	No.	In accordance with Regulation (EU) No. 1672/2018, cash controls have been implemented based on a mandatory declaration system for accompanied cash entering or leaving the EU with a value of €10,000 or more. Natural persons entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the competent authorities of the member state through which they enter or leave the EU. Further to this, the Danish Customs Act, Section 10c(1) applies to cross-border transportation from Denmark to another EU member state and from another EU member state to Denmark for accompanied cash with a value of €10,000 or more. For unaccompanied cash of a value of more than €10,000, the sender or the recipient of the cash may be required to make a disclosure declaration within a deadline of 30 days. The cash may be detained until the disclosure declaration has been made according to the EU regulation Article 4 and the Danish Customs Act, Section 10d(2). The authorities must keep a record of such information and report it to their national FIU, cf. section 10 d(3). The obligation to declare is not fulfilled if the person makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to carry out controls on natural persons, their luggage, and their means of transport. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EU regulation requires member states to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member state may exchange information with authorities in other member states. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EU regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EU regulation does not apply to physical cross-border transportation from one EU member state to another (that is, intra-EU transportation). Such transportation is not considered “cross-border” for the purpose of the regulation; the regulation only harmonizes the system for the EU’s external borders.
On exports	No.	
Domestic currency	No.	For accompanied cash with a value of more than €10,000 leaving Denmark, the carrier is required to make a declaration to the Danish customs and tax administration. For unaccompanied cash with a value of more than €10,000, the recipient or sender may be required to make a declaration.
Foreign currency	No.	For accompanied cash with a value of more than €10,000 leaving Denmark, the carrier is required to make a declaration to the Danish customs and tax administration. For unaccompanied cash with a value of more than €10,000, the recipient or sender may be required to make a declaration.
On imports	No.	
Domestic currency	No.	For accompanied cash with a value of more than €10,000 entering Denmark, the carrier is required to make a declaration to the Danish customs and tax administration. For unaccompanied cash with a value of more than €10,000, the recipient or sender may be required to make a declaration.
Foreign currency	No.	For accompanied cash with a value of more than €10,000 entering Denmark, the carrier is required to make a declaration to the Danish customs and tax administration. For unaccompanied cash with a value of more than €10,000, the recipient or sender may be required to make a declaration.

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Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may have foreign exchange accounts as well as krone accounts, and balances may be freely transferred abroad.
Approval required	No.	
Held abroad	Yes.	Foreign exchange accounts abroad may be held by residents and balances freely transferred home. The owner of the account must inform the Danish tax authorities of accounts held abroad.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents are allowed to have accounts abroad in domestic currency. The owner of the account is obliged to inform the Danish tax authorities of all accounts held abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Residents are allowed to have accounts in domestic currency convertible to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	In general, import policy is coordinated with the EU and in general Denmark follows EU rules.
Positive list	No.	

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Negative list	Yes.	Imports of goods from Crimea or Sevastopol (Council Regulation (EU) No. 692/2014 as amended) are prohibited, in response to the illegal annexation of Crimea and Sevastopol. Direct and indirect imports of certain goods and certain gold, precious metals, and diamonds are prohibited from the government of the DPRK and its public agencies and the Central Bank of the DPRK (Council Regulation (EU) No. 1509/2017). Imports of charcoal from Somalia (Council Regulation (EU) No. 147/2003 as amended, cf. Regulation No. 642/2012). Imports of certain gold, precious metals, and diamonds from the government of Syria, its public agencies, and its CB are prohibited under UN resolutions and EU regulations. Imports of endangered species of wild fauna and flora and pelts of certain wild animals are restricted. Imports of certain goods may also be prohibited as a result of technical requirements or for safety purposes. Imports of certain chemicals, dual-use-products, crude oil, etc., from certain countries are prohibited. Other examples: Effective March 29, 2022, imports of certain bivalve molluscs from Turkey are prohibited (Commission Implementing Regulation (EU) No. 478/2022 on maintaining protective measures on imports of bivalve molluscs from Turkey). Imports of certain goods and products from Russia, including oil products, iron and steel products, certain wood products and gold are prohibited (Council Regulation (EU) No. 833/2014 as amended concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine). Effective March 2, 2022, imports of certain goods from Belarus, including certain wood products, certain iron and steel products and certain rubber products (Council Regulation (EC) No. 765/2006 as amended concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine). Import of different kinds of meat products from pigs from certain countries is restricted because of risk of disease (African pig disease). Import licenses are required for some goods (for example, certain agricultural products from countries outside the EU) and for surveillance and safety. Effective August 3, 2023, restrictions on imports from parts of Japan have been removed because of the fact that Implementing Regulation (EU) 1533/2021 has been repealed by Commission Implementing Regulation (EU) 1453/2023.
Open general licenses	No.	Import licenses are required for some goods (for example, certain agricultural products from countries outside the EU) and for surveillance and safety.
Licenses with quotas	Yes.	(1) Required licenses on textile imports from DPRK have been suspended because of the prohibition against import of textile in Regulation No. 2017/1509 on EU's restrictive measures against DPRK, cf. Article 16h; concerning (2) steel and aluminum import from non-EU countries, the EU Regulation No. 2019/159 - imposing definitive safeguard measures against imports of certain steel products – establishes tariff-rate quotas according to the volumes and duties set out in Annex IV in the Regulation; (3) import of certain wood products from Russia has been suspended because of the prohibition against import of restrictive measures in view of Russia's actions destabilizing the situation in Ukraine in Regulation No. 833/2014 article 3c Annex XI.
Other nontariff measures	No.	
Import taxes and/or tariffs	No.	
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Except for certain items subject to strategic controls, licenses are required only for exports of certain metals in waste or scrap form. Special rules apply to exports of waste in general. Exports of dual-use products to countries outside the EU require an export license from the Danish Business Authority.
With quotas	No.	Exports of certain agricultural products to countries outside the EU require export licenses.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.

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Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	Certain restrictions apply for credits to Russia and specific Russian citizens.
To residents from nonresidents	No.	

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Financial credits	No.	
By residents to nonresidents	No.	Certain restrictions apply for credits to Russia and specific Russian citizens.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) registration under the Danish flag of vessels owned by foreign entities. Foreign owners (EU/EEA and non-EU/EEA) of commercial vessels need to maintain and prove that economic activity in relation to the vessel is carried out in or from Denmark and appoint a contact for control and similar purposes that may be sued on behalf of the owner or the ship owner (a Danish natural or legal person). For fishing vessels and pleasure crafts, the vessel must be effectively administered, controlled, and directed from Denmark and owners fulfill an establishment requirement. For non-EU/EEA entities, the establishment requirement may be fulfilled by setting up a subsidiary, branch, or agency in Denmark. For EU/EEA entities, the requirement may also be fulfilled merely by appointing an entity in Denmark that may be contacted for control and similar purposes and that may be sued on behalf of the owner or the ship owner; (2) ownership by non-EU residents of one-third or more of a business engaged in commercial fishing; (3) airlines established in the country that must be majority owned and effectively controlled by EU countries and/or nationals of EU countries, unless otherwise provided for through an international agreement to which the EU is a signatory; (4) investment in accounting services by non-EU residents through indirect control—see the approval procedure in the Danish Act on Approved Auditors and Audit Firms, Section 13(2)—and in legal services by nonresidents; and (5) the extent that under EU Directive 2009/65/EF, a depository of a UCITS must either have its registered office in the same EU country as that of the UCITS or be established (have a branch) in the same EU country as the UCITS if its registered office is in another EU country. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Purchases require approval from the Ministry of Justice, except in case of acquisition by (1) persons who were formerly residents of Denmark for at least five years; (2) EU nationals, EEA nationals and Swiss nationals working in Denmark, or who have a valid residence permit, and EU-based, EEA-based or Swiss-based companies operating in Denmark, for residential or business purposes; and (3)

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		EU nationals, EEA nationals, and Swiss nationals who either have a valid residence permit or are authorized to stay in Denmark without such a permit, for residential or active business purposes. Approval from the Ministry of Justice is not required if real estate is (1) passed by inheritance to another person, (2) retained as undivided property by a surviving spouse, (3) acquired by a spouse when common property is divided equally between spouses, or (4) acquired from a close family member as a gift.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Commercial banks and other credit institutions are subject to prudential regulations in the CRR and the Danish Financial Business Act.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts	No.	

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held by nonresidents		
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	If an institution's overall net foreign exchange position exceeds 2% of its total own funds, the institution must calculate an own funds requirement in accordance with CRR Articles 351, 352, and 354.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	Solvency II implies a principle of prudent person instead of the former quantitative regulation. Insurance companies and pension funds must invest all their assets in accordance with the prudent person principle but there are no specific quantitative limits. IORP are now subject to the principle of prudent person (from the IORP II directive). One quantitative restriction still exists in relation to maximum exposure toward the company, which has set up the institution (sponsor). IORP are not included as insurance companies nor as pension funds.
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	Solvency II implies a principle of prudent person instead of the former quantitative regulation. Insurance companies and pension funds must invest all their assets in accordance with the prudent person principle but there are no specific quantitative limits.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	Solvency II implies a principle of prudent person. Insurance companies and pension funds must invest all their assets in accordance with the prudent person principle but there are no specific quantitative limits.
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	Solvency II implies a principle of prudent person. Insurance companies and pension funds must invest all their assets in accordance with the prudent person principle but there are no specific quantitative limits.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	Danish investment firms are subject to prudential regulations in the CRR, Investment Firm regulation, and the Danish Financial Business

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		Act. Danish UCITS and Alternative Investment Funds Managers are subject to prudential regulations in the Investment Associations, etc. Act, and the Alternative Investment Fund Managers, etc. Act. These regulations do not constitute an exchange restriction.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	Denmark has not issued a central bank digital currency (CBDC) and in this regard, no regulation has been imposed.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	The solely currency with legal tender status in Denmark is the Danish Krone; however, freedom of contract applies which implies, that transacting parties can decide themselves which asset they would like to settle a transaction in. We have not imposed measures which controls the use of other currencies in Denmark.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	

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Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.

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Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	It is possible to supervise crypto asset exchanges but at present, there are no Danish crypto asset exchanges, and no supervision is therefore carried out. However, AML checks are conducted on foreign actors who offers services to Danish customers.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*11/28/2022*	Restrictive measures in view of the situation in Haiti.
	05/02/2023	Restrictive measures in view of actions destabilizing the Republic of Moldova.
	07/25/2023	Restrictive measures in view of Iran's military support of Russia's war of aggression against Ukraine.

Imports and Import Payments

Import licenses and other nontariff measures		
Negative list	*03/02/2022*	Restrictions of imports of certain goods from Belarus, including certain wood products, certain iron and steel products, and certain rubber products in view of the situation in Belarus and involvement of Belarus in the Russian aggression against Ukraine.
	03/29/2022	Imports of certain bivalve molluscs from Turkey are prohibited (Commission Implementing Regulation (EU) No. 478/2022).
	08/03/2023	Restrictions on imports from parts of Japan have been removed because of the fact that Implementing Regulation (EU) 1533/2021 has been repealed by Commission Implementing Regulation (EU) 1453/2023.

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DJIBOUTI

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 29, 1978.
Article VIII	Yes.	Date of acceptance: September 19, 1980.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	

Exchange Arrangement

Currency	Yes.	The currency of Djibouti is the Djibouti franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	Djibouti's exchange rate arrangement is a currency board. The Djibouti franc has been pegged to the US dollar since 1949, but the legislation establishing the currency board and determining the fixed exchange rate is Law No. 118/AN/11/6ème L of January 22, 2011. The Central Bank of Djibouti (BCD) guarantees and provides for unlimited conversion to US dollars of banknotes and coins used as legal tender in Djibouti. The full issuance of Djibouti francs is covered by foreign exchange reserves. The National Assembly of Djibouti has the authority to make decisions regarding changes in the exchange rate arrangement.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal		

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bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Djibouti franc is pegged to the US dollar, the intervention currency, at DF 177.721 per US dollar. The official exchange rate is used for accounting and valuation purposes.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		

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Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The official buying and selling rates for currencies other than the US dollar are set by local banks and money changers, based on cross-rates for the US dollar in international markets. Banks may freely set quotes and commissions in transactions with their clients.
Spot exchange market	Yes.	Institutions that deal in foreign exchange with the public are authorized by the BCD. As of December 31, 2022, 12 credit institutions and 20 foreign exchange bureaus operating in Djibouti were authorized. Foreign exchange bureaus may not engage in foreign exchange transactions directly with the BCD but may maintain accounts abroad. The operations of licensed foreign exchange bureaus are limited to the purchase and sale of banknotes. Transfer bureaus (hawalas) may engage in exchange operations and make foreign currency payments and transfers on behalf of their clients.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BCD stands ready to exchange US dollars for Djibouti francs at the fixed exchange rate of DF 177.721 per US dollar without a margin or commission. The BCD exchanges unlimited amounts of US dollars with the treasury and banks at the fixed exchange rate through transfers between accounts held abroad. Foreign exchange bureaus handle the retail end of this business with large overseas transfers.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	ADs are allowed to trade foreign exchange with each other, but the interbank foreign exchange market is not active. Banks operating on the local market use the interbank market. Islamic banks use a number of liquidity management instruments, including the interbank musharaka and the interbank mudarabah. However, banks primarily rely on international financing arrangements rather than the interbank

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		market for their liquidity requirements.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	Yes.	
Official	Yes.	As at June 30, 2023, the cumulative mandated debts amounted to 8,240 billion (including DJF 4,896 billion in principal and DJF 3,344 billion in interest) corresponding to maturities falling due with the African Development Bank (AfDB), the Organization of the Petroleum Exporting Countries (OPEC), the Islamic Development Bank (IsDB), the Saudi Development Fund (SDF), the International Development Association (IDA), China, India, France, the EIB, the International Fund for Agricultural Development, and Spain. As at June 30, 2023, public entities had accumulated DJF 3,917 billion (including DJF 2,208 billion in principal and DJF 1,709 billion in interest) in guaranteed external debt service. These maturities are due with the AfDB, the IsDB, the Arab Fund for Economic and Social Development (AFESD), OPEC, and the SDF.

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		Status of direct external debt arrears: The stock of the government's external debt arrears as at June 30, 2023, was DJF 37,800 billion corresponding to outstanding maturities falling due with Iran, Exim Bank of Turkey, Spain, France, the IsDB, the AfDB, the EIB, the IDA, OPEC, and the SDF. A debt rescheduling arrangement is still pending for payments in arrears with Iran amounting to DJF 837 million. The same is true for Exim Bank of India and Exim Bank of China, with outstanding amounts of DJF 6,101 billion and DJF 28,867 billion. It should be noted that no debt deferral agreement was made with these two partners as part of the G20 Initiative. The remainder of the arrears are with Exim Bank of Turkey, Spain, France, the IDB, the International Fund for Agricultural Development, the AfDB, the EIB, the IDA, OPEC, and the SDF, totaling DJF 2,833 billion. Status of public entities' debt arrears: The stock of external debt arrears as at June 30, 2023, amounted to DJF 10,412 billion. The arrears of the PORT, the Djibouti Real Estate and Land Development Company, and the Electricity Board of Djibouti (EDD) (only arrears from the railway electrification project) are, respectively, DJF 6,427 billion (62%) and DJF 1,513 billion (15%). The remaining stock of external debt arrears amounting to DJF 874 million is held by the Economic and Social Development Fund – FDED (5%), the Urban Rehabilitation and Social Housing Agency – ARULOS (2%), and the National Office of Water and Sanitation of Djibouti – ONEAD (2%).
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may have foreign exchange accounts with resident banks. The applicable legislation is Banking Law No. 119/AN/11/6ème L of January 22, 2011. Balances may be freely transferred abroad. There are no limitations on capital movements.
Approval required	No.	

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Held abroad	Yes.	Regulations of the country where the bank is located apply.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	The applicable legislation is Banking Law No. 119/AN/11/6ème L of January 22, 2011.
Approval required	No.	
Domestic currency accounts	Yes.	The applicable legislation is Banking Law No. 119/AN/11/6ème L of January 22, 2011.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	Yes.	Advance import deposits are permitted up to 20% of the value of the imports.
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	Yes.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Formal customs duties are not imposed on imports, but, in practice, fiscal duties are levied by means of the general consumption tax on

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	imports. However, this tax is being phased out through rate reductions as part of the indirect tax reform. A VAT was introduced in 2009, and the general consumption tax on imports is expected to be phased out with the introduction of a CET in line with other countries in COMESA. Certain products, including alcoholic beverages, noncarbonated mineral water, petroleum products, khat, and tobacco, are subject to a surtax.
Taxes collected through the exchange system	No.
State import monopoly	No.

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	Yes.
Documentation requirements	Yes.
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	Yes.
Preshipment inspection	Yes.
Other	No.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	There are controls on all credit transactions between residents and

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		nonresidents within the limits specified by the banking regulations for the purpose of compliance with the prudential standard on customer risk.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	Yes.	There are controls on all transactions between residents and nonresidents, in the form of guarantees, sureties, and financial backup facilities within the limits specified in the banking regulations for the purpose of compliance with the prudential standard on customer risk.
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	Apart from the Investment Code currently in effect in Djibouti (Law No. 58/94/3ème of October 16, 1994), there are no regulations concerning direct investment. However, it is amended by: Law No. 58/94 of October 16, 1994; The No. 143/AN/97 of December 3, 1997; Law No. 23/AN/08 of December 13, 2008, on the 2008 Supplementary Budget Law; The No. 41/AN/08 of December 28, 2008, on the 2009 Budget Law.
Outward direct investment	Yes.	
Inward direct investment	Yes.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by	No.	

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immigrants		
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The minimal capital requirement applicable to banking institutions is DF 1 billion.
Borrowing abroad	No.	Borrowing abroad by domestic banking institutions is not restricted.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	There are controls on all loans and commercial credit transactions between residents and nonresidents within the limits specified by the banking regulations for the purpose of compliance with the prudential standard on customer risk.
Lending locally in foreign exchange	No.	There are no limitations or restrictions.
Purchase of locally issued securities denominated in foreign exchange	No.	There is no financial market in Djibouti.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	Licensed banking institutions are required to maintain a certain "deposit coverage ratio" in francs. The numerator of this ratio corresponds to net assets in foreign exchange, all currencies combined (with the exception of operations in which the foreign exchange risk is borne by the government and structural foreign exchange positions). The denominator includes all foreign exchange deposits, broken down by type of currency, rate of return, and term of investment.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	The numerator of this ratio corresponds to total foreign exchange deposits of customers, broken down by type of currency, term of investment, and rate of return. The denominator includes all uses of foreign exchange, broken down as well by type of currency, rate obtained, and term of investment.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	

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Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Insurance companies are governed by Law No. 40/AN/99/4ème of June 8, 1999.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	There is a matching requirement with respect to both the amount of the transaction and the currency of denomination, as well as with respect to maturity and interest rate.
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.	
Use among residents	n.a.	

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Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.

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For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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DOMINICA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 12, 1978.
Article VIII	Yes.	Date of acceptance: December 13, 1979.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Trade with Iraq is prohibited.

Exchange Arrangement

Currency	Yes.	The currency of Dominica is the Eastern Caribbean dollar, issued by the ECCB.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The de jure and de facto exchange rate arrangements are classified as a currency board. Dominica participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar, the common currency, is pegged to the US dollar at EC$2.70 per US dollar. The ECCB officially covers at least 60% of base money with its foreign reserves. The operational guideline is set at 80%, although in practice the coverage has been maintained at 95%–100%.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Eastern Caribbean dollar is pegged to the US dollar under a currency board arrangement at EC$2.70 per US dollar. The official exchange rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		

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Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The ECCB sets an indicative rate for commercial banks. This rate has been EC$2.6882–EC$2.7169 per US dollar for a long time. Commercial banks may set commissions freely in transactions with their clients.
Spot exchange market	Yes.	Banks are allowed to purchase or sell foreign currency from each other as well as to and from the ECCB. The commercial banks are not required to report their daily foreign exchange activity to the ECCB. The commercial banks are viewed as the exchange bureaus. Foreign exchange transfer institutions, such as MoneyGram and Western Union, and foreign exchange bureaus do not do business with and are not licensed by the ECCB.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The ECCB sells and buys US dollars at a fixed exchange rate of EC $2.7 per US dollar. Actual rates may differ slightly, so that the ECCB can cover its administrative expenses. There is no bid-ask spread.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	There is no formal interbank foreign exchange market.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

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Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Settlements with residents of the territories participating in the ECCB Agreement must be made in Eastern Caribbean dollars; those with the CARICOM members must be made in the currency of the CARICOM country concerned. Settlements with residents of other countries may be made in any foreign currency that is acceptable to the country where the settlement is being made.
For current transactions and payments	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Dominica is a member of CARICOM and the OECS.
Clearing agreements	Yes.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Foreign exchange control is inoperative. The Ministry of Trade and Industry administers import and export arrangements and controls.
Payments arrears	Yes.	
Official	Yes.	Payments into an escrow account at the ECCB are made for holdout creditors after debt restructuring.
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents are permitted to acquire and hold gold coins for numismatic purposes only.
On external trade	Yes.	Small quantities of gold may be imported for industrial purposes with MOF approval.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	The exportation of Eastern Caribbean dollar notes and coins outside the ECCB area is limited to EC$10,000, as prescribed by the ECCB.
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

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Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	These accounts are typically confined to major exporters and may be credited only with foreign currency obtained abroad. Payments from these accounts do not require approval.
Approval required	Yes.	
Held abroad	No.	
Approval required	No.	
Accounts in domestic currency held abroad	No.	Accounts in domestic currency may be maintained only in other ECCU member countries.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	These accounts are permitted, but approval is required.
Approval required	Yes.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	No.	
Approval required	Yes.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Payments for authorized imports are permitted on presentation to a commercial bank of documentary evidence of the purchase.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports from Iraq are prohibited.
Positive list	No.	

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Negative list	Yes.	Imports of specified goods from non-OECS countries, Belize, and the CARICOM countries require a license. Imports of certain goods from the more developed CARICOM countries (Barbados, Guyana, Jamaica, Trinidad, and Tobago) also require a license.
Open general licenses	Yes.	Certain goods require a license for public health or safety reasons.
Licenses with quotas	Yes.	There are certain quantitative restrictions on imports of flour.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Most rates are ad valorem. Dominica applies the fourth phase of the CARICOM CET. The maximum tariffs on most CARICOM agricultural and nonagricultural products are 40% and 20%, respectively. Lower rates apply to machinery (0%–15%) and some essential foodstuffs (0%–15%), whereas higher rates apply to import-substituting domestic appliances (20%–35%) and motor vehicles (10%–40%). Specific taxes are applied to some goods. These include an excise tax levied on (1) motor vehicles, (2) alcohol, (3) petroleum products, and (4) tobacco and tobacco substitutes at the rates set out in the Excise Tax Regulations (SRO 5) of 2006. Certain imports are exempt. A VAT is levied, and legislation designates certain zero-rated items and exempt imports. Imports are subject to a 1.5% environmental surcharge in addition to the 3% customs service charge. An environmental surcharge of EC$3,000 is payable on vehicles more than five years old. Vehicles less than five years old are subject to a rate of 1.5%, but a concessionary rate of 1% is extended to returning residents.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	A state agency imports sugar and rice in bulk.

Exports and Export Proceeds

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Export proceeds must be converted to Eastern Caribbean dollars and deposited in an ECCB account, unless the exporter has a foreign exchange account to which the proceeds may be credited.
Financing requirements	n.a.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports to Iraq are prohibited, and specific licenses are required for the exportation of protected plant and animal species to all

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		destinations.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	A stamp tax of EC$1.50 applies to exports. Export royalties are levied on sand and stone only.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The Securities Act allows non-OECS countries to trade on the OECS exchange.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	An alien landholding license is required for the purchase of equity shares.
Sale or issue locally by nonresidents	Yes.	Investors must be registered with the Securities Commission to issue shares in Dominica.
Purchase abroad by residents	Yes.	The regulations governing the sale or issuance of capital market securities by nonresidents apply. Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Investors must be registered with the Securities Commission.
Purchase abroad by residents	No.	

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Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	An alien landholding license is required for the purchase of collective investment securities.
Sale or issue locally by nonresidents	Yes.	Investors must be registered with the Securities Commission to issue securities in Dominica.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	The seller of the instruments must be licensed under the Banking Act.
Controls on derivatives and other instruments	n.a.	
Purchase locally by nonresidents	n.a.	
Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	n.a.	
Sale or issue abroad by residents	n.a.	
Controls on credit operations	Yes.	Credit to foreign companies does not require MOF approval.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	n.a.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	
Inward direct investment	Yes.	Nonresidents are generally required to have an alien landholding license to hold shares in private and public companies and to hold property.
Controls on liquidation of direct investment	No.	Proceeds may be remitted after related liabilities are discharged.

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Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	
Purchase locally by nonresidents	Yes.	An alien landholding license is required.
Sale locally by nonresidents	n.a.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	MOF approval is not required for local currency financing.
Lending locally in foreign exchange	Yes.	These transactions generally are not permitted.
Purchase of locally issued securities denominated in foreign exchange	No.	Purchases of locally issued securities denominated in foreign currency do not require MOF approval.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the new Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
In banks by nonresidents	No.	The Banking Act further specifies and strengthens the conditions dealing with fit and proper tests under which the CB can grant a license to nonresidents to operate in the ECCU (whether through a branch, subsidiary, or newly acquired bank).
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	The Social Security Board has limitations on its investments.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	

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Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.

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For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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DOMINICAN REPUBLIC

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 28, 1945.
Article VIII	Yes.	Date of acceptance: August 1, 1953.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the Dominican Republic is the Dominican peso.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is managed float. The Central Bank of the Dominican Republic (CBDR) aims to increase gradually the flexibility of the exchange rate alongside the implementation of the inflation-targeting framework formally adopted in 2012. The CBDR does not pursue a particular fixed exchange rate level, but rather seeks to manage a pathway around its long-term equilibrium value, consistent with the fundamentals of the Dominican Republic

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		economy and its inflation target. The CBDR intervenes in the foreign exchange market to avoid instances of excessive exchange rate volatility that might affect the inflation target. The CBDR publishes data on foreign exchange sales and purchases in the foreign exchange market by different institutional actors (financial intermediaries and remittance/foreign exchange agents). The data are published on a gross (all transactions) basis and a net basis (excluding interbank operations). The CBDR does not disclose data on its volume of foreign exchange transactions with financial intermediaries. Since December 2021, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate arrangement was reclassified retroactively to other managed from crawl-like, effective December 10, 2021.
Floating		
Free floating		
Official exchange rate	Yes.	The reference exchange rate used by the CBDR for its operations is set as the weighted average of daily exchange rates reported by authorized exchange intermediaries. The reference rate is used for accounting, legal, and reporting purposes.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	In January 2012, the CBDR confirmed the adoption of the Inflation-Targeting Scheme (ITS) to implement monetary policy, under the authority of the Monetary Board (Junta Monetaria).
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee		
Central Bank Board	Yes.	The decisions of the Monetary Board must be by simple majority of the Members present. In the event of a tie, the Chair must have the deciding vote.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The inflation target has been set as 4% ± 1% since 2015.

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Band/Range		
Target measure	Yes.	
CPI	Yes.	The target is set on the basis of the year-on-year (y-o-y) change in the CPI, and it is expressed in terms of the average annual rate of inflation.
Core inflation		
Target horizon	Yes.	The horizon over which the inflation target must be met is two years (24 months).
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The CBDR holds a monthly Monetary Policy meeting to analyze internal and external risks in relation to meeting the inflation target. A Monetary Policy Communiqué is published after this meeting on the CBDR website containing the decision taken on the policy rate, a summary of the reasons behind it, and a reference interest rate that defines the overnight interest rates of the daily expansion and contraction operations. As of November 2023, the policy rate was 7.25%.
Target corridor band	Yes.	The target band is set at +0.5%, for one-day standing expansion and contraction facilities.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	No.	
Other	Yes.	Presentations are made during Governor's press conference, including updates on macroeconomic conditions, such as activity, inflation, and growth in lending.
Transparency	Yes.	
Publication of votes	No.	
Publication of minutes	No.	
Publication of inflation forecasts	Yes.	The forecasts are published in the Monetary Policy Report, which is published on a half-yearly basis.
Other monetary framework		
Exchange tax	No.	Monetary Board Resolution No. 17 of January 24, 1991, established the collection of a foreign exchange commission fee. Between 1991 and 2006, the level was adjusted on several occasions, before the collection was abolished as of July 1, 2006, pursuant to Revenue Budget and Public Expenditure Law No. 17-06.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized foreign exchange intermediaries are free to set their exchange rates and foreign exchange commission in transactions with their clients.
Spot exchange market	Yes.	The CBDR licenses financial institutions and exchange agents to operate in the foreign exchange market. As of December 31, 2022, the 83 authorized financial and foreign exchange entities comprise 17 full-service banks, 14 savings and loan banks, 10 savings and loan associations, and 42 foreign exchange agents and remittance/foreign exchange agents.

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		The CBDR buys and sells foreign exchange through authorized foreign exchange intermediaries. Operating in the foreign exchange market is defined as "exchange intermediation": This term comprises the act of buying and selling currencies regularly (currency notes and currencies of foreign countries, irrespective of their denominations or characteristics, and regardless of the means of payment used to make such purchases and sales), including but not limited to bills of exchange, checks, payment orders, promissory notes, bank drafts, and transfers.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks trade foreign exchange freely with each other and their customers. The CB implemented an electronic foreign exchange trading platform to be operated by the entity itself with the participation of various foreign exchange intermediation entities. The CBDR monitors the market closely and intervenes to limit excessive exchange rate volatility. The CBDR buys and sells foreign exchange through authorized foreign exchange intermediaries. As of December 31, 2022, 17 full-service banks, 14 savings and loan banks, and 10 savings and loan associations actively participated in the interbank market.
Over the counter	Yes.	The interbank market operates over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Settlements within the LAIA (ALADI) framework must be made in US dollars. Transactions are carried out through the Federal Reserve and are settled in US dollars. Other transactions between residents and nonresidents may be made in any currency. Sums owed will be paid in the agreed currency and, if no explicit agreement exists, in the domestic currency. The foreign exchange regime will be based on the free convertibility of the domestic currency with other currencies. Economic agents will be able to perform transactions in foreign currencies based on terms entered into freely in compliance with general contract regulations. Under no circumstances must the CB require certain foreign currency operations to be carried out exclusively with the CB or according to terms that do not guarantee the free determination of prices on the market.
For current transactions and payments	Yes.	

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For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	The second paragraph of Article 24 of the Monetary and Financial Law establishes that "cash debts must be paid in the currency agreed or, in the event there is no express agreement, in the domestic currency."
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	Agreements have been entered into with Argentina, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay, and Venezuela.
Operative	Yes.	The agreements with Argentina, Brazil, and Peru are operative. In accordance with Article 18 of the ALADI Reciprocal Payments and Credit Agreement: "The rights and obligations that ensue from their participation in the "Agreement" shall remain in effect until they are fully extinguished."
Inoperative	Yes.	There are inoperative agreements with Chile, Colombia, Ecuador, Mexico, Uruguay, and Venezuela.
Regional arrangements	Yes.	The CBDR manages an interconnected payments system for Central America and the Dominican Republic and an electronic payments system for electronic funds transfers to bank customers in Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua.
Clearing agreements	Yes.	Settlements with Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay, and Venezuela may be made through two accounts established under reciprocal credit agreements within the ALADI framework. Imports (debits) and exports (credits) are recorded in these accounts, and all payments must be invoiced in US dollars. Funds transfers in the form of remittances, import payments, invoice payments, etc., are settled through the Federal Reserve.
Barter agreements and open accounts	Yes.	Settlements take place under reciprocal credit agreements with Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay, and Venezuela. For interconnected payments system operations, participating CBs maintain accounts in the CBDR, with real-time gross settlement (RTGS) debits and credits via SWIFT messages. Deposits and withdrawals take place through a correspondent bank account. The Dominican Republic is a signatory to the PetroCaribe Agreement with Venezuela, which includes barter arrangements as part of the overall credit framework.
Administration of control	Yes.	Exchange rate policy is determined by the Monetary Board and administered by the CBDR. The Exchange Regulation of the Monetary and Financial Law, adopted February 5, 2004, applies as amended.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	

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Controls on exports and imports of banknotes	No.	Exports and imports of foreign currency are unrestricted, but amounts exceeding the equivalent of US$10,000 must be reported for anti-money-laundering purposes.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Resident corporations and individuals may maintain savings or time deposit accounts locally in US dollars or in any other freely convertible foreign currency at full-service banks.
Approval required	No.	
Held abroad	Yes.	The opening of foreign-currency-denominated accounts abroad is unrestricted.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Peso accounts are convertible to other currencies. Economic agents may enter into transactions involving foreign currency on freely negotiated terms, in accordance with the general rules and regulations governing contracts.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresident corporations and individuals may maintain savings or time deposit accounts locally in US dollars or in any other freely convertible foreign currency at full-service banks.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.

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Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Imports of all animal and plant products are authorized, except for those indicated in the "list of unauthorized categories" (next section). It should be noted that imports of animal or plant products are conditional on the importer's first obtaining a health and/or plant health import permit, as appropriate.
Negative list	Yes.	Imports of articles or living beings that could pose an environmental risk, such as live animals; seeds; plants; fruits; plant and animal products that are unhealthy, decomposing, or infected with germs or parasites; and substances harmful or injurious to human, plant, or animal health are prohibited. In addition, other prohibited products include: firearms, their parts and munitions; used domestic electrical appliances; pesticides and insecticides; cocoa plants, fruits, seeds, and any part thereof; musaceous plants (bananas) and any part thereof; used clothing; right-hand drive vehicles; damaged vehicles; light-weight vehicles that are over five years old, and heavy-weight vehicles that are over 15 years old.
Open general licenses	No.	
Licenses with quotas	Yes.	Products included in the Technical Rectification to Schedule XXIII of Tariff Concessions of the Dominican Republic under the WTO rules are subject to tariff rate quotas (rice, garlic, refined sugar, brown sugar, chicken meat, onion, beans, milk, and corn). No imports of agricultural products are subject to quantitative restrictions (for example, quotas); tariff quotas are applied only to a specific list of products, within the framework of the WTO or trade agreements. Under the WTO, the Dominican Republic applies tariff quotas to imports of chicken, corn, beans, onions, powdered milk, rice, and sugar. Under the Central American-Dominican Republic Free Trade Agreement (CAFTA-DR) tariff quotas are applied to imports from the USA for the following products: beef, cuts of pork, lard, chicken thighs, turkey meat, powdered milk, mozzarella cheese, cheddar cheese, ice cream, yogurt, husked rice, semi-whitened or whitened rice, beans, and glucose. Quotas are applied to Nicaragua for the following products: chicken breasts, onions and shallots, and beans. Quotas are applied to Costa Rica for chicken breasts and powdered milk. Under the CARIFORUM-EU EPA (Caribbean Forum-EU Economic Partnership Agreement (EPA)), the Dominican Republic applies a tariff quota to powdered milk originating from the EU. The import of radio transmitters/receivers and radio communications, radio broadcasting, or television equipment or appliances listed under

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		Section 85.25 and Section 85.26 are subject to the approval and issue of a trade license (Oficio de Autorización) by INDOTEL (Dominican Institute of Telecommunications).
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	In the Dominican Republic, there are five tariff rates: 0%, 3%, 8%, 14%, and 20%, which apply to the temporary duty- and tax-free import system for certain goods reexported within 18 months of being processed, prepared, or repaired. A zero rate applies to imports of raw materials, machinery, and equipment to be used in the textile, agriculture, and tourism (within poles under development) sectors. The Customs Duty of the Dominican Republic, Law No. 146-00 and amendments proclaimed on May 4, 2007, provide for a 100% exemption from import duties for inputs, fertilizers, equipment, and machinery to be used in the agricultural industry, as well as a 100% exemption from payment of the Tax on the Transfer of Industrialized Goods and Services (Impuesto sobre Transferencia de Bienes Industrializados y Servicios – ITBIS). In addition, Law No. 158-01 as amended promotes the execution of new projects intended to develop the country's tourist destinations (polos turísticos). The FTA between the Dominican Republic, Central America, and the USA (CAFTA-DR) allows duty-free entry for goods from the USA in respect of 97.1% of customs duty; only 2.9% of the customs duty, limited to agricultural products characterized by high production sensitivity, will be subject to tariff relief phased in over the next nine years. Under the CARIFORUM (Caribbean Forum)-EU EPA, there are 19 tariff rates: 0%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10%, 11%, 12%, 14%, 15%, 17%, 18%, 20%, 36%, and 37%. Under the EPA-DR, duty-free entry of goods from EU signatories will be phased in over 17 years.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.
Other	No.
Export licenses	Yes.
Without quotas	No.

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With quotas	Yes.	There are export quotas for sugar. Sugar export quotas are managed by the Dominican Sugar Institute (Instituto Azucarero Dominicano). Decrees are issued to establish production and export quotas for each sugar harvest.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	Payments for invisible transactions may be made freely through full-service banks, subject to documentation requirements.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Operations in securities for public offering are regulated under Law No. 249-17 on the Securities Market, as well as the regulatory provisions issued by the National Securities Market Board and the Office of the Superintendent of the Securities Market within the scope of their authorities. Private investments are not governed by this law. Transactions related to FDI are regulated under Law No. 16 -95.
On capital market securities	Yes.	Only the Office of the Superintendent of the Securities Market has the authority to authorize public offerings of securities throughout the territory of the Dominican Republic, on submission of the documents required under this law and its regulations. Law No. 249-17 considers fixed and variable rate securities to be publicly offered securities. The Regulation to the Law on Public Offerings establishes the conditions and requirements for the issuance of securities by issuers entitled to differential treatment and companies in the Dominican securities market. The said regulation also provides for fixed income exchange public offerings and public offerings for the acquisition of shares. The Office of the Superintendent published instructions establishing the requirements for the authorization of a public offering and the preparation of the required documents. In addition, the Regulation on Corporate Governance sets out the voluntary regime for fixed income securities issuers and mandatory provisions applicable to listed companies. The Regulation on Administrators and Investment Funds modernized the regulatory framework and allowing for greater diversification of instruments as an investment alternative to funds. An instruction containing guidelines for preparing the various documents provided

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		for in the Regulation on Administrators and Investment Funds was published. The Office of the Superintendent of the Securities Market is currently preparing the Regulation on Public Offering Trusts and Securitization Companies and the Securitization Process, as required by Law No. 249-17 (Transitional Provision Three of the Law on the Securities Market). Law No. 163-21 on Promotion of the Placement and Trading of Publicly Offered Securities in the Dominican Republic Securities Market aims at promoting the placement and trading of publicly offered securities in the Dominican Republic securities market. The Law states that the promotion and development of the public offering of securities as a financing mechanism for investment projects, enterprises, and commercial companies to contribute to the stimulation of various sectors of the national economy is of national interest. The Law deals with tax measures aimed at promoting the development of listed companies in the Dominican Republic by establishing a capital gains tax exemption for listed companies for a period of three years from the enactment of the Law. Likewise, it lowers the capital gains tax rate for the seller of shares of a listed company, which must be reported in the annual tax return. It should be mentioned that this tax rate is valid for a period of three years from the enactment of the Law. In addition, it grants a special liability regime to the purchasers of shares listed in the Stock Market Registry, which are subscribed or traded in the stock market and which are part of a public offering, so that they are not considered to have joint and several liability for the tax obligations of the seller or of the issuing listed company. This special liability regime is not applicable to those shareholders who, directly or indirectly, participate in the management of the company in which investments are made or exercise, directly or indirectly, control over the administration and management of the company in the manner provided by Law No. 249-17, on the Securities Market of the Dominican Republic and its implementing regulations. On the other hand, it grants the National Securities Market Council powers to offer temporary differentiated regulatory treatment for compliance with corporate governance provisions, for a period of three years from the enactment of the Law. For investment funds, Law No. 163-21 grants an extension of an additional three years to the time period established in Law No. 249-17, that is, 6 years for the real estate transfer tax.
Shares or other securities of a participating nature	Yes.	Traded in our securities market are fixed income securities of corporate issuers, and both fixed income and variable income securities (of a participating nature) issued against autonomous assets, that is, investment funds and publicly offered trusts, and separate securitization assets. The first public offering of common shares was approved in April 2022 and was placed in August 2023. This public offering of shares will involve the issuance of new shares as a result of a capital increase to be carried out, which will represent 30% of the company's total capital stock once the new shares are placed. The second issue involved preferred shares of a full-service bank. Both were issued and placed in domestic currency.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Public offerings by foreign issuers are governed by the Law on the Securities Market and the Regulation on Public Offerings. Likewise, by Law No. 163-21, on Promotion of the Placement and Trading of Publicly Offered Securities of the Dominican Republic. In addition to the requirements applicable to domestic issuers, there is a

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		requirement that documents be translated into Spanish and be duly authenticated by the competent authorities in the home country and by consular officials of the Dominican Republic in that country. As well, they must comply with the provisions of Article 8 of the General Law on Commercial Companies No. 479-08, as amended, requiring them to register their domicile in the entry that they make in the Commercial Registry of the jurisdiction of that domicile. Under paragraph III of Article 30 of the Regulation on Public Offerings, if the issuer is not domiciled in the Dominican Republic, local representation will be required for receiving communications and for dialogue with the Office of the Superintendent regarding any matters affecting its supervision as the issuer of a public offering, particularly any requirement that the Office of the Superintendent or the representative of the body of bondholders may establish for fixed income. It should be clarified that the Office of the Superintendent of the Securities Market regulates activities, operations, and transactions on the securities market of the Dominican Republic, including publicly offered securities that are offered or traded in the national territory. Only publicly offered securities that are promoted by a securities intermediary registered in the Registry and that meet the requirements established in the regulations and in the internal bylaws of the securities exchanges and the centralized securities depositary may be listed in the foreign securities trading system. Foreign securities issued by issuers entitled to differential treatment may be registered and promoted by their issuer or by a securities intermediary. The regulations will establish the details for the registration and trading of foreign securities publicly offered within the country, for which the approval of the Monetary Board is required.
Purchase abroad by residents	No.	The Regulation for Securities Intermediaries creates the position of "intermediary/introducer," defined as follows: "the securities intermediary making a referral and providing assistance to a client in order for the latter to establish a contractual relationship with another domestic or foreign securities intermediary and to assist with opening and maintaining securities brokerage accounts on the client's behalf." There is nothing to prevent residents with access to foreign intermediaries from opening brokerage accounts and trading directly.
Sale or issue abroad by residents	Yes.	As of the date of this report, residents who are participants in the securities market for the issue of publicly offered securities abroad must report, as market sensitive information, the authorization to carry out the public offering, pursuant to Article 12 regarding the classification of market sensitive information established in Resolution R-CNV-2015-33-MV. Pursuant to said resolution, securities issuers and participants subject to this regulation are required to inform the Office of the Superintendent of the Securities Market of authorizations for a public offering of securities on the domestic market or abroad. Notification of the Office of the Superintendent of the Securities Market regarding the aforementioned market sensitive information is not required for residents who are not participants in the securities market. Residents who are not participants in the securities market are defined as legal entities not registered in the Securities Market Registry and therefore not subject to supervision by the Office of the Superintendent of the Securities Market. Effective December 9, 2022, the Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV) repealed the aforementioned Resolution R-

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		CNV-2015-33-MV. Article 22(g) of this Regulation will require the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts to report the authorization of a public offering in the foreign market as market sensitive information. Likewise, in the event that residents are not participants in the aforementioned securities market, they are not required to notify the Office of the Superintendent of the Securities Market regarding the aforementioned market sensitive information.
Bonds or other debt securities	Yes.	The issuance of publicly offered securities in the Dominican Republic requires the prior authorization of the Office of the Superintendent of the Securities Market. Certain issuers, such as the CB, the government, and multilateral agencies, and the securities they issue, are governed by their own laws and are exempt from the authorization of the Office of the Superintendent for public offerings. They must submit the legal basis for each issuance and the description of the essential characteristics of the securities for purpose of entry in the Registry. The issuance of publicly offered securities in the Dominican territory is applicable to both residents and nonresidents. Participants in the securities market that issue abroad must comply with the provisions of Article 12 of the Regulation on Market Sensitive Information. If they are not participants in the securities markets, compliance with this provision is not required.
Purchase locally by nonresidents	No.	Nonresidents purchasers must participate in a program such as Global Depository Notes (GDN), in which a custodian or international bank issues securities abroad underpinned with Dominican bonds.
Sale or issue locally by nonresidents	Yes.	Public offerings by foreigners are governed by the Law on the Securities Market and the Regulation on Public Offerings, and by Law No. 163-21, on Promotion of the Placement and Trading of Publicly Offered Securities of the Dominican Republic. In addition to the requirements applicable to domestic issuers, there is a requirement that documents be translated into Spanish and be duly authenticated by the competent authorities in the home country and by consular officials of the Dominican Republic in that country. As well, they must comply with the provisions of Article 8 of the General Law on Commercial Companies No. 479-08, as amended, requiring them to register their domicile in the entry that they make in the Commercial Registry of the jurisdiction of that domicile. Under paragraph III of Article 30 of the Regulation on Public Offerings, if the issuer is not domiciled in the Dominican Republic, local representation will be required for receiving communications and for dialogue with the Office of the Superintendent regarding any matters affecting its supervision as the issuer of a public offering, particularly any requirement that the Office of the Superintendent or the representative of the body of bondholders may establish for fixed income. The sale of publicly offered securities by nonresidents within the Dominican territory is regulated by the Law on the Securities Market. The Office of the Superintendent of the Securities Market regulates activities, operations, and transactions on the securities market of the Dominican Republic, including publicly offered securities that are offered or traded in the national territory. Only publicly offered securities that are promoted by a securities intermediary registered in the Registry and that meet the requirements established in the regulations and in the internal bylaws of the securities exchanges and the centralized securities depositary may be listed in the foreign securities trading system. Foreign

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		securities issued by issuers entitled to differential treatment may be registered and promoted by their issuer or by a securities intermediary. The regulations will establish the details for the registration and trading of foreign securities publicly offered within the country, for which the approval of the Monetary Board is required. The Regulation on Public Offerings, which will regulate the sale of foreign securities, is currently being prepared.
Purchase abroad by residents	No.	The Regulation for Securities Intermediaries creates the position of "intermediary/introducer," defined as follows: "the securities intermediary making a referral and providing assistance to a client in order for the latter to establish a contractual relationship with another domestic or foreign securities intermediary and to assist with opening and maintaining securities brokerage accounts on the client's behalf."
Sale or issue abroad by residents	Yes.	Residents who are participants in the securities market for the sale or issue of publicly offered securities abroad must report, as market sensitive information, the authorization to carry out the public offering, pursuant to Article 12 regarding the classification of market sensitive information established in Resolution R-CNV-2015-33-MV. Effective December 9, 2022, this resolution was repealed on the entry into force of the Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV), which requires that the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts listed in the Securities Market Registry report the authorization of a public offering in the foreign market as market sensitive information. Pursuant to said regulation, securities issuers, investment fund administrators, securitization companies, and trust companies that manage public offering trusts, which are subject to this regulation, are required to inform the Office of the Superintendent of the Securities Market of authorizations for a public offering of securities abroad. If they are not participants in the securities market as indicated, compliance with this provision is not required.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	Public offerings by foreigners are governed by the Law on the Securities Market, Law No. 163-21, and the Regulation on Public Offerings. In addition to the requirements applicable to domestic issuers, there is a requirement that documents be translated into Spanish and be duly authenticated by the competent authorities in the home country and by consular officials of the Dominican Republic in that country. As well, they must comply with the provisions of Article 8 of the General Law on Commercial Companies No. 479-08, as amended, requiring them to register their domicile in the entry that they make in the Commercial Registry of the jurisdiction of that domicile. Under paragraph III of Article 30 of the Regulation on Public Offerings, if the issuer is not domiciled in the Dominican Republic, local representation will be required for receiving communications and for dialogue with the Office of the Superintendent regarding any matters affecting its supervision as the issuer of a public offering, particularly any requirement that the Office of the Superintendent or the representative of the body of bondholders may establish for fixed income. The sale of publicly offered securities by nonresidents within the

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		Dominican territory is regulated by the Law on the Securities Market. The Office of the Superintendent of the Securities Market regulates activities, operations, and transactions on the securities market of the Dominican Republic, including publicly offered securities that are offered or traded in the national territory. Only publicly offered securities that are promoted by a securities intermediary registered in the Registry and that meet the requirements established in the regulations and in the internal bylaws of the securities exchanges and the centralized securities depositary may be listed in the foreign securities trading system. Foreign securities issued by issuers entitled to differential treatment may be registered and promoted by their issuer or by a securities intermediary. The regulations will establish the details for the registration and trading of foreign securities publicly offered within the country, for which the approval of the Monetary Board is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	Residents who are participants in the securities market for the sale or issue of publicly offered securities abroad must report, as market sensitive information, the authorization to carry out the public offering, pursuant to Article 12 regarding the classification of market sensitive information established in Resolution R-CNV-2015-33-MV. Effective December 9, 2022, this resolution was repealed on the entry into force of the Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV), which requires that the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts listed in the Securities Market Registry report the authorization of a public offering in the foreign market as market sensitive information. Pursuant to said regulation, securities issuers, investment fund administrators, securitization companies, and trust companies that manage public offering trusts, which are subject to this regulation, are required to inform the Office of the Superintendent of the Securities Market of authorizations for a public offering of securities abroad. If they are not participants in the securities markets, compliance with this provision is not required.
On collective investment securities	Yes.	Investment funds are governed by the Law on the Securities Market and the Regulation on Administrators and Investment Funds, and Law No. 163-21, which establishes tax conditions for investment funds. Pursuant to the Law and its applicable regulation, investment fund administrators must manage, in accordance with their purpose, the issuance of participatory units for each investment fund they administer as part of a public offering of securities.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Investment fund administrators must be authorized by the Office of the Superintendent of the Securities Market to issue participatory units for each investment fund they administer as part of a public offering of securities. To that end, the administrator must be domiciled in the Dominican Republic and comply with the operational and functional requirements established in the Law and the Regulation on Administrators and Investment Funds. The sale of publicly offered securities by nonresidents within the Dominican territory is regulated by the Law on the Securities Market. The Office of the Superintendent of the Securities Market regulates activities, operations, and transactions on the securities market of the Dominican Republic, including publicly offered

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		securities that are offered or traded in the national territory. Only publicly offered securities that are promoted by a securities intermediary registered in the Registry and that meet the requirements established in the regulations and in the internal bylaws of the securities exchanges and the centralized securities depositary may be listed in the foreign securities trading system. Foreign securities issued by issuers entitled to differential treatment may be registered and promoted by their issuer or by a securities intermediary. The regulations will establish the details for the registration and trading of foreign securities publicly offered within the country, for which the approval of the Monetary Board is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	Residents who are participants in the securities market for the sale or issue of publicly offered securities abroad must report, as market sensitive information, the authorization to carry out the public offering, pursuant to Article 12 regarding the classification of market sensitive information established in Resolution R-CNV-2015-33-MV. Effective December 9, 2022, this resolution was repealed on the entry into force of the Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV), which requires that the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts listed in the Securities Market Registry report the authorization of a public offering in the foreign market as market sensitive information. Pursuant to said regulation, securities issuers, investment fund administrators, securitization companies, and trust companies that manage public offering trusts, which are subject to this regulation, are required to inform the Office of the Superintendent of the Securities Market of authorizations for a public offering of securities abroad. If they are not participants in the securities markets, compliance with this provision is not required.
Controls on derivatives and other instruments	Yes.	Law No. 249-17 on the Securities Market of December 19, 2017, and the Regulation for Securities Intermediaries (under R-CNMV-2019-21-MV) apply. The derivatives currently in use are linear (forward, with and without delivery; swaps). For customers in the securities market, derivatives must be defined within their product offering, and they must have an operating manual deposited with the Office of the Superintendent of the Securities Market. Securities intermediaries have a risk policy and have requirements regarding the definition of limits. The Regulation for Securities Intermediaries establishes certain measures for transactions with derivatives, such as the following: (1) Securities intermediaries may not offer non-standardized derivative instruments to non-professional investors, unless contracting of the product is not speculative, but has a hedging purpose for the client. (2) Clients must be duly informed of the asset and investment valuation method, where applicable, such as in the case of derivative instruments and leveraged products. Valuation by the intermediary must meet objective and verifiable criteria, which must be established contractually.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Public offerings by foreigners are governed by the Law on the Securities Market, Law No. 163-21, and the Regulation on Public Offerings. In addition to the requirements applicable to domestic issuers, there is a requirement that documents be translated into

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		Spanish and be duly authenticated by the competent authorities in the home country and by consular officials of the Dominican Republic in that country. As well, they must comply with the provisions of Article 8 of the General Law on Commercial Companies No. 479-08, as amended, requiring them to register their domicile in the entry that they make in the Commercial Registry of the jurisdiction of that domicile. Under paragraph III of Article 30 of the Regulation on Public Offerings, if the issuer is not domiciled in the Dominican Republic, local representation will be required for receiving communications and for dialogue with the Office of the Superintendent regarding any matters affecting its supervision as the issuer of a public offering, particularly any requirement that the Office of the Superintendent or the representative of the body of bondholders may establish for fixed income. The sale of publicly offered securities by nonresidents within the Dominican territory is regulated by the Law on the Securities Market. The Office of the Superintendent of the Securities Market regulates activities, operations, and transactions on the securities market of the Dominican Republic, including publicly offered securities that are offered or traded in the national territory. Only publicly offered securities that are promoted by a securities intermediary registered in the Registry and that meet the requirements established in the regulations and in the internal bylaws of the securities exchanges and the centralized securities depositary may be listed in the foreign securities trading system. Foreign securities issued by issuers entitled to differential treatment may be registered and promoted by their issuer or by a securities intermediary. The regulations will establish the details for the registration and trading of foreign securities publicly offered within the country, for which the approval of the Monetary Board is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	Residents who are participants in the securities market for the sale or issue of publicly offered securities abroad must report, as market sensitive information, the authorization to carry out the public offering, pursuant to Article 12 regarding the classification of market sensitive information established in Resolution R-CNV-2015-33-MV. Effective December 9, 2022, this resolution was repealed on the entry into force of the Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV), which requires that the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts listed in the Securities Market Registry report the authorization of a public offering in the foreign market as market sensitive information. Pursuant to said regulation, securities issuers, investment fund administrators, securitization companies, and trust companies that manage public offering trusts, which are subject to this regulation, are required to inform the Office of the Superintendent of the Securities Market of authorizations for a public offering of securities abroad. If they are not participants in the securities markets, compliance with this provision is not required.
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	Full-service banks, savings and loan associations, and credit institutions may extend direct or indirect loans and guarantees or securities to a single resident or nonresident individual, legal entity, or risk group for up to 10% of their paid-up capital and reserves, or up to 20% if such operations are secured with first-ranking mortgages or real guarantees.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Full-service banks are only required to obtain CBDR authorization to issue foreign currency guarantees for transactions other than trade operations. External short-term financing by such banks is limited to 30% of paid-up capital and reserves.
To residents from nonresidents	Yes.	Full-service banks may obtain financing abroad on a short-term basis, subject to a limit of 30% of their paid-up capital and reserves.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Full-service banks may invest up to 20% of their paid-up capital in branches, agencies, and representative offices abroad and may make equity investments in foreign financial institutions. Full-service banks wishing to invest abroad or to open cross-border branches must fulfill certain minimum requirements, including: (1) authorization from the Monetary Board, which requires approval by the Office of the Superintendent of Banks; (2) a solvency ratio equal to or greater than 10% and fulfillment of prudential requirements in the Monetary and Financial Law or in Monetary Board resolutions; (3) sufficient management capacity to perform offshore functions; (4) maintenance of a cooperation agreement between the Office of the Superintendent of Banks and the host-country supervisory authorities; (5) approval by the host-country authorities of the investment; (6) a favorable report from the host-country supervisory authorities regarding the rating and soundness of the financial intermediary in which investment is to be made; and (7) submission of necessary documentation to the Office of the Superintendent of Banks.
Inward direct investment	Yes.	Investments must be registered with the Dominican Republic Export and Investment Center. Investment in the following sectors is prohibited: (1) disposal of toxic waste and dangerous or radioactive substances not produced in the country; (2) activities that affect public health and the environment; and (3) production of materials and equipment that affect defense and national security.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	No restrictions apply to asset transfers. However, cash transfers and multiple cash transfers equal to or above the equivalent of US $15,000 must be reported for the purposes of combating money laundering and the financing of terrorism.
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Intermediary financial institutions are not allowed to (1) obtain short-term foreign funds in an amount greater than 30% of their paid-up capital, (2) invest more than 20% of their paid-up capital in foreign financial institutions, and (3) open current accounts in foreign currency for their clients. Full-service banks (bancos multiples) may grant loans in US dollars for up to 100% of their available resources obtained in foreign currency and held in the form of savings or time deposits. Eighty-five percent of these loans must be directed to individuals or legal entities that generate foreign exchange. The foreign-currency financing limit does not apply to financial resources in US dollars to be used for the importation, distribution, and promotion of the use of natural gas as an alternative fossil fuel for the power generation sector and public transportation. The CBDR is authorized to phase out the amount of resources full-service banks are required to hold with the CBDR to meet the investment ratio, provided this authorization is stipulated under the legal reserve requirement policy set forth by the Monetary Board.
Borrowing abroad	Yes.	Financial intermediaries are not allowed to (1) obtain short-term foreign funds in an amount greater than 30% of their paid-up capital; (2) invest more than 20% of their paid-up capital in foreign financial institutions; and (3) open current accounts in foreign currency for their clients. Full-service banks may obtain financing abroad on a short-term basis, subject to a limit of 30% of their paid-up capital and reserves.
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	Yes.	The regulations do not discriminate in this regard. Full-service banks and credit institutions may extend direct or indirect loans and guarantees or securities to a single resident or nonresident individual, legal entity, or risk group for up to 10% of their paid-up capital and reserves, or up to 20% if such operations are secured with first-ranking mortgages or real guarantees. Effective January 13, 2023, these limits were extended to 15% for

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		unsecured loans and 30% for secured transactions.
Lending locally in foreign exchange	Yes.	Full-service banks may grant loans in US dollars for up to 100% of their available resources obtained in foreign currency and held in the form of savings or time deposits. Eighty-five percent of these loans must be directed to individuals or legal entities that generate foreign exchange. The foreign-currency financing limit does not apply to financial resources in US dollars to be used for the importation, distribution, and promotion of the use of natural gas as an alternative fossil fuel for the power generation sector and public transportation.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Full-service banks, savings and loan banks, and savings and loan associations may acquire, assign, or transfer bills of exchange, securities, and other instruments representing obligations, as well as enter into repurchase agreements with them.
Differential treatment of deposit accounts in foreign exchange	Yes.	Foreign-currency-denominated current accounts are not allowed. The opening of current accounts in a foreign currency is not included in the list of operations or services that can be carried out or provided by financial intermediaries pursuant to Monetary and Financial Law No. 183-02, Articles 40, 41, 42, 43, and 75.
Reserve requirements	Yes.	Foreign currency reserve requirements, applicable to full-service banks and for the purpose of monitoring liquidity and imposing penalties, are calculated daily at a ratio of 20% on liabilities subject to reserve requirements. In the case of domestic currency reserve requirements applicable to full-service banks, the calculation is performed daily for the purpose of monitoring liquidity and imposing penalties, at a ratio of 12% of the liabilities subject to reserve requirements.
Liquid asset requirements	Yes.	Requirements to maintain liquid assets to mitigate liquidity risk apply equally to all currencies. Nevertheless, these requirements do differ based on reserves, which are determined by reserve requirements. Given that reserve requirements differ based on currency, this differentiation indirectly affects liquid asset requirements. Intermediary financial institutions must have liquid assets equal to or greater than 80% of their short-term liabilities at terms of up to 30 days and equal to or greater than 70% of their short-term liabilities at terms of up to 90 days.
Interest rate controls	No.	
Credit controls	Yes.	Full-service banks and credit institutions may extend direct or indirect loans and guarantees or endorsements to a resident or nonresident individual, legal entity, or risk group for up to 10% of their paid-up capital and reserves, and up to 20% of capital and reserves if such operations are secured with first-ranking mortgages or real guarantees. Restrictions apply to the extension of direct or indirect loans to related persons or institutions in excess of certain percentages of paid-up capital. Effective January 13, 2023, these limits were extended to 15% for unsecured loans and 30% for secured transactions.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	

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Abroad by banks	Yes.	Full-service banks may invest up to 20% of their paid-up capital in branches, agencies, and representative offices abroad and they may make equity investments in foreign financial institutions. Full-service banks that invest abroad or open cross-border branches must fulfill certain minimum requirements, including: (1) authorization from the Monetary Board, which requires approval by the Office of the Superintendent of Banks; (2) a solvency ratio equal to or greater than 10% and fulfillment of prudential requirements in the Monetary and Financial Law or in Monetary Board resolutions; (3) sufficient management capacity to perform offshore functions; (4) maintenance of a cooperation agreement between the Office of the Superintendent of Banks and the host-country supervisory authorities; (5) approval by the host-country authorities of the investment; (6) a favorable report from the host-country supervisory authorities regarding the rating and soundness of the financial intermediary in which investment is to be made; and (7) submission of necessary documentation to the Office of the Superintendent of Banks.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The net foreign exchange position limits for financial intermediaries and foreign exchange intermediaries are as follows: (1) Financial intermediaries and remittance and foreign exchange agents: The maximum long foreign exchange position limit is up to 50% of paid-up capital and legal reserves. The maximum short foreign exchange position limit is up to 40% of paid-up capital and legal reserves; (2) Foreign exchange agents: The maximum long position limit is up to 50% of paid-up capital and legal reserves. Category A foreign exchange agents may have a maximum short position limit of up to 40% of paid-up capital and legal reserves. Category B foreign exchange agents may not have a short position at any time. Paragraph 1: In addition, financial intermediaries and foreign exchange intermediaries may not have daily increases in their net foreign exchange positions that over 5 consecutive business days average more than 25% of paid-up capital and legal reserves or US$10,000,000.00 (10 million US dollars), whichever is less.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Article 145 of Law No. 146-02 on Insurance and Bonds in the Dominican Republic sets forth the provisions governing investment of reserves. These provisions do not include investment in securities issued by nonresidents. The Office of the Superintendent may, however, authorize any investment in items not specified in this article, in securities or assets that, in its judgment, are in line with the purpose for which the reserves indicated in this law were created, as well as those companies that contribute to the economic development of the country. When a domestic insurer has branches or agencies abroad, it is allowed to invest reserves derived from business conducted through such a branch or agency in the manner prescribed by the laws of the country in which the branch or agency is located. Insurers and reinsurers may dispose of up to a maximum of 30% of the mandatory investments established by this law, to address emergency situations specific to the activity, and they are obliged to notify the Office of the Superintendent of Insurance to this effect.

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Limits (max.) on investment portfolio held abroad	Yes.	Article 145 of Law No. 146-02 on Insurance and Bonds in the Dominican Republic sets forth the provisions governing investment of reserves for insurance companies. These provisions do not include investment in securities issued by nonresidents. The Office of the Superintendent may, however, authorize any investment in items not specified in this article, in securities or assets that, in its judgment, are in line with the purpose for which the reserves indicated in this law were created, as well as those companies that contribute to the economic development of the country. When a domestic insurer has branches or agencies abroad, it is allowed to invest reserves derived from business conducted through such a branch or agency in the manner prescribed by the laws of the country in which the branch or agency is located. Insurers and reinsurers may dispose of up to a maximum of 30% of the mandatory investments established by this law, to address emergency situations specific to the activity, and they are obliged to notify the Office of the Superintendent of Insurance to this effect.
Limits (min.) on investment portfolio held locally	Yes.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	Pension fund investments in securities issued by nonresidents have not been regulated pursuant to the provisions of Law No. 87-01 creating the Dominican Social Security System. However, pursuant to its Resolution No. 223-02, as amended by Resolution No. 263-03, the National Social Security Council has approved the inclusion of debt instruments issued by the following multilateral organizations: IBRD; Inter-American Development Bank; International Finance Corporation; IMF; Central American Bank for Economic Integration; Andean Development Corporation; Asian Development Bank; Caribbean Development Bank; and EIB; of which the Dominican Republic is a member, when such instruments are traded on the local securities market to finance projects exclusively in the Dominican Republic, as an investment alternative to pension funds. Investment in such instruments is capped at 10%, in accordance with Resolution No. 147 of the Investment Limits and Risk Rating Commission of June 26, 2018.
Limits (max.) on investment portfolio held abroad	No.	Portfolio investments abroad by pension funds have not been regulated pursuant to the provisions of Law No. 87-01 creating the Dominican Social Security System. However, pursuant to its Resolution No. 223-02, as amended by Resolution No. 263-03, the National Social Security Council has approved the inclusion of debt instruments issued by the following multilateral organizations: IBRD; Inter-American Development Bank; International Finance Corporation; IMF; Central American Bank for Economic Integration; Andean Development Corporation; Asian Development Bank; Caribbean Development Bank; and EIB, of which the Dominican Republic is a member, when such instruments are traded on the local securities market to finance projects exclusively in the Dominican Republic, as an investment alternative to pension funds. Investment in such instruments is capped at 10%, in accordance with Resolution No. 147 of the Investment Limits and Risk Rating Commission of June 26, 2018.
Limits (min.) on investment portfolio held locally	No.	Under Article 99 of Law No. 87-01, the only limits permitted are ceilings on investment.

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Currency-matching regulations on assets/liabilities composition	Yes.	Pursuant to Article 22 of Resolution No. 395-17 issued by the Office of the Superintendent of Pensions, pension fund administrators may hold up to 30% of the investment portfolio of Type 1 Funds in foreign exchange and at least 70% of the investment portfolio of Type 2 Funds in foreign exchange.
Investment firms and collective investment funds	Yes.	Investment fund administrators and investment funds are regulated by the Office of the Superintendent of the Securities Market and its regulations.
Limits (max.) on securities issued by nonresidents	No.	There are no limits on the securities issued or to be issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	There are no limits; however, the Regulation requires that fixed income or variable income securities issued abroad for investment purposes by investment funds must be eligible for public offering in at least one country whose supervisor has signed an information exchange agreement with the Superintendency or is a signatory to a multilateral information exchange agreement to which the Superintendency is a party, as established in Article 71(3) and Article 72(1) of the Regulation on Administrators and Investment Funds.
Limits (min.) on investment portfolio held locally	Yes.	Collective investment funds may only hold up to 20% of the investment portfolio in fixed income securities, provided they have an investment grade risk rating, and up to 20% of the investment portfolio in variable income securities issued by persons related to their administrator, except for mutual funds, which may invest in other funds administered by the same company. They may not invest in fixed income securities or in variable income securities issued by persons related to members of the investment committee. In their internal regulations, investment funds must establish a minimum and maximum liquidity percentage, in accordance with their purpose and investment policy, in relation to the net assets of the fund. Investment funds may hold up to 50% of their total liquidity in current accounts or savings accounts governed by Monetary and Financial Law No. 183-02 with a financial intermediation entity linked to their administrator. Open-end investment funds may not maintain more than 20% of the fund's invested assets in securities issued by the same entity or more than 25% of the fund's assets in securities issued by entities of the same economic, financial, or corporate group, consortium, or conglomerate.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.

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Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Between nonresidents	No.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
For capital transactions	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payment system participants from offering products or services based on virtual assets.
Transactions in capital and money market instruments	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Transactions in derivatives and other instruments	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Credit operations	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Controls on utility and security tokens	Yes.	
Acquisition by residents	No.	

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Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
For capital transactions	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Transactions in capital and money market instruments	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Transactions in derivatives and other instruments	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Credit operations	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Controls on stablecoins	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Acquisition by residents	No.	
Use among residents	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Between residents and nonresidents	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
For current transaction	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
For capital transactions	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Transactions in capital and money market instruments	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Transactions in derivatives and other instruments	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Credit operations	Yes.	The Regulation on Payments Systems approved and enacted on January 29, 2021, prohibits payments system participants from offering products or services based on virtual assets.
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Classification

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Other managed arrangement	*01/01/2022*	Since December 2021, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate arrangement was reclassified retroactively to other managed from crawl-like, effective December 10, 2021. The change is reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's Annual Report on Exchange Arrangements and Exchange Restrictions.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Sale or issue abroad by residents	*12/09/2022*	Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV) specified the market participants that must report the authorization of a public offering in the foreign market as market sensitive information. The Regulation requires the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts to report the authorization.
Bonds or other debt securities		
Sale or issue abroad by residents	*12/09/2022*	Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV) specified the market participants that must report the authorization of a public offering in the foreign market as market sensitive information. The Regulation requires the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts to report the authorization.
On money market instruments		
Sale or issue abroad by residents	*12/09/2022*	Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV) specified the market participants that must report the authorization of a public offering in the foreign market as market sensitive information. The Regulation requires the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts to report the authorization.
On collective investment securities		
Sale or issue abroad by residents	*12/09/2022*	Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV) specified the market participants that must report the authorization of a public offering in the foreign market as market sensitive information. The Regulation requires the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts to report the authorization.
Controls on derivatives and other instruments		
Sale or issue abroad by residents	*12/09/2022*	Regulation on Privileged Information, Market Sensitive Information, and Market Manipulation (R-CNMV-2022-10-MV) specified the market participants that must report the authorization of a public offering in the foreign market as market sensitive information. The Regulation requires the issuers of securities, investment fund administrators, securitization companies, and trust companies that manage public offering trusts to report the authorization.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending to nonresidents (financial or commercial credits)	*01/13/2023*	Full-service banks and credit institutions may extend direct or indirect loans and guarantees or securities to a single resident or nonresident individual, legal entity, or risk group for up to 15% (previously 10%) of their paid-up capital and reserves, or up to 30% (previously 20%) if such operations are secured with first-ranking mortgages or real guarantees.
Differential treatment of deposit accounts in foreign exchange		
Credit controls	*01/13/2023*	Full-service banks and credit institutions may extend direct or indirect loans and guarantees or endorsements to a resident or nonresident individual, legal entity, or risk group for up to 15% (previously 10%) of their paid-up capital and reserves, and up to 30% (previously 20%) of capital and reserves if such operations are secured with first-ranking mortgages or real guarantees.

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ECUADOR

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: August 31, 1970.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation, Second and Third Reviews under the Extended Arrangement under the Extended Fund Facility, Request for a Waiver of Nonobservance of Performance Criterion, and Financing Assurances Review for Ecuador states that, as of September 20, 2021, Ecuador maintained an exchange restriction subject to IMF approval arising from a 5% tax on transfers for the making of payments and transfers abroad on current international transactions. There are a number of exemptions from this tax. In September 2021, the government enacted an Executive Decree lowering the tax rate to zero for foreign airline companies operating in Ecuador, which will enter into force on its publication in the official gazette. In addition, the SUCRE (Sistema Unitario de Compensación Regional de Pagos) regional payments arrangement also gives rise to an exchange restriction subject to IMF approval since the period for settlement under the bilateral payment arrangement exceeds three months. (Country Report No. 21/228)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Ecuador is the US dollar.
Other legal tender	Yes.	In accordance with Article 94 “Currency in the Republic of Ecuador,” all transactions, monetary and financial operations, and the relevant accounting records executed in the Republic of Ecuador must be drawn up in US dollars, in accordance with this Code. The circulation, exchange, withdrawal, and demonetization of US dollars, the currency of the Republic of Ecuador, must be exclusively incumbent on the Central Bank of Ecuador (CBE), as provided under this Code and the regulations issued by the Monetary and Financial Policy and Regulation Board. The CBE is the sole entity authorized to provide and manage national coins in the Republic of Ecuador, equivalent to and convertible to US dollars, as provided under this Code and subject to the regulation and authorization of the Monetary and Financial Policy and Regulation Board. The currency determined in this article is a means of payment. The currency is valid as legal tender in the Republic of Ecuador in the framework of the regulations issued by the Monetary and Financial Policy and Regulation Board. The state may not in any case require any individual or legal entity under private law to accept currency

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		other than the US dollar.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is classified as no separate legal tender. All transactions, monetary and financial operations, and the relevant accounting records executed in the Republic of Ecuador must be denominated in US dollars in accordance with Articles 43 and 94 of the Organic Monetary and Financial Code (COMF). The circulation, exchange, withdrawal, and destruction of US dollars, which is legal tender in Ecuador, must be the exclusive power of the CBE, in accordance with the provisions established in this Code. The CBE is the sole entity authorized to supply and manage currency in the Republic of Ecuador, equivalent and convertible to US dollars, in accordance with the provisions of this Code and the regulations and authorization of the Monetary Policy and Regulation Board. The currency specified in this article is the means of payment. The currency is legal tender in the Republic of Ecuador pursuant to the regulations issued by the Monetary Policy and Regulation Board. Under no circumstances can the government force a natural or legal person established under private law to receive currency other than US dollars.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	No.	There is no official exchange rate in Ecuador.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The US dollar is legal tender and circulates freely in Ecuador. In addition, a limited number of domestic coins of small value, fully backed by US dollars, remain in circulation to facilitate small transactions.
Euro		

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Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

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Other monetary framework

Exchange tax	Yes.	Ecuador has no tax on foreign exchange operations. However, all transfers abroad are subject to the ISD, barring certain exemptions. Outflows in connection with bank loans exceeding one year are exempt for specific sectors indicated in the Productivity Code (such as housing and microfinance). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries are allowed to freely determine the spread between the buying and selling exchange rate and the commissions they charge their clients.
Spot exchange market	Yes.	Exchange bureaus that engage in transactions in the country must obtain a license from the Banking Superintendency (SB), out of which two are active according to the public registry of the SB as of September 6, 2022, and may only engage in the following transactions in accordance with Section II: Constitution, Functioning, and Operation of Exchange Bureaus; Chapter XXXVI: Financial Service Institutions; Title II: National Financial System, Book I: Monetary and Financial System, Codification of Monetary, Financial, Securities, and Insurance Resolutions. (1) Buy, sell, and exchange foreign banknotes or coins. (2) Buy and sell traveler's checks denominated in foreign exchange. (3) Buy and sell checks denominated in foreign exchange. (4) Buy payment orders denominated in foreign exchange. (5) Arrange draws or transfers in foreign exchange charged to accounts that the company holds with banks in the country or abroad in connection with their business activities. According to the SB register, there are two active exchange bureaus. The SB must indicate which entities are authorized to engage in foreign exchange operations (not only exchange bureaus). Purchase and sale or currency swap operations carried out regularly on a permanent basis in the free currency market, as well as the purchase and sale of checks, draws or transfers in foreign exchange, made against accounts in domestic or foreign banks, must be carried out solely by banks or exchange bureaus duly authorized by the SB. The CBE publishes the price table (reference exchange rates) on its website. This information is a reference for operations carried out in the public and private sectors.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	Because the Ecuadorian economy is dollarized and the law does not provide for the use of currencies other than the US dollar for making domestic transactions, there are no exchange markets, except of a marginal nature in financial institutions and on an informal level. Thus, the CBE does not intervene or engage in any type of activity in

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		the national financial system in any currency other than the US dollar.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	As of December 31, 2022, 24 institutions (23 national banks) hold licenses granted by the SB, according to its public registry. In accordance with Article 312 of the Constitution, financial institutions may not engage in any activity that is unrelated to the financial system. Article 194, Indent d, Numeral 5, of the COMF states that, with regard to services, financial entities may "on their own behalf or on behalf of third parties, carry out foreign exchange transactions, repo transactions, and issue and negotiate traveler's checks." Article 43 of the COMF regarding information on trading in foreign currencies other than the US dollar states that entities in the national financial system authorized to trade in foreign currencies other than the US dollar are required to report to the CBE, following the form and periodicity specified by the Board, on the amounts and exchange rates of their transactions and to provide information needed by the Bank concerning movements in their foreign currency accounts. Failure to comply with this provision will be punishable as a serious infraction in accordance with the said Code.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The economy of Ecuador is dollarized, and therefore, there are no foreign exchange markets other than the dollar, except on a marginal basis. Accordingly, the CBE does not engage in any operations or practices with currencies other than the US dollar with the national financial system. The functions of the CBE include the administration of resources abroad, for which it has the Policy for the Investment of International Investment Assets and which entail the authorization to conduct swap operations solely with the gold portfolio. At present, there are no portfolios in other foreign currencies for "Contingent State." There are only minimum balances in euro and yen, which are the currencies with the highest movement. To keep accounts abroad active, the cash management unit acquires other foreign currencies to fulfill specific obligations, as required by the Payments System Directorate.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Transactions with all countries must be carried out in convertible currencies and whenever possible, import and export payments and collections must be made in the currency stipulated in the customs documents. Effective March 11, 2022, the Monetary Policy and Regulation Board issued Resolution No. JPRM-2022-009-M, which eliminates operations with the Sistema Unitario de Compensación Regional de

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		Pa (SUCRE) system and mandates. Previously, transactions channeled through SUCRE agreement had to be recorded using the "sucre" unit of account, with clearance every six months in convertible currencies. However, Ecuador is still part of the SUCRE agreement, even though it has not channeled any operations through it since 2019.
Controls on the use of domestic currency	No.	Because the US dollar is the legal tender in Ecuador, it can also be generally used worldwide for all types of international transactions.
For current transactions and payments	No.	Because the US dollar is the legal tender in Ecuador, it can also be generally used worldwide for all types of international transactions.
For capital transactions	No.	Because the US dollar is the legal tender in Ecuador, it can also be generally used worldwide for all types of international transactions.
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Because the US dollar is the currency that has been adopted by Ecuador, its use is not only authorized by law, but it is also the legal tender within the country. No other currency is allowed to be used by residents.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	Payment arrangements exist with Cuba and Hungary but are currently inactive.
Regional arrangements	Yes.	Ecuador is a member of the LAIA (active). Ecuador is still part of the SUCRE agreement, even though it has not channeled any operations through it since 2019. Related to the SUCRE agreement, effective March 11, 2022, the Monetary Policy and Regulation Board issued Resolution No. JPRM-2022-009-M, which eliminates operations with the SUCRE system and mandates. Previously, transactions channeled through SUCRE agreement had to be recorded using the "sucre" unit of account, with clearance every six months in convertible currencies.
Clearing agreements	Yes.	The LAIA Reciprocal Payments and Credits Agreement is a multilateral payment clearing mechanism. Ecuador is still part of the SUCRE agreement, even though it has not channeled any operations through it since 2019. Related to the SUCRE agreement, effective March 11, 2022, the Monetary Policy and Regulation Board issued Resolution No. JPRM-2022-009-M, which eliminates operations with the SUCRE system and mandates. Previously, transactions channeled through SUCRE agreement had to be recorded using the "sucre" unit of account, with clearance every six months in convertible currencies.
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or	No.	

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bullion)		
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023) and an additional minimum salary (US$450 as of 2023) per minor who accompanies an adult. The ISD must be paid on excess amounts. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Foreign currency	Yes.	Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023) and an additional minimum salary (US$450 as of 2023) per minor who accompanies an adult. The ISD must be paid on excess amounts. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
On imports	Yes.	
Domestic currency	Yes.	The CBE is authorized to import funds in cash from its accounts in the rest of the world. According to the Law on Economic Reactivation, Article 96 of the Organic Code states that: “When the demand for currency, which entities of the national financial system make to the CBE, exceeds the limits established by the Monetary Policy and Regulation Board, remittances to Ecuador will be made via liquid external assets that financial institutions have abroad.”
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	Yes.	Public and private financial institutions require approval for accounts denominated in currencies other than US dollars. The CBE may open accounts in currencies other than US dollars on behalf of public sector entities for funds received as grants or loans. There are no restrictions on transferring funds from these accounts abroad.
Held abroad	Yes.	Residents may open and maintain foreign exchange accounts abroad.

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		There are no restrictions on balances transferred to Ecuador; however, the ISD is payable on all capital transferred abroad. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Approval required	No.	Approval is not required for private sector entities. However, the Financial Policy and Regulation Board approves the opening and maintenance of accounts abroad for use by public sector entities, subject to approval from the Ministry of Economy and Finance and the CBE.
Accounts in domestic currency held abroad	Yes.	The US dollar is used as domestic currency, and no distinction is made between accounts in US dollars held domestically and those held abroad. Transfers abroad are subject to the ISD tax, except for the outflows relating to bank loans of over one year for specific sectors identified in the Productive Code (for example, housing and microfinance). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	No.
Domestic currency accounts	Yes.
Convertible into foreign currency	No.
Approval required	No.
Blocked accounts	No.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.

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Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Inspection documents are required for agricultural, medical, arms, and psychotropic imports. In addition, EP Petroecuador (the state-owned oil company) may, without a license, import supplies, materials, and equipment during emergencies. COMEX is responsible for issuing rules on import procedures other than customs procedures, such as registrations, authorizations, prior control documents, and licenses. It also determines what goods are prohibited. The reshipment of goods whose importation is prohibited is mandatory, except for clothing, perishable goods, and educational material, which will be donated to the Ministry in charge of social policy (Organic Code of Production, Commerce, and Investment (COPCI) Regulation). Most of the import prohibitions are maintained for sanitary, plant protection, and environmental reasons and to comply with international agreements. Through Executive Decree No. 068, the Facilitation of Trade and Production, the Simplification of Procedures, and the Competitiveness Agenda are declared Priority Public Policy. For this reason, the COMEX decrees various regulations in 2022 simplifying the system of ex ante controls and reducing the scope of tariff headings. This Resolution includes an analysis of the existing requirements to avoid duplicate controls and promote efficiency, simplification of procedures and optimization of resources, which is closely linked to compliance with the National Competitiveness Strategy. Between 2022 and 2023, COMEX issued several resolutions modifying the list of goods subject to pre-import controls. Effective October 3, 2022, Resolution 015-2022 was issued, incorporating the “Non-automatic license”, applicable to the importation of goods referred to waste, scrap and plastic trimmings. Effective January 6, 2023, Resolution 019-2022 was issued, incorporating the “Non-automatic license”, applicable to the importation of goods referred to polyurethanes. Effective June 28, 2023, Resolution 007-2023 was issued, reforming the automatic license applied to the importation for consumption of remanufactured aircraft engine parts. Effective August 30, 2023, Resolution 010-2023 was issued, which establishes different controls prior to importation for fentanyl and related chemical products.
Positive list	No.	

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Negative list	Yes.	Ecuador prohibits imports of certain products (221 tariff lines at the 10-digit level of the Harmonized System (HS)), regardless of origin. The bans mostly affect organic chemicals (71 tariff lines at the 10-digit level of Chapter 29 of the HS) and the other products of the chemical industry (56 tariff lines at the 10-digit level of Chapter 38 of the HS), followed by nuclear reactors (35 tariff lines at the 10-digit level of Chapter 84 of the HS), and fish and crustaceans, mollusks, and more aquatic invertebrates (34 tariff lines at the 10-digit level of Chapter 3 of the HS). In addition, Ecuador prohibits the importation of other products (692 tariff lines at the 10-digit level of the HS) according to the origin of the products for phyto-zoosanitary reasons and to implement, among others, the resolutions of the UNSC, and other international agreements in which Ecuador is a party. Effective May 30, 2022, Resolution 009-2022, in compliance with Article 5 of Executive Decree No. 68, was issued, which updates the lists of subheadings subject to ex ante control and prohibited from importation. Eliminating 1,405 (45% approximately) tariff subheadings from both lists, leaving a total of 2,254 controlled tariff subheadings and 221 tariff subheadings subject to import prohibition. The prohibited products are related to the protection of sharks and to restrict access to products that threaten the environment (radioactive, mercury, methane, benzene, methyls, among others).
Open general licenses	No.	
Licenses with quotas	Yes.	Five percent of the import quotas for “cotton not carded or combed” with a zero tariff is distributed to textile manufacturers not affiliated with the Association of Textile Industries of Ecuador. There are also import quotas for vehicles, parts for vehicle assembly, and for cell phones. Between 2022 and 2023, COMEX established policies for quotas, such as the following. Effective November 24, 2022, Resolution 017-2022 was issued, which approved the mechanisms and procedures for the administration of consolidated quotas within the framework of Ecuador’s accession protocol to the multiparty agreement with the EU, Colombia, and Peru. Effective June 20, 2023, Resolution 006-2023 was issued, which established a quota of 50 metric tons, monthly, for imports of preparations for animal feed.
Other nontariff measures	Yes.	Measures include safeguards, quotas, and contingencies. Plant protection and animal healthcare certificates are required, as are quality certificates for imports of certain products. A set of technical standards applies to imports of certain goods for consumer, health, and environmental protection. Ecuador uses various pre-import control documents, including importer registration, permits, prior import authorizations, the certificate of inspection or classification verification issued at origin, the customs destination document, certificates of recognition, and automatic and non-automatic licenses. In addition, some of the products subject to technical regulations issued by the Ecuadorian Standardization Service (Servicio Ecuatoriano de Normalización—INEN) require a “Certificate of Recognition” as a supporting document for importation, and products subject to phyto-zoosanitary requirements need the relevant certificates. The type of

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		prior control may vary for the same product depending on the circumstances. Therefore, the requirements may vary or one type of permit may be replaced by another. Thus, the "Product Registration" has been replaced by the "Authorization for the Importation of Pesticides and Related Products for Agricultural Use" or by the "Sanitary Authorization for Veterinary Products"; or the "Importer Registration" by the "Phytosanitary Import Permit" or "Zoosanitary Import Permit"; the pre-import control documents called "Registro Sanitario" and "Permiso de importación" have been replaced by the document "Licencia de importación no automática." In 2012, COMEX established an import license, of a general and non-discriminatory nature, for imports under any customs regime or destination. This license is a necessary requirement to clear goods and COMEX must determine the requirements, terms, and conditions that importers must comply with to obtain non-automatic licenses. In the case of non-automatic import licenses for basic foodstuffs, which are granted by the Ministry of Agriculture and Livestock, the Ministry issued an instruction for importers to obtain the licenses. However, for the issuance of any type of license, a final order or judgment is required. Effective March 4, 2022, Resolution 002-2022, in compliance with Article 5 of Executive Decree No. 68: Elimination of the Ex Ante Control Document in the Ecuadorian One-Stop Scheme for 134 food subheadings (mineral waters, meat products, condiments, cookies, fruits, vegetables, candies), wheelbarrows and ceramics, from the repealed Ecuadorian technical regulations. Effective March 17, 2022, Resolution 005-2022, in compliance with article 5 of Executive Decree No. 68: Elimination of the Ex Ante Control Document in the Ecuadorian One-Stop Scheme for 6 subheadings, including medical chairs, notebooks, condoms, of the repealed Ecuadorian technical regulations.
Import taxes and/or tariffs	Yes.	In 2022, the Ecuadorian National Tariffs contained 8,315 tariff lines at the 10-digit HS 2017 level. Ecuador applies both ad valorem and compound tariffs. Compound tariffs apply to 5% of tariff lines (421 HS lines at the 10-digit level) and mostly tax apparel (350 HS61, HS62, HS63, and HS64 lines). The MFN tariff of Ecuador consists of 42 rates ranging from 0% to 67.5%, including tariffs resulting from the application of the price band, but excluding estimates of ad valorem equivalents. In 2022, 93.3% of the tariff lines were subject to tariff rates lower than 30%; 47.9% applied a tariff equal to 0%; and only 1.0% of the total tariff lines had a tariff higher than 30%. Imports are also subject to other charges that include: foreign currency transfers abroad (ISD), the VAT, the special consumption tax (ICE), and the contribution to the Development Fund for Children (FODINFA). In addition to specific tariffs, Ecuador continues to apply the Andean Price Band System (SAFP) to 189 tariff lines at the HS 2017 10-digit level (approximately 2.5% of the tariff universe). Products subject to the SAFP are meat and edible meat offal; milk and milk products (HS04); cereals (HS10); milling products (HS11); oil seeds and oleaginous fruits (HS12); animal or vegetable fats and oils (HS15); preparations of meat, fish or crustaceans (HS16); sugars and sugar

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confectionery (HS17); cereal-based preparations (HS19); residues and waste from the food industries; starch products (HS35); and miscellaneous products of the chemical industries. The lines to which the SAFP applies have two components: a fixed ad valorem component and a variable component. The duties resulting from the application of the SAFP vary according to the international price of the products in question. The purpose of this measure is to stabilize the domestic price of these products.

In response to the COVID-19 pandemic, Resolution-COMEX-019-2020, approved the commercial policy of incentives for productive development in Ecuador, which consists of the temporary deferral of the total payment of tariffs, which may be accessed only by natural persons, legal entities, or commercial trusts that carry out business activities or operate an ongoing business; they must comply with certain requirements established in Sections I, II, III, and III of the Annex I of the Resolution. This measure is applicable to imports from all countries. The benefits established by Resolution 019 of 2020 are still in effect.

In compliance with Executive Decree No. 68, related to the competitiveness strategy, simplification of procedures, trade facilitation, and boosting productivity, the COMEX has adopted the following resolutions on the subject of import tariffs:

Resolution 009-2021 (in compliance with Article 8 of Executive Decree No. 068) lowered the tariffs of 667 products: 590 now have a zero tariff; 30 are taxed at 5%; 20 at 10%; and the remaining 27 between 15% and 25%. Among the sectors, most benefited by the reform are those related to agriculture, technology, manufacturing, and automotive. As for agribusiness, almost half of the items will affect this sector, reducing the import tax on machinery and equipment.

In addition, to boost competitiveness, the Government issued Executive Decree No. 68, entitled “Decree for the Facilitation of Trade and Production, the Simplification of Procedures and the Competitiveness Agenda” to eliminate obstacles to productive activities and national and international trade and to consolidate the policy of quality, competitiveness, and productive reactivation.

The government decision establishes a period of 30 days for the Ministry of Production, Foreign Trade, Investment and Fisheries (MPCEIP); the Ministry of Environment, Water and Ecological Transition; the National Customs Service of Ecuador (SENAE); the National Standardization Service (INEN); the Health Regulation and Control Agency (Arcsa); the Agency for Regulation and Phytosanitary and Zoosanitary Control (Agrocalidad); and the Internal Revenue Service present an action plan to facilitate, through digital tools, or eliminate procedures, permits, licenses, certifications, technical regulations, and registrations that reduce national competitiveness.

Payments made for ISD on the import of raw materials, inputs, and capital goods included in the list established by the Tax Policy Committee may be considered as a tax credit for the payment of income tax (IR) (or its advance payment) for the year in which such payments were made, as well as for the following four years. This list was established in 2012, but may be modified in each tax year.

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		Some transactions are exempt from ISD, such as payments for imports for the consumption of electric and induction stoves, their parts and pieces; pots and pans designed for use in induction stoves; and electric water heating systems for domestic use, including electric showers. Payments made abroad by administrators and operators of Special Economic Development Zones (ZEDE) for imports of goods and services related to their activity are also exempted. Payments for the importation of goods used to execute a public project, regardless of the import regime used, and the acquisition of services for the execution of the public project are also exempt. In the case of exports of goods and services, if the foreign currency corresponding to the payment of such exports does not enter Ecuador, ISD will be incurred. In 2023, COMEX issued resolutions modifying the tariff rates, which were as follows. Because of the drop in rice production, effective July 17, 2023, Resolution 008-2023 was issued, which temporarily reduced its tariff rate to 0% and suspended the application of the SAFP, for its import (tariff items 1006.10.90.00 - - Other and 1006.30.00.00 - SEMI-WASHED OR WHITTENED RICE), for a total quota of 63,246 tons until the end of 2023. Effective July 14, 2023, Resolution 009-2023 was issued, which reduced 50% of the tariff rate for the importation of 5,801 transport vehicles, whose beneficiaries will be the affiliates of the transport federations, according to the list approved by the Ministry of Transportation and Public Works (MTOP). The measure will be in force until the end of 2025.
Taxes collected through the exchange system	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. The Law for Productive Development, Investment Attraction, and Employment Generation and its Regulation exempts the payment of the ISD for new productive investments that sign investment contracts for the import of capital goods and raw materials necessary for the development of the project, up to the amounts and terms established in the aforementioned contract. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.

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Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Exporters must register with the Internal Revenue Service, after having obtained a digital certificate for their electronic signature and authentication from the CBE or from Security Data company, and after having registered on the ECUAPASS portal. The National Council for Foreign Trade (COMEX) requires that exporters also register with the Ministry of Production, Trade, Investment, and Fishing for: Exports of scrap and ferrous and non-ferrous metal waste. Resolution No. 400 of September 13, 2007, published in the Official Register Supplement No. 233 of December 17, 2007. Exports of leathers and skins. Resolution No. 402 of September 13, 2007, published in the Official Register Supplement No. 222 of November 29, 2007.
Preshipment inspection	Yes.	Prior to shipment, the SENAE authorizes exporters to begin the export process, with no charge from customs. The export customs declaration (DAE) is required, along with a pro forma invoice, previous authorizations, and an electronic preshipment certificate of origin.
Other	Yes.	The International Coffee Organization Certificate of Origin, issued by the National Coffee Board (COFENAC), has been added to customs documentation requirements for coffee exporters. The declarant must manage the accompanying and/or supporting documents to be attached to the DAE. These documents include the commercial invoice, packing list, prior authorization (if applicable), certificate of origin (if applicable), and phytosanitary certificate (if applicable). The export process begins with the transmission of the DAE. Once the DAE is received, the export entry report of the merchandise is registered in the primary zone through which it will be exported. Once the export entry report is registered, the ECUAPASS computer system automatically assigns the gauging channel for the goods, which may be automatic, documentary, or intrusive physical. If the assigned gauging channel is automatic, the exit of the goods from Ecuadorian customs territory is authorized (Authorized Exit); otherwise, the gauging act is performed, and if there are no observations, the responsible operator technician registers the closing of the gauging in the ECUAPASS system, and the status of "Authorized Exit" is assigned to the DAE. If there are any new developments in the gauging process, the technician operator records the observations so that they can be justified or corrected by the declarant within a period of one day. With the authorized departure from the DAE, the goods can be shipped. If necessary, the declarant may correct the DAE. Once the goods have been shipped, the declarant can regularize the DAE with SENAE, which completes the definitive export process.
Export licenses	Yes.	Exports of some products require licenses.
Without quotas	Yes.	The export prices of bananas, cocoa and finished products, coffee, and fish are subject to minimum f.o.b. reference prices.

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		The Foreign Trade Committee (COMEX) is responsible for issuing regulations on export requirements, other than customs formalities, such as registrations, authorizations, prior control documents, and licenses. In 2018, Ecuador prohibits definitive exports and temporary exports for outward processing in respect of certain products (480 HS tariff lines at the 10-digit level). The prohibitions mostly affect metal products and their manufactures, tools and implements, nuclear reactors, and automobiles. Ecuador guarantees the free export of goods, with the exception of those that could affect public health, the preservation of the environment, animal and plant health, and cultural heritage. Exports may also be restricted to comply with the commitments assumed by Ecuador within the framework of the various international agreements to which it is a signatory, such as the Montreal Protocol. Likewise, COMEX may regulate and/or restrict exports to ensure the supply of raw materials for national production and thus promote the incorporation of added value, in execution of the National Industrial Development Plan. These controls may be imposed ex officio or at the request of an industry.
With quotas	No.	
Export taxes	Yes.	Ecuador does not impose taxes on exports; however, in the case of exports of goods and services, if the money corresponding to the payment for such exports did not enter Ecuador, they would be subject to ISD.
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	Transfers abroad are subject to the ISD tax. The tax is applicable to all financial transfers abroad. Certain import payments are exempt or generate a tax credit for importers. Imports of capital goods and raw materials necessary for the development of the project are exempt from the payment of the ISD, up to the amounts and terms established in the investment contract. Effective January 1, 2022, the ISD is 4.75%. Effective April 1, 2022, the ISD is 4.50%. Effective July 1, 2022, the ISD is 4.25%. Effective October 1, 2022, the ISD is 4%. Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Investment-related payments	No.	Payments abroad are subject to the ISD. The tax is applicable to all financial transfers abroad, including interest payments. Dividend payments are exempt. The ISD is waived for the outflows relating to bank loans of over one year for specific sectors identified in the Productive Code (for example, housing and microfinance). The Law for Productive Development, Investment Attraction, and Employment Generation and its Regulation establishes the following exemptions to the payment of the ISD in the case of investments: (1) Dividends distributed by national or foreign companies domiciled in Ecuador, after payment of IR, when applicable, in favor of effective beneficiaries who are natural persons domiciled or resident in Ecuador or abroad, shareholders of the company that distributes them, up to the term established in the aforementioned investment contract, as long as the resources of the investment come from abroad and the investor demonstrates the income of the foreign currency to the country. (2) Companies that reinvest in the country at least 50% of the profits, in new productive assets, will be exempt from payment of the ISD for payments abroad, for distribution of dividends to effective beneficiaries residing in Ecuador, of the corresponding fiscal year. For the application of this exemption, the corresponding capital increase must be made, which must be completed until December 31 of the fiscal year following that in which the profits were generated, subject to reinvestment. (3) Payments made abroad, for the amortization of capital and interest generated on loans granted by international financial institutions or specialized non-financial entities qualified by the corresponding control entities in Ecuador, which grant financing with a term of 360 calendar days or more; payments made abroad, for dividends distributed by national or foreign companies domiciled in Ecuador, after payment of IR. Effective January 1, 2022, the ISD is 4.75%. Effective April 1, 2022, the ISD is 4.50%. Effective July 1, 2022, the ISD is 4.25%. Effective October 1, 2022, the ISD is 4%. Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	The use of credit cards abroad is subject to the ISD for purchases exceeding US$5,000 a year. Effective January 1, 2022, the ISD is 4.75%. Effective April 1, 2022, the ISD is 4.50%. Effective July 1, 2022, the ISD is 4.25%. Effective October 1, 2022, the ISD is 4%. Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions.
Repatriation requirements	No.	
Surrender requirements	Yes.	

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Surrender to the central bank	Yes.	Article 141 – Purchase and sale of foreign exchange. The Monetary Policy and Regulation Board regulates the purchase and sale of foreign exchange and determines when foreign exchange must be sold to the CBE. Other foreign exchange transactions can be carried out in the free market. The governing body of public finances provides the CBE with the schedule of transfers abroad from the State General Budget.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. ISD exemption applies to payments made abroad for the financial returns, capital gains, and capital of those investments from abroad that entered the Ecuadorian securities market exclusively to carry out this transaction and have remained in the country for at least the term indicated by the Tax Policy Committee, which may not be less than 360 calendar days, made by individuals or legal entities domiciled abroad, through stock exchanges legally incorporated in the country or the Special Stock Market Registry (Registro Especial Bursátil). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Sale or issue locally by nonresidents	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Purchase abroad by residents	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. In keeping with Resolution No. JB-2009-1406, Article 47 states as follows: “The Bank of the Ecuadorian Social Security Institute may, on an exceptional basis, invest abroad in the sovereign debt of countries that have an investment grade rating, up to 7.5% of the total market value of each of the funds administered at the time that the investment is made.”

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		There is a monthly tax on funds and investments held abroad by private entities regulated by the SB and the stock market intendants of the Superintendency of Companies, including funds and investments held through an entity's subsidiaries, affiliated entities, or offices abroad. A rate of 0.25% a month applies to the assessed tax base. If assets are held through subsidiaries, affiliated entities, or offices in tax havens or in low-tax territories, the monthly tax rate is 0.35%. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Sale or issue abroad by residents	Yes.	All transfers abroad are subject to the ISD. There is a monthly tax on funds and investments held abroad by private entities regulated by the SB and the stock market intendants of the Superintendency of Companies, including funds and investments held through an entity's subsidiaries, affiliated entities, or offices abroad. A monthly rate of 0.25% applies to the assessed tax base. If assets are held through subsidiaries, affiliated entities, or offices in tax havens or in low-tax territories, the monthly tax rate is 0.35%. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. ISD exemption applies to payments made abroad for the financial returns, capital gains, and capital of those investments from abroad that entered the Ecuadorian bonds and debt securities market exclusively to carry out this transaction and have remained in the country for at least the term indicated by the Tax Policy Committee, which may not be less than 360 calendar days, made by individuals or legal entities domiciled abroad, through stock exchanges legally incorporated in the country or the Special Stock Market Registry (Registro Especial Bursátil). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%).

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Sale or issue locally by nonresidents	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Purchase abroad by residents	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. In keeping with Resolution No. JB-2009-1406, Article 47 states as follows: “The Bank of the Ecuadorian Social Security Institute may, on an exceptional basis, invest abroad in the sovereign debt of countries that have an investment grade rating, up to 7.5% of the total market value of each of the funds administered at the time that the investment is made.” The ISD exemption for payments made abroad applies to the amortization of capital and interest generated on loans granted by international financial institutions, or specialized non-financial entities qualified by the corresponding control entities in Ecuador, which grant financing with a term of 360 calendar days or more, via credit, deposit, purchase and sale of portfolio, and purchase and sale of securities in the securities market, which are intended to finance housing, microcredit, or productive investments. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
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On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. ISD exemption applies to payments made abroad for the financial returns, capital gains, and capital of those investments from abroad that entered the Ecuadorian securities market exclusively to carry out this transaction and have remained in the country for at least the term indicated by the Tax Policy Committee, which may not be less than 360 calendar days, made by individuals or legal entities domiciled abroad, through stock exchanges legally incorporated in the country or the Special Stock Market Registry (Registro Especial Bursátil). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Ecuadorian citizens and travelers abroad may leave the country without paying ISD with cash amounting to up to three times the minimum salary per person (US$1,350 as of 2023); minimum salary (US$450 as of 2023). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
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Purchase abroad by residents	Yes.	All transfers abroad are subject to the ISD. In keeping with Resolution No. JB-2009-1406, Article 47 states as follows: “The Bank of the Ecuadorian Social Security Institute may, on an exceptional basis, invest abroad in the sovereign debt of countries that have an investment grade rating, up to 7.5% of the total market value of each of the funds administered at the time that the investment is made.” Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).

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Sale or issue abroad by residents	Yes.	All transfers abroad are subject to the ISD. There is a monthly tax on funds and investments held abroad by private entities regulated by the SB and the stock market intendants of the Superintendency of Companies, including funds and investments held through an entity's subsidiaries, affiliated entities, or offices abroad. A rate of 0.25% a month applies to the assessed tax base. If assets are held through subsidiaries, affiliated entities, or offices in tax havens or in low-tax territories, the monthly tax rate is 0.35%. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. ISD exemption applies to payments made abroad for the financial returns, capital gains, and capital of those investments from abroad that entered the Ecuadorian securities market exclusively to carry out this transaction and have remained in the country for at least the term indicated by the Tax Policy Committee, which may not be less than 360 calendar days, made by individuals or legal entities domiciled abroad, through stock exchanges legally incorporated in the country or the Special Stock Market Registry (Registro Especial Bursátil). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Sale or issue locally by nonresidents	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. ISD exemption applies to payments made abroad for the financial returns, capital gains, and capital of those investments from abroad that entered the Ecuadorian securities market exclusively to carry out this transaction and have remained in the country for at least the term indicated by the Tax Policy Committee, which may not be less than 360 calendar days, made by individuals or legal entities domiciled abroad, through stock exchanges legally incorporated in the country or the Special Stock Market Registry (Registro Especial Bursátil). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%) Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Purchase abroad by residents	Yes.	All transfers abroad are subject to the ISD. In keeping with Resolution No. JB-2009-1406, Article 47 states as follows: "The Bank of the Ecuadorian Social Security Institute may, on an

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		exceptional basis, invest abroad in the sovereign debt of countries that have an investment grade rating, up to 7.5% of the total market value of each of the funds provided at the time that the investment is made." There is a monthly tax on funds and investments held abroad by private entities regulated by the SB and the stock market intendants of the Superintendency of Companies, including funds and investments held through an entity's subsidiaries, affiliated entities, or offices abroad. A rate of 0.25% a month applies to the assessed tax base. If assets are held through subsidiaries, affiliated entities, or offices in tax havens or in low-tax territories, the monthly tax rate is 0.35%. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Sale or issue abroad by residents	Yes.	All transfers abroad are subject to the ISD. There is a monthly tax on funds and investments held abroad by private entities regulated by the SB and the stock market intendants of the Superintendency of Companies, including funds and investments held through an entity's subsidiaries, affiliated entities, or offices abroad. A rate of 0.25% a month applies to the assessed tax base. If assets are held through subsidiaries, affiliated entities, or offices in tax havens or in low-tax territories, the monthly tax rate is 0.35%. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. ISD exemption applies to payments made abroad for the financial returns, capital gains, and capital of those investments from abroad that entered the Ecuadorian securities market exclusively to carry out this transaction and have remained in the country for at least the term indicated by the Tax Policy Committee, which may not be less than 360 calendar days, made by individuals or legal entities domiciled abroad, through stock exchanges legally incorporated in the country or the Special Stock Market Registry (Registro Especial Bursátil). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Sale or issue locally by nonresidents	Yes.	All transfers abroad are subject to the ISD, barring certain

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		exemptions. ISD exemption applies to payments made abroad for the financial returns, capital gains, and capital of those investments from abroad that entered the Ecuadorian securities market exclusively to carry out this transaction and have remained in the country for at least the term indicated by the Tax Policy Committee, which may not be less than 360 calendar days, made by individuals or legal entities domiciled abroad, through stock exchanges legally incorporated in the country or the Special Stock Market Registry (Registro Especial Bursátil). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Purchase abroad by residents	Yes.	All transfers abroad are subject to the ISD. In keeping with Resolution No. JB-2009-1406, Article 47 states as follows: "The Bank of the Ecuadorian Social Security Institute may, on an exceptional basis, invest abroad in the sovereign debt of countries that have an investment grade rating, up to 7.5% of the total market value of each of the funds administered at the time that the investment is made." There is a monthly tax on funds and investments held abroad by private entities regulated by the SB and the Intendancies of the stock market intendants of the Superintendency of Companies, including funds and investments held through an entity's subsidiaries, affiliated entities, or offices abroad. A rate of 0.25% a month applies to the assessed tax base. If assets are held through subsidiaries, affiliated entities, or offices in tax havens or in low-tax territories, the monthly tax rate is 0.35%. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Sale or issue abroad by residents	Yes.	All transfers abroad are subject to the ISD. There is a monthly tax on funds and investments held abroad by private entities regulated by the SB and the stock market intendants of the Superintendency of Companies, including funds and investments held through an entity's subsidiaries, affiliated entities, or offices abroad. A rate of 0.25% a month applies to the assessed tax base. If assets are held through subsidiaries, affiliated entities, or offices in tax havens or in low-tax territories, the monthly tax rate is 0.35%. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Controls on credit operations	Yes.	
Commercial credits	Yes.	

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By residents to nonresidents	Yes.	Article 208 – Relationships in lending, borrowing, and contingent operations. The Financial Policy and Regulation Board must dictate the rules governing relationships that financial entities will be required to keep in their lending, borrowing, and contingent operations, considering the risks stemming from differences in terms, rates, currencies, and other factors. Moreover, the Board must dictate the rules governing the development of risk management policies, technologies, and procedures. Article 209 – Orientation of credit operations. The Financial Policy and Regulation Board must regulate, by way or rules, the orientation and direction of the credit operations of entities of the national financial system and non-financial entities that grant credits above the limits established by the Board. In that regard, consideration must be given, among others, to segments, interest rates, guarantees, and credit limits. Under no circumstances may the Board intervene in defining the recipient individual or legal person of credit operations. To this end, the Board must consider term-matching between the assets and liabilities of regulated entities.
To residents from nonresidents	Yes.	Article 208 – Relationships in lending, borrowing, and contingent operations. The Financial Policy and Regulation Board must dictate the rules governing relationships that financial entities will be required to keep in their lending, borrowing, and contingent operations, considering the risks stemming from differences in terms, rates, currencies, and other factors. Moreover, the Board must dictate the rules governing the development of risk management policies, technologies, and procedures. Article 209 – Orientation of credit operations. The Financial Policy and Regulation Board must regulate, by way or rules, the orientation and direction of the credit operations of entities of the national financial system and non-financial entities that grant credits above the limits established by the Board. In that regard, consideration must be given, among others, to segments, interest rates, guarantees, and credit limits. Under no circumstances may the Board intervene in defining the recipient individual or legal person of credit operations. To this end, the Board must consider term-matching between the assets and liabilities of regulated entities.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Controls apply to Ecuadorian emigrants residing abroad who borrow money from Ecuadorian banks to be paid abroad. Such loans are supervised by the SB.
To residents from nonresidents	Yes.	Credits received by the private sector abroad must be registered with the CBE. Registration with the CBE is necessary for debtors to benefit from the ISD exemption and IR deduction granted by the government under current regulations. In accordance with item 3 of Article 159 of the Reformatory Law for Tax Equity in Ecuador: Payments made abroad for the amortization of principal and interest generated on credits granted by international financial institutions, qualified non-financial entities as determined by the relevant

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		regulatory bodies in Ecuador, are also exempt. These entities provide financing with a term of 180 calendar days or more, through credit, deposit, portfolio purchase and sale, securities trading in the stock market, or any other type of financial or legal instrument that allows the inflow of remittances for financing operations in Ecuador. Such payments must be earmarked for housing financing, microcredit, investment in capital representative rights, or productive investments made in Ecuador. In these cases, the interest rate for these transactions must be lower than the benchmark rate defined by the competent authority. If the financing interest rate exceeds the benchmark rate established by the competent authority, this exemption does not apply to the interest payments corresponding to the percentage that exceeds the said benchmark rate; however, the capital remains exempt regardless of the established rate. This exemption also applies to transfers or remittances made to financial institutions abroad, in compliance with conditions established by these institutions solely for the granting of their credits, provided these payments are not directed to third parties or jurisdictions not involved in the credit operation. This benefit is not accessible for financing operations granted, directly or indirectly, by related parties in terms of direction, administration, control, or capital, and are residents or established in tax havens or jurisdictions with lower taxation, except when the borrower is a financial institution. The registration of the financing operation with the CBE will be mandatory but not a limiting factor to access the exemption when, by nature, the operations do not require such registration. The competent authority, within its jurisdiction, may determine, through resolution, the segments, terms, conditions, and additional requirements for the purposes of this exemption.
		All transfers abroad that are not exempted are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Article 214 – Credit operation guarantees. All credit operations must be guaranteed. The Financial Policy and Regulation Board must reasonably establish cases in which credit operations must have a minimum guarantee in terms of quality and minimum coverage.
To residents from nonresidents	No.	Credits received by the private sector abroad must be registered with the CBE. Registration with the CBE is required for debtors to benefit from the tax relief granted by the government under the current regulations.
Controls on direct investment	No.	There are no controls, but registration with the CBE is required for statistical purposes.
Outward direct investment	No.	

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Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
To residents from nonresidents	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%).

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		Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	All transfers abroad are subject to the ISD. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. The tax on transfers abroad is waived for the outflows relating to bank loans of over one year for specific sectors identified in the Productive Code (for example, housing and microfinance). Article 43 – Information on dealing in foreign currencies other than the US dollar. Entities in the national financial system authorized to deal in currencies other than the US dollar must notify the CBE, in the form and with the frequency determined by the Board, of the amounts and exchange rates of their transactions and must provide the required information to the CBE on movements in their foreign currency accounts. Failure to comply with this provision is deemed a very serious violation and is punishable under this code. As of January 1, 2022, the ISD is 4.75%. As of April 1, 2022, the ISD is 4.50%. As of July 1, 2022, the ISD is 4.25%. As of October 1, 2022, the ISD is 4%. As of January 1, 2023, the ISD is 4% As of February 1, 2023, the ISD is 3.75% As of July 1, 2023, the ISD is 3.50%

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		As of December 1, 2023, the ISD is 2%
Borrowing abroad	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. The ISD exemption for payments made abroad applies to the amortization of capital and interest generated on loans granted by international financial institutions, or specialized non-financial entities qualified by the corresponding control entities in Ecuador, which grant financing with a term of 180 calendar days or more, via credit, deposit, purchase and sale of portfolio, and purchase and sale of securities in the securities market, which are intended to finance housing, microcredit, or productive investments. In particular, the ISD exemption applies to payments made abroad for the financial returns, capital gains, and capital of those investments from abroad that entered the Ecuadorian securities market exclusively to carry out this transaction and have remained in the country for at least the term indicated by the Tax Policy Committee, which may not be less than 360 calendar days, made by individuals or legal entities domiciled abroad, through stock exchanges legally incorporated in the country or the Registry Special Stock Market Registry (Registro Especial Bursátil). The ISD exemption is applicable regardless of the date of the granting of the external financing operation, provided the fulfillment of the conditions stipulated in the law, and other legal provisions is verified at the time of payment. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Maintenance of accounts abroad	Yes.	National financial system entities are required to maintain up to 40% of their liquidity in accounts held abroad and the remainder within the country. A monthly tax is introduced on available funds and investments held abroad by private entities regulated by the SB and the stock market intendants of the Superintendency of Companies, Securities, and Insurance, including on an entity's funds and investments held through the subsidiaries, affiliated entities, or offices abroad. A monthly rate of 0.25% applies to the assessed tax base. If assets are held through subsidiaries, affiliated entities, or offices in tax havens or in low-tax territories, the monthly tax rate is 0.35%.
Lending to nonresidents (financial or commercial credits)	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	All transfers abroad are subject to the ISD. A monthly tax is introduced on available funds and investments held abroad by private entities regulated by the SB and the stock market intendants of the Superintendency of Companies, including on an entity's funds and investments held through its subsidiaries, affiliated entities, or offices abroad. A rate of 0.25% a month applies to the assessed tax base. If assets are held through subsidiaries, affiliated entities, or offices in tax havens or in low-tax territories, the monthly tax rate is 0.35%. Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
In banks by nonresidents	Yes.	All transfers abroad are subject to the ISD, barring certain exemptions. ISD exemption applies to payments made abroad for the financial returns, capital gains, and capital of those investments from abroad that entered the Ecuadorian securities market exclusively to carry out this transaction and have remained in the country for at least the term indicated by the Tax Policy Committee, which may not be less than 360 calendar days, made by individuals or legal entities domiciled abroad, through stock exchanges legally incorporated in the country or the Special Stock Market Registry (Registro Especial Bursátil). Effective January 1, 2022, the ISD is 4.75% (previously 5%). Effective April 1, 2022, the ISD is 4.50% (previously 4.75%). Effective July 1, 2022, the ISD is 4.25% (previously 4.5%). Effective October 1, 2022, the ISD is 4% (previously 4.25%). Effective February 1, 2023, the ISD is 3.75% (previously 4%). Effective July 1, 2023, the ISD is 3.50% (previously 3.75%).
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by	No.	All transfers abroad are subject to the ISD.

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nonresidents		
		As of January 1, 2022, the ISD is 4.75%. As of April 1, 2022, the ISD is 4.50%. As of July 1, 2022, the ISD is 4.25%. As of October 1, 2022, the ISD is 4%. As of January 1, 2023, the ISD is 4%. As of February 1, 2023, the ISD is 3.75%. As of July 1, 2023, the ISD is 3.50%. As of December 1, 2023, the ISD is 2%.
Limits (max.) on investment portfolio held abroad	No.	All transfers abroad are subject to the ISD. As of January 1, 2022, the ISD is 4.75%. As of April 1, 2022, the ISD is 4.50%. As of July 1, 2022, the ISD is 4.25%. As of October 1, 2022, the ISD is 4%. As of January 1, 2023, the ISD is 4% As of February 1, 2023, the ISD is 3.75%. As of July 1, 2023, the ISD is 3.50%. As of December 1, 2023, the ISD is 2%.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	All transfers abroad are subject to the ISD. As of January 1, 2022, the ISD is 4.75%. As of April 1, 2022, the ISD is 4.50%. As of July 1, 2022, the ISD is 4.25%. As of October 1, 2022, the ISD is 4%. As of January 1, 2023, the ISD is 4%. As of February 1, 2023, the ISD is 3.75%. As of July 1, 2023, the ISD is 3.50%. As of December 1, 2023, the ISD is 2%.
Limits (max.) on investment portfolio held abroad	Yes.	The Bank of the Ecuadorian Social Security Institute may, on an exceptional basis, invest abroad in the sovereign debt of countries that have an investment grade rating, up to 7.5% of the total market value of each of the funds administered at the time that the investment is made. All transfers abroad are subject to the ISD. As of January 1, 2022, the ISD is 4.75%. As of April 1, 2022, the ISD is 4.50%. As of July 1, 2022, the ISD is 4.25%. As of October 1, 2022, the ISD is 4%. As of January 1, 2023, the ISD is 4%. As of February 1, 2023, the ISD is 3.75%. As of July 1, 2023, the ISD is 3.50%. As of December 1, 2023, the ISD is 2%.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	All transfers abroad are subject to the ISD. As of January 1, 2022, the ISD is 4.75%. As of April 1, 2022, the ISD is 4.50%.

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		As of July 1, 2022, the ISD is 4.25%. As of October 1, 2022, the ISD is 4%. As of January 1, 2023, the ISD is 4%. As of February 1, 2023, the ISD is 3.75%. As of July 1, 2023, the ISD is 3.50%. As of December 1, 2023, the ISD is 2%.
Limits (max.) on investment portfolio held abroad	No.	All transfers abroad are subject to the ISD. As of January 1, 2022, the ISD is 4.75%. As of April 1, 2022, the ISD is 4.50%. As of July 1, 2022, the ISD is 4.25%. As of October 1, 2022, the ISD is 4%. As of January 1, 2023, the ISD is 4%. As of February 1, 2023, the ISD is 3.75%. As of July 1, 2023, the ISD is 3.50%. As of December 1, 2023, the ISD is 2%.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.r.	Article 94 - Use of legal tender currency is mandatory. No person, natural or legal, may be compelled under any circumstance to receive a currency other than the United States Dollar.
Retail	n.r.	
Wholesale	n.r.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	

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Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	n.r.	Cryptocurrencies are not an authorized means of payment in the country and do not have backing. Their value is based on speculation. They are also not controlled, supervised, or regulated by any entity in Ecuador.
Controls on unbacked tokens	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on utility and security tokens	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on stablecoins	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions		

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	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

Exchange Arrangement

Exchange tax	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.

Arrangements for Payments and Receipts

Prescription of currency requirements	*03/11/2022*	The Monetary Policy and Regulation Board issued Resolution No. JPRM-2022-009-M, which eliminates operations with the Sistema Unitario de Compensación Regional de Pagos (SUCRE) system and mandates. Previously, transactions channeled through SUCRE agreement had to be recorded using the "sucre" unit of account, with clearance every six months in convertible currencies.
Payments arrangements		
Regional arrangements	*03/11/2022*	The Monetary Policy and Regulation Board issued Resolution No. JPRM-2022-009-M, which eliminates operations with the Sistema Unitario de Compensación Regional de Pagos (SUCRE) system and mandates. Previously, transactions channeled through SUCRE agreement had to be recorded using the "sucre" unit of account, with clearance every six months in convertible currencies.
Clearing agreements	*03/11/2022*	The Monetary Policy and Regulation Board issued Resolution No. JPRM-2022-009-M, which eliminates operations with the Sistema Unitario de Compensación Regional de Pagos (SUCRE) system and mandates. Previously, transactions channeled through SUCRE agreement had to be recorded using the "sucre" unit of account, with clearance every six months in convertible currencies.
Controls on exports and imports of banknotes		
On exports		
Domestic currency	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.

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	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Foreign currency	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.

Resident Accounts

Foreign exchange accounts permitted		
Held abroad	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Accounts in domestic currency held abroad	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.

Imports and Import Payments

Import licenses and other nontariff measures	*10/03/2022*	Resolution 015-2022 was issued, incorporating the “Non-automatic license”, applicable to the importation of goods referred to waste, scrap and plastic trimmings.
	01/06/2023	Resolution 019-2022 was issued, incorporating the “Non-automatic license”, applicable to the importation of goods referred to polyurethanes.
	06/28/2023	Resolution 007-2023 was issued, reforming the automatic license applied to the importation for consumption of remanufactured aircraft engine parts.
	08/30/2023	Resolution 010-2023 was issued, which establishes different controls prior to importation for fentanyl and related chemical products.
Negative list	*05/30/2022*	Resolution 009-2022 was issued, which updates the lists of subheadings subject to ex ante control and prohibited from importation and eliminates 1,405 (45% approximately) tariff subheadings from both lists, leaving a total of 2,254 controlled tariff subheadings and 221 tariff subheadings subject to import prohibition. The prohibited products are related to the protection of sharks and to restrict access to products that threaten the environment (radioactive, mercury, methane, benzene, methyls, among others).
Licenses with quotas	*11/24/2022*	Resolution 017-2022 was issued, which approved the mechanisms and procedures for the administration of consolidated quotas within

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		the framework of Ecuador's accession protocol to the multiparty agreement with the EU, Colombia, and Peru.
	06/20/2023	Resolution 006-2023 was issued, which established a quota of 50 metric tons, monthly, for imports of preparations for animal feed.
Other nontariff measures	*03/04/2022*	Resolution 002-2022 was issued, which eliminates the Ex Ante Control Document in the Ecuadorian One-Stop Scheme for 134 food subheadings, wheelbarrows, and ceramics, from the repealed Ecuadorian technical regulations.
	03/17/2022	Resolution 005-2022 was issued, which eliminates the Ex Ante Control Document in the Ecuadorian One-Stop Scheme for 6 subheadings, including medical chairs, notebooks, and condoms, of the repealed Ecuadorian technical regulations.
Import taxes and/or tariffs	*07/14/2023*	Resolution 009-2023 was issued, which reduced 50% of the tariff rate for the importation of 5,801 transport vehicles, whose beneficiaries will be the affiliates of the transport federations, according to the list approved by the Ministry of Transportation and Public Works. The measure will be in force until the end of 2025.
	07/17/2023	Because of the drop in rice production, Resolution 008-2023 was issued, which temporarily reduced its tariff rate to 0% and suspended the application of the Andean Price Band System, for its import (tariff items 1006.10.90.00 - - Other and 1006.30.00.00 - SEMI-WASHED OR WHITTENED RICE), for a total quota of 63,246 tons until the end of 2023.
Taxes collected through the exchange system	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Investment-related payments	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Credit card use abroad	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.

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	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Purchase abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.

Bonds or other debt securities

Purchase locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
		The capital outflow tax was reduced to 4.25% from 4.50%.

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	07/01/2022	
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Purchase abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
On money market instruments		
Purchase locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Purchase abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.

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	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
On collective investment securities		
Purchase locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Purchase abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Controls on derivatives and other instruments		
Purchase locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.

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	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Purchase abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale or issue abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Controls on credit operations		
Financial credits		
To residents from nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Controls on real estate transactions		
Purchase abroad by residents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.

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	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Sale locally by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Controls on personal capital transactions		
Loans		
By residents to nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
To residents from nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Gifts, endowments, inheritances, and legacies		
By residents to nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Settlement of debts abroad by immigrants	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Transfer of assets		
Transfer abroad by emigrants	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.

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	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Transfer of gambling and prize earnings	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Borrowing abroad	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Lending to nonresidents (financial or commercial credits)	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
Investment regulations		
Abroad by banks	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.
	07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.
In banks by nonresidents	*01/01/2022*	The capital outflow tax was reduced to 4.75% from 5%.
	04/01/2022	The capital outflow tax was reduced to 4.50% from 4.75%.
	07/01/2022	The capital outflow tax was reduced to 4.25% from 4.50%.
	10/01/2022	The capital outflow tax was reduced to 4% from 4.25%.
	02/01/2023	The capital outflow tax was reduced to 3.75% from 4%.

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07/01/2023	The capital outflow tax was reduced to 3.50% from 3.75%.

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EGYPT

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: January 2, 2005
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Banks have been instructed to freeze accounts and assets of listed individuals and organizations associated with terrorism, in accordance with the relevant UNSC resolutions. Further, in 2002, the authorities established the Egyptian Money Laundering Combating Unit (EMLCU), which is the Egyptian FIU responsible for combating money laundering and terrorism financing. The EMLCU receives reports of suspicious transactions from financial institutions and takes the necessary examination and investigation measures in coordination with the appropriate authorities. The EMLCU receives reports of suspicious transactions from financial institutions and designated nonfinancial businesses and professions concerning transactions suspected of being proceeds of a crime or involving money laundering or terrorism financing or attempts to conduct such transactions. The EMLCU takes the necessary examination and investigation measures in coordination with the appropriate authorities. AML/CFT Law No. 80 of 2002 was amended in May 2014, to address deficiencies in Egypt's AML/CFT regime, including with regard to international standards on combating money laundering/financing of terrorism and proliferation of weapons of mass destruction. Egypt exited from the follow-up process at the Middle East and North Africa Region Financial Action Task Force (MENAFATF). In accordance with the amendments, the EMLCU will carry out Egypt's commitment under international conventions, treaties, and charters with respect to terrorism financing and financing of the proliferation of weapons of mass destruction.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Egypt is the Egyptian pound.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		

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Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. On November 3, 2016, the Central Bank of Egypt (CBE) announced its decision to move, with immediate effect, to a liberalized exchange rate regime to quell any distortions in the domestic foreign currency market. Pursuant to the above, banks and other market participants are at liberty to quote and trade at any exchange rate. Bid and ask exchange rates are determined by forces of demand and supply. The CBE uses the prevailing market rate for any transactions it undertakes. Any intervention carried by the Central bank in the foreign exchange market is transparently announced through a press release. Since May 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar with one realignment in October 2022. Accordingly, the de facto exchange rate arrangement was reclassified to “crawl-like” from “stabilized”, effective May 24, 2022. While the exchange rate has increased its flexibility from January 2023, more observations are needed to determine its new trend, until then the de facto exchange rate arrangement remains classified as crawl-like.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The US dollar–pound official exchange rate is published daily through Reuters and Bloomberg. This rate reflects the weighted average interbank rate. The CBE uses its official rate to carry out foreign exchange transactions with banks, the government, and public institutions.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		

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Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	Monetary policy is in transition to a flexible inflation-targeting regime, where policy tools are utilized to anchor inflation expectations, to contain demand-side pressures and second-round effects of supply shocks to achieve inflation targets over the medium term. Policy tools include a corridor of overnight deposit and lending standing facilities, open market operations, and reserve requirements. The monetary policy rate is set by the CBE's MPC, which has six members comprising of the governor of the CBE, two deputy

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		governors, and three other members of the Board of Directors. The MPC convenes every six weeks to decide on appropriate actions with respect to key policy rates. The MPC's decisions are communicated to the market through a monetary policy press release that gives an analysis of the committee's decision, which is published on the CBE's website following each MPC meeting. In May 2017, the CBE announced for the first time in its history its inflation target of 13% (+/-3%) on average by the fourth quarter of 2018. In December 2018, the target lowered to 9% (+/-3%) on average during the fourth quarter of 2020. The target was most recently lowered in 2020 to 7% (+/-2%) on average by the fourth quarter of 2022. The Central Agency for Public Mobilization and Statistics (CAPMAS) is the entity responsible for calculating and publishing the headline CPI every month, which the CBE uses to derive the core CPI index as an indicative index for research purposes only. The transition from the direct-quantity target to targeting short-term interest rates was made in June 2005. The CBE adopted a corridor system using an overnight lending facility as the ceiling rate and an overnight deposit facility as the floor rate. The CBE employs open market operations as a monetary policy tool to achieve its operational target to ultimately attain its intermediate target. Open market operations achieve that by regulating the supply of reserves in the banking system. The CBE main operation could be deposit auctions or reverse repo depending on the market liquidity condition.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The CBE allows market participants to freely decide the client and interbank bid and ask rates.
Spot exchange market	Yes.	The CBE licenses nonbank foreign exchange dealers (foreign exchange bureaus, bazaars, and duty-free markets). As of November 15, 2023, there were 43 licensed foreign exchange bureaus, 67 bazaars, and 8 duty-free markets. Foreign exchange bureaus may buy and sell domestic and foreign means of payment (banknotes and traveler's checks) on their own behalf. These transactions are conducted in cash. Foreign exchange bureaus may not make transfers into or out of Egypt and must sell all working-day foreign currency exceeding their authorized operating balance to commercial banks. Almost all banks licensed to operate in Egypt (currently 36) are involved in foreign exchange transactions.
Operated by the central bank	Yes.	Banks are required to manage and maintain their positions in foreign currencies through the interbank market on a daily basis without breaching their authorized net positions. The CBE does not buy commercial banks' foreign currency balances exceeding their authorized net open position.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The multiple-price auction mechanism, which allows the CBE to buy and sell foreign exchange (exclusively in US dollars), follows these rules: (1) The CBE sets the amounts (not the price). (2) Each bank may submit up to three bids, for which the total amount submitted is determined by the quota assigned to the bank by the CBE, based on its commercial utilization and previous sales in the interbank market. (3) On the auction day, the CBE announces the auction amount one hour before the auction. (4) Banks authorized by the CBE may participate. (5) Auction results are announced to the public through several data service providers, such as Reuters and Bloomberg, as

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		well as on the CBE website. No auctions have been conducted since November 3, 2016.
Fixing	No.	
Interbank market	Yes.	Banks (currently 36) that are members of the interbank convention on foreign exchange trading buy and sell foreign exchange at freely determined rates.
Over the counter	Yes.	Dealers may participate in the interbank foreign exchange market through an electronic dealing system during regular dealing hours.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Authorized commercial banks are permitted to conduct forward foreign exchange transactions on their own behalf. The banks are free to determine the rates for forward transactions and conduct forwards and swaps on behalf of their customers strictly for business needs. The CBE does not participate in the forward foreign exchange market. In practice, the CBE permits authorized commercial banks to conduct forward foreign exchange and swap transactions to cover five genuine needs: supplier payments, LCs, transfer collections, dividend payments, and export proceeds. Effective October 27, 2022, the CBE issued a circular regarding banks' conducting foreign exchange transactions in local currency (EGP) through forward transactions, currency SWAPs, NDF transactions, provided these transactions are conducted for commercial purposes and through the same bank.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	For countries with indemnity agreements concerning compensation for nationalized property, certain settlements are made through special accounts in pounds with the CBE. The balances in these accounts are minimal. Suez Canal dues are expressed in SDRs and may be settled in any foreign currency. Settlements with Sudan are made in accordance with the terms of a bilateral agreement.
For current transactions and payments	Yes.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Pursuant to Article 212 of Law No. 194/2020, dealings within Egypt—whether purchases or sales of goods and services—must be in Egyptian pounds unless stipulated otherwise in an international convention or another law.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	

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Regional arrangements	Yes.	Egypt is a member of COMESA.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Banks are authorized to execute foreign exchange transactions within the framework of a general authorization, without obtaining specific exchange control approval.
Payments arrears	No.	
Official	No.	Egypt does not have official payment arrears.
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may take out up to LE 5,000 in banknotes. Exporting domestic or foreign currency through mail or postal parcels is not allowed.
Foreign currency	Yes.	Egyptian citizens may not export more than US$10,000 or its equivalent in other foreign currencies, including bearer negotiable instruments; foreigners may take out the remaining balance of the amounts (including bearer negotiable instruments) previously declared on arrival. In all cases, travelers departing Egypt must declare to the customs authorities any foreign currency and bearer negotiable instruments exceeding US$5,000 or its equivalent in other foreign currencies.
On imports	Yes.	
Domestic currency	Yes.	Travelers may bring in up to LE 5,000 in banknotes. Importing domestic or foreign currency through mail or postal parcels is not allowed.
Foreign currency	No.	Travelers must declare to the customs authorities on entry foreign currency and bearer negotiable instruments exceeding US$10,000 or its equivalent in other foreign currencies.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	There are no restrictions on deposits for individuals or companies. In response to the COVID-19 outbreak, the CBE introduced temporary daily limits on cash deposits and withdrawals from banks: LE 50,000 for individuals and companies (except disbursements needed for wage payments) and LE 20,000 for automated teller machine (ATM) withdrawals. Effective August 25, 2022, the cash withdrawals limit for individuals and companies from bank branches was increased to LE 150,000 from LE 50,000.
Approval required	No.	
Held abroad	Yes.	There are no limits on foreign currency transfers.

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Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Balances may be converted through the foreign exchange market in accordance with Know-Your-Customer (KYC) criteria. There are no restrictions set by the CBE to limit the conversion of domestic currency to foreign currencies through banks or authorized foreign exchange dealers. Banks are free to set their own policy regarding this matter.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Accounts must satisfy KYC criteria. There are no restrictions on amounts transferred abroad.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Accounts must satisfy KYC criteria. There are no restrictions on amounts transferred abroad.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	Yes.	The minimum cash margin requirement for opening LCs for importing transactions for trading purposes is 100% (Circular of December 21, 2015, as amended) with some exceptions for essential products such as priority food products, medications, vaccines, computers, and software products, among others. No cash margin is required for the import of commodities that are not for trading purposes such as machinery/equipment, raw materials, and spare parts used in manufacturing. Banks were permitted to exempt certain food products from cash cover requirements initially for one year ending March 15, 2020. This exemption was extended by one year four times without gaps, most recently until March 15, 2023 (effective March 10, 2022) and until March 15, 2024 (effective March 13, 2023). Effective February 13, 2022, the CBE instructed banks that all import transactions must be conducted via LCs, with some exceptions. Effective February 20, 2022, the CBE allowed the Credit Guarantee Company to cover the risks associated with LCs issued by banks. Effective December 29, 2022, the CBE canceled the instructions requiring banks to only accept import transactions through LCs.
Advance payment requirements	Yes.	The bank issuing the transfer must validate the import transaction by negotiating the documents through the same bank.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	The documents related to the transfer must be negotiated with the issuing bank.

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Preshipment inspection	No.	
Letters of credit	Yes.	The minimum cash margin requirement for opening LCs for importing transactions for trading purposes is 100% (Circular of December 21, 2015, as amended) with some exceptions for essential products such as priority food products, medications, vaccines, computers, and software products, among others. No cash margin is required for the import of commodities that are not for trading purposes such as machinery/equipment, raw materials, and spare parts used in manufacturing. Banks were permitted to exempt certain food products from cash cover requirements initially for one year ending March 15, 2020. This exemption was extended by one year four times without gaps, most recently until March 15, 2023 (effective March 10, 2022) and until March 15, 2024 (effective March 13, 2023). Effective February 13, 2022, the CBE instructed banks that all import transactions must be conducted via LCs, with some exceptions. Effective February 20, 2022, the CBE allowed the Credit Guarantee Company to cover the risks associated with LCs issued by banks. Effective December 29, 2022, the CBE canceled the instructions requiring banks to only accept import transactions through LCs.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Most items may be imported freely. Automobiles may be imported only during the year of their manufacture. Imports of telecommunications equipment require permits from the National Telecommunications Regulatory Authority (NTRA). Imports of used telecommunications materials for trading purposes are prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Importers must register with the General Organization for Export and Import Control within the Ministry of Foreign Trade and Industry. All registered importers must be Egyptian nationals and satisfy a number of other conditions, including those regarding financial liability and the presentation of a proven record of past commercial activities. For registration, importers must also provide details of the products they intend to import. Payments for imports must be made through a bank operating in Egypt.
Import taxes and/or tariffs	Yes.	Products are classified into six groups for customs purposes, with tariff rates ranging from 2% to 32%, with two exceptions.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Liquefied petroleum gas, butane, and oil are imported only by the state-owned Egyptian General Petroleum Corporation and Egyptian Natural Gas Holding Company. Some other petroleum products may be imported by the private sector.

Exports and Export Proceeds

Repatriation requirements	Yes.	For monitoring purposes, the CBE issued a circular on April 28, 2013, requiring banks to ensure that export proceeds are received

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		within 180 days of shipment for products specified in Decree No. 235 of the Ministry of Industry and Foreign Trade, as amended by Circular of November 12, 2015. Banks must report to the CBE exporters that do not comply. These exporters are prohibited from entering into future similar export transactions through the banking sector. The period for gold exports proceeds was decreased to 7 working days effective December 18, 2022, and was then increased to 30 days effective April 5, 2023.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exporters must register with the General Organization for Export and Import Control. They must meet a minimum capital requirement of LE 3,000 and must not have a criminal record. Public sector and government employees may not register as exporters.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	Individuals and companies may transfer abroad without maximum limits.
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	Individuals may transfer abroad without maximum limits.
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	Individuals and companies may transfer abroad without maximum limits.
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The Financial Regulatory Authority (FRA) must approve local and foreign securities offerings (by companies that practice any of the activities in Article 27 of Law No. 95 of 1992) in advance. Primary and secondary offerings by nonresidents require FRA approval. Secondary offerings by residents usually do not require FRA approval.
Purchase abroad by residents	Yes.	Private pension funds may not invest in foreign securities or assets abroad. The FRA does not allow Egyptian brokerage and asset management firms to purchase international securities not listed on the Egyptian Stock Exchange on behalf of their Egyptian clients.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Capital Market Law No. 95 of 1992 as amended by Law No. 123 of 2008 allows international institutions to issue bonds in the local market with FRA approval.
Purchase abroad by residents	Yes.	Private pension funds may not invest in foreign securities or assets abroad. The FRA does not allow Egyptian brokerage and asset management firms to purchase international securities not listed on the Egyptian Stock Exchange on behalf of their Egyptian clients.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Private pension funds may not invest in foreign securities or assets abroad.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Private pension funds may not invest in foreign securities or assets abroad. The FRA does not allow Egyptian brokerage and asset management firms to purchase international securities not listed on the Egyptian Stock Exchange on behalf of their Egyptian clients.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Derivatives are permitted only for genuine commercial

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		purposes—that is, derivatives may not be used for speculation.
Sale or issue locally by nonresidents	Yes.	Derivatives are permitted only for genuine commercial purposes—that is, derivatives may not be used for speculation.
Purchase abroad by residents	Yes.	Private pension funds may not invest in foreign securities or assets abroad.
Sale or issue abroad by residents	Yes.	These may be used only for hedging purposes.
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	No controls are applied; however, ministries, government agencies, public authorities, public sector companies, and private sector entities are all required to register their debt obligations with the CBE.
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	Residents are required to register their foreign debt with the CBE for statistical purposes.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Nonbank companies of foreign exchange dealers must be owned entirely by Egyptians. All FDIs must be registered by the General Authority for Investment, pursuant to Law Nos. 8 of 1997 and 159 of 1981.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Bank deposits in foreign currencies (held by either Egyptian or foreign nationals) are subject to a 10% reserve requirement, which must be deposited with the CBE and is remunerated. The reserve requirement for deposits in Egyptian pounds (excluding CDs for individuals with maturities of three years or more and loans to small and medium enterprises) is effective September 22, 2022, 18% (previously 14%) and is not remunerated.
Liquid asset requirements	Yes.	Liquidity regulation issued in July 2016 on NSFR and LCR as per Basel III applies. The requirements for the liquidity ratio in foreign currencies and Egyptian pounds are 25% and 20%, respectively.
Interest rate controls	Yes.	Following Basel III requirements, the regulation regarding interest rate risk in the banking book (IRRBB) classifies deposits in domestic and foreign currency as follows: (1) Regarding interest rate sensitive items on the liability side for domestic and foreign currency deposits: (a) For deposits of individuals and small and micro enterprises with no maturity dates (demand and saving deposits with and without interest), 10% of the balance of demand deposits is slotted in the first time bucket (following day) and 90% of the outstanding balance is distributed equally to the time buckets from less than one month to 4–5 years, and 30% of the balance of saving deposits is slotted in the first time bucket (following day) and 70% of the outstanding balance is distributed equally to the time buckets from less than one month to 4–5 years; (b) for corporate deposits and deposits of medium enterprises with no maturity dates (demand and saving deposits with and without interest), 50% of the balance of deposits is slotted in the first time bucket (following day) and 50% of the outstanding balance is distributed equally to the time buckets from less than one month to 4–5 years; (c) accrued interest on term deposits or callable deposits (with fixed interest rates) is slotted according to the residual periods until their maturity dates, while the principle is slotted in the residual period until its maturity date; and (d) for deposits with variable interest rates, the interest is slotted in the time bucket prior to the repricing date according to the residual periods until the maturity

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		dates, while the principle is slotted according to the residual period until the repricing date. (2) Regarding interest rate sensitive items on the asset side: (a) For CBE reserves in foreign currency with interest, interest is slotted in the time buckets prior to the repricing date according to the residual periods until the maturity dates, while the reserves balance (the principle) is slotted according to the residual period until the repricing date; (b) for accrued interest on CBE deposits with fixed interest rate, the accrued interest is slotted according to the residual periods until the maturity dates for these interests, while the principle is slotted in the residual period until its maturity date; and (c) for CBE deposits with variable interest rates, the interest is slotted in the time bucket prior to the repricing date according to the residual periods until the maturity dates, while the principle is slotted according to the residual period until the repricing date.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks' maximum exposure abroad is calculated by country, financial institution, and group, taking into consideration a specific methodology. The CBE sets exposure limits to countries, financial institutions, and financial groups, related mainly to the bank's capital base, countries' ratings, and their GDP. The regulation sets concentration limits to high-risk exposures and does not specify exposure limits to each type of borrower as follows: The total high-risk exposure for each country should not exceed 40% of the concentration limit of that country. The total high-risk exposures for all countries should not exceed 100% of the bank's capital base. The total high-risk exposures for non-investment grade countries should not exceed 20% of the bank's capital base. The unutilized portion of the high-risk exposure limit may be directed to low-risk exposures, but not vice versa.
In banks by nonresidents	Yes.	Investments in banks are subject to "fit and proper" tests: Shares held by residents or nonresidents in a bank in Egypt exceeding 5% of the issued capital must be reported to the CBE. Shares exceeding 10% require CBE approval.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The net long or short position in any foreign currency of a bank operating in Egypt, including branches of foreign banks, may not exceed 10% of the capital base, the long or short position in all currencies may not exceed 20% of the capital base, and the long or short position in local currency (that is, in an opposing position) may not exceed 10% of the capital base.
On nonresident assets and liabilities	Yes.	The net long or short position in any foreign currency of a bank operating in Egypt, including branches of foreign banks, may not exceed 10% of the capital base, the long or short position in all currencies may not exceed 20% of the capital base, and the long or short position in local currency (that is, in an opposing position) may

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		not exceed 10% of the capital base.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Pursuant to Law No. 10 of 1981 (as amended), if an individual or entity owns more than 5% of the total shares of an insurance or reinsurance company, the company must notify the FRA within two weeks on the appropriate form. No individual—except by inheritance—or corporate entity may own 10% or more of the issued capital of an insurance or reinsurance company, except with the approval of the prime minister. The approval requirement applies to residents and nonresidents.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	By law, insurance and reinsurance companies must allocate funds in Egypt at least equal to the value of their technical reserves for business carried out in Egypt. Companies must maintain the funds of life insurance completely separate from the funds of property and liability insurance. Cash and securities that form part of these funds must be deposited in one of the banks registered at the CBE. Therefore, by law, investments may not be held abroad.
Limits (min.) on investment portfolio held locally	Yes.	Insurance and reinsurance companies must invest their allocated funds with respect to life insurance plans as follows: (1) at least 25% in government securities or guaranteed certificates; (2) a maximum of 20% in bonds, provided the amount invested in bonds of a single issuer does not exceed 5% of the total allocated funds, 20% of the capital of the entity issuing the bonds, or 10% of the paid-up capital of the insurance or reinsurance company, whichever is less; (3) a maximum of 20% in stocks and investment funds, provided the amount invested in stocks and investment funds of a single issuer does not exceed 5% of the total allocated funds, 20% of the capital of the entity issuing these stocks, 20% of the total issued instruments of the investment fund, or 10% of the paid-up capital of the insurance or reinsurance company, whichever is less; (4) a maximum of 10% of paid-up capital in bonds, stocks, and investment funds of a single issuer; (5) a maximum of 30% in real estate in Egypt that is registered by notarization or recorded with the relevant notary public office, provided the value of the real estate does not exceed 5% of the total allocated funds or 10% of the paid-up capital of the insurance or reinsurance company, whichever is less; (6) loans guaranteed by insurance policies within 90% of their recovered value, which is determined at the end of the financial year according to the company's actuarial certificate; (7) a maximum of 20% in mortgage loans, provided the loans do not exceed 5% of total allocated funds, 60% of the market value of the real estate, or 10% of the paid-up capital of the insurance or reinsurance company, whichever is less; (8) a maximum of 50% in bank deposits or savings or CDs issued by the CBE or registered banks; and (9) a maximum of 20% in other investments approved by the FRA. Insurance and reinsurance companies must invest their allocated funds with respect to property and liability insurance plans as follows: (1) at least 20% in government securities or guaranteed certificates; (2) a maximum of 15% in bonds, provided the amount invested in bonds of a single issuer does not exceed 5% of the total allocated funds or 10% of the paid-up capital of the insurance or reinsurance company, whichever is less; (3) a maximum of 25% in stocks and investment funds, provided the amount invested in stocks and mutual funds of a single issuer does not exceed 5% of the total allocated funds, 20% of the capital of the entity issuing these stocks, 20% of the total issued instruments of mutual funds, or 10% of the paid-up capital of the

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		insurance or reinsurance company, whichever is less; (4) a maximum of 10% of paid-up capital in bonds, stocks, and mutual funds of a single issuer; (5) a maximum of 30% in real estate in Egypt that is registered by notarization or recorded with the appropriate notary public office, provided the value of the real estate does not exceed 10% of the total allocated funds or 10% of the paid-up capital of the insurance or reinsurance company, whichever is less; (6) a maximum of 50% in bank deposits or savings or CDs issued by the CBE or registered banks; and (7) a maximum of 20% in other investments approved by the FRA.
Currency-matching regulations on assets/liabilities composition	Yes.	FRA procedures govern currency matching on the composition of insurance companies' assets and liabilities. According to these procedures, an insurance company must define its requirements for personal and property operations in foreign currencies and pounds to be sure it satisfies currency-matching requirements for assets and liabilities composition.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Private pension funds are not allowed to invest in foreign securities or assets abroad.
Limits (max.) on investment portfolio held abroad	Yes.	Private pension funds are not allowed to invest in foreign securities or assets abroad.
Limits (min.) on investment portfolio held locally	Yes.	Pursuant to Ministerial Decree No. 109 of 2015 of Law No. 54 of 1975, private pension funds (known as private insurance funds) must invest their funds as follows: (1) a maximum of 35% as deposits and savings certificates in local or foreign currencies at registered banks, provided the total deposits and savings certificates in one bank do not exceed 25% of the total funds of the pension fund in case the funds of the pension fund exceeds one hundred million Egyptian pounds; (2) at least 15% in government bonds or guaranteed certificates with maximum of 70% of the total funds of the pension fund; (3) a maximum of 15% of the total funds of the pension fund in securitization bonds and tradable sukuk in the capital market, provided the amount invested in bonds issued from one entity does not exceed 5% of the total invested funds of the pension fund or 10% of the total value of the issuances of the entity whichever is less; (4) a maximum of 20% of fixed income investment funds and cash investment funds, provided the value of the investments in one investment fund does not exceed 5% of the pension fund or 10% of the net assets of the investment fund whichever is less; (5) a maximum of 15% of open investment funds, provided the value of the investments in one investment fund does not exceed 5% of the pension fund or 10% of the net assets of the investment fund whichever is less; (6) a maximum of 15% in stocks, provided the amount invested in stocks of a single issuer does not exceed 5% of the total invested funds or 10% of the capital of the entity issuing the stocks; (7) the total invested amounts in securities and bonds stated in Items (3) and (6) issued of a single issuer should not exceed 5% of the total funds of the pension fund; (8) the total invested amounts in investment funds stated in Item (5) and stocks in Item (6) should not exceed 20% of the total funds of the pension fund; (9) a maximum of 10% in real estate funds, provided the amount invested in a single real estate fund does not exceed 5% of the total invested funds of the pension fund or 10% of the net value of the assets of the investment fund whichever is less; (10) a maximum of 10% in real estate to be owned in Egypt that is registered by notarization or recorded with the appropriate notary public office, provided the value of one real estate does not exceed 5% of the total allocated funds; (11) the total invested amounts in investment funds stated in Item (8) and real

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		estate stated in Item (9) should not exceed 15% of the total funds of the pension fund; (12) a maximum of 25% of the funds of the pension fund to the members as loans, provided no more than 75% of member' rights in the fund to be paid; and (13) a maximum of 5% in other investments approved by the FRA.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	There are general regulations pertaining to investment funds' local and international investments. All investment funds must issue a prospectus approved by the FRA. The FRA's approval is required for issuance of a public or private offering of investment funds.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Capital Market Law No. 95 of 1992 requires investment funds to disclose their investment policies via their prospectus. Investment funds established in Egypt do not have investments abroad, according to their disclosed investment strategies. Private portfolio investments are made solely in accordance with the investors' decisions.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	Pursuant to CBE Law No. 194 of 2020, digital currencies and crypto assets are regulated by the CBE. However, no regulation has been issued to implement such a framework.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	

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Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	CBE Law No 194 of 2020, Article 206, notes that the CBE has not issued any licenses, which means that dealing with any crypto assets is banned.
Controls on unbacked tokens	Yes.	These transactions are banned.
Acquisition by residents	Yes.	These transactions are banned.
Use among residents	Yes.	These transactions are banned.
Between residents and nonresidents	Yes.	These transactions are banned.
For current transaction	Yes.	These transactions are banned.
For capital transactions	Yes.	These transactions are banned.
Transactions in capital and money market instruments	Yes.	These transactions are banned.
Transactions in derivatives and other instruments	Yes.	These transactions are banned.
Credit operations	Yes.	These transactions are banned.
Controls on utility and security tokens	Yes.	These transactions are banned.
Acquisition by residents	Yes.	These transactions are banned.
Use among residents	Yes.	These transactions are banned.
Between residents and nonresidents	Yes.	These transactions are banned.
For current transaction	Yes.	These transactions are banned.
For capital transactions	Yes.	These transactions are banned.
Transactions in capital and money market instruments	Yes.	These transactions are banned.
Transactions in derivatives and other instruments	Yes.	These transactions are banned.
Credit operations	Yes.	These transactions are banned.
Controls on stablecoins	Yes.	These transactions are banned.
Acquisition by residents	Yes.	These transactions are banned.
Use among residents	Yes.	These transactions are banned.
Between residents and nonresidents	Yes.	These transactions are banned.

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For current transaction	Yes.	These transactions are banned.
For capital transactions	Yes.	These transactions are banned.
Transactions in capital and money market instruments	Yes.	These transactions are banned.
Transactions in derivatives and other instruments	Yes.	These transactions are banned.
Credit operations	Yes.	These transactions are banned.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	CBE Law No 194 of 2020, Article 206, notes that the CBE has not issued any licenses, which means that dealing with any crypto assets is banned.
Access to crypto exchange/trading platform by residents	Yes.	This is banned.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Crawl-like arrangement	*05/24/2022*	The de facto exchange rate arrangement was reclassified to crawl-like from stabilized.
Foreign exchange market		
Forward exchange market	*10/27/2022*	The Central Bank of Egypt issued a circular regarding banks' conducting foreign exchange transactions in local currency (EGP) through forward transactions, currency SWAPs, and NDF transactions, provided these transactions are conducted for commercial purposes and through the same bank.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*08/25/2022*	The maximum deposit limit for individuals and companies was removed, and the cash withdrawals limit for individuals and companies from bank branches was increased to LE 150,000 from LE 50,000.

Imports and Import Payments

Financing requirements for imports		
Minimum financing requirements	*02/13/2022*	The Central Bank of Egypt instructed banks that all import transactions must be conducted via LCs, with some exceptions.
	02/20/2022	The Central Bank of Egypt allowed the Credit Guarantee Company to cover the risks associated with LCs issued by banks.
	03/10/2022	The exemption for banks from cash cover requirements for certain food products of March 6, 2019, was extended for one more year until March 15, 2023.
	12/29/2022	The Central Bank of Egypt canceled the instructions requiring banks to only accept import transactions through LCs.
	03/13/2023	The exemption for banks from cash cover requirements for certain food products of March 6, 2019, was extended for one more year until March 15, 2024.
Documentation requirements for release of foreign exchange for imports		
Letters of credit		The Central Bank of Egypt instructed banks that all import

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	02/13/2022	transactions must be conducted via LCs, with some exceptions.
	02/20/2022	The Central Bank of Egypt allowed the Credit Guarantee Company to cover the risks associated with LCs issued by banks.
	03/10/2022	The exemption for banks from cash cover requirements for certain food products of March 6, 2019, was extended for one more year until March 15, 2023.
	12/29/2022	The Central Bank of Egypt canceled the instructions requiring banks to only accept import transactions through LCs.
	03/13/2023	The exemption for banks from cash cover requirements for certain food products of March 6, 2019, was extended for one more year until March 15, 2024.

Exports and Export Proceeds

Repatriation requirements	*12/18/2022*	The period for gold exports proceeds was decreased to 7 working days.
	04/05/2023	The period for gold exports proceeds was increased to 30 days.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*09/22/2022*	The reserve requirement for deposits in Egyptian pounds (excluding CDs for individuals with maturities of three years or more and loans to small and medium enterprises) was increased to 18% from 14%.

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EL SALVADOR

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		March 14, 1946.
Article VIII	Yes.	Date of acceptance: November 6, 1946.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	Both the US dollar and the colón are legal tender; payments may be made in either dollars or colones.
Other legal tender	Yes.	The Bitcoin Law intents to regulate bitcoin as unrestricted legal tender which may be used without limitation in any transaction for any purpose that individuals or legal entities, public or private, may need to perform. This is without prejudice to the application of the Monetary Integration Law. Silver and gold commemorative coins in denominations of C 150 and C 2,500, respectively, are also legal tender.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. On January 1, 2001, the US dollar became unrestricted legal tender with unlimited redeemability for the settlement of debt in El Salvador. The US dollar is used as a unit of account and a medium of exchange. The Central Reserve Bank (CRB) must exchange colones in circulation for US dollars at banks' request at a fixed and unalterable exchange rate of C 8.75 per US dollar. Both the US dollar and the Salvadoran colón are legal tender; payments may be made in either dollars or colones. As of September 7, 2021, the Bitcoin Law regulates bitcoin as unrestricted legal tender which may be used without limitation in any transaction for any purpose that individuals or legal entities, public or private, may need to perform. This is without prejudice to the application of the Monetary Integration Law.

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Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CRB must exchange colones in circulation for US dollars at banks' request at a fixed and unalterable exchange rate of C 8.75 per US dollar.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	Both the US dollar and the Salvadoran colón are legal tender: The CRB must exchange colones in circulation for US dollars on request.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		

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CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	There are currently no regulations governing ADs' determination of the bid-ask spread and foreign exchange commissions.
Spot exchange market	Yes.	Exchange bureaus may operate in the foreign exchange market with the authorization of the Superintendency of the Financial System (SSF), which issues operating certificates in accordance with Article 122 of the Law on the Supervision and Regulation of the Financial System. One exchange bureau is currently authorized. Exchange bureaus may buy and sell foreign exchange in accordance with the Exchange Bureau Law and implementing instructions. They may also open accounts abroad and make transfers but not payments on behalf of their customers. As of December 31, 2021, there is one authorized exchange bureau.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	A foreign exchange market for other currencies (especially Central American) is conducted through banks and exchange bureaus. As of December 31, 2021, 14 banks and 1 exchange bureau were authorized to participate in the foreign exchange market; the

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		cooperative banks also participate. The SSF licenses exchange bureaus and banks. Because of the dollarization regime, they do not deal directly with the CB. There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	The foreign exchange market operates on a formal basis over the counter.
Brokerage	Yes.	Brokers participating in the foreign exchange market deal on their own account.
Market making	No.	
Forward exchange market	Yes.	Banks participate in the forward exchange market for hedging purposes.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Monetary obligations may be contracted in US dollars or any other currency and must be settled in the currency specified in the contract.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	El Salvador is a member of the Central American Monetary Council and is a signatory of the Treaty on Payment and Securities Settlement Systems in Central America and the Dominican Republic, which has been in effect in the country since December 2008. The Treaty enables the Central American Monetary Council to establish regional payments systems that are legally protected under the Treaty. An interconnected payments system for Central America and the Dominican Republic (SIPA) had been in effect since January 2011.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	All private sector foreign exchange transactions take place through commercial banks and exchange bureaus. There are no exchange controls, and economic agents may freely carry out legal transactions in foreign currency through legally authorized institutions, that is, commercial banks, Banco Hipotecario, Banco de Fomento Agropecuario, exchange bureaus, and cooperative banks. Article 122

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		of the Law on Supervision and Regulation of the Financial System states: "The powers conferred upon the Central Reserve Bank of El Salvador under the Law on Foreign Currency Exchange Houses shall be transferred by operation of law to the Superintendency of the Financial System governed by this Law, except for the authority to issue the Instruction implementing the law on foreign currency exchange bureaus which regulates the operations of exchange bureaus, which will continue to be the responsibility of the Central Reserve Bank. The files containing information on the exchange bureaus currently in operation, as well as the pertinent guarantees, shall be transferred by the Central Reserve Bank to the Superintendency, within the three months after the date of this Law." As a result, on November 1, 2011, the CRB delivered to the SSF the records and guarantees for exchange bureaus Puerto Bus, S.A. de C.V., Gigante, S.A. de C.V., Latín Faz, S.A. de C.V., and Corfinge, S.A. de C.V., and formalized the delivery through instruments of delivery for each exchange bureau.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	The Mining Law and regulations govern the use of mining resources.
On external trade	Yes.	The law authorizes the CRB to exercise control and safeguard functions over monetary gold and commemorative coins. The Mining Law and regulations establish mechanisms for the domestic and external marketing of other gold used for industrial purposes.
Controls on exports and imports of banknotes	No.	There are no controls, except those under anti-money-laundering regulations. In practice, the CRB is the only agent that exports and imports US dollars. Some commercial banks export and import euros.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Under the Monetary Integration Law, all financial transactions, such as bank deposits, are denominated in US dollars. There are no restrictions on opening accounts in other currency.
Approval required	No.	
Held abroad	Yes.	There are no restrictions on the transfer of balances abroad, provided such transfers are carried out through institutions authorized by law and in keeping with the provisions of the Anti-Money-Laundering Law.

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Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	Importers are free to determine payments arrangements for their imports, including advance payments.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Certain products require import licenses issued by specific government agencies, in areas related to (1) Ministry of National Defense: arms, ammunition, explosives, combustible chemical substances, lead, and pyrotechnic products; (2) Ministry of Agriculture and Livestock through the General Directorate of Plant Health and the General Directorate of Livestock: animal- and plant-based products and subproducts, agrochemicals, and biological products; (3) Ministry of Health: food products and beverages processed industrially, dangerous ingredients and potable and nonpotable alcohol, and fishery products; (4) Ministry of Environment and Natural Resources: ozone-depleting substances, solid waste, hazardous materials, and wildlife; and (5) National Directorate of Medications; pharmaceutical products and chemicals; cleaning products, cosmetics, narcotics, psychotropic substances, aggregates, precursors, medications for human consumption, and controlled substances.

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		For products and by-products of animal and plant origin, and the means that transport them, the intervention of the International Regional Organization for Agricultural Health (Organismo Internacional Regional de Sanidad Agropecuaria (OIRSA)) is required through the application of quarantine treatments. During the COVID-19 pandemic, automation projects were implemented by the foreign trade one-stop window, the Import/Export Processing Center (CIEX El Salvador), administered by the CRB, to streamline foreign trade procedures and reduce the risk of contagion. These projects include: (1) As of May 28, 2020, the electronic authorization of import visas of the National Directorate of Medicines for pharmaceutical products and chemical substances was implemented; cleaning products, cosmetic products, narcotics, psychotropics, aggregate products, precursors, medicines for human consumption, and controlled substances. (2) As of May 5, 2021, the authorization of alcohols regulated by the Ministry of Health was implemented through electronic interconnection. (3) As of September 29, 2021, electronic payment was implemented for quarantine treatment services of the Regional International Organization for Plant and Animal Health for products and by-products of animal and plant origin, and the means of transport that move them. (4) As of October 22, 2021, the electronic issuance of visas for agricultural and veterinary products, regulated by the Ministry of Agriculture and Livestock, was implemented through electronic interconnection. (5) Effective April 1, 2022, the CIEX El Salvador Document Manager was implemented, which allows importers to store digital documents and register applications to manage the authorization of import permits. Following the pandemic, other initiatives were also implemented to further facilitate trade, such as: (1) As of May 28, 2020, electronic authorization of import visas was implemented through electronic interconnection with the National Directorate of Medicines for pharmaceutical products and chemical substances; cleaning products, cosmetic products, narcotics, psychotropics, arid products, precursors, medicines for human consumption, and controlled substances. (2) As of May 27, 2021, electronic authorization for the importation of alcohol regulated by the Ministry of Health. (3) Effective January 6, 2023, electronic authorization for the importation of chemical substances regulated by the Ministry of Health and the Ministry of National Defense.
Positive list	Yes.	Licenses issued by the MOF are required for authorized imports of ethyl alcohol, whether denatured or not, and authorization is required to import refined or raw cane sugar. The minister of health issues permits for ethyl alcohol, except when raw materials for various food industries are involved. Authorization by the Ministry of Defense is required for imports of weapons and explosives. An environmental permit is also required for imports of chemicals, either from the Ministry of Environment and Natural Resources, the Ministry of Agriculture and Livestock, or from the Ministry of Health. Importation of regulated industrial products requires registration with the Ministry of Health. The National Directorate of Medications is

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		the regulatory agency for the import of pharmaceutical products, medical inputs, cosmetics, hygiene products, drugs and psychotropic products, and aggregates.
Negative list	Yes.	El Salvador prohibits imports of the following products for reasons of health, security, public morality, or environmental protection: subversive material or teachings contrary to the political, social, and economic order; obscene materials; unethical or indecent films; abortion-related products; opium containing less than 9% morphine; opium residue and ash; devices for smoking opium; unstamped cigarette paper; counterfeit coins and banknotes; plain silver coins; and slot machines. Imports of coffee in a form that can be used as seeds for planting and imports of coffee bushes are prohibited. Also prohibited are lightweight passenger and freight motor vehicles more than 8 years old and heavy passenger and freight vehicles more than 15 years old (except collector's items and vehicles donated to the government or to public service or charitable organizations; those used exclusively by physically challenged persons; those providing a specific service, such as agricultural, earth-moving, or industrial work; and those connected with power generation plants, well drilling, and water purification units). The importation of used electric or hybrid automotive vehicles more than 3 years old is prohibited.
Open general licenses	No.	
Licenses with quotas	Yes.	The Ministry of Economy grants import permits or licenses for products that are subject to some form of agricultural quota under the United States FTA, meaning that a given quantity may be imported with a 0 tariff, including beef, pork, milk in liquid or powdered form, other dairy products, yellow or white corn, sorghum, chicken parts, and rice. A cheddar cheese quota is granted under the WTO commitments. Under the Partnership Agreement between Central America and the EU, licenses are granted for products subject to agricultural quotas, such as whey, cured and streaky hams, prepared and preserved pork, milk powder, and cheese. Finally, an import quota is granted on a "first-come, first-served" basis to access the cheese quota negotiated in the FTA with Panama and for the yellow corn quota under the FTA between Central America and Mexico. It is important to clarify that these are not limits on imports but rather quotas with preferential tariffs. In addition to these set amounts, importers are free to import any amount subject to payment of the corresponding tariff.
Other nontariff measures	Yes.	Sugar intended for the domestic market must be fortified with vitamin A. The importation of dairy products prepared with reconstituted milk is prohibited. Effective March 13, 2022, El Salvador decreed the Special Transitory Law to Combat Price Inflation of Basic Products, which consisted of an exemption of import permits for products that make up the basic food basket, reducing the costs of documents and prerequisites. Effective March 15, 2023, the decree was extended until March 31, 2024. The exempted products are, for example, beans, corn, rice, flour, fertilizers, some vegetables such as tomatoes, potatoes, onions, cabbages, and other similar products.
Import taxes and/or tariffs	Yes.	The Central American Import Tariff has the following base rates: 0% on raw materials and intermediate and capital goods not produced in the CACM, 5% on raw materials produced in the CACM, 10% on intermediate and capital goods produced in the CACM, and 15% on finished goods. El Salvador also has trade agreements with Bolivia (signed on November 16, 2018, pending ratification as of June,

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2022), Chile, Colombia, South Korea, Cuba (Partial Scope Agreement), Ecuador (Partial Scope Agreement), the United States, Mexico, Panama, Taiwan Province of China, the EU (Association Agreement with 27 countries), the Association Agreement with the United Kingdom, and the Dominican Republic, under which certain products included in tariff elimination programs are duty free. All goods originating in Central American countries may be traded without restriction within the region, except for those defined in Annex A to the General Treaty on Central American Economic Integration.
The average of the applied tariffs of El Salvador is 6.0%, the agricultural average is 11.8%, and the nonagricultural average is 5.1%. The minimum tariff is 0% and the maximum 164%.

Unilateral elimination (El Salvador) of temporary MFN import duties on certain foodstuffs, pharmaceuticals, and personal protective equipment (Harmonized System Chapters 04, 07, 10, 11, 19, 20, 21, 28, 30, 34, 38, 40, and 96) because of the COVID-19 pandemic. Some products are also exempt from VAT.

As of June 13, 2021, the tax exemptions applicable to all imports of raw materials, machinery, and equipment for newspaper printing were eliminated pursuant to the provisions of Legislative Decree No. 6 of May 5, 2021, which amends the Printing Law.

Permanent Measures:
Alignment of the Central American Tariff System (SAC) with the 7th Amendment to the Harmonized System (SAC 2022);

Effective June 17, 2022, Modifications to SAC 2022:
Reduction of import duties to 0% for products specified in Chapter 38; Res. 452;
Modifies nomenclature of products Chapter 76; Res. 453;
Amendments to the subheading note to Chapter 38 and amendments to the nomenclature in Chapters: 3, 29, 30, 38, 39, 76, 84, and 85; Res. 455;
Introduction and modification of tariffs to 0% for products of Chapter 38, Res. 457.

Temporary Measures

As of September 17, 2012, elimination of import duties on the import of iron and steel products D. L. No. 114 (temporary, still valid).

As of December 17, 2021, increase of import duties to 40% for products specified in Chapter 3 (tilapia) Res. 458 (temporary until December 31, 2024).

As of May 28, 2021, tax incentives for the import of hybrid and electric vehicles, among which is the reduction of the import duties, which is not automatic but must be governed by the procedure referred to in Article 21 of said Law (temporary for 10 years).

Effective March 13, 2022, temporary unilateral elimination of tariffs on commodities (Chapters 4, 7, 8, 10, 11, 15, 17, 19, 23, 31, and 38 of the Central American Tariff System (SAC), to combat inflation (initially temporary until March 31, 2023). Effective March 15, 2023, the decree was extended until March 31, 2024. The exempted products are, for example, beans, corn, rice, flour, fertilizers, some

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		vegetables such as tomatoes, potatoes, onions, cabbages, and other similar products. Effective July 5, 2022, extension of unilateral measure to reduce import tariffs on beef to combat inflation. (Chapter 2 of SAC) (initially temporary until March 31, 2023). Effective March 15, 2023, the decree was extended until March 31, 2024.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	The relevant directorate of the Ministry of Agriculture and Livestock conducts preshipment inspections of exports of basic foods such as beans, rice, sorghum, fresh loroco, and fresh papayas before exportation; agricultural precertification is also required. Dairy products require authorization from a quality control laboratory. All products of animal origin are subject to inspection. All products containing wood or packed in wooden crates or pallets require inspection and fumigation by the OIRSA. Exports must pass through a nonintrusive inspection system conducted by the customs authorities prior to shipment.
Other	Yes.	All exporters must be registered with the CIEX El Salvador, before making any exports. The legislative decree established the CIEX El Salvador to centralize, expedite, and simplify the established legal procedures for the registration, authorization, and issuance of documents by various institutions and/or dependencies of the country involved in import and export operations in conformity with their respective responsibilities. The Integrated Foreign Trade System (SICEX) is used for exports, and if the transaction destinations are Costa Rica, Guatemala, Honduras, and Nicaragua, the operation is recorded in the exit customs of El Salvador and the entry customs of the relevant importing Central American country; the amount of taxes payable is reported by the Internet. This process allows exporters to obtain the three authorizations through a single, integrated procedure. A software tool, the Foreign Trade Facilitation System, allows importers and exporters to register and pay for the nonintrusive inspection service, and also to register ground transportation documents for international cargo. There are service charges for obtaining prior processing for imports, covering the services of the

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		Ministry of National Defense, the Ministry of Health, and the National Directorate of Medications. The system allows payment to be made electronically via seven banks of the financial system, thus facilitating the handling of prior processing for imports through the Foreign Trade Facilitation System, which is administered by the CIEX El Salvador. There is one-stop electronic invoicing (facturación única) on behalf of third parties, which allows using a single tax number for various services provided by government institutions, registered in the CIEX El Salvador. The electronic payment system was also implemented for the product registry, the mutual recognition registry, and the updating of the product registry; these three services, which cover food products, thus simplify compliance with the required procedures for importing such products that fall within the purview of the Ministry of Health, which participates in the foreign trade one-stop window.
Export licenses	Yes.	Exporters must be registered with the CIEX before exporting any products. Exports are authorized via the Internet through the SICEX, which is designed exclusively for that purpose. El Salvador has signed the CITES agreement, which is currently in force and prohibits exports of endangered plant and animal species, cultural heritage goods, as well as products, such as red beans that suffer domestic shortages. Other export products require authorization by other institutions before processing at the SICEX and the CIEX because of quota controls—for example, for cane sugar; agrochemicals; biological products; drugs and food for veterinary use (which also require registration); wildflowers and plants; basic foods such as beans of domestic origin, rice, sorghum, fresh loroco, and fresh papayas (which also require preshipment inspection); dairy products (which also require laboratory testing); meat; fish products (which may not be harvested without a permit); foodstuffs for human consumption; coffee (including roasted and ground); machinery; maquila textiles and garments subject to quotas; diesel fuel; propane; and butane gas. Ferrous and nonferrous products require authorization by the Directorate General of Customs. Exports of waste products from melting ferrous and nonferrous products included in tariff items 7204.10.00, 7204.29.00, and 7404.00.00 are prohibited. Citizens, foreigners, and legal entities are exempt from this provision if they are registered with the Directorate General of Customs and the waste products originate directly from their industrial processes. During the COVID-19 pandemic, automation projects were implemented by the foreign trade one-stop window, the CIEX of El Salvador, administered by the CRB, to streamline foreign trade procedures and reduce the risk of contagion. These projects, still effective at this time, include: (1) As of October 15, 2020, the electronic authorization by barcode of non-preferential certificates of origin for exports was implemented. (2) As of March 10, 2021, the electronic transmission of transport documents for exports between CIEX El Salvador and the General Directorate of Customs was implemented. (3) Effective January 18, 2022, the CIEX El Salvador Document Manager was implemented, which allows importers to store digital documents and register applications to manage the authorization of export permits and certificates of origin. After the pandemic, other initiatives were also implemented to further facilitate trade, such as:

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		(1) Electronic authorization of phytosanitary or zoosanitary certificates. (2) Advance declaration for exports with Guatemala and Honduras (only El Amatillo customs office), effective December 7, 2023. (3) Electronic transmission of phytosanitary and zoosanitary certificates to the Central American Digital Trade Platform (PDCC).
Without quotas	Yes.	
With quotas	Yes.	Exports of sugar require the approval of the Salvadoran Sugar Council (CONSAA) and are administered under two arrangements. The portion traded with the United States, which is called the American quota or preferential market, is subject to preferential treatment that consists of a negotiated quantity of metric tons to be exported. Exporters are free to export the remaining sugar production to any country. In addition, under CAFTA-DR, quotas have been allocated for other products, such as beef, dairy products, ethanol, and peanuts. A reciprocal tariff quota arrangement with Panama has been introduced to protect the monetary value of certain types of cheeses. Under the Association Agreement with the EU, export tariff quotas are negotiated for garlic, cassava starch, sweet corn, mushrooms, sugar including organic sugar and products with a high sugar content, rice, beef, bulk rum, tuna loin, plastics, electrical harnesses and conductors, certain clothing products, and articles made of aluminum. An export quota for cheese was negotiated in the FTA with Panama. The Association Agreement between Central America and the United Kingdom negotiates export tariff quotas for garlic, cassava starch, sweet corn, mushrooms, sugar, including organic sugar and products with high sugar content, rice, beef, and rum in bulk.
Export taxes	No.	There are no export taxes. The rate tax on Transfer of Movable Property and Services Act is 0%.
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	While there are no specific restrictions on approval of the operations or payments, there are mandatory registration requirements for all legal entities that engage in the operations of sending and receiving funds on a systematic basis at national and international levels. (This primarily applies to operations related to workers' remittances.)
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	While there are no specific restrictions on approval of the operations or payments, there are mandatory registration requirements for all legal entities that engage in the operations of sending and receiving funds on a systematic basis at national and international levels. (This primarily applies to operations related to workers' remittances.)
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	All publicly offered securities and their issuers must be registered with the stock exchange, under Article 3 of the Securities Market Law.
Repatriation requirements	No.	

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Under Article 45 of the Banking Law, banks' cash reserves may be invested abroad, deposited in first-tier banks rated and authorized for this purpose by the Superintendency, or invested in highly negotiable low-risk securities. Insurance companies may invest abroad up to 20% of investments of net technical reserves.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Under Article 45 of the Banking Law, banks' cash reserves may be invested abroad, deposited in first-tier banks rated and authorized for this purpose by the Superintendency, or invested in highly negotiable low-risk securities. Insurance companies may invest abroad up to 20% of investments of net technical reserves.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Under Article 45 of the Banking Law, banks' cash reserves may be invested abroad, deposited in first-tier banks rated and authorized for this purpose by the Superintendency, or invested in highly negotiable low-risk securities. Insurance companies may invest abroad up to 20% of investments of net technical reserves.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Under Article 45 of the Banking Law, banks' cash reserves may be invested abroad, deposited in first-tier banks rated and authorized for this purpose by the Superintendency, or invested in highly negotiable

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		low-risk securities. Insurance companies may invest abroad up to 20% of investments of net technical reserves.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	In the case of banks, Article 51 of the Banking Law sets out all the lending and borrowing operations that banks can perform and the banking services they can provide, whereas paragraph(w) of the said article empowers the CRB of El Salvador to authorize banks to perform operations and provide banking services other than those listed. In that regard, in October 2012, the CRB approved the "Minimum guidelines for operations with the forward foreign exchange derivative financial instrument to be fulfilled by banks in order to offer them in the local market." According to these guidelines, banks that offer their clients forward foreign exchange services must request and obtain prior authorization from the CRB.
Purchase abroad by residents	Yes.	Under Article 45 of the Banking Law, banks' cash reserves may be invested abroad, deposited in first-tier banks rated and authorized for this purpose by the Superintendency, or invested in highly negotiable low-risk securities. Insurance companies may invest abroad up to 20% of investments of net technical reserves.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Loans granted by banks to nonresidents or for investment abroad may not exceed 10% of the creditor bank's equity capital. Total loans in this category may not exceed 150% of a bank's equity capital. Loans in excess of 75% of the equity capital require authorization subject to documentation requirements. Specific provisions apply to these loans, ranging from a minimum of 0% to 100%, depending on the risk rating of the country in which the assets are held.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Investments in certain public works (for example, railroads, ports, and canals) require government approval. FDI and inflows of capital

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		with a maturity of more than one year must be registered with the Ministry of Economy. There are minimum capital requirements for businesses owned by foreign residents and those with foreign resident shareholders. Foreign individuals and legal entities may invest in El Salvador and enjoy the same rights and obligations as national investors and corporations. The constitution restricts foreign investment in the following activities: trade; industry; and small-scale services—specifically, coastal fishing—which are reserved for Salvadorans. The subsoil belongs to the government, which may grant concessions for its exploitation. Investments in shares of banks, finance companies, and exchange bureaus are subject to applicable laws.
Controls on liquidation of direct investment	No.	Foreign investors may transfer abroad funds related to their investments without delay. Such transfers include net profits and dividends generated by their investments, proceeds from partial or total disposal of investments, and proceeds from the transfer of investments to third parties. As part of the 2012 amendments to the Law on Income Tax, Title VII Chapter III of Article 7 now includes a section titled "Income Tax on Distribution of Profits," which requires income tax withholding of 5% of profits paid by domiciled taxpayers, parent companies, subsidiaries, branches, agencies, and other permanent establishments to partners, shareholders, associates, trustees, members, investors, and beneficiaries not domiciled in El Salvador.
Controls on real estate transactions	Yes.	Foreign individuals and legal entities may purchase real estate. Rural real estate may be acquired by foreigners only if there is a reciprocal arrangement with their home country. (An exception is allowed for industrial establishments.) A single individual or legal entity may not own more than 245 hectares of rural land. This limit does not apply to rural cooperative or community associations, which are subject to special provisions.
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Foreign individuals and legal entities may purchase real estate. Rural real estate may be acquired by foreigners only if there is a reciprocal arrangement with their home country. (An exception is allowed for industrial establishments.) A single individual or legal entity may not own more than 245 hectares of rural land. This limit does not apply to rural cooperative or community associations, which are subject to special provisions.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	For the CRB's statistical purposes, authorized banks and exchange bureaus must obtain from their customers foreign exchange export and import forms for all transactions equal to or larger than US $5,000. The anti-money- and anti-asset-laundering law requires institutions subject to the law to report transactions and multiple transactions by a single user or individual on the same day or within a period of one month of sums exceeding US$10,000 or the equivalent in foreign currency, if there is evidence to suggest they are irregular or if required by the financial intelligence unit of the office of the prosecutor general.
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	

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By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The Financial System Supervision and Regulation Act modified the financial sector regulatory and supervisory architecture through (1) creation of the Financial Supervision and Regulation System, consisting of the CB and the SSF; (2) establishment of a single superintendency for banking, insurance, securities, pensions, and other financial intermediaries; and (3) transfer of regulatory authority over the financial system to the CB. The Law against Usury defines usury and sets the maximum rate of interest on loans obtained by individuals. This law applies to individuals and legal entities, financial institutions, commercial firms, savings banks, merchants engaged in the delivery of goods and services, pawn merchants, and in general, any person or entity who lends money, regardless of the manner used to record, conceal, or hide the operation. The CRB sets maximum rates based on the simple average of the effective interest rate on loans, expressed as a percent and published semiannually.
Borrowing abroad	Yes.	External borrowing by financial institutions is subject to a reserve requirement. As a result of the pandemic emergency, the Central Reserve Bank of El Salvador (BCR) Standards Committee issued the "Temporary Technical Regulations for Calculating the Liquidity Reserve on Deposits and Other Liabilities," to temporarily reduce the Liquidity Reserve requirement, so that financial institutions have more financial resources to tackle the COVID-19 crisis; therefore, the Liquidity Reserve requirement was temporarily reduced to 3% from 5%. The validity of these regulations is 180 days, which will be extended for an equal period of time if the underlying circumstances persist. The BCR's Standards Committee issued the Technical Standards for the Calculation and Use of the Liquidity Reserve on Deposits and Other Obligations (NRP-28), to provide the parameters for the calculation of the Liquidity Reserve requirement to be maintained by regulated entities, as well as the provisions for its use. These standards repealed the Standards for the Calculation and Use of the Liquidity Reserve on Deposits and Other Obligations (NPB3-06) and replaced the Temporary Technical Regulations related to liquidity issued in the context of the COVID-19 pandemic. Effective September 27, 2023, the Central Bank approved the "Temporary Technical Regulations for Calculating the Liquidity Reserve on Deposits and Other Liabilities" (NPBT-11) effective until March 26, 2024, which maintain the reserve requirement at 3%.

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Maintenance of accounts abroad	Yes.	Loans granted by banks to nonresidents or for investment abroad may not exceed 10% of the creditor bank's equity capital. Total loans in this category may not exceed 150% of a bank's equity capital. Loans in excess of 75% of the equity capital require authorization subject to documentation requirements. Specific provisions apply to these loans, ranging from a minimum of 0% to 100%, depending on the risk rating of the country where the assets are held.
Lending to nonresidents (financial or commercial credits)	Yes.	Loans granted by banks to nonresidents or for investment abroad may not exceed 10% of the creditor bank's equity capital. Total loans in this category may not exceed 150% of a bank's equity capital. Loans in excess of 75% of the equity capital require authorization subject to documentation requirements. Specific provisions apply to these loans, ranging from a minimum of 0% to 100%, depending on the risk rating of the country where the assets are held.
Lending locally in foreign exchange	No.	There is no distinction in the treatment of loans in local currency and in foreign currency.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	There is no distinction in the treatment of deposits in local currency and in foreign currency.
Reserve requirements	No.	In El Salvador, the term reserve requirement (encaje legal) is not used. The term liquidity reserve (reserva de liquidez) is preferred. There are no specific reserve requirements on foreign (nondollar) currencies. The average reserve requirement is currently about 22% of deposits but would vary as it depends on the maturity of deposits. As a result of the pandemic emergency, the BCR Standards Committee issued the "Temporary Technical Regulations for Calculating the Liquidity Reserve on Deposits and Other Liabilities," to temporarily reduce the Liquidity Reserve requirement. So, after making the corresponding calculation, the current liquidity reserve is approximately 10% of deposits and the liquidity reserves actually held by the institutions is approximately 17% of deposits. On the other hand, the Standards Committee of the CRB approved, during Session No. CN-01/2019, the extension of the Temporary Measures for the Calculation of the Liquidity Reserve (Medidas Temporales para el Cálculo de la Reserva de Liquidez—MTL) to February 23, 2023. These measures reduced the liquidity reserve by 10% of the productive credit granted by financial institutions. The Technical Standards for the Calculation and Use of the Liquidity Reserve on Deposits and Other Obligations (NRP-28), which are intended to provide the parameters for the calculation of the Liquidity Reserve requirement to be maintained by regulated entities, entered into force as of June 23, 2021. These standards repealed NPB3-06 and made changes to the Temporary Technical Standards related to the liquidity reserve that were issued in the context of the COVID-19 pandemic. The aforementioned standards establish that during the phase-in period, which began on June 23, 2021, and ends on June 21, 2022, the liquidity reserve requirement will be subject to discounts related to: (1) A percentage of the average balance that the entities subject to the Temporary Technical Standards for the Calculation of the Liquidity Reserve (NPBT-04) used for the calculation of the Liquidity Reserve requirement in the 14-day periods from March 31 to May 11, 2021 (approximated to two decimal places) and

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		(2) A percentage of the amount that the entities subject to the Temporary Technical Standards to Encourage Lending (NPBT-05) reported as a discount for the calculation of the Liquidity Reserve requirement in the 14-day period from June 9 to June 22, 2021 (approximated to two decimal places). Effective February 21, 2022, Temporary Technical Regulations for Calculating the Liquidity Reserve on Deposits and Other Liabilities (NPBT-07) were issued, which repealed Article 19 of NRP-28 about the calculation and phase-in period of liquidity reserve. It established new temporary parameters for the liquidity reserve requirement so that institutions have more financial resources available to support the dynamism and growth in the placement of loans to the different economic sectors. These standards were in place from February 21, 2022, to August 16, 2022. On July 25, 2022, NPBT-07 was extended under a new NPBT-08 standard effective August 17, 2022, until February 23, 2023. Effective September 27, 2023, the "Temporary Technical Regulations for Calculating the Liquidity Reserve on Deposits and Other Liabilities" (NPBT-11) were approved, effective until March 26, 2024, which are an extension of the temporary measures in effect since February 2022.
Liquid asset requirements	No.	
Interest rate controls	No.	The Law against Usury defines usury and sets the maximum rate of interest on loans obtained by individuals, without establishing differential treatment of foreign currency. This law applies to individuals and legal entities; financial institutions; commercial firms; savings banks; merchants engaged in the delivery of goods and services; pawn merchants; and in general, any person or entity who lends money, regardless of the manner used to record, conceal, or hide the operation. The CRB sets maximum rates based on the simple average of the effective interest rate on loans, expressed as a percent and published semiannually.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	There is no distinction between residents and nonresidents.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Under Article 45 of the Banking Law, banks' cash reserves may be invested abroad, deposited in first-tier banks rated and authorized for this purpose by the Superintendency, or invested in highly negotiable low-risk securities.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The limit on the net open foreign exchange positions of commercial banks is 10% of capital and reserves. Regulations governing banks' foreign currency borrowing and lending operations limit the difference between the institution's total foreign-currency-

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		denominated assets and future and contingent rights and its total foreign-currency-denominated liabilities and future and contingent obligations to 10% of equity. Because the Monetary Integration Act went into effect January 2001, the volume of foreign currency managed by financial intermediaries declined considerably.
On resident assets and liabilities	Yes.	The regulations make no distinction between resident and nonresident.
On nonresident assets and liabilities	Yes.	The regulations make no distinction between resident and nonresident.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies are permitted to invest abroad up to 20% of investments of net technical reserves.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies are permitted to invest abroad up to 20% of investments of net technical reserves.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	The Savings System Law for Pensions was reformed in September 2017, modifying, among other aspects, the investment regime of the pension funds. The definition of foreign securities and the respective limits were amended. Within the limits established by law, the maximum limits are still set by the Risk Committee, which is comprised of the Superintendent of the Financial System, Deputy Superintendent of the Pension System, Deputy Superintendent of Securities Market, President of the CRB, and representatives of the workers and employers.
Limits (max.) on securities issued by nonresidents	Yes.	Pursuant to Decree Law No. 787 of September 28, 2017, under Article 91(o) of the Law on the Pension Savings System, pension funds may invest between 10% and 30% in foreign securities and foreign investment fund participation certificates. Additionally, differentiated limits may be established for investment in these instruments, depending on whether they are open funds or closed funds.
Limits (max.) on investment portfolio held abroad	Yes.	Under Article 18, letter (d), of the Investment Rules for the Pension Savings System, pension funds may invest up to 10% of fund assets in foreign securities recorded in the SSF public stock exchange register, excluding securities issued by regional and international financial organizations of which the government or the CRB is a member. All instruments in which the fund may invest must be registered with a national stock exchange, except for banks' deposits and pension obligations. Pursuant to Decree Law No. 787 of September 28, 2017, under Article 91(o) of the Law on the Pension Savings System, pension funds may invest between 10% and 30% in foreign securities and foreign investment fund participation certificates. Additionally, differentiated limits may be established for investment in these instruments, depending on whether they are open funds or closed funds.
Limits (min.) on investment portfolio held locally	Yes.	Under Article 223-A of the Law on the Pension Savings System, pension funds must buy social security investment certificates that are part of the Annual Issue Program of the Social Security Bonds Trust, provided the total stock purchased does not exceed 45% of the pension fund's assets, as provided for in Article 91(m) of the Law on the Pension Savings System (amended by Legislative Decree No.

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		1036 of March 29, 2012). Under Article 91(a)–(n) and (p) of the Law on the Pension Savings System, pension funds may invest in the following: (1) Securities issued by the Directorate General of the Treasury of El Salvador, traded either on a Salvadoran securities exchange or on organized international securities markets, between 20% and 50%; (2) Securities issued by the CRB of El Salvador, between 20% and 30%; (3) Securities issued or guaranteed by state-owned enterprises and official autonomous institutions, except those of Banco de Desarrollo de El Salvador and the Social Housing Fund, between 5% and 20%; (4) Securities issued by Banco de Desarrollo de El Salvador, between 20% and 30%. Issues of social security investment certificates by this bank in the capacity of trustee should not be included in the calculation of this limit; (5) Marketable bonds having a maturity of more than one year issued by Salvadoran companies, between 30% and 40%; (6) Shares and convertible bonds of Salvadoran companies, between 20% and 45%; (7) Salvadoran investment fund participation certificates, between 5% and 40%, with the possibility of establishing differentiated limits for investment in the certificates of participation, depending on whether the funds are open or closed; (8) Certificates of deposit and securities issued or guaranteed by Salvadoran banks, between 30% and 40%; (9) Mortgage-backed or collateralized securities for housing financing purposes, including those issued by the Social Housing Fund, between 30% and 40%. In any case, investment in securities issued by a single entity may not exceed 10%; (10) Financial instruments of the insured mortgage system or insured mortgage certificates, between 15% and 20%; (11) Publicly offered securities issued by Salvadoran securitization companies and trust participation certificates, between 10% and 20%; (12) Other publicly offered instruments, including securities registered with a national securities exchange, between 10% and 30%; (13) Social security investment certificates issued by the Social Security Bonds Trust for the payment of services for members of the Public Pension System, a maximum investment limit of 45%; (14) Securities issued for the financing of real estate, infrastructure, or development projects such as roads, ports, and other works, between 5% and 15% of the managed fund's assets. With the backing of multilateral organizations, governments, or first-line reinsurers, between 10% and 30% of the managed fund's assets; and (15) Distributions traded on local markets, up to 5% of the pension fund's assets, provided the collateral security meets the criteria specified in the regulation.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The Investment Funds Law approved by Legislative Decree No. 776 of the Legislative Assembly in its August 21, 2014, session and published in Official Gazette No. 173, Volume No. 404, applies.
Limits (max.) on securities issued by nonresidents	Yes.	The Securities Market Law requires that these funds be invested in securities issued by the CRB or the government, in bank deposits, and in publicly offered securities registered with the Superintendency. The investments made by Investment Funds in securities issued by foreign issuers may not exceed 80% of the Fund's assets.
Limits (max.) on investment portfolio held abroad	Yes.	The Securities Market Law requires that these funds be invested in securities issued by the CRB or the government, in bank deposits, and in publicly offered securities registered with the Superintendency. The investments made by Investment Funds must be made on a Salvadoran Securities Exchange, except for investments in shares of local and foreign open investment funds.

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Limits (min.) on investment portfolio held locally	No.	There are no minimums, only maximum limits.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	Currently, there is no digital currency from the CRB.
Wholesale	No.	Currently, there is no digital currency from the CRB.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	Currently, there is no digital currency from the CRB.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	Currently, there is no regulation on central bank digital currency (CBDCs) launched by another jurisdiction.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	Effective February 1, 2023, El Salvador developed a legal framework that grants legal certainty to the operations of transfer to any title of digital assets that are used in the issuance of public offerings made in the territory of El Salvador. Crypto assets are defined as digital representations that can be stored

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		and transferred electronically through a distributed technology system, in which the records are linked and encrypted to protect the security and privacy of the transactions.
Controls on unbacked tokens	Yes.	As of September 9, 2021, the Bitcoin is a legal tender. Bitcoin, ether, and other similar can be acquired and exchanged through digital asset service providers previously registered with the National Commission of Digital Assets (CNAD). The Managing Agency of Bitcoin (AAB) will not admit unbacked debt and equity tokens.
Acquisition by residents	Yes.	As of September 9, 2021, the Bitcoin is a legal tender. Bitcoin, ether, and other similar can be acquired and exchanged through digital asset service providers previously registered with the CNAD. The AAB will not admit unbacked debt and equity tokens.
Use among residents	Yes.	As of September 9, 2021, the Bitcoin is a legal tender. Bitcoin, ether, and other similar can be acquired and exchanged through digital asset service providers previously registered with the CNAD. The AAB will not admit unbacked debt and equity tokens.
Between residents and nonresidents	Yes.	As of September 9, 2021, the Bitcoin is a legal tender. Bitcoin, ether, and other similar can be acquired and exchanged through digital asset service providers previously registered with the CNAD. The AAB will not admit unbacked debt and equity tokens.
For current transaction	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Controls on utility and security tokens	Yes.	As of September 9, 2021, the Bitcoin is a legal tender. Bitcoin, ether, and other similar can be acquired and exchanged through digital asset service providers previously registered with the CNAD. The AAB will not admit unbacked debt and equity tokens.
Acquisition by residents	Yes.	As of September 9, 2021, the Bitcoin is a legal tender. Bitcoin, ether, and other similar can be acquired and exchanged through digital asset service providers previously registered with the CNAD. The AAB will not admit unbacked debt and equity tokens.
Use among residents	Yes.	As of September 9, 2021, the Bitcoin is a legal tender. Bitcoin, ether, and other similar can be acquired and exchanged through digital asset service providers previously registered with the CNAD. The AAB will not admit unbacked debt and equity tokens.
Between residents and nonresidents	Yes.	As of September 9, 2021, the Bitcoin is a legal tender. Bitcoin, ether, and other similar can be acquired and exchanged

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		through digital asset service providers previously registered with the CNAD. The AAB will not admit unbacked debt and equity tokens.
For current transaction	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	No.	
Controls on stablecoins	Yes.	Effective July 11, 2023, the Digital Asset Issuance Act of El Salvador was issued. Entities interested in becoming stablecoin issuers must apply for registration with the CNAD. For authorization to be entered in the Stablecoin Issuer Register, the legal representative or proxy of the interested entity must submit an application to the CNAD, accompanied by the pertinent documentation. Issuers of stablecoins must at all times maintain reserves of International Reserve Assets backing their stablecoins in circulation at a minimum ratio of one to one (1:1). Article 10.- The reserves must be at minimum seventy percent (70%) invested in assets liquidable in thirty (30) days and thirty percent (30%) invested in assets liquidable in more than thirty (30) days. In any case, reserve assets may not be invested in International Reserve Assets issued by companies related to the shareholders, main executives of the issuer, or with any relationship that may generate a conflict of interest.
Acquisition by residents	Yes.	The use of stablecoins is regulated under the Digital Asset Issuance Act of El Salvador, as of July 11, 2023.
Use among residents	Yes.	The use of stablecoins is regulated under the Digital Asset Issuance Act of El Salvador, as of July 11, 2023.
Between residents and nonresidents	Yes.	The use of stablecoins is regulated under the Digital Asset Issuance Act of El Salvador, as of July 11, 2023.
For current transaction	Yes.	The use of stablecoins is regulated under the Digital Asset Issuance Act of El Salvador, as of July 11, 2023.
For capital transactions	Yes.	The use of stablecoins is regulated under the Digital Asset Issuance Act of El Salvador, as of July 11, 2023.
Transactions in capital and money market instruments	Yes.	The use of stablecoins is regulated under the Digital Asset Issuance Act of El Salvador, as of July 11, 2023.
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	Trading platforms are regulated under the Digital Asset Service Providers Regulation, effective August 19, 2023.
Domestic exchanges	Yes.	Trading platforms are regulated under the Digital Asset Service Providers Regulation, as of August 19, 2023.
Access to crypto exchange/trading platform by residents	Yes.	Trading platforms are regulated under the Digital Asset Service Providers Regulation, as of August 19, 2023. The AAB will enable a secure environment through distributed codes to manage, invest, safeguard, issue, and yield from public offerings of government digital assets, under the financial rules that govern the traditional market, to become a complementary alternative to them in a democratized way.

Changes during 2022 and 2023

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Imports and Import Payments

Import licenses and other nontariff measures	*04/01/2022*	The Import/Export Processing Center El Salvador Document Manager was implemented, which allows importers to store digital documents and register applications to manage the authorization of import permits.
	01/06/2023	Electronic authorization for the importation of chemical substances, regulated by the Ministry of Health and the Ministry of National Defense, was authorized as an initiative to further facilitate trade after pandemic.
Other nontariff measures	*03/13/2022*	El Salvador decreed the Special Transitory Law to Combat Price Inflation of Basic Products, which consisted of an exemption of import permits for products that make up the basic food basket, reducing the costs of documents and prerequisites.
	03/15/2023	The Special Transitory Law to Combat Price Inflation of Basic Products was extended, until March 31, 2024. The exempted products are, for example, beans, corn, rice, flour, fertilizers, some vegetables such as tomatoes, potatoes, onions, cabbages, and other similar products.
Import taxes and/or tariffs	*03/13/2022*	Temporary unilateral elimination of tariffs on commodities (Chapters 4, 7, 8, 10, 11, 15, 17, 19, 23, 31, and 38 of the Central American Tariff System SAC), to combat inflation (temporary until March 31, 2023).
	06/17/2022	Amendments to the subheading note to Chapter 38 and amendments to the nomenclature in Chapters: 3, 29, 30, 38, 39, 76, 84, and 85; Res. 455 (Modifications to SAC 2022).
	06/17/2022	Introduction and modification of tariffs to 0% for products of Chapter 38, Res. 457 (Modifications to SAC 2022).
	06/17/2022	Modifies nomenclature of products Chapter 76; Res. 453 (Modifications to SAC 2022).
	06/17/2022	Reduction of import duties to 0% for products specified in Chapter 38; Res. 452 (Modifications to SAC 2022).
	07/05/2022	Extension of unilateral measure to reduce import tariffs on beef to combat inflation. (Chapter 2 of SAC) (temporary until March 31, 2023).
	03/15/2023	The Special Transitory Law to Combat Price Inflation of Basic Products was extended, until March 31, 2024. The exempted products are, for example, beans, corn, rice, flour, fertilizers, some vegetables such as tomatoes, potatoes, onions, cabbages, and other similar products.

Exports and Export Proceeds

Export licenses	*01/18/2022*	The Import/Export Processing Center El Salvador Document Manager was implemented, which allows importers to store digital documents and register applications to manage the authorization of export permits and certificates of origin.
	12/07/2023	After the pandemic, an advance declaration for exports with Guatemala and Honduras (only El Amatillo customs office) was implemented to further facilitate trade.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Borrowing abroad	*09/27/2023*	The Central Bank approved the “Temporary Technical Regulations for Calculating the Liquidity Reserve on Deposits and Other Liabilities” (NPBT-11) effective until March 26, 2024, which maintain the reserve requirement at 3%.
Differential treatment of deposit		

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accounts in foreign exchange *Reserve requirements*	*02/21/2022*	Temporary Technical Standards for the Calculation of the Liquidity Reserve on Deposits and Other Obligations (NPBT-07) were issued, which repealed Article 19 in NRP-28. It established new temporary parameters for the liquidity reserve requirement so that institutions have more financial resources available to support the dynamism and growth in the placement of loans to the different economic sectors. These standards were in place until August 16, 2022.
	08/17/2022	NPBT-07 was extended under a new NPBT-08 standard that will be in place until February 23, 2023.
	09/27/2023	The "Temporary Technical Regulations for Calculating the Liquidity Reserve on Deposits and Other Liabilities" (NPBT-11) were approved, effective until March 26, 2024, which are an extension of the temporary measures in effect since February 2022: new temporary parameters for the liquidity reserve requirement so that institutions have more financial resources available to support the dynamism and growth in the placement of loans to the different economic sectors.

Digital Currencies and Crypto Assets

Crypto assets	*02/01/2023*	El Salvador developed a legal framework that grants legal certainty to the operations of transfer to any title of digital assets that are used in the issuance of public offerings made in the territory of El Salvador.
Controls on stablecoins	*07/11/2023*	The Digital Asset Issuance Act of El Salvador was issued. Entities interested in becoming stablecoin issuers must apply for registration with the National Commission of Digital Assets (CNAD). For authorization to be entered in the Stablecoin Issuer Register, the legal representative or proxy of the interested entity must submit an application to the CNAD, accompanied by the pertinent documentation. Issuers of stablecoins must at all times maintain reserves of International Reserve Assets backing their stablecoins in circulation at a minimum ratio of one to one (1:1). Article 10.- The reserves must be at minimum seventy percent (70%) invested in assets liquidable in thirty (30) days and thirty percent (30%) invested in assets liquidable in more than thirty (30) days. In any case, reserve assets may not be invested in International Reserve Assets issued by companies related to the shareholders, main executives of the issuer, or with any relationship that may generate a conflict of interest.
Controls on crypto exchanges and trading platforms	*08/19/2023*	Trading platforms are regulated under the Digital Asset Service Providers Regulation.

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EQUATORIAL GUINEA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 22, 1969.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	For security reasons, the CEMAC member countries support UNSC Resolution No. 1373 to combat money laundering and terrorism financing.

Exchange Arrangement

Currency	Yes.	The currency issued within the CEMAC, which is legal tender in Equatorial Guinea and the other member countries, is the CFA franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the CAMU is a conventional peg. Equatorial Guinea participates in the CAMU and has no separate legal tender. The Monetary Cooperation Agreement (MCA) between CEMAC member countries and France is based on three principles: (1) a common CB; (2) fixed parity with the euro; and (3) an unlimited convertibility guarantee. Article 16 empowers the finance ministers of signatory countries (Joint Monetary Committee) to amend the MCA. Article 17 permits signatories to renounce the agreement. Article 18 specifies that the expulsion of a member country from the BEAC automatically results in that country's renunciation of the MCA.
Stabilized arrangement		
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the intervention currency, at a fixed rate of CFAF 655.957 per euro. The exchange rate is fixed by Article 12 of the MCA of November 23, 1972, between the BEAC and France, which states that the par value may be modified following consultation among the signatory countries (BEAC members and France), taking into account the demands of the economic and financial situation of the member countries. Exchange transactions in euros between the BEAC and commercial banks are made at this rate. Buying and selling rates for certain other foreign currencies are also listed officially based on the fixed rate for the euro and the rates for these foreign currencies prevailing in the Paris foreign exchange market. The official rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		

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Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	Yes.	Transfers of funds with the rest of the world are subject to transfer fees determined freely by the market but not exceeding 1%, excluding any other special tax. Licensed intermediaries may affect transfers with the rest of the world through the BEAC. Within the CEMAC, transfers of funds are subject to transfer fees determined freely by the market and not exceeding 0.25%, excluding the VAT and any other special tax.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Licensing of exchange bureaus is the responsibility of the MOFs of the CEMAC member countries. Their operations are limited to OTC transactions. Licensed intermediaries, who set their own exchange rates with their customers for currencies other than the euro, may freely conduct foreign exchange transactions with their customers. The BEAC's OTC foreign exchange transactions are conducted exclusively with national public accountants and treasuries.
Operated by the central bank	Yes.	The BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Foreign exchange standing facility	Yes.	Within the limits of available stocks, the BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Allocation	No.	
Auction	No.	

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Fixing	No.	
Interbank market	Yes.	There are no restrictions on interbank foreign exchange transactions within the CEMAC. Exchange transactions are OTC transactions. The BEAC does not intervene in exchange transactions within the CEMAC. These transactions are freely conducted by operators licensed by the MOF with the approval of the Central African Banking Commission (COBAC). A fee of no more than 3% for CFA franc area notes and 5% for other currencies, not including the VAT and any other specific tax, is collected by licensed intermediaries on transactions in foreign banknotes and traveler's checks. This fee covers all charges on OTC transactions and the intermediation margin. In principle, all authorized banks participate in the interbank market, but at different levels.
Over the counter	Yes.	Foreign exchange transactions are conducted on an OTC basis.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	There is no forward foreign exchange market in the CEMAC. Licensed intermediaries may enter into forward exchange contracts up to a limit of CFAF 100 million on presentation of supporting documentation (invoices, debt repayment schedules, or other foreign-currency-denominated debt instruments) and must report such activities to the BEAC. For amounts over CFAF 100 million, requests for forward exchange contracts must be made to the BEAC so that their purpose may be verified.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Within the CEMAC, the CFA franc is used freely for payments and receipts relating to current and capital transactions and payments. Settlements with all countries other than CEMAC members must be made through correspondent banks in one of the currencies of the two parties or in any other currency agreed on by the two parties to the transaction.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	The monetary unit is the CFA franc, which is the sole official currency and legal tender in all CEMAC member countries. Consequently, transactions among residents must be settled in domestic currency. However, the Central African Republic adopted a law on April 22, 2022, which governs cryptocurrency transactions in the country and considers Bitcoin as the reference currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	

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Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	An operations account links all the countries with the French Treasury. All purchases and sales of foreign currencies and euros in exchange for CFA francs are ultimately settled by a debit or credit to the operations account. Governments may maintain foreign currency deposits related to oil reserves at commercial banks and use them to meet their external debt service obligations. Exchange regulations in the CEMAC member countries are harmonized.
Clearing agreements	No.	
Barter agreements and open accounts	No.	There is no official clearing agreement between a CEMAC country and the outside. Nor does any regulatory provision regulate this mechanism. In practice, however, it may happen that in return for financial flows, certain financiers and certain countries receive production or capital goods from outside.
Administration of control	Yes.	Administration of the foreign exchange regulations is the responsibility of the MOFs of the CEMAC countries, which may delegate all or a portion of their authority to the BEAC, the COBAC, and licensed intermediaries. For example, authority is delegated to licensed intermediaries to carry out transactions with the rest of the world. They must verify the validity of transactions, collect statistics, and report these activities to the monetary authorities. However, certain types of transactions may not be delegated. The BEAC supervises the exchange regulations; evaluates foreign exchange hedging operations; reviews requests for approval of opening of foreign exchange accounts by some resident legal entities; and monitors the repatriation of export proceeds. The COBAC ensures that licensed intermediaries comply with certain provisions of these regulations, especially to prevent weakening of the CEMAC banking system.
Payments arrears	No.	Licensed intermediaries may freely execute their customers' payment orders. The related transfers may, at their request, be made through the BEAC. When banks execute payment order requests through their liquidity buffer, these requests do not come back to the BEAC but are checked during on-site or off-site inspections. In this context, the MCA with France serves to guarantee the convertibility of the CFA franc. No payment arrears are allowed on the grounds that insufficient foreign exchange is available.
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	CEMAC residents are free to hold, purchase, and sell gold in any form within the CEMAC.
On external trade	Yes.	Except in the case of manufactured articles containing small quantities of gold, CEMAC gold imports and exports are subject to approval by the appropriate authorities. The national treasuries and the BEAC are exempt from this requirement.
Controls on exports and imports of banknotes	Yes.	Residents and nonresidents traveling from one country to another within the CEMAC may take with them an unlimited amount of CEMAC banknotes and coins.
On exports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be exported to countries

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		outside the CEMAC. However, departing resident travelers may have in their possession up to CFAF 5 million. During their trips outside the CEMAC, travelers must use payment instruments other than BEAC banknotes (foreign currency, traveler's checks, bank drafts, transfers, etc.).
Foreign currency	Yes.	Resident and nonresident travelers crossing CEMAC borders must, on exit, declare any foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities. Nonresident travelers leaving the CEMAC may take with them foreign currency valued at up to the amount they declared on entering the CEMAC. If they made no declaration on entry or if they are carrying sums exceeding those they brought into the CEMAC, they must explain the source of the amount in excess of CFAF 1 million. Supporting documents include pay slips and work permits (wage income), student cards (parental assistance for students and trainees), and notarized instruments (donations), among others.
On imports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be imported from countries outside the CEMAC. However, arriving resident travelers may have in their possession up to CFAF 5 million.
Foreign currency	No.	Resident and nonresident travelers crossing CEMAC borders must, on entry, declare foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may not open foreign exchange accounts in local banks. However, the BEAC may allow certain resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts.
Approval required	Yes.	The BEAC can allow resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts. The authorization to open bank accounts in foreign currency is granted by the BEAC. Generally, the agreement of the Central Bank is given when the entity concerned cannot easily carry out all its operations with accounts in CFA francs only or when a financial arrangement resulting from external financial assistance requires the opening of accounts in currencies.
Held abroad	Yes.	Resident legal entities, except credit institutions, are prohibited from opening foreign currency bank accounts outside the CEMAC in accordance with Regulation No. 02/18/CEMAC/UMAC/CM of December 21, 2018. However, the BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive on June 10, 2019. In general, when resident entities borrow abroad and the lenders require the establishment of foreign currency accounts, these are authorized by the Central Bank. In addition, companies in the extractive sector benefit from a special provision allowing them to hold foreign currency accounts abroad as part of their ordinary operations.
Approval required	Yes.	The BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive in June 2019.

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Accounts in domestic currency held abroad	Yes.	Accounts in domestic currency held abroad are permitted.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions on the opening of nonresident foreign exchange accounts within the CEMAC. Licensed intermediaries may open such accounts for any nonresident, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn. On account closure (for example, for loss of nonresident status), the account balance must be transferred to a resident account in CFAF.
Approval required	No.	
Domestic currency accounts	Yes.	There are no restrictions on the opening of nonresident CFA franc accounts within the CEMAC. Licensed intermediaries may open such accounts for nonresidents, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn.
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	The exchange regulations do not limit access to foreign exchange. Payments for imports must be made regularly through licensed intermediaries.
Financing requirements for imports	No.	Economic agents may freely enter into commercial contracts with their partners abroad. These contracts are executed through the banking system, subject to compliance with the exchange regulations.
Minimum financing requirements	No.	There are no financing requirements.
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license. Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legally registered legal entities and declared or certified professionals may be exempt from the requirement to produce supporting documents, provided they submit an annual estimate of imports corroborated by a business forecast.
Domiciliation requirements	Yes.	Imports valued at more than CFAF 5 million must be domiciled with a resident licensed intermediary.
Preshipment inspection	No.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Import licenses used as exchange licenses	No.	Import licenses are not used in the CEMAC countries to restrict the availability of foreign exchange for legitimate trade, as defined in the

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		Compilation Guide. When such licenses exist, they are used for trade policy purposes.
Other	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license (registration number, professional ID card, extract from the commercial registry, or tax clearance). Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legal entities and certified professionals can no longer use annual estimates of imports and must produce all supporting documents to carry out transactions.
Import licenses and other nontariff measures	Yes.	In general, CEMAC countries no longer use quantitative restrictions as a means of protecting local production. Merchandise originating from all countries may be freely imported, with the exception of gold, to which special regulations apply.
Positive list	No.	
Negative list	Yes.	Imports of some products may be prohibited, restricted, or require national authorization for humanitarian, security, or health reasons.
Open general licenses	No.	There is no system of OGLs at the CEMAC level.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The CEMAC CET applies to imports from non-CEMAC countries, at four rates: 5% for staple goods, 10% for raw materials and capital goods, 20% for intermediate goods, and 30% for consumer goods. The taxes are imposed by the national customs administration in CFA francs at the merchandise point of entry.
Taxes collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and related fees established by law and surrendering them to the monetary authority.
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export-related transactions must be reported to the appropriate administrative authorities, and all those exceeding CFAF 5 million must be domiciled at a licensed CEMAC bank. Export proceeds originating in non-CEMAC countries must be collected and repatriated immediately, through the domiciling bank, with the BEAC acting as intermediary.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds collected in foreign currencies must be surrendered to the BEAC within 3 days of collection.
Surrender to authorized dealers	No.	
Financing requirements	No.	Economic agents and their partners abroad may enter freely into commercial contracts, which are executed through the banking system, subject to compliance with the exchange regulations. There are no financing requirements.
Documentation requirements	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank. Each domiciliation file must contain an export contract, a foreign exchange declaration under which the exporter agrees to repatriate all export earnings within a month of the payment due

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		date, and a customs export certificate duly signed by a customs officer.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Guarantees	n.r.	
Domiciliation	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank.
Preshipment inspection	No.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard.
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	Export taxes established by the budget laws are levied by the Customs Directorate or via licensed intermediaries.
Collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and fees established in the law and surrendering them to the monetary authority.
Other export taxes	Yes.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	There are no exchange restrictions on service-related transactions. Payments for such transactions are subject to the same requirements as the underlying commercial transactions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided, and amounts exceeding CFAF 100 million declared to BEAC and the MOF. Licensed intermediaries must obtain a pro forma invoice or other supporting documents for payments for service-related expenditures under CFAF 10 million.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers of capital income outside the CEMAC in the form of profits, dividends, interest, royalties, etc., payable to nonresidents, provided the underlying transaction was authorized or is not subject to authorization. Supporting documents on the decision to distribute income (profits and dividends), the repayment schedule, and the debt security involved (loans contracted and granted) must be provided. Transactions in excess of CFAF 5 million must be domiciled with CEMAC credit institutions. Other

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		current transactions, as well as financial and capital operations in excess of CFAF 100 million, must be declared to BEAC and the MOF.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Indicative limits are established for OTC foreign exchange allocations to residents traveling outside the CEMAC. A single indicative threshold of CFAF 5 million is set for all travels. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Personal payments	Yes.	Transfers are unrestricted, on submission of supporting documentation.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A single indicative limit of CFAF 5 million is established for OTC foreign exchange allocations to residents traveling outside the CEMAC. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation for amounts in excess of CFAF 5 million, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers by residents and nonresidents of income from wages, subject to a declaration for statistical purposes. On presentation of a pay slip, resident foreign wage earners may transfer a portion of their net remuneration.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The use of credit cards is considered equivalent to a transfer and is not subject to specific regulations in the context of invisible transactions and current transfers. Residents may use credit cards within the CEMAC and abroad.
Other payments	Yes.	These are treated the same as trade-related payments.
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided. Amounts exceeding 100 million CFA francs must be declared to BEAC and the MOF. Approved intermediaries must ensure the proper outcome of the operation by means of more rigorous checks.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Amounts owed by nonresidents for services and all income from foreign assets earned outside the CEMAC must be collected through a licensed bank and repatriated immediately.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currency must be surrendered to the BEAC within 3 days of receipt.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The exchange regulations, including the section on capital flows within the CEMAC, do not apply to transactions between CEMAC member countries. There are no restrictions on most capital flows between CEMAC and non-CEMAC countries, provided they comply with the laws and regulations prohibiting drug financing and trafficking. Certain loans, direct investments, and the issuance, advertisement, and sale of foreign securities within the CEMAC are subject to administrative controls and require approval from the appropriate authorities. Controls on these transactions are applied indiscriminately to countries in the CFA franc area, other than CEMAC member countries, and all non-CFA franc area countries. Moreover, Article 61 of the General Regulations of the Central African Financial Market Supervisory Commission (COSUMAF), which entered into effect January 15, 2009, specifies that "when a nonresident legal entity plans a public offering on the Central African regional financial market, it must prepare a disclosure document and submit it to COSUMAF for approval prior to dissemination. The prior approval of the exchange control authority in the various countries concerned must also be obtained." The article also states that "the issuer must appoint a correspondent (securities dealer) established in a CEMAC member state, where it elects domicile. This correspondent must be responsible for: (1) receiving correspondence from COSUMAF and (2) forwarding to COSUMAF all documents and information required under the laws and regulations or requested by COSUMAF."
Repatriation requirements	Yes.	In the context of the centralization of foreign exchange reserves, foreign currency collected from capital transactions must be repatriated immediately after collection.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currencies must be surrendered to the BEAC no later than 3 days after receipt.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	

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On capital market securities	Yes.	The issuance, advertisement, and sale of foreign securities (shares and bonds issued by foreign enterprises) whose value exceeds CFAF 10 million are subject to MOF approval. Under CEMAC exchange regulations, transactions in capital market securities are treated in the same way as simple borrowing and lending operations, as opposed to direct investments, when the shares or equity held by the individual or legal entity represent less than 10% of the enterprise's total equity. Borrowing and lending are not regulated by type of instrument or maturity.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported 30 days before the transaction when the transaction is less than CFAF 20 million. Above this amount, the transaction is subject to prior CB approval. There is no minimum (or maximum) holding period for securities.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days. There is no minimum (or maximum) holding period for securities.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared 30 days before the transaction when the amount is less than CFAF 20 million. Above this amount, it requires prior CB approval.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. Prior approval by the Banking Commission is required in all occasions.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities by residents. Transactions must be declared 30 days before when the transaction is no more.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be declared 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of money market instruments within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment abroad for purchases of money market instruments by residents. Transactions must be declared to

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		the CB 30 days before if the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above this amount, the prior CB approval is required.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared to the CB 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that "the regulations governing the management of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC."
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that "the regulations governing the management of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC."
Controls on derivatives and other instruments	n.r.	These instruments are not regulated.
Purchase locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.
Sale or issue locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.
Purchase abroad by residents	No.	Licensed banks are free to deal in derivatives, subject to compliance with the prudential rules issued by the Banking Commission, which is responsible for supervision of the banking system.
Sale or issue abroad by residents	n.r.	There is no derivatives market in the CEMAC.
Controls on credit operations	Yes.	There are no specific regulations on borrowing and lending by instrument type or by maturity.
Commercial credits	Yes.	Borrowing directly related to the financing of commercial transactions and borrowing and lending contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction.
By residents to nonresidents	Yes.	Banks may verify and then execute commercial credits granted to nonresidents, except when the customer's total outstanding debt exceeds CFAF 100 million, in which case such credits must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction.

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		Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
To residents from nonresidents	No.	Only banks are authorized to verify and then execute commercial credits received by residents, which they must declare to the appropriate MOF and BEAC departments within 30 days of each transaction.
Financial credits	Yes.	Loans contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Banks may verify and execute borrowing and lending transactions for their customers, as well as their repayment, except when the customer's total outstanding debt exceeds CFAF 100 million, in which case they must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment by CEMAC countries is subject to prior approval by the CB. Only licensed banks may verify and execute such transactions. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Inward direct investment	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Controls on liquidation of direct investment	Yes.	The total or partial liquidation of CEMAC countries' outward (and inward) direct investment in amounts exceeding CFAF 100 million is subject to prior declaration and must be reported to the MOF 30 days before execution.
Controls on real estate transactions	Yes.	This category of transaction is not subject to specific regulations. It is implicitly subject to the same regulations as FDI.
Purchase abroad by residents	Yes.	Outward direct investment by CEMAC countries is unrestricted

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		when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Purchase locally by nonresidents	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Sale locally by nonresidents	n.r.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Residents may grant loans to nonresidents, as long as the total outstanding amount does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
To residents from nonresidents	Yes.	Residents may contract loans from nonresidents, provided a single borrower's total outstanding debt does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
Gifts, endowments, inheritances, and legacies	Yes.	All receipts from abroad related to gifts must be reported to the appropriate administrative authorities, and all such items exceeding CFAF 5 million must be domiciled with a licensed CEMAC bank.
By residents to nonresidents	n.r.	
To residents from nonresidents	Yes.	
Settlement of debts abroad by immigrants	Yes.	Residents' settlement of debts abroad of up to CFAF 100 million must be reported to the MOF and the BEAC within 30 days of the transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
Transfer of assets	n.r.	
Transfer abroad by emigrants	n.r.	
Transfer into the country by immigrants	n.r.	
Transfer of gambling and prize earnings	n.r.	

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks' capital transactions must be reported after their execution. The business and accounting regulations applicable in the banking sector are based on the application of the COBAC regulations and instructions.
Borrowing abroad	No.	Borrowing by resident licensed banks from nonresidents and repayment of such loans are not subject to prior approval, but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Maintenance of accounts abroad	No.	Licensed banks may, without prior approval, open accounts with their correspondent banks abroad for their business purposes. Such accounts are monitored by the COBAC in the context of its supervision of the banking system.
Lending to nonresidents (financial or commercial credits)	No.	Lending by resident licensed banks to nonresidents and repayment of such loans are not subject to approval, but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Lending locally in foreign exchange	No.	Transactions between residents must be effected in domestic currency. Residents may purchase foreign currency for the settlement of their transactions with nonresidents.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Securities issued within the CEMAC are denominated in domestic currency, and securities denominated in foreign exchange do not exist. However, these transactions are in principle subject to compliance with the provisions of the CEMAC Regulation, in particular, prior declaration to BEAC and the MOF.
Differential treatment of deposit accounts in foreign exchange	No.	The books of licensed banks are maintained in CFA francs. No specific requirements apply to foreign currency deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	No specific requirements apply to these accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	Investment operations of licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Moreover, these transactions must be executed in compliance with the COBAC prudential rules.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	n.a.	

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On nonresident assets and liabilities	n.a.	
Provisions specific to institutional investors	Yes.	In the exchange regulations, the applicable provisions are the same as those for borrowing and lending by the private sector.
Insurance companies	Yes.	Insurance companies' capital transactions must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for the insurance sector are based on the Code of the Inter-African Conference on Insurance Markets (CIMA Code) of the CFA franc area member countries.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The capital transactions of investment firms and collective investment funds must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for this sector are based on the regulations and instructions of the COSUMAF.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.

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Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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ERITREA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership	July 6, 1994.	
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	n.a.	Information is not publicly available.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Eritrea is the Eritrean nakfa.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual	Yes.	Since the conversion of the national currency in 2016, the parallel market rate is much closer to the official rate. Because the black market rate is prohibited, the exchange rate is unknown, but not far from the official rate.
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement. Directive 1/2005 on the unified exchange rate is the legal document that establishes the fixed exchange rate arrangement.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		

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Free floating		
Official exchange rate	Yes.	The nakfa is pegged to the US dollar, and since December 2016, the buying and selling rates for USD are ERN 15 and ERN 15.15, respectively. This rate is used for accounting and valuation. The Bank of Eritrea (BE) is authorized to change the exchange rate arrangement.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		

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Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	Yes.	The BE prescribes a 0.5% commission on sales and a 0.25% commission on purchases of foreign exchange, except for banknote transactions. ADs are permitted, but not required, to levy an additional service charge of up to 0.25% for buying and 0.75% for selling foreign exchange on their own account.
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs conducting transactions in the foreign exchange market are to apply the official exchange rate of ERN 15 per US dollar. Only one foreign exchange bureau (Himbol Financial Services, which has branches throughout the country) is authorized to engage in foreign exchange operations. The parallel market premium is informally reported to be about 160%, but the size of the parallel market is unknown.
Spot exchange market	Yes.	One exchange bureau (Himbol Financial Services) is licensed to deal in foreign exchange with the public in addition to the commercial banks. Its operations are limited to purchases and sales of banknotes. The Ministry of Trade and Industry (MTI) is authorized to grant licenses.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BE buys and sells dollars for nakfa at the request of ADs (commercial banks and exchange bureaus) and the government at the official rate without a margin or commission.
Allocation	Yes.	The FEC, a government-appointed committee, which includes the governor of the BE, is in charge of allocating foreign exchange across sectors. Essential commodity imports are given priority access to foreign currency.
Auction	No.	
Fixing	No.	
Interbank market	No.	There is no interbank foreign exchange market.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Unless the BE specifically authorizes payment in foreign currency, all payments relating to commercial transactions and contracts in Eritrea may only be made in nakfa.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Eritrea is a member of COMESA.
Clearing agreements	Yes.	A clearing arrangement operates among the members of COMESA.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BE oversees foreign exchange transactions of ADs and issues regulations, directives, and instructions on foreign exchange matters. The MTI regulates foreign investment and licenses importers, exporters, and commercial agents. The Asmara Chamber of Commerce issues certificates of origin for exports.
Payments arrears	Yes.	
Official	Yes.	Some technical arrears have arisen in connection with loans from two governments.
Private	Yes.	There are arrears on overdue bonds. The arrears are the result of a lack of foreign exchange or private default.
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Authorization from the Ministry of Energy and Mines is required for ownership or possession of gold or other precious metals or ores. Residents may own gold jewelry without restriction.
On external trade	Yes.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers are not allowed to take out of the country domestic currency over ERN 1,000.
Foreign currency	Yes.	There is no limit on the amount of foreign currency that travelers may take out of Eritrea. They are required to declare the amount they take out if it exceeds US$10,000 or its equivalent in foreign

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		currency.
On imports	Yes.	
Domestic currency	Yes.	
Foreign currency	Yes.	There is no limit on the amount of foreign currency that travelers arriving at Eritrea may carry. They are required to declare the amount they bring in if it exceeds US$10,000 or its equivalent in foreign currency.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Government institutions authorized by the MOF and institutions authorized by the BE may open foreign currency accounts in Eritrea and use this currency for international transactions. Eritreans residing in Eritrea may open foreign currency accounts in Eritrean banks and use their foreign currency for legitimate means on presentation of acceptable documentation.
Approval required	Yes.	
Held abroad	Yes.	The opening of these accounts is restricted to resident banks.
Approval required	No.	
Accounts in domestic currency held abroad	No.	There are no accounts denominated in domestic currency held abroad.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Eritrean citizens residing outside Eritrea may open foreign currency accounts in Eritrean banks and use their foreign currency without any restrictions.
Approval required	No.	
Domestic currency accounts	Yes.	These accounts are available only to members of the diplomatic community, welfare organizations, nongovernmental organizations and their personnel, and joint ventures and other business firms that invest their capital, wholly or partially, in foreign exchange.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	Most imports financed with official foreign exchange are effected under LCs or on a cash-against-documents basis.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	Yes.	These are required only for imports under LCs.
Documentation requirements for	Yes.	Importers must obtain a permit from the MTI for each import

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release of foreign exchange for imports		shipment.
Domiciliation requirements	No.	
Preshipment inspection	Yes.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	Yes.	Import permits are required to obtain foreign exchange from commercial banks.
Other	No.	
Import licenses and other nontariff measures	Yes.	Franco-valuta imports (imports that do not require official foreign exchange and are not aid funded) are prohibited.
Positive list	No.	
Negative list	Yes.	
Open general licenses	Yes.	All importers must have a valid trade license issued by the MTI. Each import shipment requires its own permit.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Imports of military materials, including weapons and armaments, are conducted only by the state.

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds must be repatriated within 90 days of shipment; this deadline may be extended by 90 days.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Export proceeds must be surrendered to ADs.
Financing requirements	Yes.	Exports may be made under LCs on an advance payment or consignment basis.
Documentation requirements	Yes.	Exports require documentation. Certain commodities require clearance from specific government bodies (for example, the Eritrean Standards Institution (ESI)). In particular, exports of livestock and cereals require permission from the Ministry of Agriculture, and those of marine products require permission from the Ministry of Marine Resources.
Letters of credit	Yes.	
Guarantees	Yes.	
Domiciliation	No.	
Preshipment inspection	Yes.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exporters must be licensed by the MTI.

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With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Remittance and exchange of foreign currencies in Eritrea may be effected only through Eritrean banks and other service-providing financial institutions authorized by the BE.
Trade-related payments	Yes.	
Prior approval	Yes.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	Local subsidiaries of foreign companies may only convert and remit their net income abroad with FEC authorization.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	Foreign currency held in a foreign exchange account may be used for travel payments.
Prior approval	Yes.	
Quantitative limits	Yes.	Residents may take US$150 a day or its equivalent out of the country for foreign travel.
Indicative limits/bona fide test	No.	
Personal payments	Yes.	Foreign currency held in a foreign exchange account may be used for personal payments.
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	Yes.	Controls apply to a certain percentage of foreign workers’ monthly salary.
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	No.	
Credit card use abroad	n.a.	
Prior approval	n.a.	
Quantitative limits	n.a.	
Indicative limits/bona fide test	n.a.	

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Other payments	Yes.	
Prior approval	Yes.	Companies with foreign exchange earnings (for example, airlines, hotels) may not remit their earnings except with FEC authorization.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	All proceeds from invisible transactions must be surrendered to ADs.
Restrictions on use of funds	Yes.	

Capital Transactions

Controls on capital transactions	Yes.	Remittance of proceeds from investment in Eritrean free zones, as specified in Proclamation No. 115/2000, and proceeds from foreign financial special investments, as specified under the Foreign Financial Special Investments Proclamation No. 159/2007, is allowed.
Repatriation requirements	Yes.	
Surrender requirements	Yes.	Residents obtaining foreign exchange proceeds from capital transactions must surrender the foreign currency to the BE or an AD or deposit it in a foreign exchange account with an AD.
Surrender to the central bank	Yes.	Residents obtaining foreign exchange proceeds from capital transactions must surrender the foreign currency to the BE or an AD or deposit it in a foreign exchange account with an AD.
Surrender to authorized dealers	Yes.	Residents obtaining foreign exchange proceeds from capital transactions must surrender the foreign currency to the BE or an AD or deposit it in a foreign exchange account with an AD.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	Yes.	ADs may acquire securities with BE approval.
Sale or issue abroad by residents	n.a.	
Bonds or other debt securities	n.a.	
Purchase locally by nonresidents	n.a.	
Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	n.a.	

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Sale or issue abroad by residents	n.a.	
On money market instruments	Yes.	
Purchase locally by nonresidents	n.a.	
Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	n.a.	
On collective investment securities	n.a.	
Purchase locally by nonresidents	n.a.	
Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	n.a.	
Sale or issue abroad by residents	n.a.	
Controls on derivatives and other instruments	n.a.	Derivatives and other similar instruments are currently not available in Eritrea.
Purchase locally by nonresidents	n.a.	Derivatives and other similar instruments are currently not available in Eritrea.
Sale or issue locally by nonresidents	n.a.	Derivatives and other similar instruments are currently not available in Eritrea.
Purchase abroad by residents	n.a.	
Sale or issue abroad by residents	n.a.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	n.a.	
To residents from nonresidents	Yes.	
Financial credits	Yes.	
By residents to nonresidents	n.a.	
To residents from nonresidents	Yes.	ADs may borrow abroad and overdraw their correspondent accounts abroad.
Guarantees, sureties, and financial backup facilities	n.a.	
By residents to nonresidents	n.a.	
To residents from nonresidents	n.a.	
Controls on direct investment	Yes.	
Outward direct investment	n.a.	
Inward direct investment	Yes.	Domestic retail and wholesale trade and import and commission agencies are open to foreign investors only if Eritrea has a bilateral agreement of reciprocity with the resident country of the investor; this condition may be waived by the government. Approved investments and their subsequent expansion are exempt from customs duty, and capital goods and spare parts associated with the

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		investment are exempt from sales taxes. There are no exemptions from income taxes.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Gifts, endowments, inheritances, and legacies	n.a.	
By residents to nonresidents	n.a.	
To residents from nonresidents	n.a.	
Settlement of debts abroad by immigrants	n.a.	
Transfer of assets	n.a.	
Transfer abroad by emigrants	n.a.	
Transfer into the country by immigrants	n.a.	
Transfer of gambling and prize earnings	n.a.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	Commercial banks may borrow abroad and overdraw their accounts.
Maintenance of accounts abroad	No.	Commercial banks may maintain correspondent accounts with their counterparties abroad.
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	Yes.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	There is no reserve requirement on foreign currency deposits (but domestic demand, time, and savings deposits are subject to a 10% reserve requirement).
Liquid asset requirements	Yes.	There are liquid asset requirements on deposits.
Interest rate controls	No.	
Credit controls	No.	

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Differential treatment of deposit accounts held by nonresidents	n.a.
Reserve requirements	n.a.
Liquid asset requirements	n.a.
Interest rate controls	n.a.
Credit controls	n.a.
Investment regulations	No.
Abroad by banks	No.
In banks by nonresidents	No.
Open foreign exchange position limits	Yes.
On resident assets and liabilities	Yes.
On nonresident assets and liabilities	No.
Provisions specific to institutional investors	n.a.
Insurance companies	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Pension funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Investment firms and collective investment funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail	n.a.

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and/or wholesale	
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.

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Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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ESTONIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		May 26, 1992.
Article VIII	Yes.	Date of acceptance: August 15, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	Estonia applies international security restrictions in accordance with the Common Foreign and Security Policy (CFSP) of the EU.
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Estonia applies all sanctions and restrictive measures that have been adopted by the UNSC and the EC.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Estonia is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Estonia participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB

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		publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks. The published exchange rates, which are the average of the sale and purchase rates, reflect the market conditions prevailing at the time of the concertation. The euro foreign exchange reference rates are determined by the ECB daily at around, effective April 3, 2023, 14:10 Central European Time (previously 14:15 CET) and are published at around 16:00 CET. The publication regime reinforces the concept of the ECB foreign exchange rate as a purely informative one.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		

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Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	Price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the European Union, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term. For the Bank of Estonia (BOE), the price stability as the primary objective is set down by the BOE Act, Section 2(1).
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Transactions in convertible currencies are effected by commercial banks, which are free to quote their own exchange rates.
Spot exchange market	Yes.	According to the Money Laundering and Terrorism Financing Prevention Act (MLTFPA), foreign exchange bureaus are required to have authorization by the FIU, a governmental authority in the area of government of the MOF, which is autonomously engaged in regulatory enforcement. Foreign exchange bureaus are supervised by the FIU.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of market participants. The BOE does not intervene in the foreign exchange market.
Over the counter	Yes.	The foreign exchange market operates over the counter.

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Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Residents and nonresidents may freely negotiate forward exchange contracts for both commercial and financial transactions in all leading convertible currencies in the domestic exchange market and in international foreign exchange markets. The BOE does not participate in the forward foreign exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	Estonia has bilateral agreements with Armenia, Azerbaijan, Belarus, Kazakhstan, the Kyrgyz Republic, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. Euro balances held by the CBs of these countries in their correspondent accounts are fully convertible without delay. No swing credits or overdraft facilities are provided by these arrangements. These agreements were concluded at the end of the Union of Soviet Socialist Republics as an ad hoc measure, to regulate bilateral obligations with the former Soviet Republics after the demise of the central authority. For now, all these agreements have been inoperative for a very long time.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BOE issues and enforces foreign exchange regulations. The MOF controls and monitors imports and exports. Providers of currency exchange services and companies trading in precious metals are required to register and have authorization by the FIU, a governmental authority in the area of government of the MOF, which is autonomously engaged in regulatory enforcement. They are supervised by the FIU.
Payments arrears	Yes.	There are some unsettled balances with Russia and certain other CIS countries that originated in the early 1990s.

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Official	Yes.	All settlement issues with Russia pertain to official debt.
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Registration with the Ministry of Economic Affairs and Communications is required before companies may trade in precious metals (including gold).
On external trade	Yes.	Exports and imports of gold are subject to registration requirements administered by the Ministry of Economic Affairs and Communications.
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EC) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EU regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EU regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EU regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the EU regulation; the EU regulation only harmonizes the system for the EU's external borders.
On exports	No.	
Domestic currency	No.	In accordance with Regulation (EC) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more.
Foreign currency	No.	In accordance with Regulation (EC) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more.
On imports	No.	
Domestic currency	No.	In accordance with Regulation (EC) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more.
Foreign currency	No.	In accordance with Regulation (EC) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more.

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Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange accounts are permitted according to banks' own terms and conditions of current account agreements. The principal currency is the euro, unless specified otherwise by the client in the agreement. Clients may change the principal currency. Only currency quoted by the bank may be held in the account. Clients must specify the currencies to be held in the account in the agreement, and they may change the currencies during the term of the agreement. The procedure for fulfillment of payment transactions in foreign currencies is in the bank's settlement terms and conditions.
Approval required	No.	
Held abroad	Yes.	Commercial banks in Estonia may open correspondent accounts with commercial banks worldwide, including in Russia and other CIS countries. Restrictions according to the MLTFPA apply.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	In the event of suspicion of money laundering or terrorism financing, the FIU may issue an instruction to suspend transactions for up to 30 days after the percept is issued and impose restrictions on disposal of the proceeds of an account or other property constituting the object of the transaction, official operation, or official service or other suspect assets or property (MLTFPA, Section 57(1)). Within the term specified in this section of the MLTFPA, transactions may take place or restriction of disposal of an account or other property may be waived only with written consent of the FIU. During the restriction period, the credit institution or financial institution may not execute any account debit requests by the account holder. In addition to the provisions of this section of the MLTFPA, the FIU may, on the basis of an instruction, restrict the use of property for up to 60 days if (1) during verification of the origin of the property there is suspicion of money laundering and the owner or possessor of the property fails to submit evidence certifying a legal origin of the property to the FIU within 30 days of the suspension of the transaction or as of the imposition of restrictions or (2) the property is suspected to be used for terrorism financing. The Tax and Customs Board may block accounts used to enable illegal gambling through issuance of an order to the relevant bank instructing it to block the account and freeze the assets. The Tax and Customs Board specifies a period during which anyone who has transferred funds to this account may

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apply for a refund. The application must be accompanied by evidence (proof of transaction). After investigation, but no more than 30 days later, the Tax and Customs Board decides whether the application is substantiated and the refund should be granted. Seizure of any assets held in an account with a credit or financial institution means imposition of such restrictions on the use of the account during which the credit institution or financial institution does not comply with any account debiting instructions to the extent of the assets seized.
The International Sanctions Act (2020) regulates the internal imposition, implementation, and supervision of international sanctions of the UN, EU, other international organizations, and the Estonian government. It imposes obligations, including to block accounts and notify the FIU of possible international financial sanctions. International sanctions are imposed with regard to a state, territory, territorial unit, regime, organization, association, group or person by a resolution of the UNSC, a decision of the EC or any other legislation imposing obligations on Estonia. International sanctions imposed by a resolution of the UNSC must be implemented with regard to the subjects of the international sanctions listed by the committee established on the basis of the resolution until the regulation of the EC is updated or adopted.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	
Open general licenses	Yes.	OGLs are required for alcohol, nonanimal food, fuel and energy, precious metal products, and tobacco.
Licenses with quotas	Yes.	Licenses or special permits are required to import explosives, weapons and ammunition, plants, seeds, rare species of animals and plants, goods subject to veterinary and phytosanitary controls, certain nonanimal food products, fertilizers, narcotics and psychotropic substances and their precursors, strategic goods, radioactive materials, products that deplete the ozone layer, and waste products.

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Other nontariff measures	Yes.	The importation of certain dangerous chemicals, waste products, goods that infringe on intellectual property rights, and goods harmful to human welfare is prohibited.
Import taxes and/or tariffs	Yes.	Import taxes include customs duties and national taxes on goods (regulated by the Tax Act). Imported goods are subject to VAT (with a standard rate of 20%) and excise duties that are levied on specific products, such as tobacco, alcohol, energy products, electricity, and packaging materials. Similar taxes are levied on domestically produced goods. Almost all excise duty rates are above the EU minimum rates. Customs duties are established in accordance with EU regulations.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	The exportation of certain dangerous chemicals, waste products, goods that infringe on intellectual property rights, and goods harmful to human welfare is prohibited.
Without quotas	Yes.	Licenses or special permits are required for alcohol, items of cultural value, medicinal products, weapons and ammunition, explosives, rare species of plants and animals and hunting trophies, goods subject to veterinary and phytosanitary controls, narcotic drugs and psychotropic substances and their precursors, strategic goods, radioactive substances, weapons of mass destruction and their precursors, and waste products.
With quotas	Yes.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.

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Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply only to the purchase of shares and other securities of a participating nature, which may be affected by the laws on inward direct investment and establishment.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Controls apply only to the extent that UCITS may invest in covered bonds that are issued by a non-EU credit institution—up to 10%, and up to 25% of those issued by EU credit institutions.
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	

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Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	For nonresidents, controls apply to (1) the acquisition of agricultural land and forestland and real estate on Estonia's islands (except the four largest) and in seven territorial units bordering Russia. The reservation on the acquisition of agricultural land and forest ceased to apply May 31, 2011; (2) majority ownership of an Estonian flag maritime vessel by non-EU residents, except through a company established in Estonia; (3) majority ownership of an airline by non-EU residents; and (4) the extent that under EU Directive 2009/65/EC (former Directive 85/611/EEC), a depository of a UCITS must either have its registered office or be established in the UCITS home member country (EU country). Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	Regulations on the purchase and sale of land are harmonized with EU regulations.
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Ownership of large parcels of agricultural land and forestland (exceeding ten hectares) may be transferred to foreigners and foreign legal entities only with the permission of the relevant local government unit. Foreigners, foreign entities, and foreign countries

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		may not acquire real estate on islands (except the four largest) or in seven territorial units bordering Russia. EEA, UK nationals, and OECD residents are not subject to restrictions. EEA and OECD legal entities may own up to 10 hectares without restriction. If they wish to purchase more than 10 hectares, they must have been active in farming or forestry for at least three consecutive years. Persons from third countries must apply for permission from the relevant local government unit.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Controls apply to the transfer of real estate as a gift.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	EU legislation applies (Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 text with EEA relevance). There is no differentiation on the basis of currency or residence. For example, interest rate restriction (annual percentage rate restriction for consumer credits) applies to all consumer credit contracts. Also, credit institutions have liquidity requirements, which do not depend on currency.
Borrowing abroad	No.	There is no restriction on borrowing from abroad.
Maintenance of accounts abroad	No.	Commercial banks may open correspondent accounts with commercial banks worldwide in accordance with the MLTFPA and the International Sanctions Act (ISA).
Lending to nonresidents (financial or commercial credits)	No.	Regulations regarding lending do not differentiate on the basis of nonresidents and residents. Regulations covering lending provisions are the same for all.
Lending locally in foreign exchange	No.	There is no restriction on currencies. Contracting parties can agree between themselves as to which is the contract currency.
Purchase of locally issued securities denominated in foreign exchange	No.	There is no restriction for purchasing locally issued securities denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	No.	There is no differentiation between local and foreign currency deposit accounts.

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Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	There is no investment restriction in national-level legislation.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The capital requirements in Article 351 of the CRR (EU) No. 575/2013 applies to credit institutions.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	According to the EU legislation (Directive 2009/138/EC of the European Parliament and of the Council of November 25, 2009, on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II)), prudent person principle applies, and there is no differential treatment of securities issued by nonresidents or residents.
Limits (max.) on investment portfolio held abroad	No.	EU legislation applies. There are no specific limits on investment portfolios held abroad just as there are no limits on investment portfolios held locally.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	There are no currency-matching regulations on the composition of assets and liabilities.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	A pension fund may invest up to 100% of its assets in foreign securities traded in regulated markets of Estonia or other countries, as specified in the fund rules. Pension funds may also invest their assets in money market instruments and units or shares of funds that are not traded in regulated markets. The investment portfolio must be diversified. Assets of a conservative pension fund (mandatory pension fund) may be invested in bonds: (1) with at least an investment grade rating from a rating agency registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council on credit rating agencies (OJ L 302, November 17, 2009, pp. 1–31—hereinafter in this section “rating

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		agency"); (2) whose issuer has at least an investment grade rating from a rating agency, if the bonds have no rating; (3) whose issuer, if the parent company is a credit institution, has at least an investment grade rating from a rating agency, if the bonds and their credit institution issuer have no credit rating; and (4) guaranteed by a contracting country or an OECD member with at least an investment grade rating from a rating agency. If the specified rating agencies have issued different credit ratings, the management company must take the lowest current credit rating into consideration. Up to 20% of the market value of the assets of a conservative pension fund may also be invested in other assets not listed above.
Limits (max.) on investment portfolio held abroad	No.	The total net position of investments in securities denominated in foreign currency may not exceed 25% of assets of the fund for a conservative pension fund. There is no ceiling for other mandatory funds.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Conservative pension funds' overall net open position of investments in securities denominated in foreign exchange may not exceed 25% of the assets of a conservative pension fund. There is no ceiling for other mandatory funds. Assets of the conservative pension fund must be invested at least to the extent of 80% in total in: (1) deposits; (2) bonds and other equivalent debt obligations; (3) money market instruments if they have been admitted to trading on a regulated market; (4) units or shares of such funds whose assets are mainly invested in deposits or bonds; and (5) derivative instruments whose underlying assets are the assets specified above. Effective June 13, 2022, the assets of a pension fund may be placed in precious metals and securities whose underlying assets are precious metals or raw materials or whose price is dependent on precious metals or raw materials, up to 25% of the value of the assets of the pension fund.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	All investment funds may invest up to 100% of their assets in foreign securities. In general, the assets of UCITS and other open-end public funds must be invested in securities that are freely transferable and traded in regulated markets of Estonia and EEA members or other countries, as specified in the fund rules. As a general rule, no more than 10% of investment fund assets may be invested in transferable securities (including covered bonds) issued by the same body. However, UCITS may invest up to 25% of their assets in covered bonds of a single body if the bonds are issued by an EU credit institution.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	

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CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.

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Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Trading platforms are not regulated, but the provision of virtual currency exchange service is. To provide virtual currency exchange service, an activity license from the Estonian FIU is required. Share capital of a virtual asset service provider (VASP) must be a minimum of 100,000 euros for wallet services, exchanges, and initial coin offerings (ICO) and similar platforms; for transfer services, the minimum is 250,000 euros. To obtain a VASP license, the entity must provide financial information on assets and an overview of income, as well as information of beneficial owners and the management board. Members of the management board must have completed higher education and have at least two years of professional work experience. Members of the management board may not hold board positions in more than two Estonian VASPs. Members of the board must also have an impeccable reputation and necessary experience, as determined by the FIU. Furthermore, a business plan for the first two years must be submitted, including a description of the nature of the business and its structure. The applicant must also submit a risk assessment and documentation of risk appetite. Applicants must be audited (both a financial and risk-based audit must be conducted on a regular basis). The applicant must also give a detailed overview on the technologies used in providing services.

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		Only companies who operate in Estonia or are connected to Estonia may apply for a license to operate as a VASP, to ensure effective supervision and reduce the risk of international financial crime. The FIU can decline to license an entity if this requirement is not met. Licensed entities cannot be resold before two years of operations. VASPs must fulfill obligations under the AML/CFT framework including the obligation to implement travel rule.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*04/03/2023*	The euro foreign exchange reference rates are determined by the ECB daily at around 14:10 Central European Time (CET) (previously 14:15 CET).

Provisions Specific to the Financial Sector

Provisions specific to institutional investors Pension funds		
Currency-matching regulations on assets/liabilities composition	*06/13/2022*	The assets of a pension fund may be placed in precious metals and securities whose underlying assets are precious metals or raw materials or whose price is dependent on precious metals or raw materials, up to 25% of the value of the assets of the pension fund.

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KINGDOM OF ESWATINI

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 22, 1969.
Article VIII	Yes.	Date of acceptance: December 11, 1989.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Eswatini is the Eswatini lilangeni.
Other legal tender	Yes.	The South African rand is also official legal tender.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement vis-à-vis the rand. The Central Bank of Eswatini (CBE) (Swaziland) Order of 1974 is the legal document that establishes the fixed exchange rate arrangement.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	Yes.	The lilangeni is pegged to the rand at par. Exchange rates for the US dollar quoted by the CBE are based on the exchange rate of the rand against the US dollar. Rates are also quoted for the Canadian dollar, euro, Japanese yen, pound sterling, and Swiss franc, based on the London and New York market quotes for these currencies against the US dollar. The official exchange rate is used for accounting and valuation. The Monetary Policy Consultative Committee is the institution authorized to change the exchange rate arrangement.
Monetary policy framework		
Exchange rate anchor	Yes.	Exchange rate anchor to the SA rand currency under the CMA/Multilateral Monetary Agreement (MMA) agreement between SA, Eswatini, Lesotho, and Namibia. The primary objective is to maintain the 1-to-1 exchange rate peg between SA and Eswatini. The secondary objective of the Central Bank is to ensure price stability through monetary policy. The Monetary Policy Consultative Committee advises the Central Bank Governor on Monetary Policy decisions based on domestic and international developments. Inflation forecasts and other economic fundamentals considered in monetary policy decision are published to the public.
U.S. dollar		
Euro		
Composite		
Other	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the rand.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		

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Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	The CBE conducts foreign exchange transactions with four ADs (commercial banks), three bureaus – ADs with limited authority – and the government; and issues licenses. Foreign exchange bureaus may engage in the purchase and sale of foreign exchange with travelers and other ADs. Three bureaus are currently licensed, and they report to the CBE.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The CBE buys and sells rand at the official exchange rate with no commission charged. The CBE conducts foreign exchange transactions with four ADs (commercial banks), three bureaus – ADs with Limited Authority, and with the government.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is an interbank foreign exchange market, but the transaction volume is low. High-volume transactions in foreign exchange are conducted between local commercial banks and commercial banks based in South Africa. There are four banks participating in the interbank market. The CBE does intervene directly in the market to: (1) Provide ZAR liquidity by buying and selling against the local currency (SZL), with the four local commercial banks.

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		(2) Buy foreign currency export proceeds from local commercial banks in spot market.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The CBE permits ADs to engage in forward exchange operations. The forward exchange rates are market determined. Since May 2018, the CBE has actively participated in the local market by buying foreign currency export proceeds from the local commercial banks. Currently, the CBE trades only with three banks in these operations. This is for both spot and outright forward transactions. No swaps are traded.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	The rand is a legal tender in Eswatini as per the CMA agreement; it is convertible at par with lilangeni.
Controls on the use of domestic currency	Yes.	Domestic currency may be used freely within the CMA. Accounts for individuals temporarily visiting the CMA are permitted with restrictions.
For current transactions and payments	Yes.	Domestic currency may be used only to buy foreign currency to settle foreign trade transactions with countries outside the CMA.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Transactions in domestic capital and money market instruments are conducted in the domestic currency.
Transactions in derivatives and other instruments	Yes.	Transactions in domestic securities derivatives are conducted in the domestic currency.
Credit operations	Yes.	CBE approval is required.
Use of foreign exchange among residents	Yes.	These transactions may be effected only between foreign exchange accounts.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Eswatini is part of the CMA; no restrictions are applied to payments within the CMA, and, in principle, payments are not subject to controls. Residents of Eswatini have access to the Johannesburg market, in accordance with the terms and conditions applied in that market.
Clearing agreements	Yes.	SADC Real-Time Gross Settlement (RTGS) Regulations and bilateral agreements under the SADC Finance and Investment Protocol. SADC Regional Clearing System Operators.
Barter agreements and open accounts	Yes.	Barter agreements involving an Eswatini resident require CBE approval.
Administration of control	Yes.	The CBE, on behalf of the MOF, controls all external currency transactions. In dealings with countries outside the CMA, Eswatini applies exchange controls that are generally similar to those of South Africa.

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Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Exports of gold jewelry to any destination by jewelry manufacturers are subject to registration with the CBE through their bankers. Other exports of gold must be referred to the CBE, which imposes such conditions on exports as may from time to time be considered necessary.
On domestic ownership and/or trade	Yes.	Domestic ownership and trade are prohibited.
On external trade	Yes.	All dental and other legitimate trade demands for gold will be considered by the Ministry of Natural Resources and Energy.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Domestic currency up to E 15,000 may be exported.
Foreign currency	Yes.	Exports of the applicable single discretionary allowance up to E 1 million are allowed for permanent residents. Visitors may take out as much foreign currency as they bring in.
On imports	Yes.	
Domestic currency	Yes.	Domestic currency up to E 15,000 may be imported.
Foreign currency	Yes.	Only ADs are allowed to purchase foreign bank notes when replenishing their stock to cater for customers travel needs.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Authority to open foreign exchange accounts is delegated to ADs.
Held domestically	Yes.	Natural persons may hold up to the equivalent of E 5 million a calendar year (E 1 million single discretionary allowance for discretionary use such as payments for travel and personal payments and E 4 million foreign capital allowance in foreign currency deposits with ADs for foreign investment purposes). The E 1 million discretionary allowance does not require a tax clearance certificate, but to invest up to the E 4 million foreign capital allowances, the individual must be a taxpayer in good standing. The proceeds of other approved foreign assets may also be held in foreign currency accounts. Legal persons involved in international trade may maintain a single customer foreign currency account for trade- and services-related payments, as well as for a wider variety of permissible transactions. There is no limit on the amount of foreign exchange that may be maintained in the customer foreign currency accounts held domestically. Transfer of funds in excess of the E 4 million foreign capital allowance requires approval by the CBE.
Approval required	No.	Authority to open foreign exchange accounts is delegated to ADs.
Held abroad	Yes.	Individuals may hold foreign currency deposits abroad up to the equivalent of E 4 million. Companies must obtain approval and may hold only the amount needed for their foreign operations.
Approval required	No.	The authority to approve foreign investments by individuals is delegated to ADs.
Accounts in domestic currency held	Yes.	CBE approval is required to open these accounts.

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abroad		
Accounts in domestic currency convertible into foreign currency	Yes.	Conversion from these accounts is done at the time of remittance and is subject to controls, depending on the type of remittance.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts are permitted, and the authority to open them is delegated to ADs.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Conversion to foreign currency is done at the time of repatriation of funds and is subject to control, depending on the type of transaction class.
Approval required	No.	
Blocked accounts	Yes.	Balances in these accounts may be invested in quoted equity securities in Eswatini and in other investments, subject to CBE approval. Certain other transactions are also allowed.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	Yes.	
Advance payment requirements	Yes.	Advance payments for imports of capital goods may exceed a total value of E 10 million subject to the verification of the bona fide nature of the transaction for which the foreign exchange is being requested.
Advance import deposits	Yes.	CBE approval is required.
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	
Preshipment inspection	No.	Preshipment inspection is not conducted on imports.
Letters of credit	No.	ADs may issue LCs to their customers.
Import licenses used as exchange licenses	Yes.	Permits are required to import goods on the negative list, and these permits entitle the holders to purchase foreign exchange required to make import payments. The permits are controlled by the Department of Customs and Excise at the time of entry of the goods in Eswatini.
Other	Yes.	A bill of entry, bill of lading, form SAD 500, and supplier invoice bearing an original stamp from the Eswatini customs authorities are required.
Import licenses and other nontariff measures	Yes.	ADs must ensure that their clients possess import permits issued by the MOF when they request foreign currency for payments of import transactions.
Positive list	No.	
Negative list	Yes.	Import permits are required for goods on the negative list.
Open general licenses	Yes.	Eswatini is a member of the SACU, and no import restrictions are imposed on goods originating in any country of the customs union. Imports from South Africa do not require licenses, except for meat,

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		livestock, medicines, chemicals, and vehicles. Imports from countries outside the SACU require certificates of origin, except for goods on the negative list. Ports of entry outside Eswatini may be used, but the Eswatini authorities control import licenses and payment procedures.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Eswatini applies the customs tariff system of the SACU to imports from outside the SACU.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	For goods shipped to countries outside the SACU, licensing is used to ensure that export proceeds are repatriated in the prescribed manner and within the stipulated period. Export proceeds must be received in Eswatini within 180 days of shipment.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Since May 1, 2018, any AD who purchases foreign currency acquired from export proceeds by any person resident in Eswatini must, within seven days after such purchase, offer such foreign currency for sale to the Minister. The Minister may purchase such foreign currency for not less than the market value of such currency on the day of purchase. Foreign exchange must be sold to the minister by electronic transfer made payable to the CB. This is only applicable to export proceeds from goods.
Surrender to authorized dealers	Yes.	Unless otherwise permitted, export proceeds must be remitted to Eswatini not later than six months from the date of shipment. The law allows exporting companies to retain export proceeds to make payments for imports and all costs related thereto and expenses such as commission, freight, insurance, and demurrage, which are expressed in foreign currency. The remaining export proceeds must be offered for sale.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	For balance of payments (BOP) purpose, the CBE requires information on domiciliation to facilitate the currency in which export proceeds will be received.
Preshipment inspection	Yes.	Preshipment inspection is carried out by the Department of Customs and Excise at border points.
Other	Yes.	Bill of lading and invoices are required.
Export licenses	Yes.	
Without quotas	Yes.	Exports outside the SACU require certificates of origin. Exports to SACU member countries are considered transactions within the free trade area.

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With quotas	Yes.	Quotas apply to exports of beef and sugar.
Export taxes	No.	There are currently no levies on sugar exports to all destination markets (including the EU). Levies that applied in the past to sugar exports to the EU market were discontinued in 2009 at the commencement of EU sugar reforms.
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments to nonresidents for current account transactions, although subject to control, are not normally restricted. Authority to approve some types of current account payments up to established limits is delegated to ADs.
Trade-related payments	Yes.	
Prior approval	Yes.	Approval may be required, depending on the purpose of the transfer.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Documentary evidence confirming the amount due must be provided.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Authority to transfer dividends, profits, and other income is delegated to ADs, subject to the submission of documentary evidence.
Payments for travel	Yes.	
Prior approval	Yes.	Approval is required for amounts exceeding permissible limits.
Quantitative limits	Yes.	The annual limits on foreign exchange purchases by permanent residents for business and holiday travel are the equivalent of an E 1 million single discretionary allowance for an adult and an E 160,000 travel allowance for a person under 18 years.
Indicative limits/bona fide test	Yes.	Permission to purchase larger amounts is granted on application supported by proof of need.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	A single discretionary allowance of E 1 million applies.
Indicative limits/bona fide test	Yes.	Documentary evidence must be provided.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Documentary evidence substantiating the income earned must be produced.
Credit card use abroad	Yes.	

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Prior approval	Yes.	Resident cardholders must complete a letter of intent before departure to use credit cards outside the CMA.
Quantitative limits	Yes.	Residents may use up to 100% of the approved travel facility.
Indicative limits/bona fide test	Yes.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	All inward capital transfers, except for equity investments by nonresidents, require CBE approval and must be properly documented to facilitate the subsequent repatriation of interest, dividends, profits, and other income. Inward transfers for loans and investments in unlisted companies may be made freely, but CBE approval is required for registration of equity status prior to investment.
Repatriation requirements	Yes.	Residents are required to repatriate the foreign exchange proceeds from capital transactions abroad.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases may be processed through normal banking channels directly in foreign currency or through local currency nonresident accounts held in a CMA member country. Securities law does not place any restriction on nonresidents as far as purchasing domestic securities. Nonresidents can purchase local securities through locally licensed services providers.
Sale or issue locally by nonresidents	Yes.	Balances in blocked accounts for emigrants may be invested in listed securities and other such investments as may be approved by the CBE. Other nonresidents may effect these transactions freely.

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		A nonresident can sell/issue securities through locally licensed services providers. Sale of securities locally by nonresidents constitutes a financial service requiring local license.
Purchase abroad by residents	Yes.	Quantitative limitation – a limit of E 4 million applies; however, an excess of E 4 million requires approval from the CBE. The E 4 million one-off allowance per private individual was effected in 2012, and in 2018, it was liberalized to E 4 million an annum a private individual.
Sale or issue abroad by residents	Yes.	These transactions are subject to CBE approval.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	There are no specific controls; however, the underlying documentation must specify that a nonresident is effecting the transaction, to distinguish nonresidents' certificates from those of residents.
Sale or issue locally by nonresidents	Yes.	These transactions are subject to CBE approval.
Purchase abroad by residents	Yes.	These transactions are restricted to private persons' investment entitlements. Purchases abroad of bonds or other debt instruments by a resident individual are limited to the equivalent of E 4 million. Purchases by corporations are subject to Exchange Control approval.
Sale or issue abroad by residents	Yes.	The regulations governing purchases abroad by residents apply.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	These transactions are restricted to private persons' investment entitlements. Purchases abroad of money market instruments by a resident individual are limited to the equivalent of E 4 million.
Sale or issue abroad by residents	Yes.	The regulations governing purchases abroad by residents apply.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Quantitative limitation – in terms of collective investment scheme management companies, limit is subject to 35% of the total assets under management. This limit has been in effect since August 2018.
Sale or issue abroad by residents	Yes.	Quantitative limitation – in terms of collective investment scheme management companies, limit is subject to 35% of the total assets under management. This limit has been in effect since August 2018.
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	All credit operations are controlled.
Commercial credits	Yes.	

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By residents to nonresidents	Yes.	Lending in foreign currency is subject to CBE approval.
To residents from nonresidents	Yes.	Borrowing in foreign currency is subject to CBE approval.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Lending in foreign currency is subject to CBE approval.
To residents from nonresidents	Yes.	Lending in foreign currency is subject to CBE approval.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	These transactions are allowed, provided they relate to successful contracts for the supply of goods and technical services.
To residents from nonresidents	Yes.	These transactions are allowed, provided the bank is satisfied that payment from a foreign guarantor will comply with Exchange Control rulings if payment is necessary under the guarantee.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	The limit on foreign investment abroad by private individuals is E 4 million. Applications by entities abroad require approval, which is granted on merit.
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Private individuals may invest in real estate abroad up to E 4 million with approval from an AD.
Purchase locally by nonresidents	Yes.	Purchases locally by nonresidents are subject to approval. Applicants must go through the Land Control Board to determine if there is local demand.
Sale locally by nonresidents	Yes.	These transactions require CBE approval.
Controls on personal capital transactions	Yes.	Private individuals may invest abroad up to the equivalent of E 4 million.
Loans	Yes.	These transactions require CBE approval.
By residents to nonresidents	Yes.	The limit is subject to the single discretionary allowance of E 1 million.
To residents from nonresidents	Yes.	Transfers of loan funds from outside the CMA must have the prior approval of the CBE. The AD must state whether or not they recommend the application and their reasons for making or withholding their recommendation.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Annual gift transfers are limited by the discretionary allowance of E 1 million a person. Documentary proof is required for legacies and distribution of estates.
To residents from nonresidents	Yes.	These transactions require CBE approval. Documentary evidence for these transactions must be provided.
Settlement of debts abroad by immigrants	Yes.	Documentary evidence must be provided confirming that the amount to be remitted is owed by the applicant.
Transfer of assets	Yes.	Controls apply to funds drawn from blocked accounts.
Transfer abroad by emigrants	Yes.	The settling-in allowance for emigrants is the equivalent of E 4 million for a single person and E 8 million for a family. The overall insured value of household and personal effects, motor vehicle,

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		caravan, trailers, motor cycles, coins and stamps (excluding legal tender in Eswatini) may not exceed E 2,000,000 a family unit or single person. The overall insured value of motor vehicles, caravans, trailers, and motorcycles a family unit or single person may not exceed E 2,000,000. There is no limit on transfer of assets abroad but should the values of the assets insured exceed E 2 million, an application should be forwarded to the Central Bank for approval. The General rule is that when a transaction is above a quantitative limit set by the Central Bank or does not relate to any section, in the Manual of Exchange Control Rulings, It should be forwarded to the Central Bank for approval as guided by A.3(B)(i) of the Manual (Attached document refers).
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Transfers of casino, gambling, and lottery winnings by nonresidents need CBE approval. Residents are not allowed to participate in lotteries organized abroad.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	No provision exists, and no prior approval by the CBE is required for banks to borrow from abroad.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	No provision exists, and no prior approval by the CBE is required for banks to provide financial and commercial credits to nonresidents.
Lending locally in foreign exchange	No.	No provision exists, and no prior approval by the CBE is required.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve ratio is 6% of a bank's total domestic public liabilities, excluding balances for which it is liable to a financial institution; 100% of deposits at the CBE are eligible to satisfy the reserve requirement.
Liquid asset requirements	Yes.	The requirement is liquid assets equal to at least 20% of total liabilities to the public in Eswatini for the Eswatini Development and Savings Bank and 22% for commercial banks.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	There is no differential treatment of deposit accounts held by nonresidents.
Reserve requirements	No.	The ratio is 5% of a bank's total domestic public liabilities, excluding balances for which it is liable to a financial institution; 100% of vault cash and deposits at the CBE are eligible to satisfy the reserve requirement.
Liquid asset requirements	No.	The ratio is 20% of total public liabilities for the Eswatini Development and Savings Bank and 22% for commercial banks.
Interest rate controls	No.	There is a guideline the CB issued which sought to give fair banking practice.
Credit controls	No.	The CB implemented a Risk-Based Supervision Framework which gives guidance on Credit Risk Management.
Investment regulations	No.	

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Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Open foreign exchange positions are reported on a weekly basis. Open foreign position limits are limited to 10% of banks' total liabilities.
On resident assets and liabilities	Yes.	Open foreign exchange positions are reported on a weekly basis. Open foreign position limits are limited to 10% of banks' total liabilities.
On nonresident assets and liabilities	Yes.	Open foreign exchange positions are reported on a weekly basis. Open foreign position limits are limited to 10% of banks' total liabilities.
Provisions specific to institutional investors	Yes.	Eswatini institutional investors may invest abroad, subject to foreign portfolio investment allowances.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Eswatini institutional investors for exchange control purposes may transfer up to 25% of their total assets directly by acquiring foreign-currency-denominated portfolio assets. Institutional investors that have exceeded their prudential limits are required to rebalance their portfolios within a period of 12 months. No further offshore investments are allowed until the institutional investor is within the prescribed offshore investment limit.
Limits (max.) on investment portfolio held abroad	Yes.	Eswatini institutional investors for exchange control purposes may transfer up to 25% of their total assets directly by acquiring foreign-currency-denominated portfolio assets. Institutional investors that have exceeded their prudential limits are required to rebalance their portfolios within a period of 12 months. No further offshore investments are allowed until the institutional investor is within the prescribed offshore investment limit.
Limits (min.) on investment portfolio held locally	Yes.	At least 30% of assets of insurance companies should be held locally.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Eswatini institutional investors for exchange control purposes may transfer up to 25% of their total assets directly by acquiring foreign-currency-denominated portfolio assets. Institutional investors that have exceeded their prudential limits are required to rebalance their portfolios within a period of 12 months. No further offshore investments are allowed until the institutional investor is within the prescribed offshore investment limit.
Limits (max.) on investment portfolio held abroad	Yes.	Eswatini institutional investors for exchange control purposes may transfer up to 25% of their total assets directly by acquiring foreign-currency-denominated portfolio assets. Institutional investors that have exceeded their prudential limits are required to rebalance their portfolios within a period of 12 months. No further offshore investments are allowed until the institutional investor is within the prescribed offshore investment limit.
Limits (min.) on investment portfolio held locally	Yes.	At least 30% of assets of pension funds should be held locally.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by	Yes.	Collective scheme management companies and investment managers

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nonresidents		registered as institutional investors for Exchange Control purposes may transfer up to 35% of their total retail assets under management to acquire foreign portfolio investment. Institutional investors that have exceeded their prudential limits are required to rebalance their portfolios within a period of 12 months. No further offshore investments are allowed until the institutional investor is within the prescribed offshore investment limit.
Limits (max.) on investment portfolio held abroad	Yes.	Collective scheme management companies and investment managers registered as institutional investors for exchange control purposes may transfer up to 35% of their total retail assets under management to acquire foreign portfolio investment. Institutional investors that have exceeded their prudential limits are required to rebalance their portfolios within a period of 12 months. No further offshore investments are allowed until the institutional investor is within the prescribed offshore investment limit.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.

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For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.

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Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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ETHIOPIA

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2019 Article IV Consultation with Ethiopia states that, as of December 11, 2019, Ethiopia maintained four restrictions on payments and transfers for current international transactions, which relate to: (1) the tax certification requirement for repatriation of dividend and other investment income; (2) restrictions on repayment of legal external loans and suppliers of foreign partners credits; (3) the prioritization and rationing of foreign exchange to certain imports of goods and services, debt payments and invisibles, and (4) the requirement to provide a clearance certificate from the National Bank of Ethiopia (NBE) to obtain import permits. These restrictions are inconsistent with Article VIII, Section 2(a), of the IMF's Articles of Agreement. (Country Report No. 20/29)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Ethiopia is the Ethiopian birr.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is managed floating. The de

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		facto exchange rate arrangement is classified as crawl-like. The NBE publishes the exchange rates and the amount traded in the interbank market on its periodical publications. Currently, the NBE intervenes in the foreign exchange market an amount of US$50,000 on a daily basis to determine the indicative exchange rate. The intervention data are publicly available on monthly basis in the quarterly and annual bulletins of the Bank. After 1-month lag of each quarter and fiscal year, the intervention information is available to the public.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate of the birr against the US dollar is determined in the interbank foreign exchange market as the weighted average exchange rate. The official exchange rate applies to all transactions, including purchases from exporters, remittances, and purchases by commercial banks. The rate of change in the official exchange rate has been constant, except during periods of ad hoc adjustment. The official exchange rate is calculated on the daily basis based on a one-day lagged of the weighted average of interbank exchange rate. Ad hoc adjustment refers devaluation measures which have direct impact on the rate of change.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The objectives of monetary policy are to maintain price and exchange rate stability and support economic growth. In achieving these objectives, the NBE sets broad money as an intermediate target and reserve money as its operational target. The document for Ethiopia's Monetary Policy Framework was formally developed in February 2009.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		

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Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	Authorized banks must charge a commission of 2.5% on sales of foreign exchange, which accrues to the NBE. Effective May 2, 2022, exchange commission increased to 2.5% from 1.5%.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	The foreign exchange rate for commercial banks is the NBE interbank indicative buying rate of the day. The margin between the buying and selling rates may not exceed 2% of the NBE interbank indicative buying rate of the day. Commercial banks must be licensed by the NBE to open a foreign exchange bureau. These bureaus may make legitimate payments for business and holiday travel, education, medical expenses abroad, etc. The NBE sells foreign exchange to commercial banks but not directly to foreign exchange bureaus. As of October 19, 2023, 4,316 foreign exchange bureaus were given a license to operate, but only 2,356 are actively operating in the market. Effective May 2, 2022, the NBE charges a

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		fee of 2.5% (previously 1.5%) on foreign exchange transactions.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	Yes.	The NBE supplies foreign exchange to finance priority sector projects through public banks based on estimates at the beginning of each fiscal year. In the allocation of foreign currency, the NBE identifies the categories of priority or essential import goods as listed: The first priority import goods are categories as pharmaceuticals. The second priority goods are input for agriculture and input for manufacturing. And the third priority import goods are motor oil, lubricant, liquefied petroleum gas, agricultural input and machines, pharmaceutical product, procurement machinery for manufacturing industry, etc. Since October 5, 2020, fuel import excluded from priority import list.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	All NBE-licensed commercial banks may participate in the market. As of December 31, 2022, 32 banks are licensed but only 23 are active. The NBE does not propose its own quotes to market participants, rather participants other than the NBE quote their buying and selling rates.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	The market operates based on a market-making agreement; eligible participants quote their buying and selling rates on their own behalf.
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Eligible entities for accepting payments in foreign currency cash notes can use foreign currency in their transactions with nonresidents.
For current transactions and payments	Yes.	All payments for valuable export goods must be made in foreign exchange or by the debit of a "Nonresident Transferable Birr or Foreign Currency Account" maintained with local banks by their correspondent banks abroad. Similarly, no carrier, shipping, or forwarding agent, whether foreign or national, must accept only foreign exchange for conveyance of cargo on f.o.b. basis unless specifically authorized by the NBE. Import payments also must be made in foreign exchange. Freight payments for resident and nonresident shipping carriers should be made also in foreign exchange.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	In money and capital markets, resident-to-resident transaction should be made in domestic currency.
Transactions in derivatives and other instruments	No.	There is currently no derivative market in Ethiopia.
Credit operations	Yes.	In domestic credit operations, resident-to-resident transaction should

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		be made in domestic currency.
Use of foreign exchange among residents	Yes.	Residents may not use foreign currency among themselves.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Ethiopia is a member of COMESA.
Clearing agreements	Yes.	Payments may be made within the framework of COMESA or the African Economic Community and are eligible for tariff preferences under the AGOA.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Commercial banks are required to verify compliance of buyers and sellers of foreign exchange with import- and export-licensing requirements and foreign exchange regulations.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	The ownership of personal gold jewelry is permitted. However, unless authorized by the Ministry of Mines and Energy, the possession or custody of 50 ounces or more of raw or refined gold or platinum, or gold or platinum in the form of nuggets, ore, or bullion, is not permitted. Private companies may directly export newly worked gold, silver, and jewelry.
On external trade	Yes.	Only the NBE or a person with authorization may export gold. Exporters of gold must repatriate the full proceeds. Payments for exports of gold must comply with foreign exchange directives. Those engaged in the sale of gold to the NBE or for exportation must (1) declare the place of origin of the gold and (2) present a certificate of the gold's purity from the appropriate authority.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Effective September 5, 2022, a person entering and departing from Ethiopia may hold up to a maximum of Br 3,000 a trip to and from Ethiopia. Effective September 5, 2022, a person entering and departing from Djibouti may hold up to maximum of Br 10,000 a trip to and from Ethiopia and Djibouti.
Foreign currency	Yes.	Residents may take abroad in cash US$4,000 for holiday travel and US$10,000 for business travel with documentation. Nonresidents may take up to US$4,000 or its equivalent in cash abroad without documentation. Larger amounts require documentation.
On imports	Yes.	
Domestic currency	Yes.	Effective September 5, 2022, a person entering and departing from Ethiopia may hold up to a maximum of Br 3,000 a trip to and from Ethiopia.

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Foreign currency	No.	Effective September 5, 2022, declaration is required for imports of foreign currency more than US$ 4,000 or equivalent of other currencies for a person residing in Ethiopia. However, for foreign nationals of Ethiopian origin, Ethiopian national or foreign not residing in Ethiopia who enters into the country carrying foreign currency exceeding $10,000 or equivalent in other currencies must declare the foreign currencies.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Commercial banks may open foreign exchange accounts for eligible exporters of goods and services and recipients of inward remittances without NBE approval. Resident Ethiopians are allowed to open foreign currency saving accounts in commercial banks without NBE approval.
Approval required	No.	
Held abroad	Yes.	Ethiopian airlines and shipping companies may maintain accounts abroad. Effective September 8, 2023, few strategic FDI projects (large-scale PPP project on power and infrastructure; mining projects with export potential and other eligible projects) are eligible to open offshore accounts.
Approval required	Yes.	Approval is required by the NBE to open foreign exchange account abroad.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Three types of nonresident accounts are allowed: foreign exchange accounts, nonresident transferable birr accounts, and nonresident nontransferable birr accounts. Deposits to these accounts must be in foreign currency. Balances in the first two accounts may be transferred abroad or used for international payments; balances in nonresident nontransferable birr accounts must be used mainly for local expenses. Transfers from fixed and current foreign exchange accounts to nonresident nontransferable birr accounts do not require NBE approval. Diplomatic missions, members of international organizations, foreign investors, nonresident Ethiopians, and nonresident foreign nationals of Ethiopian origin may open all the three types of foreign exchange accounts. Other nonresidents may open only nonresident nontransferable birr accounts. Nonresident accounts must be demand deposit accounts and may earn interest, but interest may not be paid on nonresident foreign currency current accounts. These must have the equivalent of US$100 as a minimum deposit. Foreign currency fixed accounts must have at least the equivalent of US$5,000, but there is no maximum. Foreign exchange accounts may hold only US dollars, pounds sterling, and euros. Banks may accept deposits in other convertible currencies, but they must be converted to one of the three above-named currencies. Foreign exchange accounts may be used for payments and transfers abroad, provided the account holder has a business license to do so. According to the Diaspora Account Directive (No. FXD/69/2021), a bank is allowed to set their own interest rate on nonresident fixed foreign currency account on negotiation but not less than LIBOR. Similarly, interest rate payment on non-repatriable birr account is

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		also on negotiation, provided the interest rate should not be less than the minimum deposit rate set by the NBE. Nonresident Ethiopians and nonresident foreign nationals of Ethiopian Origin are allowed to open foreign currency saving accounts so as to encourage inflow of foreign exchange. This foreign exchange account holders have the right to sell to banks, pay travel expenses, withdraw 10% of balance in debt card and other domestic payments. The interest rate must be calculated in foreign currency but paid in local currency. The minimum interest rate must be LIBOR plus 4%.
Approval required	Yes.	Nonresident foreign exchange diaspora accounts do not require approval. However, foreign investment companies and non-governmental organizations (NGOs) are required to obtain authorization from NBE to open foreign exchange accounts.
Domestic currency accounts	Yes.	Nonresidents other than diplomatic missions, members of international organizations, foreign investors, nonresident Ethiopians, and nonresident foreign nationals of Ethiopian origin may open only nontransferable birr accounts.
Convertible into foreign currency	Yes.	Balances in nonresident nontransferable birr accounts must be used only for local expenses. Transfers of funds from fixed and current foreign exchange accounts to nonresident nontransferable birr accounts do not require NBE approval.
Approval required	Yes.	Approval by the NBE is required for the conversion of balances in nonresident nontransferable birr accounts to foreign exchange.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	Importation under a supplier credit requires approval of the terms and conditions of the credit, and such importation is allowed only for individuals or enterprises engaged in export activities and/or who generate foreign exchange.
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payment is not allowed for payments greater than US$5,000 unless backed by a foreign bank guarantee.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Final invoices that separately show f.o.b., c.f.r. charges, and nonnegotiable bills of lading are required.
Domiciliation requirements	Yes.	Importers are required to insure their goods with local insurance companies.
Preshipment inspection	Yes.	Preshipment inspection is required only for imports from China.
Letters of credit	No.	LCs are considered an acceptable payment method for imports but are not required.
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange licenses may be obtained when a valid importer's license is presented. Applications for exchange licenses must be accompanied by information regarding costs and payment terms and evidence that adequate insurance has been purchased from an Ethiopian insurance company.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	

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Negative list	Yes.	The negative list includes items restricted for reasons of health and security.
Open general licenses	Yes.	However, imports by federal and regional offices are exempt from this requirement. Except prohibited goods (used cloths, arms and ammunitions) and restricted goods which require special permit (pharmaceuticals and medicines, telecommunication and communication equipment's), goods such as chemicals and fertilizer and food products are allowed to import via a general license. The NBE introduced this restriction in line with Counsel of Minsters Commercial Registration and Licensing Regulation.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The item-weighted average tariff rate is 15.3%. Imports are subject to a 3% withholding tax. The withholding rate (3%) is an income or profit tax which always needs to be reconciled with the profit tax that has to be paid at the end of the tax year.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	All exporters must repatriate 100% of their export proceeds in foreign exchange within 90 days from the date of issue of export applications.
Surrender requirements	Yes.	Commercial banks bear the responsibility for ensuring that export proceeds for all export permits approved are repatriated into the country within 90 days from the date of issue of export permits for all modes of payments applicable. Banks must make follow-ups, exercise reasonable care, and take measures to insure timely repatriation of proceeds.
Surrender to the central bank	Yes.	Effective August 11, 2023, all commercial banks, except for Development Bank of Ethiopia, are required to surrender 50% of their foreign exchange inflow from export of goods and services, while the amount to be surrendered from private transfers (remittance) and NGO transfers to NBE would remain at 70%, at the prevailing official mid exchange rate immediately on the day of the receipt. Previously, effective January 6, 2022, all commercial banks, except for Development Bank of Ethiopia, are required to surrender 70% of their foreign exchange inflow from export of goods, services, private transfers, and NGO transfers to NBE at the prevailing mid exchange rate immediately on the day of the receipt. (Previously, the surrender requirement was 50% of foreign exchange inflow, calculated using the weighted average daily interbank buying exchange rate.).
Surrender to authorized dealers	Yes.	Effective August 11, 2023, exporters and inward remittances beneficiaries may retain 40% (previously 20%) of export of goods and services earnings and 20% of inwards remittances in foreign exchange for an indefinite period in their domestic foreign exchange accounts. The retained export proceeds of good and services and inward remittances must be retained in domestic banks. The remaining balance must be surrendered to respective banks at the prevailing official buying exchange rate immediately on the day of the receipt. Effective January 6, 2022, exporters and inward remittances beneficiaries may retain 20% (previously 40%) of their export

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		proceeds in foreign exchange for an indefinite period in their domestic foreign exchange accounts.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	LCs are considered an acceptable payment method for exports but are not required.
Guarantees	Yes.	An export credit guarantee plan is operational.
Domiciliation	Yes.	Domiciliation is required for coffee exports.
Preshipment inspection	No.	
Other	Yes.	Exporters must prove to the NBE that they have repatriated 100% of previous export earnings before they may export again.
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are processed by commercial banks, with the exception of coffee and gold exports, which are licensed by the NBE.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	Yes.	Approval is given by commercial banks.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Documentary evidence of unloading, storage, commission, and administrative expenses is required.
Investment-related payments	Yes.	
Prior approval	Yes.	After paying local taxes, foreign companies may remit dividends from their invested and reinvested capital in any currency. Approval is required for amortization of loans and depreciation of direct investment.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	These are subject to an assessment based on the NBE's criteria. Evidence of a contractual agreement between parties is required by the NBE.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Individuals traveling abroad on holiday may purchase foreign currency up to US$4,000 and business travelers up to US$10,000 or its equivalent in cash; the rest must be in other payment instruments.
Indicative limits/bona fide test	Yes.	Travelers must present passports and airline tickets.

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Personal payments	Yes.	
Prior approval	Yes.	Approval is given by commercial banks.
Quantitative limits	No.	There are no limits on allowances for medical treatment and study abroad. A foreign exchange bureau may sell foreign exchange for medical treatment abroad on presentation of a medical board certificate, passport, and airline ticket. Up to US$4,000 or its equivalent may be in cash and the balance in other instruments. Additional foreign exchange may be approved for a patient being treated abroad, provided the application is supported by medical bills or hospital statements. A foreign exchange bureau may sell foreign exchange for tuition, subsistence, and other associated education expenses on presentation of a letter of admission and evidence of a student's attendance. Sales of foreign exchange to a student may be approved up to US$4,000 or its equivalent in other instruments. The tuition fee, subsistence, and other associated expenses must be paid directly through a bank transfer or draft to the institution.
Indicative limits/bona fide test	Yes.	Verification by a medical board and the Ministry of Health is required for medical payments.
Foreign workers' wages	Yes.	
Prior approval	Yes.	Approval is given by commercial banks.
Quantitative limits	Yes.	Foreign contractual employees of the government may take out foreign exchange at the time of their final departure, not exceeding their net earnings during their term of service. The value of free accommodation, gratuities, accumulated leave pay, and similar benefits may not be included for remittance purposes. Other expatriate employees may take out foreign exchange on final departure, not exceeding their net earnings. Foreign employees of embassies, delegations, consulates, and international organizations whose salaries are paid fully in foreign currency from sources outside Ethiopia may take out and/or transfer their net earnings, not exceeding the balance in their nonresident foreign exchange account, nonresident transferable birr account, and/or nonresident nontransferable birr account.
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	Directive No. FXD/56/2018 is followed for the issuance, use, and acceptance of international credit and debit cards, foreign currency cash notes, and traveler's checks. However, only debit cards for government travel are currently in use and are still in the testing phase through the Commercial Bank of Ethiopia.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	Yes.	Approval is given by commercial banks, for example, payments for subscription and membership fees.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Documentation is required from the overseas institute, and approval must be given by commercial banks for subscription and membership fees. NBE verification of contractual agreements between the parties is required for the transfer of legal fees, and applications are

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considered on a case-by-case basis.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	All exporters (of goods and services) must repatriate 100% of their export proceeds in foreign exchange within 90 days from the date of issue of export applications.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Effective January 6, 2022, all commercial banks, except for Development Bank of Ethiopia, are required to surrender 70% of their foreign exchange inflow from export of goods, services, private transfers, and NGO transfers to the NBE at the prevailing mid exchange rate immediately on the day of the receipt. Previously, the surrender requirement was 50% of foreign exchange inflow, calculated using the weighted average daily interbank buying exchange rate. Effective August 11, 2023, all commercial banks, except for Development Bank of Ethiopia, are required to surrender 50% (previously 70%) of their foreign exchange inflow from export of goods and services and 70% from private transfers (remittance) and NGO transfers to NBE at the prevailing official mid exchange rate immediately on the day of the receipt.
Surrender to authorized dealers	Yes.	Effective January 6, 2022, exporters and inward remittances beneficiaries may retain 20% (previously 40%) of their export proceeds in foreign exchange for an indefinite period. The remaining balance must be surrendered to respective banks at the prevailing official buying exchange rate (previously at the prevailing mid exchange rate) immediately on the day of the receipt. Effective August 11, 2023, exporters and inward remittances beneficiaries may retain 40% (previously 20%) of export of goods and services earnings and 20% of inwards remittances in foreign exchange for an indefinite period. The retained export proceeds must be retained in domestic banks. The remaining balance must be surrendered to respective banks at the prevailing official buying exchange rate immediately on the day of the receipt. Regarding foreign exchange from travel and other means, Ethiopian residents are not allowed to hold foreign currency for more than 30 days since the date of acquisition or declaration and have the duty to convert the currency in possession with authorized foreign exchange bureaus.
Restrictions on use of funds	Yes.	These funds may be used for imports of goods and services, export promotion, training and education, credit repayment, and other NBE-approved payments.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Effective January 6, 2022, all commercial banks, except Development Bank of Ethiopia, are required to surrender 70% of their foreign exchange inflow to the NBE at the prevailing mid exchange rate immediately on the day of the receipt. Previously, the surrender requirement was 50% of foreign exchange inflow, calculated using the weighted average daily interbank buying exchange rate.

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		Effective August 11, 2023, all commercial banks, except Development Bank of Ethiopia, are required to surrender 50% (previously 70%) of their foreign exchange inflow from export of goods and services and 70% from private transfers (remittance) and NGO transfers to NBE at the prevailing official mid exchange rate immediately on the day of the receipt.
Surrender to authorized dealers	Yes.	Authorized banks must attempt to obtain information regarding the purpose of inward remittances before they disburse funds remitted in foreign exchange from abroad. In particular, loans and capital investment must be identified with the prior NBE authorization.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may not purchase shares of financial institutions.
Sale or issue locally by nonresidents	Yes.	Nonresidents may not issue shares of financial institutions.
Purchase abroad by residents	Yes.	Residents may not buy shares abroad.
Sale or issue abroad by residents	Yes.	Residents may not issue shares of financial institutions to nonresidents.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may not purchase government bonds.
Sale or issue locally by nonresidents	Yes.	Residents may not purchase bonds from nonresidents.
Purchase abroad by residents	Yes.	Residents may not purchase bonds from nonresidents.
Sale or issue abroad by residents	Yes.	Residents may not issue bonds to nonresidents.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may not purchase government treasury bills.
Sale or issue locally by nonresidents	Yes.	Residents may not purchase debt instruments from nonresidents.
Purchase abroad by residents	Yes.	Residents may not purchase debt instruments from nonresidents.
Sale or issue abroad by residents	Yes.	Residents may not issue other debt instruments to nonresidents.
On collective investment securities	Yes.	There is no domestic market for these instruments.
Purchase locally by nonresidents	No.	There is no domestic market for these instruments.
Sale or issue locally by nonresidents	No.	There is no domestic market for these instruments.
Purchase abroad by residents	Yes.	Residents may not buy these instruments abroad.
Sale or issue abroad by residents	Yes.	Residents may not issue or sell these instruments abroad.
Controls on derivatives and other instruments	Yes.	There is no domestic market for these instruments.
Purchase locally by nonresidents	No.	There is no domestic market for these instruments.
Sale or issue locally by nonresidents	No.	There is no domestic market for these instruments.
Purchase abroad by residents	Yes.	Residents may not buy these instruments abroad.

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Sale or issue abroad by residents	Yes.	Residents may not issue or sell these instruments abroad.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Residents engaged in import business may extend credit to suppliers with NBE approval.
To residents from nonresidents	Yes.	An eligible borrower must first get approval from NBE before entering to external loan and supplier credit agreement by fulfilling registration documents. Effective September 7, 2022, no repayment in convertible foreign currency may be allowed for the purpose of payment of external loan and supplier's credit, unless registered by the NBE.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Residents may not extend financial credit to nonresidents.
To residents from nonresidents	Yes.	Banks need approval from the NBE to borrow funds abroad, but not to overdraw their accounts with foreign correspondents or accept deposits. Other residents must obtain NBE approval, and the credits must be used for export-generating investments. Effective September 7, 2022, no repayment in convertible foreign currency may be allowed for the purpose of payment of external loan and supplier's credit, unless registered by the NBE.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Residents may not provide guarantees to nonresidents for independent financial operation. Borrowers with registered external loan must repay their debt from the foreign exchange proceeds of the project financed by the loan and borrowers with registered supplier or foreign partner credit and import LC must repay their debt from their export proceeds.
To residents from nonresidents	Yes.	Commercial banks may issue guarantees on behalf of foreign banks to resident companies.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Residents may not invest abroad.
Inward direct investment	Yes.	Investment Proclamation No. 1180/2020 introduced a new framework to register and administer FDI, including a provision for a minimum capital amount per project a foreign investor must invest, ranging from US$50,000 to US$200,000 depending on the type of investment being undertaken. According to Investment Regulation No. 474/2020, five sectors are reserved for joint investment with the government, thirty-two sectors exclusively reserved for domestic investors, and seven sectors for a joint venture with domestic investors. All sectors that are not listed in these categories are open for foreign investment. Any investor (foreign or domestic) may only invest in the following sectors jointly with the government: defense industries, import and export of electrical energies, international air transport services, bus rapid transit and postal services excluding courier services. Investment Regulation (No. 474/2020) lists sectors which are reserved for only domestic investors. These include investments in finance sector except capital goods finance, the transmission and supply of electricity through the Integrated National Grid System as well as wholesale and retail trades, health services, export of raw coffee, khat, oil seeds, pulses, minerals, hides and skins, products of natural forests, chicken and livestock, and hospitality industries. In addition,

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		a foreign investor may jointly invest with a domestic investor in freight forwarding and shipping agency services, domestic air transport services, and cross-country public transport using buses having a capacity of more than 45 seats, advertisement, audiovisual, accounting and auditing services. In such cases, foreign investor(s) can own up to a maximum of 49% of share capital. Previously, investment only in the telecommunications and defense industries was allowed in partnership with the government. Investment in the postal service (except courier service), the transmission and supply of electricity through the Integrated National Grid System, and air transport services using aircraft that seat more than 50 passengers was reserved for the government. All investment (except expansion of air transport services, the generation or transmission or distribution of electric power, and the provision of communications services) must be approved and certified by the Ethiopian Investment Commission (EIC). However, the issuance, renewal, amendment, substitution, replacement and cancellation of investment permits, and the issuance of investment expansion or upgrading permits for air transport services, the generation or transmission or distribution of electric power, and the provision of communications services must be carried out by the Ethiopian Civil Aviation Authority, the Ethiopian Energy Authority, and the Ethiopian Communications Authority, respectively, representing the commission. Income tax exemptions are granted for up to six years for new projects in manufacturing and agro-industry that export at least 50% of production or for which at least 75% of production is used in the production of export items. Expansion and upgrading of existing projects are also eligible for exemption from income tax for two years if the expansion or upgrade increases production value by 25% and if 50% of the production is for export. Investment activities that export less than 50% of their production and produce exclusively for the local market receive up to three years of income tax exemption. Imports of investment goods and inputs for such ventures are also eligible for exemption from customs duties and other specified import levies. The new investment incentives as well as the type and amount of investment incentives must be determined by a Regulation to be enacted by the council of ministers. The council of ministers issued new investment incentive regulation on July 12, 2022.
Controls on liquidation of direct investment	Yes.	EIC authorization is required for repatriation of capital. Registration of capital inflows with the EIC establishes the evidence of inflows required for authorization. All recognized and registered foreign investment may be terminated on presentation of documents regarding liquidation and on payment of all taxes and other liabilities. Subject to appropriate documentation, foreign investors may transfer their capital without limitation on final departure from Ethiopia. All foreign investors may also transfer abroad in convertible currency payments for debts, fees, or royalties with respect to technology transfer agreements.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	The purchase of personal real estate abroad is not permitted.
Purchase locally by nonresidents	Yes.	All ownership rights to land are vested in the state; private ownership is not allowed. Land user rights may be acquired through certificates or lease arrangements. Foreign investors may not own land, but may obtain access to land through lease arrangements with the government.
Sale locally by nonresidents	Yes.	All ownership rights to land are vested in the state; private ownership is not allowed.

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Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	No person may enter into a foreign loan contract without the prior consultation with the NBE in the case of the government and approval by the NBE in all other cases.
To residents from nonresidents	Yes.	No person may enter into a foreign loan contract without the prior consultation with the NBE in the case of the government and approval by the NBE in all other cases.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	The regulations on financial credits apply.
To residents from nonresidents	Yes.	The regulations on financial credits apply.
Settlement of debts abroad by immigrants	No.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These transactions are not allowed.
Transfer into the country by immigrants	Yes.	These transactions are not allowed.
Transfer of gambling and prize earnings	Yes.	These transactions are not allowed.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Commercial banks may engage in foreign currency intermediation through borrowing foreign currency including from foreign lenders and grating credit to local borrowers in foreign currency.
Maintenance of accounts abroad	Yes.	Banks may maintain nostro accounts with their correspondents, with NBE approval.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial banks may not provide financial or commercial credits to nonresidents.
Lending locally in foreign exchange	Yes.	Commercial banks may lend locally in foreign exchange. However, foreign currency acquired through external borrowing must be utilized only to foreign currency generating activities in Ethiopia or depositing at NBE or at foreign correspondent bank. The loan should not exceed 70% of the total cost of project or net worth of the business to which the credit is extended and the remaining 30% must be contributed by the borrower.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Commercial banks may not acquire shares, stocks, and bonds issued abroad denominated in foreign exchange unless authorized by the NBE. This might apply for locally issued securities in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	There is no differential treatment of foreign and local currency deposits for reserve requirement calculation.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	

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Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	Yes.	According to Diaspora Account Directive (No. FXD/69/2021), a bank is allowed to set their own interest rate on nonresident fixed foreign currency account on negotiation but not less than LIBOR. Similarly, interest rate payment on nonresident non-repatriable birr account is also on negotiation, provided the interest rate should not be less than the minimum deposit rate set by the NBE.
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Authorized banks may not acquire shares, stocks, and bonds denominated in foreign exchange unless authorized by the NBE.
In banks by nonresidents	Yes.	Only foreign nationals of Ethiopian origin and organizations fully owned by foreign nationals of Ethiopian origin or jointly owned by foreign nationals of Ethiopian origin and Ethiopian nationals can subscribe to bank shares in foreign exchange. It is not allowed to invest in banks for nonresidents who are not Ethiopian origin.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The overall foreign currency position of each bank at the close of business each Friday may not exceed 15% of its capital. Commercial banks' holdings of foreign currency notes are limited to 5% of paid-up capital. The overall open foreign currency position is computed as follows: First, the difference between assets and liabilities in each foreign currency is determined and categorized either as a long or as a short position. Second, open positions in each foreign currency as determined and categorized under the first step are converted to their birr equivalents using the buying rate at the close of business on Friday. Third, the birr equivalents of open positions in each foreign currency obtained under the second step are added up to arriving at the total long and short positions. Fourth, the greater of the total long or short position determined under the third step is divided by the bank's total capital to obtain the ratio. Last, the ratio obtained under the fourth step is compared with the limit on the overall open foreign currency position. There is no differential treatment for resident and nonresident asset and liabilities.
On nonresident assets and liabilities	Yes.	The overall foreign currency position of each bank at the close of business each Friday may not exceed 15% of its capital. Commercial banks' holdings of foreign currency notes are limited to 5% of paid-up capital. The overall open foreign currency position is computed as follows: First, the difference between assets and liabilities in each foreign currency is determined and categorized either as a long or as a short position. Second, open positions in each foreign currency as determined and categorized under the first step are converted to their birr equivalents using the buying rate at the close of business on Friday. Third, the birr equivalents of open positions in each foreign currency obtained under the second step are added up to arriving at the total long and short positions. Fourth, the greater of the total long or short position determined under the third step is divided by the bank's total capital to obtain the ratio. Last, the ratio obtained under the fourth step is compared with the limit on the overall open foreign currency position.

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Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Residents may not invest in foreign securities.
Limits (max.) on securities issued by nonresidents	Yes.	Residents may not invest in foreign securities.
Limits (max.) on investment portfolio held abroad	Yes.	Residents may not invest in foreign securities.
Limits (min.) on investment portfolio held locally	Yes.	Residents may only invest in domestic securities.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Residents may not invest in foreign securities.
Limits (max.) on securities issued by nonresidents	Yes.	Residents may not invest in foreign securities.
Limits (max.) on investment portfolio held abroad	Yes.	Residents may not invest in foreign securities.
Limits (min.) on investment portfolio held locally	Yes.	Residents may only invest in domestic securities.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Residents may not invest in foreign securities.
Limits (max.) on securities issued by nonresidents	Yes.	Residents may not invest in foreign securities.
Limits (max.) on investment portfolio held abroad	Yes.	Residents may not invest in foreign securities.
Limits (min.) on investment portfolio held locally	Yes.	Residents may only invest in domestic securities.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	No Retail and/or wholesale central bank digital currency (CBDC) launched by NBE
Retail	No.	No retail and/or wholesale CBDC launched by the NBE.
Wholesale	No.	No retail and/or wholesale CBDC launched by the NBE.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	No retail and/or wholesale CBDC launched by other jurisdictions.
Retail	No.	No retail and/or wholesale CBDC launched by other jurisdictions.
Wholesale	No.	No retail and/or wholesale CBDC launched by other jurisdictions.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	No retail and/or wholesale CBDC launched by the NBE.
Use among residents	n.r.	No retail and/or wholesale CBDC launched by the NBE.
Between residents and nonresidents	n.r.	No retail and/or wholesale CBDC launched by the NBE.
For current transaction	n.r.	No retail and/or wholesale CBDC launched by the NBE.
For capital transactions	n.r.	No retail and/or wholesale CBDC launched by the NBE.

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Transactions in capital and money market instruments	n.r.	No retail and/or wholesale CBDC launched by the NBE.
Transactions in derivatives and other instruments	n.r.	No retail and/or wholesale CBDC launched by the NBE.
Credit operations	n.r.	No retail and/or wholesale CBDC launched by the NBE.
Between nonresidents	n.r.	No retail and/or wholesale CBDC launched by the NBE.
Controls on CBDC launched by another jurisdiction	Yes.	Transaction may not be undertaken.
Acquisition by residents	Yes.	Transaction may not be undertaken.
Use among residents	Yes.	Transaction may not be undertaken.
Between residents and nonresidents	Yes.	Transaction may not be undertaken.
For current transaction	Yes.	Transaction may not be undertaken.
For capital transactions	Yes.	Transaction may not be undertaken.
Transactions in capital and money market instruments	Yes.	Transaction may not be undertaken.
Transactions in derivatives and other instruments	Yes.	Transaction may not be undertaken.
Credit operations	Yes.	Transaction may not be undertaken.
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Crypto transaction may not be undertaken.
Acquisition by residents	Yes.	Crypto transaction may not be undertaken.
Use among residents	Yes.	Crypto transaction may not be undertaken.
Between residents and nonresidents	Yes.	Crypto transaction may not be undertaken.
For current transaction	Yes.	Crypto transaction may not be undertaken.
For capital transactions	Yes.	Crypto transaction may not be undertaken.
Transactions in capital and money market instruments	Yes.	Crypto transaction may not be undertaken.
Transactions in derivatives and other instruments	Yes.	Crypto transaction may not be undertaken.
Credit operations	Yes.	Crypto transaction may not be undertaken.
Controls on utility and security tokens	Yes.	Crypto transaction may not be undertaken.
Acquisition by residents	Yes.	Acquisition may not be allowed of utility and/or security tokens.
Use among residents	Yes.	Use of utility and/or security tokens may not be allowed.
Between residents and nonresidents	Yes.	Use of utility and/or security tokens may not be allowed.
For current transaction	Yes.	Use of utility and/or security tokens may not be allowed.
For capital transactions	Yes.	Use of utility and/or security tokens may not be allowed.
Transactions in capital and money market instruments	Yes.	Use of utility and/or security tokens may not be allowed.
Transactions in derivatives and other instruments	Yes.	Use of utility and/or security tokens may not be allowed.
Credit operations		

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	Yes.	Use of utility and/or security tokens may not be allowed.
Controls on stablecoins	Yes.	Stablecoins transaction may not be undertaken.
Acquisition by residents	Yes.	Obtaining of stablecoins may not be allowed.
Use among residents	Yes.	Use of stablecoins may not be allowed.
Between residents and nonresidents	Yes.	Use of stablecoins may not be allowed.
For current transaction	Yes.	Use of stablecoins may not be allowed.
For capital transactions	Yes.	Use of stablecoins may not be allowed.
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	Use of stablecoins may not be allowed.
Credit operations	Yes.	Use of stablecoins may not be allowed.
Controls on crypto exchanges and trading platforms	Yes.	Crypto transaction may not be undertaken.
Domestic exchanges	Yes.	Crypto transaction may not be undertaken.
Access to crypto exchange/trading platform by residents	Yes.	Crypto transaction may not be undertaken.

Changes during 2022 and 2023

Exchange Arrangement

Exchange tax	*05/02/2022*	Exchange commission increased to 2.5% from 1.5%.
Foreign exchange market		
Spot exchange market	*05/02/2022*	The National Bank of Ethiopia charges a fee of 2.5% (previously 1.5%) on foreign exchange transactions.

Arrangements for Payments and Receipts

Controls on exports and imports of banknotes		
On exports		
Domestic currency	*09/05/2022*	A person entering and departing from Ethiopia may hold up to maximum of Br 3,000 a trip to and from Ethiopia from a previous maximum limit of Br 1,000 a trip.
	09/05/2022	A person entering and departing from Djibouti may hold up to a maximum of Br 10,000 a trip to and from Ethiopia and Djibouti from a previous maximum limit of Br 4,000 a trip.
On imports		
Domestic currency	*09/05/2022*	A person entering and departing from Ethiopia may hold up to a maximum of Br 3,000 a trip to and from Ethiopia from a previous maximum limit of Br 1,000 a trip.
Foreign currency	*09/05/2022*	Declaration of foreign currencies is required for foreign nationals of Ethiopian origin, Ethiopian national or foreign not residing in Ethiopia who enters into the country carrying foreign currency exceeding $10,000 of equivalent in other currencies, from a previous declaration requirement more than $3,000 or equivalent in other currencies.
	09/05/2022	Declaration is required for imports of foreign currency more than $4,000 or equivalent of other currencies for a person residing in

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Ethiopia, from a previous declaration requirement for imports of foreign currency more than $3,000 or equivalent in other currencies.

Resident Accounts

Foreign exchange accounts permitted

Held abroad

09/28/2023 Public-private partnership projects on power and infrastructure, mining projects with export potential and other eligible FDI projects are now allowed to open offshore accounts.

Exports and Export Proceeds

Repatriation requirements

Surrender requirements

Surrender to the central bank

01/06/2022 All commercial banks, except for Development Bank of Ethiopia, are required to surrender 70% of their foreign exchange inflow from export of goods, services, private transfers, and non-governmental organization transfers to National Bank of Ethiopia at the prevailing mid exchange rate immediately on the day of the receipt. (Previously, the surrender requirement was 50% of foreign exchange inflow, calculated using the weighted average daily interbank buying exchange rate.)

08/11/2023 All commercial banks, except for Development Bank of Ethiopia, are required to surrender 50% (previously 70%) of their foreign exchange inflow from export goods, and services to National Bank of Ethiopia at the prevailing official mid exchange rate immediately on the day of receipt.

Surrender to authorized dealers

01/06/2022 Exporters and inward remittances beneficiaries may retain 20% (previously 40%) of their export proceeds in foreign exchange for an indefinite period in their domestic foreign exchange accounts.

08/11/2023 Exporters and inward remittances beneficiaries may retain 40% (previously 20%) of export of goods and services earnings for an indefinite period in their domestic foreign exchange accounts.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to the central bank

01/06/2022 All commercial banks, except for Development Bank of Ethiopia, are required to surrender 70% of their foreign exchange inflow from export of goods, services, private transfers, and non-governmental organization transfers to the National Bank of Ethiopia at the prevailing mid exchange rate immediately on the day of the receipt. Previously, the surrender requirement was 50% of foreign exchange inflow, calculated using the weighted average daily interbank buying exchange rate.

08/11/2023 All commercial banks, except for Development Bank of Ethiopia, are required to surrender 50% (previously 70%) of their foreign exchange inflow from export goods, and services to the National Bank of Ethiopia. at the prevailing official mid exchange rate immediately on the day of receipt.

Surrender to authorized dealers

01/06/2022 Exporters and inward remittances beneficiaries may retain 20% (previously 40%) of their export proceeds in foreign exchange for an indefinite period. The remaining balance must be surrendered to respective banks at the prevailing official buying exchange rate (previously at the prevailing mid exchange rate) immediately on the day of the receipt.

08/11/2023 Exporters and inward remittances beneficiaries may retain 40%

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(previously 20%) of export of goods and services earnings in foreign exchange for an indefinite period in their domestic foreign exchange accounts.

Capital Transactions

Controls on capital transactions

Repatriation requirements

Surrender requirements

Surrender to the central bank	*01/06/2022*	All commercial banks, except Development Bank of Ethiopia, are required to surrender 70% of their foreign exchange inflow to the National Bank of Ethiopia at the prevailing mid exchange rate immediately on the day of the receipt. Previously, the surrender requirement was 50% of foreign exchange inflow, calculated using the weighted average daily interbank buying exchange rate.
	08/11/2023	All commercial banks, except for Development Bank of Ethiopia, are required to surrender 50% (previously 70%) of their foreign exchange inflow from export goods, and services to National Bank of Ethiopia.

Controls on credit operations

Commercial credits

To residents from nonresidents	*09/07/2022*	No repayment in convertible foreign currency may be allowed for the purpose of payment of external loan and supplier's credit, unless registered by the NBE.

Financial credits

To residents from nonresidents	*09/07/2022*	No repayment in convertible foreign currency may be allowed for the purpose of payment of external loan and supplier's credit, unless registered by the NBE.

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FIJI

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		May 28, 1971.
Article VIII	Yes.	Date of acceptance: August 4, 1972.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with Fiji states that, as of November 8, 2021, exchange restrictions subject to Article VIII arise from the Fiji Revenue and Customs Authority tax certification requirements on the transfer abroad of profits and dividends, on the proceeds of airline ticket sales, and on the making of external debt and maintenance payments and from limits on large payments (for example, oil imports and dividends repatriation of foreign banks). The authorities further tightened the controls for payments of international transactions in April 2020, at the onset of the COVID-19 pandemic by either reducing the delegated limits to commercial banks or replacing these limits with the Reserve Bank of Fiji (RBF) discretionary approval requirement on large payments. (Country Report No. 21/257)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Fiji is the Fiji dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional peg vis-à-vis a currency composite. The RBF does not publish intervention data. The power to establish the fixed exchange rate arrangement is provided in the RBF Act. A change in the exchange rate arrangement may be proposed by the RBF and approved by the Minister for Finance.

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		The exchange rate weights at the latest weight review are as follows: US dollar 39.8%, Australian dollar 29.3%, New Zealand dollar 21.9%, Japanese yen 4.8%, and euro 4.2%. The weights are published in the RBF's annual reports.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The external value of the Fiji dollar is officially determined on the basis of a weighted basket of currencies comprising the Australian dollar, Japanese yen, New Zealand dollar, euro, and US dollar. The relative weights are based on three-year moving averages of Fiji's direction of trade and are reviewed annually. The exchange rate of the Fiji dollar vis-à-vis the US dollar, the intervention currency, is fixed daily by the RBF on the basis of quotes for the US dollar and other currencies in the basket. The spread is 5 basis points (bps) on either side of the midrate. The official exchange rate is used for accounting and valuation purposes.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis a composite. The fixed exchange rate regime, combined with capital controls, allows some autonomy in monetary policy. The main policy instrument is the overnight policy rate. Its target corridor comprises a 25 bps band around the overnight rate, with the repurchase rate at the upper bound and the deposit rate at the lower bound. While the current system targets interest rates through monetary operations, the bank continues to monitor monetary aggregates such as liquidity/bank demand deposits, which serve as indicators and cross-checks.
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		

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Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The RBF determines the maximum spreads of the currencies in the basket within which commercial banks may deal with their customers. These are 170 bps for the US dollar, 120 bps for the euro, 300 bps for the Japanese yen, 250 bps for the Australian dollar, and 330 bps for the New Zealand dollar. ADs may freely determine their foreign exchange commissions with their clients.
Spot exchange market	Yes.	Six commercial banks and nine foreign exchange dealers are licensed by the RBF. They may make foreign currency payments and transfers on behalf of their clients and maintain foreign exchange accounts with domestic commercial banks. Their transaction limits

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		are based on their total paid-up capital. Foreign exchange dealers may deal only among themselves and not with the RBF. Money changers may deal only in travel-related transactions and the purchase and sale of banknotes.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The RBF buys and sells US dollars at the official buying and selling rates. It deals – with all six commercial banks and with selected account holders on a daily basis. The width of the spread is F$0.0005 on either side of the midrate.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	ADs are allowed to trade among themselves. The RBF deals only with commercial banks and selected account holders at its own quoted rates. There are six banks participating in the interbank market.
Over the counter	Yes.	The market operates over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Forward exchange facilities are provided by banks. Each authorized bank may write net forward sales contracts up to F$50 million. The RBF does not participate actively in the forward foreign exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Although no specific requirements exist, settlements between entities from two countries must be made in convertible currencies acceptable to both countries.
Controls on the use of domestic currency	Yes.	There are controls on the use of domestic currency and on foreign exchange that may be remitted offshore for the settlement of international current and capital transactions. ADs may transfer up to certain delegated limits without RBF approval, depending on the type of payment, as specified in the Exchange Control regulation.
For current transactions and payments	Yes.	ADs may transfer up to certain delegated limits without RBF approval, depending on the type of payment, as specified in the Exchange Control regulation.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	ADs may transfer up to certain delegated limits without RBF approval, depending on the type of payment, as specified in the Exchange Control regulation.
Transactions in derivatives and other instruments	Yes.	ADs may transfer up to certain delegated limits without RBF approval, depending on the type of payment, as specified in the Exchange Control regulation.
Credit operations	Yes.	ADs may transfer up to certain delegated limits without RBF approval, depending on the type of payment, as specified in the Exchange Control regulation.
Use of foreign exchange among residents	Yes.	RBF approval is required for transactions to be settled in foreign currency between residents.
Payments arrangements	No.	

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Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange control is administered by the RBF, acting as an agent of the government. The RBF delegates to ADs the authority to approve current payments and transfers up to specified limits. Documentary evidence is required for some payments.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may freely purchase, hold, and sell gold coins but not gold bullion.
On external trade	Yes.	The exportation of gold coins, except coins and collectors' pieces for numismatic purposes, requires specific permission from the RBF. The importation of gold, other than gold coins, from all sources requires a specific import license from the Ministry of Economy (MOE); these are restricted to authorized gold dealers. Gold coins and gold bullion are exempt from fiscal duty but are subject to a 9% VAT. Gold jewelry is also exempt from fiscal duty but is subject to a 9% VAT, and is not under licensing control. Samples of gold and gold jewelry sent by foreign manufacturers require import licenses if their value exceeds the equivalent of F$200. Exports of gold jewelry are free of export duty but require licenses if their value exceeds F $20,000. Exports of gold bullion are subject to an export duty of 3%.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports are allowed up to F$500 a trip for travel-related purposes only.
Foreign currency	Yes.	Exports are allowed up to the amount declared at the time of arrival. Residents may take out up to the equivalent of F$10,000 in foreign currency (including a maximum of F$500 in local currency) for each overseas round trip and up to the equivalent of F$5,000 for each overseas one-way trip without RBF approval.
On imports	No.	
Domestic currency	No.	Travelers may bring in Fiji banknotes freely but must declare them to customs or immigration officials on arrival.
Foreign currency	No.	Travelers may bring in foreign currency banknotes freely but must declare them to customs or immigration officials on arrival to export the unused balance on departure.

Resident Accounts

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Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	As of April 2, 2020, offshore investment for individuals was suspended, including the delegation to open foreign currency accounts. Effective June 1, 2023, offshore investment for companies, Fiji National Provident Fund (FNPF), and other Non-Financial Banking Institutions (NBFIs) was no longer suspended but still required Reserve Bank approval. The Reserve Bank allows exporters to retain their annual export proceeds in foreign currency to meet import payments and other offshore liabilities. These accounts should be funded solely by receipts from export of goods and services. ADs are allowed to make payments from the accounts within the delegated limits for raw materials and other liabilities.
Approval required	Yes.	The opening of foreign exchange accounts by resident individuals requires RBF permission. The opening of foreign exchange accounts for film production companies is fully delegated to ADs. ADs may also open foreign exchange accounts for locally registered business entities, up to F$100,000 a company without RBF permission.
Held abroad	Yes.	
Approval required	Yes.	Foreign exchange accounts are permitted, but RBF approval is required.
Accounts in domestic currency held abroad	No.	Residents are not allowed to open accounts in Fiji dollars abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	The conversion of domestic currency to foreign currency requires RBF approval.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts may be credited freely with the account holder's salary (net of tax), interest payable on the account, and payments from other external accounts. Commercial banks may open foreign exchange accounts for regional and international organizations without RBF approval. Balances on nonresident accounts may be freely transferred abroad.
Approval required	No.	
Domestic currency accounts	Yes.	Domestic currency accounts may be credited freely with (1) the account holder's salary (net of tax); (2) interest payable on the account; (3) payments from other external accounts; (4) Fiji National Provident Fund proceeds and tax refunds;(5) proceeds of sales of foreign currency or foreign coins by the account holder; and (6) Fiji banknotes the account holder brought into Fiji and acquired by debiting an external account or through the sale of foreign currency during a temporary visit. Residents may also credit external accounts with payments that are generally or specifically authorized. External accounts may be debited for (1) payments to residents of Fiji; (2) transfers to other external accounts; (3) payments in cash in Fiji; and (4) purchases of foreign exchange. Deposits of proceeds from sale of a Fiji asset can be deposited up to F$100,000 per annum (effective June 1, 2023), ADs may deposit income from rental/directors fees/gratuity up to F$50,000 per annum, living allowances/fees/bonds up to F$2,000 a month and reimbursement of rental bonds/immigration bonds/other up to F$10,000 a month, and other unspecified funds up to F$200 a month without Reserve Bank approval. There are no restrictions on Fiji-dollar-denominated deposits with commercial banks if these investments originate abroad.
Convertible into foreign currency	Yes.	These accounts may be converted to foreign currency for travel and for direct transfer abroad.

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Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	RBF permission is required to offset foreign exchange earnings against foreign currency payables, except to pay for imports already landed in Fiji or for merchandise imports exceeding F$100,000 a transaction.
Minimum financing requirements	No.	
Advance payment requirements	Yes.	ADs may approve advance payments for imports, if required by the supplier. ADs may approve up to F$2 million an invoice for advance payment for imports. Larger payments are subject to RBF approval, which is readily given on submission of a pro forma invoice indicating the requirement for advance payment. Authorized banks may approve prepayment of term bills for goods already landed and cleared by customs up to F$1 million.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Payments for authorized imports are permitted on submission of documentary evidence to ADs, which may allow payments for goods imported under either a specific import license or an OGL. ADs may approve up to F$200,000 an invoice for merchandise. ADs may also approve third-party payments for imports up to F$100,000 for goods already received in Fiji.
Domiciliation requirements	Yes.	The supplier must be a nonresident.
Preshipment inspection	No.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Payments for oil imports require RBF approval. Imports of poultry, poultry products, and lubricants from any source require a specific import license. The Ministry of Commerce, Business Development and Investment issues import licenses, except for gold and timber. Import licenses and other nontariff measures for gold are issued by the MOE. Timber licenses are issued by the Ministry of Forestry. Many consumer goods are imported by national cooperative societies under a joint arrangement with six other Pacific island economies. Import licenses for cyclonic building materials are jointly issued by the Department of Fair Trade and Consumer Affairs and the MOE.
Positive list	No.	
Negative list	Yes.	The importation of a few commodities is prohibited for security, health, or public policy reasons.
Open general licenses	No.	
Licenses with quotas	Yes.	Import licenses for frozen chicken from the United States are issued based on quotas.
Other nontariff measures	Yes.	Imports must meet technical standards for labeling, packaging, and expiration date. Agricultural and forestry products are subject to quarantine clearance.

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Import taxes and/or tariffs	Yes.	The import tariffs are 0%, 3%, 15%, and 27%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Exporters are required to collect the proceeds from exports within six months of the date of shipment of the goods and may not, without specific permission, grant more than six months' credit to a nonresident buyer. Customs officials process and approve exports of goods with no monetary return.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	RBF permission is required to offset foreign exchange earnings against foreign currency payables, except for imports already landed in Fiji. Foreign receipts are credited to the resident's Fiji dollar account unless the resident holds a foreign currency account. Exporters may hold foreign currency receipts up to the limit placed on their foreign currency accounts. Any funds in excess of the limit must be cleared/converted within 72 hours (3 days). RBF approval is required to hold in excess of the 72 hours to allow exporters to time its offshore payments.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Confirmation of receipt of export proceeds is required six months after exportation of goods.
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are issued by customs and monitored by the comptroller of customs. Specific licenses are required only for exports of sugar, wheat bran, copra meal, certain types of lumber, certain animals, and a few other items. The Ministry of Commerce, Business Development and Investment issues export licenses for trochus shells, petroleum, and petroleum products.
With quotas	No.	
Export taxes	Yes.	A 3% export duty is levied on exports of sugar, gold, and silver.
Collected through the exchange system	No.	
Other export taxes	Yes.	A 3% export duty is levied on exports of sugar, gold, and silver.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Except for payments above specified limits, which require RBF approval, authorized banks may approve all payments referred to as

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		delegated bank limit. Documentary evidence is required for the equivalent of F$5,000.
Trade-related payments	Yes.	
Prior approval	Yes.	Authorized banks may remit up to the equivalent of F$1 million for airline tickets. Trade-related payments (for example, fees, services, and charges) may be approved by authorized banks up to the equivalent of F$1 million an invoice. Lease payments may be approved by authorized banks up to F$500,000 a year and imports of lubricant/engine oil/hydraulic oil up to F$100,000 an invoice. Larger amounts require RBF approval.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Insurance payments up to F$100,000 are delegated to licensed brokers. Higher amounts require approval by the RBF Insurance Unit, whereupon insurance transfers are fully delegated to authorized banks.
Investment-related payments	Yes.	
Prior approval	Yes.	Effective June 1, 2023, transfers of profits and dividends and withdrawal of investments are delegated to an AD up to F$250,000 per annum. Amounts above the delegated limits require Reserve Bank approval.
Quantitative limits	Yes.	Effective June 1, 2023, repayment of principal loan is allowed up to F$250,000, and interest payment is fully delegated as per scheduled repayment. Authorized banks may approve payments for commissions and royalties up to the equivalent of F$1 million. Payments exceeding these limits require RBF approval.
Indicative limits/bona fide test	Yes.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Exports are allowed up to the amount declared at the time of arrival. Residents may take out up to the equivalent of F$10,000 in foreign currency for each overseas round trip and up to the equivalent of F $5,000 for each overseas one-way trip without RBF approval.
Indicative limits/bona fide test	Yes.	Supporting travel documents are required.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required for payments exceeding the delegated limits.
Quantitative limits	Yes.	Authorized banks may pay an institution directly up to the equivalent of F$100,000 for medical or education expenses. Effective June 1, 2023, the delegated limits for education expenses to an individual are F$50,000 and for medical expenses to an individual are F$50,000. The maximum authorized banks may approve for personal remittances, including wedding expenses, gifts, and family maintenance, which is F$2,000. For lottery tickets and miscellaneous expenses, it is F$500 a person a year. Payments above these limits will require Reserve Bank approval.
Indicative limits/bona fide test	Yes.	The beneficiary must hold a valid visa overseas.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	Yes.	F$50,000 is delegated to ADs for wages paid in foreign currency to foreigners, especially those working in the fishing industry. Amounts above F$50,000 will require Reserve Bank approval.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Effective June 1, 2023, credit card repayments are delegated to ADs as follows: for individuals F$10,000 a month; for corporate cards F$20,000 a month; and for foreign currency cash withdrawals by resident credit card holders F$1,500 a month. Debit card payments are limited to F$5,000 a month. Higher amounts require RBF approval. Credit and debit cards funded from an external account are not subject to the monthly limits.
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	ADs may approve the full amount for alimony and court-ordered payments. Out of court settlements will require Reserve Bank approval. The limit on payment for subscriptions is F$20,000 per annum. Higher amounts will require Reserve Bank approval.
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds payable to a resident must be repatriated to Fiji within 6 months. 100% proceeds payable to a resident must be repatriated to Fiji unless Reserve Bank approval is obtained to retain the funds offshore.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Residents are required to sell all their foreign currency receipts to an ADs within one month of their return from travel abroad.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Proceeds payable to a resident must be repatriated to Fiji within 6 months. 100% proceeds payable to a resident must be repatriated to Fiji unless Reserve Bank approval is obtained to retain the funds offshore.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	

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Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Approval of investments by nonresidents on the South Pacific Stock Exchange (for investments in listed companies) is fully delegated to ADs. The funding must originate from abroad. Effective June 1, 2023, withdrawal of investment (sale of shares or assets) by nonresidents is delegated to the ADs up to F$250,000 per annum. Payments above the delegated limit require RBF approval.
Sale or issue locally by nonresidents	Yes.	Sale or issue of securities by companies listed on the South Pacific Stock Exchange is fully delegated. Effective June 1, 2023, withdrawal of investment by nonresidents from the sale of shares and assets is delegated to the ADs up to F$250,000 per annum. Payments above this limit require RBF approval.
Purchase abroad by residents	Yes.	Effective June 1, 2023, investment abroad by companies, the Fiji National Provident Fund, and other nonbank financial institutions requires Reserve Bank approval. Investment abroad by individual is suspended.
Sale or issue abroad by residents	Yes.	Proceeds from sales offshore must be repatriated to Fiji.
Bonds or other debt securities	Yes.	There are controls on all transactions in bonds or other debt securities.
Purchase locally by nonresidents	Yes.	Effective June 1, 2023, withdrawal of investment by nonresidents is delegated to ADs up to F$250,000 per annum. Payments above this limit require RBF approval.
Sale or issue locally by nonresidents	Yes.	RBF approval is required.
Purchase abroad by residents	Yes.	Effective June 1, 2023, investment abroad by companies, the Fiji National Provident Fund, and other nonbank financial institutions requires Reserve Bank approval. Investment abroad by individual is suspended.
Sale or issue abroad by residents	Yes.	Proceeds from sales offshore must be repatriated to Fiji.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Effective June 1, 2023, withdrawal of investment by nonresidents is delegated to ADs up to F$250,000 per annum. Payments above this limit require RBF approval.
Sale or issue locally by nonresidents	Yes.	Licensing is required.
Purchase abroad by residents	Yes.	Effective June 1, 2023, investment abroad by companies, the Fiji National Provident Fund, and other nonbank financial institutions requires Reserve Bank approval. Investment abroad by individual is suspended.
Sale or issue abroad by residents	Yes.	Proceeds from sales offshore must be repatriated to Fiji.
On collective investment securities	Yes.	There are controls on all transactions in collective investment securities.
Purchase locally by nonresidents	Yes.	Effective June 1, 2023, withdrawal of investment by nonresidents is delegated to ADs up to F$250,000 per annum. Payments above this limit require RBF approval.
Sale or issue locally by nonresidents	Yes.	Licensing is required.
Purchase abroad by residents	Yes.	Effective June 1, 2023, investment abroad by companies, the Fiji National Provident Fund, and other nonbank financial institutions requires Reserve Bank approval. Investment abroad by individual is suspended.
Sale or issue abroad by residents	Yes.	Proceeds from sales offshore must be repatriated to Fiji.
Controls on derivatives and other	Yes.	There are controls on all derivatives transactions.

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instruments		
Purchase locally by nonresidents	Yes.	Effective June 1, 2023, withdrawal of investment by nonresidents is delegated to ADs up to F$250,000 per annum. Payments above this limit require RBF approval.
Sale or issue locally by nonresidents	Yes.	Licensing is required.
Purchase abroad by residents	Yes.	Effective June 1, 2023, investment abroad by companies, the Fiji National Provident Fund, and other nonbank financial institutions requires Reserve Bank approval. Investment abroad by individual is suspended.
Sale or issue abroad by residents	Yes.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Nonresident-controlled companies may borrow up to F$10 million locally but must adhere to the 3:1 total-debt-to-equity ratio (exceptions require RBF approval). Total debt includes local and foreign borrowing, and equity includes paid-up capital, shareholders' non-interest-bearing loans, retained earnings, and subordinated interest-bearing loans. Effective June 1, 2023, Authorized banks may lend up to F$10 million per company per annum in foreign currency loans. The $2m borrowing only applies to companies.
To residents from nonresidents	Yes.	These transactions are allowed up to F$5 million a borrower. RBF approval is required for offshore borrowing exceeding F$5 million a borrower. This is not a monthly or annual limit but an overall limit per borrower. Any subsequent amount over this limit, RBF approval must be obtained.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Nonresident-controlled entities may borrow locally up to F$10 million, but must adhere to the 3:1 total-debt-to-equity ratio (exceptions require RBF approval). Total debt includes local and foreign borrowing, and equity includes paid-up capital, shareholders' non-interest-bearing loans, retained earnings, and subordinated interest-bearing loans. Nonresident individuals may borrow up to the full amount to purchase property for tourism projects (acquisition of vacant land and constructed units, villas, etc.) but must adhere to the 3:1 total-debt-to-equity ratio and must settle their purchase in Fiji. Nonresidents may borrow up to the full amount to finance construction of residences but must adhere to the 3:1 total-debt-to-equity ratio. Equity includes the amount invested from abroad in the acquisition of land. Nonresidents may borrow up to F$200,000 to finance house maintenance and repairs but must adhere to the 3:1 total-debt-to-equity ratio. Equity includes the amount invested from abroad in the acquisition of property. Nonresidents may not borrow locally to buy vacant land without plans for development. Nonresidents may borrow locally 50% of the total cost of their residence to finance its acquisition. Effective June 1, 2023, authorized banks may lend up to F$10 million per company per annum in foreign currency.
To residents from nonresidents	Yes.	These transactions are allowed up to F$5 million per borrower. RBF approval is required for offshore borrowing exceeding F$5 million a borrower. This an overall limit per borrower. Any subsequent amount over this limit, RBF approval must be obtained.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Bank guarantees on trade-related transactions are fully delegated to

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		commercial banks. For other types of guarantees, RBF approval is required if the guarantees will result in future outflows in the event of default.
To residents from nonresidents	Yes.	RBF approval is required if there is a charge over a Fiji asset.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Effective June 1, 2023, investment abroad by companies, the Fiji National Provident Fund, and other nonbank financial institutions requires Reserve Bank approval. Investment abroad by individual is suspended.
Inward direct investment	Yes.	Foreign investment must be financed from nonresident sources and must be registered with the RBF to facilitate repatriation of dividends and capital. Transfers of profits and dividends require RBF approval.
Controls on liquidation of direct investment	Yes.	Effective June 1, 2023, ADs can repatriate the proceeds from sales of assets and capital gains on investments by nonresident-owned companies up to F$250,000 per annum. Reserve Bank approval is required for the withdrawal of investments above this limit.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	The purchase of personal property abroad for investment purposes is not permitted.
Purchase locally by nonresidents	Yes.	Approval by the Ministry of Lands and the Native Land Trust Board is required for purchases of state-owned property and designated Native Lease properties. Settlements offshore of sales transactions in which both parties are nonresidents require RBF permission.
Sale locally by nonresidents	Yes.	There are controls on settlements to safeguard local interests before proceeds from sales may be remitted abroad.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Personal loans to nonresident individuals are delegated to authorized banks, up to F$100,000. Locally borrowed funds may be remitted abroad for medical, education, and travel needs. Reserve Bank approval is required for the remittance offshore. As of April 2, 2020, offshore investment was suspended, including the delegation to open foreign currency accounts.
To residents from nonresidents	Yes.	Repayment is subject to current exchange control guidelines.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	The limit for the transfer of gifts, maintenance, and wedding expenses to nonresidents is F$2,000 or its equivalent. RBF approval may be granted for larger amounts.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	External accounts are accounts in Fiji currency that are held by nonresidents with authorized banks. If the immigrant maintains an external account, then there are no restrictions on the transfer of funds offshore from an external account. Reserve Bank approval is required if settlement of debt is sourced from a resident account.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Effective June 1, 2023, ADs may approve emigration allowances up to F$250,000 a family a year, except those funded by government

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		pension funds, for which approval is fully delegated to ADs.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	These transactions are allowed up to F$500 a year.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Loan repayment requires RBF approval. Authorized banks may write net forward sales contracts up to F$50 million.
Borrowing abroad	Yes.	ADs must obtain permission from the RBF to borrow abroad.
Maintenance of accounts abroad	Yes.	Prior approval is required to maintain accounts abroad.
Lending to nonresidents (financial or commercial credits)	Yes.	All nonresident-controlled companies may borrow locally up to F$10 million, but they must adhere to the 3:1 total-debt-to-equity ratio (except with RBF approval). Total debt includes local and foreign borrowing, and equity includes paid-up capital, shareholders' non-interest-bearing loans, retained earnings, and subordinated interest-bearing loans. Nonresidents may borrow up to the full amount to purchase properties in tourism projects (acquisition of vacant land and constructed units, villas, etc.) but must adhere to the 3:1 total-debt-to-equity ratio and settle the purchase in Fiji. Nonresidents may borrow up to the full amount to finance construction of residences but must adhere to the 3:1 total-debt-to-equity ratio. Equity includes the amount invested from abroad in the acquisition of land. Nonresidents may borrow up to F$200,000 to finance house maintenance and repairs but must adhere to the 3:1 total-debt-to-equity ratio. Equity includes the amount invested from abroad in the acquisition of property. Nonresidents may not borrow locally to buy vacant land without plans for development. Nonresidents may borrow locally 50% of the total cost of their residence to finance its acquisition. Nonresidents may borrow up to F$100,000 for personal needs. The borrowed funds may be remitted abroad for medical, education, and travel needs.
Lending locally in foreign exchange	Yes.	Effective June 1, 2023, foreign currency loans by local banks up to F $10 million (previously F$2 million) a company a year do not require RBF approval but must be sourced from the commercial bank's own holdings or external sources. Foreign currency loans above the F$10 million (previously F$2 million) limit require RBF approval.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Locally issued securities must be issued in Fiji currency unless approved by the RBF.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	

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Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Prior RBF approval is required.
In banks by nonresidents	No.	Individuals and their relatives may own up to 15% of the voting shares of a bank or credit institution. Ownership through a company may be up to 30%. This does not preclude the establishment of branches or subsidiaries incorporated in Fiji of 100% nonresident-controlled financial institutions.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Net open foreign exchange position limits for each bank's actual capital are set at the greater of 12.5% or the equivalent of F$0.4 million for each currency and up to an aggregate of 25% or between F$0.8 million and F$7.5 million for all foreign currencies.
On nonresident assets and liabilities	Yes.	Net open foreign exchange position limits for each bank's actual capital are set at the greater of 12.5% or the equivalent of F$0.4 million for each currency and up to an aggregate of 25% or between F$0.8 million and F$7.5 million for all foreign currencies.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	As of April 2, 2020, investment abroad by insurance companies is suspended, including in securities issued by nonresidents abroad. Effective June 1, 2023, requests by the Fiji National Provident Fund, other nonbank financial institutions, and companies require Reserve Bank approval.
Limits (max.) on investment portfolio held abroad	Yes.	Effective June 1, 2023, investment abroad by insurance companies, the Fiji National Provident Fund, and other nonbank financial institutions requires Reserve Bank approval.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	As of April 2, 2020, investment abroad by pension funds is suspended, including in securities issued by nonresidents abroad. Effective June 1, 2023, requests by the Fiji National Provident Fund, other nonbank financial institutions, and companies require Reserve Bank approval.
Limits (max.) on investment portfolio held abroad	Yes.	As of April 2, 2020, investment abroad by pension funds is suspended, including in securities issued by nonresidents abroad. Effective June 1, 2023, requests by the Fiji National Provident Fund, other nonbank financial institutions, and companies require Reserve Bank approval.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	As of April 2, 2020, investment abroad by is suspended, including in securities issued by nonresidents abroad. Effective June 1, 2023, requests by the Fiji National Provident Fund, other nonbank financial

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		institutions, and companies require Reserve Bank approval.
Limits (max.) on investment portfolio held abroad	Yes.	As of April 2, 2020, investment abroad by is suspended, including in securities issued by nonresidents abroad. Effective June 1, 2023, requests by the Fiji National Provident Fund, other nonbank financial institutions, and companies require Reserve Bank approval
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.

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Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	Yes.	Under the Exchange Control Act, the acquisition of or investment in crypto currency is prohibited by Fiji residents.
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Only fiat currency is accepted as mode of payment.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Settlement of capital transactions in cryptocurrencies is not allowed.
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Only fiat currency is accepted as mode of payment.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Settlement of capital transactions in cryptocurrencies is not allowed.
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	Yes.	
Acquisition by residents	Yes.	Under the Exchange Control Act, the acquisition of or investment in crypto currency is prohibited by Fiji residents.
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Only fiat currency is accepted as mode of payment.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Settlement of capital transactions in cryptocurrencies is not allowed.
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Under the Exchange Control Act, the acquisition of or investment in crypto currency is prohibited by Fiji residents.
Access to crypto exchange/trading platform by residents	Yes.	Under the Exchange Control Act, the acquisition of or investment in crypto currency is prohibited by Fiji residents.

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Changes during 2022 and 2023

Resident Accounts

Foreign exchange accounts permitted

Held domestically — *06/01/2023* — Offshore investment for companies, Fiji National Provident Fund (FNPF), and other Non-Financial Banking Institutions (NBFIs) is no longer suspended but still requires Reserve Bank approval.

Nonresident Accounts

Domestic currency accounts — *06/01/2023* — Deposits of proceeds from sale of a Fiji asset can be deposited up to F$100,000 per annum. Previously, such sales required Reserve Bank of Fiji (RBF) approval.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments

Prior approval — *06/01/2023* — Transfers of profits and dividends and withdrawal of investments are delegated to an AD up to F$250,000 per annum. Previously, transfers of profits and dividends and withdrawal of investments of any nominal value required RBF approval.

Quantitative limits — *06/01/2023* — Allowed repayment of principal loan increased from F$50,000 to F $250,000, and interest payment is fully delegated.

Personal payments

Quantitative limits — *06/01/2023* — The delegated limits for education expenses to an individual increased from F$50,000 to F$250,000.

Credit card use abroad

Quantitative limits — *06/01/2023* — The nominal value for credit card repayments delegated to ADs increased as follows: for individuals from F$5,000 to F$10,000 and for corporate cards from F$10,000 to F$20,000. Additionally, debit card payments increased from F$2,000 to F$5,000.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents — *06/01/2023* — Withdrawal of investment (sales of shares or assets) by nonresidents is delegated to ADs up to F$250,000. Previously, any withdrawal of investment by nonresidents required RBF approval.

Sale or issue locally by nonresidents — *06/01/2023* — Withdrawal of investment by nonresidents from the sale of shares and assets is delegated to ADs up to F$250,000 per annum. Previously, any withdrawal of investment by nonresidents required RBF approval.

Purchase abroad by residents — *06/01/2023* — Investment abroad by companies, the FNPF, and NBFIs is no longer suspended but requires RBF approval.

Bonds or other debt securities

Purchase locally by nonresidents — *06/01/2023* — Withdrawal of investment by nonresidents is delegated to ADs up to F$250,000 per annum. Previously, any withdrawal of investment by nonresidents required RBF approval.

Purchase abroad by residents — *06/01/2023* — Investment abroad by companies, the Fiji National Provident Fund,

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		and other nonbank financial institutions requires Reserve Bank approval. Investment abroad by individual is suspended
On money market instruments		
Purchase locally by nonresidents	*06/01/2023*	Withdrawal of investment by nonresidents is delegated to ADs up to F$250,000 per annum. Previously, any withdrawal of investment by nonresidents required RBF approval.
Purchase abroad by residents	*06/01/2023*	Investment abroad by companies, the FNPF, and NBFIs is no longer suspended but requires RBF approval.
On collective investment securities		
Purchase locally by nonresidents	*06/01/2023*	Withdrawal of investment by nonresidents is delegated to ADs up to F$250,000 per annum. Previously, any withdrawal of investment by nonresidents required RBF approval.
Purchase abroad by residents	*06/01/2023*	Investment abroad by companies, the FNPF, and NBFIs is no longer suspended but requires RBF approval.
Controls on derivatives and other instruments		
Purchase locally by nonresidents	*06/01/2023*	Withdrawal of investment by nonresidents is delegated to ADs up to F$250,000 per annum. Previously, any withdrawal of investment by nonresidents required RBF approval.
Purchase abroad by residents	*06/01/2023*	Investment abroad by companies, the FNPF, and NBFIs is no longer suspended but requires RBF approval.
Controls on credit operations		
Commercial credits		
By residents to nonresidents	*06/01/2023*	The amount authorized banks may lend per company per annum in foreign currency loans increased from F$2,000,000 to F$10,000,000.
Financial credits		
By residents to nonresidents	*06/01/2023*	The amount authorized banks may lend per company per annum in foreign currency loans increased from F$2,000,000 to F$10,000,000.
Controls on direct investment		
Outward direct investment	*06/01/2023*	Investment abroad by companies, the FNPF, and NBFIs is no longer suspended but requires RBF approval.
Controls on liquidation of direct investment	*06/01/2023*	ADs can repatriate the proceeds from sales of assets and capital gains on investments by nonresident-owned companies up to F$250,000 per annum. Previously, RBF approval was required for all proceeds.
Controls on personal capital transactions		
Transfer of assets		
Transfer abroad by emigrants	*06/01/2023*	The amount in emigration allowances ADs may approve increased from F$150,000 to F$250,000.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending locally in foreign exchange	*06/01/2023*	The amount in foreign currency loans by local banks per company per annum that do not require RBF approval but must be sourced from the commercial bank's own holdings on external sources increased from F$2,000,000 to F$10,000,000.
Provisions specific to institutional investors		
Insurance companies		
Limits (max.) on securities issued by nonresidents	*06/01/2023*	The suspension on investment abroad was lifted. Requests by the FNPF, NBFIs, and companies, including insurance companies, are no longer determined by the RBF on a case-by-case basis but require RBF approval.

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Limits (max.) on investment portfolio held abroad	*06/01/2023*	The suspension on investment abroad was lifted. Requests by the FNPF, NBFIs, and companies, including insurance companies, are no longer determined by the RBF on a case-by-case basis but require RBF approval.
Pension funds		
Limits (max.) on securities issued by nonresidents	*06/01/2023*	The suspension on investment abroad was lifted. Requests by the FNPF, NBFIs, and companies, including pension funds, are no longer determined by the RBF on a case-by-case basis but require RBF approval
Limits (max.) on investment portfolio held abroad	*06/01/2023*	The suspension on investment abroad was lifted. Requests by the FNPF, NBFIs, and companies, including pension funds, are no longer determined by the RBF on a case-by-case basis but require RBF approval
Investment firms and collective investment funds		
Limits (max.) on securities issued by nonresidents	*06/01/2023*	The suspension on investment abroad was lifted. Requests by the FNPF, NBFIs, and companies are no longer determined by the RBF on a case-by-case basis but require RBF approval
Limits (max.) on investment portfolio held abroad	*06/01/2023*	The suspension on investment abroad was lifted. Requests by the FNPF, NBFIs, and companies are no longer determined by the RBF on a case-by-case basis but require RBF approval

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FINLAND

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		January 14, 1948.
Article VIII	Yes.	Date of acceptance: September 25, 1979.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Finland maintains exchange restrictions imposed by EU regulations referred to below and does so solely for the preservation of national and international security. Accordingly, various restrictions apply with respect to Afghanistan, Belarus, Burundi, the Democratic Republic of the Congo, the Central African Republic, China, the Democratic People's Republic of Korea, Eritrea, Guinea-Bissau, Guinea (Conakry), Haiti, Islamic Republic of Iran, Iraq, Lebanon, Libya, Mali, Moldova, Myanmar, Nicaragua, Russia, Somalia, South Sudan, Sudan, Syria, Tunisia, Turkey, Ukraine, Venezuela, Yemen, the former Federal Republic of Yugoslavia (Bosnia and Herzegovina, Serbia and Montenegro), and Zimbabwe, certain persons and entities associated with the ISIL (Da'esh) and Al-Qaida organizations and to certain individuals and groups involved in terrorism.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Finland is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Finland participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	Euro foreign exchange reference rates are based on a regular daily concertation procedure between CBs across Europe and worldwide, which normally takes place at 2:10 p.m. Central European Time, effective April 3, 2023. On July 1, 2016, the ECB changed the publication time of the euro foreign exchange reference rates (ECB reference rates) from around 2.30 p.m. Central European Time to around 4.00 p.m. Central European Time. The reference rate against the euro is the average of the buying and selling rates. The publication regime aims to reinforce the distinction between exchange rate fixings used as benchmarks for transaction purposes and the ECB reference rates that are published for information purposes only.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		

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Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the European Union, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Foreign exchange bureaus are not subject to licensing by any Finnish authority if they are engaged only in exchanging currencies without the use of derivatives. Foreign exchange bureaus are not allowed to conduct transactions with the CB.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	

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Auction	No.	
Fixing	No.	
Interbank market	Yes.	Finland is part of the euro-area-wide interbank market. There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	The foreign exchange market operates across the euro area.
Brokerage	Yes.	The foreign exchange market operates across the euro area.
Market making	No.	
Forward exchange market	Yes.	The foreign exchange market operates across the euro area.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	There are no exchange controls. Import licensing is administered by the National Board of Customs. Export licensing relating to international export control regimes is administered by the trade department or foreign trade division of the Ministry of Trade and Industry.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	

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On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EC) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EU regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EU regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EU regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the EU regulation; the EU regulation only harmonizes the system for the EU's external borders.
On exports	No.	
Domestic currency	No.	In accordance with Regulation (EC) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	In accordance with Regulation (EC) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
On imports	No.	
Domestic currency	No.	In accordance with Regulation (EC) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	In accordance with Regulation (EC) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.

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Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Approval required	No.
Held abroad	No.
Approval required	No.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	No.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Approval required	No.
Blocked accounts	No.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.
Letters of credit	No.
Import licenses used as exchange licenses	No.
Other	No.
Import licenses and other nontariff measures	Yes.
Positive list	No.
Negative list	Yes.

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Open general licenses	No.	
Licenses with quotas	Yes.	There are no import quotas on steel imports from Russia because of its accession to the WTO. International sanctions imposed by the UN or EU may include trade restrictions, such as import restrictions (see II.B.1. above).
Other nontariff measures	No.	
Import taxes and/or tariffs	No.	
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are required only for exports of goods related to international export control regimes or international sanctions imposed by the UN or EU (see II.B.1. above) and are administered by the Ministry for Foreign Affairs. The sale of arms is strictly controlled by the Ministry of Defense.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	

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Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

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Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the purchase of shares and other securities of a participating nature, which may be affected by laws on inward direct investment and establishment.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive. Controls apply to the purchase of assets issued by non-EEA or non-OECD residents if these assets account for more than 20% of assets covering technical reserves of private pension fund administering voluntary occupational pension schemes. For assets traded on the regulated market inside EEA, there are no controls even if the assets are issued outside EEA.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive. Controls apply to the purchase of assets issued by non-EEA or non-OECD residents if these assets account for more than 20% of assets covering technical reserves of private pension fund administering voluntary occupational pension schemes. For assets traded on the regulated market inside EEA, there are no controls even if the assets are issued outside EEA.
Sale or issue abroad by residents	Yes.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive. Controls apply to the purchase of assets issued by non-EEA or non-OECD residents if these assets account for more than 20% of assets covering technical reserves of private pension fund administering

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		voluntary occupational pension schemes. For assets traded on the regulated market inside EEA, there are no controls even if the assets are issued outside EEA.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive. Controls apply to the purchase of assets issued by non-EEA or non-OECD residents if these assets account for more than 20% of assets covering technical reserves of private pension fund administering voluntary occupational pension schemes. For assets traded on the regulated market inside EEA, there are no controls even if the assets are issued outside EEA.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive. Controls apply to the purchase of assets issued by non-EEA or non-OECD residents if these assets account for more than 20% of assets covering technical reserves of private pension fund administering voluntary occupational pension schemes. For assets traded on the regulated market inside EEA, there are no controls even if the assets are issued outside EEA.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive. Controls apply to the purchase of assets issued by non-EEA or non-OECD residents if these assets account for more than 20% of assets covering technical reserves of private pension fund administering voluntary occupational pension schemes. For assets traded on the regulated market inside EEA, there are no controls even if the assets are issued outside EEA.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) the establishment of branches of non-EU companies, unless authorized; (2) investment by non-EU residents in a company engaged in activities involving the use of nuclear energy or nuclear materials, unless authorized; (3) investment in enterprises operating an airline; airlines established in Finland must be majority owned and effectively controlled by EU members and/or citizens of EU members, unless otherwise provided for through an international agreement to which the EU is a signatory; (4) acquisition of 40% or more in Finnish flag vessels, including fishing vessels, except through a company incorporated in Finland or if authorization is granted by the Ministry of Transport and Communication; these controls do not apply to EU residents who own 60% or more of a vessel and have their central place of management or principal place of business in an EU member; (5) establishment—that is, construction—and acquisition of real property on the Aaland Islands by legal or natural persons who do not have regional citizenship in Aaland without permission of the relevant Aaland Island authorities; (6) investment by a non-EU citizen in a corporation or partnership providing certain legal services; (7) investment in an auditing company by a person not authorized as an auditor in the EU that gives the person majority voting rights in the company; and (8) the extent that under EU Directive 85/611/EEC, a depository of UCITS must have its registered office either in the same EU country as that of the company or be established in the EU country if its registered office is in another EU country. Foreign corporate acquisitions in the field of defense, dual-use, and security are subject to advance confirmation from the Ministry of Economic Affairs and Employment. Other corporate acquisitions considered critical for securing vital functions of society are subject to voluntary notification by the foreign owner, but at the request of the Ministry, the foreign owner is obliged to provide all information necessary for examining the matter. In defense and dual-use sector, screening covers all foreign owners, including EU/EFTA investors. Regarding other corporate acquisitions, screening covers only foreign owners that are domiciled outside EU/EFTA countries. Corporate acquisition refers to activities as a result of which a foreign owner gains control of at least one-tenth, one-third, or one-half of the votes conferred by all shares in the target company or a corresponding actual influence over the target company. Regulation (EU) No. 2019/452 established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive. Controls apply to the purchase of assets issued by non-EEA or non-OECD residents if these assets account for more than 20% of assets covering technical reserves of private pension fund administering voluntary occupational pension schemes. For assets traded on the regulated market inside EEA, there are no controls even if the assets

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		are issued outside EEA.
Purchase locally by nonresidents	Yes.	Regulations apply to the acquisition and holding of real property on the Aaland Islands by legal or natural persons who do not enjoy regional citizenship in Aaland, without permission of the relevant authorities of the Aaland Islands.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.
Borrowing abroad	No.
Maintenance of accounts abroad	No.
Lending to nonresidents (financial or commercial credits)	No.
Lending locally in foreign exchange	No.
Purchase of locally issued securities denominated in foreign exchange	No.
Differential treatment of deposit accounts in foreign exchange	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Differential treatment of deposit accounts held by nonresidents	No.
Reserve requirements	No.
Liquid asset requirements	No.

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Prudential regulations that are harmonized with EU directives apply.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive.
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive.
Limits (max.) on investment portfolio held abroad	No.	There are no limitations concerning life- and non-life-insurance companies with the implementation of the Solvency II Directive.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Statutory and voluntary pension schemes are provided by pension funds or special pension insurance companies. Regulations governing these companies are reported in this section.
Limits (max.) on securities issued by nonresidents	Yes.	Controls apply to the purchase of assets issued by non-EEA or non-OECD residents if these assets account for more than 20% of assets covering technical reserves of private pension fund administering voluntary occupational pension schemes. For assets traded on the regulated market inside EEA, there are no controls even if the assets are issued outside EEA.
Limits (max.) on investment portfolio held abroad	Yes.	Controls apply to the purchase of assets issued by non-EEA or non-OECD residents if these assets account for more than 20% of assets covering technical reserves of private pension fund administering voluntary occupational pension schemes. For assets traded on the regulated market inside EEA, there are no controls even if the assets are issued outside EEA.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

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Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.

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For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	Exchanges and trading platforms are regulated on the EU level for the purposes of money laundering or terrorist financing.
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*08/02/2023*	Amending Council Regulation (EU) 2016/1686 imposing specific restrictive measures directed against certain persons and entities associated with the ISIL (Da'esh) and Al-Qaida organizations.

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Exchange Arrangement

Official exchange rate	*04/03/2023*	The ECB Governing Council changed the computation time of the euro foreign exchange rates (also known as the ECB reference rates) to around 14:10 CET, to avoid overlaps with publication time (14:15 CET). Previously reference rates took place at 14:15 CET.

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FRANCE

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with the relevant UNSC resolutions and EU regulations, certain restrictions are maintained on the making of certain payments and transfers for current international transactions with respect to the following: Belarus: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; and (c) embargo on goods intended for internal repression. Myanmar: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; (c) embargo on goods intended for internal repression; and (d) embargo on industrial sectors constituting sources of funding for the regime (wood and gems). Most of the restrictions are suspended because of political changes in the country. Bosnia and Herzegovina: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; Central African Republic: (1) origin: implementation of mix of UNSC resolutions and additional EU measures; (2) nature of the restrictions: (a) freeze on the assets of persons and entities responsible for threatening peace and stability of the Central African Republic and for involving children in wars; and (b) military and paramilitary embargo. Democratic Republic of the Congo: (1) origin: implementation of mix of UNSC resolutions and additional EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; and (b) military and paramilitary embargo. Guinea: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; and (b) military and paramilitary embargo. Guinea-Bissau: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain persons. Islamic Republic of Iran: (1) origin: implementation of mix of UNSC resolutions and additional EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; (c) embargo on goods intended for internal repression; (d) embargo on goods and services related to nuclear proliferation and to ballistic vectors; (e) embargo on technologies related to the oil industry; (f) implementation of

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strengthened financial monitoring measures; and (g) prior administrative approval of financial transactions over €40,000. An interim agreement signed with Iran allows the suspension of some restrictions from January 2014 until July 2014 (renewable), (h) effective July 20, 2023, embargo on components used in the construction and production of unmanned aerial vehicles (UAVs) (Council regulation (EU) No. 2023/1540 and Council Decision (EU) No. 2023/1532).

Democratic People's Republic of Korea: (1) origin: implementation of mix of UNSC resolutions and additional EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; (c) embargo on goods and services related to nuclear proliferation and to ballistic vectors; and (d) embargo on luxury goods.

Effective October 21, 2022, restrictive measures were imposed in view of the situation in Haiti (Resolution (UNSC) No. 2653 (2022) and subsequent resolutions (Council Regulation (EU) No. 2022/2309 and Council Decision (Common Foreign and Security Policy) No. 2022/2319)).

Lebanon (persons responsible for the assassination of former Lebanese Prime Minister Rafik Hariri): (1) origin: EU measures; (2) nature of the restrictions: (a) asset freeze.

Liberia (former government): (1) origin: implementation of UNSC resolutions and additional EU-specific measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; and (c) implementation of the Kimberley Process Certification Scheme (KPCS).

Libya (former government): (1) origin: implementation of mix of UNSC resolutions and additional EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; and (c) embargo on goods related to internal repression. Restrictions will be canceled on request from the government of Libya.

Russian Federation Council Regulation (EU) No. 833/2014 of July 31, 2014: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) embargo on dual-use goods and technologies; (c) restrictions on financial services; and (d) restrictions on many goods to limit Russia's revenues (luxury goods, petroleum, steel products, etc.)

Somalia: (1) origin: implementation of mix of UNSC resolutions and additional EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; and (b) military and paramilitary embargo.

Sudan: (1) origin: implementation of mix of UNSC resolutions and additional EU measures; (2) nature of the restrictions: (a) military and paramilitary embargo.

Sudan: (1) origin: implementation of EU measures; (2) nature of restrictions: (a) freeze on the assets of certain individuals and entities.

Sudan and South Sudan: (1) origin: implementation of mix of UNSC resolutions and additional EU measures; (2) nature of the restrictions: (a) military and paramilitary embargo.

Syria: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; (c) embargo on goods related to internal repression; and (d) embargo on oil.

Tunisia (former government): (1) origin: EU measures; (2) nature of the restrictions: freeze on the assets of individuals responsible for

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		misappropriation of government funds. Ukraine (former government) Council Regulation (EU) No. 208/2014 of March 4, 2023: (1) origin: implementation of EU measures; (2) nature of the restrictions: freeze on the assets of certain individuals and entities responsible for misappropriation of government funds. Council Regulation (EU) No. 2022/263 of February 23, 2022, concerning restrictive measures in response to the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas. Donetsk and Luhansk regions: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) embargo on goods from these regions, (b) embargo to Donetsk and Luhansk on goods and technologies that can be used in the sectors of transport, telecommunications, energy, prospecting, exploration, and production of oil, gas, and mining. Council Regulation (EU) No. 269/2014 of March 17, 2014, concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine. Council Regulation (EU) No. 692/2014 of June 23, 2014, concerning restrictions on the import into the Union of goods originating in Crimea or Sevastopol, in response to the illegal annexation of Crimea and Sevastopol. Venezuela: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; (c) embargo on goods related to internal repression; Yemen: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; Zimbabwe: (1) origin: implementation of EU measures; (2) nature of the restrictions: (a) freeze on the assets of certain individuals and entities; (b) military and paramilitary embargo; and (c) embargo on goods related to internal repression. Taliban terrorist asset freeze: (1) origin: implementation of UN measures (Resolution No. 1988); (2) freeze on the assets of individuals. Al-Qaida terrorist asset freeze: (1) origin implementation of UN measures (Resolution No. 1988); (2) freeze on the assets of individuals. Afghanistan terrorist asset freeze: (1) origin: implementation of UN measures; (2) freeze on the assets of individuals. EU external action on terrorist asset freeze: (1) origin: implementation of mix of UNSC resolutions and additional EU measures; (2) freeze on the assets of individuals (Regulation (EU) No. 2580/2001 and Regulation (EU) No. 201-/1686).
Other security restrictions	Yes.	Nicaragua: Council Regulation (EU) No. 2019/1716 of October 14, 2019, concerning restrictive measures in view of the situation in Nicaragua; Turkey: Council Regulation (EU) No. 2019/1890 of November 11, 2019, concerning restrictive measures in view of Turkey's unauthorized drilling activities in the Eastern Mediterranean; Mali: Council Regulation (EU) No. 2017/1770 of September 28, 2017, concerning restrictive measures in view of the situation in Mali; Human rights violations: Council Regulation (EU) No. 2020/1998 of December 7, 2020, concerning restrictive measures against serious human rights

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violations and abuses;
Burundi:
Council Regulation (EU) No. 2015/1755 of October 1, 2015, concerning restrictive measures in view of the situation in Burundi;
Iraq:
Council Regulation (EC) No. 1210/2003 of July 7, 2003, concerning certain specific restrictions on economic and financial relations with Iraq and repealing Regulation (EC) No. 2465/96;
Lebanon:
Council Regulation (EU) No. 2021/1275 of July 30, 2021, concerning restrictive measures in view of the situation in Lebanon;
Cyber-attacks:
Council Regulation (EU) No. 2019/796 of May 17, 2019, concerning restrictive measures against cyber-attacks threatening the Union or its Member States;
Chemical weapons:
Council Regulation (EU) No. 2018/1542 of October 15, 2018, concerning restrictive measures against the proliferation and use of chemical weapons.
Council Regulation (EU) No. 2023/2406 of October 23, 2023, concerning restrictive measures in view of the situation in Niger.

Regulation repealed:
Côte d'Ivoire:
Council Regulation (EU) No. 2016/907 of June 9, 2016, repealing Regulation (EC) No. 174/2005 imposing restrictions on the supply of assistance related to military activities to Côte d'Ivoire and Regulation (EC) No. 560/2005 imposing certain specific restrictive measures directed against certain persons and entities in view of the situation in Côte d'Ivoire;
Liberia:
Council Regulation (EU) No. 2016/983 of June 20, 2016, repealing Regulation (EC) No. 234/2004 concerning certain restrictive measures in respect of Liberia;
Maldives:
Council Regulation (EU) No. 2019/985 of June 17, 2019, repealing Regulation (EU) No. 2018/1001 concerning restrictive measures in view of the situation in the Republic of Maldives;
Egypt:
Council Regulation (EU) No. 2021/445 of March 12, 2021, repealing Regulation (EU) No. 270/2011, concerning restrictive measures directed against certain persons, entities, and bodies in view of the situation in Egypt;
Eritrea:
Council Regulation (EU) No. 2018/1932 of December 10, 2018, repealing Regulation (EU) No. 667/2010 concerning certain restrictive measures in respect of Eritrea.

Exchange Arrangement

Currency	Yes.	The currency of France is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		

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Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. France participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of CBs. The publication time of the euro foreign exchange reference rates is around 14:30 Central European Time to around 16:00 Central European Time. The reference rate against the euro is the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		

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Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the European Union, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term. Previously, it was defined as inflation below but close to 2% over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely set their exchange rates and commissions in foreign exchange transactions with their clients. Registered banks in France and Monaco, which may also act on behalf of banks abroad or in Operations Account countries, are permitted to deal spot or forward in the foreign exchange market in France. Registered banks may also

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		deal spot or forward with their correspondents in foreign markets in all currencies.
Spot exchange market	Yes.	Currency exchange offices ("changeurs manuels") are allowed to operate in France; they must obtain a license from the Autorité de contrôle prudentiel et de résolution (ACPR—Prudential Control Authority and Resolution) before starting their activity. As of December 31, 2022, 211 currency exchange offices were registered in France. They are authorized to conduct foreign exchange activities following Article L524-1 of the Monetary and Financial Code: "A money-changing transaction entails the immediate exchange of bills or banknotes denominated in different currencies. The fact of accepting, in exchange for cash delivered to a client, a settlement via another means of payment, also constitutes a money-changing transaction, provided it is denominated in a different currency." To conduct money transfer activities, companies must either obtain a license to operate as a credit, electronic money, or payment institution or be an agent of an authorized credit, electronic money, or payment institution. The ACPR is in charge of on-site and off-site control of currency exchange offices' compliance with the Anti-Money Laundering/Combating the Financing of Terrorism regulations. Accounts in foreign countries are not prohibited. Currency exchange offices submit to the ACPR their total foreign currency sales and purchases annually.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of market participants. As of December 31, 2022, there were five major French banking groups active in the interbank foreign exchange market in France. In addition, subsidiaries of foreign banks provide quotes for foreign exchange transactions. The CB intervenes directly with market participants at their quoted rates.
Over the counter	Yes.	The foreign exchange market operates over the counter.
Brokerage	Yes.	Brokerage is used marginally.
Market making	Yes.	The interbank foreign exchange market operates on the basis of a market-making agreement, under which participants commit to a maximum spread and a minimum amount to trade.
Forward exchange market	Yes.	All residents, including private persons, may purchase and sell foreign exchange forward without restriction. Forward sales of foreign currency are not restricted, whether or not they are for hedging purposes. The Bank of France participates in the foreign exchange market on its own account. Under Article L151-2 of the Monetary and Financial Code, the government may, in the national interest, by decree subject to authorization, control, or declaration regulate exchange operations between France and foreign countries.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.

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Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	The Ministry of Economy and Finance is the coordinating agency for financial relations with foreign countries. It is responsible for all matters relating to inward and outward direct investment and has authority over matters relating to insurance, reinsurance, annuities, and so on. The execution of all transfers has been delegated to registered banks and stockbrokers and to the postal administration.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	In accordance with Regulation (EU) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash (domestic or foreign currency) entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EU regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is

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		related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EU regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EU regulation does not apply to physical cross-border transportation from one EU country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the EU regulation; the EU regulation only harmonizes the system for the EU's external borders.
On exports	Yes.	
Domestic currency	No.	
Foreign currency	Yes.	At the request of Algeria, Morocco, and Tunisia, banknotes issued by these countries may not be exchanged in France. For Algeria and Morocco, the importation/exportation of currency is possible with limit, while for Tunisia, it is generally forbidden.
On imports	Yes.	
Domestic currency	No.	
Foreign currency	Yes.	At the request of Algeria, Morocco, and Tunisia, banknotes issued by these countries may not be exchanged in France. For Algeria and Morocco, the importation/exportation of currency is possible with limit, while for Tunisia, it is generally forbidden.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	The rules are the same as for domestic currency accounts.
Approval required	No.	
Held abroad	Yes.	Tax declaration is mandatory.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

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Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	Yes.	Licenses are required for some countries and some products. Imports of goods that originate outside the EU and are subject to quantitative restrictions require individual licenses. Common EU regulations are also applied to imports from non-EU countries. Imports of certain goods originating in the EU that are of a strategic nature or of national interest (for example, works of art) require licensing.
Other nontariff measures	Yes.	Some imports from non-EU countries require administrative visas issued by the Central Customs Administration or the appropriate ministry. Imports of products of the ECSC originating in non-ECSC countries require such administrative visas. Products governed by Common Market regulations require import certificates. Imports from countries under international sanctions may be subject to licensing.
Import taxes and/or tariffs	Yes.	Duties are collected at the time of entry into the EU based on the origin of the products and the tariff structure. An agricultural levy (within the CAP) and, if necessary, an antidumping levy may be added.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	

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Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Certain prohibited goods may be exported only under a special license or in accordance with international sanctions.
With quotas	No.	
Export taxes	No.	Exports are not taxed, except for precious metals, works of art, jewelry, and collections of jewels and antiques, which are subject to a levy.
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	Yes.	As a result of international sanctions, payments to some countries may require a special license.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	As a result of international sanctions, payments to some countries may require a special license.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	As a result of international sanctions, payments to some countries may require a special license.

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Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	As a result of international sanctions, some capital movements and transactions are not allowed or are subject to specific restrictions.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the purchase by non-EU residents of securities not quoted on a recognized securities market that may be affected by laws on inward direct investment and establishment.
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Controls apply to the issuance of CDs by nonresident banks.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Controls apply to foreign collective investment securities, except those that are of EU origin and comply with EU Directive No. 2009/65/EC.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) the establishment of an agricultural business by citizens of countries that are not EU members and the acquisition of vineyards; (2) investment in airlines, which must be established in France and majority owned and effectively controlled by EU countries and/or EU citizens, unless otherwise provided for through an international agreement to which the EU is a signatory; (3) the ownership after acquisition of more than 49% of a French flag vessel, except through a company incorporated in the EU; moreover, citizens of countries that are not EU members may not engage in cabotage; (4) the establishment of branches of insurance companies not headquartered in the EU, which are subject to special authorization with respect to their representatives and to specific requirements relating to the deposit, withdrawal, and transfer of funds; (5) the extent that under EU Directive No. 2009/65/EC, a depository of a UCITS must either have its registered office in the same EU country as that of the company or be established in the EU country if its registered office is in another EU country; and (6) the acquisition by non-EU residents of more than 20% in the voting rights or the authorized capital of a company holding a license for radio or television services via terrestrial hertzian channels broadcast in French. Moreover, pursuant to Articles L.151-1 and R.151-1 et seq. of the financial and monetary code, foreign investments in France in sectors listed in Article R.151-3 of the financial and monetary code which are likely to jeopardize public order, public security, or national defense interests are subject to prior approval from the Minister for the Economy. There are three categories of sectors: (1) Inherently sensitive activities that fall mainly within the defense and security sectors; (2) Activities relating to infrastructure, goods, and services that are essential to safeguard public order and public security, including, but not limited to, the integrity, security and continuity of energy and water supplies, transportation networks and services, public health, and food security; (3) Research and development activities that relate to critical technologies listed by Order of December 31, 2019, and to dual-use items and technologies carried out in the sectors mentioned above. In the specific context of COVID-19 crisis, the voting rights threshold in sensitive companies which triggers screening procedure was lowered from 25% to 10%, only for listed companies and according to a special procedure. EU and EEA investors are exempted from this measure, which was set to end on December 31, 2023, and is set to be made permanent from January 1, 2024. Effective January 1, 2022, in an effort to adapt the French system of FDI screening to ongoing developments and challenges in the renewable energy sector, the Order of September 10, 2021, relating to foreign investment in France added technologies involved in the production of renewable energy to the list of critical technologies. In an effort to increase stakeholders' understanding of the French FDI screening regulation, guidelines have been published in

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		September 2022. These guidelines are intended to clarify the legal framework of the screening regulation. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	The proceeds from liquidating FDI in France may be freely transferred abroad, provided the corresponding funds are reported to the Bank of France. The liquidation must be reported also to the Ministry of Economy and Finance within 20 days.
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.
Borrowing abroad	No.
Maintenance of accounts abroad	No.
Lending to nonresidents (financial or commercial credits)	No.
Lending locally in foreign exchange	No.
Purchase of locally issued securities denominated in foreign exchange	No.
Differential treatment of deposit accounts in foreign exchange	No.
Reserve requirements	No.

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Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Pursuant to European Directive No. 2013/36/EU and Regulation (EU) No. 575/2013, if the sum of an institution's overall net foreign exchange position and net gold position, calculated as set out in Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. This requirement is the sum of its overall net foreign exchange position and net gold position in the reporting currency, multiplied by 8% (Article 351 of the above-mentioned regulation). Institutions' own funds requirements against positions in relevant closely correlated currencies may be lower. Two currencies are deemed closely correlated if the likelihood of a loss—based on daily exchange rate data for the preceding three or five years—of 4% or less of the value of the matched position in question (in terms of the reporting currency) on equal and opposite positions in such currencies over the following 10 working days has a probability of at least 99% for a three-year observation period and of 95% for a five-year observation period. The own funds requirement on the matched position in two closely correlated currencies is 4% of the value of the matched position (Article 354 of the above-mentioned regulation).
On nonresident assets and liabilities	Yes.	Pursuant to European Directive No. 2013/36/EU and Regulation (EU) No. 575/2013, if the sum of an institution's overall net foreign exchange position and net gold position, calculated as set out in Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. This requirement is the sum of its overall net foreign exchange position and net gold position in the reporting currency, multiplied by 8% (Article 351 of the above-mentioned regulation). Institutions' own funds requirements against positions in relevant closely correlated currencies may be lower. Two currencies are deemed closely correlated if the likelihood of a loss—based on daily exchange rate data for the preceding three or five years—of 4% or less of the value of the matched position in question (in terms of the

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		reporting currency) on equal and opposite positions in such currencies over the following 10 working days has a probability of at least 99% for a three-year observation period and of 95% for a five-year observation period. The own funds requirement on the matched position in two closely correlated currencies is 4% of the value of the matched position (Article 354 of the above-mentioned regulation).
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Insurance companies in the EU must cover their technical reserves with assets expressed in the same currency. In accordance with EU regulations, the French regulation requires insurance entities to cover their technical reserves with "congruent" assets. As a derogation, a maximum percentage of the technical reserves may be covered by "noncongruent" assets—that is, 20% for life insurance and non-life insurance (Insurance Code Articles R.332-1 and R.332-1-1).
Pension funds	Yes.	Pension fund activity in France is performed by insurance companies (as allowed by European Directive No. 2003/41/EC on IORP). A specific "congruence" requirement applies to the technical reserves relating to occupational pension activities.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Insurance companies in the EU are required to cover their technical reserves with assets expressed in the same currency (rule of congruence). In accordance with European regulations, the French regulation requires insurance entities to cover their technical reserves with congruent assets. As a derogation, a maximum percentage of the technical reserves may be covered by noncongruent assets—that is, 30% for the technical reserves specifically relating to occupational pension commitments (Insurance Code Article R.332-61).
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	For investment firms, pursuant to European Directive No. 2013/36/EU and Regulation (EU) No. 575/2013, the institution must separately sum all its net long positions and net short positions in accordance with Article 327. The sum of the absolute values of the two figures is its overall gross position. The institution must calculate, separately for each market, the difference between the sum of the net long and net short positions. The sum of the absolute values of those differences is its overall net position (Article 341 of the above-mentioned regulation). For UCITS and money market funds, purchases of securities issued by nonresidents are subject to the same limits as securities issued by residents, namely for UCITS (1) diversification ratios (5/10/40—that is, no more than 10% of the fund's assets may be invested in transferable securities or money market instruments of the same issuer, and none of the fund's holdings in single issuers that exceed

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		5% of the fund's assets may cumulatively exceed 40%), and (2) borrowing ratios (10% an issuer). Specific categories of AIFs must fulfill a combination of rules defined in national law and at European level (AIFMD directive), including diversification and concentration rules, but no specific limits on securities issued by nonresidents apply to these funds.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	For investment firms, pursuant to European Directive No. 2013/36/EU and Regulation (EU) No. 575/2013, if the sum of the institution's overall net foreign exchange position and net gold position, calculated as set out in Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. This requirement is the sum of its overall net foreign exchange position and net gold position in the reporting currency, multiplied by 8% (Article 351 of the above-mentioned regulation). Institutions' own funds requirements against positions in relevant closely correlated currencies may be lower. Two currencies are deemed closely correlated if the likelihood of a loss—based on daily exchange rate data for the preceding three or five years—of 4% or less of the value of the matched position in question (in terms of the reporting currency) on equal and opposite positions in such currencies over the following 10 working days has a probability of at least 99% for a three-year observation period and of 95% for a five-year observation period. The own funds requirement on the matched position in two closely correlated currencies is 4% of the value of the matched position (Article 354 of the above-mentioned regulation).

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	There is currently no live retail central bank digital currency (CBDC) in France. The Eurosystem is considering developing a digital euro. It launched an investigation phase in 2021, to define the design features of the digital euro. On January 11, 2023, the Eurosystem entered a new phase of the digital euro project, launching a preparation phase. The first part of this phase will last two years and will involve (1) deepening the conceptual and technical analysis, (2) testing various functionalities through the organization of experiments, (3) preparing for the development of the digital euro architecture, and (4) accompanying the legislative process. However, the launch decision has not been taken yet and will not be made until a proper legal framework is in place.
Wholesale	No.	There is currently no live wholesale CBDC in France. On April 28, 2023, the Eurosystem launched exploratory work on potential solutions for CB money settlement (including CBDC) of wholesale financial transactions recorded on distributed ledger technology (DLT) platforms. The Eurosystem exploratory work does not constitute a commitment by the Eurosystem to launch a wholesale CBDC or to change its current infrastructures.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	

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Retail	No.	There is currently no live retail foreign CBDC legally circulating in France.
Wholesale	No.	There is currently no live wholesale CBDC legally circulating in France.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	The digital euro would be regulated by an ad-hoc legislative text. A legislative proposal was presented by the European Commission on June 28, 2023, and which is currently being negotiated by co-legislators on the EU level. The proposal includes provisions to regulate (1) legal tender status of the digital euro, (2) the balance between privacy and AML-CFT obligations, (3) distribution of the digital euro, (4) compensation model, (5) instruments to prevent its excessive use), (6) use outside the euro area, and (7) data processing requirements. The legislative proposal will include provisions to regulate the use of the digital euro. However, there are no provisions to impose spending or holding restrictions on users that would be embedded directly in the currency (for example, spending on certain goods, or within a specific time window). In other words, the digital euro would not be a programmable currency. For wholesale CBDC, the exploratory work of the Eurosystem is at a too early stage to cover the issues of questions XIII.B. If a wholesale CBDC were to be launched, the access conditions would be the same as the ones defined for the TARGET services.
Use among residents	n.r.	The legislative proposal foresees that the use of a digital euro could be subject to holding limits to ensure that it does not lead to excessive deposit outflows and does not affect the transmission of monetary policy. Additionally, transaction limits could also apply to transactions made using the offline functionality to prevent money laundering and financing of terrorism.
Between residents and nonresidents	n.r.	Extending access to digital euro to persons residing in non-euro area countries, or any wider availability, is foreseen in the legislative proposal. At the current juncture, the legislative proposal provides that cross-currency payments between the digital euro and other currencies would be possible, subject to prior agreements between the ECB and the CBs of relevant jurisdictions to define the conditions in which these payments would occur. Likewise, holding of digital euros by nonresidents would be subject to limits (see Section XIII.B.2). Tourists visiting the euro area may also be offered limited access to digital euro services.
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	The legislative proposal unveiled by the European Commission in June 2023 foresees the possibility for nonresidents (persons who opened a digital euro account when they were residents in a country of the euro area, visitors, residents of Member States whose currency is not the euro, residents of third countries) to access the digital euro. Access to the digital euro for these natural and legal persons would

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		be subject to agreement with the authorities of that country. These persons would also be subject to limits regarding the use of the digital euro as a store of value that would not be higher than the ones effectively implemented in the euro area for residents.
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	n.a.	The EU Markets in Crypto-assets Regulation (MiCA) 2023/1114 entered into force June 29, 2023. The provisions on stablecoins (Title III and IV) will start applying on June 30, 2024, while the rest of MiCA (including rules on crypto-asset service providers and on addressing market abuse) on December 30, 2024. MiCA will be directly applicable in all EU Member States. Until then, activities relating to crypto-assets and stablecoins are governed by any applicable national law. In France, there is no dedicated regulatory framework related to unbacked crypto-assets but a general one, created by the French PACTE Law of May 22, 2019, introducing “digital assets”, with no consideration on the backing of the crypto-asset. The regime concerns digital asset service providers (Prestataire de services sur actifs numériques, PSAN), and issuers of Initial Coin Offering (ICO) tokens. However, the issuance of crypto-assets (except in the particular case of the issuance of ICO tokens) is not covered by French Law. Exchange and trading platforms that offer unbacked crypto-assets to French citizens must be registered as PSAN and are regulated by the French financial market authority (AMF) and the French ACPR. This current French regulatory framework related to “digital assets” will be replaced with the European Markets in Crypto-Assets regulation “MiCA”, as of 2024.
Controls on unbacked tokens	No.	The MiCA regulation regulates the issuance and the provision of services on crypto-assets (that is, unbacked tokens) and stablecoins. However, it does not cover their acquisition as an investment nor their use as a settlement asset.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	

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Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	n.a.	Under French Law, Utility tokens are covered under the aforementioned "PACTE" law when they are issued through an ICO (optional ICO Visa). A security token might be qualified (on a case-by-case analysis), under the French Law (see Article L.211-7 of the French Monetary and Financial Code), as a financial instrument and if applicable follow the related European and French financial regulation framework. The MiCA regulation henceforth clarifies that security tokens must be regulated as financial instruments, under Directive 2014/65/EU on Markets in Financial Instruments (MIFID). Utility tokens are governed under MiCA as crypto-assets.
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on stablecoins	No.	The issuance of stablecoins is not covered by the PACTE Law. Exchange and trading platforms that offer stablecoins to French citizens must be registered as PSAN and are regulated by the AMF and the ACPR. However, under MiCA, the issuance and the provision of services on stablecoins (that is, Asset-referenced tokens (ARTs) and E-money tokens) are strictly regulated.
Acquisition by residents	No.	MiCA provides limits for the acquisition of ART used as means of exchange or E-money tokens based on a foreign currency.
Use among residents	No.	MiCA provides limits for the use of ART used as means of exchange.
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	Under the PACTE law, exchanges must be registered as PSAN and are regulated by the AMF and the ACPR. The authorization regime provided by the PACTE remains optional.

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		The MiCA regulation provides a more stringent legal regime for the provision of crypto-asset services, which cover crypto-asset exchange and trading platforms.
Domestic exchanges	No.	Under MiCA, crypto-asset service providers offering services in the EU must be implemented in the EU and are submitted to an authorization procedure.
Access to crypto exchange/trading platform by residents	No.	Under MiCA, access to crypto-service providers is submitted to investor and consumer protection rules. Crypto-asset service providers should provide their clients with information that is complete, fair, clear and not misleading and warn them about the risks associated with crypto-assets. Crypto-asset service providers should make their pricing policies public, should establish complaints-handling procedures and should have a robust policy for the identification, prevention, management and disclosure of conflicts of interest.

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*10/21/2022*	Restrictive measures were imposed in view of the situation in Haiti.
	07/20/2023	Embargo on components used in the construction and production of UAVs.
Other security restrictions	*10/23/2023*	Restrictive measures in view of the situation in Niger.

Capital Transactions

Controls on capital transactions		
Controls on direct investment		
Inward direct investment	*01/01/2022*	In an effort to adapt the French system of FDI screening to ongoing developments and challenges in the renewable energy sector, the Order of September 10, 2021, relating to foreign investment in France added technologies involved in the production of renewable energy to the list of critical technologies.

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GABON

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 10, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for 2019 Article IV Consultation Fourth and Fifth Reviews under the Extended Arrangement under the Extended Fund Facility, and Request for Waiver of Nonobservance of Performance Criteria, and Rephasing of the Remaining Purchases with Gabon states that, as of December 4, 2019, Gabon maintained a 1.5% tax on wire transfers abroad that is not consistent with Gabon's obligations under Article VIII, Section 2(a) of the Articles of Agreement. The proceeds of this tax are used to fund Gabon's health insurance scheme. (Country Report No. 19/389)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Gabon implements UNSC Resolution Nos. 1970 and 1973.
Other security restrictions	Yes.	For security reasons, Gabon supports UNSC Resolution No. 1373 to combat money laundering and terrorism financing (Regulation No. 01/03/CEMAC/UMAC/CM of April 4, 2003).

Exchange Arrangement

Currency	Yes.	The currency issued within the CEMAC, which is legal tender in Gabon and the other member countries, is the CFA franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the CAMU is a conventional peg. Gabon participates in the CAMU and has no separate legal tender. The Monetary Cooperation Agreement (MCA) between the CEMAC member countries and France is based on three principles: (1) a common CB; (2) fixed parity with the euro; and (3) an unlimited convertibility guarantee. Article 16 empowers the finance ministers of signatory countries (Joint Monetary Committee) to amend the MCA. Article 17 permits signatories to renounce the agreement.

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		Article 18 specifies that the expulsion of a member country from the BEAC automatically results in that country's renunciation of the MCA.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the intervention currency, at a fixed rate of CFAF 655.957 per euro. The exchange rate is fixed by Article 12 of the MCA of November 23, 1972, between the BEAC and France, which states that the par value may be modified following consultation among the signatory countries (BEAC members and France), taking into account the demands of the economic and financial situation of the member countries. Exchange transactions in euros between the BEAC and commercial banks are made at this rate. Buying and selling rates for certain other foreign currencies are also listed officially based on the fixed rate for the euro and the rates for these foreign currencies prevailing in the Paris foreign exchange market. The official rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		

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Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	Transfers of funds with the rest of the world are subject to transfer fees determined freely by the market but not exceeding 1%, excluding any other special tax. Licensed intermediaries may effect transfers with the rest of the world through the BEAC. Within the CEMAC, transfers of funds are subject to transfer fees determined freely by the market but not exceeding 0.25%, excluding the VAT and any other special tax.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Licensing of exchange bureaus is the responsibility of the MOFs of the CEMAC member countries. Their operations are limited to OTC transactions. Licensed intermediaries, who set their own exchange rates with their customers for currencies other than the euro, may freely conduct foreign exchange transactions with their customers. The BEAC's OTC foreign exchange transactions are conducted exclusively with national public accountants and treasuries. In Gabon, nine banks are licensed to conduct foreign exchange transactions with the public.

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Operated by the central bank	Yes.	The BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Foreign exchange standing facility	Yes.	Within the limits of available stocks, the BEAC's OTC exchange transactions are conducted exclusively with national public accountants and treasuries.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no restrictions on interbank foreign exchange transactions within the CEMAC. Exchange transactions are OTC transactions. The BEAC does not intervene in exchange transactions within the CEMAC. These transactions are freely conducted by operators licensed by the MOF with the approval of the Central African Banking Commission (COBAC). A fee of no more than 3% for CFA franc area notes and 5% for other currencies, not including the VAT and any other specific tax, is collected by licensed intermediaries on transactions in foreign banknotes and traveler's checks. This fee covers all charges on OTC transactions and the intermediation margin. Nine banks are licensed, and all participate in the interbank market. In principle, all licensed banks participate in the interbank market, but at different levels.
Over the counter	Yes.	Foreign exchange transactions are conducted on an OTC basis.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	There is no forward foreign exchange market in the CEMAC. However, licensed intermediaries may enter into forward exchange contracts up to a limit of CFAF 100 million on presentation of supporting documentation (invoices, debt repayment schedules, or other foreign-currency-denominated debt instruments) and must report such activities to the BEAC. For amounts over CFAF 100 million, requests for forward exchange contracts must be made to the BEAC so that their purpose may be verified.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Within the CEMAC, the CFA franc is used freely for payments and receipts relating to current and capital transactions and payments. Settlements with all countries other than CEMAC members must be made through correspondent banks in one of the currencies of the two parties or in any other currency agreed on by the two parties to the transaction.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	

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Credit operations	No.	
Use of foreign exchange among residents	Yes.	The monetary unit is the CFA franc, which is the sole official currency and legal tender in all CEMAC member countries. Consequently, transactions among residents must be settled in domestic currency. However, the Central African Republic adopted a law on April 22, 2022, which governs cryptocurrency transactions in the country and considers Bitcoin as the reference currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	An operations account links all the countries with the French Treasury. All purchases and sales of foreign currencies and euros in exchange for CFA francs are ultimately settled by a debit or credit to the operations account. Governments may maintain foreign currency deposits related to oil reserves at commercial banks and use them to meet their external debt service obligations. Exchange regulations in the CEMAC member countries are harmonized.
Clearing agreements	No.	
Barter agreements and open accounts	No.	There is no formal clearing agreement between any CEMAC country and other countries. Nor are there any regulatory provisions governing this mechanism. In practice, however, some countries may receive production or capital goods from abroad in exchange for financial flows.
Administration of control	Yes.	Administration of the foreign exchange regulations is the responsibility of the MOFs of the CEMAC countries, which may delegate all or a portion of their authority to the BEAC, the COBAC, and licensed intermediaries. For example, authority is delegated to licensed intermediaries to carry out transactions with the rest of the world. They must verify the validity of transactions, collect statistics, and report these activities to the monetary authorities. However, certain types of transactions may not be delegated. The BEAC supervises the exchange regulations; evaluates foreign exchange hedging operations; reviews requests for approval of opening of foreign exchange accounts by resident legal entities; and monitors the repatriation of export proceeds. The COBAC ensures that licensed intermediaries comply with certain provisions of these regulations, especially to prevent weakening of the CEMAC banking system.
Payments arrears	No.	Licensed intermediaries may freely execute their customers' payment orders. The related transfers may, at their request, be made through the BEAC. When banks execute payment order requests through their liquidity buffer, these requests do not come back to the BEAC but are checked during on-site or off-site inspections. In this context, the MCA with France serves to guarantee the convertibility of the CFA franc. No payment arrears are allowed on the grounds that insufficient foreign exchange is available.
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	CEMAC residents are free to hold, purchase, and sell gold in any

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		form within the CEMAC.
On external trade	Yes.	Except in the case of manufactured articles containing small quantities of gold, CEMAC gold imports and exports are subject to approval by the appropriate authorities. The national treasuries and the BEAC are exempt from this requirement.
Controls on exports and imports of banknotes	Yes.	Residents and nonresidents traveling from one country to another within the CEMAC may take with them an unlimited amount of CEMAC banknotes and coins.
On exports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be exported to countries outside the CEMAC. However, departing resident travelers may have in their possession up to CFAF 5 million. During their trips outside the CEMAC, travelers must use payment instruments other than BEAC banknotes (foreign currency, traveler's checks, bank drafts, transfers, etc.).
Foreign currency	Yes.	Resident and nonresident travelers crossing CEMAC borders must, on exit, declare any foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities. Nonresident travelers leaving the CEMAC may take with them foreign currency valued at up to the amount they declared on entering the CEMAC. If they made no declaration on entry or if they are carrying sums exceeding those they brought into the CEMAC, they must explain the source of the amount in excess of CFAF 1 million. Supporting documents include pay slips and work permits (wage income), student cards (parental assistance for students and trainees), and notarized instruments (donations), among others.
On imports	Yes.	
Domestic currency	Yes.	CFA francs issued by the BEAC may not be imported from countries outside the CEMAC. However, arriving resident travelers may have in their possession up to CFAF 5 million.
Foreign currency	No.	Resident and nonresident travelers crossing CEMAC borders must, on entry, declare foreign currency, securities, or instruments valued at more than CFAF 5 million to the customs authorities.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may not open foreign exchange accounts in local banks. However, the BEAC may allow resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts.
Approval required	Yes.	The BEAC may allow certain resident legal entities to open foreign exchange accounts. These accounts may not be credited with CFA francs or with debits from CFA franc accounts. Balances may be transferred abroad freely. The authorization to open bank accounts in foreign currency is granted by the BEAC. Generally, the BEAC's approval is given when the entity in question cannot easily carry out all its operations with accounts in CFA francs only or when a financial arrangement following an external financial contribution requires the opening of foreign currency accounts.
Held abroad	Yes.	Resident legal entities, except credit institutions, are prohibited from opening foreign currency bank accounts outside the CEMAC in accordance with Regulation No. 02/18/CEMAC/UMAC/CM of December 21, 2018. However, the BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in

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		accordance with the terms and conditions set out in a BEAC directive in June 10, 2019. In general, when resident entities borrow abroad and the lenders require foreign currency accounts to be established, these are authorized by the BEAC.
Approval required	Yes.	The BEAC may allow a resident legal entity to open a foreign currency account outside the CEMAC in accordance with the terms and conditions set out in a BEAC directive in June 2019.
Accounts in domestic currency held abroad	Yes.	Accounts in domestic currency held abroad are permitted.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions on the opening of nonresident foreign exchange accounts within the CEMAC. Licensed intermediaries may open such accounts for any nonresident, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn. On account closure (for example, for loss of nonresident status), the account balance must be transferred to a resident account in CFAF.
Approval required	No.	
Domestic currency accounts	Yes.	There are no restrictions on the opening of nonresident CFA franc accounts within the CEMAC. Licensed intermediaries may open such accounts for nonresidents, on request, provided they inform the monetary authorities. Such accounts may not be overdrawn.
Convertible into foreign currency	No.	Nonresidents may not convert the balances of their domestic currency accounts to foreign currency or transfer them abroad.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	The exchange regulations do not limit access to foreign exchange. Payments for imports must be made regularly through licensed intermediaries.
Financing requirements for imports	No.	Economic agents may freely enter into commercial contracts with their partners abroad. These contracts are executed through the banking system, subject to compliance with the exchange regulations.
Minimum financing requirements	No.	There are no financing requirements.
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license. Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legally registered legal entities and declared or certified professionals may be exempt from the requirement to produce supporting documents, provided they submit an annual estimate of imports corroborated by a business forecast.

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Domiciliation requirements	Yes.	Imports valued at more than CFAF 5 million must be domiciled with a resident licensed intermediary.
Preshipment inspection	Yes.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Import licenses used as exchange licenses	No.	Import licenses are not used in the CEMAC countries to restrict the availability of foreign exchange for legitimate trade, as defined in the Compilation Guide. When such licenses exist, they are used for trade policy purposes.
Other	Yes.	For import payments of less than CFAF 100 million, the licensed intermediary must obtain a pro forma or original invoice, a bill of lading, or the commercial contract, along with the most recent tax receipt or a professional license (registration number, professional ID card, extract from the commercial registry, or tax clearance). Payments of more than CFAF 100 million must be settled through a licensed intermediary, which must check the supporting documents. Legal entities and certified professionals can no longer use annual estimates of imports and must produce all supporting documents to carry out transactions.
Import licenses and other nontariff measures	Yes.	In general, CEMAC countries no longer use quantitative restrictions as a means of protecting local production. Merchandise originating from all countries may be freely imported, with the exception of gold, to which special regulations apply.
Positive list	No.	
Negative list	Yes.	Imports of some products may be prohibited, restricted, or require national authorization for humanitarian, security, or health reasons.
Open general licenses	No.	There is no system of OGLs at the CEMAC level. Imports are subject to declaration.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The CEMAC CET applies to imports from non-CEMAC countries, at four rates: 5% for staple goods, 10% for raw materials and capital goods, 20% for intermediate goods, and 30% for consumer goods. The taxes are imposed by the national customs administration in CFA francs at the merchandise point of entry.
Taxes collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and related fees established by law and surrendering them to the monetary authority.
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export-related transactions must be reported to the appropriate administrative authorities, and all those exceeding CFAF 5 million must be domiciled at a licensed CEMAC bank. Export proceeds originating in non-CEMAC countries must be collected and repatriated immediately, through the domiciling bank, with the BEAC acting as intermediary.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds collected in foreign currencies must be surrendered to the BEAC within 3 days of collection.
Surrender to authorized dealers	No.	

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Financing requirements	No.	Economic agents and their partners abroad may enter freely into commercial contracts, which are executed through the banking system, subject to compliance with the exchange regulations. There are no financing requirements.
Documentation requirements	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank. Each domiciliation file must contain an export contract, a foreign exchange declaration under which the exporter agrees to repatriate all export earnings within a month of the payment due date, and a customs export certificate duly signed by a customs officer.
Letters of credit	No.	The use of LCs by economic agents for the settlement of transactions is allowed but optional.
Guarantees	Yes.	Guarantees are required.
Domiciliation	Yes.	Transactions related to exports to non-CEMAC countries valued at more than CFAF 5 million must be domiciled with a local licensed bank.
Preshipment inspection	Yes.	There are no specific provisions for inspections at the CEMAC level. The member countries may freely apply their own regulations in this regard.
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	Export taxes established by the budget laws are levied by the Customs Directorate or via licensed intermediaries.
Collected through the exchange system	Yes.	Licensed intermediaries are responsible for withholding all taxes and fees established in the law and surrendering them to the monetary authority.
Other export taxes	Yes.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	There are no exchange restrictions on service-related transactions. Payments for such transactions are subject to the same requirements as the underlying commercial transactions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided, and amounts exceeding CFAF 100 million must be declared to BEAC and the MOF. Licensed intermediaries must obtain a pro forma invoice or other supporting documents for payments for service-related expenditures under CFAF 10 million.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	Yes.	There are no restrictions on transfers of capital income outside the CEMAC in the form of profits, dividends, interest, royalties, etc., payable to nonresidents, provided the underlying transaction was authorized or is not subject to authorization. Supporting documents on the decision to distribute income (profits and dividends), the repayment schedule, and the debt security involved (loans contracted and granted) must be provided. Transactions in excess of CFAF 5 million must be domiciled with CEMAC credit institutions. Other current transactions, as well as financial and capital operations in excess of CFAF 100 million, must be declared to BEAC and the MOF.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Indicative limits are established for OTC foreign exchange allocations to residents traveling outside the CEMAC. A single indicative threshold of CFAF 5 million is set for all travels. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation for amounts in excess of CFAF 5 million, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Personal payments	Yes.	Transfers are unrestricted, on submission of supporting documentation.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A single indicative limit of CFAF 5 million is established for OTC foreign exchange allocations to residents traveling outside the CEMAC. However, all substantiated requests must be granted, regardless of the amount. Licensed intermediaries must serve their customers' foreign currency needs, to the extent that funds are available to them, and check supporting documentation for amounts in excess of CFAF 5 million, including, as applicable, a valid travel document and ticket, a mission order, a health evacuation authorization, or a certificate of registration at a school or university, and report to the appropriate authorities.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no restrictions on transfers by residents and nonresidents of income from wages, subject to a declaration for statistical purposes. On presentation of a pay slip, resident foreign wage earners may transfer a portion of their net remuneration.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	Yes.	The use of credit cards is considered equivalent to a transfer and is not subject to specific regulations in the context of invisible transactions and current transfers. Residents may use credit cards within the CEMAC and abroad.
Other payments	Yes.	These are treated the same as trade-related payments.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All service-related expenditures must be declared, and amounts exceeding CFAF 5 million must also be domiciled with a resident licensed intermediary. Supporting documents must be provided. Amounts exceeding CFAF 100 million must be declared to BEAC and the MOF.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Amounts owed by nonresidents for services and all income from foreign assets earned outside the CEMAC must be collected through a licensed bank and repatriated immediately.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currency must be surrendered to the BEAC within 3 days of receipt.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital flows within the CEMAC are not subject to exchange controls. There are no restrictions on most capital flows between CEMAC and non-CEMAC countries, provided they comply with the laws and regulations prohibiting drug financing and trafficking. Certain loans, direct investments, and the issuance, advertisement, and sale of foreign securities within the CEMAC are subject to administrative controls and require approval from the appropriate authorities. Controls on these transactions are applied to countries in the CFA franc area, other than CEMAC member countries, and to all non-CFA franc area countries. Moreover, Article 61 of the General Regulations of the Central African Financial Market Supervisory Commission (COSUMAF), from January 15, 2009, specifies that "when a nonresident legal entity plans a public offering on the Central African regional financial market, it must prepare a disclosure document and submit it to COSUMAF for approval prior to dissemination. The prior approval of the exchange control authority in the various countries concerned must also be obtained." The article also states that "the issuer must appoint a correspondent (securities dealer) established in a CEMAC member state, where it elects domicile. This correspondent must be responsible for: (1) receiving correspondence from COSUMAF and (2) forwarding to COSUMAF all documents and information required under the laws and regulations or requested by COSUMAF."
Repatriation requirements	Yes.	In the context of the centralization of foreign exchange reserves, foreign currency collected from capital transactions must be repatriated immediately after collection.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Amounts collected in foreign currencies must be surrendered to the

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		BEAC no later than 3 days after receipt.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	The issuance, advertisement, and sale of foreign securities (shares and bonds issued by foreign enterprises) whose value exceeds CFAF 10 million are subject to MOF approval. Under CEMAC exchange regulations, transactions in capital market securities are treated in the same way as simple borrowing and lending operations, as opposed to direct investments, when the shares or equity held by the individual or legal entity represent less than 10% of the enterprise's total equity. Borrowing and lending are not regulated by type of instrument or maturity.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported 30 days before the transaction when the transaction is less than CFAF 20 million. Above this amount, the transaction is subject to prior CB approval. There is no minimum (or maximum) holding period for securities.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days. There is no minimum (or maximum) holding period for securities.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared 30 days before the transaction when the amount is less than CFAF 20 million. Above this amount, it requires prior CB approval.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. Prior approval by the Banking Commission is required in all occasions.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval. There is a minimum holding period requirement for such bonds.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities by residents. Transactions must be declared 30 days before when the transaction is no more than CFAF 20 million. Above this amount, prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be declared 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior

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		CB approval is required.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of money market instruments within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment abroad for purchases of money market instruments by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required.
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be declared to the CB 30 days before if the transaction is less than CFAF 20 million. Above this amount, the prior CB approval is required.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Banks may verify and make payment for purchases of securities by nonresidents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval.
Sale or issue locally by nonresidents	Yes.	The issuance, advertisement, and sale of securities within the CEMAC are subject to CB approval when the amount involved exceeds CFAF 50 million. Transactions must be reported to the BEAC within 30 days.
Purchase abroad by residents	Yes.	Banks may verify and make payment for purchases of securities abroad by residents. Transactions must be declared to the CB 30 days before when the transaction is less than CFAF 20 million. Above that amount, prior CB approval is required. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that “the regulations governing the management of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC.”
Sale or issue abroad by residents	Yes.	Banks may verify and make payment abroad for the sale or issuance of securities by residents. Transactions must be reported within 30 days. When the total outstanding liabilities of a single borrower exceed CFAF 100 million, transactions are subject to MOF approval. Moreover, the provisions of Article 255 of the COSUMAF General Regulations specify that “the regulations governing the management of a collective investment fund and the articles of incorporation of an open-end investment company may, subject to COSUMAF prior approval, allow purchases and sales of securities on markets outside the CEMAC.”
Controls on derivatives and other instruments	n.r.	These instruments are not regulated.
Purchase locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.
Sale or issue locally by nonresidents	n.r.	There is no derivatives market in the CEMAC.
Purchase abroad by residents	No.	Licensed banks are free to deal in derivatives, subject to compliance with the prudential rules issued by the Banking Commission, which is responsible for supervision of the banking system.
Sale or issue abroad by residents	n.r.	There is no derivatives market in the CEMAC.
Controls on credit operations	Yes.	There are no specific regulations on borrowing and lending by instrument type or by maturity.
Commercial credits	Yes.	Borrowing directly related to the financing of commercial transactions and borrowing and lending contracted or granted by resident licensed banks are unrestricted and must be reported to the

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		appropriate MOF and BEAC departments within 30 days of each transaction.
By residents to nonresidents	Yes.	Banks may verify and then execute commercial credits granted to nonresidents, except when the customer's total outstanding debt exceeds CFAF 100 million, in which case such credits must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
To residents from nonresidents	No.	Only banks are authorized to verify and then execute commercial credits received by residents, which they must declare to the appropriate MOF and BEAC departments within 30 days of each transaction.
Financial credits	Yes.	Loans contracted or granted by resident licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Banks may verify and execute borrowing and lending transactions for their customers, as well as their repayment, except when the customer's total outstanding debt exceeds CFAF 100 million, in which case they must be reported to the MOF and BEAC for approval 30 days before the transaction. The repayment of borrowing and lending subject to such approval must also be reported within 30 days of the transaction. Supporting documents for such borrowing and lending include the repayment schedule and a copy of the debt security.
By residents to nonresidents	Yes.	For these loans, a statement to the MOF and to the BEAC needs to be submitted.
To residents from nonresidents	Yes.	For these loans, a statement to the MOF and to the BEAC needs to be submitted.
Guarantees, sureties, and financial backup facilities	n.r.	Guarantees, sureties, and financial backup facilities are not restricted or specifically regulated in the CEMAC. Their execution derives from the performance of contracts entered into with nonresidents.
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment by CEMAC countries is subject to prior approval by the CB. Only licensed banks may verify and execute such transactions. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Inward direct investment	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment

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		exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Controls on liquidation of direct investment	Yes.	The total or partial liquidation of CEMAC countries' outward (and inward) direct investment in amounts exceeding CFAF 100 million is subject to prior declaration and must be reported to the MOF 30 days before execution.
Controls on real estate transactions	Yes.	This category of transaction is not subject to specific regulations. It is implicitly subject to the same regulations as FDI.
Purchase abroad by residents	Yes.	Outward direct investment by CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Purchase locally by nonresidents	Yes.	Inward direct investment to CEMAC countries is unrestricted when the related transactions do not exceed CFAF 100 million. Only licensed banks may verify and execute such transactions. Transactions exceeding CFAF 100 million must be reported to the MOF 30 days in advance, except for capital increases resulting from the reinvestment of undistributed earnings. The following may serve as supporting documents: (1) the list of registered shareholders of the direct investment enterprise; (2) a copy of the decision to create the enterprise or increase its capital; (3) a description of the enterprise's type of business; (4) the balance sheets, income statements, and auditors' reports for the previous three years, if the investment exceeds CFAF 100 million; and (5) projected balance sheets and income statements, in cases of new enterprises.
Sale locally by nonresidents	n.r.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Residents may grant loans to nonresidents, as long as the total outstanding amount does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
To residents from nonresidents	Yes.	Residents may contract loans from nonresidents, provided a single borrower's total outstanding debt does not exceed CFAF 100 million. Such loans must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
Gifts, endowments, inheritances, and legacies	Yes.	Receipts from abroad related to gifts must be reported to the appropriate administrative authorities, and all such items exceeding CFAF 5 million must be domiciled with a licensed CEMAC bank.
By residents to nonresidents	n.r.	
To residents from nonresidents	Yes.	Receipts from abroad related to gifts must be reported to the appropriate administrative authorities, and all such items exceeding CFAF 5 million must be domiciled with a licensed CEMAC bank.
Settlement of debts abroad by	Yes.	Residents' settlement of debts abroad of up to CFAF 100 million

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immigrants		must be reported to the MOF and the BEAC within 30 days of the transaction. Transactions exceeding CFAF 100 million are subject to MOF approval.
Transfer of assets	n.r.	This type of transaction is not restricted or specifically regulated in the CEMAC.
Transfer abroad by emigrants	n.r.	
Transfer into the country by immigrants	n.r.	
Transfer of gambling and prize earnings	n.r.	This type of transaction is not restricted or specifically regulated in the CEMAC.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks' capital transactions must be reported after their execution. The business and accounting regulations applicable in the banking sector are based on the application of the COBAC regulations and instructions.
Borrowing abroad	No.	Borrowing by resident licensed banks from nonresidents and repayment of such loans are not subject to prior approval, but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Maintenance of accounts abroad	No.	Licensed banks may, without prior approval, open accounts with their correspondent banks abroad for their business purposes. Such accounts are monitored by the COBAC in the context of its supervision of the banking system.
Lending to nonresidents (financial or commercial credits)	No.	Lending by resident licensed banks to nonresidents and repayment of such loans are not subject to approval but must be reported within 30 days of their execution to the MOF and the BEAC. Licensed banks may undertake such operations, subject to the COBAC prudential rules.
Lending locally in foreign exchange	No.	Transactions between residents must be effected in domestic currency. Residents may purchase foreign currency for the settlement of their transactions with nonresidents.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Securities issued within the CEMAC are denominated in domestic currency, and securities denominated in foreign exchange do not exist. However, these transactions are in principle subject to compliance with the provisions of the CEMAC Regulation, in particular, prior declaration to BEAC and the MOF.
Differential treatment of deposit accounts in foreign exchange	No.	The books of licensed banks are maintained in CFA francs. No specific requirements apply to foreign currency deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	No specific requirements apply to these accounts.
Reserve requirements	No.	There is no difference in the treatment of deposit accounts held by nonresidents.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	

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Investment regulations	No.	Investment operations of licensed banks are unrestricted and must be reported to the appropriate MOF and BEAC departments within 30 days of each transaction. Moreover, these transactions must be executed in compliance with the COBAC prudential rules. Investment operations of licensed banks are unrestricted and must be reported to the appropriate Ministry of the Economy, Finance and the Budget (MEFB) and BEAC departments within 30 days of each transaction. Moreover, these transactions must be executed in compliance with the COBAC prudential rules. All these operations must be declared to the BEAC.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The monitoring and control of the foreign exchange positions of local banks are described in COBAC Regulation No. R-2003/03 on the Supervision of Foreign Exchange Positions. All operations above CFAF 100 million should request authorization from the BEAC.
On resident assets and liabilities	Yes.	All operations above CFAF 100 million should request authorization from the BEAC.
On nonresident assets and liabilities	Yes.	All operations above CFAF 100 million should request authorization from the BEAC.
Provisions specific to institutional investors	Yes.	In the exchange regulations, the applicable provisions are the same as those for borrowing and lending by the private sector.
Insurance companies	Yes.	Insurance companies' capital transactions must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for the insurance sector are based on the Code of the Inter-African Conference on Insurance Markets (CIMA Code) of the CFA franc area member countries.
Limits (max.) on securities issued by nonresidents	Yes.	All operations above CFAF 100 million should request authorization from the BEAC.
Limits (max.) on investment portfolio held abroad	Yes.	All operations above CFAF 100 million should request authorization from the BEAC.
Limits (min.) on investment portfolio held locally	Yes.	The minimum is CFAF 10 million.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The capital transactions of investment firms and collective investment funds must be reported within 30 days to the MOF and the BEAC. Transactions exceeding CFAF 100 million are subject to approval by the appropriate authorities. The business and accounting regulations for this sector are based on the regulations and instructions of the COSUMAF.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	

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Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.

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Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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THE GAMBIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 21, 1967.
Article VIII	Yes.	Date of acceptance: January 21, 1993.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	The Gambia maintains exchange restrictions in accordance with UNSC resolutions. These include restrictions on financial transactions, listing and freezing of accounts of individuals and all financial and non-financial institutions and designated non-financial businesses and persons (DNFBPs) in support of (1) UNSC Resolutions Nos. 1267 (1999) and 1373 (2001) and (2) the US State Department's updated list of organizations associated with terrorism. In addition, pursuant to UNSC resolutions, The Gambia enacted the Anti-Terrorism Act of 2012 and the Money-Laundering Act of 2012.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of The Gambia is the Gambian dalasi.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is free floating. The exchange rate is determined in the foreign exchange market. The Gambia participates in the W-ERM II of the WAMZ, which requires that the spot exchange rate between the dalasi and the US dollar be

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		maintained within ±15% of the central rate; however, the authorities have not yet implemented these measures. The Central Bank of The Gambia (CBG) periodically intervenes in the foreign exchange market by selling and buying foreign exchange to augment international reserves and ensure market orderliness. The de facto exchange rate arrangement is classified as crawl-like. The CBG does not publish intervention data but informs market makers on the results of each auction including prices.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The daily interbank exchange rates are computed after the close of each business day. The CBG collects actual buying and selling rates of all participants in the foreign exchange market (between banks, microfinance institutions, and foreign exchange bureaus, and their respective customers) for each traded currency and calculates the average midmarket rate. The exchange rate for government transactions is the average of the midmarket interbank rates of the previous week. The CBG conducts a foreign exchange market review session on the last business day of each week with the participation of the commercial banks, microfinance institutions, and foreign exchange bureaus. During this session, the average market rate of the week is announced as the rate to be applied to government transactions and customs valuations the following week.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The CBG's monetary operational target is reserve money.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		

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Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	All ADs are allowed to determine their rates in line with market fundamentals.
Spot exchange market	Yes.	Foreign exchange bureaus are subject to annual license renewal by the CBG. As of December 2022, there were 116 licensed bureaus. Because of their involvement in international money transfer operations, licensed foreign exchange bureaus may choose to open accounts abroad; however, they may not open accounts for their customers. The CBG has been authorized to deal with microfinance institutions and foreign exchange bureaus, as stipulated in the Reserve Management Guidelines. Currently, the CBG deals only with commercial banks because the volumes involved in the intervention are not available to foreign exchange bureaus.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	

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Auction	Yes.	CBG auctions (purchase/sale) are conducted by written invitations/solicitation through email to all banks (only banks can participate because of volume) and requesting bids to be submitted in writing. The auction preannounces the foreign exchange amount, currency, bid submission deadline, and the requirement to submit bids in sealed envelopes to the CBG. The most competitive bid, that is, the best rate (lowest buying, highest selling rate), is selected in these auctions. While the cutoff rate is determined by the best bid rate, it is subject to the rate range set by the CBG intervention policy, which limits awarding rates within intervention trading limits of the policy as at trade date. The auctions are sanctioned by the Intervention Committee. Winning bids are limited to 20% of the amount floated. Bids must be settled by T+2. The CBG only settled the dalasi component when swift confirmations are received to mitigate credit risk.
Fixing	No.	
Interbank market	Yes.	Commercial banks and foreign exchange bureaus are free to engage in transactions among themselves or with customers at exchange rates agreed on by the parties to these transactions. The daily interbank exchange rates are computed after the close of each business day. The CBG collates actual buying and selling exchange rates of all participants in the foreign exchange interbank (banks, finance companies, and foreign exchange bureaus) for each traded currency and calculates the average midmarket rate. Hence, the interbank exchange rates only include rates between banks, finance companies, and foreign exchange bureaus, and their respective customers. All 12 commercial banks and licensed foreign exchange bureaus and microfinance institutions take part in the interbank foreign exchange market. There is no restriction on the market trading spread. The spread continues to be determined by the fundamentals of demand and supply.
Over the counter	Yes.	
Brokerage	No.	
Market making	n.a.	The foreign exchange market continues to operate on the fundamentals of demand and supply. All the participants quote their respective prices and consummate deals based on agreements with their customers.
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	There are no limitations on the use of domestic currency in international payments for current or capital transactions, but the dalasi is not readily accepted for international transactions.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	

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Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	The Gambia participates in the WAMZ.
Clearing agreements	Yes.	
Barter agreements and open accounts	n.a.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Commercial banks may open foreign currency deposit accounts for their clients, provided the banks have demonstrated to the CBG that they have well-developed internal risk-control systems in place.
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	n.a.	

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of certain goods are subject to authorization for health or security reasons.
Open general licenses	Yes.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Customs duty rates range from 0% to 20%. In January 2013, VAT replaced the sales tax, with the exception of rice imports, which were subject to a sales tax of 5%. Imports by the government, diplomatic missions, and charitable organizations are exempt.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	The exportation of forestry products is subject to Forestry Department of The Gambia authorization.
With quotas	No.	
Export taxes	Yes.	A 2.05% administrative fee is levied on all items, except diamonds, which are taxed at 3%; exports of fish, fish products, peanuts and their by-products, as well as exports to the EU are exempt.
Collected through the exchange system	n.a.	
Other export taxes	Yes.	A 2.05% administrative fee is levied on all items, except diamonds, which are taxed at 3%; exports of fish, fish products, peanuts and their by-products, as well as exports to the EU are exempt.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	There are no capital markets or stock exchanges in The Gambia.
On capital market securities	No.	

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Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	These instruments do not exist in The Gambia.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	

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Guarantees, sureties, and financial backup facilities	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Controls on direct investment	No.
Outward direct investment	No.
Inward direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Purchase abroad by residents	No.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.
Controls on personal capital transactions	No.
Loans	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	These transactions are not restricted, except when controlled under the CBG Act.
Maintenance of accounts abroad	No.	These transactions are subject to reporting to the CBG.
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	These transactions apply mainly to imports and exports.
Purchase of locally issued securities denominated in foreign exchange	No.	

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Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	n.a.	
Abroad by banks	n.a.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Foreign exchange exposure limits set by the CBG must be observed on a weekly basis, and transactions must be reported daily to the CBG.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	There are no independent pension funds. The government pension fund may be subject to controls on investment decisions.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	No.	There are no investment firms or funds.
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.

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Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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GEORGIA

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		May 5, 1992.
Article VIII	Yes.	Date of acceptance: December 20, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Georgia is the Georgian lari.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements of Georgia are floating. The National Bank of Georgia (NBG) intervenes in the foreign exchange market through foreign exchange auctions or rules-based interventions, but does not make any explicit or implicit commitment with respect to an exchange rate target or path.

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Considering the market conditions, interventions are aimed at filling international reserves or smoothing excessive volatility to avoid inflationary expectations. The amount bought/sold at NBG's foreign exchange auctions and the average exchange rates are posted on the NBG website the same day, shortly after each auction.

The NBG uses the exchange trading system Bloomberg "BMatch." This foreign exchange trading platform is based on the principle of automatic "matching" of transactions. Market participants will place foreign currency buying and selling applications on the BMatch platform, and if the exchange rates between the buyer and seller of the currency coincide, then the currency transactions between the parties will be concluded automatically. At the first stage, only commercial banks participated in the BMatch platform. Companies are able to participate and can have access to the BMatch platform in two ways: directly through Bloomberg terminal and indirectly through a commercial bank.
With the introduction of the BMatch system, the NBG started to implement rule-based interventions on the platform—when the volatility of the exchange rate exceeds predetermined level, the intervention is carried out within the predefined limits.

In 2022, Russian invasion in Ukraine pushed country risk premium up and initially created depreciatory pressures. Meanwhile, expectations around exchange rate deteriorated as Russia and Ukraine are Georgia's major partner countries. However, foreign exchange inflows have strengthened since then. Money transfers have increased significantly and stood at record high level mostly driven by increased amount of money transfers from Russia. Meanwhile, tourism revenues started to recover and exceed the pre-pandemic level. Increased international visitor revenues were mostly driven by increased long stay visitors from Russia and Belarus. Ultimately, as a result of these trends, external demand was high in 2022 and the current account balance improved significantly. In 2022, the current account deficit of the balance of payments amounted to 4.6% of GDP, a historic low for Georgia. Under such circumstances, exchange rate appreciated in both nominal and real terms. During the year, the nominal effective exchange rate appreciated annually by 24.9%, while the real effective exchange rate appreciated by 15.0%. The net purchases of the NBG in the foreign exchange market amounted to USD 565 million. By foreign exchange auctions, NBG net selling was US$13.8 million, and by BMatch interventions, NBG's net purchase was US$578.4 million.
In 2023, the downward trend in inflation continued, and according to the latest data, inflation in September 2023 amounted to 0.7%, inflationary expectations also began to decline, and the NBG has begun a cautious exit from the strict monetary policy. In total, the monetary policy rate has been reduced by 1 percentage point (pp) since May 2023 and equaled to 10%. During 2023, the exchange rate remained on an appreciating trend and in September 2023 the NEER appreciated by 23.6% and in August REER – by 8.3%, annually. The net purchase of the NBG in the foreign exchange market from January to September 2023 amounted to US$1,390.3. By foreign exchange auctions, NBG net selling was US$81.9, and by BMatch interventions, NBG's net purchase was US$1,472.1 million.
The press release about the foreign exchange interventions is published on the day of the auction and also in the statistics section of the NBG website.
Data on the net purchases using the BMatch platform are published with a time lag of slightly less than one month in the statistics section

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		of the NBG website.
Free floating		
Official exchange rate	Yes.	The official exchange rate for the US dollar is determined daily and may be used (not mandatory) for state budget and tax accounting and for payments between the government and businesses and other legal entities. The official exchange rates for other currencies are based on the cross-rates for the dollar and other currencies in the international market. (1) The calculation period for the official exchange rate of the lari against the US dollar is from 4:30 p.m. of the previous business day to 4:30 p.m. of the calculation day within the BMatch platform of the Bloomberg trading system ("trade platform"), taking into account all registered foreign exchange spot trades. The official exchange rate of the lari vis-à-vis the US dollar is calculated as the average weighted exchange rate on the interbank market during the calculation period within the trade platform for registered trades. Trades concluded with the NBG as counterparty are considered interbank trades. (2) The following instances are not considered in the determination of the official exchange rate of the lari vis-à-vis the US dollar: (a) trades at rates significantly different from other registered trades: A rate is considered significantly different if it is either 2.5% higher or lower than the average weighted exchange rate of all the other registered trades within the calculation period (in practice, since the introduction of the new system in 2009, there have been only a few cases for excluding outliers) and (b) opposite trades between two counterparties with similar rates and amounts. (3) Trades used in the calculation of the official exchange rate of the lari vis-à-vis the US dollar for the previous day may be used in the calculation of the official exchange rate during the calculation period if (a) the number of registered trades within the trade platform during the calculation period that may be used in the calculation of the official exchange rate is three or fewer than three or (b) the total amount of the trades within the trade platform during the calculation period that may be used in the calculation of the official exchange rate is less than US$1.5 million. (4) The official exchange rate of the lari vis-à-vis other foreign currencies is determined according to the rate in international markets or the issuer country's domestic interbank currency market on the basis of cross-currency exchange rates. (5) The list of market segments for foreign currencies (interbank or CB rate) used in the determination of the cross-currency exchange rate is determined by the NBG. (6) The sources for exchange rates are the Reuters and Bloomberg Information systems and CBs' websites. (7) In the determination of cross-currency exchange rates, the latest available exchange rates are used. (8) Cross-currency exchange rates, the rates of foreign currencies (other than the lari) vis-à-vis the US dollar, are determined by the CB each business day from 2:45 p.m. to 3:00 p.m. In case of technical difficulties, a delay in the determination of exchange rates is permitted until the problems are resolved. Official exchange rate calculation is automated, using in-house software.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		

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Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	In December 2009, the NBG adopted an inflation-targeting framework.
Target setting body	Yes.	The inflation target is set by the NBG and submitted to the parliament. The MPC decisions are submitted, in the form of recommendations, to the governor of the NBG who will make the final decision. The MPC sets the inflation target and can also decide to set the type of target. The NBG is independent in its decision to set the inflation target and utilize its instruments to conduct the monetary policy.
Government		
Central Bank	Yes.	
Monetary Policy Committee	Yes.	The MPC consists of 13 NBG staff members and is led by the governor of the NBG. The meetings are held eight times in a year according to a preannounced calendar. (But in extraordinary circumstances, unplanned meetings can also be arranged.) The MPC is responsible for determining the target rate of inflation and setting monetary policy rate. The committee is also responsible for discussing and making decisions on issues regarding open market operations and other monetary and exchange rate operations, the issuance of certificates of deposit, setting the interest rate on NBG loans, minimum reserve requirement (RR) norms, other lending/deposit operations, and monetary policy instruments (except for the lender of last resort).
Central Bank Board		
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target	Yes.	Inflation target was set at 3% since 2018 (and for 2021–2023), which is also NBG's long-term target.
Target with tolerance band		
Band/Range		
Target measure	Yes.	The monetary policy of the NBG is forward looking and is based not on the current level of inflation, but, rather, on the forecasted level of inflation and the expectations of economic agents. For this reason, economic conditions are constantly evaluated and inflation forecasts are developed which consider those risks that can influence the price level. Inflation target is expressed in terms of the annual inflation rate.
CPI	Yes.	The CPI annual inflation is used as the point inflation target for the medium term.
Core inflation		
Target horizon	Yes.	The target horizon is 3 years.
Operating target (policy rate)	Yes.	
Policy rate		

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	Yes.	The monetary policy rate is the one-week refinancing rate.
Target corridor band	Yes.	As of August 5, 2021, the interest rate corridor is 2.5%: +75 basis points (bps) for overnight loans and −175 bps for overnight deposits. Previously, it was 1.5%—symmetric around policy rate ±75 bps. The corridor is created by using standing facilities: overnight loans and overnight deposits.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	Once a year, the NBG presents its annual report to the parliament.
Other	Yes.	In practice, the deviation of inflation from its target is explained in the Quarterly Monetary Policy Reports.
Transparency	Yes.	
Publication of votes	No.	No information is published regarding voting.
Publication of minutes	No.	Minutes are not published. Press releases on the MPC's decisions about the main monetary policy (refinancing) rate are immediately published on the NBG website. Press releases include information about the reasons of monetary policy decisions and forward guidance. In addition, deviation of the current inflation from the targeted level is briefly explained.
Publication of inflation forecasts	Yes.	The NBG publishes quarterly inflation forecasts and forecasted path of the policy rate in the Monetary Policy Reports.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Market participants are allowed to freely determine their bid-ask spreads and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Spot foreign exchanges market is free from regulation, and no special licenses are required to buy and/or sell the foreign currency. As of December 31, 2022, there were 15 commercial banks, 1 nonbank depository institutions (credit unions), 36 microfinance organizations, 176 loan issuing entities, 689 foreign exchange bureaus, 2 stock exchanges, 18 insurance companies, and 5 pension agency and schemes. Commercial Banks, microfinance organizations, and foreign exchange bureaus may buy and sell foreign currency to their clients. Their potential clients could be individuals and legal entities. Foreign exchange bureaus must be registered and may not enter into foreign exchange transactions directly with the NBG. They may transact only with banknotes. They may maintain accounts abroad on their own behalf, but may not maintain foreign accounts or make transfers on behalf of their clients.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The main goal of foreign exchange interventions (1) for the purpose

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of accumulating international reserves; (2) for smoothing excessive short-term volatility caused by temporary capital flows; (3) for balancing government's external operations; and (4) for supporting price stability.

The multiple price foreign exchange auction (introduced in 2009) is held occasionally at the discretion of the NBG in US dollars. The NBG defines the type of intervention (sale/purchase), the amount of currency to be sold/purchased, and minimum and/or maximum acceptable exchange rates for bidding. The amount is announced using the Bloomberg system, at least one hour in advance of the auction. Participants may bid within a corridor around the official exchange rate. Corridor is defined by the NBG for each auction, and it depends on current market conditions. There are no limits on bid amounts; each bank may place only one bid. The settlement of currency exchange operations with successful bidders takes place on t + 1—that is, on the first business day following the trade date in Georgia and in the country whose currency was traded. The volume sold/purchased at the auction and the average exchange rates are posted on the NBG website immediately after the auction. In case of default, the NBG applies a fine. In case of a foreign currency sale auction, if a winning bank does not have sufficient funds in its national currency settlement account before the second cutoff of the real-time gross settlement system on the auction settlement date, settlement will take place on the following business day. In case of foreign currency purchase auction, if a winning bank is unable to transfer sufficient foreign currency to its foreign currency correspondent account at the NBG before the end of business day of the issuer country of the foreign currency, the bank must pay a surcharge equal to 2% of the nominal value of purchased foreign currency. The value date of this transaction is the same as the foreign exchange auction settlement date. If a bank does not have sufficient funds in its settlement account at the NBG before the second cutoff of the real-time gross settlement system on the business day following the auction settlement date, the winning bids of the bank are annulled. There is a surcharge on the national currency settlement account of a bank: If a bank does not have sufficient funds in its national currency settlement account, the surcharge is taken from the bank's US dollar correspondent account and/or another foreign currency correspondent account at the NBG. The surcharge is calculated and charged using the official foreign exchange rates on the day of the transaction. Auctions are conducted in the Bloomberg system. All commercial banks licensed in Georgia may participate in this auction after receiving participating bank status from the NBG at their request.

In 2019, the NBG introduced a new instrument—foreign exchange options. Foreign exchange options are sold via auctions in exchange for a fee. The auction mechanism for options is based on multiple price auction.

Foreign exchange option is a financial instrument, which gives the right to a holder (but not obligation) to buy national currency in exchange for foreign exchange (US dollar or EUR) during the predetermined period (usually the following month) at the official exchange rate. The condition of using the options is that the lari exchange rate should be stronger than the average of the previous 20 days. The strike price of the option is the official exchange rate of the day when an option is exercised, that is, average exchange rate of the previous day.

The foreign exchange option instrument is not used since July 2019, given the market conditions.

The NBG uses rule-based interventions on Bloomberg's "BMatch"

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		platform. When the volatility of the exchange rate exceeds a predetermined level, the intervention is carried out within the predefined limits.
Fixing	No.	
Interbank market	Yes.	The interbank spot exchange market, part of the foreign exchange spot market in Georgia, is based on the Bloomberg trading platform and is not operated by the CB. Any institution (financial and non-financial) that has the Bloomberg system can participate. There are no limits on bid-ask spread and commissions of market participants. As of December 31, 2022, 14 commercial banks and 4 microfinance organizations are participating in interbank foreign exchange market. There are also non-financial organizations that have Bloomberg terminals and can trade between themselves and with financial institutions, but they are not much active. Non-financial institutions are not part of interbank foreign exchange market. The interbank market uses the Bloomberg system and its new Bmatch platform for foreign exchange trading operations. BMatch is Bloomberg's foreign exchange trading platform that is based on the principle of automatic "matching" of applications. Market participants will place foreign currency buying and selling applications on the BMatch platform, and if the exchange rates between the buyer and seller of the currency coincide, then the currency trade between the parties will be concluded automatically. From October 2020, companies who have Bloomberg terminal may access Bmatch platform directly, or may access Bmatch via commercial banks, if they do not have Bloomberg terminal.
Over the counter	Yes.	Any organization (financial and non-financial) may trade over the counter at freely determined rates.
Brokerage	No.	There is no restriction for brokers, but in practice there are no foreign exchange brokers; banks and other participants use the Bloomberg trading platform and participate in the foreign exchange market directly.
Market making	Yes.	The market operates on the basis of market makers. Participants are not obligated to serve as market makers.
Forward exchange market	Yes.	Forward foreign exchange market is not active. The NBG does not participate in the forward foreign exchange market. Foreign exchange turnover in outright forward and swap transactions is very shallow.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	All domestic payments that are related to provision of goods and services must be made in lari.

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Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	The NBG is responsible for the supervision of foreign exchange bureaus with the purposes of protection of consumer rights and AML. The NBG does not give any guidance regarding the exchange rates that they use. The exchange rate bureaus serve the sole purpose of exchanging currencies. Financial institutions are obliged to report cash, as well as foreign transactions from high risk jurisdictions equal to or more than GEL 50,000 to the FIU. The obligation also applies to any transaction, regardless of the amount, suspected of being proceed of crime/associated with ML/TF.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	No controls apply to the amounts that may be exported and imported, but exports and imports of cash above lari 30,000 or its equivalent must be declared for AML purposes.
On exports	No.	No controls apply to the amounts that may be exported, but exports of cash above lari 30,000 or its equivalent must be declared for AML purposes.
Domestic currency	No.	No controls apply to the amounts that may be exported, but exports of cash above lari 30,000 or its equivalent must be declared for AML purposes.
Foreign currency	No.	No controls apply to the amounts that may be exported, but exports of cash above lari 30,000 or its equivalent must be declared for AML purposes.
On imports	No.	No controls apply to the amounts that may be imported, but imports of cash above lari 30,000 or its equivalent must be declared for AML purposes.
Domestic currency	No.	No controls apply to the amounts that may be imported, but imports of cash above lari 30,000 or its equivalent must be declared for AML purposes.
Foreign currency	No.	No controls apply to the amounts that may be imported, but imports of cash above lari 30,000 or its equivalent must be declared for AML purposes.

Resident Accounts

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Foreign exchange accounts permitted	Yes.	Financial institutions are prohibited from opening or maintaining anonymous accounts or accounts in fictitious names. Conducting appropriate risk-based due diligence measures is required in all cases to prevent money laundering and financing of terrorism.
Held domestically	Yes.	Foreign exchange accounts held domestically may be opened, and the foreign exchange may be transferred abroad freely. Effective June 13, 2022, if the foreign exchange transfer amount exceeds: (1) GEL 100,000 or its equivalent in foreign currency, in case of high risk customers or high risk jurisdictions; or (2) GEL 150,000 in case of medium risk clients, the bank must request documents verifying the objective of the transfer for AML purposes. In case of low risk customers, commercial banks set their own limits considering the risk of the transaction, as well as the specific purpose of the transfer. Previously, foreign exchange transfer amounts exceeding lari 30,000 or its equivalent in foreign currency were required for banks to request documents verifying the objective of the transfer for AML purposes.
Approval required	No.	
Held abroad	Yes.	Foreign exchange accounts held abroad may be opened and the foreign exchange transferred to Georgia freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	There are no restrictions. In practice, lari accounts are not serviced by foreign banks abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts are permitted, and foreign exchange may be transferred abroad freely. Effective June 13, 2022, if the foreign exchange transfer amount exceeds: (1) GEL 100,000 or its equivalent in foreign currency, in case of high risk customers or high risk jurisdictions; or (2) GEL 150,000 in case of medium risk clients, the bank must request documents verifying the objective of the transfer for AML purposes. In case of law risk customers, commercial banks set their own limits considering the risk of the transaction, as well as the specific purpose of the transfer. Previously, foreign exchange transfer amounts exceeding lari 30,000 or its equivalent in foreign currency were required for banks to request documents verifying the objective of the transfer for AML purposes. Financial institutions are prohibited from opening or maintaining anonymous accounts or accounts in fictitious names. Conducting appropriate risk based due diligence measures is required to prevent money laundering and financing of terrorism. Customers from higher risk jurisdictions are subject to enhanced customer due diligence (EDD). As of 2021, the NBG adopted guidance on “Customer Due Diligence Measures.” In addition to the other information, the document requires to financial institutions to understand the need and rationale to receive financial services abroad.
Approval required	No.	
Domestic currency accounts	Yes.	Domestic currency accounts may be opened and operated, and balances may be transferred abroad freely.

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Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	Accounts are blocked in accordance with UNSC resolutions concerning the prevention, detection and suppression of financing of terrorism and proliferation of weapons of mass destruction under the terms defined by the AML/CFT law.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Under the Law of Georgia on Licenses and Permits, there are no nontariff limits on imports (licenses, quotas, prohibitions, and other), except regulations that are necessary for health, security, or environmental protection. In these latter cases, licenses and permits are issued by the relevant ministries, such as the Ministry of Internal Affairs, Ministry of Environmental Protection and Agriculture, Ministry of Defense, Ministry of Health Care, Ministry of Education, Science, Culture and Sport, and State Security Service.
Import taxes and/or tariffs	Yes.	Import duty consists of three rates (0%, 5%, and 12%). Items exempt from customs duty include (1) machinery and equipment; (2) imports related to humanitarian aid and reconstruction after natural disasters; (3) imports related to grant agreements; (4) imports under foreign-financed projects; (5) imports related to oil and natural gas projects; (6) embassy imports; (7) travelers' baggage; (8) special food for babies; (9) food, glucose meters, and other articles for diabetics; (10) creative and scientific works of Georgian citizens published abroad; (11) certain pharmaceutical products; (12) special stamps of Georgia; (13) hops; and (14) raw materials and intermediate products destined

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		for production of goods to be exported, within certain limits. Different customs clearance fees (revenue service fees) are applied based on various services.
Taxes collected through the exchange system	No.	
State import monopoly	No.	There is no state monopoly on imports of any goods.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Under the Law of Georgia on Licenses and Permits, there are no nontariff limits on exports (licenses, quotas, prohibitions, and other), except regulations that are necessary for health, security, or environmental protection. In these later cases, licenses and permits are issued by the relevant ministries, such as the Ministry of Internal Affairs, Ministry of Environmental Protection and Agriculture, Ministry of Defense, Ministry of Health Care, Ministry of Education, Science, Culture and Sport, and State Security Service. Exports of goods of cultural value, which are on a list prepared by the Ministry of Culture and Monument Protection, are prohibited.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	Different customs clearance fees (revenue service fees) are applied based on various services.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	Certain transactions are monitored for AML purposes.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	Certain transactions are monitored for AML purposes.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

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Capital Transactions

Controls on capital transactions	Yes.	Certain transactions are monitored for AML purposes only.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Prudential limits apply to insurance companies and pension funds. Generally, insurance companies and pension funds may invest freely abroad. Decree No. 04 of the Head of the Insurance State Supervision Service is the regulation governing insurance companies and pension funds. Under prudential limits established by the decree, up to 20% of assets covering insurance technical provisions and pension liabilities may be placed abroad. Additional relevant limits apply as follows: (1) Up to 15% may be in corporate bonds, preferred stock, and equity securities traded in the organized securities markets of Georgia and OECD members. (2) Up to 3% may be in corporate bonds and preferred stock by the same issuer in Georgia and OECD member countries, and up to 2% may be in equity securities. (3) Up to 10% may be in corporate bonds, preferred stock, and equity securities issued by legal entities registered in Georgia, OECD members, and/or developed economies and traded outside the organized securities markets of Georgia and OECD members. (4) Up to 2.5% may be in corporate bonds and preferred stocks of the same issuer traded on securities exchanges other than those of Georgia and OECD members, and up to 1% may be in equity securities. (5) Up to 15% may be in securities mentioned in parts (1) and (3).
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Generally, insurance companies and pension funds may invest freely abroad. Decree No. 04 of the Head of the Insurance State Supervision Service is the regulation governing insurance companies and pension funds. Under prudential limits established by the decree, up to 20% of assets covering insurance technical provisions and pension liabilities may be placed abroad. Additional relevant limits apply as follows: (1) Up to 30% may be placed in debt securities (including treasury bills issued by the MOF) issued by Georgia and OECD member countries. (2) Up to 30% may be in debt securities issued by local self-governance agencies of OECD member countries

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		and/or developed economies. (3) Up to 50% may be in debt securities in (1) and (2). (4) Up to 15% may be in corporate bonds, preferred stock, and equity securities traded in the organized securities markets of Georgia and OECD members. (5) Up to 3% may be in corporate bonds and preferred stock by the same issuer in Georgia and OECD member countries. (6) Up to 10% may be in corporate bonds, preferred stock, and equity securities issued by legal entities registered in Georgia, OECD members, and/or developed economies and traded outside the organized securities markets of Georgia and OECD members. (7) Up to 2.5% may be in corporate bonds and preferred stocks of the same issuer traded on securities exchanges other than those of Georgia and OECD members. (8) Up to 15% may be in securities in (4) and (6).
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	Only general prudential limits apply to financial institutions, which are similar for residents and nonresidents. The NBG has set limits on (1) credits issued by commercial banks to individual borrowers, groups of borrowers, insider borrowers, and all large borrowers and (2) unsecured credits.
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	Under the Foreign Investment Law, the taxation and promotion of investment activities by joint ventures and foreign enterprises are regulated by the current tax legislation.
Outward direct investment	No.	
Inward direct investment	No.	The Law on Promotion and Guarantees of Investment Activity guarantees investors national treatment or MFN treatment, whichever is better, in the establishment, operation, and sale of their investments. There is no restriction on foreign direct investments in any sector of the economy.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase real estate freely. Nonresidents are allowed to purchase agricultural land on the ground of investment plan approved by the government.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The NBG has set limits on (1) credits issued by commercial banks to individual borrowers, groups of borrowers, insider borrowers, and all large borrowers and (2) unsecured credits.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	

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Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	Higher capital is required for loans issued in foreign exchange. Banks are allowed to lend in foreign currency only if the loan amount is equivalent to more than 200,000 lari. This rule is applicable to resident debtors. Effective January 1, 2022, to support larization, Currency-Induced Credit Risk Buffer is determined based on the level of loan dollarization instead of previous flat 75% risk weight. If the dollarization is 40% or below the risk weight will be set at 40% and each 1 pp increase in dollarization above 40% will result in the rise of risk weight by 3 pp, up to 100%. To facilitate smooth transition towards the renewed scheme, banks that need to increase their capital buffer, will be given 1 year to meet the requirement, while for others the buffer requirement will be decreased immediately.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The RRs on funds borrowed in the national currency amount to 5%. Borrowed funds with a remaining maturity of over one year in the national currency are exempt from RRs. As of July 6, 2021, the RRs on funds borrowed in foreign currency were changed as follows and are determined individually for commercial banks based on their deposit dollarization: (1) for borrowed funds with remaining maturity up to 1 year, it is set between 10% and 25%: if deposit dollarization is 70% or above, the RR is 25%; if deposit dollarization is 40% or below, the RR is 10%; and in between, it changes linearly based on dollarization; (2) for borrowed funds with remaining maturity between 1 and 2 years, it is set between 10% and 15%: if deposit dollarization is 70% or above, the RR is 15%; if deposit dollarization is 40% or below, the RR is 10%; and in between, it changes linearly based on dollarization. Borrowed funds with a remaining maturity of over 2 years in the foreign currency are exempt from RRs. Capital and funds equalized to capital are exempt from the required reserve norms. There is also differentiation in remuneration. The interest rate remunerated on national currency required reserves is equal to the monetary policy rate. Effective May 13, 2022, the required reserves denominated in US dollar are remunerated with fixed 0% (previously they were remunerated at a rate equal to the US Fed policy rate minus 0.5 pp). Effective September 14, 2022, the required reserves denominated in euro are also remunerated with fixed 0%, while previously they were remunerated with the interest rate equal to the policy rate on deposit facility of the ECB minus 0.2 pp.
Liquid asset requirements	Yes.	According to the LCR regulation, bank should maintain 100% LCR in foreign currency, while local currency LCR can be as low as 75%, given that LCR in all currencies in total exceeds 100%.
Interest rate controls	No.	
Credit controls	No.	

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Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	No.	
Liquid asset requirements	Yes.	According to the LCR regulation, bank should maintain 100% LCR in foreign currency, while local currency LCR can be as low as 75%, given that LCR in all currencies in total exceeds 100%. Outflow rates for nonresident deposits are higher than for deposits of residents, on average, by about 20 pps.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The limit on the total open foreign exchange position set by the NBG is defined with respect to the amount of all long foreign exchange positions for all currencies or the amount of all short foreign exchange positions for all currencies, whichever is higher. The open position of balance sheet and consolidated balance sheet (including off-balance-sheet) items must not exceed 20% of regulatory capital. Foreign exchange position limit is the same for resident and nonresident banks. It applies equally to the resident and nonresident assets and liabilities. Foreign currency assets were previously accounted on gross-of-reserves bases, while according to recent changes foreign currency Loans Loss Provisions for expected credit losses (LLP) will be deducted from open currency position according to quarterly phase-in.
On resident assets and liabilities	Yes.	The limit on the total open foreign exchange position set by the NBG is defined with respect to the amount of all long foreign exchange positions for all currencies or the amount of all short foreign exchange positions for all currencies, whichever is higher. The open position of balance sheet and consolidated balance sheet (including off-balance-sheet) items must not exceed 20% of regulatory capital. Foreign exchange position limit is the same for resident and nonresident banks. It applies equally to the resident and nonresident assets and liabilities.
On nonresident assets and liabilities	Yes.	The limit on the total open foreign exchange position set by the NBG is defined with respect to the amount of all long foreign exchange positions for all currencies or the amount of all short foreign exchange positions for all currencies, whichever is higher. The open position of balance sheet and consolidated balance sheet (including off-balance-sheet) items must not exceed 20% of regulatory capital. Foreign exchange position limit is the same for resident and nonresident banks. It applies equally to the resident and nonresident assets and liabilities.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Only general prudential limits apply to financial institutions, which are similar for residents and nonresidents. Generally, insurers may invest freely abroad. Insurance supervision is under the jurisdiction of the Insurance State Supervision Service. Decree No. 04 of the Head of the Insurance State Supervision Service is the regulation governing insurance companies. Under prudential limits established by the decree, up to 20% of assets covering insurance technical

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		provisions may be placed abroad. Further limits apply as follows: (1) Up to 30% of the total amount of technical provisions may be placed in debt securities (including treasury bills issued by the MOF) issued by Georgia and OECD member countries. (2) Up to 30% may be in debt securities issued by local self-governance agencies of OECD member countries and/or developed economies. (3) Up to 50% may be in debt securities in (1) and (2). (4) Up to 15% may be in corporate bonds, preferred stock, and equity securities traded in the organized securities markets of Georgia and OECD members. (5) Up to 3% may be in corporate bonds and preferred stock of the same issuer in Georgia and OECD member countries, and up to 2% may be in equity securities. (6) Up to 10% may be in corporate bonds, preferred stock, and equity securities issued by legal entities registered in Georgia, OECD members, and/or developed economies and traded outside the organized securities markets of Georgia and OECD members. (7) Up to 2.5% may be in corporate bonds and preferred stocks of the same issuer traded on securities exchanges other than those of Georgia and OECD members, and up to 1% may be in equity securities. (8) Up to 15% may be in securities in (4) and (6). (9) Up to 20% may be in mortgage loans secured with property registered in Georgia, OECD members, and other developed economies. (Loans to a single person may not exceed 10%.) (10) Up to 20% may be in loans to banking institutions. (Loans to a single bank may not exceed 10%.) (11) Up to 10% may be in loans secured by securities in (1) and (2). (Loans to a single person may not exceed 2%.) (12) Up to 10% may be in real estate registered in Georgia, OECD members, and/or developed economies. (13) Up to 90% may be in bank deposits. (Deposits in a single bank may not exceed 30%.) (14) Up to 10% may be in cash in vault and on the current account, not exceeding 20% in a single bank.
Limits (max.) on securities issued by nonresidents	Yes.	Decree No. 04 of the Head of the Insurance State Supervision Service is the regulation governing insurance companies. Under prudential limits established by the decree, up to 20% of assets covering insurance technical provisions may be placed abroad. Further relevant limits apply as follows: (1) Up to 30% of the total amount of technical provisions may be placed in debt securities (including treasury bills issued by the MOF) issued by Georgia, OECD member countries, and/or developed countries. (2) Up to 30% may be in debt securities issued by local self-governance agencies of OECD member countries and/or developed economies. (3) Up to 50% may be in debt securities in (1) and (2). (4) Up to 15% may be in corporate bonds, preferred stock, and equity securities traded in the organized securities markets of Georgia, OECD members, and/or developed countries. (5) Up to 3% may be in corporate bonds and preferred stock of the same issuer in Georgia and OECD member countries, and up to 2% may be in equity securities. (6) Up to 10% may be in corporate bonds, preferred stock, and equity securities issued by legal entities registered in Georgia, OECD members, and/or developed economies and traded outside the organized securities markets of Georgia and OECD members. (7) Up to 2.5% may be in corporate bonds and preferred stocks of the same issuer traded on securities exchanges other than those of Georgia and OECD members, and up to 1% may be in equity securities. (8) Up to 15% may be in securities in (4) and (6).
Limits (max.) on investment portfolio held abroad	Yes.	Generally, insurers may invest freely abroad. However, under prudential limits regarding assets covering technical provisions, up to 20% of assets covering insurance technical provisions may be placed abroad.
Limits (min.) on investment portfolio held locally	No.	

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Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Only general prudential limits apply to financial institutions, which are similar for residents and nonresidents. Generally, funds may be invested freely abroad. The supervision of pension funds is under the jurisdiction of the Insurance State Supervision Service. Decree No. 04 of the Head of the Insurance State Supervision Service is the regulation governing pension funds. Under prudential limits established by the decree, up to 20% of assets covering pension liability may be placed abroad. Further limitations apply as follows: (1) Up to 30% of the total amount may be placed in debt securities (including treasury bills issued by the MOF) issued by Georgia and OECD member countries. (2) Up to 30% may be in debt securities issued by local self-governance agencies of OECD member countries and/or developed economies. (3) Up to 50% may be in debt securities in (1) and (2). (4) Up to 15% may be in corporate bonds, preferred stock, and equity securities traded in the organized securities markets of Georgia and OECD members. (5) Up to 3% may be in corporate bonds and preferred stock of the same issuer in Georgia and OECD member countries, and up to 2% may be in equity securities. (6) Up to 10% may be in corporate bonds, preferred stock, and equity securities issued by legal entities registered in Georgia, OECD members, and/or developed economies and traded outside the organized securities markets of Georgia and OECD members. (7) Up to 2.5% may be in corporate bonds and preferred stocks of the same issuer traded on securities exchanges other than those of Georgia and OECD members, and up to 1% may be in equity securities. (8) Up to 15% may be in securities in (4) and (6). (9) Up to 20% may be in mortgage loans secured with property registered in Georgia, OECD members, and other developed economies. (Loans to a single person may not exceed 10%.) (10) Up to 20% may be in loans to banking institutions. (Loans to a single bank may not exceed 10%.) (11) Up to 10% may be in loans secured by securities in (1) and (2). (Loans to a single person may not exceed 2%.) (12) Up to 10% may be in real estate registered in Georgia, OECD members, and/or developed economies. (13) Up to 90% may be in bank deposits. (Deposits in a single bank may not exceed 30%.) (14) Up to 10% may be in cash in vault and on the current account, not exceeding 20% in a single bank.
Limits (max.) on securities issued by nonresidents	Yes.	Under prudential limits established by the decree, up to 20% of assets covering pension liability may be placed abroad. Further relevant limitations apply as follows: (1) Up to 30% of the total amount may be placed in debt securities (including treasury bills issued by the MOF) issued by Georgia, OECD member countries, and/or developed countries. (2) Up to 30% may be in debt securities issued by local self-governance agencies of OECD member countries and/or developed economies. (3) Up to 50% may be in debt securities in (1) and (2). (4) Up to 15% may be in corporate bonds, preferred stock, and equity securities traded in the organized securities markets of Georgia, OECD members, and/or developed countries. (5) Up to 3% may be in corporate bonds and preferred stock of the same issuer in Georgia and OECD member countries, and up to 2% may be in equity securities. (6) Up to 10% may be in corporate bonds, preferred stock, and equity securities issued by legal entities registered in Georgia, OECD members, and/or developed economies and traded outside the organized securities markets of Georgia and OECD members. (7) Up to 2.5% may be in corporate bonds and preferred stocks of the same issuer traded on securities exchanges other than those of Georgia and OECD members, and up

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		to 1% may be in equity securities. (8) Up to 15% may be in securities in (4) and (6).
Limits (max.) on investment portfolio held abroad	Yes.	Generally, funds may be invested freely abroad. However, under prudential limits regarding assets covering pension liabilities, up to 20% of assets covering pension liabilities may be placed abroad.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.

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Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	As of January 1, 2023, the legislative changes related to virtual assets came into force in Georgia. The legislative framework, among other things, establishes the Virtual Asset Service Providers' (VASPs') mandatory registration regime at the NBG, VASPs' administrators' Fit and Proper criteria, and AML/CFT supervision framework. At this stage, the framework covers mandatory registration, administrators' Fit and Proper criteria, and AML/CFT supervision. The Legislation of Georgia regulates convertible virtual assets: A virtual asset is a digital representation of value that is interchangeable and non-unique, can be digitally traded or transferred, and can be used for investments and/or payment purposes. A virtual asset does not include digital representation of fiat currencies, securities, or other financial instruments. A convertible virtual asset is a virtual asset that has an equivalent value on the market, in national or foreign currency, in another virtual asset, and/or a financial instrument in which it can be exchanged. The Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg13" defines Virtual Asset Service – Exchange (including via kiosks) between convertible virtual asset and fiat currencies (national or foreign), between one or more forms of virtual assets, or between convertible virtual asset and financial instrument; Transfer of convertible virtual asset; Safekeeping and/or administration of convertible virtual asset or of the instrument enabling control over virtual asset; Portfolio management of convertible virtual assets (excluding collective portfolio management); Administration of the trading platform of the convertible virtual assets; Lending of convertible virtual asset; Initial Coin Offering of convertible virtual asset and/or service related to initial coin offering. The Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg14" defines Virtual Asset Service Provider (VASP) – A person who provides virtual asset services for the benefit of another person (for or on behalf of another person). As of July 1, 2023, came into force the rule for VASP's registration at the NBG, registration cancellation, and regulation. All VASPs are obliged to be compliant with the rule and register at the NBG. Apart from VASPs, the newly adopted amendments also allow financial institutions such as commercial banks, brokerage companies, and microfinance organizations to provide the following

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		Virtual Asset Services: exchange (including via kiosks) between convertible virtual asset and fiat currencies (national or foreign), between one or more forms of virtual assets, between convertible virtual asset and financial instrument; transfer of convertible virtual asset; safekeeping and/or administration of convertible virtual asset or of the instrument enabling control over virtual asset.
Acquisition by residents	Yes.	As of January 1, 2023, financial institutions (obliged entities) that fall under the NBG supervision, including VASPs, are required to follow the relevant AML/CTF rules as well as sanctions imposed by the US, UK, and EU because of the occurrences in the Ukraine.
Use among residents	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service. Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG, registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
Between residents and nonresidents	Yes.	As of January 1, 2023, financial institutions (obliged entities) that fall under the NBG supervision, including VASPs, are required to follow the relevant AML/CTF rules as well as sanctions imposed by the US, UK, and EU because of the occurrences in the Ukraine.
For current transaction	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service. Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG, registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the

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		exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service. Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG, registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided. However, the above does not prevent the VASP or other eligible financial institution (commercial bank, brokerage company, and microfinance organization) to provide the service of exchange of convertible virtual assets and financial instruments (By the Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg13" one of Virtual Asset Service is Exchange (including via kiosks) between convertible virtual asset and financial instrument).
Transactions in derivatives and other instruments	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service. Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG, registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided. However, the above does not prevent the VASP or other eligible financial institution (commercial bank, brokerage company, and microfinance organization) to provide the service of exchange of convertible virtual assets and financial instruments (By the Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg13" one of Virtual Asset Service is Exchange (including via kiosks) between convertible virtual asset and financial instrument).
Credit operations	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service. Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG,

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		registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided. However, the above does not prevent the VASP to lend virtual assets (By the Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg13" one of the Virtual Asset Service is "Lending of convertible virtual asset"). It is prohibited though to lend virtual assets to physical (natural) persons by Article 1, Paragraph 6 of the rule for VASP's registration at the NBG, registration cancellation, and regulation.
Controls on utility and security tokens	Yes.	As of January 1, 2023, if the Virtual Asset is assessed as security token, the general security regulation will apply (Pursuant to the Organic Law of Georgia on the NBG, virtual assets do not include digital representation of fiat currencies, securities, or other financial instruments). Hence, if based on the substance the relevant virtual asset qualifies as a security, it will fall outside the perimeter of the new virtual assets framework and will be subject to the applicable securities laws. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Acquisition by residents	Yes.	Effective January 1, 2023, if the Virtual Asset is assessed as security token the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Use among residents	Yes.	Effective January 1, 2023, if the Virtual Asset is assessed as security token, the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Between residents and nonresidents	Yes.	As of January 1, 2023, if the Virtual Asset is assessed as security token, the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
For current transaction	Yes.	Effective January 1, 2023, if the Virtual Asset is assessed as security token the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective January 1, 2023, if the Virtual Asset is assessed as security token the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Transactions in derivatives and other instruments	Yes.	Effective January 1, 2023, if the Virtual Asset is assessed as security token, the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Credit operations	Yes.	Effective January 1, 2023, if the Virtual Asset is assessed as security token, the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.

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Controls on stablecoins	Yes.	As of January 1, 2023, the legislative changes related to virtual assets came into force in Georgia. The legislative framework, among other things, establishes the VASPs' mandatory registration regime at the NBG, VASPs' administrators' Fit and Proper criteria, and AML/CFT supervision framework. At this stage, the framework covers mandatory registration, administrators' Fit and Proper criteria, and AML/CFT supervision. The Legislation of Georgia regulates convertible virtual assets: A virtual asset is a digital representation of value that is interchangeable and non-unique, can be digitally traded or transferred, and can be used for investments and/or payment purposes. A virtual asset does not include digital representation of fiat currencies, securities, or other financial instruments. A convertible virtual asset is a virtual asset that has an equivalent value on the market, in national or foreign currency, in another virtual asset, and/or a financial instrument in which it can be exchanged. The Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg13" defines Virtual Asset Service – Exchange (including via kiosks) between convertible virtual asset and fiat currencies (national or foreign), between one or more forms of virtual assets, or between convertible virtual asset and financial instrument; Transfer of convertible virtual asset; Safekeeping and/or administration of convertible virtual asset or of the instrument enabling control over virtual asset; Portfolio management of convertible virtual assets (excluding collective portfolio management); Administration of the trading platform of the convertible virtual assets; Lending of convertible virtual asset; Initial Coin Offering of convertible virtual asset and/or service related to initial coin offering. The Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg14" defines VASP – A person who provides virtual asset services for the benefit of another person (for or on behalf of another person). As of July 1, 2023 came into force the rule for VASP's registration at the NBG, registration cancellation, and regulation. All VASPs are obliged to be compliant with the rule and register at the NBG. Apart from VASPs, the newly adopted amendments also allow financial institutions such as commercial banks, brokerage companies, and microfinance organizations to provide the following Virtual Asset Services: exchange (including via kiosks) between convertible virtual asset and fiat currencies (national or foreign), between one or more forms of virtual assets, between convertible virtual asset and financial instrument; transfer of convertible virtual asset; safekeeping and/or administration of convertible virtual asset or of the instrument enabling control over virtual asset.
Acquisition by residents	Yes.	As of January 1, 2023, financial institutions (obliged entities) that fall under the NBG supervision, including VASPs, are required to follow the relevant AML/CTF rules as well as sanctions imposed by the US, UK, and EU because of the occurrences in the Ukraine.
Use among residents	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.

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		Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG, registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
Between residents and nonresidents	Yes.	As of January 1, 2023, financial institutions (obliged entities) that fall under the NBG supervision, including VASPs, are required to follow the relevant AML/CTF rules as well as the sanctions imposed by the US, UK, and EU because of the occurrences in the Ukraine.
For current transaction	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service. Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG, registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service. Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG, registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.

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		However, the above does not prevent the VASP or other eligible financial institution (commercial bank, brokerage company, and microfinance organization) to provide the service of exchange of convertible virtual assets and financial instruments (By the Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg13" one of Virtual Asset Service is Exchange (including via kiosks) between convertible virtual asset and financial instrument).
Transactions in derivatives and other instruments	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service. Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG, registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided. However, the above does not prevent the VASP or other eligible financial institution (commercial bank, brokerage company, and microfinance organization) to provide the service of exchange of convertible virtual assets and financial instruments (By the Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg13" one of the Virtual Asset Service is Exchange (including via kiosks) between convertible virtual asset and financial instrument).
Credit operations	Yes.	Effective January 1, 2023, a virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the NBG, it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service. Effective July 1, 2023, with respect to the exceptional cases defined by the legal acts, in the rule for VASP's registration at the NBG, registration cancellation, and regulation, there are provisions in article 1: Paragraph 7 – Under the instruction of the customer, the VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. Paragraph 8 – The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided. However, the above does not prevent the VASP to lend virtual assets (By the Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg13" one of the Virtual Asset Service is "Lending of

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		convertible virtual asset").It is prohibited though to lend virtual assets to physical (natural) persons by Article 1, Paragraph 6 of the rule for VASP's registration at the NBG, registration cancellation, and regulation.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	As of January 1, 2023, the legislative changes related to virtual assets came into force in Georgia. The legislative framework, among other things, establishes the VASPs' mandatory registration regime at the NBG, VASPs' administrators' Fit and Proper criteria, and AML/CFT supervision framework. At this stage, the framework covers mandatory registration, administrators' Fit and Proper criteria, and AML/CFT supervision. The Organic Law of Georgia on the NBG Article 2, sub-paragraph "gg13" defines Virtual Asset Service – Exchange (including via kiosks) between convertible virtual asset and fiat currencies (national or foreign), between one or more forms of virtual assets, or between convertible virtual asset and financial instrument; Transfer of convertible virtual asset; Safekeeping and/or administration of convertible virtual asset or of the instrument enabling control over virtual asset; Portfolio management of convertible virtual assets (excluding collective portfolio management); Administration of the trading platform of the convertible virtual assets; Lending of convertible virtual asset; Initial Coin Offering of convertible virtual asset and/or service related to initial coin offering. Effective July 1, 2023, came into force the rule for VASP's registration at the NBG, registration cancellation, and regulation. All VASPs (including domestic exchanges and providers targeting Georgian market) are obliged to be compliant with the rule and register at the NBG.
Access to crypto exchange/trading platform by residents	Yes.	There is no restriction on the use of exchanges/trading platforms by residents to acquire, hold, and trade crypto assets. For international crypto exchange/trading platforms that operate without marketing activities targeting Georgian market, works "Reverse Solicitation" principle. Effective July 1, 2023, if international VASPs plan to target Georgian market, they (their subsidiaries founded in Georgia) are obliged to register at the NBG.

Changes during 2022 and 2023

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*06/13/2022*	If the foreign exchange transfer amount exceeds: (1) GEL 100,000 or its equivalent in foreign currency, in case of high risk customers or high risk jurisdictions; or (2) GEL 150,000 in case of medium risk clients, the bank must request documents verifying the objective of the transfer for AML purposes. In case of low risk customers, commercial banks set their own limits considering the risk of the transaction, as well as the specific purpose of the transfer. Previously, foreign exchange transfer amounts exceeding GEL 30,000 or its equivalent in foreign currency were required for banks to request documents verifying the objective of the transfer for AML purposes.

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Nonresident Accounts

Foreign exchange accounts permitted	*06/13/2022*	If the foreign exchange transfer amount exceeds: (1) GEL 100,000 or its equivalent in foreign currency, in case of high risk customers or high risk jurisdictions; or (2) GEL 150,000 in case of medium risk clients, the bank must request documents verifying the objective of the transfer for AML purposes. In case of low risk customers, commercial banks set their own limits considering the risk of the transaction, as well as the specific purpose of the transfer. Previously, foreign exchange transfer amounts exceeding GEL 30,000 or its equivalent in foreign currency were required for banks to request documents verifying the objective of the transfer for AML purposes.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending locally in foreign exchange	*01/01/2022*	To support larization, Currency-Induced Credit Risk Buffer is determined based on the level of loan dollarization instead of previous flat 75% risk weight. If the dollarization is 40% or below the risk weight will be set at 40% and each 1 percentage point (pp) increase in dollarization above 40% will result in the rise of risk weight by 3 pp, up to 100%. To facilitate smooth transition towards the renewed scheme, banks that need to increase their capital buffer, will be given 1 year to meet the requirement, while for others the buffer requirement will be decreased immediately.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*05/13/2022*	The required reserves denominated in US dollar are remunerated with fixed 0% (previously they were remunerated at a rate equal to the US Fed policy rate minus 0.5 percentage point).
	09/14/2022	The required reserves denominated in euro are remunerated with fixed 0% (previously they were remunerated with the interest rate equal to the policy rate on deposit facility of the ECB minus 0.2 percentage point).

Digital Currencies and Crypto Assets

Crypto assets		
Controls on unbacked tokens		
Use among residents	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service
	07/01/2023	The VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
Between residents and nonresidents		
For current transaction	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the

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		exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.
	07/01/2023	The VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
For capital transactions		
Transactions in capital and money market instruments	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.
	07/01/2023	The VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided. However, the above does not prevent the VASP or other eligible financial institution (commercial bank, brokerage company, and microfinance organization) to provide the service of exchange of convertible virtual assets and financial instruments (By the Organic Law of Georgia on the NBG Article 2, sub-paragraph “gg13” one of Virtual Asset Service is Exchange (including via kiosks) between convertible virtual asset and financial instrument).
Transactions in derivatives and other instruments	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.
	07/01/2023	The VASP is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided. However, the above does not prevent the VASP or other eligible financial institution (commercial bank, brokerage company, and microfinance organization) to provide the service of exchange of convertible virtual assets and financial instruments (By the Organic Law of Georgia on the NBG Article 2, sub-paragraph “gg13” one of Virtual Asset Service is Exchange (including via kiosks) between convertible virtual asset and financial instrument).
Credit operations	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.
	07/01/2023	The VASP is authorized to transfer the funds (in national or foreign

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		currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided. However, the above does not prevent the VASP or other eligible financial institution (commercial bank, brokerage company, and microfinance organization) to provide the service of exchange of convertible virtual assets and financial instruments (By the Organic Law of Georgia on the National Bank of Georgia Article 2, sub-paragraph "gg13" one of Virtual Asset Service is Exchange (including via kiosks) between convertible virtual asset and financial instrument).
Controls on utility and security tokens		
Acquisition by residents	*01/01/2023*	If the Virtual Asset is assessed as security token, the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Use among residents	*01/01/2023*	If the Virtual Asset is assessed as security token, the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Between residents and nonresidents		
For current transaction	*01/01/2023*	If the Virtual Asset is assessed as security token, the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
For capital transactions		
Transactions in capital and money market instruments	*01/01/2023*	If the Virtual Asset is assessed as security token the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Transactions in derivatives and other instruments	*01/01/2023*	If the Virtual Asset is assessed as security token the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Credit operations	*01/01/2023*	If the Virtual Asset is assessed as security token the general security regulation will apply. Utility tokens are not regulated unless they are assessed as convertible virtual assets or security tokens.
Controls on stablecoins		
Use among residents	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.
	07/01/2023	The Virtual Asset Service Provider (VASP) is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
Between residents and nonresidents		
For current transaction	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the

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		exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.
	07/01/2023	The Virtual Asset Service Provider (VASP) is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
For capital transactions		
Transactions in capital and money market instruments	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.
	07/01/2023	The Virtual Asset Service Provider (VASP) is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
Transactions in derivatives and other instruments	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.
	07/01/2023	The Virtual Asset Service Provider (VASP) is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
Credit operations	*01/01/2023*	A virtual asset is not a legal tender. Accordingly, pursuant to the Organic Law of Georgia on the National Bank of Georgia (NBG), it is prohibited to make payments with a virtual asset, except for the exceptional cases defined by the legal act of the NBG, which are essential for providing virtual asset service.
	07/01/2023	The Virtual Asset Service Provider (VASP) is authorized to transfer the funds (in national or foreign currency) obtained as a result of exchange of convertible virtual asset to the payment service provider, the intermediary provider, or the acquirer (including the sub-acquirer) participating in the scheme. The VASP is authorized to receive a commission/Interest/fee from the customer in the same Virtual Asset which was used for the virtual asset service provided.
Controls on crypto exchanges and trading platforms		
Domestic exchanges	*07/01/2023*	The rule for Virtual Asset Service Provider's (VASP's) registration at the National Bank of Georgia (NBG), registration cancellation, and regulation. All VASPs (including domestic exchanges and providers

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		targeting Georgian market) are obliged to be compliant with the rule and register at the NBG.
Access to crypto exchange/trading platform by residents	*07/01/2023*	If international Virtual Asset Service Providers plan to target Georgian market, they (their subsidiaries founded in Georgia) are obliged to register at the National Bank of Georgia.

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GERMANY

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		August 14, 1952.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with EU regulations and the relevant UNSC resolutions, restrictions are maintained with respect to: certain persons, entities, and bodies in view of the situation in Afghanistan; certain persons and entities associated with the Al-Qaida network and ISIL (Da'esh; amended as of July 16, 2018), and other individuals and organizations associated with terrorism; certain persons, entities, and bodies in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine; certain persons in view of the situation in Burundi; certain persons, entities, and bodies in view of the situation in the Central African Republic; certain persons in view of the situation in the Democratic Republic of the Congo. From October 16, 2018, restrictive measures were imposed against certain persons, entities, and bodies in connection with proliferation and use of chemical weapons. Restrictive measures are imposed against certain persons, entities, and bodies in connection with cyber-attacks threatening the Union or its Member States. Restrictive measures are maintained against: certain persons, entities, and bodies with respect to Guinea; certain persons, entities, and bodies threatening the peace, security, or stability of Guinea-Bissau; certain natural and legal persons, entities, and bodies in connection with serious human rights violations and abuses; certain persons, organizations, and entities in view of the situation in the Islamic Republic of Iran and in association with nuclear-proliferation-related activities there; individuals and entities associated with the former government of Iraq; individuals and entities in the Democratic People's Republic of Korea (DPRK); certain persons suspected of involvement in the assassination of former Lebanese prime minister Rafik Hariri; certain persons, entities, and bodies in view of the situation in Lebanon; certain persons, entities, and bodies in view of the situation in Libya; certain persons, entities, and organizations in view of the situation in Mali; certain persons, entities, and bodies in view of the situation in Myanmar/Burma; certain persons, entities, and bodies in view of the situation in Nicaragua; certain persons, entities, and bodies in view of the situation in Somalia; certain persons, entities, or bodies in view of the situation in South Sudan; certain persons, entities, or bodies in view of the situation in Sudan; certain persons, entities, and bodies in view of the situation in Syria; certain persons, entities, and bodies with a view to combating terrorism; certain persons, entities, and bodies in view of the situation in Tunisia; certain persons in view

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of the situation in Ukraine; certain persons, entities, and bodies with respect to actions undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine; restrictive measures in view of Russia's actions destabilizing the situation in Ukraine; restrictions on the import into the Union of goods originating in Crimea or Sevastopol, in response to the illegal annexation of Crimea and Sevastopol; restrictive measures were imposed against certain persons, organizations, and bodies in view of Turkey's unauthorized drilling activities in the Eastern Mediterranean by Council Regulation (EU) No. 2019/1890; certain persons, organizations, and bodies in view of the situation in Venezuela; certain persons, entities, and bodies in view of the situation in Yemen; certain persons, entities, and bodies with respect to Zimbabwe. Restrictive measures were imposed against certain persons with respect to the Republic of Moldova, effective May 3, 2023.

Additional exchange measures:
Exchange restrictions related to Iran include the provision of financing or financial assistance related to certain military goods and technology to any natural or legal person, entity, or body in or for use in Iran. Also, the provision of financing or financial assistance to Iranian persons, entities, or bodies or for use in Iran related to the following is restricted: goods that could contribute to enrichment-related, reprocessing, or heavy-water-related activities; the development of nuclear weapon delivery systems, graphite and raw or semifinished metals, such as aluminum and steel investment in Iranian persons, entities, or bodies engaged in the manufacture of certain military goods or in enrichment-related, reprocessing, or heavy-water-related activities remains restricted. Restrictions apply to the provision of financing and financial assistance related to certain military goods and technology or related to equipment that could be used for internal repression.

Exchange restrictions related to Syria include restrictions on the provision of financing and financial assistance related to military goods and technology or to equipment that could be used for internal repression of any person, entity, or body in or for use in Syria. Financing and financial assistance related to equipment that can be used for telecommunications surveillance or for the construction of new power plants are restricted. Exports and imports of gold, diamonds, and precious metals are restricted. Financing and financial assistance related to imports, purchases, or transportation of crude oil and petroleum products imported from Syria are restricted. Investment in Syrian persons, entities, or bodies engaged in the exploration or production of crude oil or in the construction or installation of new power plants is restricted.

Restrictions regarding Belarus apply to the provision of financing and financial assistance related to certain military goods and technology or related to equipment that could be used for internal repression of any person, entity, or body in or for use in Belarus. Further restrictions relate to the trade of arms. Prohibition regarding the sale, supply, transfer or export of equipment, technology or software intended primarily for use in the monitoring or interception by or on behalf of the Belarusian authorities of the Internet and of telephone communications on mobile or fixed networks and the sale, supply or transfer of dual-use items to any persons, entities, or bodies in Belarus and financing or financial assistance related to these goods

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and technology. Further restrictions apply to trade concerning petroleum products, potassium chloride ("potash"), cement products, iron and steel products, wood products, rubber products, certain machinery, and goods used for the production or manufacturing of tobacco products. Furthermore, there are restrictions on access to Union capital markets in relation to the Belarusian Government as well as Belarusian state-owned financial institutions and entities. More prohibitions relate to providing insurance and reinsurance to the Belarusian Government and Belarusian public bodies and agencies. Certain prohibitions apply to the EIB in relation to projects in the public sector. Transactions related to the management of reserves as well as of assets of the Central Bank of Belarus are prohibited. Further restrictions apply to the listing and the provision of services, effective April 12, 2022, on trading venues registered or recognized in the Union for the transferable securities of any legal person, entity, or body established in Belarus and with over 50% public ownership. It is prohibited to provide public financing or financial assistance for trade with or investment in, Belarus. The acceptance of deposits from Belarusian nationals or natural persons residing in Belarus, or legal persons, entities, or bodies established in Belarus is restricted. There are prohibitions for Union central securities depositories to provide any services for transferable securities issued after April 12, 2022, to any Belarusian person or entity and to sell transferable securities or banknotes denominated in any official currency. Restrictions apply to the provision of specialized financial messaging services to certain Belarusian banks. Restrictions regarding the Central African Republic apply to the provision of financing and financial assistance related to certain military goods and technology to any person, entity, or body in or for use in the Central African Republic. The provision of financing and financial assistance related to military activities or armed mercenary personnel is restricted.

Restrictions regarding the Democratic Republic of the Congo apply to the provision of financing and financial assistance related to military goods.

Restrictions regarding Guinea apply to persons identified by the International Commission of Inquiry as responsible for the September 28, 2009, events in the Republic of Guinea, and natural or legal persons, entities, or bodies associated with them, as designated by the Council in accordance with Article 4(1) of Council Decision 2010/638/CFSP of October 25, 2010, concerning restrictive measures against the Republic of Guinea.

Restrictions regarding the DPRK apply to financing or financial assistance related to certain military goods and technology to any natural or legal person, entity, or body in or for use in the DPRK. Exports and imports of precious metals and diamonds and related financing or financial assistance are restricted. The sale of banknotes and government bonds is restricted. Restrictive measures concerning the opening and maintenance of bank accounts and correspondent banking relationships are in force. Restrictions concerning investments in any commercial activity in the territory of the EU, joint ventures, cooperative entities, and certain investment services are in effect. Restrictive measures concerning real property regarding persons, entities, or bodies of the government of the DPRK are in force. Restrictions on transfers of funds and financial service and also on financing or financial assistance for trade with the DPRK are in force.

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Restrictions regarding Lebanon apply to the provision of financing and financial assistance related to certain military goods and technology to any person, entity, or body in or for use in Lebanon. The provision of financing and financial assistance related to military activities in Lebanon is restricted.

Restrictions regarding Libya apply to the provision of certain military goods and technology to any person, entity, or body in or for use in Libya. Financing and financial assistance related to military activities and equipment which might be used for internal repression or for the provision of or use by armed mercenaries in Libya are restricted.
Restrictions regarding Myanmar apply to financing and financial assistance related to certain military goods and technology or related to equipment that could be used for internal repression of any person, entity, or body in or for use in Myanmar. Financing and financial assistance related to military activities are restricted. Restrictions concerning financing or financial assistance of equipment, technology, or software for monitoring or interception of Internet or telephone communications are in effect. Restrictive measures were imposed against certain natural persons from the Myanmar Armed Forces (Tatmadaw) and the Border Guard Police responsible for serious human rights violations, responsible for obstructing the provision of humanitarian assistance to civilians in need, and responsible for obstructing the conduct of independent investigations into alleged serious human rights violations or abuses, as well as persons, entities, or bodies associated with them (Council Regulation (EU) No. 2018/647 amended Regulation (EU) No. 401/2013).

Restrictions regarding Somalia apply to the provision of financing and financial assistance related to imports, transportation, or purchases of charcoal from Somalia. The provision of financing and financial assistance related to military activities is restricted.

Restrictions regarding South Sudan apply to the provision of financing and financial assistance related to military activities, which is restricted.

Restrictions regarding Sudan apply to the provision of financing and financial assistance related to certain military goods and technology to any person, entity, or body in or for use in Sudan. The provision of financing and financial assistance related to military activities is restricted.

Restrictions regarding Ukraine apply to the creation of joint ventures with entities in Crimea or Sevastopol, the provision of financing to entities in Crimea or Sevastopol, and the acquisition or extension of a participation in real estate and entities in Crimea or Sevastopol.

Restrictions regarding Zimbabwe apply to the provision of financing and financial assistance related to certain military goods and technology or related to equipment that could be used for internal repression of any person, entity, or body in or for use in Zimbabwe. Financing and financial assistance related to military activities are restricted.

Restrictions regarding Russia apply to the access to European capital markets for certain Russian government-owned banks, certain companies engaged in major activity in the military sector, and certain government-owned companies with at least 50% of estimated

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		revenues from the sale or transportation of crude oil or petroleum products. It is forbidden to list and provide services on trading venues registered or recognized in the Union for the transferable securities of any legal person or entity established in Russia or grant new loans to them, to buy certain transferable securities and money market instruments from Russia, its government or the Russian Central Bank. Transactions related to the management of reserves as well as of assets of the Central Bank of Russia including transactions with any legal person, entity, or body acting on behalf of, or at the direction of the Central Bank of Russia are forbidden. Restrictions apply to the sale, export, transport, etc., of dual-use goods to any Russian person or entity, certain other goods contributing to Russia's military and technological enhancement or to the oil, gas, aviation, and space industry and to the provision of financing or financial assistance related to trade in these sectors. Similar restrictions apply to the import of iron and steel products, coal and other solid fossil fuels and certain goods that generate significant revenues for Russia or contribute to the enhancement of Russian industrial capacities as well as to the purchase, import, or transfer of crude oil or petroleum products and transport to third countries of crude oil or petroleum products originating from Russia. The acceptance of deposits from Russian nationals or natural persons residing in Russia, or legal persons, entities, or bodies established in Russia is restricted. There are prohibitions for EU central securities depositories to provide any services for transferable securities issued after April 12, 2022, to any Russian person or entity and to sell transferable securities or banknotes denominated in any official currency of the EU. Further restrictions concern the provision of specialized financial messaging services to certain Russian financial institutions as well as the provision of credit rating, trust, and auditing services. It is also prohibited to award or continue to execute public or concession contracts. Restrictions regarding Venezuela apply to financing and financial assistance related to certain military goods and technology or related to equipment that could be used for internal repression as well as equipment, technology, or software used in particular for the monitoring of Internet or telephone traffic. Restrictions regarding Yemen apply to financing and financial assistance related to military activities.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Germany is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		

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Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Germany participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks (ESCB), which normally takes place at 14:10 Central European Time, effective April 3, 2023. The publication time of the euro foreign exchange reference rates is around 14:30 Central European Time to around 16:00 Central European Time. The reference rate against the euro is the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		

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Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The Bundesbank is an integral part of the ESCB. Pursuant to Article 127(1) of the Treaty on the Functioning of the EU, the primary objective of the ESCB is to maintain price stability. Without prejudice to the objective of price stability, the ESCB supports the general economic policies in the Union with a view to contributing to the achievement of the objectives of the Union as laid down in Article 3 of the Treaty on the EU. The ESCB acts in accordance with the principle of an open market economy with free competition, favoring an efficient allocation of resources, and with the principles set out in Article 119 of the Treaty on the Functioning of the EU. These include as guiding principles "stable prices, sound public finances and monetary conditions and a sustainable balance of payments." The ECB considers that price stability is best maintained by aiming for a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may determine freely their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Conducting banking business and providing financial services require a license from the ECB (see Article 4(1) (a) Regulation (EU)

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		No. 1024/2013). Providing financial services requires a license from the Federal Financial Supervisory Authority (Section 32 of the Banking Act). Dealing in foreign notes and coins requires a license because of the risk of money laundering. This refers primarily to exchange bureaus as specialized financial institutions: A license to conduct the overall banking business already includes permission to deal in foreign currency. Hotels, travel agencies, and department stores dealing in foreign currency only as a secondary business do not need a license. As of July 28, 2022, about 1,283 deposit-taking credit institutions, 7 financial service institutions (non-microfinance institutions), 3 payment institutions, and 7 other institutions were permitted to deal in foreign currency.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	The foreign exchange market operates over the counter.
Brokerage	No.	
Market making	Yes.	The interbank foreign exchange market operates on the basis of a market-making agreement, in which participants commit to a maximum spread and a minimum amount to trade.
Forward exchange market	Yes.	Residents and nonresidents may freely negotiate forward exchange contracts for both commercial and financial transactions in all leading convertible currencies in the domestic exchange market and in international foreign exchange markets. Germany has no officially fixed rates in the forward exchange market. All transactions are negotiated at free-market rates. A weekly USD tender is taking place. All monetary policy counterparties are eligible to take part in this tender operation.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.

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Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	All banks in Germany are permitted to carry out foreign exchange transactions.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EU) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. According to Article 3 of Regulation (EU) No. 2018/1672, travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the competent authorities of the Member State through which they enter or leave the EU. The competent authorities must record the obtained information and transmit it to the FIU of the Member State in which it was obtained. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete or if the cash is not made available for control. To verify compliance with the obligation to declare, the competent authorities have the power to carry out controls on natural persons, their luggage, and their means of transport (Article 5(1) of Regulation (EU) No. 2018/1672). The competent authorities may temporarily detain cash by means of an administrative decision where the obligation to declare accompanied cash under Article 3 has not been fulfilled or there are indications that the cash, irrespective of the amount, is related to criminal activity (Article 7(1) of Regulation (EU) No. 2018/1672). The Regulation requires Member States to impose penalties for failure to comply with the declaration obligation (Article 14 of Regulation (EU) No. 2018/1672). Where there are indications that the cash is related to criminal activity, the competent authority of each Member State must transmit obtained declarations to the competent authorities of all the other Member States and, under certain conditions, to the Commission, the European Public Prosecutor's Office (EPPO), and Europol (Article 10 of Regulation (EU) No. 2018/1672). According to Article 11 of Regulation (EU) No. 2018/1672, information can be exchanged with third countries. In addition to the obligation in Article 3 of Regulation (EU) No. 2018/1672 to declare, there is an obligation to disclose unaccompanied cash of a value of €10,000 or more entering or leaving the Union (Article 4 of Regulation (EU) No. 2018/1672). In this respect, there are comparable provisions on the powers of the

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		competent authorities and on the exchange of information. The Regulation does not apply to physical cross-border transportation from one EU-member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the Regulation; the Regulation only harmonizes the system for the EU's external borders. According to Section 1(4) Zollverwaltungsgesetz (ZollVG)—Customs Administration Act (German national law), the transfer of cash and equivalent means of payment into, out of, and through the scope of application of this Act (that is, Germany) is also monitored. Section 12a ZollVG stipulates an obligation to disclose cash verbally on request of the competent authorities, when travelers enter or leave Germany from or to another EU-member country carrying cash or equivalent means of payment with a value of €10,000 or more. Procedural provisions, for example, regarding violations or possibilities to check compliance, are similar. Pursuant to Article 12 of Council Regulation (EU) No. 2017/1509, it is prohibited to sell, supply, transfer, or export, directly or indirectly, newly printed or unissued DPRK-denominated banknotes and minted coinage, to or for the benefit of the Central Bank of DPRK. Pursuant to Article 11 of Council Regulation (EU) No. 36/2012, it is prohibited to sell, supply, transfer, or export, directly or indirectly, new Syrian-denominated banknotes and coinage, printed or minted in the Union, to the Central Bank of Syria. Pursuant to Article 5i of Council Regulation (EU) No. 833/2014, it is prohibited to sell, supply, transfer, or export banknotes denominated in any official currency of a EU Member State to Russia or to any natural or legal person, entity, or body in Russia, including the government and the Central Bank of Russia, or for use in Russia, other than for diplomatic or personal usage.
On exports	No.	
Domestic currency	No.	In accordance with Regulation (EU) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. According to Article 3 of Regulation (EU) No. 2018/1672, travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the competent authorities of the Member State through which they enter or leave the EU. The competent authorities must record the obtained information and transmit it to the FIU of the Member State in which it was obtained. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete or if the cash is not made available for control. To verify compliance with the obligation to declare, the competent authorities have the power to carry out controls on natural persons, their luggage, and their means of transport (Article 5(1) of Regulation (EU) No. 2018/1672). The competent authorities may temporarily detain cash by means of an administrative decision where the obligation to declare accompanied cash under Article 3 has not been fulfilled or there are indications that the cash, irrespective of the amount, is related to criminal activity (Article 7(1) of Regulation (EU) No. 2018/1672). The Regulation requires Member States to impose penalties for failure to comply with the declaration obligation (Article 14 of Regulation (EU) No. 2018/1672). Where there are indications that the cash is related to criminal activity, the competent authority of each Member State must transmit obtained declarations to the competent authorities of all the other Member States and, under certain conditions, to the Commission, the EPPO, and Europol (Article 10 of Regulation (EU) No. 2018/1672). According to Article

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		11 of Regulation (EU) No. 2018/1672, information can be exchanged with third countries. In addition to the obligation in Article 3 of Regulation (EU) No. 2018/1672 to declare, there is an obligation to disclose unaccompanied cash of a value of €10,000 or more entering or leaving the Union (Article 4 of Regulation (EU) No. 2018/1672). In this respect, there are comparable provisions on the powers of the competent authorities and on the exchange of information. The Regulation does not apply to physical cross-border transportation from one EU-member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the Regulation; the Regulation only harmonizes the system for the EU's external borders. According to Section 1(4) ZollVG (German national law), the transfer of cash and equivalent means of payment into, out of, and through the scope of application of this Act (that is, Germany) is also monitored. Section 12a ZollVG stipulates an obligation to disclose cash verbally on request of the competent authorities, when travelers enter or leave Germany from or to another EU-member country carrying cash or equivalent means of payment with a value of €10,000 or more. Procedural provisions, for example, regarding violations or possibilities to check compliance, are similar. Pursuant to Article 5i of Council Regulation (EU) No. 833/2014, it is prohibited to sell, supply, transfer, or export banknotes denominated in any official currency of a EU Member State to Russia or to any natural or legal person, entity, or body in Russia, including the government and the Central Bank of Russia, or for use in Russia, other than for diplomatic or personal usage.
Foreign currency	No.	In accordance with Regulation (EU) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. According to Article 3 of Regulation (EU) No. 2018/1672, travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the competent authorities of the Member State through which they enter or leave the EU. The competent authorities must record the obtained information and transmit it to the FIU of the Member State in which it was obtained. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete or if the cash is not made available for control. To verify compliance with the obligation to declare, the competent authorities have the power to carry out controls on natural persons, their luggage, and their means of transport (Article 5(1) of Regulation (EU) No. 2018/1672). The competent authorities may temporarily detain cash by means of an administrative decision where the obligation to declare accompanied cash under Article 3 has not been fulfilled or there are indications that the cash, irrespective of the amount, is related to criminal activity (Article 7(1) of Regulation (EU) No. 2018/1672). The Regulation requires Member States to impose penalties for failure to comply with the declaration obligation (Article 14 of Regulation (EU) No. 2018/1672). Where there are indications that the cash is related to criminal activity, the competent authority of each Member State must transmit obtained declarations to the competent authorities of all the other Member States and, under certain conditions, to the Commission, the EPPO, and Europol (Article 10 of Regulation (EU) No. 2018/1672). According to Article 11 of Regulation (EU) No. 2018/1672, information can be exchanged with third countries. In addition to the obligation in Article 3 of Regulation (EU) No. 2018/1672 to declare, there is an obligation to disclose unaccompanied cash of a value of €10,000 or more entering

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		or leaving the Union (Article 4 of Regulation (EU) No. 2018/1672). In this respect, there are comparable provisions on the powers of the competent authorities and on the exchange of information. The Regulation does not apply to physical cross-border transportation from one EU-member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the Regulation; the Regulation only harmonizes the system for the EU's external borders. According to Section 1(4) ZollVG (German national law), the transfer of cash and equivalent means of payment into, out of, and through the scope of application of this Act (that is, Germany) is also monitored. Section 12a ZollVG stipulates an obligation to disclose cash verbally on request of the competent authorities, when travelers enter or leave Germany from or to another EU-member country carrying cash or equivalent means of payment with a value of €10,000 or more. Procedural provisions, for example, regarding violations or possibilities to check compliance, are similar. Pursuant to Article 12 of Council Regulation (EU) No. 2017/1509, it is prohibited to sell, supply, transfer, or export, directly or indirectly, newly printed or unissued DPRK-denominated banknotes and minted coinage, to or for the benefit of the Central Bank of DPRK. Pursuant to Article 11 of Council Regulation (EU) No. 36/2012, it is prohibited to sell, supply, transfer, or export, directly or indirectly, new Syrian-denominated banknotes and coinage, printed or minted in the Union, to the Central Bank of Syria. Pursuant to Article 5i of Council Regulation (EU) No. 833/2014, it is prohibited to sell, supply, transfer or export banknotes denominated in any official currency of a EU Member State to Russia or to any natural or legal person, entity, or body in Russia, including the government and the Central Bank of Russia, or for use in Russia, other than for diplomatic or personal usage.
On imports	No.	
Domestic currency	No.	In accordance with Regulation (EU) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. According to Article 3 of Regulation (EU) No. 2018/1672, travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the competent authorities of the Member State through which they enter or leave the EU. The competent authorities must record the obtained information and transmit it to the FIU of the Member State in which it was obtained. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete or if the cash is not made available for control. To verify compliance with the obligation to declare, the competent authorities have the power to carry out controls on natural persons, their luggage, and their means of transport (Article 5(1) of Regulation (EU) No. 2018/1672). The competent authorities may temporarily detain cash by means of an administrative decision where the obligation to declare accompanied cash under Article 3 has not been fulfilled or there are indications that the cash, irrespective of the amount, is related to criminal activity (Article 7(1) of Regulation (EU) No. 2018/1672). The Regulation requires Member States to impose penalties for failure to comply with the declaration obligation (Article 14 of Regulation (EU) No. 2018/1672). Where there are indications that the cash is related to criminal activity, the competent authority of each Member State must transmit obtained declarations to the competent authorities of all the other Member States and,

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		under certain conditions, to the Commission, the EPPO, and Europol (Article 10 of Regulation (EU) No. 2018/1672). According to Article 11 of Regulation (EU) No. 2018/1672, information can be exchanged with third countries. In addition to the obligation in Article 3 of Regulation (EU) No. 2018/1672 to declare, there is an obligation to disclose unaccompanied cash of a value of €10,000 or more entering or leaving the Union (Article 4 of Regulation (EU) No. 2018/1672). In this respect, there are comparable provisions on the powers of the competent authorities and on the exchange of information. The Regulation does not apply to physical cross-border transportation from one EU-member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the Regulation; the Regulation only harmonizes the system for the EU's external borders. According to Section 1(4) ZollVG (German national law), the transfer of cash and equivalent means of payment into, out of, and through the scope of application of this Act (that is, Germany) is also monitored. Section 12a ZollVG stipulates an obligation to disclose cash verbally on request of the competent authorities, when travelers enter or leave Germany from or to another EU-member country carrying cash or equivalent means of payment with a value of €10,000 or more. Procedural provisions, for example, regarding violations or possibilities to check compliance, are similar.
Foreign currency	No.	In accordance with Regulation (EU) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. According to Article 3 of Regulation (EU) No. 2018/1672, travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the competent authorities of the Member State through which they enter or leave the EU. The competent authorities must record the obtained information and transmit it to the FIU of the Member State in which it was obtained. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete or if the cash is not made available for control. To verify compliance with the obligation to declare, the competent authorities have the power to carry out controls on natural persons, their luggage, and their means of transport (Article 5(1) of Regulation (EU) No. 2018/1672). The competent authorities may temporarily detain cash by means of an administrative decision where the obligation to declare accompanied cash under Article 3 has not been fulfilled or there are indications that the cash, irrespective of the amount, is related to criminal activity (Article 7(1) of Regulation (EU) No. 2018/1672). The Regulation requires Member States to impose penalties for failure to comply with the declaration obligation (Article 14 of Regulation (EU) No. 2018/1672). Where there are indications that the cash is related to criminal activity, the competent authority of each Member State must transmit obtained declarations to the competent authorities of all the other Member States and, under certain conditions, to the Commission, the EPPO, and Europol (Article 10 of Regulation (EU) No. 2018/1672). According to Article 11 of Regulation (EU) No. 2018/1672, information can be exchanged with third countries. In addition to the obligation in Article 3 of Regulation (EU) No. 2018/1672 to declare, there is an obligation to disclose unaccompanied cash of a value of €10,000 or more entering or leaving the Union (Article 4 of Regulation (EU) No. 2018/1672). In this respect, there are comparable provisions on the powers of the competent authorities and on the exchange of information. The Regulation does not apply to physical cross-border transportation from one EU-member country to another (that is, intra-EU

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transportation). Such transportation is not considered "cross-border" for the purposes of the Regulation; the Regulation only harmonizes the system for the EU's external borders. According to Section 1(4) ZollVG (German national law), the transfer of cash and equivalent means of payment into, out of, and through the scope of application of this Act (that is, Germany) is also monitored. Section 12a ZollVG stipulates an obligation to disclose cash verbally on request of the competent authorities, when travelers enter or leave Germany from or to another EU-member country carrying cash or equivalent means of payment with a value of €10,000 or more. Procedural provisions, for example, regarding violations or possibilities to check compliance, are similar.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	The transfer of funds from domestic accounts abroad is unrestricted according to Section 1 of the Foreign Trade Act. Transfers of more than €12,500 require a notification to Bundesbank for statistical purposes according to Section 11 of the Foreign Trade Act in conjunction with the Foreign Trade Ordinance.
Approval required	No.	
Held abroad	Yes.	According to the Regulation on the Investment of Restricted Assets of "Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings (Anlageverordnung—AnlV), Regulation on the Supervision of Pension Funds (Pensionsfonds-Aufsichtsverordnung—PFAV), and Circular No. 11/2017 (VA)—Guidance Notes on the Investment of Restricted Assets of Insurance Undertakings, investment companies' and pension funds' investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Credit and financial institutions headquartered in the EU and financial institutions incorporated or instituted under the law of a member country may not open accounts with banks or credit or financial institutions domiciled in the DPRK or Syria.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	According to the Regulation on the Investment of Restricted Assets of "Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings (Anlageverordnung—AnlV), Regulation on the Supervisions of Pension Funds (Pensionsfonds-Aufsichtsverordnung—PFAV), and Circular No. 11/2017 (VA)—Guidance Notes on the Investment of Restricted Assets of Insurance Undertakings, investment companies' and pension funds' investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	

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Domestic currency accounts	Yes.	Credit and financial institutions headquartered in the EU and financial institutions incorporated or instituted under the law of a member country may not establish correspondent banking relationships with credit or financial institutions domiciled in the DPRK or Syria. Pursuant to Articles 28 and 29 of Council Regulation (EU) No. 2017/1509, restrictions apply to the opening of accounts for DPRK diplomatic missions or consular posts, and their DPRK members. Pursuant to Article 5b of Council Regulation (EU) No. 833/2014, the acceptance of deposits from Russian nationals or natural persons residing in Russia, or legal persons, entities, or bodies established in Russia is restricted. Pursuant to Article 1u of Council Regulation (EC) No. 765/2006, the acceptance of deposits from Belarusian nationals or natural persons residing in Russia, or legal persons, entities, or bodies established in Belarus is restricted.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	For blocked accounts as a result of financial sanctions by EU regulations, please refer to the relevant legal instruments mentioned above in II.B.1.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	
Open general licenses	No.	
Licenses with quotas	Yes.	The importation of certain textile goods products is subject to the EU's annual global quota.
Other nontariff measures	No.	
Import taxes and/or tariffs	No.	

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Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	
Export licenses	Yes.	
Without quotas	Yes.	Certain exports (mostly military and dual-use goods) are subject to individual, global, or general licensing. The customs authorities exercise control over export declarations.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Regarding controls on capital transactions as a result of financial sanctions, please refer to the relevant legal instruments mentioned above in II.B.1.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls are applied for security reasons, see Section XI.A above.
Sale or issue locally by nonresidents	Yes.	Controls are applied for security reasons, see Section XI.A above.
Purchase abroad by residents	Yes.	According to the Investment Regulation—Regulation on the Investment of the Restricted Assets of "Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings and the PFAV, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 5 of the Investment Regulation, respectively, Section 20 of the PFAV.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	Yes.	Controls are applied for security reasons, see Section XI.A above.
Sale or issue locally by nonresidents	Yes.	Controls are applied for security reasons, see Section XI.A above.
Purchase abroad by residents	Yes.	According to the Investment Regulation—Regulation on the Investment of the Restricted Assets of "Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings and the PFAV, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 5 of the Investment Regulation, respectively, Section 20 of the PFAV.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	According to the Investment Regulation—Regulation on the Investment of the Restricted Assets of "Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings and the PFAV, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 5 of the Investment Regulation, respectively, Section 20 of the PFAV.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	

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Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	According to the Investment Regulation—Regulation on the Investment of the Restricted Assets of "Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings and the PFAV, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 5 of the Investment Regulation, respectively, Section 20 of the PFAV.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	According to the Investment Regulation—Regulation on the Investment of the Restricted Assets of "Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings and the PFAV, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 5 of the Investment Regulation, respectively, Section 20 of the PFAV.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	According to the Investment Regulation—Regulation on the Investment of the Restricted Assets of "Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings and the PFAV, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 5 of the Investment Regulation, respectively, Section 20 of the PFAV.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	

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Inward direct investment	Yes.	Controls apply (1) to investment in air transportation enterprises, which (in accordance with Regulation (EC) No. 1008/2008) must be more than 50% owned directly or indirectly through one or more intermediate companies by members and/or nationals of EU members; an enterprise must notify its licensing authority within 14 days of any change in ownership of a single shareholding that represents 10% or more of the total; (2) to the acquisition of a German flag vessel, except through an enterprise incorporated in Germany or in another member of the EU; (3) to investment in the broadcasting (radio and television) sector, except through a subsidiary incorporated in Germany, as required for both residents and nonresidents; (4) to the use of depository banks for investment funds of capital investment companies, which is (in accordance with Directive No. 2009/65/EC) not permitted for branches of nonresident financial institutions whose head office is outside the EU, except for funds not covered under Directive No. 2009/65/EC and not sold in other EU-member countries; (5) to a depository of a UCITS, which (under EC Directive No. 2009/65) must have its registered office either in the same EU country as that of the company or be established in the EU country if its registered office is in another EU country; (6) to investments in companies in sectors related to goods on the German export control list or other defense technology, IT security products to process classified state material, and facilities that are vital for defense, which (under Section 60 et seq. of the German Foreign Trade Ordinance) require notification if the transaction will give a foreign investor at least 10% of the voting rights; restrictions may be imposed to secure the "material security interests" of Germany; and (7) in general, under Section 55 et seq. of the German Foreign Trade Ordinance, which may, to secure "public order or security," restrict investments in any other German enterprise by an investor from outside the EU or EFTA that will give the investor at least 25% of the voting rights or 10% or 20% in one of 27 sensitive civil sectors (for example, critical infrastructure, emerging/sensitive technologies). The amendment expands controls to investments in any German enterprise by an investor outside the EU or EFTA that will give the investor at least 20% (previously 25%) of voting rights in the case of an enterprise in a sensitive sector as categorized in Section 55a(1) No. 8-27 of the Foreign Trade and Payments Ordinance (for example, critical infrastructure, emerging/sensitive technologies). With respect to enterprises in sensitive civil sectors as set out in Section 55a(1) No.1-7 of the Foreign Trade and Payment Ordinance previously covered by the sector-specific regime, the relevant voting rights threshold remains at 10%. For all other acquisitions, the 25% threshold applies. Asset deals are in the scope of the FDI screening regime, and the review may take into account whether an acquirer is directly or indirectly controlled by foreign government or its agencies. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments. The German Foreign Trade and Payments Ordinance was amended in line with this by amendments that entered into force October 29, 2020 ("Sechzehnte Verordnung zur Änderung der Außenwirtschaftsverordnung") and May 1, 2021 ("Siebzehnte Verordnung zur Änderung der Außenwirtschaftsverordnung").The subsequent amendments to the German Foreign Trade and Payments Ordinance regarding FDI screening led only to minor adjustments, regarding changed names of laws and authorities and a facilitation of electronic communication during an FDI screening procedure. These

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		amendments entered into force effective May 3, 2022 (“Achtzehnte Verordnung zur Änderung der Außenwirtschaftsverordnung”), effective December 24, 2022 (“Neunzehnte Verordnungzur Änderung der Außenwirtschaftsverordnung”), and effective October 5, 2023 (“Zwanzigste Verordnung zur Änderung der Außenwirtschaftsverordnung”).
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	According to the Investment Regulation—Regulation on the Investment of the Restricted Assets of “Pensionskassen,” Death Benefit Funds, and Small Insurance Undertakings and the PFAV, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 5 of the Investment Regulation, respectively, Section 20 of the PFAV. Land and land rights are deemed denominated in the currency of the country in which they are located.
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.
Borrowing abroad	No.
Maintenance of accounts abroad	No.
Lending to nonresidents (financial or commercial credits)	No.
Lending locally in foreign exchange	No.

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Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	
Liquid asset requirements	Yes.	Commission Delegated Regulation (EU) No. 2015/61 of October 10, 2014 (LCR Delegated Regulation, LCR DR as an abbreviation of Commission Delegated Regulation (EU) No 2015/61), provides criteria to identify less stable retail deposits, for the purposes of liquidity reporting, by defining the characteristics that may lead to higher outflows during the next 30 days under stress conditions. Deposits denominated in a currency other than the euro or the domestic currency of a Member State are according to Article 25(2)(e) of LCR DR one criterion for applying a higher outflow rate according to Article 25(3) of LCR DR.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	No.	
Liquid asset requirements	Yes.	Commission Delegated Regulation (EU) No. 2015/61 of October 10, 2014 (LCR DR), provides criteria to identify less stable retail deposits, for the purposes of liquidity reporting, by defining the characteristics that may lead to higher outflows during the next 30 days under stress conditions. Deposits where the depositor is resident in a third country are according to Article 25(2)(e) of LCR DR one criterion for applying a higher outflow rate according to Article 25(3) of LCR DR.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Regulation (EU) No. 575/2013 on Prudential Requirements for Credit Institutions and Investment Firms (CRR) does not impose an explicit limit on open foreign exchange positions. However, CRR Article 351 prescribes that if the sum of an institution's overall net foreign exchange position and its net gold position, calculated in accordance with the procedure set out in CRR Article 352, exceeds 2% of its total own funds, the institution must calculate an own funds requirement of 8% in general for foreign exchange risk (for exemptions to this rule, see CRR Article 354).
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	There are certain provisions for prudential regulation of portfolios of life insurance and pension funds.
Insurance companies	Yes.	

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Limits (max.) on securities issued by nonresidents	Yes.	According to the Investment Regulation—Regulation on the Investment of the Restricted Assets of "Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 5 of the Investment Regulation.
Limits (max.) on investment portfolio held abroad	Yes.	"Pensionskassen," Death Benefit Funds, and Small Insurance Undertakings may acquire investments in all investment categories in any OECD or EEA country. Investments must be with some exemptions in the same currency as liabilities under the pension or insurance contracts. According to the Act on the Supervision of Insurance (Versicherungsaufsichtsgesetz—VAG) Undertakings Section 125(4), investments of the restricted assets are to be held within the EEA. Exemptions may be granted on application.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Restricted assets must be, with some exemptions, invested in assets in the same currency as liabilities under insurance contracts (matching rules). Land and land rights are deemed denominated in the currency of the country in which they are located, and shares and participating interests in the currency in which they are included in an organized market. Shares and participating interests not traded in an organized market are deemed denominated in the currency of the issuer's home country.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	According to the PFAV, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 20 of the Regulation.
Limits (max.) on investment portfolio held abroad	Yes.	According to the PFAV, the investment of restricted and guarantee assets in EEA countries, other OECD countries, and countries outside the OECD is allowed, with certain requirements. Investments must be in the same currency as liabilities under the pension or insurance contracts. Exemptions from that rule are laid down in the annex to Section 20 of the Regulation. According to the VAG Undertakings Section 125(4), investments of the restricted assets are to be held within the EEA. Exemptions may be granted on application.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Restricted assets must be invested in assets in the same currency as liabilities under insurance contracts (matching rules). Up to 30% of restricted assets may be invested in nonmatching assets. Land and land rights are deemed denominated in the currency of the country in which they are located, and shares and participating interests in the currency in which they are included in an organized market. Shares and participating interests not traded in an organized market are deemed denominated in the currency of the issuer's home country.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio	No.	

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held abroad		
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	There are currency-matching regulations for real estate investment funds.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	No.	
Controls on unbacked tokens	No.	Pursuant to Article 5b paragraph 2 of Council Regulation (EU) No. 833/2014, it is prohibited to provide crypto-asset wallet, account, or

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		custody services to Russian nationals or natural persons residing in Russia, or legal persons, entities, or bodies established in Russia.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	The Fifth EU-Money Laundering Directive comprehensively defined crypto assets as financial instruments. The exchange of crypto assets to be classified as financial instruments within the meaning under the German Banking Act.
Domestic exchanges	No.	Depending on their business model, crypto asset exchanges are subject to authorization as financial service providers under the German Banking Act and as such obliged entities under the Money Laundering Act.

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Access to crypto exchange/trading platform by residents	No.	Formal onboarding requirements for clients of domestic exchanges.

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*04/12/2022*	Restrictions apply to the listing and the provision of services, on trading venues registered or recognized in the Union for the transferable securities of any legal person, entity, or body established in Belarus and with over 50% public ownership.
	05/03/2023	Restrictive measures were imposed against certain persons with respect to the Republic of Moldova.

Exchange Arrangement

Official exchange rate	*04/03/2023*	The ECB Governing Council changed the computation time of the euro foreign exchange rates (also known as the ECB reference rates) to around 14:10 CET, to avoid overlaps with publication time (14:15 CET). Previously reference rates took place at 14:15 CET.

Capital Transactions

Controls on capital transactions		
Controls on direct investment		
Inward direct investment	*05/03/2022*	Has no bearing on FDI screening. Defines new administrative offences that are subject to fines so that penalties can be imposed for violations of sanctions entailing restrictive measures against Belarus, Russia, and the regions of Ukraine not controlled by the Ukrainian government, Donetsk and Luhansk.
	12/24/2022	Updates the export list, which determines the scope of national licensing requirements for military and dual-use goods.
	10/05/2023	Establishes some new offenses that will be subject to fines and lays the foundation for an extensive digitalization of the investment review procedure. All documents required by the parties to the investments will in the future be submitted electronically via an administration portal by the applicant.

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GHANA

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 20, 1957.
Article VIII	Yes.	Date of acceptance: February 2, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with Ghana states that as of July 1, 2021, Ghana maintained one exchange restriction and a MCP subject to IMF approval. The exchange restriction arises from the limitation/prohibition on purchasing and transferring foreign exchange for import transactions by importers that have not submitted to the commercial bank customs entry forms for any past foreign exchange transactions related to imports and that are unrelated to the underlying transaction. An MCP also arises, because the Bank of Ghana (BOG) requires the use of its internal rate (that is, the previous day's weighted average interbank exchange rate) for government transactions and the surrender of foreign exchange proceeds from cocoa exports funded through the cocoa syndicated loan without having a mechanism in place to ensure that, at the time of the transaction, this exchange rate does not differ from the rate prevailing in the market rate (that is, the interbank exchange rate) and the rates used by banks in their transactions with their customers by more than 2%. (Country Report No. 21/165)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Ghana is the Ghana cedi (GH₵).
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual	Yes.	The BOG uses a reference rate for certain official transactions. This rate does not involve a mechanism to ensure that it does not differ from the prevailing market rate by more than 2%, thus giving rise to an MCP. The BOG publishes daily reference foreign exchange rates against cedis. The US dollar–Cedi reference midrate is the weighted average of all the daily spot foreign exchange market transactions of at least US$10,000 reported by all banks until 2:30 p.m. to the BOG, excluding transactions where the BOG was a counterparty. The other currencies' reference rate to cedis is based on the current cross-rates in the international foreign exchange market from Reuters.
Multiple		

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Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is floating. The exchange rate of the cedi is determined by market forces. Ghana joined the W-ERM II of the WAMZ, which requires that the spot exchange rate between the cedi and the US dollar be maintained within a margin of ±15% around the central rate. The BOG does not publish information on its interventions. The Russia–Ukraine war, rapid monetary policy tightening in the US culminating in a broadly stronger US dollar as well as Ghana's lack of access to the international capital market had significant effect on the Ghana Cedi in 2022. From February 2022, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate arrangement was reclassified to other managed from craw-like, effective February 1, 2022.
Floating		
Free floating		
Official exchange rate	Yes.	The BOG publishes daily reference foreign exchange rates against the cedi. The US dollar–cedi reference midrate is the weighted average of all the daily spot foreign exchange market transactions of at least US$10,000 reported by all banks until 2:30 p.m. to the BOG excluding, transactions where the BOG was a counterparty. All bank-bank and bigger size (above US$10,000) bank–customer deals concluded and reported are included. The other currencies' reference rate to the cedi is based on the current cross-rates in the international foreign exchange market from Reuters. The previous day's reference rate as computed is used for all transactions involving the BOG, except market intervention.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The Inflation-Targeting Framework was formally adopted for the conduct of the Bank's monetary policy in 2007 and remains the

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		monetary policy framework.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The inflation target is jointly set by the Central Bank and the Government (MOF), taking into consideration prevailing macroeconomic conditions and policy consistency, and the need to provide certainty in the outlook. The current target of 8% was set in 2014 and has not been revised since. Prior to that, annual targets were set, given the prevalence of high inflation rates in the country.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The medium-term inflation target remains 8% with a tolerance band of ±2%.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The CB targets inflation, which is defined as the year-on-year (y-o-y) change in the CPI. The CPI measures the change in the general price level of goods and services with 2021 as the revised base year.
Core inflation		
Target horizon	Yes.	The target horizon is four quarters ahead.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The policy rate was used in fixed-rate full allotment auctions of 14-day BOG bills. The monetary policy rate is currently at 30% (November 2023).
Target corridor band	Yes.	The interest rate corridor is the monetary policy rate ±1% for the early window (10:00 a.m.–12:30 p.m.) and ±5% for the late window (3:00 p.m.–4:00 p.m.).
Other	No.	
Accountability	Yes.	
Open letter	n.a.	
Parliamentary hearings	n.a.	
Other	Yes.	The Bank is accountable to the legislature and is required to submit monetary and financial stability reports that provide extensive details on the monetary policy course of action to parliament in February and July each year. As conditions determine, the legislature may issue summons to the governor to appear before its Finance Committee to address specific issues bordering on the conduct of monetary policy and financial stability.

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Transparency	Yes.	
Publication of votes	No.	The BOG does not publish the votes.
Publication of minutes	No.	The BOG does not publish policy meeting minutes, but after each policy meeting, the BOG publishes an MPC statement and transcript of the press conference.
Publication of inflation forecasts	Yes.	The BOG publishes an inflation forecast in the form of a fan chart in the Inflation Outlook and Analysis Report after each MPC meeting.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set the exchange rate in transactions with their clients; however, for funds sourced from the BOG, a 25 basis point cap on banks' subsequent trades with customers is expected. Offshore foreign exchange deals – buying and selling of foreign currency offshore – by resident and nonresident companies, including exporters, are strictly prohibited (BG/GOV/SEC/2014/03).
Spot exchange market	Yes.	Foreign exchange bureaus may operate and must be licensed by the BOG. As of December 31, 2022, there were 405 authorized foreign exchange bureaus. They do not engage in foreign exchange transactions directly with the BOG. However, foreign exchange bureaus may deposit and withdraw foreign exchange from their foreign exchange account (FEA) with their commercial banks. They may make spot transactions but may not hold accounts abroad or accept deposits in cedis or foreign exchange from any person or corporate body with the intent of obtaining or supplying foreign exchange or the cedi equivalent either wholly or in part at a future date, and their operations are limited to purchases and sales of banknotes. ADs may quote spot interbank exchange rates for trades settled within two business days or as agreed by counterparties. Foreign exchange bureaus quote rates for the same-day settlement. Foreign exchange bureaus may not sell or buy more than US$10,000 or its equivalent a transaction (BG/GOV/SEC/2014/01).
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	The BOG has since July 2015 ceased to provide dedicated support to local banks to meet LC requirements for crude oil imports. Foreign exchange for oil imports since March 2022 is provided through special foreign exchange forward auction held for bulk oil distribution companies (BDCs).
Auction	Yes.	The regular (Bespoke) foreign exchange forward auction at various tenors (7days to 75days) was implemented in October 2019 but has been on hold effective October 18, 2022, when the last auction at various tenors was held. The regular (Bespoke) foreign exchange forward auction was a multiple price auction aimed at improving price discovery, deepening Ghana's foreign exchange market, and reducing uncertainty about future availability of foreign exchange to meet the needs of banks' clients. The objective was to reduce the front-loading of foreign exchange demand purchases by economic agents and help ease pressure on the spot market. All authorized foreign exchange dealer banks were eligible to participate in the foreign exchange auction. It was a bi-weekly auction. The Auction Process. An auction calendar was published quarterly on BOG's website and in the print media. On auction day, bids were

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		received from the commercial banks between 9:30 a.m. and 10:30 a.m. Auction bids were collated at the close of auction. Scenario Analyses on various spot rates to be used in determining successful bids were compiled for auction Committee's consideration and decision. The Auction Committee met between 12:00 p.m. and 1:00 p.m. to propose successful bid range for Management's consideration and approval. The results of the auction were published on the Bank's website, print media and Reuters' platform indicating the following: (1) range of bids tendered with their respective tenors; (2) amount tendered; (3) amount of invalid bids tendered; (4) successful bid rates; (5) total amount accepted; (6) auction target amount; and (7) bid-cover ratio. Following the auction, a report was prepared that included name of successful banks, rates accepted with respect to each tenor, and amounts accepted with respect to each tenor. The successful banks were contacted using Reuters dealing system. Effective March 30, 2022, foreign exchange for oil imports is provided through special foreign exchange forward auctions held for BDCs. The BOG will publish the target amount four days preceding the pricing window for the downstream sector on the BOG website to enable market participants plan adequately. The announcement must list the date and time, auction volume target, settlement and other relevant information. Participation in the auction is restricted to only authorized BDCs licensed by the National Petroleum Authority (NPA) through their authorized Licensed Foreign Exchange Dealing Banks. The auctions must be limited to the purchase of the United States Dollar (USD) against equivalent value in the national currency – Ghana Cedi (GHS) on a forward basis at 30-day tenor. The auction will be held twice a month. The multiple price auctions would be fixed volume format; the auction cut-off rate would clear the target volume offered in the said auction. The general principle followed would be that the amount accepted at the auction be kept close to the announced volume, probable variance of not more than ±10% of auction target. BOG dealers must call foreign exchange dealers of the successful banks via the REFINITV Dealing System to confirm and conclude trades for accepted bids to facilitate settlement.
Fixing	No.	
Interbank market	Yes.	A formal interbank foreign exchange market has been developing since 2006. Banks may trade among themselves at freely determined rates, and the market operates over the counter. As of December 31, 2022, there were 23 major banks participating in the market. There is a limit of 25 pips between the bid-ask exchange rate. ADs must show two-way quotes with a maximum spread of 25 basis points. Since January 2006, the BOG buys foreign exchange from the interbank market at the published market reference rate. Effective July 1, 2023, the BOG sells foreign exchange to the commercial banks at the rate quoted by the banks. Previously, the BOG occasionally sold foreign exchange to banks at their quoted rate depending on market dynamics.
Over the counter	Yes.	A formal interbank foreign exchange market has been developing since 2006. Banks may trade among themselves at freely determined rates on the interbank Reuters dealing platform.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	ADs may engage in forward foreign exchange transactions. The BOG has conducted a number of swaps with AD banks as a means of promoting and developing foreign exchange products on the market.

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Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements related to transactions covered by bilateral payments agreements are made through government nostro accounts maintained at the BOG and other countries' CBs and commercial banks. All convertible currencies are accepted for all transactions.
Controls on the use of domestic currency	Yes.	Local currency may not be used in international current and capital transactions. All transactions in Ghana must be conducted in cedis, which is the sole legal tender (BOG/GOV/SEC/2012/12).
For current transactions and payments	Yes.	Local currency may not be used in international current transactions. All transactions in Ghana must be conducted in cedis, which is the sole legal tender (BOG/GOV/SEC/2012/12).
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Local currency may not be used in international capital transactions. All transactions in Ghana must be conducted in cedis, which is the sole legal tender (BOG/GOV/SEC/2012/12).
Transactions in derivatives and other instruments	Yes.	Local currency may not be used in international capital transactions. All transactions in Ghana must be conducted in cedis, which is the sole legal tender (BOG/GOV/SEC/2012/12).
Credit operations	Yes.	Local currency may not be used in international capital transactions. All transactions in Ghana must be conducted in cedis, which is the sole legal tender (BOG/GOV/SEC/2012/12).
Use of foreign exchange among residents	Yes.	Cash withdrawals over the counter from FEAs and Foreign Currency Accounts (FCAs) are permitted. For travel outside Ghana, cash withdrawals may not exceed US$10,000 or its equivalent in convertible foreign currency, a person, a trip (BG/GOV/SEC/2014/09 and BOG Press Release of August 8, 2014). Transactions among residents in foreign currency are prohibited, unless the BOG gives prior authorization to do so.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	Ghana has bilateral payment agreements with Bulgaria, China, Cuba, the Czech Republic, Poland, Romania, and the Slovak Republic. There have been delays in the settlement of clearing balances on these agreements.
Regional arrangements	Yes.	Ghana is a member of the WAMA, WAMZ, and ECOWAS.
Clearing agreements	Yes.	Effective January 1, 2022, a regional clearing system called Pan African Payment and Settlement System became operational.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BOG records and confirms foreign capital inflows and administers foreign exchange for official payments and travel. All other foreign exchange transactions by the private sector are approved and effected by ADs without reference to the BOG.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or	Yes.	

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bullion)		
On domestic ownership and/or trade	Yes.	Residents may purchase, sell, and hold gold in all forms. The Precious Mineral Marketing Company (PMMC), by law, is mandated to license buying agents whose duty is to buy gold on behalf of PMMC. The PMMC was set up to buy all the gold produced by the small-scale mining sector. Owing to liquidity challenges on the part of PMMC, the licensed buying agents were then permitted to buy on behalf of third parties other than PMMC. The licensed buying agents are required to file monthly returns with PMMC on their trading activities declaring among others information such as who they buy gold from and who they sell gold to.
On external trade	No.	Gold bullion exports must be reported to the BOG.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	The exportation of Ghanaian banknotes is permitted up to GH ₵10,000 (previously GHC500); larger amounts may not be exported. Residents and nonresidents travelling abroad are permitted to carry up to GHC10,000 in cash or bank drafts without declaration.
Foreign currency	Yes.	Residents and nonresidents traveling abroad are permitted to carry up to the equivalent of US$10,000 in cash, traveler's checks, or bank drafts for direct purchases. Nonresident travelers may reexport foreign currency in excess of US$10,000, provided the amount was declared on entry. ADs may freely export foreign currency but must provide documentation. Any person arriving in or departing from Ghana is permitted to carry up to US$10,000.00 or its equivalent in any monetary instruments without declaration. Any amount in excess of US$10,000.00 must be declared indicating the source and purpose for carrying such an amount.
On imports	Yes.	
Domestic currency	Yes.	Travelers may reimport up to GHC10,000 (previously GHC500) they initially exported. Residents and nonresidents travelling abroad are permitted to carry up to GHS10,000 in cash or bank drafts without declaration. Banks and other financial institutions are not allowed to import banknotes in domestic currency. This is within the purview of the CB.
Foreign currency	No.	Commercial banks are allowed to import foreign currency with notice to the BOG indicating the amount and currencies, for monitoring purposes only. Any person arriving in or departing from Ghana is permitted to carry up to US$10,000.00 or its equivalent in any monetary instruments without declaration. Any amount in excess of US$10,000.00 must be declared indicating the source and purpose for carrying such an amount.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents and nonresidents may open FEAs and FCAs. Balances in these accounts are held in foreign currency. FEAs may be opened by Ghana residents and nonresidents with any AD bank in Ghana. FEAs can be credited with foreign exchange generated from activities in Ghana such as proceeds from exports of goods and services and any other foreign exchange earnings not subject to surrender requirements.

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		Balances on these accounts cannot be freely transferred without the necessary supporting documentation to back the underlying transaction. Holders of the account can transfer up to US$10,000.00 an annum from these accounts to meet payment obligations abroad without documentation. The thresholds for transfers abroad by importers without initially submitting documentation to their bankers are US$50,000.00. FCAs may be opened by residents, nonresidents, and non-Ghanaians with any AD bank in Ghana. These accounts can be credited only with unrequited transfers such as transfers from abroad for investment or embassy transfers. Balances are freely transferrable in Ghana and abroad in convertible currencies. These accounts may be debited for payment, for transfers to other foreign accounts, and for purchases of external currencies. These accounts are free from any restrictions, besides being fed only with unrequited transfers. Documentation for transfers from FCAs is the regular form used by the banks, which also indicates the purpose of the transfer. Transfers from FEAs and FCAs to cedi accounts are permitted. Except for transfers from FEA to FCA which are prohibited, all other transfers between accounts are permitted. Checks and checkbooks may be issued by banks to holders of FEAs and FCAs (BOG Press Release of August 8, 2014). External transfers from FEAs and electronic card payments by importers up to US$50,000 are permitted without initial documentation. Where documentation in respect of a transfer remains outstanding, any subsequent import transaction by the importer, irrespective of value, can only be made on prior provision of documentation required for the current import transaction. Importers were allowed to continue to use the margin account (managed by banks on their behalf) to build up foreign exchange to be used exclusively for the purpose for which the account was opened (BG/GOV/SEC/2014/09). Importers effect transfers for payments only from their FEA accounts and not the FCAs.
Approval required	No.	
Held abroad	Yes.	FEAs and FCAs could be held abroad. FEAs are subject to BOG approval, while FCA may be opened without the BOG approval.
Approval required	Yes.	BOG approval is required for FEAs.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Conversion is allowed for approved purposes, subject to a documentation requirement. Conversion is not allowed to a FCA.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Residents and nonresidents may open FEAs and FCAs. Balances in these accounts are held in foreign currency. FEAs may be opened by Ghana residents and nonresidents with any AD bank in Ghana. FEAs can be credited with foreign exchange generated from activities in Ghana such as proceeds from exports of goods and services and any other foreign exchange earnings not subject to surrender requirements. Balances on these accounts cannot be freely transferred without the necessary supporting documentation to back the underlying transaction. Holders of the account can transfer up to US$10,000.00 an annum from these accounts to meet payment obligations abroad without documentation. The thresholds for transfers abroad by importers without initially submitting documentation to their bankers are US$50,000.00.

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		FCAs may be opened by residents, nonresidents, and non-Ghanaians with any AD bank in Ghana. These accounts can be credited only with unrequited transfers such as transfers from abroad for investment or embassy transfers. Balances are freely transferrable in Ghana and abroad in convertible currencies. These accounts may be debited for payment, for transfers to other foreign accounts, and for purchases of external currencies. These accounts are free from any restrictions, besides being fed only with unrequited transfers. Documentation for transfers from FCAs is the regular form used by the banks, which also indicates the purpose of the transfer. Transfers from FEAs and FCAs to cedi accounts are permitted. Except for transfers from FEA to FCA which are prohibited, all other transfers between accounts are permitted. Checks and checkbooks may be issued by banks to holders of FEAs and FCAs (BOG Press Release of August 8, 2014). External transfers from FEAs and electronic card payments by importers up to US$50,000 are permitted without initial documentation (BG/GOV/SEC/2014/09).
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Nonresidents may have cedi accounts freely convertible to foreign currency and may make transfers abroad with relevant supporting documents.
Approval required	No.	No approval is required.
Blocked accounts	No.	These are not applicable.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Clients must submit documentation of the underlying transaction for all payments and complete applicable bank forms for monitoring purposes. The threshold for transfers abroad without initial documentation is US$50,000, and the limit on electronic cards is US $50,000 for importers. Documentation according to the terms of the transaction must be submitted to the bank to qualify for subsequent transfers. Imports valued at the equivalent of US$50,000 or more are subject to a documentation requirement and destination inspection.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	Most imports are effected with confirmed LCs established through ADs on a sight basis. The use of LCs is not mandatory. Imports on a collection basis and with direct transfers are also permitted.
Import licenses used as exchange licenses	No.	
Other	Yes.	Importers are allowed to continue to use the margin account (managed by banks on their behalf) to build up foreign exchange to

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		be used exclusively for the purpose for which the account was opened (BG/GOV/SEC/2014/09).
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of narcotic drugs are prohibited, and imports of small weapons are restricted.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The maximum tariff rate is 20% of the c.i.f. value of imports, in addition to a VAT of 15% and a national health insurance levy of 2.5%. Importers without a taxpayer identification number are subject to a 5% withholding tax on the value of their imports.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	All exporters, except exporters who operate in accordance with retention agreements and who have been permitted to operate accounts offshore, would be required to repatriate in full all their export receipts to banks in Ghana, within a maximum repatriation period not exceeding 60 days from the day of shipment of goods.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The proceeds of the cocoa syndicated loan are subject to be surrendered to the BOG. Subject to agreements between each mining company and the MOF, a proportion of gold export proceeds must be surrendered to the BOG in accordance with the Minerals and Mining Act (Act No. 703) of 2006.
Surrender to authorized dealers	Yes.	Exporters are required to sell foreign exchange receipts from the export of minerals and cocoa (other than the proceeds of the cocoa syndicated loan) directly to the commercial banks within three working days from the date when export proceeds are repatriated. Export proceeds subject to surrender requirement are allowed to be sold by the exporter to any local bank, regardless of where export proceeds are repatriated.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Exports are subject to customs inspection.
Other	Yes.	
Export licenses	No.	
Without quotas	No.	

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With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Cocoa exports are subject to a tax that is calculated as the difference between export proceeds and payments to farmers, together with the Cocoa Board's costs if proceeds exceed payments. Lumber exports are subject to a 10%–30% tax depending on the species.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	Freight charges may be paid to the local shipping agents; the transfer of funds to cover such charges is normally permitted, provided the application is properly documented.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments are subject to proper documentation.
Investment-related payments	No.	No restrictions apply to the payment of amortization of loans or depreciation of direct investments. Banks are required to submit a report of the transaction to the BOG. There are no restrictions on transfers abroad of nonresidents' profits, dividends, interest payments, and rent payments. Banks request for underlying supporting documents.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents and nonresidents traveling abroad may carry up to the equivalent of US$10,000 in cash or traveler's checks or any other instrument. Nonresident travelers may reexport foreign currency in excess of US$10,000, provided the amount was declared on entry. Without prejudice to the limit of US$10,000 withdrawal for travel and the US$10,000 annual transfer without documentation, OTC cash withdrawals from FCAs and FEAs are permitted. OTC cash withdrawals, that is, withdrawing cash from the bank, are permitted up to a limit of US$10,000 per transaction. OTC withdrawals are for travelling purposes, and the OTC limit is applicable to FCAs. The withdrawal limit is per person, per travel.
Indicative limits/bona fide test	Yes.	Payments for travel must be within the prescribed cash limits of US$10,000. Valid passport, tickets, and visa are required. For transfer purposes, a customer may transfer in excess of US$10,000 on confirmation of bona fide nature of transaction by presenting the supporting documentation.
Personal payments	Yes.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	These payments are allowed up to US$10,000 a year without documentation. Transfers in excess of the mandatory US$10,000.00 are not permitted, unless they are supported with the relevant underlying documents.
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	All receipts from invisible transactions must be sold to ADs or held in foreign-exchange-denominated bank accounts in resident banks. Pursuant to BG/GOV/SEC/2016/03, all proceeds from exports (goods and services) are subject to repatriation on receipt.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	Yes.
On capital market securities	Yes.
Shares or other securities of a participating	Yes.

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nature		
Purchase locally by nonresidents	Yes.	No controls apply, except in the banking sector, where nonresidents' acquisition of a stake exceeding 10% is subject to BOG approval.
Sale or issue locally by nonresidents	Yes.	These transactions require approval from the BOG and the Securities and Exchange Commission (SEC). The transfer or repatriation of proceeds from sales must be reported to the BOG.
Purchase abroad by residents	No.	Banks must report these transactions to the BOG.
Sale or issue abroad by residents	No.	Banks must report these transactions to the BOG.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may buy two-, three-, five-, six-, seven-, ten-, or fifteen-year cedi-denominated debt instruments issued by the Government of Ghana. Offshore investors are not permitted to purchase bonds in tenors of below 2 years. There is no minimum holding period.
Sale or issue locally by nonresidents	Yes.	These transactions require approval from the BOG.
Purchase abroad by residents	No.	Banks must report these transactions to the BOG and the SEC. The transfer or repatriation of proceeds from sales must be reported to the BOG.
Sale or issue abroad by residents	No.	Banks must report these transactions to the BOG.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Current regulations do not allow nonresidents to bring in foreign exchange for the purpose of investing in local money market instruments (BOG and government securities), with the exception of debt instruments with an original maturity of two years or longer. However, nonresidents holding local accounts in domestic currency may invest in these instruments, with the restriction that earnings from them are not transferable.
Sale or issue locally by nonresidents	Yes.	These transactions are not allowed.
Purchase abroad by residents	No.	These transactions are permitted, but banks must report them to the BOG.
Sale or issue abroad by residents	No.	These transactions are permitted, but banks must report them to the BOG.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	These purchases require approval from the BOG and the SEC.
Sale or issue locally by nonresidents	Yes.	These transactions, as well as the transfer abroad of proceeds associated with these sales, including those derived from the liquidation of such securities, require BOG and SEC approval.
Purchase abroad by residents	No.	Banks must report these transactions to the BOG.
Sale or issue abroad by residents	No.	Banks must report these transactions to the BOG.
Controls on derivatives and other instruments	Yes.	Currently, there is only a limited local market in derivatives.
Purchase locally by nonresidents	No.	Banks must report these transactions to the BOG.
Sale or issue locally by nonresidents	Yes.	These transactions require BOG approval.
Purchase abroad by residents	No.	Banks must report these transactions to the BOG.
Sale or issue abroad by residents	No.	Banks must report these transactions to the BOG.

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Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	These transactions are permitted, but banks must report them to the BOG.
To residents from nonresidents	No.	These transactions are permitted, but banks must report them to the BOG. Documentation is required.
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	Banks must report these transactions to the BOG.
Guarantees, sureties, and financial backup facilities	No.	Banks must report these transactions to the BOG.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	Banks must report these transactions to the BOG.
Inward direct investment	Yes.	Certain areas of economic activity (hairdressing, barbering, and lottery) are not open to foreigners. Foreign investors in Ghana must register and comply with the requirements of the Ghana Investment Promotion Center, if they are to benefit from the incentives available under the Ghana Investment Promotion Center Act 2013 (Act No. 865), such as tax holidays and initial capital allowances. The minimum qualifying amounts of investment by a non-Ghanaian are as follows: (1) US$200,000 or its equivalent in capital goods by way of equity participation in a joint-venture enterprise with a Ghanaian partner; (2) US$500,000 or its equivalent in capital goods by way of equity capital when the enterprise is wholly owned by a non-Ghanaian; and (3) US$1 million or its equivalent in goods by way of equity capital when the enterprise is either wholly or partly owned by a non-Ghanaian, employs at least 20 Ghanaians, and is involved in the purchase and sale of goods. BOG approval is required for an equity stake of more than 10% in the banking sector by nonresidents. The minimum capital requirement for all banks is GH₵400 million. In accordance with Section 10(2) C of Act No. 930 of 2016, where the applicant for a banking license is a subsidiary of a foreign company, the applicant will maintain within the country, the required capital in the form of funds transferred from abroad together with other funds that may be determined by the BOG. There are no restrictions on the repatriation of capital, dividends, or profits; banks must submit a report to the BOG.
Controls on liquidation of direct investment	No.	The Ghana Investment Promotion Center Act stipulates that the assets of foreign investors may not be expropriated. Disputes over the amount of compensation are settled in accordance with the established procedure for conciliation (for example, through arbitration by the International Center for Settlement of Investment Disputes or the UN Commission on International Trade and Law).
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	No restrictions; banks must submit a report to the BOG.
Purchase locally by nonresidents	Yes.	Nonresidents are allowed to hold leases for up to 50 years. Banks must report these transactions to the BOG.

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Sale locally by nonresidents	No.	No restrictions; banks must report these transactions to the BOG.
Controls on personal capital transactions	No.	Banks must report these transactions to the BOG.
Loans	No.	Banks must report these transactions to the BOG.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	Banks must report these transactions to the BOG.
By residents to nonresidents	No.	No restrictions; banks must submit a report to the BOG.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	Banks must report these transactions to the BOG.
Transfer of assets	No.	Banks must report these transactions to the BOG.
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	Banks must report these transactions to the BOG.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	All banks must meet the minimum capital requirement of GH₵400 million. Minimum capital requirement for obtaining a Savings and Loans, Finance House or Mortgage Company license is GH₵15 million. Minimum capital requirements for obtaining a Rural/ Community bank and Microfinance Institution licenses are GH₵1 million and GH₵2 million, respectively. As part of the reliefs given to banks during the COVID-19 pandemic, the capital conservation buffer was reduced from 3% to 1.5%, effectively reducing the minimum Capital Adequacy Ratio from 13% to 11.5% (March 2020 MPC Press Release). Two years later, the Capital Conservation Buffer was reset to the pre-pandemic level of 3%, bringing the minimum Capital Adequacy Ratio back to 13% as of April 1, 2022 (March 2022 MPC Press Release). Thereafter, the capital conservation buffer was reduced to 0% for banks that fully participate in the Domestic Debt Exchange Program as of February 21, 2023, to coincide with the Domestic Debt Exchange Program settlement date extension.
Borrowing abroad	No.	Banks must report these transactions to the BOG.
Maintenance of accounts abroad	No.	BOG notification is required.
Lending to nonresidents (financial or commercial credits)	No.	Banks must report these transactions to the BOG.
Lending locally in foreign exchange	No.	Lending in foreign currency is not restricted by the law. Foreign-currency-denominated loans may be granted by resident banks to their customers, subject to their own internal procedures and processes and in compliance with the risk management guidelines of the BOG (BOG Press Release of August 8, 2014). The CRD – 2018 imposes a capital add-on of 20% on banks with exposures in foreign currency where the obligor is not a foreign currency earner (currency mismatch).

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Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The cash reserve ratio for banks is the same for both domestic and foreign currency deposits but is held in cedis. The cash reserve ratio for banks for both domestic and foreign currency deposits was reduced from 10% to 8% during the pandemic (March 2020 MPC Press Release) and was later reset from 8% to 12% effective April 1, 2022 (March 2022 MPC Press Release). The reserve requirements on domestic currency deposits for savings and loans companies, finance house companies, and rural and community banks is 6% and 8% for micro finance companies (May 2020 MPC Press Release).
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Effective May 1, 2023, the following apply to banks: (1) placements with Foreign Sovereigns by banks – 25% of Net own Funds; (2) placements with nonresident financial institutions - if unsecured 10% of Net Own Funds; and(3) placements with nonresident financial institutions – if secured 25% of Net Own Funds.
In banks by nonresidents	Yes.	BOG approval is required for an equity stake of more than 10% in the banking sector by nonresidents. In accordance with Section 10(2) C of Act No. 930 of 2016, where the applicant for a banking license is a subsidiary of a foreign company, the applicant will maintain within the country, the required capital in the form of funds transferred from abroad together with other funds that may be determined by the BOG.
Open foreign exchange position limits	Yes.	The daily single foreign currency net open position is 5%, and the aggregate net open position is 10% of the capital base (BG/GOV/SEC/2014/08 of April 3, 2014). The requirement is targeted at all foreign currency exposures of the banks, that is, both resident and nonresident holdings.
On resident assets and liabilities	Yes.	The daily single foreign currency net open position is 5%, and the aggregate net open position is 10% of the capital base (BG/GOV/SEC/2014/08 of April 3, 2014).
On nonresident assets and liabilities	Yes.	The daily single foreign currency net open position is 5%, and the aggregate net open position is 10% of the capital base (BG/GOV/SEC/2014/08 of April 3, 2014).
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	

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Limits (max.) on securities issued by nonresidents	Yes.	At least 50% of life insurance premiums and 25% of non-life insurance premiums must be held in government securities. The rest may be invested in other local instruments, subject to the National Insurance Commission approval.
Limits (max.) on investment portfolio held abroad	Yes.	The National Insurance Commission approval is required.
Limits (min.) on investment portfolio held locally	Yes.	At least 50% of life insurance premiums and 25% of non-life insurance premiums must be held in government securities. The rest may be invested in other local instruments, subject to the National Insurance Commission approval.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	These transactions must be reported to the BOG.
Limits (max.) on investment portfolio held abroad	No.	These transactions must be reported to the BOG.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	These transactions must be reported to the BOG.
Limits (max.) on investment portfolio held abroad	No.	These transactions must be reported to the BOG.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	A retail central bank digital currency (CBDC) has been piloted by the Bank but yet to be launched. The proposed CBDC (e-Cedi) is token-based CBDC on a two-tier architecture model, where the CB is the only issuer of eCedi, owner and operator of the core eCedi infrastructure. The eCedi is a direct claim on the BOG. However, commercial banks are in charge of distribution, which affords them the opportunity to offer value-added services. Other nonbank financial institutions provide services, such as custody, mobile applications, and user-friendly presentation of information on customer transactions.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	

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Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	Yes.	
Acquisition by residents	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of foreign CBDCs. Licensed institutions including banks, specialized deposit-taking institutions (SDIs), dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Use among residents	Yes.	Purchasing cryptocurrencies in Ghana is not legal. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of foreign CBDCs. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto

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		trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of foreign CBDCs. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Transactions in derivatives and other instruments	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of foreign CBDCs. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Credit operations	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of foreign CBDCs. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	

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Acquisition by residents	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Use among residents	Yes.	Purchasing cryptocurrencies in Ghana is not legal. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding,

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		and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Transactions in derivatives and other instruments	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Credit operations	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Controls on utility and security tokens	Yes.	
Acquisition by residents	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Use among residents	Yes.	Purchasing cryptocurrencies in Ghana is not legal.

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		There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Transactions in derivatives and other instruments	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any

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		citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Credit operations	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Controls on stablecoins	Yes.	
Acquisition by residents	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Use among residents	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto

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		trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Transactions in derivatives and other instruments	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Credit operations	Yes.	Purchasing cryptocurrencies in Ghana is not legal.

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		There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Purchasing cryptocurrencies in Ghana is not legal. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.
Access to crypto exchange/trading platform by residents	Yes.	Purchasing cryptocurrencies in Ghana is not legal. There is a general restriction on acquisition of foreign currency for outbound payments: individuals may secure and transfer up to US$10,000 a year without documentation. Any additional value beyond that will require supporting documentation or invoices for some specified goods and services. This rule would apply in case any citizen considers obtaining foreign currency for acquisition of crypto assets. Licensed institutions including banks, SDIs, dedicated electronic money issuers, and payment service providers that have been directed by the BOG to refrain from facilitating (purchasing, holding, and exchange of cryptocurrencies; providing bank account for crypto trading platforms; providing the payment integration for cryptocurrency platforms to connect the Ghanaian payment system) cryptocurrency transactions via their platforms or agent outlets.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Other managed arrangement	*02/01/2022*	From February 2022, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate arrangement was reclassified to other managed from craw-like.
Foreign exchange market		
Spot exchange market		
Operated by the central bank		
Auction	*03/30/2022*	Foreign exchange for oil imports is provided through special foreign

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		exchange forward auctions held for bulk oil distribution companies.
	10/18/2022	The regular (Bespoke) foreign exchange forward auction at various tenors (7days to 75days) has been on hold.
Interbank market	*07/01/2023*	The Bank of Ghana (BOG) sells foreign exchange to the commercial banks at the rate quoted by the banks. Previously, the BOG occasionally sold foreign exchange to banks at their quoted rate depending on market dynamics.

Arrangements for Payments and Receipts

Payments arrangements

Clearing agreements	*01/01/2022*	A regional clearing system called Pan African Payment and Settlement System became operational.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements	*04/01/2022*	The cash reserve ratio for banks for both domestic and foreign currency deposits was reset from 8% to 12%.

Investment regulations

Abroad by banks	*05/01/2023*	The following apply to banks: (1) placements with Foreign Sovereigns by banks – 25% of Net own Funds; (2) placements with nonresident final institutions - if unsecured 10% of Net Own Funds; and(3) placements with nonresident final institutions – if secured 25% of Net Own Funds.

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GREECE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: July 7, 1992.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Restrictive measures against persons, entities, groups, countries, and territories are in place for security reasons (including but not limited to combating terrorism and its financing, proliferation of nuclear technology and weapons of mass destruction and its financing, genocide, and piracy), in accordance with (1) financial sanctions against officials of Belarus responsible for the crackdown on civil society and democratic opposition; (2) freezing of funds and economic resources of persons in Côte d'Ivoire, the Democratic Republic of the Congo, and Lebanon, as designated by the UN Sanctions Committee; (3) restrictive measures on persons and entities identified as responsible for the misappropriation of government funds in Egypt and Tunisia; (4) freezing of funds and economic sanctions on persons in Eritrea designated by the UN Sanctions Committee; (5) restrictive measures with respect to Guinea concerning members of the National Council for Democracy and Development and persons associated with them, including an asset freeze; (6) financial sanctions against the Islamic Republic of Iran in accordance with Regulation (EU) No. 961/2010 and against the Democratic People's Republic of Korea in accordance with Regulation (EU) No. 329/2007 and all relevant UNSC resolutions; (7) restrictive measures on persons responsible for serious human rights violations in the Islamic Republic of Iran; (8) prohibition against the satisfaction of Iraqi claims with regard to contracts and transactions whose performance was affected by UNSC Resolution No. 661 (1990) and related resolutions; (9) measures with respect to Liberia implemented in UNSC Resolution No. 1532 (2004) in the EU; (10) relevant measures with respect to Libya in UNSC Resolution No. 1970 (2011) in the EU and additional EU measures; (11) restrictions on investment in companies owned or controlled by persons associated with the military regime of Myanmar and the freezing of funds and economic resources of all senior serving members of the Myanmar military; (12) measures with respect to Somalia implemented under various EU Council regulations; (13) the freezing of assets of persons identified as responsible for the violent repression of the civilian population in Syria, in accordance with Regulation (EU) No. 36/2012; (14) financial sanctions on persons from the former Yugoslavia indicted by the International Criminal Tribunal for the Former Yugoslavia; (15) measures in UNSC Resolution No. 1591 (2005) in the EU; (16) measures against certain persons and entities with a view to combating terrorism; (17) a ban

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		on technical assistance, financing, and financial assistance related to military activities, a ban on exports of equipment that might be used for international repression, and the freezing of funds and economic resources of members of the government of Zimbabwe and of natural and legal persons, entities, and bodies associated with them; (18) restrictive measures directed at certain persons, entities, and bodies in view of the situation in Ukraine, in accordance with Regulation (EU) No. 208/2014, and with respect to actions undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine, in accordance with Regulation (EU) No. 269/2014; (19) a ban on provision of certain services, prohibition against satisfying certain claims made by certain persons, entities, or bodies and a ban on investment in entities in Crimea and Sevastopol, in accordance with Regulation (EU) No. 692/2014; and (20) prohibition against financing the travel of individuals who travel to a country other than their country of residence or nationality for the purpose of the perpetration, planning, preparation of, or participation in terrorist acts or providing or receiving terrorism training, in accordance with UNSC Resolution No. 2178 (2014), with the necessary implementing measures in progress.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Greece is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Greece participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of

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		the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of CBs. The euro foreign exchange reference rates are determined by the ECB daily at around, effective April 3, 2023, 14:10 Central European Time (CET) (previously 14:15 CET) and are published at around 16:00 CET. The reference rate against the euro is the average of the buying and selling rates. The ECB reference rates are not used for foreign exchange transactions by the Bank of Greece (BOG) since July 1, 2016.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		

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Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the EU with a view to contributing to the achievement of the objectives of the Union, as laid down in Article 3 of the Treaty on European Union." These include "balanced economic growth," "a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Credit institutions are authorized to carry out activities in the spot exchange markets, and they are the major participants in this market, either on their own account or on behalf of their customers. As of June 30, 2023, there were 14 credit institutions, 19 branches of banks incorporated in other EU countries under the "single license" regime (single EU "passport" of Law 4261/2014, Directive 2013/36/EU), and 2 branches of banks incorporated in third countries. In addition to credit institutions, foreign exchange bureaus are legal entities also authorized to carry out OTC spot activities with any natural person, keeping up with the general and specific money-laundering legal and regulatory framework. They are supervised by the BOG. The requirements for the establishment and operation of exchange bureaus as sociétés anonymes (public limited companies) other than credit institutions are stipulated in Law No. 2515/1997, BOG Governor's Act No. 2541/27 of February 2004, as amended by BOG Governor's Act No. 2641/20 of April 2011. Pursuant to Article 15 of Law No. 2515/1997, as amended, the BOG is responsible for authorizing the establishment, operation, and supervision of exchange bureaus. As of December 31, 2022, there were 9 foreign exchange bureaus authorized to engage in foreign exchange transactions. They may transact directly with credit institutions, and engage in: (1) Purchase of banknotes, travelers' checks, personal checks, and bank checks in foreign currency, including those

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		surrendered by Hellenic Post SA, as well as by tourist and other businesses accordingly authorized by Currency Committee Decision 176/4/1997, as amended. (2) Sale of foreign banknotes and travelers' checks. Bureaux de change may also offer the following intermediary services, ancillary to the above operations: (1) Promotion of, and intermediation in, the supply of bank products and services, within bilateral agreements, excluding both the undertaking of any commitment on behalf of credit institutions and the carrying out of receipts or payments on behalf of such institutions; (2) Cooperation with credit card issuers domiciled in Greece or abroad for supplying credit card holders with cash, up to the respective cash advance limit; (3) Intermediation in fund transfer within Greece or across borders, according to the provisions of Bank of Greece Governor's Act 2536/4 February 2004; (4) Acceptance of payment of bills issued by non-credit institutions; (5) Sale of tickets for domestic and international means of public transport, concerts, and other cultural events. (6) Travel agency and travel insurance services, sale of the products of Hellenic Post SA, provided any required authorization has previously been granted by the competent authorities; (7) Promotion and sale of mobile and fixed telephony companies' products and of Internet access providers' products.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Credit institutions authorized to operate in Greece may participate in the foreign exchange market. There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	The foreign exchange market operates over the counter.
Brokerage	Yes.	The foreign exchange market operates on a brokerage system.
Market making	Yes.	The interbank foreign exchange market operates on the basis of a market-making agreement, where participants commit to a maximum spread and a minimum amount to trade.
Forward exchange market	Yes.	Forward cover is provided by resident credit institutions to their customers in all major currencies at freely negotiable terms and market rates. The BOG has so far participated only in euro-related foreign exchange forward and swap transactions involving major currencies.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	

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Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	There are no exchange controls. Resident credit institutions are authorized to carry out all the necessary formalities for the settlement of all transactions with nonresidents and are required to provide to the BOG the statistical information necessary to compile balance of payments information.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	Natural and juridical persons, residents, and nonresidents are free to purchase and sell gold coins and/or bars that are not used for commercial and industrial purposes. This gold must be purchased by and sold to the BOG or another credit institution operating in Greece that is authorized to carry out transactions in foreign exchange.
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may take €10,000 a person a trip abroad. Greek customs authorities are the designated authorities for exercising such controls regarding natural persons entering or leaving the country. The customs department has the legal authority to impose sanctions—a fine equal to 25% of the amount not declared—against those who do not submit a declaration or submit information that is incorrect or incomplete.
Foreign currency	Yes.	Travelers may take €10,000 a person a trip abroad. Greek customs authorities are the designated authorities for exercising such controls regarding natural persons entering or leaving the country. The customs department has the legal authority to impose sanctions—a fine equal to 25% of the amount not declared—against those who do not submit a declaration or submit information that is incorrect or incomplete.
On imports	No.	
Domestic currency	No.	A mandatory declaration system for amounts of cash or other assets

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		entering or leaving the EU with a value of €10,000 or more has been implemented in accordance with Regulation (EC) No. 1889/2005. Greek customs authorities are the designated authorities for exercising such controls regarding natural persons entering or leaving the country. The customs department has the legal authority to impose sanctions—a fine equal to 25% of the amount not declared—against those who do not submit a declaration or submit information that is incorrect or incomplete.
Foreign currency	No.	A mandatory declaration system for amounts of cash or other assets entering or leaving the EU with a value of €10,000 or more has been implemented in accordance with Regulation (EC) No. 1889/2005. Greek customs authorities are the designated authorities for exercising such controls regarding natural persons entering or leaving the country. The customs department has the legal authority to impose sanctions—a fine equal to 25% of the amount not declared—against those who do not submit a declaration or submit information that is incorrect or incomplete.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	No restrictions apply.
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	Residents are permitted to convert domestic currency deposits held with resident credit institutions to foreign currency deposits.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	No restrictions apply.
Convertible into foreign currency	Yes.	Depositors are permitted to convert domestic currency deposits held with resident credit institutions to foreign currency deposits.
Approval required	No.	No restrictions on opening of new accounts or adding of co-holders apply.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.

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Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	No restrictions apply.
Import licenses and other nontariff measures	Yes.	Import licenses are required for some products from certain countries under EU surveillance or EU/UN restrictive measures as applicable. Imports of certain items, such as medicines, narcotics, and motion pictures, are governed by special regulations in accordance with EC regulations.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	Yes.	
Other nontariff measures	Yes.	
Import taxes and/or tariffs	No.	
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	For security reasons in accordance with EU regulations or UNSC resolutions, export licenses are required for weapons of mass

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	destruction, nuclear, and dual-use items (Regulation (EC) No. 1334/2000, as last amended), and so on. Exports of conventional arms to any country are also subject to requirements based on national legislation (Law No. 2168/1993).
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the purchase of shares and other securities of a participating nature in the broadcasting and maritime sectors that may be affected by the laws on inward direct investment and establishment.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Second-pillar occupational pension funds (OPFs) may invest only in shares listed on regulated markets and issued in Greece or in another member of the EU or the EEA.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	OPFs may invest only in bonds listed on regulated markets and issued in Greece or in another member of the EU or the EEA.
Sale or issue abroad by residents	No.	

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On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	OPFs may invest only in shares in mutual funds and UCITS that fall under Directive No. 2009/65/EC and operate in an EU or EEA member country.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to non-EU investors regarding (1) acquisition of real estate in border regions; (2) investment in the mining sector, unless concession of mineral rights is granted; (3) establishment of a representative office or a branch of a non-EEA foreign bank, unless authorization is granted; (4) investment in airlines established in the country that must be majority owned and effectively controlled by EU members and/or nationals of EU members, unless otherwise

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		provided for through an international agreement to which the EU is a signatory; (5) ownership of more than 49% of a Greek flag vessel for maritime transportation or fishing purposes; (6) ownership of more than 25% of the capital of a television (including cable television) company or a radio broadcasting company; (7) investment in the accounting sector; and (8) to the extent that under Directive (EU) No. 85/611, a depository of a UCITS must either have its registered office in the same EU country as that of the company or be established in the EU country if its registered office is in another EU country. Regulation (EU) 2019/452 established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Controls apply to the acquisition of real estate in border regions by non-EU residents.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	Yes.	Card acquisition agreements were banned if payment is cleared via the foreign payment service provider’s account abroad.
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities	No.	

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denominated in foreign exchange		
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Greece complies with Article 351 of the CRR (Regulation (EU) No. 575/2013).
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	There are certain prudential provisions that differ according to the type of institutional investor.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	According to Article 104 (prudent person principle) of Law No. 4364/2016 (Transposition of Directive No. 2009/138/EC of the European Parliament and of the Council of November 25, 2009, on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) into Greek legislation), the following apply: Insurance and reinsurance companies invest all their assets in accordance with the prudent person principle, as specified in Paragraphs 2, 3, and 4 of this article. With respect to the whole portfolio of assets, insurance and reinsurance companies must invest only in assets and instruments whose risks the investor can properly identify, measure, monitor, manage, control, and report and appropriately take into account in the assessment of its overall solvency needs in accordance with Article 33 Paragraph 1 (a). All assets, in particular those covering the Minimum Capital Requirement and the Solvency Capital Requirement, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole. In addition, the localization of those assets must be such as to ensure their availability. Assets held to cover the technical provisions must also

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		be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries, taking into account any disclosed policy objective. In the case of a conflict of interest, insurance companies, or the entity that manages their asset portfolio, must ensure that the investment is made in the best interest of policyholders and beneficiaries. Without prejudice to Paragraph 2, with respect to assets held with respect to life insurance contracts where the investment risk is borne by the policyholders, the second, third, and fourth subparagraphs of this paragraph apply. Where the benefits provided by a contract are directly linked to the value of units in a UCITS as defined in l. 4099/2012 (Government Gazette A 250) or in Directive No. 2009/65/EC, or to the value of assets contained in an internal fund held by the insurance companies, usually divided into units, the technical provisions with respect to those benefits must be represented as closely as possible by those units or, if units are not established, by those assets. Where the benefits provided by a contract are directly linked to a share index or some other reference value other than those referred to in the second subparagraph, the technical provisions with respect to those benefits must be represented as closely as possible either by the units deemed to represent the reference value or, if units are not established, by assets of appropriate security and marketability that correspond as closely as possible with those on which the particular reference value is based. Where the benefits referred to in the second and third subparagraphs include a guarantee of investment performance or some other guaranteed benefit, the assets held to cover the corresponding additional technical provisions are subject to Paragraph 4. Without prejudice to Paragraph 2, with respect to assets other than those covered by Paragraph 3, the second to fifth subparagraphs of this paragraph apply. The use of derivative instruments is possible insofar as they contribute to a reduction of risks or facilitate efficient portfolio management. Investment and assets that are not admitted to trading on a regulated financial market must be kept to prudent levels. Assets must be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of companies, or geographical area and excessive accumulation of risk in the portfolio as a whole. Investments in assets issued by the same issuer, or by issuers belonging to the same group, must not expose the insurance companies to excessive risk concentration.
Currency-matching regulations on assets/liabilities composition	No.	According to Article 105 (freedom of investment) of Law No. 4364/2016, insurance and reinsurance companies must invest in accordance with this law without any other restriction, and their investment decisions must not be subject to the prior approval or systematic notification the Supervisory Authority.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Special controls apply to second-pillar OPFs in accordance with Law No. 3586/2007 in the form of portfolio diversification limits. These funds are allowed to invest in shares, bonds, and corporate bonds listed on regulated markets and issued in Greece or in another member of the EU or the EEA; shares in mutual funds and UCITS that fall under Directive No. 2009/65/EC, as amended, and operate in any EU or EEA member country; and government securities, bank deposits, and real estate. OPFs, as long-term institutional investors, may invest in the above-mentioned financial instruments within prudential limits, according to Law No. 3586/2007 and the associated ministerial decrees.
Limits (max.) on investment portfolio	Yes.	Controls apply to the purchase of securities issued by non-EU

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held abroad		residents and not listed on the Athens Exchange. Special controls apply to second-pillar OPFs in accordance with Law No. 3586/2007 in the form of portfolio diversification limits. These funds may invest in shares, bonds, and corporate bonds listed on regulated markets and issued in Greece or in another member of the EU or the EEA; shares in mutual funds and UCITS that fall under Directive No. 2009/65/EC, as amended, and operate in any EU or EEA member country; and government securities, bank deposits, and real estate. OPFs, as long-term institutional investors, may invest in the above-mentioned financial instruments within prudential limits, according to Law No. 3586/2007 and the associated ministerial decrees.
Limits (min.) on investment portfolio held locally	Yes.	Controls apply if equity investments are to form more than 23% of a public pension fund's reserves.
Currency-matching regulations on assets/liabilities composition	Yes.	In the case of second-pillar OPFs, each fund is allowed to invest up to 30% of the assets that form part of the technical reserves in assets denominated in currencies other than those of its liabilities.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.

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Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	n.r.	
Controls on unbacked tokens	n.r.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	n.r.	
For current transaction	No.	
For capital transactions	n.r.	Guidance should be requested from the Hellenic Capital Markets Commission (HCMC).
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on utility and security tokens	n.r.	Guidance should be requested from the HCMC.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on stablecoins	n.r.	
Acquisition by residents	No.	
Use among residents	No.	

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Between residents and nonresidents	n.r.	
For current transaction	No.	
For capital transactions	n.r.	Guidance should be requested from the HCMC.
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	n.r.	Guidance should be requested from the HCMC.
Domestic exchanges	n.r.	
Access to crypto exchange/trading platform by residents	n.r.	

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*04/03/2023*	The euro foreign exchange reference rates are determined by the ECB daily at around 14:10 Central European Time (CET) (previously 14:15 CET).

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GRENADA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 27, 1975.
Article VIII	Yes.	Date of acceptance: January 24, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Restrictions apply to trade with Libya.

Exchange Arrangement

Currency	Yes.	The currency of Grenada is the Eastern Caribbean dollar, issued by the ECCB.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The de jure and de facto exchange rate arrangements are classified as a currency board. Grenada participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar, the common currency, is pegged to the US dollar at EC$2.70 per US dollar. The ECCB officially covers at least 60% of base money with its foreign reserves. The operational guideline is set at 80%, although in practice, the coverage has been maintained at 95%–100%.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Eastern Caribbean dollar is pegged to the US dollar under a currency board arrangement at EC$2.70 per US dollar. This rate applies to accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		

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Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The ECCB sets an indicative rate for commercial banks to follow. This rate has been EC$2.6882–EC$2.7169 per US dollar for a long time. Commercial banks may freely set their foreign exchange commissions in transactions with their clients for non-US currencies.
Spot exchange market	Yes.	The ECCB trades US currency with Bank of America.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The ECCB is committed to buying and selling US dollars at a fixed exchange rate of EC$2.7 per US dollar. Actual rates may differ slightly so that the ECCB can cover its administrative expenses. There is no bid-ask spread.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks may trade with each other, but there is no formal interbank foreign exchange market. As of December 31, 2022, five banks have been licensed. The ECCB grants the licenses.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Settlements with residents of the CARICOM countries must be made through external accounts in Eastern Caribbean dollars, in the currency of the CARICOM country concerned, or in US dollars. Settlements with residents of the former sterling area, other than the

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		CARICOM countries, may be made in pounds sterling, in any other former sterling area currency, or in Eastern Caribbean dollars through external accounts. Settlements with residents of other countries are made in any foreign currency or through an external account in Eastern Caribbean dollars.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Grenada is a member of CARICOM and the OECS.
Clearing agreements	Yes.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Trade and Industry Unit of the MOF administers trade control.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents other than the monetary authorities, ADs, and industrial users are not permitted to hold or acquire gold in any form other than jewelry or coins for numismatic purposes.
On external trade	Yes.	Imports of gold are permitted for industrial purposes only and are subject to customs duties and charges. The MOF issues licenses to import gold. The exportation of gold is not usually permitted.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports of domestic currency, Eastern Caribbean dollar notes, and coins, outside the ECCU, are limited to EC$10,000 as prescribed by the ECCB.
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	

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Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange accounts may be freely debited but may be credited only with foreign exchange earned or received from outside the ECCB area. Holders of these accounts must submit regular statements of debits and credits to the MOF.
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	n.r.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	The regulations governing resident accounts apply.
Approval required	No.	
Domestic currency accounts	Yes.	Domestic currency accounts must be credited with funds from an external source.
Convertible into foreign currency	Yes.	
Approval required	Yes.	Approval is required for amounts exceeding EC$10,000.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Payments for documented imports are free of restrictions; those for restricted imports require the MOF permission.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	

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Positive list	No.	
Negative list	Yes.	Prohibited goods include whole chickens, chicken eggs, live breeding poultry, war toys, animal skins, Styrofoam, and various drugs deemed to be dangerous.
Open general licenses	Yes.	There are quantitative restrictions on certain items imported from non-CARICOM sources, including arms and ammunition, carbonated beverages, flour, industrial gas, paint, and miscellaneous items associated with the furniture and construction industries. Items imported from the CARICOM countries that require licenses include curry products, industrial gas, furniture, and solar water heaters.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Grenada applies the fourth phase of the CARICOM CET. Imports from non-CARICOM countries are subject to the following CET rates: 40% for most agricultural imports and 5%–20% for most other items. Most imports are subject to a 6% customs service charge. Imports not exempt from customs duties are subject to a VAT regime with a standard rate of 15%, a reduced rate for hotel accommodation and dive activity of 10%, and a rate of 0% for certain goods and services. There are environmental levies of EC$0.25 on each imported glass bottle and EC$0.50 on each plastic bottle containing liquid (including carbonated and noncarbonated beverages and syrups). Other levies include a 1% charge on the c.i.f. value of certain durable consumer items, a 2% charge on the c.i.f. value of imported used cars less than five years old, a 30% charge on the c.i.f. value of imported cars five years old or older, and a 5%–20% charge on the c.i.f. value of imported used trucks. Imports of capital equipment are subject to a minimum charge of 5% under the CET and 15% under the VAT. However, most capital imports are granted exemptions from import duties, and all capital imports by domestic commodity boards involved in the growing or packaging of bananas, cocoa, or nutmeg are exempt from import duties, provided the imports are used for improvements in these industries.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	The Marketing and National Importing Board is the sole authorized importer of bulk purchases of whole milk, white and brown sugar, and brown rice.

Exports and Export Proceeds

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds must be surrendered to ADs (commercial banks).
Financing requirements	No.	
Documentation requirements	n.a.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	

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Preshipment inspection	No.	
Other	n.a.	
Export licenses	Yes.	Licenses are required for traditional export crops (bananas, cocoa, nutmeg, and minor spices) and for exports of fresh fruit, fish, and plants for the establishment or expansion of an agricultural industry in Grenada, gas cylinders, coral, all minerals, and live sheep. Certain exports, such as birds; live goats; and fauna, flora, and items considered part of Grenada's national heritage, are prohibited.
Without quotas	Yes.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	Approval is granted if all related liabilities have been discharged and the investment is registered with the MOF.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	Yes.	
Prior approval	Yes.	For study abroad, the MOF approval is required, and permission is usually granted on presentation of documentation of registration and the costs of tuition and other expenses. For the transfer of pensions, approval is granted on proof of immigrant status. For family maintenance and alimony payments, approval is granted on proof of established liabilities.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	
Foreign workers' wages	Yes.	

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Prior approval	Yes.	Approval is granted on proof of immigrant status.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	Yes.	The MOF approval is required and is granted on the basis of agreements incorporating payments for consulting services and legal fees. Payments may be made up to the amount approved, subject to withholding of income tax, where applicable.
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Earnings from investments in certain securities must be repatriated.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The MOF approval is required.
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	Certificates of title to foreign currency securities held by residents must be deposited with an authorized depository in Grenada, and earnings on these securities must be repatriated.

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		Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) must not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), must not exceed 25% of its capital base. As per Section 10 of the new Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	The MOF approval is required.
Sale or issue locally by nonresidents	Yes.	Public issuances of securities are regulated by the Eastern Caribbean Securities Regulatory Commission as prescribed by the Securities Act.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Derivatives are not allowed in Grenada under the Securities Act.
Sale or issue locally by nonresidents	Yes.	Derivatives are not allowed in Grenada under the Securities Act.
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Local currency financing requires the MOF approval and is not usually permitted.
To residents from nonresidents	No.	
Financial credits	Yes.	

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By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	
Inward direct investment	Yes.	Cabinet approval via the Grenada Industrial Development Corporation is usually required for nonresidents to engage in manufacturing and hotel operations, and an alien landholding license is required for nonresidents to hold financial and physical properties. Nonresident labor services are usually allowed with work permits, which are issued by the Ministry of Labor.
Controls on liquidation of direct investment	Yes.	Remittances of proceeds are permitted, provided all related liabilities have been discharged and the original investment has been registered with the MOF.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	An alien landholding license must be issued by the office of the prime minister.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	Borrowing abroad by nationals to finance their domestic operations generally requires the MOF approval.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	Yes.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	

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Borrowing abroad	Yes.	ADs may freely assume short-term liability positions in foreign currencies to finance approved transfers for both trade and nontrade transactions. Borrowing abroad by ADs to finance their domestic operations requires the MOF approval.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	Local currency financing does not require the MOF approval. There are no controls on lending to nonresidents in foreign currency.
Lending locally in foreign exchange	Yes.	
Purchase of locally issued securities denominated in foreign exchange	No.	The purchase of locally issued securities denominated in foreign currencies does not require the MOF approval.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) must not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), must not exceed 25% of its capital base. As per Section 10 of the new Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
In banks by nonresidents	No.	The Banking Act further specifies and strengthens the conditions dealing with fit and proper tests under which the CB can grant a license to nonresidents to operate in the ECCU (whether through a branch, subsidiary, or newly acquired bank).
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Pension funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.

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Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.

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Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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GUATEMALA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: January 27, 1947.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Guatemala is the Guatemalan quetzal.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange arrangement is floating. In accordance with the Monetary Law and the Free Foreign Exchange Convertibility Law, Guatemala has a flexible exchange rate arrangement under which the rate is determined in the foreign exchange market by supply and demand. However, the Bank of Guatemala (Banco de Guatemala—BOG) may intervene in the foreign exchange market to limit volatility in the nominal exchange rate, without affecting its trend. The BOG intervenes through foreign exchange auctions based on a transparent rule, which limits daily volatility. The fluctuation band (added to or subtracted from the moving average exchange rate from the past five days) used to determine whether the BOG can participate in the foreign exchange market is 0.90%. The maximum daily buying and selling amount at auction is US$20 million, and up to five auctions can be held. The BOG may also intervene when the nominal exchange rate is unusually volatile, but this instrument has

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		only been used twice: the first time during the world economic and financial crisis of 2008–2009 and the second during the third week of March 2020, when the nominal exchange rate overreacted in response to the high levels of uncertainty associated with the global spread of COVID-19 and concerns regarding the latter's potential impact on health and the economy. As of June 30, 2023, the BOG, through the activation of the exchange rate rule, purchased US$70.00 million and made sales of US$160.8 million. In this connection, net sales of the BOG on the IFEM on June 30, 2023, amounted to US$90.8 million, equivalent to 0.24% of the total traded on the market during that period. The de facto exchange rate arrangement is classified as a stabilized arrangement.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The BOG calculates and publishes the reference exchange rate, which is equal to the weighted average of the exchange rates corresponding to all the foreign exchange buying and selling operations engaged in by the institutions in the IFEM. The reference exchange rate is applicable to, inter alia, the settlement of tax and other obligations entailing payments to or from the government and its entities and the resolution of administrative and/or legal disputes.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee		
Central Bank Board	Yes.	The target setting body is the Monetary Board (Junta Monetaria). Since 2005, the implementation of monetary, exchange rate, and credit policies in Guatemala has been based on the explicit inflation-targeting framework, which consists, in general terms, of a monetary

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		policy strategy based on a commitment by the monetary authority and the BOG to set an explicit target for inflation, taking into account one or more time frames to reach the said target. Against this background, as a result of the inflation-targeting framework consolidation process, the Monetary Board (Junta Monetaria) set a medium-term inflation target, as of 2013, of 4.0% ±1 percentage point, with the aim of achieving the inflation convergence process to reach the said target by anchoring the inflationary expectations of economic agents. The decisions taken by the Monetary Board are adopted by a majority vote of those members present. In practice, the majority of Monetary Board decisions are taken by consensus (Organic Law of the BOG, Article 21).
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The annual inflation target is announced as a central figure with a fluctuation band that it is set at 4.0% ±1 percentage point, which has been the medium-term target since January 2013.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The BOG's mission is to promote general price stability, measured with year-on-year changes in the CPI at the end of each year. The main monetary policy tool is the lead rate, which is determined through the comprehensive analysis of the balance of medium-term inflation risks. According to the 2009–2010 National Survey of Household Income and Expenditure, the CPI is defined as the measurement of the weighted average of prices of a basket of consumer goods and services corresponding to the largest items of final consumption expenditure. The base month for this index is December 2010.
Core inflation		
Target horizon	Yes.	The target horizon is medium term and has been applied since 2013.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The monetary policy rate used by the BOG is the lead rate, corresponding to the reference rate for overnight operations, that the BOG uses to indicate its monetary policy stance. As of June 30, 2023, the monetary policy rate stood at 5.00%, maintaining the restrictive monetary policy stance adopted by the Monetary Board in 2022 as a result of inflationary pressures from abroad. In this connection, it decided to raise the level of the leading monetary policy interest rate by 50 basis points in January and 25 basis points in February, March, and April. During the first half of 2023, according to the established schedule, the Monetary Board met in January, February, March, April, May, and June to decide the monetary policy interest rate.
Target corridor band	No.	
Other	No.	

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Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	There are two parliamentary hearings in January and July of each year.
Other	No.	
Transparency	Yes.	
Publication of votes	Yes.	The number of votes for and against the decision is included in the summary of the arguments taken into account by the Monetary Board to determine the level of the monetary policy rate, although details of each member's decision are not provided.
Publication of minutes	No.	
Publication of inflation forecasts	Yes.	In the days following the meeting to decide on the monetary policy interest rate (held nine times a year), the BOG holds briefings with representatives from the financial sector, columnists, journalists, think tanks, and universities. Information disclosed includes the projection for inflation. This information is published on the BOG website.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	In accordance with Article 1 of the Free Foreign Exchange Convertibility Law, commercial banks may freely set the exchange rate and commissions for transactions with their customers.
Spot exchange market	Yes.	In accordance with Article 1 of the Free Foreign Exchange Convertibility Law (Libre Negociación de Divisas), foreign exchange availability, holding, contracting, remittance, transfer, purchase and sale, and collection and payment are unrestricted. Holding and managing deposits and accounts and financial intermediation operations in foreign currency are unrestricted both in domestic banks and in banks abroad. The issuance of credit instruments or securities denominated in foreign currency requires authorization by the Monetary Board. Article 2 of the Free Foreign Exchange Convertibility Law stipulates that the IFEM comprises the BOG, banks, private financial companies, stock exchanges, and foreign exchange bureaus. Currently, there are 17 banking institutions, 11 private financial companies, and 3 foreign exchange bureaus. Article 3 of the Free Foreign Exchange Convertibility Law defines foreign exchange bureaus as nonbank institutions authorized by the Monetary Board to operate in the IFEM. In accordance with the Annex to Resolution No. JM-131-2001, foreign exchange bureaus may buy foreign currency in the form of banknotes, traveler's checks, bank drafts, electronic fund transfers, postal orders, and in other forms of payment denominated in foreign currency as well as in the form of documents drawn against their own accounts; such transactions are executed at prices freely agreed by the individuals and legal entities concerned.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	Pursuant to Article 54 of the Organic Law of the BOG, the Executive Branch, autonomous and decentralized institutions and, in general, government entities and dependencies, unless otherwise specified by law, must conduct their financial transactions in domestic or foreign

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		currencies, both within and outside of the country, through the CB.
Allocation	No.	
Auction	Yes.	The BOG can intervene on the foreign exchange market if the reference exchange rate reaches or exceeds the fluctuation band of, effective January 1, 2022, ±0.90% (previously ±0.85%) around the moving average of the reference exchange rates from the past five business days (Resolution No. JM-140-2022). In such cases, the BOG initiates an auction to buy or sell up to US$20 million in foreign currency. No more than five auctions a day are allowed. The BOG may also intervene in the foreign exchange market by buying or selling foreign currency whenever the nominal exchange rate shows unusual volatility. Auction participants are not required to finance specific international transactions. The IFEM is made up of the BOG, other banks, private finance companies, securities exchanges, and foreign exchange bureaus referred to in Article 3 of the Free Foreign Exchange Convertibility Law, as well as any other institutions designated by the Monetary Board. Noncompliance by any of the parties is deemed a serious sanctionable violation by the National Securities Exchange of Guatemala (Bolsa de Valores Nacional de Guatemala, S.A.). The sanction consists in a suspension for eleven to twenty trading days, plus a fine equivalent to 150 “fine units” for each trading day of suspension. The results of public auctions are disclosed to the public by publication on the website of the BOG and through print mass media.
Fixing	No.	
Interbank market	Yes.	The IFEM comprises the BOG, banks, private financial companies, stock exchanges, and foreign exchange bureaus (mentioned in Article 3 of the Free Foreign Exchange Convertibility Law), and other institutions designated by the Monetary Board. Currently, there are 32 such institutions. As of December 31, 2022, 17 banks were participating in the interbank market. For statistical control purposes, they are required to report all foreign exchange operations to the BOG daily, in a manner established by the Monetary Board. The Superintendency of Banks supervises and inspects the institutions with regard to their foreign exchange operations, and they must comply with all pertinent Monetary Board rules. No limits are set on the spreads between buying and selling prices. The BOG is not directly involved in the exchange rates quoted between market participants. Authorization to operate on this market is granted by the Monetary Board.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The National Securities Exchange of Guatemala is responsible for operating and administering the forward exchange market, which is very small and conducts neither routine nor significant operations. The BOG does not participate in the foreign exchange derivatives market. Pursuant to the Free Foreign Exchange Convertibility Law, financial intermediation operations in foreign currency have been unrestricted since January 17, 2001.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

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Prescription of currency requirements	No.	Most transactions in foreign exchange are denominated in US dollars, in accordance with special payments agreements.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	The Panama–Guatemala Clearing and Credit Reciprocal Agreement is in effect.
Inoperative	Yes.	The Clearing and Credit Reciprocal Agreement between Guatemala and Costa Rica, El Salvador, and Honduras was in effect until 1995, and the Mexico–Guatemala Clearing and Credit Reciprocal Agreement was in effect until 2002.
Regional arrangements	Yes.	Guatemala has signed the following treaties and agreements: CACM, CAFTA-Dominican Republic (DR), customs union with Honduras and El Salvador; Partial Scope Agreement with Cuba; Partial Scope Agreement with Belize; Unilateral Partial Scope Agreement with Venezuela; Central America–Mexico, Triangle of Northern Guatemala, El Salvador, Honduras–Colombia, Central America-–Panama; Protocol admitting Panama to the Central American Economic Subsystem (Permanent Secretariat of the General Treaty on Central American Economic Integration—SIECA); FTA with Taiwan Province of China; FTA with Peru (approved by the Congress of the Republic of Guatemala; both countries decided to withdraw from the process initiated with the WTO related to the price band for sugar, agreeing to ratify its validity during 2019); Partial Scope Agreement with Ecuador; Partial Scope Agreement with Trinidad and Tobago, that has been signed but is still pending approval by the country's Congress, and the Guatemala–Chile FTA. Association Agreement with the EU (Central America–EU)—in effect for Guatemala from December 1, 2013, only with respect to its trade pillar; the Guatemalan Congress has approved all three pillars. As of June 2023, the EU and each of its parliaments have still to approve the other two pillars (which relate to political dialog and development cooperation) and a Central America–Mexico Convergence Treaty, which went into effect as of September 1, 2013. The Association Agreement between Central America and the United Kingdom of Great Britain and Northern Ireland entered into force as of January 1, 2021. A trade agreement is currently being negotiated with Canada. The trade agreement between the Central American countries and the European Free Trade Association (EFTA) was approved by Guatemala and the European countries; however, the Congresses of Costa Rica and El Salvador still need to approve it. The trade agreement with Israel was signed in September 2022 and is pending approval by the Guatemalan Congress. In September 2023, Guatemala concluded negotiations to accede to the trade agreement with South Korea,

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		starting with the approval process.
Clearing agreements	Yes.	There is a Clearing and Credit Reciprocal Agreement between Guatemala and Panama.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Monetary Board approves Guatemala's exchange policy annually. The BOG administers the foreign exchange regime (Article 26 of the Organic Law of the BOG).
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Balances may be transferred home freely with proof of the origin of the funds.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	No.	

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Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports of most goods are unrestricted and require neither registration nor a license. However, imports of some agricultural commodities and animal products are subject to nontariff restrictions.
Positive list	No.	
Negative list	Yes.	The list includes goods considered dangerous to society, such as weapons and certain chemicals and drugs. Weapons may be imported only with the approval of the appropriate agency.
Open general licenses	Yes.	
Licenses with quotas	Yes.	
Other nontariff measures	Yes.	
Import taxes and/or tariffs	Yes.	In this regard, and in accordance with the provisions of Annex A of the General Treaty on Central American Economic Integration, the common regime for the five countries' trade in unroasted coffee is subject to import tariffs. Refined and unrefined sugarcane, flavorings and dyes, and other items are subject to import controls. Under the bilateral arrangements concerning Guatemala, trade in roasted coffee between Guatemala and Costa Rica is subject to import duties. Guatemala's tariff structure exempts certain manufactured products. The tariff on imports of most footwear and textile products is 15%, and rates on tires range from 5% to 15%. In addition, safeguard provisions apply to certain agricultural products, which are subject to tariff rate quotas under WTO rules that allow for tariffs above the maximum rate for imports in excess of quota. Yellow corn is subject to a quota of 200,000 metric tons a year, with a tariff of 0% for imports within quota and 15% in excess of quota. Rice is subject to a quota of 19,000 metric tons a year, with a tariff of 0% for imports within quota and 23.7% in excess of quota. White corn is subject to a quota of 200,000 metric tons a year, with a tariff of 0% for imports within quota and 15% in excess of quota. These quotas are adjusted

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	annually after discussions between the private sector and the government. Within the framework of commitments under the WTO, Guatemala has a consolidated ad valorem tariff ceiling of 40% for agricultural products and 45% for other products (50% for the categories indicated in Chapters 50–64 of the Central American Tariff System); both ceilings are subject to the exceptions mentioned in List No. LXXXVIII. There are also separate bilateral trade agreements with Colombia, the DR, Panama, and Taiwan Province of China. Under the CAFTA, among Central American countries, the DR, and the United States (CAFTA-DR), which took effect in 2006, import duties are imposed on 6,307 items in 10 categories, among which the following relate to goods traded between Guatemala and the United States: (1) Category B contains products such as chicken breasts, fish, and vegetables that are being phased in over a five-year period and that are not subject to duty. (2) Category C contains 788 items for which duty will be eliminated in 10 equal annual phases, starting January 1 of year 1 of the treaty. (3) Category D contains products such as dairy products, green and decaffeinated coffee, and alcoholic beverages that will be phased in over 15 years, for which the duties are 6%, 9%, and 24%, respectively. (4) Category F contains products such as milk and yogurt, for which duties will remain the same for the first 10 years of the treaty; they will then be reduced in 10 equal annual phases and be duty-free in year 20 of the treaty. (5) Category N contains products such as rum, precooked sausages, and wheat flour, for which duties will be reduced gradually until they are eliminated in 12 equal annual phases, starting on the date CAFTA-DR went into effect; duties applicable to rum, precooked sausages, and wheat flour are 20.0%, 6%, and 0%, respectively. (6) Category O contains black beans, for which duty will remain at its initial rate throughout the first six years of the treaty; on January 1 of year 7, the duty will be reduced by 8% of the base rate every year thereafter through year 11 of the treaty; on January 1 of year 12, the duty will be reduced further by 15% of the base rate and by an additional 15% of the base rate through year 14 of the treaty, and the goods will be duty-free, on January 1 of year 15. (7) In addition, pursuant to the trade agreements, the following quotas are in force: vegetable oil (palm, sunflower, and soybean oil) 1,050 metric tons, dog and cat food 1,368 metric tons, chicken wings 12 metric tons, rice 96,100 metric tons, tuna 500 metric tons, beef 2,383 metric tons, pork 6,265 metric tons, preserved pig meat 1,035 units, white onions 351 metric tons, chicken leg quarters 9,970 metric tons, black beans 1,006.5, ice cream 261 metric tons, cured hams and bacon 1,035 units, condensed milk 625 metric tons, long-life milk 200,000 liters, powdered milk 1,744.5 metric tons, yellow corn 173,000 metric tons, white corn 24,400 metric tons, Manjar caramel spread 46 metric tons, butter 278 metric tons, cream 115 metric tons, other prepared or canned tomatoes 40 metric tons, potatoes 216 metric tons, cheeses 2,330.3 metric tons, and tomato sauce 143.8 metric tons.
Taxes collected through the exchange system	No.
State import monopoly	No.

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.

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Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	No.	
With quotas	Yes.	Exports of sugar to the United States are subject to quotas; there are quotas for exports to the United States of the following: tuna loin, garlic, cassava starch, sweet corn, mushrooms, beef, rice, bulk rum, and sugar. Furthermore, the agreement with the EU includes a banana stabilization clause for entry into EU markets.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	Yes.
On capital market securities	Yes.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.

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Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The issue of credit instruments or securities denominated in foreign exchange by private financial companies and banks requires approval from the Currency Board, in accordance with Article 41 b.8 of the Law on Banks and Financial Groups adopted on May 13, 2002.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	The issue of credit instruments or securities denominated in foreign exchange by private financial companies and banks requires approval from the Currency Board, in accordance with Article 41 b.8 of the Law on Banks and Financial Groups adopted on May 13, 2002.
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	FDI in the petroleum sector, financial sector, and mining operations is regulated by special legislation (Hydrocarbons Law, Law on Banks and Financial Groups, and Mining Law).
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	

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Purchase of locally issued securities denominated in foreign exchange	Yes.	The purchase of privately issued securities, in domestic or foreign currency, requires prior approval from the Monetary Board (Article 41 b.8, Law on Banks and Financial Groups).
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	Investment in privately issued securities in domestic or foreign currency requires prior approval from the Monetary Board (Article 41 b.8, Law on Banks and Financial Groups).
Abroad by banks	Yes.	Investment in privately issued securities in domestic or foreign currency requires prior approval from the Monetary Board (Article 41 b.8, Law on Banks and Financial Groups).
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Banks are required to maintain foreign exchange positions in accordance with instructions issued by the monetary authorities. The difference between total assets and total liabilities (including future payments and contingencies in foreign currency) may not exceed 40% of book capital when the difference is positive and may not exceed 10% when the difference is negative. Resolution No. JM-113-2015.
On nonresident assets and liabilities	Yes.	Banks are required to maintain foreign exchange positions in accordance with instructions issued by the monetary authorities. The difference between total assets and total liabilities (including future payments and contingencies in foreign currency) may not exceed 40% of book capital when the difference is positive and may not exceed 10% when the difference is negative. Resolution No. JM-113-2015.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Deposits in banks abroad and investments in securities of foreign CBs and of central governments or private institutions in the rest of the world may not exceed 30% of technical reserves. Total deposits and investments in a single institution may not exceed 5% of total reserves or 15% of capital and reserves of an insurance or reinsurance company (Monetary Board Resolution No. JM-3-2011, Article 11, indent k).
Limits (max.) on investment portfolio held abroad	Yes.	Deposits in banks abroad and investments in securities of foreign CBs and of central governments or private institutions in the rest of

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		the world may not exceed 30% of technical reserves. Total deposits and investments in a single institution may not exceed 5% of total reserves or 15% of capital and reserves of an insurance or reinsurance company (Monetary Board Resolution No. JM-3-2011, Article 11, indent k).
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.

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Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.

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Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Spot exchange market

Operated by the central bank

Auction	*01/01/2022*	The Bank of Guatemala (Banco de Guatemala) can intervene on the foreign exchange market if the reference exchange rate reaches or exceeds the fluctuation band of ±0.90% (previously ±0.85%) around the moving average of the reference exchange rates from the past five business days.

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GUINEA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 28, 1963.
Article VIII	Yes.	Date of acceptance: November 17, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation and Request for Disbursement Under the Rapid Credit Facility with Guinea states that, as of December 8, 2022, the foreign exchange system gives rise to an MCP because the reference rate can potentially deviate by more than 2% from the commercial banks' purchase and sales rates on a given day. (Country Report No. 23/43)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Guinea is the Guinean franc. Silver commemorative coins are also legal tender.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual		
Multiple	Yes.	The exchange rate structure is classified as multiple, because the official exchange rate may differ from the market rate by more than 2%. Guinea maintains an MCP as the value of the official rate lags the weighted average commercial bank rate on which it is based by one day. As part of the foreign exchange reforms, the Banque Centrale de la République de Guinée (BCRG) developed and implemented Instruction No. 105, establishing the procedures for monitoring the gross foreign exchange position of commercial banks by the BCRG. This has led to increasing liquidity on the Guinean foreign exchange market and drastically reducing speculative activity of commercial banks. As a result, the banks' purchase and sale prices moved closer to the reference price calculated and published by the BCRG and this gap does not exceed 2%. The reference price in the current context does not deviate by more than 2% from the purchase and sale prices of commercial banks, and neither does this reference price deviate by more than 2% from those in the parallel market. Guinea nevertheless continues to calculate the benchmark rate on the basis of the previous day's rate of commercial banks' average weighted rate. Guinea aims to eliminate this practice

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		through ongoing reforms at the BCRG.
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is managed floating. Guinea announced its participation in the exchange rate mechanisms (ERM and ERM II) of the WAMZ, which formally limits the fluctuation of the franc to ±15% around a central rate vis-à-vis the US dollar, but this has yet to be implemented. The BCRG may organize an auction for the sale of US dollars for an amount not exceeding 8 million if the reference price of the day calculated and published by the BCRG is more than 0.25% higher than the moving average of the last 5 days. The BCRG's intervention policy is based on a budget of foreign exchange sales. Banks are allowed to negotiate freely foreign exchange sales and purchases with their clients. Since September 2022, the exchange rate stabilized within a 2% band against the US dollar. Accordingly, the de facto exchange rate arrangement was reclassified to stabilized from crawl-like arrangement, effective September 19, 2022.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official or reference exchange rate since July 2012 is a weighted average of the transactions of the banking system carried out the day before. It is equal to a quotient with the numerator being the sum of the products of the purchase price multiplied by the total volume bought and the sale price by the total volume sold by all the commercial banks and the denominator being the sum of the cumulative volumes bought and sold. These rates are determined on the basis of supply and demand. Banks may purchase and sell foreign exchange with their customers at freely negotiated rates. The rates of other currencies are calculated on the basis of their previous day's rate vis-à-vis the SDR, as published by the IMF. The official rate is used by the government in its transactions.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		

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Monetary aggregate target	Yes.	The monetary policy framework aims to control monetary aggregates.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	

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Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	There are 19 active commercial banks licensed to deal in foreign exchange and 25 foreign exchange bureaus in operation. The BCRG is the only institution authorized to grant licenses. Foreign exchange bureaus may not enter into foreign exchange transactions directly with the BCRG; their operations are limited to the purchase and sale of banknotes. Exchange bureaus are prohibited from engaging in the following operations: (1) taking deposits on account for their clients; (2) forward buying and selling of foreign currency banknotes or traveler's checks in exchange for national currency; (3) forward buying and selling of foreign currency banknotes and checks in exchange for other foreign currencies; (4) making money transfers of any amount, either abroad or domestically; (5) importing or exporting banknotes; and (6) extending loans to clients. Foreign exchange bureaus may not maintain accounts abroad. The BCRG introduced Instruction No. 068/DGCC/DCH/16, which limits transactions conducted through licensed exchange bureaus to retail transactions up to a ceiling of US$100,000 a day. The minimum capital requirement for foreign exchange bureaus is, effective March 3, 2023, GF 50 million (previously it was GF 100 million).
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The BCRG transacts with commercial banks only through auctions, in keeping with the rules in Instruction No. 103. The BCRG may organize an auction for the sale of US dollars for an amount not exceeding 8 million if the reference price of the day calculated and published by the BCRG is more than 0.25% higher than the moving average of the last 5 days. Participants are free to use the foreign currency obtained in the rules-based auctions to finance international transactions in accordance with the regulations in force. Banks may purchase and sell foreign exchange with their customers at freely negotiated rates. On the business day preceding the day on which an operation is scheduled, the BCRG communicates the details of the given operation to all eligible participants in two-sided foreign exchange auctions by means of a public announcement, through the press, or by any other means (letter and e-mail). The BCRG does not set a maximum allocation for the participants in the auctions, in line with the provisions of Instruction No. 103 on the matter. The minimum volume of an offer to purchase or sell foreign exchange is US$50,000. The BCRG reserves the right to cancel an auction session or to reject unrealistic offers. Immediately after an auction session, the participating banks must be notified of the results pertaining to their respective transactions. The aggregated results of an auction session must be published at the same time on the BCRG website. A bank that does not honor its commitments arising from the two-sided foreign exchange auction market must be subject to sanctions provided for in the regulations, in addition to a suspension between one and four auction sessions. In certain exceptional cases, the BCRG may announce in advance that an auction will be a one-sided auction at which the BCRG will be selling US dollars. In these circumstances,

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		no single participant may acquire more than 20% of the amount being sold by the BCRG.
Fixing	No.	
Interbank market	Yes.	19 active commercial banks are authorized by the BCRG to exchange foreign currency among themselves, as of end June 2023. Banks can trade with each other through the two-way auction system operated by the BCRG. There are no limits on the bid-ask spread and commission of market participants. The licensing commission is statutorily empowered to grant licenses to credit institutions.
Over the counter	Yes.	These transactions are used for official missions abroad.
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	All current transactions effected in Guinea must be settled in Guinean francs. Settlements for transactions covered by bilateral payments agreements are made in currencies prescribed by, and through accounts established under, the provisions of the agreements. Settlements with countries other than members of the WAMZ are made in designated convertible currencies quoted by the BCRG.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	All payments and transactions among residents in Guinea must be made or settled in Guinean francs.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	Guinea maintains bilateral payments agreements with China.
Regional arrangements	No.	
Clearing agreements	Yes.	Guinea is part of the multilateral clearing agreement between the WAEMU and WAMZ members.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange control authority is vested in the BCRG, which has delegated to (1) the Ministry of Commerce the authority to sign

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		import descriptions and import applications and (2) commercial banks the authority to (a) allocate foreign exchange to travelers holding airline tickets for travel abroad and (b) manage foreign exchange accounts. All international settlements, including payments for imports, may be effected by commercial banks.
Payments arrears	Yes.	There are payments arrears with various financial institutions.
Official	Yes.	
Private	Yes.	
Controls on trade in gold (coins and/or bullion)	Yes.	Gold exportation operations are regulated by the BCRG.
On domestic ownership and/or trade	Yes.	Transactions in nonmonetary gold are not restricted.
On external trade	Yes.	The exportation of gold is subject to BCRG authorization and applicable taxes.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Regulations limit exports to GF 100,000 a person a trip.
Foreign currency	Yes.	The exportation of foreign currency is subject to BCRG authorization. Instruction No. 041/DGCC/RCH/12 raises the allowable foreign exchange account withdrawal from US$5,000 to US$20,000 (and established the Directorate for the Control and Monitoring of Foreign Exchange Regulations). There is no limit on exports; however, travelers must document amounts exceeding the equivalent of US$20,000.
On imports	Yes.	
Domestic currency	Yes.	Regulations limit imports to GF 100,000 a person a trip.
Foreign currency	No.	Declaration on entry is required.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents are free to open foreign exchange accounts with local banks. Exporters may hold all their earnings in foreign currency in local bank accounts. All withdrawals of funds in excess of US $20,000 require the presentation of appropriate supporting documents.
Approval required	No.	
Held abroad	Yes.	These accounts are permitted, but prior BCRG approval is required for juridical persons, and a simple notification to the BCRG is required for physical persons.
Approval required	Yes.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Accounts in Guinean francs may be credited with deposits in foreign exchange, regardless of their origin. The accounts may be debited freely and converted by commercial banks to foreign currencies without BCRG authorization.

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresident Guinean nationals are required to notify the CB whenever they open or close an account abroad. All withdrawals of funds in excess of US$20,000 require the presentation of appropriate supporting documents.
Approval required	No.	
Domestic currency accounts	Yes.	The regulations governing resident accounts apply.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	Yes.	
Financing requirements for imports	Yes.	
Minimum financing requirements	Yes.	The minimum financing requirement is US$2,000 or its equivalent.
Advance payment requirements	Yes.	Advance payments may be made on the basis of commercial contracts.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Goods imports from any country with a cost, insurance, and freight (CIF) value equal to or greater than the minimum amount set by the competent authorities are required to be domiciled with a local bank.
Preshipment inspection	Yes.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange authorization, invoices, and export–import cards are required for release of foreign exchange for imports.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of weapons, ammunition, and narcotics are prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Imports are subject to a VAT, fiscal import duty, excise taxes, and other applicable taxes and fees. The VAT rate is 18%, except for essential social and food products, which are exempt. The fiscal import duty has three rates: 5% for staples, crude raw materials, and capital goods; 10% for semifinished products and industrial inputs; and 15% for all other goods for final consumption, except essential social and food products, which are exempt. There are three excise

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		rates: 5% for used cars more than five years old, perfumes, and cosmetics; 15% for tobacco products and jewelry; and 45% for alcohol. A temporary protection surtax applies to certain goods, with two rates: 10% and 15%. Some products (tobacco, sugar, flour, rice, and tomatoes) are valued at reference rates.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Private traders may retain all their proceeds to finance authorized imports. Gold exporters and vendors may retain all their proceeds. Semipublic enterprises may retain abroad all their proceeds and may use them for import payments, operating expenses, and external debt service. The fiscal export duty rate for exports of gold and diamonds is 0.5% for individuals. Unless specifically authorized otherwise by the CB, the export proceeds must be repatriated by no later than 90 days after the date of expedition of the goods.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	
Guarantees	Yes.	
Domiciliation	Yes.	All private sector exports require domiciliation with a commercial bank or the BCRG. Unless specifically authorized otherwise by the CB, the export proceeds must be repatriated by no later than 90 days after the date of expedition of the goods.
Preshipment inspection	Yes.	
Other	No.	
Export licenses	Yes.	The exportation of wild animals (dead or alive), meat, articles of historic or ethnographic interest, jewelry, articles made of precious metals, and plants and seeds requires special authorization from designated agencies.
Without quotas	No.	
With quotas	Yes.	There are quotas on exports of wild animals and articles of historic or ethnographic interest.
Export taxes	Yes.	Exports are subject to fiscal export duty and other taxes and fees for specific products. Fiscal export duty rates for exports of gold and diamonds are 5% for mining companies, 0.55% on behalf of the Treasury, and 1% for individuals. The rate for other exported commodities is 2%; agricultural and industrial products are exempt. Bauxite exports have specific rates, depending on the exporter and the product quality.
Collected through the exchange system	No.	
Other export taxes	Yes.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	There are no controls on payment of unloading and storage costs.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For payments up to US$5,000, no documentation is required.
Investment-related payments	Yes.	
Prior approval	Yes.	Approval is required for government operations.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For payments up to US$5,000, no documentation is required.
Payments for travel	Yes.	Residents with a foreign exchange account may debit their accounts to cover their costs and those of their family on business or tourist travel abroad, education fees, and medical expenses.
Prior approval	No.	
Quantitative limits	Yes.	According to Chapter 5 of Directive No. 112/DGAEM/RCH/00, residents who do not have foreign exchange accounts may purchase US$5,000 a person traveling abroad. The limit also applies to cash purchases or transfer of foreign exchange for business travel or tourism-related expenses.
Indicative limits/bona fide test	Yes.	For travelers with a foreign exchange account, banks must grant the parties concerned the foreign exchange allowances to cover the costs of their stay, subject to presentation of the appropriate supporting documents, by debit against their foreign exchange accounts. To cover their foreign travel expenses, resident travelers without a foreign exchange account may also purchase the necessary foreign exchange from banks and transfer it.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required for pension payments.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	There are no indicative limits or bona fide rates for pension payments.
Foreign workers' wages	Yes.	
Prior approval	Yes.	Approval is granted only for contracts approved by the Ministry of Labor.
Quantitative limits	Yes.	Foreign workers may transfer up to 50% of their taxable income.
Indicative limits/bona fide test	Yes.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	n.a.	
Surrender requirements	n.a.	
Surrender to the central bank	n.a.	
Surrender to authorized dealers	n.a.	
Controls on capital and money market instruments	Yes.	All capital transfers require BCRG authorization.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	Currently, there are no transactions involving bonds.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	

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Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	There are controls on all credit and guarantee operations.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	BCRG authorization is required.
Inward direct investment	Yes.	There are no limits on the amount nonresidents may invest in Guinea, and all Guinean and foreign nationals may hold controlling interests in Guinean enterprises. Banks are authorized to transfer income from direct investments (dividends and earnings) in addition to the proceeds of the sale or winding up of a foreign investment, against presentation of the supporting documents for the investment made and the income generated.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	BCRG authorization is required for the transfer of capital related to real estate transactions.
Purchase abroad by residents	Yes.	BCRG authorization is required for the transfer of capital related to real estate transactions.

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Purchase locally by nonresidents	Yes.	BCRG authorization is required for the transfer of capital related to real estate transactions.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	There are controls on all these operations.
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Settlement of debts abroad by immigrants	Yes.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	Yes.	
Transfer of gambling and prize earnings	Yes.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks must ensure that order of foreign exchange transfers between accounts or between banks in excess of US$5,000 is subject to the production of appropriate supporting documents guaranteeing that the operation complies with the exchange control regulations in force.
Borrowing abroad	Yes.	
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	Yes.	The only permitted form of lending to nonresidents is overdraft protection on checking accounts denominated in foreign currency.
Lending locally in foreign exchange	Yes.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	
Liquid asset requirements	Yes.	
Interest rate controls	Yes.	
Credit controls	Yes.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	No.	
Liquid asset requirements	Yes.	

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Interest rate controls	Yes.	
Credit controls	Yes.	
Investment regulations	Yes.	
Abroad by banks	Yes.	
In banks by nonresidents	Yes.	
Open foreign exchange position limits	Yes.	The long foreign exchange positions of credit institutions may not exceed 35% of their net capital. Any excess over that 35% limit must be transferred to the CB within two days after being registered.
On resident assets and liabilities	Yes.	The long foreign exchange positions of credit institutions may not exceed 35% of their net capital. Any excess over that 35% limit must be transferred to the CB within two days after being registered.
On nonresident assets and liabilities	Yes.	The long foreign exchange positions of credit institutions may not exceed 35% of their net capital. Any excess over that 35% limit must be transferred to the CB within two days after being registered.
Provisions specific to institutional investors	n.a.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.r.
Retail	n.r.

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Wholesale	n.r.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other	n.r.

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instruments	
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Stabilized arrangement	*09/19/2022*	Since September 2022, the exchange rate stabilized within a 2% band against the US dollar. Accordingly, the de facto exchange rate arrangement was reclassified to stabilized from crawl-like arrangement.
Foreign exchange market		
Spot exchange market	*03/03/2023*	The minimum capital requirement for foreign exchange bureaus was lowered to GF 50 million, from GF 100 million.

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GUINEA-BISSAU

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		March 24, 1977.
Article VIII	Yes.	Date of acceptance: January 1, 1997.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	A regional framework to fight money laundering (AML) and the financing of terrorism (CFT) exists at the regional level through two WAEMU Directives from 2002 (AML) and 2007 (AFT) as amended. This comprehensive framework facilitates the implementation of UNSC resolutions based on a list of persons and entities prepared by the Committee. Effective March 31, 2023, the regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Asset Service Providers (VASPs); (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; and (5) review of the definitions of politically exposed persons (PEPs).

Exchange Arrangement

Currency	Yes.	The currency of Guinea-Bissau is the CFA franc (XOF).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the WAEMU is a conventional peg. Guinea-Bissau participates in a currency union with seven other members of the WAEMU and has no separate legal tender. A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019 to replace the agreement dated December 4, 1973.The Monetary Cooperation Agreement is based on three pillars: (1) a common issuing institution, (2) fixed parity with the euro, and (3) a guarantee of unlimited convertibility.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the anchor currency, at the fixed rate of CFAF 655.957 per euro. Exchange rates for other currencies are cross-rates derived from the rate for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. The official rate is used for accounting and valuation purposes. The Conference of Heads of State and Government may decide to amend the Monetary Cooperation Agreement between the WAEMU member countries and France. Effective September 2, 2022, Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended and France has withdrawn from the governance bodies of the CB.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The operational target of price stability is defined as an annual inflation rate in the WAEMU that falls within a band of ±1% around a central rate of 2%. The Harmonized CPI is the benchmark rate to measure inflation.
Composite		
Other		
Monetary aggregate target		

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Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	The commission rate charged on transfers to all countries that are not members of the WAEMU area is 0.6%. This commission must be surrendered to the National Treasury and is a portion of its tax

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		revenue.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries may freely set their exchange rates in transactions with their clients, except for the euro, which must be traded against the CFA franc at the official fixed rate of CFAF 655.957 per euro. However, they can charge a commission of up to 2% of the transaction amount. Instruction No. 013-11-2015 on the terms and conditions for conducting rapid money transfers as a subagent within the WAEMU applies.
Spot exchange market	Yes.	Authorized intermediaries must comply with the provisions in effect on the financial conditions for executing banknote foreign exchange transactions that involve foreign currencies and issue a transaction slip for all transactions with a client. Moreover, to provide satisfactory information to clients, they are required to (1) permanently post at their windows the rates actually charged for the different currencies and (2) post notification that a transaction slip must be issued for all foreign exchange transactions on presentation of the requestor's identity document. Banks and registered banknote exchange houses are intermediaries authorized by the Ministry of Economy and Finance (MEF) to conduct foreign exchange transactions with the public. As of December 31, 2022, there were 13 authorized banknote exchanges. Exchange houses are authorized to conduct operations with the BCEAO in any currency except the euro. Authorized exchange houses are not authorized to make transfers or payments in foreign currency to other countries or to hold accounts abroad. Authorized intermediaries may freely set their exchange rates in transactions with their clients, except for the euro, which must be traded against the CFA franc at the official fixed rate of CFAF 655.957 per euro and may charge a commission of up to 2% of the transaction amount.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BCEAO supplies, at the official rate, the foreign currency that each authorized intermediary needs to make payments abroad, that is, in the import coverage framework. The CB only purchases foreign exchange on request from the commercial banks, but does not sell foreign exchange to them for purposes other than import coverage. The BCEAO exchanges foreign currency for CFA francs at the rates published on the international markets, with the exception of the euro, which is traded at the official fixed rate of 655.957 CFA francs per euro. The nonelectronic currency exchange windows are open to owners of accounts on the BCEAO books and to the general public. A commission of 0.5% is charged on all transactions with the public (purchases and sales) and all withdrawals by banks and financial institutions (including euro withdrawals). However, commissions are not charged on cash foreign exchange transactions conducted by governments, officials of Member States of the WAMU on missions abroad, officials of the CB and their beneficiaries, or on payments made by banks and financial institutions.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Transactions in CFA francs between authorized intermediaries are allowed. As of December 31, 2022, six banks were licensed for the

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		domestic currency interbank market. Banks are not authorized to operate in foreign currency in the interbank market in the WAEMU.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Residents of the WAEMU zone are permitted to conduct the following transactions in the foreign exchange derivatives market with authorized intermediary banks established in the WAMU or with foreign banks: outright forward foreign exchange contracts (over the counter), foreign exchange options, foreign exchange swaps, and cross-currency swaps. Transactions in foreign exchange options are limited to the following two types of transactions: options to purchase foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign bank, and options to sell foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign credit institution. Authorized intermediary banks must simultaneously cover the exchange risk they incur with respect to derivative instruments traded with their customers. The underlying commercial and financial operations must relate to imports and exports of goods and services by a resident, foreign borrowing operations by a resident (drawings and repayments), or direct foreign investment in a resident company. All legitimate foreign currency needs are ultimately met by the BCEAO.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments with countries outside the WAEMU are made in foreign currencies. Trade with other WAEMU countries is settled in CFA francs.
Controls on the use of domestic currency	Yes.	The CFA franc may not be used as payment for current international transactions or capital transactions with countries outside the WAEMU.
For current transactions and payments	Yes.	There is a multilateral clearing agreement between the WAEMU countries and the other ECOWAS countries (Cabo Verde, The Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone) in the WAMA framework. Payments for current transactions between countries whose CBs are WAMU members may be made under the clearing arrangement.
For capital transactions	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Investments by residents of the WAEMU zone outside the WAEMU are subject to prior authorization by the minister of finance, and at least 75% of the investment must be financed through foreign borrowing.
Transactions in capital and money market instruments	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Foreign investment by residents of the WAEMU zone is subject to authorization by the MOF. At least 75% of the investment must be financed through foreign borrowing. The interested party must request authorization through a letter designating the authorized intermediary to settle the payment. Purchases of foreign negotiable securities authorized by the regional capital markets authority to be issued or sold in WAEMU members

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		do not require MEF authorization.
Transactions in derivatives and other instruments	Yes.	Residents of WAEMU member countries may engage in the following operations on derivatives and other instruments with accredited banks established in the WAEMU or foreign banks: (1) forward contract, foreign exchange swaps, and options. Operation on derivatives with foreign banks outside the WAEMU can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Credit operations	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted by authorized intermediaries to nonresidents of the WAEMU zone are subject to prior authorization by the Directorate of External Financial Relations of the MOF, after BCEAO approval.
Use of foreign exchange among residents	Yes.	The CFA franc is the only legal tender, and residents are not permitted to use foreign exchange for domestic transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, replacing the previous agreement dated December 4, 1973. This monetary cooperation agreement is based on three pillars: (1) a common bank of issue; (2) a fixed exchange rate parity with the euro; and (3) an unlimited convertibility guarantee.
Clearing agreements	Yes.	There is a multilateral clearing agreement in the context of the WAMA among the WAEMU countries (Cabo Verde, The Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria, and Sierra Leone). Payments for current transactions between the member countries may be effected under the clearing arrangement. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS members and payments for exports from one member country to another member country of finished products originating in countries whose CB or monetary authority is not a WAMA member.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The institutional reform of the WAEMU and the BCEAO went into effect April 1, 2010, with the adoption of the following new basic instruments: (1) the WAMU Treaty, (2) the BCEAO Charter, (3) the Bank Regulation Act, and (4) the Convention governing the WAMU Banking Commission. All WAEMU residents are treated as residents of Guinea-Bissau for the purposes of preparing the external position of banks, domiciliation and repatriation of export revenue, issuance and sales of securities, gold imports and exports, investment and lending transactions, and physical exports of means of payment and securities by postal package or ordinary mail. However, for statistical purposes with regard to the balance of payments, all countries other than Guinea-Bissau are considered foreign countries. Moreover, all transfers with other countries must be made through authorized intermediary banks, the postal service, or the BCEAO.
Payments arrears	No.	
Official	No.	
Private	No.	

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Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Gold imports and exports require MOF authorization, except (1) imports and exports by the Public Treasury and the BCEAO; (2) imports and exports of items with a low gold content (lined or plated objects); and (3) imports and exports, by travelers, of objects made of gold limited to a total weight of 500 grams. Imports and exports of gold within the WAEMU area are not subject to any restrictions.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may freely export CFA franc (XOF) banknotes from one WAEMU member country to another. Resident individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving CFA franc banknotes issued by the BCEAO.
Foreign currency	Yes.	The reexportation of foreign banknotes by nonresident travelers is permitted up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks. Residents of the WAEMU zone traveling to countries that are not WAEMU members are required to declare foreign currency on their person in excess the equivalent of CFAF 1 million. They may carry up to the equivalent of CFAF 2 million a person in banknotes not issued by the BCEAO. Larger amounts may be exported in the form of traveler's checks, prepaid debit and payment cards, conventional debit and payment cards, or other means of payment. Foreign exchange allowances issued by authorized intermediaries in the form of traveler's checks or prepaid debit and payment cards must be based on the need to cover customary, personal travel expenses, if they exceed the equivalent of CFAF 2 million a person. The issuance of foreign currency to resident travelers is subject to the presentation of travel documents and a valid passport or national identification card.
On imports	Yes.	
Domestic currency	Yes.	Residents of the WAEMU zone and nonresidents of the WAEMU zone may freely import domestic currency (CFA Franc XOF) banknotes. However, individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving banknotes in domestic currency. BCEAO redemption of banknotes exported outside its area of issuance has been suspended. Pursuant to this measure, registered intermediary banks are not authorized to receive shipments of CFA Franc XOF banknotes from their correspondents located outside the WAEMU area.
Foreign currency	No.	Residents of the WAEMU zone and nonresidents of the WAEMU zone may freely import means of payment denominated in foreign currencies. Such means of payment in excess of the equivalent of CFAF 5 million must be declared to customs. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 5 million on entry and exit.

Resident Accounts

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Foreign exchange accounts permitted	Yes.	Residents may open foreign exchange accounts with MOF authorization, after BCEAO consent.
Held domestically	Yes.	
Approval required	Yes.	Foreign exchange accounts in currencies other than the Euro may be opened domestically with MOF authorization after non-objection from the BCEAO. The authorization specifies the operations that may be credited or debited on each such an account. These accounts are valid for a renewable term of up to one year. They cannot be credited with deposits of CFA banknotes or by debiting a CFA franc account. On expiration of the term set in the authorization, accounts are closed unless a new authorization is obtained.
Held abroad	Yes.	
Approval required	Yes.	Individuals who are residents of the WAEMU temporarily staying or traveling outside of WAEMU may open bank accounts outside the WAEMU to deposit foreign currency legally exported and any income acquired outside of the WAEMU during their travel or temporary stay outside of the WAEMU. These individuals are required to repatriate balances on such accounts within 30 days of return to the WAEMU. In any circumstance other than the foregoing, opening of foreign accounts by WAEMU residents is subject to MOF authorization by after non-objection from the BCEAO. The MOF authorization specifies the operations that may be credited or debited on such accounts. In the event of a failure to obtain a new MOF authorization, the accredited intermediary must request that the account be closed by the end of the term authorized and that any balance be repatriated to a WAEMU member country within eight days.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	Intermediaries authorized in the WAEMU are authorized to open accounts in euros for the benefit of nonresidents, subject to proof of their status and actual residence. Nonresident accounts denominated in foreign currency other than euros are subject to BCEAO authorization. Nonresident foreign currency accounts are valid for a renewable period of two years. In the event of a failure to obtain renewal (through a new BCEAO authorization for foreign exchange other than the euro), these accounts must be closed. The balances of these accounts may be freely transferred abroad after verification.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Authorized intermediaries may open nonresident accounts in CFA francs and in euros, under their own responsibility, depending on the status and actual residence of the applicant. These accounts may be debited for spot purchases of foreign exchange.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

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Foreign exchange budget	Yes.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of payment specified in the contract.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirements	Yes.	Import transactions from outside the CFA franc area exceeding CFAF 5 million must be effected through an authorized bank.
Preshipment inspection	Yes.	An inspection is required to verify the quantity, quality, and price of imported merchandise.
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	Yes.	Imports, regardless of whether they involve the use of official or free-market foreign exchange, require an import license issued by the Ministry of Commerce and Tourism, primarily for statistical purposes. Licenses are issued automatically after verification of the invoiced prices of taxable goods.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Quantitative restrictions may be applied to products for public health and security reasons.
Import taxes and/or tariffs	Yes.	The WAEMU CET consists of four tariff brackets: 0%, 5%, 10%, and 20%. Imports from countries outside the WAEMU area are also subject to a 1% statistical tax and a community solidarity levy of 0.8%. Moreover, a cyclical import tax (taxe conjoncturelle à l'importation) and a degressive protection tax (taxe dégressive de protection) may at certain times be charged on some products. Neither tax had been applied as at end-2018. Imports from non-ECOWAS members are subject to a 0.5% community levy (CL/ECOWAS).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Resident economic operators are required to collect and repatriate within one month of the payment due date the entire amount of sales of goods abroad in the country of origin with the bank with which the

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		transaction is domiciled. The payment due date is specified in the trade agreement and normally falls within a period of 120 days after the goods are dispatched.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds must be surrendered by ADs to the BCEAO within 30 days of the payment due date, which may not exceed 120 days after shipment of the goods. To cover its current foreign exchange needs, the domiciling bank may hold up to 20% of its export proceeds as own foreign exchange resources. However, it must ensure that its total foreign exchange resources to cover its requirements do not exceed 5% of total customer demand deposits; otherwise, the surplus must be surrendered to the BCEAO.
Surrender to authorized dealers	Yes.	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Export revenue may be surrendered to intermediaries other than banks with which the transaction is domiciled if authorized by the BCEAO.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Export transactions of more than CFAF 10 million or its equivalent, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Preshipment inspection	No.	
Other	Yes.	A customs declaration is required.
Export licenses	Yes.	
Without quotas	Yes.	Exports require an export license. Only exporters registered with the Ministry of Commerce and Tourism may obtain these licenses, which are granted automatically in most cases and are for statistical purposes. No products are reserved for exportation by the public sector.
With quotas	No.	
Export taxes	Yes.	Cashew nut exports, except to ECOWAS countries, are subject to a special export tax of 6% and advance payment of the industrial contribution levy of 3%; an additional 2% charged on cashew exports is classified as a rural property tax. Other agricultural exports are subject to an agricultural fee of 2%.
Collected through the exchange system	No.	
Other export taxes	Yes.	There is an individual processing fee of 1%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments and transfers for current transactions with WAEMU and non-WAEMU countries may be made freely through authorized intermediaries. Transfers exceeding CFAF 500,000 are subject to documentary requirements. Payments and receipts of foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions.

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Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad relating to freight and insurance (including transfers of insurance not related to commercial transactions), unloading and warehousing costs, administrative costs, commissions, and customs duties and fees are permitted in general, subject to the presentation of supporting documentation to the authorized intermediary.
Investment-related payments	Yes.	
Prior approval	Yes.	Payments for depreciation of direct investments require MOF authorization, because this type of depreciation is not specifically mentioned in the legislation.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents traveling for tourism or business purposes to non-WAEMU countries may take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person; larger amounts may be taken out in the form of traveler's checks, certified checks, or other means of payment. The limit is applied to each trip.
Indicative limits/bona fide test	Yes.	Resident travelers must present a travel document and a valid passport or a national identity card to an AD (authorized intermediary bank or exchange bureau) before foreign exchange will be issued.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required for payment of family maintenance expenses abroad.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All personal payments may be conducted through an authorized bank, subject to presentation of supporting documents. Payments abroad relating to pensions and benefits resulting from an employment contract, education costs, family maintenance, and alimony may be executed freely on presentation of documentation.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of appropriate documentation.
Credit card use abroad	Yes.	The use of credit cards is allowed when issued by specialized institutions which, where applicable, must report such transactions on a quarterly basis to the BCEAO.
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For travelers, allocations of foreign currency in the form of debit and payment card must be justified by requirements related to travel and personal expenses if they exceed the equivalent of CFAF 2 million.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	As a general rule, payments abroad in amounts greater than CFAF 500,000 are subject to the presentation of supporting documentation.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from invisible transactions with non-WAEMU countries must be repatriated.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date of payment. On their return to Guinea-Bissau, resident travelers must file a customs declaration for all means of payment greater than CFAF 300,000 and surrender them to a registered bank or to the BCEAO no later than one week after their return.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations; (2) payments for the purchase of options; and (3) transfers of the proceeds of liquidated investments or the sale of foreign securities by nonresidents of the WAEMU zone. Capital receipts from non-WAEMU countries, however, are generally permitted.
Repatriation requirements	Yes.	Proceeds from the sale or liquidation of investments of a resident abroad must be repatriated, if the resident has no reinvestment authorization, within one month through an authorized intermediary.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.

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Surrender to authorized dealers	Yes.	Proceeds from the sale or liquidation of investments of a resident abroad must be repatriated and surrendered to an AD within one month, if the resident has no reinvestment authorization. The surrender requirement applies to proceeds from all capital transactions.
Controls on capital and money market instruments	Yes.	RCPSFM authorization is required for the following operations: (1) the issuance or marketing of securities and real assets of foreign entities, (2) canvassing, and (3) publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange. Soliciting the public of the WAEMU by nonresident entities is subject to authorization by the BCEAO in its capacity as the authority responsible for regulating the external financial relations of WAEMU countries. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
On capital market securities	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are unrestricted. However, these purchases must be declared to the MOF and the BCEAO for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate and foreign securities by nonresidents are subject to RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment by means of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires MOF approval of an exchange authorization and supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to MOF authorization. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code of the CFA franc area member countries does not allow insurance companies to invest abroad.
Sale or issue abroad by residents	No.	Residents may sell local corporate securities abroad. If these operations result in foreign control of resident entities, foreign investors must declare them to the MEF. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes. Residents may issue securities abroad, unless the securities constitute a loan. Issuance of the latter to nonresidents must be made through an authorized bank and must be reported to the MOF for statistical purposes.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. There is no minimum holding period.

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Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents are subject to authorization from RCPSFM. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to MOF authorization. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code of the CFA franc area member countries does not allow insurance companies to invest abroad.
Sale or issue abroad by residents	No.	Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors must declare them to the MOF. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes. Residents may also issue securities abroad, unless the securities constitute a loan. Issuance of the latter to nonresidents must be made through an authorized bank and must be reported to the MOF for statistical purposes.
On money market instruments	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases must be declared to the MOF for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of money market instruments and the sale of corporate or foreign securities by nonresidents are subject to RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to MOF authorization. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code of the CFA franc area member countries does not allow insurance companies to invest abroad.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local money market instruments abroad. The sale of money market instruments to liquidate an investment abroad is subject to declaration to the MEF for statistical purposes. Residents of the WAEMU zone may also issue money market instruments abroad, unless they constitute a loan.
On collective investment securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases must be declared to the MOF for statistical purposes.
Sale or issue locally by nonresidents	Yes.	

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Purchase abroad by residents	Yes.	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to MOF authorization. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code of the CFA franc area member countries does not allow insurance companies to invest abroad.
Sale or issue abroad by residents	No.	Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors must declare them to the MOF. The sale of securities to liquidate an investment abroad must be declared to the MOF for statistical purposes.
Controls on derivatives and other instruments	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Purchase locally by nonresidents	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone. The use of exchange risk hedging derivatives on the domestic market is reserved exclusively for Union residents. Purchase of derivatives locally by nonresidents is not permitted.
Sale or issue locally by nonresidents	Yes.	Residents are authorized to carry out transactions on approved foreign exchange derivative instruments on foreign exchange derivatives markets with nonresident banks.
Purchase abroad by residents	Yes.	These instruments are subject to general regulations that apply to securities and investments. Residents of the WAEMU zone may freely purchase abroad or from nonresidents of the WAEMU zone call or put options on primary commodities or securities transactions. Residents of the WAEMU zone may not purchase commodities or securities in foreign markets to be delivered in complying with a put option contract. Put options must be placed on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract. Residents of the WAEMU zone are permitted to purchase foreign currency purchase options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAEMU or from a foreign credit institution.
Sale or issue abroad by residents	Yes.	Residents are permitted to purchase foreign currency sell options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAEMU or from a foreign (that is, nonresident of WAEMU) credit institution.
Controls on credit operations	Yes.	Borrowing by residents from nonresidents must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	There are no controls, and repayments of commercial credits are generally conducted without prior authorization, subject to the

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		presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date, to the licensed intermediary bank responsible for handling the repayment.
To residents from nonresidents	No.	There are no controls, and repayments of commercial credits are generally approved by the BCEAO, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered as well as the payment due date.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These credits require MOF approval. Outward transfers necessary to service such facilities require an exchange authorization, subject to approval by the BCEAO acting on behalf of the MOF and substantiated by documentation.
To residents from nonresidents	No.	There are no controls on these credits, but they must be reported for statistical purposes to the MOF and the BCEAO when granted and when repaid, except for the following credits: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayment of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction. Borrowing abroad is unrestricted.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	The granting of guarantees and sureties is subject to MOF approval. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to MOF approval, and the submission of supporting documents.
To residents from nonresidents	No.	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require declaration to the MEF and the BCEAO for statistical purposes.
Controls on direct investment	Yes.	Direct investment implies control of a company or enterprise. Mere participation is not considered direct investment, unless it exceeds 10% of the capital of a company whose shares are quoted on a stock exchange. All investment outside of WAEMU by residents of the WAEMU, including investment through foreign companies under the direct or indirect control of WAEMU residents and investment by foreign branches or subsidiaries of companies established in a WAEMU member country, requires MEF authorization.
Outward direct investment	Yes.	All investment abroad by residents is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Yes.	FDI, including by resident companies that are directly or indirectly under foreign control and by branches or subsidiaries of foreign companies, must be reported to the MOF for statistical purposes. An equity holding is not considered a direct investment unless it exceeds 10% of the capital of the company in question.

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Controls on liquidation of direct investment	No.	The liquidation of investments abroad must be reported to the MOF and the CB for statistical purposes. Reinvestment of the liquidation proceeds is subject to MOF authorization. If reinvestment is not authorized, the liquidation proceeds must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents is unrestricted but must be reported to the MOF and the CB for statistical purposes.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These purchases require MOF authorization.
Purchase locally by nonresidents	No.	Purchases for purposes other than direct investment in a business, branch, or company are allowed, but they must be reported to the MOF for statistical purposes.
Sale locally by nonresidents	No.	Sales by nonresidents to residents require the submission of supporting documentation from the authorized intermediary that handles the settlement and must be declared to the MOF and the BCEAO for statistical purposes.
Controls on personal capital transactions	Yes.	Personal capital transactions between residents and nonresidents must be made through the BCEAO, the postal administration, or an authorized intermediary bank, unless authorization is obtained from the MOF.
Loans	Yes.	The regulations governing securities and investments apply.
By residents to nonresidents	Yes.	These transactions require MOF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of approved financial institutions.
To residents from nonresidents	No.	These transactions may be made freely, but must be declared for statistical purposes to the MOF when granted and when repaid.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Inheritances and dowries are generally allowed. Gifts and endowments, however, are subject to MOF and BCEAO authorization. These transactions must be conducted through an authorized intermediary and comply with the relevant AML and terrorism financing provisions.
To residents from nonresidents	No.	These transactions do not require authorization but are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Settlement of debts abroad by immigrants	Yes.	Immigrants who have received resident status must obtain MOF authorization to settle debts contracted abroad while they were nonresidents.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These transactions are subject to MOF authorization if the value exceeds CFAF 500,000 a person. There are no restrictions on transfers of amounts below this threshold.
Transfer into the country by immigrants	Yes.	Foreign accounts (in foreign currencies or CFA francs) of nonresidents who become residents must be closed. However, these individuals may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.	These transfers are conducted freely through authorized intermediaries, subject to the presentation of supporting documents and compliance with the relevant provisions on combating money laundering and financing of terrorism.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The Uniform Law on the Treatment of Dormant Accounts on the Books of Financial Agencies of the Member States of the WAMU by the Council of Ministers of the Union took effect September 28, 2012. Decision No. CM/UMOA/023/2012 sets the deadline (December 31, 2013) for including this law in the domestic legislation of the WAMU members. It remains to be confirmed that this regulation was incorporated into Guinea-Bissau's legislation.
Borrowing abroad	No.	Loans abroad are unrestricted. For statistical purposes, these transactions must be declared to the MOF when they are granted and when they are repaid.
Maintenance of accounts abroad	Yes.	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements. A bank's current requirement is calculated in relation to its equity and takes account of its history of fund movements abroad. The amount is used to meet the bank's short-term cash needs.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial lending is allowed. Financial credits are subject to MOF authorization, after BCEAO approval.
Lending locally in foreign exchange	Yes.	There are no explicit regulations regarding these transactions, but MOF authorization and BCEAO approval are required.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These purchases require RCPSFM authorization, after MOF approval.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	A reserve requirement of 3% has been applicable to banks in the WAEMU zone since March 16, 2017. Demand deposits, other debit deposit accounts, and loan accounts are included in the calculation of required reserves. The following four elements are taken into account in calculating the required reserves to be established in the CB: (1) demand deposits; (2) short-term loans; (3) gross claims abroad, including customer deposits in foreign currency; and (4) medium- and long-term loans. Required reserves are therefore established on a standard, settlement, or securities account based on eligibility for calculation of reserves allocated by the MPC.
Liquid asset requirements	No.	In accordance with the prudential framework applicable to banks and financial institutions carrying out banking operations in the WAEMU, the minimum liquid asset requirement is 75%. A 50% transformation ratio is also required to ensure that banks continually have more stable financing sources to finance their long-term uses.
Interest rate controls	No.	
Credit controls	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, all advances granted to nonresidents are subject to MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Yes.	Banking regulations make no distinction among resident accounts, nonresident accounts, and foreign currency deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	Yes.	Overdrafts and advances granted to nonresidents require MOF authorization and BCEAO approval.
Investment regulations	Yes.	The regulations governing direct investment apply.
Abroad by banks	Yes.	All investment abroad by residents of the WAEMU zone is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM.
In banks by nonresidents	Yes.	These transactions may require MOF authorization, depending on their volume. The banking law stipulates that investment by any person in a bank that would have the effect of changing the minority and/or majority voting rights requires MOF authorization.
Open foreign exchange position limits	No.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments, up to the equivalent of 5% of total customer demand deposits. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Controls are imposed by the CIMA Code.
Limits (max.) on securities issued by nonresidents	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest up to 50% of resources collected locally in other CIMA member countries.
Limits (max.) on investment portfolio held abroad	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest up to 50% of resources collected locally in other CIMA member countries.
Limits (min.) on investment portfolio held locally	Yes.	According to the CIMA Code, a minimum of 50% of resources collected by insurance companies in a CIMA member country must be invested locally.
Currency-matching regulations on assets/liabilities composition	Yes.	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind by foreign governments, local authorities, foreign companies, or international institutions are subject to authorization by the RCPSFM.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold with RCPSFM authorization in WAEMU member countries, all investment abroad by residents of the WAEMU zone is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio	No.	

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held locally		
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to RCPSFM authorization.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold in WAEMU member countries with RCPSFM authorization, all investment abroad by WAEMU residents is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CB does not yet have a digital currency.
Retail	No.	The CB does not yet have a digital currency.
Wholesale	No.	The CB does not yet have a digital currency.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	

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For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Controls on unbacked tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Controls on utility and security tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not

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		permitted, as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Controls on stablecoins	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member

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		countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted, as the CFA franc is the only legal tender in member countries.
Controls on crypto exchanges and trading platforms	n.a.	
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*03/31/2023*	The regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions, and Virtual Asset Service Providers; (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; and (5) review of the definitions of politically exposed persons.

Exchange Arrangement

Official exchange rate	*09/02/2022*	Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended and France has withdrawn from the governance bodies of the CB.

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GUYANA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 26, 1966.
Article VIII	Yes.	Date of acceptance: December 27, 1966.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Guyana maintains certain exchange restrictions solely for the preservation of national and international security. Financial transactions are restricted, and accounts are frozen of individuals and organizations on the lists of individuals associated with terrorism pursuant to (1) UNSC Resolution No. 1333 and (2) organizations associated with terrorism identified by the 1267 Committee. In accordance with UNSC resolutions, restrictions are applied to financial transactions and assets of the Taliban, Al-Qaida, individuals associated with those organizations, and persons and groups associated with terrorism.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Guyana is the Guyanese dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is floating. The exchange rate of the Guyanese dollar is determined in the foreign exchange market. The Bank of Guyana (BOG) periodically purchases foreign currency from foreign exchange dealers to maintain international reserves at acceptable levels. In accordance with bilateral agreements with the CARICOM CBs, the BOG quotes weekly rates for certain CARICOM currencies. The de facto exchange rate arrangement is

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		classified as a stabilized arrangement. The CB publishes interventions on a monthly basis on the BOG website – "Statistical Abstract Reports Table 2.16 (a)." These data are published on a one-month lag.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate is used to calculate the public debt, customs and excise taxes, and external payments for goods and services. The official exchange rate is determined by calculating the weighted average rate of the three largest foreign exchange dealers.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		

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CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	In addition to transactions between ADs and their clients, a significant share of foreign exchange transactions takes place between the BOG and public entities with large export earnings. To reduce segmentation and facilitate price discovery, the authorities recently moved some official transactions to the foreign exchange market. Transactions between foreign exchange dealers and their customers represent a smaller share of the foreign exchange market and include conversion of remittances to people without bank accounts. All commercial banks have cambios; however, not all nonbank financial institutions are cambios. As of June 30, 2023, 13 nonbank financial institutions and 6 commercial banks were licensed to deal in foreign currency. The BOG grants licenses after consultation with the Minister of Finance. Nonbank foreign exchange dealers may sell specified CARICOM currencies to the CB; their operations are limited to the purchase and sale of banknotes and traveler's checks. These institutions may have accounts abroad. There is a cap on the bid-ask spread of G$1.50 for wires and G$3.00 for cash. This is applicable to all transactions conducted by both the bank and nonbank cambios with their customers.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BOG conducts its transactions on the basis of the foreign exchange rate obtained by periodically averaging quotes from the three largest dealers. In response to heightened pressure resulting

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		from seasonal factors, the BOG on occasion intervenes in the foreign exchange market.
Allocation	Yes.	The BOG exercises discretion with regard to its purchases of foreign exchange from exports of sugar and gold by the Guyana Sugar Corporation (GuySuCo, the government-owned sugar company) and the Gold Board and uses a "hard currency budget" for official transactions.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks may trade with each other freely. There are six commercial banks, but the interbank market has not been very active. Direct BOG intervention in the market is rare. The BOG occasionally processes requests from commercial banks for the sale of foreign currency at the average market rate. Interbank trades are infrequent, and the volume is insignificant. The market does not operate on a commission basis nor does the cap on the bid-ask spread apply to interbank transactions. As of December 31, 2022, five commercial banks participated in the interbank market.
Over the counter	Yes.	Interbank transactions take place over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Domestic currency may not be used for current transactions and payments.
For capital transactions	Yes.	Domestic currency may not be used for capital transactions.
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	Domestic payments are restricted to the Guyanese dollars.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There are arrangements with all the CARICOM CBs.
Inoperative	No.	
Regional arrangements	Yes.	Guyana is a member of CARICOM.
Clearing agreements	No.	
Barter agreements and open accounts	No.	

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Administration of control	No.	
Payments arrears	Yes.	
Official	Yes.	As a consequence of ongoing negotiations, technical arrears are owed to the following bilateral creditors: Argentina, China, India, Italy, Kuwait, Libya, Serbia, Trinidad and Tobago, the United Arab Emirates, and Venezuela. Technical arrears are also owed to commercial creditors in the United States.
Private	Yes.	Arrears exist on certain dormant accounts holding domestic currency deposits equivalent in value to pending applications for foreign exchange.
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents other than the monetary authorities, ADs, producers of gold, and authorized industrial users may not hold or acquire gold in any form, at home or abroad – except for numismatic purposes and jewelry – without special permission.
On external trade	Yes.	Imports and exports of gold in any form by, or on behalf of, the monetary authorities, ADs, producers of gold, and industrial users require permits endorsed by the Guyana Gold Board.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	Travelers leaving Guyana must declare foreign currency in excess of the equivalent of US$10,000. This is only a declaration requirement, and there is no limit on the amount.
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	Travelers entering Guyana must declare foreign currency in excess of the equivalent of US$10,000. This is only a declaration requirement, and there is no limit on the amount.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Exporters are allowed to maintain and operate foreign exchange accounts. These accounts are approved on merit but are generally granted to bona fide exporters who require imported inputs for production and/or have external loan obligations. These accounts may be credited with all or a portion of retained export proceeds and proceeds of foreign currency loans. They may be debited freely for payments at the discretion of the account holder.
Approval required	Yes.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	The Foreign Exchange (Miscellaneous Provisions) Act No. 8 of 1996 specifies that “Except with the permission of the Minister, no person

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resident in Guyana, other than an AD, shall, in Guyana operate a foreign currency account."

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	External accounts may be opened by commercial banks, without CB approval, for citizens of Guyana residing permanently abroad, citizens of other countries temporarily residing in Guyana, nonresidents attached to diplomatic missions or international organizations, branches of companies incorporated outside Guyana, and companies incorporated in Guyana but controlled by nonresidents abroad. These accounts may be maintained in US dollars, pounds sterling, Canadian dollars, or euros and may be credited with noncash instruments of convertible foreign currencies transferred through the banking system. These accounts may also be credited freely with all authorized payments by residents of Guyana to nonresidents; other credits require approval. They may be debited freely for payments for any purpose to residents of any country, transfers to other external accounts, withdrawals by the account holder in Guyana, and transfers to nonresident accounts.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Domestic currency accounts can only be converted to foreign currency accounts with approval by the MOF through the CB. Applications for foreign currency accounts are determined on their merit but generally granted to: Bona fide exporters who require imported inputs for production, or with external loan obligations; certain service providers, including travel agents, hotels, shipping agents and airlines; large importers of essential goods and services.
Approval required	Yes.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	The BOG prepares a statement of convertible currency receipts and payments to monitor projected flows.
Financing requirements for imports	No.	Import transactions effected through the foreign exchange market are permitted without restriction. Most imports of consumer goods take place on this basis.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Documentation requirements are for all official imports – petroleum, machinery and equipment, goods, etc.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Documents required include invoices, bills of lading, and certificates

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		of origin.
Import licenses and other nontariff measures	Yes.	There are no licensing requirements for permissible imports, except for petroleum products and some 20 items affecting national security, public health and safety, and the environment.
Positive list	No.	
Negative list	Yes.	Imports of unprocessed meat, poultry, fruit, and processed fruit items from non-CARICOM sources are restricted and subject to import-licensing controls.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Guyana maintains a CET rate that ranges from 5% to 20%. A tariff rate of 40% applies only to agricultural products. A duty rate of 100% applies to imports of chicken from non-CARICOM sources, but those from CARICOM countries are exempt. The duty on evaporated milk is 20%. Guyana maintains the CARICOM CET rate that ranges from 5% to 20%. A tariff rate of 40% applies only to agricultural products. All duties are value-added. The Customs Act allows for the National Assembly to impose import or export duties on any goods. Additionally, the Government of Guyana levies a value-added tax at a rate of 14%, applied equally to imports and locally produced goods and services.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Licenses are required for exports of gold and wildlife.
Without quotas	Yes.	Exports of gold are not subject to quotas.
With quotas	Yes.	There are quotas for the preferential supply of some commodities to certain markets and for exports of wildlife.

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Export taxes	Yes.	There is a levy on rice exports, which is reinvested in the rice industry. Sugar exports are not taxed, but there is a duty of G$1 a ton on unrefined sugar exports outside the region. Exports of timber, bauxite, live birds, aquarium fish, greenheart, raw gold, and precious stones are subject to export duty.
Collected through the exchange system	No.	
Other export taxes	Yes.	There is a levy on rice exports, which is reinvested in the rice industry. Sugar exports are not taxed, but there is a duty of G$1 a ton on unrefined sugar exports outside the region. Exports of timber, bauxite, live birds, aquarium fish, greenheart, raw gold, and precious stones are subject to export duty.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Money transfer agencies must sell their monthly net inflows to licensed bank cambios with a maximum of 25% of such inflows being sold to any one cambio. Effective August 31, 2022, all COVID-19 relief measures were permanently suspended. Previously, since June 23, 2020, the Bank temporarily waived the guidelines on the sale of foreign currency by money transfer agencies until further notice. The temporary waiver allowed for up to 50% to be sold to any one cambio.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	Investors may open accounts in the Guyanese dollars and in foreign convertible currency with any corporate entity licensed under the Banking Act. Capital and investment income may be repatriated freely. Residents and nonresidents have unlimited access to the foreign exchange market to repatriate funds. There is no deadline to repatriate proceeds.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchase and sale of existing shares may be done freely.
Sale or issue locally by nonresidents	Yes.	New issuance by nonresidents requires approval by the Guyana Securities Council, after which they make the listing through the Guyana Association of Securities Companies and Intermediaries Inc. (GASCI). All relevant conditions must be satisfied.
Purchase abroad by residents	Yes.	For insurance companies, investments comprising statutory funds held abroad may not exceed 35% of the total statutory fund. For pension funds, a maximum of 20% of the investment portfolio may be held abroad; provided for each percentage point of its assets

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		invested in the common stock or long-term debt of a company in Guyana, the 20% maximum may be increased by one percentage point, up to a maximum of a ten percentage-point increase.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	For insurance companies, investments comprising statutory funds held abroad may not exceed 35% of the total statutory fund. For pension funds, a maximum of 20% of the investment portfolio may be held abroad; provided for each percentage point of its assets invested in the common stock or long-term debt of a company in Guyana, the 20% maximum may be increased by one percentage point, up to a maximum of a ten percentage-point increase.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	For insurance companies, investments comprising statutory funds held abroad may not exceed 35% of the total statutory fund. For pension funds, a maximum of 20% of the investment portfolio may be held abroad; provided for each percentage point of its assets invested in the common stock or long-term debt of a company in Guyana, the 20% maximum may be increased by one percentage point, up to a maximum of a ten percentage-point increase.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	For insurance companies, investments comprising statutory funds held abroad may not exceed 35% of the total statutory fund. For pension funds, a maximum of 20% of the investment portfolio may be held abroad; provided for each percentage point of its assets invested in the common stock or long-term debt of a company in Guyana, the 20% maximum may be increased by one percentage point, up to a maximum of a ten percentage-point increase.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	For insurance companies, investments comprising statutory funds held abroad may not exceed 35% of the total statutory fund. For pension funds, a maximum of 20% of the investment portfolio may be held abroad; provided for each percentage point of its assets invested in the common stock or long-term debt of a company in

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		Guyana, the 20% maximum may be increased by one percentage point, up to a maximum of a ten percentage-point increase.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	All types of credit operations are controlled.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Commercial banks are required to obtain approval from the MOF before lending to nonresident enterprises (corporate entities).
To residents from nonresidents	Yes.	Companies are required to obtain approval from the MOF before borrowing from nonresident enterprises.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Commercial banks are required to obtain approval from the MOF before lending to nonresident enterprises (corporate entities).
To residents from nonresidents	Yes.	Companies are required to obtain approval from the MOF before borrowing from nonresident enterprises.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Commercial banks are required to obtain approval from the MOF before lending to nonresident enterprises (corporate entities).
To residents from nonresidents	Yes.	Companies are required to obtain approval from the MOF before borrowing from nonresident enterprises.
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	

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Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	
Lending locally in foreign exchange	Yes.	Banks are required to obtain approval from the MOF before lending locally in foreign exchange, except for lending to ADs.
Purchase of locally issued securities denominated in foreign exchange	No.	Purchases of locally issued securities denominated in foreign exchange are not restricted, once the issuance is authorized by the MOF.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	Open foreign exchange positions are monitored.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Investments comprising statutory funds held abroad may not exceed 35% of the total statutory fund.
Limits (min.) on investment portfolio	Yes.	Investments comprising statutory funds held locally may not fall

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held locally		below 65% of the total statutory fund.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Twenty percent of pension assets, provided for each percentage point of its assets invested in the common stock or long-term debt of a company in Guyana, the 20% maximum may be increased by one percentage point, up to a maximum of a ten percentage-point increase.
Limits (min.) on investment portfolio held locally	Yes.	Eighty percent of pension plan's total assets, provided for each percentage point of its assets invested in the common stock or long-term debt of a company in Guyana, the 80% minimum may be reduced by one percentage point, up to a maximum of a ten percentage-point reduction.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.

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Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.

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Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to authorized dealers	*08/31/2022*	All COVID-19 relief measures were permanently suspended. Previously, since June 23, 2020, the Bank temporarily waived the guidelines on the sale of foreign currency by money transfer agencies until further notice. The temporary waiver allowed for up to 50% rather than up to 25% to be sold to any one cambio.

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HAITI

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 8, 1953.
Article VIII	Yes.	Date of acceptance: December 22, 1953.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Haiti is the Haitian gourde.
Other legal tender	Yes.	The US dollar circulates freely and is generally accepted in Haiti. Several gold coins have been issued that are legal tender but do not circulate.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is floating. The Bank of the Republic of Haiti (BRH) intervenes in the foreign exchange market to avoid excessive volatility. The de facto exchange rate arrangement is classified as other managed. The BRH publishes information on foreign exchange interventions monthly on its website.

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Floating		
Free floating		
Official exchange rate	Yes.	The reference rate is officially used by banks to convert US dollar amounts to gourdes on their books and in their financial statements and other reports. The CB does this to prevent banks from using different rates for the same date. As a result, financial and nonfinancial institutions have used this rate for their exchange transactions. The reference rate is published daily on the BRH website.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		

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Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	Although base money is an indicative target for monetary policy, the CB looks at exchange rate movements (given the high pass-through to inflation), liquidity conditions, and growth.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The Haitian foreign exchange market is divided into a formal and an informal sector. According to an estimate by the CB, the global volume of transactions is divided up as follows: 60% is traded in the formal sector and 40% in the informal sector. Thus, the average rate used in the banking system and the average rate in the informal market are weighted by their sector weights to calculate the reference rate. ADs are allowed to determine freely their bid-ask spread and foreign exchange commissions with their customers.
Spot exchange market	Yes.	The BRH operates a US dollar clearinghouse mainly for checks drawn on local banks. Commercial banks quote buying and selling rates for certain other currencies based on the buying and selling rates of the US dollar for those currencies in exchange markets abroad. The market is dominated by banks, followed by money changers. According to the monetary authorities, all banks and certain nonbank financial institutions may conduct foreign exchange transactions. Foreign exchange bureaus must obtain licenses, following a process coordinated by the Ministry of Commerce and Industry (MCI), CB, and the Ministry of Economy and Finance. Authorized foreign exchange bureaus may conduct foreign exchange transactions directly with the CB. These bureaus may not hold accounts abroad and may not make foreign currency payments or transfers on behalf of their clients.
Operated by the central bank	Yes.	The CB buys and sells foreign exchange. Interventions are made in an effort to contain exchange rate fluctuations, to supply the market and build up reserves.
Foreign exchange standing facility	Yes.	
Allocation	No.	The CB does not allocate foreign exchange to finance-specific transactions. However, the CB pays oil bills on behalf of the MOF.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks trade among themselves on a small scale; the interbank market

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		is not well developed. The CB may intervene directly with banks. In case of sales or purchases of foreign currency, the CB does not intervene via market makers. The CB has issued licenses to eight commercial banks, all of which are active in the foreign exchange market. In case of sales of foreign currency, the CB proposes its own quotes, and there are limits on the bid-ask spreads. For procurement operations, however, the CB negotiates the quotes with banks.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	There are no limitations on the use of domestic currency in international payments for current or capital transactions; however, domestic currency has not yet been used for such purposes.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Transactions between residents may be settled in foreign currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Haiti is a member of CARICOM.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may hold and acquire gold coins in Haiti for numismatic

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		purposes.
On external trade	Yes.	The BRH has the exclusive right to purchase gold domestically and to export gold in the form of coins, mineral dust, or bars. Exports of gold require authorization from the MCI and the Ministry of Economy and Finance, as well as MCI endorsement, before customs clearance. However, commercial imports of articles containing small amounts of gold, such as gold watches, are freely permitted and do not require an import license or other authorization.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	These accounts may be credited with export proceeds, transfers from abroad received by money transfer operators, or receipts from maritime agencies and nongovernmental organizations. However, for any deposit of or above 1,100,000 gourdes or the equivalent in foreign currency, a certificate of origin of funds is required.
Held domestically	Yes.	Foreign currency accounts must be held in US dollars. Clients may hold various types of foreign currency accounts (for example, checking, savings, time deposit). Clients may make deposits and withdrawals, including through wire transfers. There are no restrictions on the transfer of balances abroad.
Approval required	No.	
Held abroad	Yes.	Any type of account (for example, checking, savings, time deposit) may be held abroad. There are no restrictions on the transfer of balances to the home country.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	An account in local currency can be converted to foreign currency deposit.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Licenses are only required for import of firearms, pharmaceutical and chemical products, petroleum products, alcoholic products, arms, and meat products. These are issued by the MCI. The approval of the MCI is required for the imports of ethanol. Imported goods are subject to verification of compliance with standards before shipment to Haiti.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The four standard tariff rates are 0%, 5%, 10%, and 15%. Some goods have special tariff rates gasoline, 57.8%, and cement, rice, sugar, dried onions, dried mushrooms, dried truffles, and vegetables with a dry hull, 3%. There is a domestic turnover tax on the c.i.f. value plus import duties. There are two specific rates: (1) G 0.82 a kilogram for grated, powdered, or melted cheese and (2) G 0.71 a kilogram for dried garlic. Imports, except inputs for certain export industries, are subject to a 5% verification fee: whisky (12%), beer (12%), wine (12%), cars of 2200 CC and more (10%), cigarettes and tobacco (12%), red sugar (0.075 gourdes/lbs), refined sugar (0.20 gourde/lbs), malt drinks (2 gourdes/the box), and milk-based drinks (5%). Haiti is a member of CARICOM. Articles 11, 25, 26, 27, and 28 of the 2022–2023 General Budget point out specific tariff rate for some goods.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	Yes.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	Yes.
Other	No.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	Effective October 3, 2022, there is no requirement to surrender to the CB. Previously, the CB required the surrender of 30% on all remittances paid cash by money transfers operators (MTOs).
Surrender to authorized dealers	Yes.	Banks and foreign exchange bureaus must receive, effective October 3, 2022 (with a grace period of 3 months), 70% of the remittances, and the rest of the ADs receive the remaining 30%. Previously, commercial banks had to receive 40%, other ADs 30%, and the CB 30%.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	No.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	

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Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on derivatives and other instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on credit operations	No.
Commercial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Financial credits	No.

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By residents to nonresidents	No.
To residents from nonresidents	No.
Guarantees, sureties, and financial backup facilities	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Controls on direct investment	No.
Outward direct investment	No.
Inward direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Purchase abroad by residents	No.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.
Controls on personal capital transactions	No.
Loans	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The moratorium and loan restructuring introduced in the context of COVID-19 on March 1, 2020, were further extended for a period of 6 months effective February 1, 2022, and in the context of socio-political unrest and the deteriorating security climate effective October 10, 2022 (Circular 115-2), effective April 3, 2023 (Circular 115-3), and effective October 25, 2023 (Circular 115-4). This measure does not include credit cards.
Borrowing abroad	No.	

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Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	Lending may not exceed 50% of liabilities in foreign exchange.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The required reserves are calculated based on demand deposits, time deposits, and foreign currency deposits and may be met with bank reserves denominated in domestic or foreign currency. The required reserves are not remunerated. The method of constitution of reserves on US dollar-denominated deposits is 87.5% in US dollar and 12.5% in gourde. The reserve requirement on US dollar deposits for commercial banks is, effective July 27, 2022, 53% (previously 51%) and 41.5% (previously 39.5%) for savings and housing banks. The reserve requirement on gourde-denominated deposits at commercial banks is 40%; it is 28.50% on deposits at savings and housing banks.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Lending may not exceed 50% of liabilities in foreign exchange.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	During examinations, the CB assesses the riskiness of investments made by banks abroad, but it does not need to approve such investments. Banks cannot use depositors' money to finance credit to people living abroad for their activities abroad.
In banks by nonresidents	No.	If the investment from any persons, resident or nonresident, is equal to or greater than 10% of total share capital of the bank, CB's approval is needed.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	An open foreign exchange position limit of 0.5% of capital and reserves applies.
On nonresident assets and liabilities	Yes.	An open foreign exchange position limit of 0.5% of capital and reserves applies.
Provisions specific to institutional investors	No.	
Insurance companies	No.	.
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Pension funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.

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Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to the central bank	*10/03/2022*	The requirement to surrender to the CB 30% of all remittances paid cash by money transfers operators was replaced by a requirement to surrender this portion to ADs.
Surrender to authorized dealers	*10/03/2022*	Banks and foreign exchange bureaus must receive 70% of the remittances, and the rest of the ADs receive the remaining 30%. There is a grace period of 3 months. Previously, commercial banks had to receive 40%, other ADs 30%, and the CB 30%.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	*02/01/2022*	The moratorium and loan restructuring introduced in the context of COVID-19 on March 1, 2020, were further extended.
	10/10/2022	The moratorium and loan restructuring introduced in the context of COVID-19 on March 1, 2020, were further extended for 6 months.
	04/03/2023	The moratorium and loan restructuring introduced in the context of COVID-19 on March 1, 2020, were further extended for 6 months.
	10/25/2023	The moratorium and loan restructuring introduced in the context of COVID-19 on March 1, 2020, were further extended for 6 months.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*07/27/2022*	The reserve requirement on US dollar deposits for commercial banks is 53% (previously 51%) and 41.5% (previously 39.5%) for savings and housing banks.

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HONDURAS

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: July 1, 1950.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the Fourth Reviews under the Stand-by Arrangement and the Arrangement under the Standby Credit Facility, Requests for Augmentation of Access, Extension and Rephasing of the Arrangements, and Waivers of Nonobservance of Performance Criteria with Honduras states that, as of August 30, 2021, Honduras maintained two MCPs. The MCPs relate to the use of the previous days' official exchange rates in certain foreign exchange transactions (which could differ by more than 2% from the official rate in force and the interbank rate on a given day), and the fact that there is no mechanism to prevent a spread of more than 2% between the official exchange rate and the exchange rates resulting from a CB foreign exchange auction. (Country Report No. 21/207)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Honduras is the Honduran lempira.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is a crawling band. The reference exchange rate (TCR) corresponds to the weighted average exchange rate of the current day's currency auction. It will be effective for the following business day or for non-business days between the auction day and the subsequent business day after the

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		auction. As of April 13, 2023, the foreign exchange auction was reactivated as a foreign exchange allocation mechanism. The prices of the offers for the purchase and sale of foreign currency presented in the Mercado Interbancario de Divisas (MID) must be comprised in an exchange band of 1% above and below the center of the exchange band, which is the average of the base price used in the last seven events of the MID weighted at 80% and the average of the weighted average exchange rate of the MID (TCPP MID) resulting from the last seven MID events, weighted at 20%, meaning that purchase requests from currencies whose prices are above the ceiling or below the band floor will not be accepted. The base price will be calculated every five MID events taking into consideration: (1) the differential between the domestic and external inflation rate; the external inflation rate is defined as the weighted average estimated inflation rates of Honduras's key trading partners; and domestic inflation will be measured with the CPI. The inflation differential will be determined by comparing the year-on-year change in the CPI recorded during the past month with external inflation weighted to reflect the external trade structure, to be subject to periodic review; (2) the nominal effective exchange rate index, that is, changes in the exchange rate of the key trading partners against the US dollar; and (3) international reserve coverage, number of months of imports covered by the official reserve assets of the Central Bank of Honduras (BCH). The base price will be calculated every five trading events carried out by the BCH, taking into consideration the variables: Internal and external inflation differential, nominal effective exchange rate index and international reserve coverage. It will be calculated every five trading events carried out by the BCH. The BCH publishes the results of the foreign exchange trading carried out on the MID on a daily basis at its website. Since February 2022, the exchange rate has stabilized within a 2% band against the US dollar. Accordingly, the de facto exchange arrangement was reclassified from crawling peg to stabilized, effective February 4, 2022.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	Effective April 13, 2023, the calculation of the TCR has been modified, so it corresponds to the weighted average exchange rate of the current day's currency auction. It will be effective for the following business day or for non-business days between the auction day and the subsequent business day after the auction. The purchase price of currencies will be the TCR of the day, while the selling price will be the TCR plus the corresponding exchange commission. Previously, effective March 7, 2022, the calculation of the TCR was modified, such that the result of the TCPP MID becomes the TCR of

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		the following day. The way of calculating the base price was maintained. Prior to that, the BCH through Agreement No. 06/2021 established that the TCR corresponds to the weighted average by price amounts that result from the event of the day in the MID and the TCR of the day of the currencies withheld by the exchange agents for the payment of their own expenses and direct sale to the clients of the private sector. The TCR applies to foreign currency purchase and sale operations carried out by foreign exchange agents authorized by the BCH, as well as those carried out by public sector institutions. The purchase and sale commissions will be those stipulated by the BCH Board of Directors.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is primarily an exchange rate anchor vis-à-vis the US dollar. The BCH uses an internationally accepted indicator to determine its adequate minimum reserve targets as part of its wider monetary programming framework.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		

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Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Effective August 1, 2022, authorized agents can determine foreign exchange commissions within the limits stipulated in Numeral 6.2 of Agreement No. 11/2022 of the BCH, which complements the Regulations for Trading in the Organized Foreign Currency Market: foreign exchange agents (1) will charge their private sector clients an exchange commission for the sale of foreign currency, which may not exceed 0.5% (previously 0.7%); (2) will charge an exchange fee of 0.3% for currencies sold in the MID; and (3) will not charge a commission for the purchase of foreign currency made from their private sector clients. Effective August 28, 2023, as stipulated in Section 4.2 of Agreement No. 10-2023 of the BCH, removed the 0.3% fee for currencies sold in the MID.
Spot exchange market	Yes.	Any individual or legal entity that is not a foreign exchange dealer may hold foreign exchange assets but may sell them only to the BCH or ADs. The BCH and ADs must buy foreign exchange at the TCR. The only institutions authorized to negotiate currencies as foreign exchange agents authorized by the BCH are banks in the financial system (15), savings and loan associations (none), and exchange bureaus (1); this number of exchange agents remains accurate. Under the law and regulations, exchange bureaus may purchase the foreign exchange received by the private sector from any source, except what by law or resolution of the BCH Board of Directors must be traded in the domestic financial system. Exchange bureaus may sell foreign exchange for outward payments. To that end, they may manage deposit accounts abroad with first-class institutions. The BCH may establish maximum and minimum limits on their foreign exchange holdings. There is also one state bank. Under the Regulations, all banks can trade foreign currencies, including state-owned banks, as long as they meet the operational requirements to act as an exchange

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		agent.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	Effective April 13, 2023, through Agreement No. 05-2023, the BCH reactivated the auction of foreign currency as a mechanism for allocating foreign currency. Only the BCH and the institutions authorized by its Board of Directors to act as foreign exchange agents may negotiate foreign currency. The BCH uses an exchange band of 1% above and below the center of the exchange band, which will be made up of the average of seven previous days of the 80% weighted Base Price + Average of seven previous days of the Weighted Average Exchange Rate of the Auction Currencies weighted by 20%; meaning that purchase requests from currencies whose prices are above the ceiling or below the band floor will not be accepted. The TCR corresponds to the weighted average exchange rate of the current day's currency auction. It will be effective for the following business day or for non-business days between the auction day and the subsequent business day after the auction. Both national and foreign individuals and legal entities, as well as residents in the country, can participate in the foreign exchange auction through a currency exchange agent. They are required to present: (1) national identification document for national individuals, (2) National Tax Registry for legal entities, and (3) a valid resident card for foreign participants. Clients of currency exchange agents operating with mixed resources, that is, public and private funds, are ineligible to participate in the currency auction and must submit their request to the BCH. Currency exchange agents may submit one bid in the currency auction to cover their own expenses up to US$1.50 million daily. This bid should be supported by duly justified documentation and submitted within the specified timeframe in the operational circular issued by the Management of the BCH. Private sector individuals and legal entities can only participate in the currency auction through currency exchange agents and can submit their bids for currency demand to the BCH. For individuals, the limit is up to US$100,000 and a maximum of three bids, which should not exceed the indicated demand to the BCH. For legal entities, the limit is up to US$1.2 million daily and a maximum of three bids, which should not exceed the indicated maximum limit. Previously, through Agreements No. 06-2021 and No. 07-2021, the BCH suspended currency auctions for the sale of currencies to individuals and legal entities.
Fixing	No.	
Interbank market	No.	Effective April 13, 2023, through Agreement No. 05-2023, the BCH reactivated the auction of foreign currency as a mechanism for allocating foreign currency instead of the Foreign Exchange Market (MID). Prior to that, the MID did not operate according to a system of dealers; the banks participated directly using a price for the offers to buy and sell foreign currency comprised in an exchange band of 1%

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above and below the center of the exchange bank, which was made up of the average of the base price used in the last seven events of the MID plus the average of the absolute variation of the current TCR of the day with respect to that of the previous business day of the seven previous business days. The TCPP of the bids registered in the MID was part of the calculations to determine the TCR, and the maximum commission charged for the purchase was, 0.3% of the price offered by the banks in the MID (0.3% for the selling bank). Only the BCH authorized exchange agents.
The exchange market operated directly between individuals and legal entities and the exchange agents; there were no intermediary companies between the participants, and the market maker role was not entirely identified, although some banks, because of their trading volume in the market, became highly prominent.
The purchase price of foreign currency was established by the TCR in force for the day and the sale price for the TCR of the day plus an exchange commission of up to 0.7%.

Effective March 7, 2022, the calculation of the center of the exchange band of the MID was modified, such that it is the average of the base price used in the last seven events of the MID weighted at 80% and the average of the TCPP MID resulting from the last seven MID events, weighted at 20%; the exchange rate band continues to be 1.0% above or below the center of the exchange rate band. Previously, as of December 15, 2021, the center of the exchange band of the MID was the average of the base price used in the last seven events of the MID weighted at 50% and the average of the TCPP MID resulting from the last seven MID events, weighted at 50%.

Effective March 7, 2022, the calculation of the TCR was modified, so that the result of the TCPP MID becomes the TCR of the following day. The exchange commissions charged in the MID and the calculation of the base price are maintained.

Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	There are no restrictions on the use of lempiras as a means of payment for current international or capital transactions.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	

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Use of foreign exchange among residents	Yes.	All payment obligations to be made in Honduras must be settled in lempiras, except payments that fall within the category of cross-border payments from or to Honduras because they relate to international transactions (Articles 3 and 4 of the Monetary Law). Remittances can be paid in US dollars, on behalf of the beneficiary in an authorized institution only by crediting a foreign currency deposit account (or in lempiras at the choice of those who receive the funds). If the remittances' original contract in the source country does not specify the currency in which the funds should be paid, they are paid out in the equivalent of the amount of the remittance sent multiplied by the TCR of the day the remittance is collected by the beneficiary; in cases where the contract stipulates the exchange rate, the remittance must be paid out in lempiras for the equivalent of the remittance sent multiplied by the TCR of the day the sender posted the remittance.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	The Reciprocal Clearing and Credit Agreement between Honduras and Costa Rica, El Salvador, and Guatemala was in effect until 1995.
Regional arrangements	Yes.	Honduras has signed the following treaties: (1) CAFTA–DR (Central America–Dominican Republic) Free Trade Agreement, (2) CACM, (3) CA–Mexico, CA3–Colombia, and CA–Panama, (4) FTA between the Republic of El Salvador, the Republic of Honduras, and the Taiwan Province of China, and (5) Central America–Chile. It has also signed an association agreement with the EU (CA–EU). The CA4 Treaty with Canada, the Costa Rica, El Salvador, Honduras, and Peru; the Central America–Korea; and the EFTA treaties are currently under negotiation. Import tariff quotas in metric tons for 2014 under the free trade treaty between Central America, the Dominican Republic, and the United States were as follows: pork, 3,350; powdered milk, 443; butter, 148; cheese, 606; granza rice, 106,200; yellow corn, 254,012; white corn, 26,680; milled rice, 11,900; ice cream, 141; other dairy products, 197; and chicken (thighs, legs), 3,206. There are also import quotas in other treaties, including for such products as beef, palm oil, stockings and socks, dog and cat food, textiles and garments, sugar, and cured ham.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	Individuals entering or leaving Honduras are required to declare under the anti-money-laundering law amounts exceeding US$10,000.

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On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	The Law on the Financial System states that banks may receive foreign currency deposits in the form of demand, savings, and fixed-term deposits and may contract foreign currency obligations with the BCH and other banks or institutions in the financial system of Honduras or abroad. To comply with the foreign currency reserve requirement, depository institutions must open special accounts at correspondent banks abroad and invest in high-liquidity foreign instruments. Insurance institutions may also maintain investments abroad.
Held domestically	Yes.	Residents may freely open foreign exchange accounts in local banks. Financial system institutions may accept funds in US dollars, euros, Swiss francs, Japanese yen, renminbi (yuan), pounds sterling, and Canadian dollars.
Approval required	No.	
Held abroad	Yes.	Banks may hold accounts with first-class banks abroad in US dollars, yen, euro, Swiss francs, sterling, yuan, and Canadian dollars. Foreign currency deposits may be made in banks or financial institutions domiciled in countries with sovereign credit ratings of Aa3, except in Central America, Dominican Republic, and Panama, in which deposits may not exceed 10% of the local bank's total exposure in foreign currency.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Banks may receive deposits in foreign exchange in the form of checking accounts, demand deposits, savings deposits, and time deposits in US dollars, yen, euro, Swiss francs, yuan, sterling, and Canadian dollars.
Approval required	No.	
Domestic currency accounts	No.	
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	Yes.	Tariff rate quotas in metric tons under the free trade treaty between the Central America, Dominican Republic, and the United States are as follows: pork, 3,650; powdered milk, 489; butter, 163; cheese, 668; granza rice, 1,09,800; yellow corn, 2,81,227; white corn, 28,060; milled rice, 13,175; ice cream, 163; other dairy products, 228; and chicken (thighs, legs), 8,810.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Tariff rates are 0% for capital goods and raw materials; 5%–10% for intermediate products; and 15% for finished goods, with some exceptions (for example, chicken meat, milk, rice, sugar, cigarettes, fertilizers, and medicines). The tariff rate on goods produced in the CACM area is 0%, with the exception of the products included in Annex A (sugar and coffee). Free zones for the processing of industrial and agricultural products benefit from tariff exemptions. The tourism industry also benefits from temporary tariff exemptions. Duties on most tariff lines corresponding to industrial and consumer goods were eliminated when the CAFTA–DR agreement came into force. Duties on other goods will be phased out over periods of up to 10 years, with the exception of products negotiated under tariff rate quotas. Some agricultural goods have longer tariff elimination periods or are subject to other provisions, including, in some cases, the application of tariff rate quotas.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	Yes.	Article 8 of the Law on Entry of Foreign Exchange Derived from Exports states that exporters are required to repatriate all of the foreign exchange generated by their exports and must comply with the time periods set out in Article 5, which vary between 20 and 85 business days. Exports of goods originating in free trade zones or EPZs, as well as low-volume exports and exports by offshore processing enterprises, are exempt.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Pursuant to the provisions of Articles 1, 8, and 10 of the Law on the Entry of Foreign Exchange derived from Exports, individuals and legal entities that export goods must declare to the BCH, before exportation for each export operation, the quality, value, and destination of the goods to be exported, as well as the probable date of exportation and the currency in which payment will be received. Under Resolution No. 406-7/94, the BCH board may allow exporters to retain up to 30% of their foreign exchange proceeds for priority purchases abroad of inputs, machinery, and parts used in production of their exports and to pay authorized external debt obligations. Exporters have the obligation to sell 100% of the foreign currency from exports to foreign exchange agents, except for those who have been authorized by the BCH Board of Directors up to 30% as priority foreign currency. Effective April 13, 2023, the Board of Directors of the BCH determined that foreign currency exchange agents must transfer 100% of foreign exchange income to the BCH no later than the following business day after the purchase, as stipulated in Agreement No. 05/2023, which contains the Regulations for Foreign Exchange Trading. Furthermore, in the supplementary regulations to the mentioned rules in Section 3, in accordance with Article 3, Sections 3.19, 10,12, and 13 of the regulations, it establishes that the Foreign Exchange Auction trading events will be conducted exclusively for the sale of US dollars and will be held on days designated by the BCH. Private sector individuals or legal entities can participate in the Foreign Exchange Auction solely through currency exchange agents for a minimum amount of US$10,000 and multiples of US$10.00. They can submit bids for currency demand to the BCH as follows: individuals up to US$100,000 and up to three bids, which must not exceed the maximum limit indicated; legal entities up to US$1.2 million and up to three bids, which must not exceed the maximum limit indicated. Previously, pursuant to Agreement No. 03/2021, this requirement had been eliminated. As established in Decree No. 278-2013, Article 28, states that the BCH will not process requests to purchase foreign exchange currency for exporters after they incur in a recurrence of non-repatriation of foreign Exchange currency.
Surrender to authorized dealers	Yes.	Under Article 5 of the Regulation of the Law on Foreign Exchange from Exports, deadlines ranging from 20 to 85 business days have been set for the surrender of foreign exchange, depending on the product.
Financing requirements	No.	
Documentation requirements	Yes.	

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Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Before submitting an export declaration, all exporters must have updated the form “Exporter Identification Data”; any individual or legal entity that is legally constituted may export goods.
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	No License is required. The exporter must request from the BCH the authorization for the export declarations required, as stipulated in the Law on the Entry of Foreign Exchange. Additionally, the exporter must repatriate the foreign Exchange resulting from their exports. To expedite authorization, the BCH participates in the Centro de Trámites de Exportación (Export Documentation Center—CENTREX). The BCH authorizes applicants to submit export declarations through the Electronic Foreign Trade System (SECEH).
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	There are no controls on these payments, but all buyers of foreign exchange are required to fill out a form under the anti-money-laundering law for amounts exceeding US$10,000. In addition, enterprises remitting cash to or from Honduras must register and report to the National Banking and Insurance Commission (CNBS) the amounts transferred. Remittances in cash to or from Honduras are limited to US$2,000 or its equivalent in other foreign currency or in lempiras. To define the scope of the Special Anti-Money-Laundering Law, covered entities (institutions supervised by the CNBS) must generate the corresponding records and reports in the following instances: (1) cash transactions in foreign currency performed by their clients in the amount of US$4,000 or equivalent in foreign currency; (2) cash transactions in national currency by their clients in the amount of L 2,00,000; (3) non-cash transactions with their clients in the amount of L 2,00,000 or equivalent in foreign currency; and (4) remittance transactions of US$2,000 in foreign currency or national currency; multiple cash transactions in legal tender or foreign currency made on behalf of a single individual or legal entity during one calendar month must be considered as a single transaction. Moreover, the maximum amount receivable from non-clients during one calendar month is US$4,000.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Effective April 13, 2023, both national and foreign individuals and legal entities, as well as residents in the country, can participate in the foreign exchange auction through a currency exchange agent. They are required to present: (1) national identification document for national individuals, (2) National Tax Registry for legal entities, and (3) a valid resident card for foreign participants. Clients of currency exchange agents operating with mixed resources, that is, public and private funds, are ineligible to participate in the currency auction and must submit their request to the BCH. Currency exchange agents may submit one bid in the currency auction to cover their own expenses up to US$1.509 million daily. This bid should be supported by duly justified documentation and submitted within the specified timeframe in the operational circular issued by the Management of the BCH. Private sector individuals and legal entities can only participate in the currency auction through currency exchange agents and can submit their bids for currency demand to the BCH. Previously, nonresidents could not participate in the BCH's foreign exchange auctions and could only buy foreign exchange directly from ADs, having a residence card issued by the Ministry of Governance and Justice.
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Through Agreement No. 05/2023, the BCH reactivated the auction of foreign currency as a mechanism for allocating foreign currency. Effective August 28, 2023, in accordance with the provisions of section 1.2 of Agreement No. 10/2023, exchange agents must transfer 100% of foreign exchange income to the BCH no later than the next business day of their purchase, at the time established in the operational circular issued by the BCH Management. Section 1.3 of the aforementioned agreement establishes that the amounts not transferred in accordance with Paragraph 1.2 must be sold to the BCH no later than the next business day of non-compliance with the TCR on the day of the purchase of foreign currency by the exchange agent and without the payment of the exchange commission. Previously, as of June 14, 2021, the requirement to deliver foreign currency to the BCH by foreign exchange agents had been eliminated (Agreement No. 7-2021). Before that, pursuant to Agreement No. 03/2021, Paragraph 1, Numerals 1.2 and 1.3, exchange agents that purchase foreign exchange from their private sector customers, including from capital transactions, must transfer 20% of it to the BCH no later than the business day following their purchase, and that 80% of the foreign currency purchased and not transferred to the BCH by foreign exchange agents must be used for (1) payment of their own expenses; (2) sales to private sector clients for amounts less than or equal to US$1,000,000; and (3) sale in the MID.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	Effective August 28, 2023, in accordance with the provisions of Section 1.2 of Agreement No. 10/2023, exchange agents must transfer 100% of foreign exchange income to the BCH no later than

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		the next business day of their purchase, at the time established in the operational circular issued by the BCH Management. The trading events in the foreign exchange sector are carried out on the days indicated by the BCH, the amount of which will be constituted by 80% of the foreign exchange agents' foreign exchange income. The Management of the BCH, in consultation with the Presidency, may increase the amount of foreign currency to be auctioned as required by exchange conditions. Participants in the foreign exchange auction must submit bids for a minimum amount of US$10,000.00, exchange agents may submit 1 offer to meet the demand of private sector clients requesting amounts less than US$10,00.00 up to an amount of US$2,000,000.00. Likewise, they can submit an offer to cover the payment of their own expenses up to US$1,500,000.00 daily. Individuals may demand up to US$100,000.00 daily and up to 3 offers that must not exceed the maximum limit indicated and legal entities up to US$1,200,000.00. Previously, as of June 14, 2021, the surrender requirement of foreign currency to the BCH by exchange agents had been eliminated, so that exchange agents will be able to retain the foreign currency purchased from their private sector clients, which can be used for the following purposes: (1) own expenditures, (2) daily sales to private sector clients for amounts less than or equal to US$1,500,000, and (3) sale in the MID, in the case of banks (subsequently, as of December 15, 2021, the exchange dealers were integrated to participate in the MID). The currencies not used in the previous concepts will form part of the currency holding, without exceeding the limit authorized by the Board of the BCH. When there are no trading events in the MID, banks may accumulate foreign exchange earnings in the amounts of currency holding, without being considered for the calculation thereof; currencies to be traded in the immediate aftermath of the MID. Before that, pursuant to Agreement No. 03/2021, Paragraph 1, Numerals 1.2 and 1.3, exchange agents that purchase foreign exchange from their private sector customers must transfer 20% of it to the BCH no later than the business day following their purchase, and that 80% of the foreign currency purchased and not transferred to the BCH by foreign exchange agents must be used for (1) payment of their own expenses; (2) sales to private sector clients for amounts less than or equal to US$1,000,000; and (3) sale in the MID.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Article 4 of the Investment Promotion and Protection Law affords foreign investors the same treatment as local investors and therefore guarantees free participation of foreign investment in the equity structure of companies, except in industries producing goods related to defense or hazardous substances.
Sale or issue locally by nonresidents	Yes.	Foreign issuers may issue public offerings of securities, provided such securities and their issuers are registered in Honduras in the Public Stock Market Registry (Registro Público del Mercado de Valores) and with the stock exchange. They must also be listed on the stock exchange of their country of origin, with which there must be reciprocity agreements signed either at the government level

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		and/or between supervisory entities (Article 8 of the Law on the Stock Market).
Purchase abroad by residents	Yes.	Insurance companies' investments abroad may not exceed 25% of total investment resources, except as provided for in Article 88 of the Law on Insurance and Reinsurance Institutions. Investments abroad by depository institutions pursuant to the Regulation on Management of Foreign Currency Deposit Accounts may be held only in (1) demand, overnight, and term deposits; CDs; bankers' acceptances; and other instruments issued by first-class banks or financial institutions abroad; (2) bills, notes, and bonds and other instruments issued and guaranteed by a government; (3) negotiable instruments of government agencies and other public entities or financial institutions guaranteed by governments or government institutions; (4) deposits, notes, and fixed-income bonds issued by supranational financial institutions; and (5) money market mutual funds (MFs), with a maturity not exceeding one year. The investments specified must meet BCH qualifications. Investments in the "other instruments" mentioned in Item (1) may not exceed 5% of the depository institution's total foreign currency deposits.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Resident and nonresident individuals and legal entities that submit their bids using the services of entities authorized to engage in brokerage activities related to government securities and that are registered in the Public Stock Exchange Registry and have signed a brokerage agreement with the BCH may participate as investors in the BCH's securities auctions (Article 11 of the Regulation on Negotiation of Government Securities).
Sale or issue locally by nonresidents	Yes.	Foreign public or private sector issuers may issue public offerings of securities, provided such securities and their issuers are registered in Honduras in the Public Stock Exchange Registry (Registro Público del Mercado de Valores) and with the stock exchange. They must also be listed on the stock exchange of their country of origin, with which there must be reciprocity agreements signed either at the government level and/or between supervisory entities. Securities firms are authorized to place in Honduras securities issued abroad (Articles 8 and 65 of the Law on the Stock Market).
Purchase abroad by residents	Yes.	According to the Regulation on Investments of Insurance Institutions, investments abroad may not together exceed 25% of investment resources, except as provided for in Article 88 of the Law on Insurance and Reinsurance Institutions. Investments abroad by depository institutions pursuant to the Regulation on Management of Foreign Currency Deposit Accounts may be held only in (1) demand, overnight, and term deposits; CDs; bankers' acceptances, and other instruments issued by first-class banks or financial institutions abroad; (2) bills, notes, and bonds and other instruments issued and guaranteed by a government; (3) negotiable instruments of government agencies and other public entities or financial institutions guaranteed by governments or government institutions; (4) deposits, notes, and fixed-income bonds issued by supranational financial institutions; and (5) money market MFs, with a maturity not exceeding one year. The investments specified must meet the BCH qualifications. Investments in the "other instruments" mentioned in Item (1) may not exceed 5% of the depository institution's total foreign currency deposits.
Sale or issue abroad by residents	No.	

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On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Resident and nonresident individuals and legal entities that submit their bids using the services of entities authorized to engage in brokerage activities related to government securities and that are registered in the Public Stock Exchange Registry and have signed a brokerage agreement with the BCH may participate as investors in the BCH's securities auctions (Article 11 of the Regulation on Negotiation of Government Securities).
Sale or issue locally by nonresidents	Yes.	Foreign public and private sector issuers may issue public offerings of securities, provided such securities and their issuers are registered in Honduras in the Public Stock Exchange Registry (Registro Público del Mercado de Valores) and with the stock exchange and are listed on the stock exchange of their country of origin, with which there must be reciprocity agreements signed either at the government level and/or between supervisory entities. Securities firms are authorized to place in Honduras securities issued abroad (Articles 8 and 65 of the Law on the Stock Market).
Purchase abroad by residents	Yes.	According to the Regulation on Investments of Insurance Institutions, total investments abroad may not exceed 25% of investment resources, except as provided for in Article 88 of the Law on Insurance and Reinsurance Institutions. To comply with the BCH's additional reserve requirements or to invest surplus resources of deposit accounts, depository institutions must open special accounts in, or conduct investments through, first-class banks abroad. Investments abroad by depository institutions pursuant to the Regulation on Management of Foreign Currency Deposit Accounts may be held only in (1) demand, overnight, and term deposits; CDs; bankers' acceptances; and other instruments issued by first-class banks or financial institutions abroad; (2) bills, notes, and bonds and other instruments issued and guaranteed by a government; (3) negotiable instruments of government agencies and other public entities or financial institutions guaranteed by governments or government institutions; (4) deposits, notes, and fixed-income bonds issued by supranational financial institutions; and (5) money market MFs, with a maturity not exceeding one year. The investments specified must meet the BCH qualifications. Investments in the "other instruments" mentioned in Item (1) may not exceed 5% of the depository institution's total foreign currency deposits.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Foreign MF companies and similar financial institutions must have permission to collect funds in Honduras for deposit or investment abroad.
Purchase abroad by residents	Yes.	According to the Regulation on Investments of Insurance Institutions, total investments abroad may not exceed 25% of investment resources, except as provided for in Article 88 of the Law on Insurance and Reinsurance Institutions. Investments abroad by depository institutions pursuant to the Regulation on Management of Foreign Currency Deposit Accounts may be held only in (1) demand, overnight, and term deposits; CDs; bankers' acceptances; and other instruments issued by first-class banks or financial institutions abroad; (2) bills, notes, and bonds and other instruments issued and guaranteed by a government; (3) negotiable instruments of government agencies and other public entities or financial institutions guaranteed by governments or government institutions;

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		(4) deposits, notes, and fixed-income bonds issued by supranational financial institutions; and (5) money market MFs, with a maturity not exceeding one year. The investments specified must meet the BCH qualifications. Investments in the "other instruments" mentioned in Item (1) may not exceed 5% of the depository institution's total foreign currency deposits.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	The Law on Strengthening Income, Social Equity, and Rationalization of Government Expenditure states that all public sector external debt must be approved by the National Congress of Honduras.
Financial credits	Yes.	
By residents to nonresidents	Yes.	According to the Investment Promotion and Protection Law, foreign investors are entitled to access financial system credit. Furthermore, under the Law on the Financial System, BCH authorization is required to grant loans to individuals or legal entities domiciled abroad, except in the case of loans to Honduran citizens for the purchase of land, construction, or the purchase or improvement of housing in Honduras.
To residents from nonresidents	Yes.	Article 46 of the Law on the Financial System states that financial institutions may contract loans or obligations with financial institutions abroad. In the Organic Budget Law, the public debt policy sets the overall external public debt levels and the minimum acceptable grant component of foreign loans contracted by the government. In addition, the Law for Strengthening Income, Social Equity, and Rationalization of Public Expenditure indicates that the contracting of each new external debt must be carried out when the conditions offered in the market define a minimum concessionality element of 35% in terms of present value. However, without prejudice to the provisions of the aforementioned law, in the General Budget of Income and Expenditures of the Republic for Fiscal Year 2021 and in the Law of Aid to the Productive Sector and Workers, Before the effects of the pandemic caused by the COVID-19, it is determined that external financing non-concessional debt may be contracted as long as the total foreign debt portfolio in force maintains a minimum weighted concessionality of 20%. The BCH Law establishes that when official or semi-official institutions plan to contract loans within Honduras or abroad, the MOF or the respective institutions will require a prior opinion from the Board of Directors.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	All financing by commercial banks for nonresidents, excluding loans

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		earmarked for investment in Honduras, requires BCH authorization.
To residents from nonresidents	Yes.	The Organic Budget Law establishes that the granting of endorsements, bonds, or guarantees will require in the first instance the authorization of the President of the Republic and subsequently the approval of the National Congress, which will proceed with respect to obligations contracted by the Public Sector Entities and their formalization will be competent the Secretary of State in the MOF.
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	According to the Law for the Promotion and Protection of Investment, it is of paramount interest to the government to attract, promote, and protect foreign investment, which should be granted every facility and guarantee to foster its growth and development. Investment is allowed in all sectors, except activities that affect public health, small-scale manufacturing, and trade, pursuant to Article 337 of the constitution; the manufacture, importation, distribution, and sale of arms, ammunition, and similar items, pursuant to Article 292 of the constitution; and in industries related to toxic, hazardous, or radioactive waste.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	The Law for the Promotion and Protection of Investment offers real property safeguards for investors: a surety or guarantee with respect to the deed, conflict prevention mechanisms, and arrangements for recovering investments under improvement and for continuation of projects underway on real property in dispute. Individuals and legal entities seeking to invest or that have invested in real estate may purchase sureties or guarantees to protect themselves from deed-related risk. The surety or guarantee must be issued by national or foreign professional legal entities in the field. Purchases of certain land are restricted under Article 107 of the constitution. Article 107 states that ownership of land pertaining to the government, cooperatives, communities, and private owners located within 40 kilometers of borders or both coastlines as well as islands, cays, reefs, crags, rocky outcrops, shallows, and sand banks is restricted to native Hondurans, corporations wholly owned by native Hondurans, and government institutions.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	The Anti-Money-Laundering Law requires financial system institutions and remittance companies to fill out a form for foreign currency cash transactions of US$10,000 or more. On April 1, 2017, to define the scope of the Special Anti-Money-Laundering Law, it

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		was established that covered entities (institutions supervised by the CNBS) must generate the corresponding records and reports in the following instances: cash transactions in foreign currency performed by their clients in the amount of US$4,000 or equivalent in foreign currency. Moreover, the maximum amount receivable from non-clients during one calendar month is US$4,000.
To residents from nonresidents	No.	The Anti-Money-Laundering Law requires financial system institutions and remittance companies to fill out a form for foreign currency cash transactions of US$10,000 or more. To define the scope of the Special Anti-Money-Laundering Law, it is established that covered entities (institutions supervised by the CNBS) must generate the corresponding records and reports in the following instances: cash transactions in foreign currency performed by their clients in the amount of US$4,000 or equivalent in foreign currency. Moreover, the maximum amount receivable from non-clients during one calendar month is US$4,000.
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	Resolution No. 361-9/2016 on money laundering sets US$2,000 or its equivalent in other foreign currencies or in lempiras as the amount above which companies remitting cash to or from Honduras must register and report to the CNBS.
Transfer into the country by immigrants	No.	Resolution No. 361-9/2016 on money laundering sets US$2,000 or its equivalent in other foreign currencies or in lempiras as the amount above which companies remitting cash to or from Honduras must register and report to the CNBS.
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The BCH board of directors determines the currencies (US dollars, yen, euros, Swiss francs, yuan, sterling, Canadian dollars) in which institutions in the domestic financial system may accept deposits from the public; the supranational institutions in which they may invest; and the minimum requirements for the first-class foreign financial instruments and institutions in which national institutions may invest their resources in foreign currency deposit accounts. The interest rate for permanent investment facilities is, as of August 28, 2023, the monetary policy rate minus 3.00 percentage points (previously 5.25 percentage points); the interest rate for permanent credit facilities is the monetary policy rate plus 1 percentage point (Resolution No. 337-8/2023).
Borrowing abroad	Yes.	Article 46 of the Law on the Financial System stipulates that financial institutions may contract loans and obligations with institutions in financial systems abroad.
Maintenance of accounts abroad	Yes.	The Regulation on management of foreign exchange deposit accounts stipulates that, to meet any additional reserve requirements that the BCH may establish, or to make investments with surplus resources from deposit accounts, depository institutions may open special accounts or make investments with first-tier foreign banks.
Lending to nonresidents (financial or commercial credits)	Yes.	BCH authorization is required for lending to individuals or legal entities domiciled abroad, except in the case of loans granted to Honduran citizens for the purchase of land, construction, and the purchase or improvement of housing in Honduras.
Lending locally in foreign exchange	Yes.	Prudential norms are applied by financial system institutions when lending in foreign currency. To that end, they classify borrowers in

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		the following categories: generators and nongenerators of foreign exchange. Institutions authorized to grant foreign currency loans must have policies and procedures in place for evaluating the credit and liquidity risk of borrowers classified in the aforementioned categories.
Purchase of locally issued securities denominated in foreign exchange	Yes.	The Regulation on Trading in Government Securities authorized the BCH to issue foreign-currency-denominated securities (foreign-currency-denominated paper), which may be purchased by financial system institutions.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	For authorized financial institutions, the reserve requirement, which must be held in demand deposits in the BCH, for foreign currency and mandatory investment of all their foreign currency liabilities is 12%. Resources that financial system institutions obtain through international loans or in the form of loans or deposits from other institutions subject to the reserve requirement are exempt from this requirement. Financial system institutions may also issue foreign currency treasury bills, which are subject to the reserve requirement. Institutions in the financial system may not offset deficits in their reserve requirements, as established by the BCH board of directors. Likewise, no offsetting is allowed in case of noncompliance with the mandatory investment requirement. Both the domestic and foreign currency reserve requirement is composed entirely of demand deposits at the BCH and must be maintained at a minimum daily amount equivalent to 80%.
Liquid asset requirements	Yes.	The additional reserve requirement for liquid investments in first-class foreign financial institutions is set at 0%. Similarly, domestic depository institutions that are Bladex shareholders may maintain investments there up to 5% of their total foreign currency investments.
Interest rate controls	No.	The interest rates applied by financial system institutions in their transactions are determined on the basis of prevailing market conditions. However, the BCH may regulate them if necessary. Mandatory foreign currency investments must be deposited in the BCH; the balances on these investment accounts are remunerated at the annual equivalent of the fortnightly (catorcenal) average of the one-month LIBID. In accordance with the Law on Credit Cards, credit card interest rates are established and regulated by the BCH, if there is no guarantee of free competition in the sector, on the basis of a report issued by the Commission for the Defense and Promotion of Competition.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Investments abroad by depository institutions pursuant to the Regulation on the management of deposit accounts in foreign exchange may only be held only in (1) demand, overnight, and term

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		deposits; CDs; bankers' acceptances; and other instruments issued by foreign first-tier foreign banks or financial institutions; (2) bills, notes, and bonds and other instruments issued and guaranteed by a government; (3) negotiable instruments of government agencies and other public entities or financial institutions guaranteed by governments or government institutions; (4) deposits, notes, and fixed-income bonds issued by supranational financial institutions; and (5) money market MFs, having maturities not exceeding one year. Specified investments must meet the requirements and exposure limits authorized by the BCH. Investments in the "other instruments" mentioned in Item (1) may not exceed 5% of the depository institution's total foreign currency deposits.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Financial system institutions are subject to an asymmetric open position limit. The net open foreign exchange position for banks is up to 5% of their own funds for the short position and up to 20% of their own funds for the long position.
On nonresident assets and liabilities	Yes.	Financial system institutions are subject to an asymmetric open position limit. The net open foreign exchange position for banks is up to 5% of their own funds for the short position and up to 20% of their own funds for the long position.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	The BCH board of directors regulates the types of investments for insurance companies, the limits for each issuer, and the classification of asset categories.
Limits (max.) on securities issued by nonresidents	Yes.	Investment in mutual or investment funds established outside Honduras and in mutual or investment funds constituted in Honduras, whose assets are invested in foreign securities and in financial instruments that meet the minimum qualification, may not in total exceed 15% of total investment resources. Reserves corresponding to contracts or policies issued in foreign currency may be invested in their entirety in foreign first-class financial institutions. Investments abroad may not in total exceed 25% of investment resources, except as provided for in Article 88 of the Law on Insurance and Reinsurance Institutions.
Limits (max.) on investment portfolio held abroad	Yes.	Investments held abroad may not in total exceed 25% of investment resources.
Limits (min.) on investment portfolio held locally	No.	Investments in domestic instruments are governed by Article 3 of the Regulation on Investments by Insurance Companies.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pursuant to Article 42(e) of Decree No. 17-2017, investments in securities issued by foreign enterprises, institutions, and governments are allowed up to 10% of the fund resources with the possibility of increasing up to an additional 10% with the prior approval of the CNBS. Regarding private Pension Funds, the Investment Regulation of Funds managed by Pension Fund Administrators establishes that the limit for investing in securities issued by foreign companies and institutions and governments is 35% of the own resources of the Administrator or the Managed Fund.
Limits (max.) on investment portfolio	Yes.	Pension funds may not invest more than 5% of their resources in

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held abroad		assets abroad, pursuant to the Regulation on the Investment of Government Pension Funds by Provident Institutions.
Limits (min.) on investment portfolio held locally	Yes.	Investments in instruments issued by domestic institutions are governed by the provisions of Articles 42 and 43 of Decree No. 17-2017 of the Regulation on the Investment of Government Pension Funds by Provident Institutions. As regards private Pension Funds, the Investment Regulations for Funds managed by the Pension Fund Administrators establish that the limit for investing in personal loans granted to members to finance the acquisition of consumer goods or the payment of services is up to 10% of the resources of the Managed Fund.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	There are no collective investment funds in Honduras. However, the Law on the Stock Market and the Regulation on Fund Management Companies regulate the functioning and operations of MFs, investment funds, and fund management companies.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	Article 128 of the Law on the Stock Market states that these investment funds may hold deposits in banks abroad as well as in self-issued instruments of such banks issued abroad, in keeping with the provisions established by the CNBS.
Limits (min.) on investment portfolio held locally	Yes.	Investment funds must hold at least 50% of their investments in securities guaranteed by the government, the BCH, or authorized financial system institutions and must not hold more than 15% of the subscribed and paid-up capital of any one company or more than 25% of the issued securities guaranteed by the same economic grouping (Article 106 of the Law on the Stock Market).
Currency-matching regulations on assets/liabilities composition	No.	The Law on the Stock Market and the Regulation on Fund Management Companies do not contain any articles on this issue.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market	n.r.

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instruments	
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.

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Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Stabilized arrangement	*02/04/2022*	Since February 2022, the exchange rate has stabilized within a 2% band against the US dollar. Accordingly, the de facto exchange arrangement was reclassified from crawling peg to stabilized.
Official exchange rate	*03/07/2022*	The Central Bank of Honduras modified the calculation of the reference exchange rate (TCR) such that the result of the weighted average exchange rate of Mercado Interbancario de Divisas (MID) is the TCR of the following day. The way of calculating the base price is maintained. Previously, the TCR was the weighted average by price amounts that result from the event of the day in the MID and the TCR of the day of the currencies withheld by the exchange agents for the payment of their own expenses and direct sale to the clients of the private sector.
	04/13/2023	The Central Bank of Honduras modified the calculation of the reference exchange rate (TCR), so it corresponds to the weighted average exchange rate of the current day's currency auction. It will be effective for the following business day or for non-business days between the auction day and the subsequent business day after the auction. The purchase price of currencies will be the TCR of the day, while the selling price will be the TCR plus the corresponding exchange commission. Previously, the result of the weighted average exchange rate of Mercado Interbancario de Divisas of a given day was the TCR of the following day.
Foreign exchange market	*08/01/2022*	The Central Bank of Honduras through Agreement No. 11/2022, Numeral 6.2 of July 28, 2022, established that foreign exchange agents may charge their private sector clients an exchange commission for the sale of foreign currency, which may not exceed 0.5% (previously 0.7%).
	08/28/2023	The Central Bank of Honduras through Agreement No. 10-2023, removed the 0.3% fee for currencies sold in the Mercado Interbancario de Divisas.

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Spot exchange market

Operated by the central bank

Auction	*04/13/2023*	The Central Bank of Honduras (BCH), through Agreement No. 05-2023, reactivated the auction of foreign currency as a mechanism for allocating foreign currency. Only the BCH and the institutions authorized by its Board of Directors to act as foreign exchange agents may negotiate foreign currency.
Interbank market	*03/07/2022*	The calculation of the reference exchange rate (TCR) was modified. Now, the result of the weighted average exchange rate of the Mercado Interbancario de Divisas (MID) becomes the TCR of the following day. The way of calculating the base price is maintained. Previously, the TCR was the weighted average by price amounts that result from the event of the day in the MID and the TCR of the day of the currencies withheld by the exchange agents for the payment of their own expenses and direct sale to the clients of the private sector.
	03/07/2022	The calculation of the center of the exchange band of the Mercado Interbancario de Divisas (MID) was modified, such that it is the average of the base price used in the last seven events of the MID weighted at 80% and the average of the weighted average exchange rate of the MID (TCPP MID) resulting from the last seven MID events, weighted at 20%. Previously, it was made up of the average of the base price used in the last seven events of the MID weighted at 50% and the average of the TCPP MID resulting from the last seven MID events, weighted at 50%. The exchange rate band continues to be 1.0% above or below the center of the exchange rate band.
	04/13/2023	The Central Bank of Honduras, through Agreement No. 05-2023, reactivated the auction of foreign currency as a mechanism for allocating foreign currency instead of the Foreign Exchange Market (Mercado Interbancario de Divisas).

Exports and Export Proceeds

Repatriation requirements

Surrender requirements

Surrender to the central bank	*04/13/2023*	The Board of Directors of the Central Bank of Honduras (BCH) determined that foreign currency exchange agents must transfer 100% of foreign exchange income to the BCH no later than the following business day after the purchase, as stipulated in Agreement No. 05/2023. Furthermore, it establishes that the Foreign Exchange Auction trading events will be conducted exclusively for the sale of US dollars and will be held on days designated by the BCH. Private sector individuals or legal entities can participate in the Foreign Exchange Auction solely through currency exchange agents for a minimum amount of US$10,000 and multiples of US$10.00. They can submit bids for currency demand to the BCH as follows: individuals up to US$100,000 and up to three bids, which must not exceed the maximum limit indicated; legal entities up to US$1.2 million and up to three (3) bids, which must not exceed the maximum limit indicated. Previously, pursuant to Agreement No. 03/2021, this requirement had been eliminated.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments

Quantitative limits	*04/13/2023*	Pursuant to Agreement No. 5-2023 and No. 6-2023 of the Central Bank of Honduras (BCH), both national and foreign individuals and

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legal entities, as well as residents in the country, can participate in the foreign exchange auction through a currency exchange agent. They are required to present: (1) national identification document for national individuals, (2) National Tax Registry for legal entities, and (3) a valid resident card for foreign participants.
Clients of currency exchange agents operating with mixed resources, that is, public and private funds, are ineligible to participate in the currency auction and must submit their request to the BCH.
Currency exchange agents may submit one bid in the currency auction to cover their own expenses up to US$1.59 million daily. This bid should be supported by duly justified documentation and submitted within the specified timeframe in the operational circular issued by the Management of the BCH. Private sector individuals and legal entities can only participate in the currency auction through currency exchange agents and can submit their bids for currency demand to the BCH. For individuals, the limit is up to US$100,000 and a maximum of three bids, which should not exceed the indicated demand to the BCH. For legal entities, the limit is up to US$1.2 million daily and a maximum of three bids, which should not exceed the indicated maximum limit.
Previously, nonresidents could not participate in the BCH's foreign exchange auctions and could only buy foreign exchange directly from ADs.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to the central bank	*08/28/2023*	Through Agreement No. 05/2023, the Central Bank of Honduras (BCH) reactivated the auction of foreign currency as a mechanism for allocating foreign currency. In accordance with the provisions of Section 1.2 of Agreement No. 10/2023, exchange agents must transfer 100% of foreign exchange income to the BCH no later than the next business day of their purchase, at the time established in the operational circular issued by the BCH Management. Section1.3 of the aforementioned agreement establishes that the amounts not transferred in accordance with Paragraph 1.2 must be sold to the BCH no later than the next business day of non-compliance with the reference exchange rate on the day of the purchase of foreign currency by the exchange agent and without the payment of the exchange commission.

Capital Transactions

Controls on capital transactions

Repatriation requirements

Surrender requirements

Surrender to the central bank	*08/28/2023*	In accordance with the provisions of section 1.2 of Agreement No. 10/2023, exchange agents must transfer 100% of foreign exchange income to the Central Bank of Honduras (BCH) no later than the next business day of their purchase, at the time established in the operational circular issued by the BCH Management. The trading events in the foreign exchange sector are carried out on the days indicated by the BCH, the amount of which will be constituted by 80% of the foreign exchange agents' foreign exchange income. The Management of the BCH, in consultation with the Presidency, may increase the amount of foreign currency to be auctioned as required by exchange conditions.

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Participants in the foreign exchange auction must submit bids for a minimum amount of US$10,000.00, exchange agents may submit 1 offer to meet the demand of private sector clients requesting amounts less than US$10,00.00 up to an amount of US$2,000,000.00.
Likewise, they can submit an offer to cover the payment of their own expenses up to US$1,500,000.00 daily.
Individuals may demand up to US$100,000.00 daily and up to 3 offers that must not exceed the maximum limit indicated and legal entities up to US$1,200,000.00.

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HONG KONG SAR

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		China resumed sovereignty over the Hong Kong Special Administrative Region (Hong Kong SAR) on July 1, 1997. Hong Kong SAR shares the same membership date as China, December 27, 1945.
Article VIII	Yes.	Hong Kong SAR shares the same Article VIII acceptance date as China, December 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	The Hong Kong SAR implements sanctions decided by the UNSC at the instruction of the Ministry of Foreign Affairs of the People's Republic of China, by way of regulations made under the UN Sanctions Ordinance. Such sanctions include financial sanctions against certain individuals and entities designated by the UNSC or its Committees.

Exchange Arrangement

Currency	Yes.	The currency of Hong Kong SAR is the Hong Kong dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The exchange rate arrangement is a currency board. The currency board system in Hong Kong SAR, adopted October 17, 1983, requires that the monetary base be backed at least 100% by, and that changes in it be matched 100% by corresponding changes in, the reserve currency (US dollar) at a fixed exchange rate of HK$7.80 a US dollar. A symmetric convertibility zone of HK$7.75–HK $7.85—within which the Hong Kong Monetary Authority (HKMA) may choose to conduct market operations consistent with currency board principles—has been in place since May 18, 2005. The monetary base includes issued notes and coins, sum of clearing account balances kept with the HKMA (that is, the aggregate balance) and outstanding Exchange Fund Bills and Notes. Consistent

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		with currency board principles, the HKMA may adjust the issuance sizes of Exchange Fund paper, and the program may expand along with the interest payments on such paper. The issuance and redemption of certificates of indebtedness, which back banknotes issued by note-issuing banks (NIBs), must be made against US dollars at a fixed exchange rate of HK$7.80 a US dollar. The issuance and withdrawal of government-issued notes and coins are settled against US dollars at the same fixed rate. The legal documents that establish the currency board include the Basic Law (Chapter V, Section 1, Articles 110 and 111); the Exchange Fund Ordinance (Chapter 66); and an exchange of letters between the Financial Secretary and the Monetary Authority specifying the monetary policy objective and the structure of the monetary system under the Exchange Fund Ordinance. The letters specify that the Financial Secretary is responsible for determining the monetary policy objective and the structure of the monetary system, including the linked exchange rate. Section 3(1) of the ordinance, as amended, specifies that the Exchange Fund "must be under the control of the Financial Secretary and must be used primarily for such purposes as the financial secretary thinks fit affecting, either directly or indirectly, the exchange value of the currency of Hong Kong SAR and for other purposes incidental thereto." The HKMA is responsible for achieving the monetary policy objective, including determining the strategy, instruments, and operational means for doing so, and for maintaining the stability and integrity of the monetary system. The HKMA makes prompt announcements of the impact on the aggregate balance arising from purchases or sales of US dollars by the currency board via various information vendors, including Reuters and Bloomberg. The information is also available on the HKMA website.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate is set at HK$7.80 a US dollar. The issuance and redemption of certificates of indebtedness, which back banknotes issued by NIBs, must be against US dollars at the official exchange rate of HK$7.80 a US dollar. The issuance and withdrawal of government-issued notes and coins are settled against US dollars at the same rate. In accordance with the accounting principles generally accepted in Hong Kong SAR, prevailing exchange rates on the balance sheet date are used for accounting and valuation purposes.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.

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Euro

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

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Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks are free to set their exchange rates, including bid-ask spreads, and commissions in transactions with their clients. Apart from commercial banks, money service operators (MSOs) (namely remittance agents and money changers) may also conduct foreign exchange transactions with the public.
Spot exchange market	Yes.	Authorized institutions (AIs) are not required to obtain a separate license to conduct foreign exchange transactions with the public. They may enter into foreign exchange transactions in the interbank market on their own account or on behalf of their clients. AIs, which maintain a Hong Kong dollar clearing account within the real-time gross settlement system, are eligible for transactions with the HKMA under the currency board arrangement. MSOs (formerly known as remittance agents and money changers) must obtain a license from the commissioner of customs and excise. As of December 31, 2022, there were 712 licensed MSOs in Hong Kong SAR. They are subject to regulatory requirements under the Anti-Money-Laundering and Counter-Terrorism Financing Ordinance.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The HKMA redeems certificates of indebtedness acquired by NIBs in compensation for banknotes on demand and at a fixed exchange rate of HK$7.80 a US dollar. The spot exchange rate has fluctuated within the convertibility zone of HK$7.75–HK$7.85 since May 18, 2005. The HKMA operates convertibility commitments on both the strong side and the weak side of the linked rate of HK$7.80. Under the strong-side convertibility commitment, the HKMA buys US dollars from licensed banks at HK$7.75; under the weak-side convertibility commitment, it sells US dollars at HK$7.85.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no official limits on the bid-ask spreads or commissions of market participants. No separate licenses are required for AIs to participate in the foreign exchange market. In addition to AIs, other financial institutions operating in Hong Kong SAR or overseas may participate in the interbank market. As of December 31, 2022, there were 182 AIs in Hong Kong SAR, comprising 155 licensed banks, 15 restricted license banks, and 12 deposit-taking companies. The HKMA may conduct discretionary foreign exchange operations consistent with currency board principles within the convertibility zone. These are normal foreign exchange transactions consistent with the currency board principles. The HKMA makes prompt announcements of the impact on the aggregate balance arising from these transactions via various information vendors, including Reuters and Bloomberg. The information is also available on the HKMA website. The interbank foreign exchange market operates on an OTC basis as

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		well as a brokerage system. The HKMA does not designate any market makers. Prices are determined by market dynamics.
Over the counter	Yes.	AIs enter into foreign exchange transactions in the interbank market by phone or some other electronic trading means. They deal with each other based on credit lines that these AIs extend among themselves. Such deals may be done on their own account or on behalf of their clients, such as major corporations, hedge funds, CBs, and high net worth individuals. There is no centralized system to regulate such trades.
Brokerage	Yes.	The brokerage systems in Hong Kong SAR operate on private sector initiatives. Deals are done via phone or electronic networks (such as Electronic Broking Services, Reuters Matching). Money brokers operating in Hong Kong SAR must acquire approval from the HKMA. As of December 31, 2022, there were 37 approved money brokers in Hong Kong SAR.
Market making	No.	
Forward exchange market	Yes.	The forward exchange markets operate on private sector initiatives, and the government has no official role. The HKMA does not intervene in the forward foreign exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.
Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.
Barter agreements and open accounts	No.
Administration of control	No.
Payments arrears	No.
Official	No.
Private	No.

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Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Because there is no exchange control in Hong Kong SAR, balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Balances may be transferred to Hong Kong SAR freely, subject to exchange controls in the relevant overseas jurisdiction.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.

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Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of certain articles are subject to licensing by various government agencies. Most licenses are required for reasons of public health, safety, environmental protection, or security or to fulfill Hong Kong SAR's international trade obligations. Articles subject to import licensing requirements include rice, rough diamonds, and strategic commodities, pesticides, pharmaceutical products and medicines, proprietary Chinese medicines and certain Chinese herbal medicines, and radioactive substances and irradiating apparatus.
Open general licenses	No.	
Licenses with quotas	Yes.	In compliance with the Montreal Protocol, imports of ozone-depleting substances are subject to licenses and quotas (for hydrochlorofluorocarbons only).
Other nontariff measures	No.	
Import taxes and/or tariffs	No.	Imports are free of duty, although an excise tax for revenue and health purposes is levied on imported and domestically produced cigarettes and other tobacco products, liquor, methyl alcohol, and hydrocarbon oils.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.

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Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports of certain articles are subject to licensing by various government agencies. Most licenses are required for reasons of public health, safety, environmental protection, or security or to fulfill Hong Kong SAR's international trade obligations. Articles subject to export licensing requirements include rice, rough diamonds, strategic commodities, and powdered formula (for infants and young children aged less than 36 months), pesticides, pharmaceutical products and medicines, and proprietary Chinese medicines and certain Chinese herbal medicines.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	There are no exchange controls on capital receipts or payments by residents or nonresidents. A license or authorization is required for companies, whether incorporated in Hong Kong SAR or elsewhere, to conduct banking, insurance, securities, and futures dealings. All non-Hong Kong companies with a place of business in Hong Kong SAR are required to register with the Companies Registry within one month of establishing a place of business in Hong Kong SAR.
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	Hong Kong Exchanges and Clearing Ltd., which oversees the Stock Exchange of Hong Kong, the Hong Kong Futures Exchange, and its associated clearinghouses, imposes disclosure and position limits on derivatives products for risk management reasons. The disclosure and position limits are also stipulated in the subsidiary legislation. The position limits for Hang Seng Index and Hang Seng China Enterprises Index futures and options contracts are determined at a combined delta limit of 10,000 and 12,000 contracts, respectively. Market participants may apply for an excess position limit for Hang Seng Index and Hang Seng China Enterprises Index futures and options contracts. The excess limit was increased to 300%, bringing more flexibility into the existing position limit regime by enabling the Securities and Futures Commission to authorize exchange participants or their affiliates, as well as asset managers to exceed the statutory position limits for Hang Seng Index and Hang Seng China Enterprises Index futures and options contracts to meet their specific business needs as set out in the subsidiary legislation.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	In general, there are no special legal, regulatory, or administrative guidelines governing foreign investment in Hong Kong SAR, except for very limited regulatory requirements concerning investment in broadcasting, for which the requirements are at par with international standards. The foreign control restriction regime does not impose ownership control per se but restricts persons and companies from exercising control of licensed broadcasters on the basis of residency requirement.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Unless otherwise specified in the Stamp Duty Ordinance (Cap 117), residential properties acquired on or after October 27, 2012, by any person except a Hong Kong Permanent Resident (HKPR) acting on his or her own behalf are subject to Buyer's Stamp Duty at a flat rate of 15%. Unless otherwise specified in the Stamp Duty Ordinance, residential properties acquired from February 23, 2013, to November 4, 2016, are subject to Doubled Ad Valorem Stamp Duty (that is, ad valorem stamp duty at the then Scale 1 (which was later rearranged as Part 2 of Scale 1 following the introduction of New Residential Stamp Duty) of the First Schedule to the Stamp Duty Ordinance), except for those residential properties acquired by a HKPR acting on his or her own behalf and does not own any other residential property in Hong Kong SAR at the time of acquisition. For the latter scenario, ad valorem stamp duty at Scale 2 of the First Schedule to the Stamp Duty Ordinance (that is, the original stamp duty rate before the introduction of Doubled Ad Valorem Stamp Duty) will apply. Unless otherwise specified in the Stamp Duty Ordinance, residential properties acquired on or after November 5, 2016, are subject to the New Residential Stamp Duty at a flat rate of 15%, except for those residential properties acquired by a HKPR acting on his or her own behalf and does not own any other residential property in Hong Kong SAR at the time of acquisition. For the latter scenario, ad valorem stamp duty at Scale 2 of the First Schedule to the Stamp Duty Ordinance will continue to apply.

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		Since November 26, 2020, the government introduced amendments to the Stamp Duty Ordinance to abolish the Doubled Ad Valorem Stamp Duty on non-residential property transactions. Unless provided otherwise, any instrument executed on or after November 26, 2020, for the sale and purchase or transfer of non-residential property will be subject to ad valorem stamp duty at the rates under Scale 2 of the First Schedule to the Stamp Duty Ordinance. Non-HKPRs may continue to purchase residential properties in Hong Kong SAR without restriction on payment of the Buyer's Stamp Duty and the New Residential Stamp Duty. Effective October 19, 2022, to attract talent from around the world to stay in Hong Kong for long-term development, the Government has introduced a refund mechanism under the Buyer's Stamp Duty and the New Residential Stamp Duty for non-HKPRs who have entered Hong Kong under designated talent admission schemes, acquired a residential property in Hong Kong on or after October 19, 2022, and subsequently become HKPR. The refund mechanism brings the overall stamp duty charged on eligible incoming talents on par with that charged on first-time home buyers who are HKPRs, hence reducing the cost of home purchase for those incoming talents who are able and wish to buy residential properties in Hong Kong.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The limits and restrictions stated below are set by the HKMA for prudential reasons only.
Borrowing abroad	No.	
Maintenance of accounts abroad	Yes.	The HKMA may prohibit AIs from maintaining accounts (including for the purpose of granting loans and credits) with foreign banks if transactions conducted through these accounts are not made in the interest of the depositors of these institutions.

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		This restriction is only intended to be applied under an extreme situation and is not a general restriction.
Lending to nonresidents (financial or commercial credits)	Yes.	AIs incorporated in Hong Kong SAR may extend loans and credit facilities to a single customer group up to 25% of their Tier 1 capital. This limit also governs other financial exposures, including securities issued by the company. This is a general large exposure limit which is not designed as a special restriction for nonresidents.
Lending locally in foreign exchange	Yes.	AIs incorporated in Hong Kong SAR may extend loans and other credit facilities to a single customer group (irrespective of the currency) up to 25% of their Tier 1 capital. This limit also governs other financial exposures, including securities issued by the company. This is a general large exposure limit which is not designed as a special restriction on lending locally in foreign exchange.
Purchase of locally issued securities denominated in foreign exchange	Yes.	AIs incorporated in Hong Kong SAR may hold the securities of one company up to 25% of their Tier 1 capital. This limit also governs other financial exposures, including loans and other credit facilities extended to the company, irrespective of the currency. This is a general large exposure limit which is not designed as a special restriction on purchase of locally issued securities denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	No distinction is made between local and overseas investments.
Abroad by banks	Yes.	AIs incorporated in Hong Kong SAR must not (1) establish or acquire an overseas banking subsidiary without the HKMA approval; (2) acquire share capital in a company worth more than 5% of the Tier 1 capital of the institution (whether by one acquisition or a series of acquisition) without the HKMA's prior consent; (3) incur equity exposures in aggregate more than 25% of the Tier 1 capital of the institution (this restriction does not apply if the equity exposure (a) is held as security for facilities granted; (b) was acquired through an underwriting or a sub-underwriting contract for a period not exceeding seven working days; or (c) was acquired through debt satisfaction, in which case the share capital must be disposed of as soon as possible but no later than 18 months after its acquisition); or

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		(4) purchase or hold an interest in foreign or domestic land of an aggregate value exceeding 50% of the adjusted Tier 1 capital of the institution and purchase or hold interest in foreign or domestic land, other than for self-use, of an aggregate value exceeding 25% of the Tier 1 capital of the institution (these restrictions do not apply to (a) interest in land that was mortgaged to the institution to secure a debt or (b) interest in land acquired by the institution in the course of satisfaction of debts due to it, provided the interest is disposed of as soon as possible, but no later than 18 months after acquisition).
In banks by nonresidents	Yes.	No person may become a majority shareholder controller, minority shareholder controller, or indirect controller of an AI incorporated in Hong Kong SAR without the HKMA approval. Any person who becomes such a controller must notify the HKMA within 14 days. Note-issuing activity is subject to review, and the license may be withdrawn if a foreign government or foreign-government-controlled entity holds 20% or more of the shares in a bank. This requirement is intended to prevent close association between NIBs and foreign sovereign controllers, which is a unique concern, because in Hong Kong SAR notes are issued by commercial banks rather than the CB. In most other countries, foreign investment is not allowed in this activity because the issuance of banknotes is the responsibility of the monetary authority. This condition affects only the issuance of notes and does not affect banks' other activities.
Open foreign exchange position limits	No.	AIs are expected to set internal limits on their open position in each foreign currency and their aggregate open position in all foreign currencies. No regulatory foreign exchange position limits have been set by the HKMA. However, the HKMA will review AIs' internal limits as part of its ongoing supervision. Locally incorporated AIs must provide justification to the HKMA if their aggregate open foreign exchange position limits are very large (for example, higher than 25% of their capital base). Foreign exchange limits of foreign banks' branches in Hong Kong SAR are monitored by their head offices centrally and home supervisory authorities centrally. However, a foreign bank's branches in Hong Kong SAR may be required to demonstrate the effectiveness of its risk management systems if its aggregate open foreign exchange position limit is higher than 5% of the bank's capital base. All AIs are required to report their foreign exchange positions as well as any breach of relevant internal limits to the HKMA on a monthly basis. The above benchmark thresholds are intended to facilitate the HKMA supervisory monitoring of AIs' foreign exchange risk and are not a general restriction.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	There is no minimum amount that insurers must hold in investments in locally issued securities. However, insurers carrying out general (or non-life) insurance business locally, other than as professional reinsurers or captive insurers, are required to maintain assets in Hong

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		Kong SAR to match their liabilities from such insurance business. The eligible assets are not limited to local securities and may be in the form of cash, bank deposits, or landed properties.
Currency-matching regulations on assets/liabilities composition	Yes.	Insurers carrying on long-term business (life insurers) are required to have their assets matched with the insurance liabilities as regards currency. Where there is currency mismatch in the assets and liabilities, life insurers are required to set aside prudent provision against the effects of changes in exchange rates on the adequacy of assets. Furthermore, under the Risk-based Capital Regime set to be implemented in 2024, insurers (both life insurers and general business insurers) with currency mismatch are subject to capital requirements in currency risk module.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	For Mandatory Provident Fund (MPF) plans, at least 30% of the assets of a constituent fund must be held in Hong-Kong-dollar-denominated currency investments, as measured by effective currency exposure.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.

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For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Hong Kong regulates virtual assets that are classified as "security tokens" under the Securities and Futures Ordinance ("SFO") while regulating the virtual asset activity of operating a centralized virtual asset trading platform under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance. Virtual asset activities conducted by SFC-licensed or registered intermediaries (for example, virtual asset fund management, virtual asset dealing and advisory services, and distribution of virtual asset related products) are regulated under the SFO irrespective of whether the virtual asset is a "security token" or not. Effective June 1, 2023, subject to the applicability of the transitional arrangement, centralized virtual asset trading platforms operating in Hong Kong or actively marketing their services in Hong Kong have to be licensed by the SFC. The SFC has in place holistic and comprehensive frameworks for regulating virtual asset activities from an investor protection perspective and not just from a payments or AML perspective covering key investor protection concerns (such as safe custody of assets, segregation of client assets, avoidance of conflicts of interest, market manipulation surveillance, cybersecurity standards and requirements, accounting and auditing, and risk management requirements).
Acquisition by residents	Yes.	The SFC has imposed token admission requirements on SFC-licensed virtual asset trading platforms. There are additional requirements on the types of virtual assets which could be made available to retail Hong Kong investors by SFC-licensed virtual asset trading platforms.

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Use among residents	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets are required to comply with the Travel Rule.
Between residents and nonresidents	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets are required to comply with the Travel Rule.
For current transaction	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets are required to comply with the Travel Rule.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets are required to comply with the Travel Rule.
Transactions in derivatives and other instruments	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets are required to comply with the Travel Rule.
Credit operations	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets are required to comply with the Travel Rule.
Controls on utility and security tokens	Yes.	Hong Kong regulates security tokens under the SFO.
Acquisition by residents	Yes.	Security tokens cannot be offered to retail investors in breach of the prospectus regime under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) and the offers of investments regime under Part IV of the SFO.
Use among residents	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets, which are not security tokens, are required to comply with the Travel Rule.
Between residents and nonresidents	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets, which are not security tokens, are required to comply with the Travel Rule.
For current transaction	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets, which are not security tokens, are required to comply with the Travel Rule.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets, which are not security tokens, are required to comply with the Travel Rule.
Transactions in derivatives and other instruments	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets, which are not security tokens, are required to comply with the Travel Rule.
Credit operations	Yes.	Financial institutions (including licensed virtual asset trading platforms) that participate in the transfer of virtual assets, which are not security tokens, are required to comply with the Travel Rule.
Controls on stablecoins	n.r.	The HKMA will adopt a risk-based approach in scoping in stablecoin structures for regulation under the proposed regime. As a priority, the HKMA will start with regulating stablecoins that purport to reference to one or more fiat currencies, given the higher and more imminent monetary and financial stability risks that they may pose. Flexibility will be built in to enable the authority to scope in other stablecoin structure(s) for regulation under the proposed regime in the future. Key activities to be regulated under the proposed regime include: (i) governance; (ii) issuance; and (iii) stabilization of in-scope stablecoins. Other stablecoin-related activities may not be captured in the proposed regulatory scope in the initial stage.

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Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Controls on virtual asset trading platforms include: A platform operator should only hold client assets on trust for its clients through its associated entity (that is, a wholly owned subsidiary of the platform operator). The associated entity should not conduct any business other than that of receiving or holding client assets on behalf of the platform operator; A platform operator should have in place a compensation arrangement approved by the SFC to cover potential loss of 50% of client virtual assets in cold storage and 100% of client virtual assets in hot and other storages held by its associated entity; A platform operator should not conduct any offering, trading, or dealing activities in virtual asset futures contracts or related derivatives; A platform operator should not engage in proprietary trading or market-making activities on a proprietary basis; A platform operator and its associated entity should not deposit, transfer, lend, pledge, repledge, or otherwise deal with or create any encumbrance over the virtual assets of a client; and A platform operator should not provide any financial accommodation for its clients to acquire virtual assets.
Access to crypto exchange/trading platform by residents	Yes.	Regulatory requirements imposed on SFC-licensed virtual asset trading platforms include, among other requirements, know-your-client (KYC) and AML/CFT. SFC-licensed virtual asset trading platforms are required to implement measures to prevent persons from jurisdictions which have been banned trading in virtual assets from accessing its services. Except for institutional and qualified corporate professional investors, virtual asset trading platforms should assess the knowledge of the investors in virtual assets before opening an account with them. There are also requirements on assessment of client's risk tolerance level and client's exposure limits. Offense for overseas VA trading platforms to market services to Hong Kong investors effective June 1, 2023.

Changes during 2022 and 2023

Capital Transactions

Controls on capital transactions

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Controls on real estate transactions		
Purchase locally by nonresidents	*10/19/2022*	To attract talent from around the world to stay in Hong Kong for long-term development, the Government has introduced a refund mechanism under the Buyer's Stamp Duty and the New Residential Stamp Duty for non-Hong Kong Permanent Residents (HKPRs) who have entered Hong Kong under designated talent admission schemes, acquired a residential property in Hong Kong on or after October 19, 2022, and subsequently become HKPR. The refund mechanism brings the overall stamp duty charged on eligible incoming talents on par with that charged on first-time home buyers who are HKPRs, hence reducing the cost of home purchase for those incoming talents who are able and wish to buy residential properties in Hong Kong.

Digital Currencies and Crypto Assets

Crypto assets		
Controls on unbacked tokens	*06/01/2023*	Subject to the applicability of the transitional arrangement, centralized virtual asset trading platforms operating in Hong Kong or actively marketing their services in Hong Kong have to be licensed by the Securities and Finance Commission.
Controls on crypto exchanges and trading platforms		
Access to crypto exchange/trading platform by residents	*06/01/2023*	Except for institutional and qualified corporate professional investors, virtual asset trading platforms should assess the knowledge of the investors in virtual assets before opening an account with them. There are also requirements on assessment of client's risk tolerance level and client's exposure limits. Offense for overseas VA trading platforms to market services to Hong Kong investors

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HUNGARY

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		May 6, 1982.
Article VIII	Yes.	Date of acceptance: January 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Hungary maintains certain exchange restrictions related to the freezing of funds and economic resources of the following: (1) certain officials of Belarus; (2) certain individuals and entities in the Democratic Republic of the Congo; (3) certain individuals and entities in Lebanon, Myanmar, Sudan, and Syria; (4) certain individuals and entities in the Islamic Republic of Iran and Libya; (5) certain individuals, entities, and bodies in view of the situation in Ukraine; and (6) certain individuals undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine.
Other security restrictions	Yes.	Within the framework of the Common Foreign and Security Policy (CFSP), the EU applies restrictive measures either autonomously or implementing binding resolutions of the UNSC with regard to the Treaty on EU (in particular, Article 29) and the Treaty on the Functioning of the EU (in particular, Article 75 or 215). Restrictive measures imposed by the EU may target governments of third countries, entities, and individuals. They may comprise specific or general trade restrictions (import and export bans), financial restrictions, restrictions on admission (visa or travel bans), and other measures. EU Council regulations imposing sanctions and related Council decisions and Commission regulations are part of the EU law and take precedence over conflicting legislation of Hungary as a member of the EU. Such regulations are directly applicable and have direct effect in all member states. Restrictive measures are in place in accordance with EU regulations with respect to Afghanistan, Belarus, Bosnia and Herzegovina, Burundi, Central African Republic, the Democratic Republic of the Congo, Guinea (Conakry), Guinea-Bissau, Haiti, the Islamic Republic of Iran, Iraq, Lebanon, the Democratic People's Republic of Korea, Libya, Mali, Myanmar/Burma, Moldova, Nicaragua, Serbia, Somalia, Sudan, South Sudan, Syria, groups associated with terrorism (Al-Qaida, Taliban, ISIL), Tunisia, Turkey, Ukraine/Russia (concerning restrictive measures following Russia's actions destabilizing the situation in Ukraine), Ukraine (concerning restrictive measures in respect of actions undermining the territorial integrity and independence of Ukraine, as well as the misappropriation of state funds), Yemen, Venezuela, and Zimbabwe. An EU sanctions regime against cyber-attacks, against chemical weapons, and on human rights violations has been implemented. According to Act No. LII of 2017 on the implementation of financial and asset-related restrictive measures ordered by the EU and the

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UNSC, the Hungarian authorities implement directly, completely, and without delay the UNSC Resolution decisions about targeted financial sanctions. The method does not require the transposition of UNSC Resolution decisions at the EU level; at the same time, it includes the implementing rules for the relevant EU regulations as well,

Export, trade, and entry restrictions are implemented on the basis of the following acts:

Act No. LII of 2017 on the implementation of financial and asset-related restrictive measures ordered by the EU and the UNSC:
Covers freezing of assets and the prohibition to make funds available.
Act No. LIII of 2017 on preventing and combating money laundering and terrorism financing:
Regulates competences of supervising authorities in case of financial restrictions.
Government Decree No. 13/2011 (II.22.) on the foreign trade authorization of dual-use items:
Covers the procedure for authorization of dual-use items.
Government Decree No. 52/2012 (III.28.) on the cross-border sale of certain goods, services, and rights of a financial value:
Covers the procedure for authorization in the case of trade restrictions and certain financial restrictions.
Act No. II of 2007. on the residence and entry of third-country nationals:
Contains the conditions of entry and travel of third-country nationals.
Government Decree No. 365/2016 (XI. 29.) on the designation of the Government Office of the Capital City Budapest as an authority acting in certain industrial and commercial affairs, as well as regional metrology authorities and technical safety authorities:
Covers the competences of the government office.

Act No. CLII of 2017 on the implementation of Union customs legislation covers the customs procedure.

Exchange Arrangement

Currency	Yes.	The currency of Hungary is the Hungarian forint.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The de facto exchange rate arrangement is classified as floating because of discretionary intervention by the Magyar Nemzeti Bank (MNB) in the foreign exchange market. The general aim is to avoid disruptive market fluctuations and exchange rate overshooting. However, the MNB emphasizes that the Bank generally refrains from intervening in the foreign exchange market. The MNB converts foreign currency for the government and net current and capital transfers from the EU at market rates. These transactions change the foreign exchange reserve position of the MNB. If the resulting reserve dynamics are not in line with the MNB's reserve management objectives, the Bank will take the necessary measures. The MNB does not publish intervention data.
Free floating		
Official exchange rate	Yes.	In some cases, the law (for example, Accountancy Act, Act on the Implementation of Community Customs Law) requires or allows companies to use the official exchange rate when evaluating assets/liabilities or revenues/expenditures or transferring funds denominated in foreign currency. Official MNB foreign exchange rates are fixed each weekday, except national holidays. These rates are valid until publication of the next day's rates and are fixed at 11:00 a.m. The official euro–forint fixing rate is the simple arithmetic average of the euro–forint quotes of the 10 most active domestic banks in the forint foreign exchange market, after the two highest and two lowest quotes are eliminated. The US dollar–forint fixing rate is calculated using the euro–forint fixing rate and the euro–US dollar market rate at 11:00 a.m. The forint exchange rates against other currencies are derived from the US dollar–forint fixing and the foreign exchange cross-rates at 11:00 a.m.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The MNB began implementing an inflation-targeting framework in the summer of 2001.
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee	Yes.	The Monetary Council adopts its resolutions by a simple majority of the votes of the members present. In the event of a tied vote, the

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		chairman of the Monetary Council, or in the absence of the chairman the deputy chairman must have the casting vote. Operational independence is ensured regarding decisions on the inflation target.
Central Bank Board		
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The current medium-term target for inflation is 3% increase (±1 percentage point (pp)) in consumer prices as measured by the CPI regularly published by the Hungarian Central Statistical Office. The tolerance band was introduced in 2015.
Band/Range		
Target measure	Yes.	In August 2005, the Bank adopted an explicit medium-term ("continuous") inflation target for the period starting in 2007, after year-end targets between 2001 and 2006. The time horizon relevant for the Monetary Council is 1.5–2 years.
CPI	Yes.	The CPI is the measure of the price changes of goods and services intended for household consumption and is calculated on the basis of the same month of the previous year. It is published monthly by the Hungarian Central Statistical Office. Core inflation is used by the MNB to identify the medium-term inflation developments. It is, however, not directly part of the inflation targeting policy; therefore, there is no declared target or tolerance band for this measure. Core inflation measures the price development of the more persistent product groups and it is computed from the original CPI by excluding unprocessed food, alcohol and tobacco, energy products and the products and services with regulated price. Conversely, core inflation includes processed food, non-energy industrial goods and market services.
Core inflation		
Target horizon	Yes.	The time horizon relevant for the Monetary Council is 5–8 quarters ahead.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The MNB's base rate (rate on the interest-bearing part of the reserve account) is the policy rate. Effective October 1, 2023, the MNB remunerates balances in excess of required reserves on reserve accounts (excess reserves) at the base rate.
Target corridor band	Yes.	Effective September 27, 2023, according to the Council's decision in September 2023, the interest rate corridor became symmetric, with a band of +/− 100 basis points around the base rate (the interest rate paid on overnight deposits equals the base rate minus 100 basis points, and the interest to be paid on overnight collateralized loans equals the base rate plus 100 basis points). Previously, MNB maintained asymmetric overnight interest rate corridor to prevent extreme fluctuations in interbank rates, the interest rate paid on overnight CB deposits equals the base rate minus 50 basis points, and the interest to be paid on overnight collateralized loans equals the base rate (plus 250 basis points).
Other	Yes.	In September 2022, the Monetary Council indicated that monetary

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		tightening would continue by reducing interbank liquidity. Effective October 1, 2022, the CB enhanced the disinflationary impact of interest rate increases through three measures: raising the required reserve ratio, holding CB discount bill auctions and launching a longer-term deposit instrument. At its meeting in January 2023, the Council decided to raise further the required reserve ratio to 10%, effective April 1, 2023. By raising the reserve requirement ratio and restructuring interest rates, the Monetary Council has tightened further the impact of the required reserves on liquidity. Effective October 1, 2023, the reserve account is available to banks without an upper limit and the Bank remunerates the part bearing interest at the base rate. The Bank announces its longer-term instruments to absorb interbank forint liquidity, that is, the long-term deposit facility and the CB discount bill, at the base rate. Effective October 14, 2022, in response to the sharp deterioration in financial and capital markets sentiment, the MNB responded with a set of targeted measures to preserve financial stability. The use of the overnight deposit quick tender with an interest rate of 18% and the one-day foreign exchange-swap instrument on a daily basis, coupled with an increase of 950 basis points in the interest rate corridor's upper bound, effectively increased short-term rates. From spring 2023, the MNB has started the normalization of the extraordinary interest rate environment with the gradual decrease of the interest rate of O/N deposit quick tenders. Effective September 27, 2023, following the decision in September 2023, the gap between the interest conditions of overnight deposit quick tenders and the base rate closed. According to the decision, the overnight deposit quick tender was phased out from October 2023. From October 1, 2023, MNB remunerates the interest-bearing part of the reserve accounts at the base rate, including balances in excess of required reserves (excess reserves). In the Council's assessment, one-day foreign exchange-swap quick tenders remain an important element of strengthening the monetary transmission. The lower bound of the interest rate corridor serves as a guidance regarding the interest paid on foreign exchange-swap quick tenders.
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	The governor of the MNB reports to the parliament's Standing Committee for Economic Affairs in writing semiannually on the MNB's semiannual activity. On request, the governor must be obliged to attend in person and supplement the report orally. On request, the governor of the MNB must provide information to the competent committee of the parliament.
Other	No.	
Transparency	Yes.	
Publication of votes	Yes.	The MNB has been publishing individual voting records since 2005. The voting records of the Monetary Council published in the minutes are also available in time series format.
Publication of minutes	Yes.	Abridged minutes of the Council's rate-setting meetings are released regularly after two weeks, before the next policy meeting takes place. The minutes present the decision-makers' assessment of current economic conditions and the factors they consider when deciding on the base rate, including votes cast by individual members of the

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		Council. To provide more detailed information, background materials appear as a separate publication with enhanced content under the title "Macroeconomic and financial market developments," at the same time as the abridged minutes.
Publication of inflation forecasts	Yes.	Inflation forecasts are published quarterly in the Inflation Report.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may set the exchange rate freely in transactions with their clients.
Spot exchange market	Yes.	The Act on Credit Institutions and Financial Enterprises states that currency exchange activities are subject to authorization by the MNB. According to the law, authorization to engage in currency exchange activities is granted to credit institutions and their agents. On December 31, 2022, there were 577 foreign exchange bureaus in Hungary and 40 credit institutions. Licensing requires the fulfillment of several technical and personnel criteria. The MNB website provides more detailed information, including a list of authorized agents. Agents may only purchase and sell banknotes, but credit institutions may also make foreign currency payments and transfers on behalf of their clients. Foreign exchange bureaus may not enter into foreign exchange transactions directly with the MNB.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The foreign exchange market operates based on broker systems (Reuters D-3000 Spot Matching and Electronic Broking Services) and on the OTC bilateral market. There are market makers in both markets. Because there are no controls on foreign exchange transactions, financial institutions do not need a license to trade. All banks and financial institutions are free to participate in the interbank market. There are no limits on the bid-ask spreads and commissions of market participants. As of December 31, 2022, according to the data provided by domestic credit institutions, 151 credit institutions dealt in the forint/foreign exchange spot market, of which 37 were domestic credit institutions.
Over the counter	Yes.	The foreign exchange market is an OTC bilateral market.
Brokerage	Yes.	The foreign exchange market is based in part on broker systems (Reuters D-3000 Spot Matching and Electronic Broking Services).
Market making	Yes.	Market makers are present in the OTC and brokerage markets.
Forward exchange market	Yes.	All banks may engage in forward transactions at exchange rates negotiated freely with their customers.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.

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Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Hungary is a member of the EU, and the MNB is a member of the European System of Central Banks.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EU) No. 2018/1672, cash controls are based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. Also, the sender or the addressee has to make the similar declaration if cash is transferred via mail or a parcel service. Based on the provisions of Act No. XLI of 2021, on detection of the unaccompanied cash, the customs authority will require the declaration from either the sender or the addressee. (including their representatives). The authorities must keep a record of such information and in case of suspicion of money laundering report it to their national FIU. The Hungarian FIU maintains statistics of suspicious transaction reports by Customs, including all relevant information. According to the EU regulation, an incorrect or incomplete declaration does not fulfill the obligation. If the cash is not made available for control, the obligation is not fulfilled either. To check compliance with the regulation, national authorities have the right to search natural persons, their baggage,

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		and their means of transport. The EU regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EC regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EU regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the EU regulation. To comply with the new EU legislation, Act No. XLI of 2021 on the Execution of Regulation (EU) No. 2018/1672 of the European Parliament and of the Council on Controls of Cash Entering or Leaving the Union and Repealing Regulation (EC) No. 1889/2005 replaced the former Act No. XLVIII. of 2007 on the Execution of Regulation (EC) No. 1889/2005. The new "Cash Control Act" keeps the effective, proportionate, and dissuasive sanctions for failure to declare or false declaration of cash set out in the former act. It includes an administrative fine of up to 50% of the undeclared amount. The customs authority may retain the object of the procedure (the amount of cash equal to the fine) if there is a risk of nonpayment of the fine. In case of non- or false declaration, on request the fine may be reduced by 50%, if the delinquent presents substantive proof of the origin of the cash in question (equity).
On exports	No.	
Domestic currency	No.	In accordance with Regulation (EU) No. 2018/1672 of the European Parliament and of the Council on Controls of Cash Entering or Leaving the Union and Repealing Regulation (EC) No. 1889/2005, cash controls are based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	In accordance with Regulation (EU) No. 2018/1672 of the European Parliament and of the Council on Controls of Cash Entering or Leaving the Union and Repealing Regulation (EC) No. 1889/2005, cash controls are based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
On imports	No.	
Domestic currency	No.	In accordance with Regulation (EU) No. 2018/1672 of the European Parliament and of the Council on Controls of Cash Entering or Leaving the Union and Repealing Regulation (EC) No. 1889/2005, cash controls are based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	In accordance with Regulation (EU) No. 2018/1672 of the European Parliament and of the Council on Controls of Cash Entering or Leaving the Union and Repealing Regulation (EC) No. 1889/2005, cash controls are based on a mandatory declaration system for

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amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	According to EU Directive No. 2007/64/EC, balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Controls apply to deposits of funds with non-EU financial institutions by a small domestic insurance company if such assets are to form part of its technical reserves.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Controls apply to deposits of funds with non-EU financial institutions by a small domestic insurance company if such assets are to form part of its technical reserves. The controls mean that these small insurance companies, which do not provide cross-border services, need to keep its technical reserves in assets which are not outside of the OECD.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	Effective December 1, 2022, interest paid on the amount of the deposit based on a demand deposit agreement in HUF with a maximum term of one year concluded with the credit institution until December 31, 2023, may not exceed the average auction yield of discount treasury bills with a remaining maturity of 3 months last published on the official website of the Government Debt Management Agency Private Company Limited by Shares. This provision must be applied to deposit contracts concluded with retail customers in the amount of at least HUF 20,000,000, as well as with voluntary mutual insurance funds, housing savings funds, private pension funds, insurance companies, investment companies, and investment funds.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.

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Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	In accordance with EU regulations, no import licenses are required, except for certain products that are subject to quantitative restrictions, safeguard measures, or import surveillance. For agricultural products, the import licensing system is automatic and used only for statistical purposes. Imports of certain products are subject to licensing (for example, some industrial products, explosives and firearms; ammunition; military equipment; dual-use goods; certain goods that could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment or punishment; and certain drugs). Import restrictions covering certain products (for example, arms or steel products) have been put in place against Russia and Belarus following the Russian invasion of Ukraine. Restrictive measures against Russia are contained in Council Regulation (EU) No. 833/2014 of July 31, 2014, concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine. The restrictive measures were extended, and the regulation was amended 15 times in 2022 and 6 times in 2023, last on December 18, 2023. All measures are effective December 19, 2023. Restrictive measures against Belarus are contained in Council Regulation (EC) No. 765/2006 of May 18, 2006, concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine. The restrictive measures were extended, and the regulation was amended since the beginning of Russia's aggression against Ukraine covering several new export and import and trade restrictions. The regulation was amended 8 times in 2022 and 3 times in 2023, last on August 3, 2023. All measures are effective August 5, 2023. Besides the existing import restrictions, export and import affected by targeted restrictive measures are in effect. They are contained in Council Regulation (EU) No. 269/2014 of March 17, 2014, concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine. The restrictive measures were extended, and the regulation was amended 16 times in 2023. All measures are effective December 18, 2023.
Open general licenses	No.	
Licenses with quotas	Yes.	In accordance with EU regulations, licenses are required for a

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		number of products in the agricultural sector subject to tariff quotas. In addition, licenses are required for certain imports subject to quantitative restrictions.
Other nontariff measures	Yes.	Sanctions against Russia regarding public procurement issues are applicable effective April 9, 2022.
Import taxes and/or tariffs	Yes.	Goods for personal use brought in by returning Hungarian travelers are subject to import duties above a duty-free value limit in accordance with the EU customs legislation based on the invoice price. Relief from import duties is granted in Article 41 of EU Regulation No. 1186/2009/EC in case of duty-free allowance under EU Directive No. 2007/74/EC which is €430 for air and sea passengers, €300 for other passengers, and €150 for passengers younger than 15. For tobacco products and alcoholic beverages, quantitative limits apply.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports of certain products require a license (mainly military and dual-use goods; sport and hunting guns and ammunition; and certain goods that could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment or punishment). According to Commission Implementing Regulation (EU) No. 2021/442 and Implementing Regulation (EU) No. 2021/521 making the exportation of certain products subject to the production of an export authorization, for the exportation of certain products (especially COVID-19 vaccines), an export authorization is required during March 11–June 30, 2021. The measure was extended twice following the amendment by Commission Implementing Regulation (EU) No. 2021/1071 (until September 30, 2021) and the amendment by Commission Implementing Regulation (EU) No. 2021/1728 of September 29, 2021 (until December 31, 2021). Hence, effective January 1, 2022, this measure is no longer in effect.

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	Export restrictions regarding certain products (military and luxury goods, machinery, etc.) have been put in place against Russia and Belarus following the Russian invasion of Ukraine. Restrictive measures against Russia are contained in Council Regulation (EU) No. 833/2014 of July 31, 2014, concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine. The restrictive measures were extended, and the regulation was amended 15 times in 2022 and 6 times in 2023, last on December 18, 2023. All measures are effective December 19, 2023. Restrictive measures against Belarus are contained in Council Regulation (EC) No. 765/2006 of May 18, 2006, concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine. The restrictive measures were extended, and the regulation was amended since the beginning of Russia's aggression against Ukraine covering several new export and import and trade restrictions. The regulation was amended 8 times in 2022 and 3 times in 2023, last on August 3, 2023. All measures are effective August 5, 2023.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the purchase of shares or other securities of a participating nature that may be affected by regulations on inward

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		direct investment in strategically important corporations (Act No. CXVI of 2007) and establishment in air transportation (Act No. XCVII of 1995, Sections 22–23/A) and in companies licensed to operate in international waters (Act No. XLII of 2000, Section 12). The following controls apply to investments by foreign investors (1) acquire (directly or indirectly) a majority influence in a strategic company, (2) acquire at least 10% of all shares, provided the overall value of the investment reaches or exceeds HUF 350 million, and (3) acquire 15%, 20%, or 50% in a strategic company or if the joint shareholding of all the foreign investors would exceed 25% in a strategic company, require the approval. This is according to Article 277 of Act No. LVIII of 2020. Previously, the above control was in effect until June 30, 2021, but the reference to the part "to be applied for actions taken until June 30, 2021," has been removed from Paragraph (1) of Article 277 of Act No. LVIII of 2020. As a result, the measure was extended and is currently in force without any limitation in time set by the provisions. During the emergency, the procedure is carried out in accordance with Government Decree No. 561/2022 (XII. 23.) on the different application of certain provisions necessary for the protection of Hungarian companies for economic purposes during an emergency.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Controls apply to the purchase of securities issued by nonresidents if such assets are to form part of the cover of the technical provisions of a small domestic insurance company, unless the assets (1) were issued by (a) an OECD or EEA member country, (b) local or regional authorities of OECD or EEA member countries, (c) business operations established in an OECD or EEA member country, or (d) an international organization to which one or more OECD or EEA member countries belong and (2) are kept in the territory of OECD or EEA member countries (Act No. LXXXVIII of 2014, Section 223).
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Controls apply to the purchase of securities issued by nonresidents if such assets are to form part of the cover of the technical provisions of a small domestic insurance company, unless the assets (1) were issued by (a) an OECD or EEA member country, (b) local or regional authorities of OECD or EEA member countries, (c) business operations established in an OECD or EEA member country, or (d) an international organization to which one or more OECD or EEA member countries belong and (2) are kept in the territory of OECD or EEA member countries (Act No. LXXXVIII of 2014, Section 223). A small insurance company is an insurer without cross-border activity, has less than €5 million income from insurance premiums a year, and has a technical reserve of less than €25 million. Moreover, it is not allowed to conduct liability insurance.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Effective March 23, 2023, until December 31, 2023, certain institutions may not purchase a Hungarian forint-denominated debt

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		instrument issued by the CB of a member state of the EU. The institutions covered by this prohibition are voluntary mutual insurance funds, home savings and loan associations, private pensions and private pension funds, insurance institutions, entities regulated by the Acts on investment firms, commodity dealers, collective investment firms and their managers. The same prohibition applies to natural persons if their investment exceeds HUF 20,000,000. Since the bills are freely negotiable it impacts the ability of nonresidents to purchase these bills.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Controls apply to the purchase of securities issued by nonresidents if such assets are to form part of the cover of the technical provisions of a small domestic insurance company, unless the assets (1) were issued by (a) an OECD or EEA member country, (b) local or regional authorities of OECD or EEA member countries, (c) business operations established in an OECD or EEA member country, or (d) an international organization to which one or more OECD or EEA member countries belong and (2) are kept in the territory of OECD or EEA member countries (Act No. LXXXVIII of 2014, Section 223).
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Controls apply to the purchase of securities issued by nonresidents if such assets are to form part of the cover of the technical provisions of a small domestic insurance company, unless the assets (1) were issued by (a) an OECD or EEA member country, (b) local or regional authorities of OECD or EEA member countries, (c) business operations established in an OECD or EEA member country, or (d) an international organization to which one or more OECD or EEA member countries belong and (2) are kept in the territory of OECD or EEA member countries (Act No. LXXXVIII of 2014, Section 223).
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Controls apply to credits and loans granted to nonresidents if the asset is a mortgage loan with real estate collateral outside the EU and

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		is to form part of the technical reserves of a small domestic insurance company.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	With respect to nonresidents, controls apply to (1) airlines established in the country that must be majority owned and effectively controlled by EU countries and/or nationals of EU countries, unless otherwise provided for through an international agreement to which the EU is a signatory; (2) acquisition of a shipping license to operate in international waters, which is reserved for companies established in Hungary and operating shipping vessels registered in EU member countries (however, there are no restrictions preventing the establishment by nonresidents of a company in Hungary through which a shipping license is available); (3) asset management services by branches of nonresident investors located outside the EU for domestic mandatory and voluntary private pension funds; (4) the extent that under EU Directive No. 2009/65/EC, a depositary of a UCITS must either have its registered office or be established in the UCITS home member state; and (5) nonresident investors located outside the EU through acquiring or establishing directly or indirectly more than 25% of the shares of companies (or more than 10% of shares of publicly listed company) established in Hungary which engaged in activities described by the Act No. LVII of 2018. The provisions of Act No. LVII of 2018 were modified to ensure the practical implementation of Regulation (EU) No. 2019/452. The Act. No. CXXI of 2020 on amending certain laws relating to records and electronic administration contains the details as follows. A foreign investor may acquire (or establish) directly or indirectly more than 25% of the shares of a company (or more than 10% of shares of public limited company) or according to the Civil Code may acquire a controlling influence in a company established in Hungary carrying out the activities specified in the Act only after the notification to the Minister responsible for the direction of civilian national security services (hereinafter referred to as “Minister”) and confirmation of acknowledgment of such notification. A foreign investor may commence the activity specified in the law after notification to the Minister and confirmation of acknowledgment of the notification. The foreign investor is obliged to provide information to the Minister on the change of the data subject to the notification obligation within the term specified in the Government decree. The detailed rules of the procedure of the Minister, in particular the procedural deadlines, must be established by a Government decree. On the basis of the notification, the Minister examines whether the acquisition of ownership or the right of operation by the foreign investor or the continuation of the newly acquired activity violates the security interests of Hungary. On receipt of the notification, the Minister must immediately verify that the notification complies with the legal requirements and, in light of the Member State’s comments under

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Article 6 of the FDI or the European Commission's opinion under Article 6 or 8 of the FDI, examines whether there is a violation of Hungary's security interests. If so, it will issue a prohibition decision; if not, it will acknowledge receipt of the notification in writing. In particularly justified cases, or if it is necessary to fulfill the obligations specified in the FDI, the Minister may extend the duration of the inspection by a maximum of 60 days, of which the foreign investor must be notified in writing before the expiry of the 60-day period. The Minister notifies the foreign investor in writing of the prohibition decision containing the simplified justification, and the foreign investor may challenge it in an administrative lawsuit. The Metropolitan Court has exclusive jurisdiction over the lawsuit. Anyone who violates his or her obligation under the Act in connection with the notification or the provision of data must be examined, after examining all the circumstances of the case, the Minister orders the payment of the fine set out as follows: in case of a natural person foreign investor from HUF 100,000 to HUF 1,000,000 and in case of legal person foreign investor from HUF 1,000,000 to HUF 10,000,000. The scope of its addressees to be notified as a foreign investor in accordance with Act No. LVII of 2018 has been extended to nationals of the EU, another state belonging to the EEA and the Swiss Confederation, or to legal persons or other entities registered in such a state (Act. No. XCIX of 2021 on transitional emergency rules, Section 114; the modification was effective for 12 months from the end of the emergency until May 31, 2023 – Government Decree No. 27/2021 (I. 29.).
The Act No. LVII of 2018 has been extended with insurance and reinsurance activities and activities directly related to insurance activities (Act No. XCIX of 2021 on transitional emergency rules, Section 299).

The following controls apply to investments by foreign investors (1) acquire (directly or indirectly) a majority influence in a strategic company, (2) acquire at least 10% of all shares, provided the overall value of the investment reaches or exceeds HUF 350 million, and (3) acquire 15%, 20%, or 50% in a strategic company or if the joint shareholding of all the foreign investors would exceed 25% in a strategic company, require the approval. If the transaction involves a Hungarian strategic company, but that Hungarian strategic company was already foreign-owned, then the indirect change of that foreign ownership falls outside of the Interim Measures Act (Interim Measures Act, Section 277). This is according to Article 277 of Act No. LVIII of 2020. Previously, the above control was in effect until June 30, 2021, but the reference to the part "to be applied for actions taken until June 30, 2021," has been removed from Paragraph (1) of Article 277 of Act No. LVIII of 2020. As a result, the measure was extended and is currently in force without any limitation in time set by the provisions.
During the emergency, the procedure is carried out in accordance with Government Decree No. 561/2022 (XII. 23.) on the different application of certain provisions necessary for the protection of Hungarian companies for economic purposes during an emergency.

A limited liability company, private limited company, public limited company, or higher education institution established in Hungary qualifies as a strategic company, in case the main or additional field of its activity defined in the Government Decree belongs to a sector of strategic importance, in particular in the energy, transport, communications sectors, or in the sectors defined in Article 4 (1) (a) to (e) of FDI, (Act No. XCIX of 2021 on transitional emergency

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		rules, Section 160 (2)). Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments Government Decree No. 27/2021 (I.29.), which is referred to in Article 114 of Act No. XCIX of 2021, has been repealed by Government Decree No. 181/2022 (V.24.) (which declared the end of the emergency situation as of June 1, 2022). As Article 114 of Act No. XCIX of 2021 states that the amendments it made to point 1 of Article 1 of Act LVII of 2018, must remain valid for twelve months after declaring the end of the emergency situation, which happened effective June 1, 2022; therefore, the amendments should stay in force until May 31, 2023. The scope of "foreign investors" under Act No. LVII of 2018 will remain to be extended to nationals of the EU, another state belonging to the EEA and the Swiss Confederation, or to legal persons or other entities registered in such a state until May 31, 2023.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Real estate investment by small insurance companies is limited to EEA countries. Mandatory and voluntary pension funds may invest only in real estate in the EEA. Controls apply to the acquisition of real estate outside the EU (1) if such assets are to form the technical reserves of a small insurance company and (2) by a voluntary mutual insurance fund or a mandatory pension fund.
Purchase locally by nonresidents	Yes.	Controls apply to real estate investments by nonresidents, except (1) the acquisition of agricultural land by EU nationals who want to establish themselves as self-employed farmers and who have been legally resident and active in farming in Hungary for at least three years continuously; (2) the acquisition of a primary residence by EU nationals and the acquisition of real estate other than agricultural land by legal persons and unincorporated entities established in the EU; and (3) the acquisition of secondary residences by EU nationals who have been legally resident in Hungary for at least four years continuously.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	The default interest claim can be asserted at a maximum rate of 25% a year, and in the part exceeding this, it must be considered as if it had not been contracted at all.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	

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Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The foreign exchange funding adequacy ratio (FFAR) is calculated as the ratio of the available amount of stable foreign currency funding divided by weighted foreign-currency-denominated assets outstanding. The FFAR regulation based on the NSFR methodology is in force since July 1, 2012, and has been amended 5 times to comply with evolving international standards and market developments. The measure aims to reduce the maturity mismatch of the banking sector's foreign exchange position. The required level of the FFAR is 100%. To further reduce denomination mismatches in the balance sheet of credit institutions and to assist the regulatory objectives of the FFAR, the MNB as macroprudential authority also introduced the foreign exchange coverage ratio (FECR), which limits the on-balance-sheet denomination mismatch of credit institutions relative to the balance sheet total. Since December 10, 2021, it operates with an asymmetric minimum and maximum limit of −30% and +15%. On July 1, 2018, the interbank funding ratio (IFR) was introduced to prevent excessive reliance on funding originated from financial corporations. Wholesale funding from financial corporations—weighted according to currency and maturity with some exemptions not to hamper normal banking operations—must not exceed 30% of total liabilities excluding own funds. It was revised once by the exemption of balance-sheet liabilities arising from derivative transactions with financial corporations and from the revaluation of such transactions. The Mortgage Funding Adequacy Ratio (MFAR), announced by the MNB in June 2015 and required from April 1, 2017, ensures the long-term financing of residential mortgage loans with mortgage-based funds in the banking system. According to the MFAR regulation, the outstanding forint residential mortgage loan portfolio with a remaining maturity of more than 1 year must be financed in a specified proportion with long-term mortgage-based funds. Currently, this minimum requirement is 25%. Effective July 1, 2022, in addition to forint financing, foreign currency mortgage-based funds are also accepted under certain conditions. Since the latest reporting, the MFAR was modified twice, mainly to postpone certain requirements that had been announced earlier to ensure soft accommodation of banks to the current complex macro and financial environment also taking into consideration the unfavorable funding conditions.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	Notification is required pursuant to EU Directive No. 2013/36/EC in case of cross-border services.
Lending locally in foreign exchange	Yes.	MNB Decree No. 32/2014 (IX. 10) on the regulation of DSTI and LTV ratios introduced new DSTI and LTV limits. The Decree requires that the earnings of the borrower be properly documented, regardless of the currency. The LTV limits are differentiated by the

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		type and the currency of loans: (1) real-estate-backed mortgage loans: 50% for loans in euros, 35% for loans in other foreign currencies, and 80% for loans in Hungarian forint (HUF); (2) financial real estate leasing: 55% for loans in euros, 40% for loans in other foreign currencies, and 85% for loans in HUF; (3) vehicle financing: 45% for loans in euros, 30% for loans in other foreign currencies, and 75% for loans in HUF; and (4) vehicle leasing: 50% for loans in euros, 35% for loans in other foreign currencies, and 80% for loans in HUF. These restrictions do not affect loan conversions in the same foreign currency (for example, a Swiss franc loan may be converted to another Swiss franc loan). The MNB Decree differentiates the DSTI limits for new mortgage loans by denomination interest rate fixation period, and net monthly income of borrowers, as follows For borrowers with net income below HUF 600,000, the limit for (1) floating or fixed interest rates for less than 5 years is 25%; (2) for interest rates fixed for at least 5 years but less than 10 years, the limit is 35%; and (3) for interest rates fixed for at least 10 years or for the whole term, it is 50%. For borrowers with net income of HUF 600,000 or above, the limit for (1) floating or fixed interest rates for less than 5 years is 30%; (2) for interest rates fixed for at least 5 years but less than 10 years, the limit is 40%; and (3) for interest rates fixed for at least 10 years or for the whole term, it is 60%. EUR limits for the relevant income categories: for below 5 years interest fixation period 15/20% and for 5 years or longer interest fixation period 25/30%. Limits for mortgage loans denominated in other foreign currencies for below 5 years interest fixation period 5/10% and for 5 years or longer interest fixation period 10/15%. The applicable DSTI limits for uncovered loans or mortgage loans with a maturity of up to 5 years depend on the verified net monthly income of the borrower and the currency of the loan: (1) 50% for net income less than HUF 600,000, 25% for loans in euros, and 10% for loans in other foreign currencies and (2) 60% for net income higher than HUF 600,000, 30% for loans in euros, and 15% for loans in other foreign currencies.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	There are prudential regulations in accordance with Directive (EU) No. 2013/36 of June 26, 2013 (amended by Directive No. 2019/878 of May 20), on access to the activity of credit institutions and the

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		prudential supervision of credit institutions and investment firms, amending Directive (EC) No. 2002/87 and repealing Directive (EC) Nos. 2006/48 and 2006/49.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	There is no specific limit on net open foreign exchange positions; however, banks must calculate their own funds requirements according to Article 351 of the CRR (Regulation (EU) No. 575/2013), which applies to all EU members. "If the sum of an institution's overall net foreign exchange position and its net gold position, calculated in accordance with the procedure set out in Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. The own funds requirement for foreign exchange risk must be the sum of its overall net foreign exchange position and its net gold position in the reporting currency, multiplied by 8%."
On resident assets and liabilities	Yes.	There is no specific limit on net open foreign exchange positions; however, banks must calculate their own funds requirements according to Article 351 of the CRR (Regulation (EU) No. 575/2013), which applies to all EU members. "If the sum of an institution's overall net foreign exchange position and its net gold position, calculated in accordance with the procedure set out in Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. The own funds requirement for foreign exchange risk must be the sum of its overall net foreign exchange position and its net gold position in the reporting currency, multiplied by 8%."
On nonresident assets and liabilities	Yes.	There is no specific limit on net open foreign exchange positions; however, banks must calculate their own funds requirements according to Article 351 of the CRR (Regulation (EU) No. 575/2013), which applies to all EU members. "If the sum of an institution's overall net foreign exchange position and its net gold position, calculated in accordance with the procedure set out in Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. The own funds requirement for foreign exchange risk must be the sum of its overall net foreign exchange position and its net gold position in the reporting currency, multiplied by 8%."
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Act No. LXXXVIII of 2014 on Insurance Activities (published December 22, 2014) implementing Solvency II Directives is in effect.
Limits (max.) on securities issued by nonresidents	Yes.	Controls apply to the purchase of securities issued by nonresidents if such assets are to form part of the cover of the technical provisions of a small domestic insurance company, unless the assets (1) are kept in the territory of EU members or (2) were issued by (a) an OECD or EEA member country, (b) local or regional authorities of OECD or EEA member countries, (c) business operations established in an OECD or EEA member country, or (d) an international organization to which one or more OECD or EEA member countries belong.

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Limits (max.) on investment portfolio held abroad	Yes.	Controls apply to (1) real estate investment that forms part of the technical provisions of a small domestic insurance company, unless the real estate is located in EU countries and (2) foreign assets constituting cover for the technical provisions of an insurance company, unless the assets are kept in EU member countries or were issued by (a) an OECD or EEA member country, (b) local or regional authorities of OECD or EEA member countries, (c) business operations established in an OECD or EEA member country, or (d) an international organization to which one or more OECD or EEA member countries belong.
Limits (min.) on investment portfolio held locally	Yes.	Branch offices of third-country insurance companies must (1) have sufficient liquid assets to cover the minimum security capital and must deposit one-quarter of these assets as security and (2) keep the liquid assets covering the minimum security capital in Hungary and keep the remainder in the EU.
Currency-matching regulations on assets/liabilities composition	Yes.	Small domestic insurance companies are subject to currency-matching regulations as follows: (1) If coverage is expressed in a contract in a specific currency, the insurance company's liabilities are deemed to be in that currency. (2) The assets of technical provisions must be placed in assets expressed in the type of currency defined above. (3) For non-life insurance, if the contract does not stipulate the currency, the insurance company's commitment is deemed to be in the currency of the country where the risk is located (Annex 8 of the Act).
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	The type of currency in which a pension fund is required to keep reserves set aside to cover payments of pension benefits under its own plan to participating fund members must be specified in accordance with the foreign exchange regulations in effect and with the following provisions: (1) If the fund's benefit payment obligation is denominated in a specific currency, then, for the purposes of compliance with foreign exchange regulations, the fund's liabilities must be in that currency. (2) The provisions set aside to cover the fund's benefit plan must be placed in receivables denominated in the currency defined in Paragraph (1). (3) A fund may place up to 30% of its liabilities denominated in a specific currency in assets other than what is defined in Paragraph (2); however, the value of the assets kept in various currencies may not be less than the value of all liabilities kept in various currencies (Section 67(7) of Act No. LXXXII of 1997 on Private Pensions and Private Pension Funds).
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

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Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	No decision has been made yet on the release of a fully-fledged domestic retail central bank digital currency; however, central bank digital currency is currently available to retail users as part of a pilot project (Student Safe).
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	Yes.	According to Section 3, Point 7, and Article 66 (8) of Act No. CCXXXV of 2013 on Payment Service Providers, MNB may issue electronic money and Article 66 governing the basic framework and client protection rules of electronic money must apply to the MNB if issuing electronic money. MNB is currently issuing electronic money for retail users only in connection with the Student Safe pilot project mentioned above. The Terms and Conditions of the Student Safe governs rights and obligations of the participants and MNB.
Use among residents	Yes.	According to Section 3, Point 7, and Article 66 (8) of Act No. CCXXXV of 2013 on Payment Service Providers, MNB may issue electronic money and Article 66 governing the basic framework and client protection rules of electronic money must apply to the MNB if issuing electronic money. MNB is currently issuing electronic money for retail users only in connection with the Student Safe pilot project mentioned above. The Terms and Conditions of the Student Safe governs rights and obligations of the participants and MNB.
Between residents and nonresidents	No.	Currently, no regulation exists in this regard; however, the Terms and Conditions of the Student Safe pilot project governs which transactions are allowed in the pilot. The pilot project is only available for Hungarian citizens.
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Between nonresidents	No.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	

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For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	n.r.	Regulation (EU) No. 2023/1114 of the European Parliament and of the Council of May 31, 2023, on markets in crypto-assets, and amending Regulations (EU) No. 1093/2010 and (EU) No. 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 which governs the offer to the public and admission to trading on a trading platform of crypto-assets is in effect; however, the regulation is not applicable yet.
Controls on unbacked tokens	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on utility and security tokens	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on stablecoins	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	

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Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

The scope of Act No. LIII of 2017 on Preventing and Combating Money Laundering and Terrorism Financing covers service providers engaged in exchange services between virtual currencies and legal tenders, or virtual currencies and custodian wallet provides.

Changes during 2022 and 2023

Exchange Arrangement

Monetary policy framework

Inflation-targeting framework

Operating target (policy rate)

Policy rate	*10/01/2023*	The Magyar Nemzeti Bank remunerates balances in excess of required reserves on reserve accounts (excess reserves) at the base rate.
Target corridor band	*09/27/2023*	According to the Council's decision in September 2023, the interest rate corridor became symmetric, with a band of +/− 100 basis points around the base rate (the interest rate paid on overnight deposits equals the base rate minus 100 basis points, and the interest to be paid on overnight collateralized loans equals the base rate plus 100 basis points). Previously, Magyar Nemzeti Bank maintained asymmetric overnight interest rate corridor to prevent extreme fluctuations in interbank rates, the interest rate paid on overnight CB deposits equals the base rate minus 50 basis points, and the interest to be paid on overnight collateralized loans equals the base rate (plus 250 basis points).
Other	*10/01/2022*	The CB enhanced the disinflationary impact of interest rate increases through three measures: raising the required reserve ratio, holding CB discount bill auctions and launching a longer-term deposit instrument.
	10/14/2022	In response to the sharp deterioration in financial and capital markets sentiment, the Magyar Nemzeti Bank responded with a set of targeted measures to preserve financial stability. The use of the overnight deposit quick tender with an interest rate of 18% and the one-day foreign-exchange-swap instrument on a daily basis, coupled with an increase of 950 basis points in the interest rate corridor's upper bound, effectively increased short-term rates.
	04/01/2023	The Council decided to raise further the required reserve ratio to 10%. By raising the reserve requirement ratio and restructuring interest rates, the Monetary Council has tightened further the impact of the required reserves on liquidity.
	09/27/2023	Following the decision in September 2023, the gap between the interest conditions of overnight deposit quick tenders and the base rate closed. According to the decision, the overnight deposit quick tender was phased out from October 2023.
	10/01/2023	The reserve account is available to banks without an upper limit and the Bank remunerates the part bearing interest at the base rate. The Bank announces its longer-term instruments to absorb interbank

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forint liquidity, that is, the long-term deposit facility and the CB discount bill, at the base rate.

Nonresident Accounts

Domestic currency accounts

12/01/2022 Interest paid on the amount of the deposit based on a demand deposit agreement in HUF with a maximum term of one year concluded with the credit institution until December 31, 2023, may not exceed the average auction yield of discount treasury bills with a remaining maturity of 3 months last published on the official website of the Government Debt Management Agency Private Company Limited by Shares. This provision must be applied to deposit contracts concluded with retail customers in the amount of at least HUF 20,000,000, as well as with voluntary mutual insurance funds, housing savings funds, private pension funds, insurance companies, investment companies and investment funds.

Imports and Import Payments

Import licenses and other nontariff measures

Negative list

08/05/2023 Restrictive measures against Belarus are in effect. They are contained in Council Regulation (EC) No. 765/2006 of May 18, 2006, concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine. The restrictive measures were extended, and the regulation was amended since the beginning of Russia's aggression against Ukraine covering several new export and import and trade restrictions. The regulation was amended 8 times in 2022 and 3 times in 2023, last on August 3, 2023.

12/18/2023 Besides the existing import restrictions, export and import affected by targeted restrictive measures are in effect. They are contained in Council Regulation (EU) No. 269/2014 of March 17, 2014, concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine. The restrictive measures were extended, and the regulation was amended 16 times in 2023.

12/19/2023 Restrictive measures against Russia are in effect. They are contained in Council Regulation (EU) No. 833/2014 of July 31, 2014, concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine. The restrictive measures were extended, and the regulation was amended 15 times in 2022 and 6 times in 2023, last on December 18, 2023.

Other nontariff measures

04/09/2022 Sanctions against Russia regarding public procurement issues are applicable.

Exports and Export Proceeds

Export licenses

Without quotas

01/01/2022 Following the amendment by Commission Implementing Regulation (EU) No. 2021/1728, the measure according to Commission Implementing Regulation (EU) No. 2021/1071 above was extended until December 31, 2021. Hence, this measure is no longer in effect.

08/05/2023 Restrictive measures against Belarus are in effect. They are contained in Council Regulation (EC) No. 765/2006 of May 18, 2006, concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine. The restrictive measures were extended, and the regulation was amended since the beginning of Russia's aggression against Ukraine covering several new export and import and trade restrictions. The regulation was amended 8 times in 2022 and 3 times

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		in 2023, last on August 3, 2023.
	12/19/2023	Restrictive measures against Russia are in effect. They are contained in Council Regulation (EU) No. 833/2014 of July 31, 2014, concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine. The restrictive measures were extended, and the regulation was amended 15 times in 2022 and 6 times in 2023, last on December 18, 2023.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On money market instruments		
Purchase locally by nonresidents	*03/23/2022*	Until December 31, 2023, certain institutions may not purchase a Hungarian forint-denominated debt instrument issued by the CB of a member state of the EU. The institutions covered by this prohibition are voluntary mutual insurance funds, home savings and loan associations, private pensions and private pension funds, insurance institutions, entities regulated by the Acts on investment firms, commodity dealers, collective investment firms and their managers. The same prohibition applies to natural persons if their investment exceeds HUF 20,000,000. Since the bills are freely negotiable it impacts the ability of nonresidents to purchase these bills.
Controls on direct investment		
Inward direct investment	*06/01/2022*	Government Decree No. 27/2021 (I.29.), which is referred to in Article 114 of Act No. XCIX of 2021, has been repealed by Government Decree No. 181/2022 (V.24.) (which declared the end of the emergency situation as of June 1, 2022). As Article 114 of Act No. XCIX of 2021 states that the amendments it made to point 1 of Article 1 of Act No. LVII of 2018, must remain valid for twelve months after declaring the end of the emergency situation, which happened as of June 1, 2022; therefore, the amendments should stay in force until May 31, 2023. The scope of "foreign investors" under Act No. LVII of 2018 will remain to be extended to nationals of the EU, another state belonging to the EEA and the Swiss Confederation, or to legal persons or other entities registered in such a state until May 31, 2023.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	*07/01/2022*	In addition to forint financing, foreign currency mortgage-based funds are also accepted under certain conditions.

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ICELAND

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: September 19, 1983.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Restrictions are imposed on financial transactions based on UNSC resolutions.
Other security restrictions	Yes.	In accordance with UNSC resolutions, restrictions are imposed on financial assets and transactions of Al-Qaida, the Taliban, and other individuals and organizations associated with terrorism.

Exchange Arrangement

Currency	Yes.	The currency of Iceland is the Icelandic króna.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. Central Bank of Iceland (CBI) may conduct transactions in the interbank foreign exchange market to mitigate volatility of the króna exchange rate and improve price formation. The Central Bank traded in the market to

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		mitigate exchange rate volatility as it deemed warranted. Although the Bank both bought and sold currency in 2022, its net foreign currency purchases for the year totaled 13.2billion króna. Public health restrictions because of the COVID-19 pandemic were lifted at the end of February, which had a positive impact on the tourism sector. Tourism-generated export revenues increased over the course of the year and were back to the pre-pandemic level by early summer. Russia's invasion of Ukraine and the ensuing uncertainty in global markets strongly affected developments in the domestic foreign exchange market in 2022. The pension funds continued buying significant amounts of foreign currency, and there were several large capital transactions by domestic and foreign entities during the year. In 2023, the Central Bank sold foreign currency in January but had not participated further in the market by the end of September. The de facto exchange rate arrangement is classified as a floating arrangement.
Free floating		
Official exchange rate	Yes.	Every trading day at 14:15 hrs. Central European Time (CET), the CBI determines the official exchange rate of the króna against other currencies, which is used as the rate for official agreements, court cases, and other agreements between parties when no other rate is specified (Article 19 of Central Bank Act No. 36/2001). The reference exchange rate is published on the CBI's website each business day at 4:00 p.m. Icelandic time. The official rate is based on the price of the euro against the króna, as quoted in the domestic foreign exchange market, and price developments in the market. The fixing is a snapshot of the position in the foreign exchange market.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	A formal inflation target was adopted March 27, 2001.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	Decisions on the application of the CB's monetary policy instruments are taken by the MPC. These monetary policy instruments are its interest rate decisions, transactions with credit institutions other than loans of last resort, decisions on reserve requirements, purchases of treasury bonds in the secondary market,

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		and foreign exchange market transactions aimed at affecting the exchange rate of the króna. Members of the MPC are the Governor, the Deputy Governor for Monetary Policy, the Deputy Governor for Financial Stability, and two external experts in the fields of economics and monetary policy who are appointed by the prime minister for a term of five years. The Act on the CBI requires that the Bank's MPC meet at least six times a year, make public the minutes of its meetings, and explain its decisions and the rationale behind them. Each monetary policy decision is published in a statement released by the MPC before the market opens on the day the decision is announced. The MPC publishes the minutes of its meetings two weeks after each interest rate decision. The minutes contain the Committee's assessment of economic and monetary developments and prospects, votes of individual MPC members and key points of view expressed by members at the meeting and, if applicable, the range in which members considered it appropriate to keep interest rates. Further information can be found in the MPC Rules of Procedure which are approved by the CBI's Supervisory Board. By law, the CBI may declare a quantitative target for inflation, with the approval of the minister. According to the joint declaration made by the CBI and the government in 2001, Iceland's inflation target is defined as an inflation rate of 2½%. If inflation deviates by more than ±1½ percentage points from the target, the CBI is obliged to submit a report to the government explaining the reasons for the deviations from the target, how the CBI intends to react, and how long it will take to reach the inflation target again in the CBI's assessment. The report must be made public.
Inflation target	Yes.	
Target number	Yes.	
Point target	Yes.	The CBI's main objective is price stability, defined as a 12-month rise of 2½% in the CPI.
Target with tolerance band		
Band/Range		
Target measure	Yes.	
CPI	Yes.	The CPI measures changes in the price of private consumption. Statistics Iceland measures the CPI each month, after having surveyed the price of all goods and services in a defined consumption basket. The consumption basket is based on the results of regularly conducted Statistics Iceland expenditure surveys, which determine the goods and services consumers buy, and in what amounts. The survey findings determine the weight assigned to individual goods and services in the CPI. The expenditure survey has been carried out continuously since 2000, and the results are used in the annual revision of the CPI base.
Core inflation		
Target horizon	No.	
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The 7-day term deposit rate is the policy rate.

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Target corridor band	Yes.	According to the Declaration on Inflation Target and Change in the Exchange Rate Policy, if inflation deviates by more than ±1½ percentage points from the target, the CBI is obliged to submit a report to the government explaining the reasons for the deviations from the target, how the CBI intends to react, and how long it will take to reach the inflation target again in the CBI's assessment. The report must be made public.
Other	No.	
Accountability	Yes.	
Open letter	Yes.	The Act on the CBI stipulates that the MPC must submit to parliament (Althingi) a report on its activities twice a year and that the contents of the report must be discussed in the parliamentary committee of the Speaker's choice. Deviations of inflation of more than 1½ percentage points in either direction from the inflation target require a public CBI report to the government explaining the reasons for the deviation from the target and the CBI's response.
Parliamentary hearings	Yes.	The Act on the CBI stipulates that the MPC of the CBI must submit to parliament (Althingi) a report on its activities twice a year and that the contents of the report must be discussed in the parliamentary committee of the Speaker's choice.
Other	No.	
Transparency	Yes.	
Publication of votes	Yes.	The votes of individual committee members are made public in the MPC's minutes two weeks after each interest rate decision.
Publication of minutes	Yes.	The Act on the CBI stipulates that it is the role of the MPC to set the CBI interest rates and apply other monetary policy instruments. Furthermore, the Act states that minutes of meetings of the MPC must be made public, and an account given of the committee's decisions and the premises on which they are based. In accordance with the Act, the MPC has decided to publish the minutes of its meetings two weeks after each interest rate decision.
Publication of inflation forecasts	Yes.	The CBI's macroeconomic and inflation forecasts are prepared four times a year over a horizon of three years and are published in its quarterly publication, Monetary Bulletin.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may set freely their exchange rates in transactions with their customers.
Spot exchange market	Yes.	In accordance with the Foreign Exchange Act No. 70/2021, only the CBI and those parties that either (1) are authorized by law or in accordance with the provisions of international agreements to which Iceland is a party or (2) have been granted specific authorization by the CBI to operate a foreign exchange market, may act as intermediaries in foreign exchange transactions. The former category includes commercial banks (there are currently four commercial banks operating in Iceland), savings banks (currently five), and other financial companies that provide foreign exchange services in connection with their services. It also includes other currency exchange providers (foreign exchange bureaus) that may offer foreign exchange services, provided they register with the

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		CBI's Financial Supervisory Authority in accordance with Article 35 of the Act on Measures against Money Laundering and Terrorism Financing No. 140/2018. Currently, one currency exchange provider is operating in Iceland. There is currently no entity operating a foreign exchange market with a specific authorization from the CBI.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	As of December 31, 2022, three banks, Arion banki hf., Íslandsbanki hf., and Landsbankinn hf., which act as market makers, may participate in the organized interbank foreign exchange market, along with the CBI (Article 20, Paragraph 1, Section 7, of the Act on Financial Undertakings No. 161/2002). Eligibility to participate in the organized interbank foreign exchange market is governed by CBI regulations. The price of the króna against the euro is determined in the foreign exchange market by market makers that undertake to give indicative quotes for the buying and selling rates for €1 million. Quotes are entered and communicated in Bloomberg. The CBI oversees the market and may trade there (intervene) at any time at the market makers' quoted rates.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	Three banks, which act as market makers, are entitled to participate in the foreign exchange market, together with the CBI. The market makers undertake to give indicative quotes for the buying and selling rates for €1 million. Quotes are entered and communicated in Bloomberg.
Forward exchange market	Yes.	There is no official market in outright forward or swap transactions. Such transactions are conducted by the banks over the counter. The CBI has only rarely participated in foreign exchange derivatives markets (forward and swap) since January 2009 to reduce banks' foreign exchange imbalances.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	Following a full repeal of Act No. 37/2016 on the Treatment of Króna-Denominated Assets Subject to Special Restrictions (the Offshore Króna Act), there are no restrictions in effect on transactions in capital and money market instruments regarding the use of domestic currency in the settlement of such transactions.

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Transactions in derivatives and other instruments	No.	Following a full repeal of Act No. 37/2016 on the Treatment of Króna-Denominated Assets Subject to Special Restrictions (the Offshore Króna Act), there are no restrictions in effect on transactions in derivative and other instruments regarding the use of domestic currency in the settlement of such transactions.
Credit operations	No.	Following a full repeal of Act No. 37/2016 on the Treatment of Króna-Denominated Assets Subject to Special Restrictions (the Offshore Króna Act), there are no restrictions in effect on credit operations regarding the use of domestic currency in the settlement of such transactions.
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Ministry of Finance and Economic Affairs has the ultimate responsibility for imports and, in consultation with the CBI, for capital movements and foreign exchange regulation. The Ministry of Finance and Economic Affairs implements controls on inward FDI. In addition, the CBI grants licenses to operate foreign exchange markets, sets reporting standards for statistical and supervisory purposes, and grants exemptions from capital controls (when in effect).
Payments arrears	No.	
Official	No.	
Private	No.	Private residents are not in arrears on their payments or transfers in foreign exchange to nonresidents.
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Exports of banknotes exceeding the equivalent of €10,000 may be confiscated by the customs authorities, if considered to be used in illegal activity (Customs Act, Article 27a cf. Article 162).
Foreign currency	No.	Exports and imports of banknotes exceeding the equivalent of €10,000 may be confiscated by the customs authorities, if considered to be used in illegal activity (Customs Act, Article 27a cf. Article 162).
On imports	No.	
Domestic currency	No.	Imports of banknotes exceeding the equivalent of €10,000 may be

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		confiscated by the customs authorities, if considered to be used in illegal activity (Customs Act, Article 27a cf. Article 162).
Foreign currency	No.	Imports of banknotes exceeding the equivalent of €10,000 may be confiscated by the customs authorities, if considered to be used in illegal activity (Customs Act, Article 27a cf. Article 162).

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents can establish foreign exchange accounts domestically without restriction. Balances can be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Residents may open accounts abroad freely. Commercial banks may open correspondent accounts abroad freely. Balances may be transferred to Iceland freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Following a full repeal of Act No. 37/2016 on the Treatment of Króna-Denominated Assets Subject to Special Restrictions (the Offshore Króna Act), there are no restrictions in effect.
Accounts in domestic currency convertible into foreign currency	Yes.	There are no restrictions on convertibility.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents can establish and use foreign exchange accounts without restrictions. There are no restrictions on cross-border transfers in foreign exchange.
Approval required	No.	
Domestic currency accounts	Yes.	Following a full repeal of Act No. 37/2016 on the Treatment of Króna-Denominated Assets Subject to Special Restrictions (the Offshore Króna Act), there are no restrictions in effect.
Convertible into foreign currency	Yes.	There are no restrictions on convertibility.
Approval required	No.	
Blocked accounts	No.	Following a full repeal of Act No. 37/2016 on the Treatment of Króna-Denominated Assets Subject to Special Restrictions (the Offshore Króna Act), there are no restrictions in effect and no accounts are blocked.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.

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Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports of goods and services are permitted freely, except when international agreements or provisions in special legislation specify otherwise.
Positive list	No.	
Negative list	Yes.	Live animals and certain agricultural products require health certificates.
Open general licenses	Yes.	Imports by tourists and foreign visitors are duty-free within general limits on the total value, as well as on individual merchandise value, and quantitative limits are set on alcohol and tobacco by the customs authorities.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Tobacco may be imported only under state trading arrangements.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports of military, fishery, and agricultural products require licenses from the Ministry of Foreign Affairs.
With quotas	No.	
Export taxes	No.	

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Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	As of June 29, 2021, with the implementation of a new Act on Foreign Exchange No. 70/2021 and a full repeal of Act No. 37/2016 on the Treatment of Króna-Denominated Assets Subject to Special Restrictions (the Offshore Króna Act), there are no restrictions on cross-border movement of króna-denominated assets that fell under the scope of Act No. 37/2016 on the Treatment of Króna-Denominated Assets Subject to Special Restrictions.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Purchases of shares and other equity capital may be subject to laws on foreign investment. Purchases by nonresidents of shares or other securities of a participating nature may be affected by laws on inward direct investment and establishment. There are some sector-based restrictions that apply to all nonresidents (including EEA residents) and some requirements are made regarding investments of residents outside EEA. Controls apply to (1) investment by foreign countries or their government-owned enterprises, unless authorized; (2) investment in fishing and primary fish processing (that is, excluding retail packaging and later stages of the preparation of fish products for distribution and consumption); (3) investment in an air transport company exceeding 49% of share capital; and (4) acquisition of rights to natural resources or energy exploitation and investment in energy production or distribution.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	

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Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	On June 29, 2021, because of the repeal of the older Act on Foreign Exchange, and its replacement by a new Act on Foreign Exchange No. 70/2021, the restrictions on derivative transactions involving the Icelandic króna for the purposes of speculation and/or in connection with glacier bond issuance are no longer in effect. On June 30, 2021, the CBI introduced limits on the derivative positions of Icelandic banks, by issuing Rules No. 765/2021. These rules were amended and reissued as Rules No. 412/2022 effective April 8, 2022. The limits are twofold: (1) Commercial banks' forward foreign currency position vis-à-vis each individual counterparty (long or short) may not exceed 10% of their capital base and (2) commercial banks' gross forward foreign currency position may not exceed 50% of their capital base. These limits apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency and do not apply to derivatives positions between Icelandic commercial banks. Derivative contracts that do not involve the Icelandic króna are unaffected by these rules.
Sale or issue locally by nonresidents	Yes.	On June 29, 2021, because of the repeal of the older Act on Foreign Exchange, and its replacement by a new Act on Foreign Exchange No. 70/2021, the restrictions on derivative transactions involving the Icelandic króna for the purposes of speculation are no longer in effect. On June 30, 2021, the CBI introduced limits on the derivative positions of Icelandic banks, by issuing Rules No. 765/2021. These rules were amended and reissued as Rules No. 412/2022 effective April 8, 2022. The limits are twofold: (1) Commercial banks' forward foreign currency position vis-à-vis each individual counterparty (long or short) may not exceed 10% of their capital base and (2) commercial banks' gross forward foreign currency position may not exceed 50% of their capital base. These limits apply only to

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		derivatives in which the Icelandic króna is specified in a contract against a foreign currency and do not apply to derivatives positions between Icelandic commercial banks. Derivative contracts that do not involve the Icelandic króna are unaffected by these rules.
Purchase abroad by residents	Yes.	On June 29, 2021, because of the repeal of the older Act on Foreign Exchange, and its replacement by a new Act on Foreign Exchange No. 70/2021, the restrictions on derivative transactions involving the Icelandic króna for the purposes of speculation and/or in connection with glacier bond issuance are no longer in effect. On June 30, 2021, the CBI introduced limits on the derivative positions of Icelandic banks, by issuing Rules No. 765/2021. These rules were amended and reissued as Rules No. 412/2022 effective April 8, 2022. The limits are twofold: (1) Commercial banks' forward foreign currency position vis-à-vis each individual counterparty (long or short) may not exceed 10% of their capital base and (2) commercial banks' gross forward foreign currency position may not exceed 50% of their capital base. These limits apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency and do not apply to derivatives positions between Icelandic commercial banks. Derivative contracts that do not involve the Icelandic króna are unaffected by these rules.
Sale or issue abroad by residents	Yes.	On June 29, 2021, because of the repeal of the older Act on Foreign Exchange, and its replacement by a new Act on Foreign Exchange No. 70/2021, the restrictions on derivative transactions involving the Icelandic króna for the purposes of speculation and/or in connection with glacier bond issuance are no longer in effect. On June 30, 2021, the CBI introduced limits on the derivative positions of Icelandic banks, by issuing Rules No. 765/2021. These rules were amended and reissued as Rules No. 412/2022 effective April 8, 2022. The limits are twofold: (1) Commercial banks' forward foreign currency position vis-à-vis each individual counterparty (long or short) may not exceed 10% of their capital base and (2) commercial banks' gross forward foreign currency position may not exceed 50% of their capital base. These limits apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency and do not apply to derivatives positions between Icelandic commercial banks. Derivative contracts that do not involve the Icelandic króna are unaffected by these rules.
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Iceland is part of the common European market, via the EEA Agreement, all residents and entities within the EU and EFTA enjoy in most cases the same rights to invest as Icelanders do. There are some sector-based restrictions that apply to all nonresidents (including EEA residents) and some requirements are made regarding investments of residents outside EEA. Controls apply to (1) investment by foreign countries or their government in government-owned enterprises, unless authorized; (2) investment in fishing and primary fish processing (that is, excluding retail packaging and later stages of the preparation of fish products for distribution and consumption); (3) investment in an air transport company exceeding 49% of share capital; and (4) acquisition of rights to natural resources or energy exploitation and investment in energy production or distribution.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Residents and legal entities, domiciled outside EEA or EFTA, are subject to restrictions on real property purchases in Iceland, as explained below. Large-scale investment projects are generally exempted from these restrictions via standard clauses in an investment agreement with the Ministry of Industries and Innovation. The Minister of Justice can also grant exemptions, to those that are permitted to run a business in Iceland (EEA and OECD entities and those having received a permission as described in the chapter on Business Enterprises), when the property is to be used as business premises or a permanent residence, or when other reasons apply. For others, the basic restrictions are that private individuals may purchase real property if they are either Icelandic citizens or have their legal residence in Iceland. Partners of legal entities or businesses, who have unlimited liability for the debts of the entity or business concerned, must be Icelandic citizens, or individuals domiciled in Iceland for at least five years, to purchase a real property. In the case of a limited liability company or an institution, the company, or the institution, must be domiciled and have its venue in Iceland. Furthermore, the members of the board and directors must be Icelandic citizens or domiciled in Iceland for at least five years. In the case of corporations, 4/5th of the share capital must be owned by Icelandic citizens and Icelandic citizens must exercise the majority of the votes at shareholder meetings. Before disposing of farmland, either indefinitely or for longer than seven years, nonresident persons must acquire permission from the relevant Minister.
Sale locally by nonresidents	No.	Nonresidents may sell real estate locally without restrictions, and proceeds from the sale of real estate in Iceland by nonresidents are convertible and transferable.
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	Commercial banks, savings banks, and other credit institutions operating under the supervision of the CBI may borrow abroad.
Maintenance of accounts abroad	No.	There are no controls on the opening of accounts abroad.
Lending to nonresidents (financial or commercial credits)	No.	Commercial banks, savings banks, and other credit institutions operating under the supervision of the CBI may lend abroad.
Lending locally in foreign exchange	No.	There are no controls on foreign-exchange-denominated loans.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	Residents and nonresidents whose ownership in a banking institution exceeds 10% must be approved as fit and proper by the CBI (following the 2020 merger of the CBI and Financial Supervisory Authority).

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		There are no controls on investments of nonresidents in banks. Since 1996, when Act No. 34/1991 on Investment by Nonresidents in Business Enterprises was amended in connection with Iceland's accession to the EEA, the 25% limit on nonresident ownership of Icelandic banks was abolished.
Open foreign exchange position limits	Yes.	The requirement on open foreign exchange position limits does not distinguish between resident and nonresident assets and liabilities.
On resident assets and liabilities	Yes.	The CBI regulates the net foreign exchange positions of banks. A bank's open position in individual currencies may not exceed 10% of the financial enterprise's capital base according to the most recently published financial statements when it comes to systemically important supervised entities. This limit is 15% regarding credit enterprises that are not systemically important supervised entities. On June 30, 2021, the CBI introduced limits on the derivative positions of Icelandic banks, by issuing rules No. 765/2021. These rules were amended and reissued as Rules No. 412/2022 effective April 8, 2022. The limits are twofold: (1) Commercial banks' forward foreign currency position vis-à-vis each individual counterparty (long or short) may not exceed 10% of their capital base and (2) commercial banks' gross forward foreign currency position may not exceed 50% of their capital base. These limits apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency and do not apply to derivatives positions between Icelandic commercial banks. Derivative contracts that do not involve the Icelandic króna are unaffected by these rules.
On nonresident assets and liabilities	Yes.	The CBI regulates the net foreign exchange positions of banks. A bank's open position in individual currencies may not exceed 10% of the financial enterprise's capital base according to the most recently published financial statements when it comes to systemically important supervised entities. This limit is 15% regarding credit enterprises that are not systemically important supervised entities. On June 30, 2021, the CBI introduced limits on the derivative positions of Icelandic banks, by issuing rules No. 765/2021. These rules were amended and reissued as Rules No. 412/2022 effective April 8, 2022. The limits are twofold: (1) Commercial banks' forward foreign currency position vis-à-vis each individual counterparty (long or short) may not exceed 10% of their capital base and (2) commercial banks' gross forward foreign currency position may not exceed 50% of their capital base. These limits apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency and do not apply to derivatives positions between Icelandic commercial banks. Derivative contracts that do not involve the Icelandic króna are unaffected by these rules.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	An insurance company must choose assets to cover technical provisions with regard to exchange rate risk, to reduce its effects to the extent possible, except when assets in a specific foreign currency

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		amount to 7% or less of total assets in other currencies. An insurance company may invest in assets in another currency to cover up to 20% of its underwriting liabilities in a specific currency. Generally, assets to cover technical provisions must match the currency composition of the underwriting liabilities.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	Portfolio investments of pension funds are restricted to listed securities in organized markets within OECD countries and in other markets approved by the CBI.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Foreign currency exposure is limited to 50% of assets, as pension funds must ensure that 50% of its assets are in the same currency as its liabilities. This limit will rise by 1.5% annually between 2024 and 2027, starting on January 1, 2024, and by 1% annually in the years following until it reaches 65% in 2036. In addition, the pension funds do not need to respond if their foreign currency risk exceeds permissible levels because of movements in the exchange rate of the Icelandic króna or asset price movements. However, while such conditions prevail, the funds are prohibited to increasing their foreign currency risk by purchasing foreign-denominated assets. Lastly, pension funds must maintain assets in the same currency as liabilities equivalent to the expected pension payments of its mutual pension divisions for the next three years.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.

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For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market	No.

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instruments	
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Capital Transactions

Controls on capital transactions

Controls on derivatives and other instruments		
Purchase locally by nonresidents	*04/08/2022*	The rules that apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency were amended and reissued as Rules No. 412/2022, such that they do not apply to derivatives positions between Icelandic commercial banks.
Sale or issue locally by nonresidents	*04/08/2022*	The rules that apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency were amended and reissued as Rules No. 412/2022, such that they do not apply to derivatives positions between Icelandic commercial banks.
Purchase abroad by residents	*04/08/2022*	The rules that apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency were amended and reissued as Rules No. 412/2022, such that they do not apply to derivatives positions between Icelandic commercial banks.
Sale or issue abroad by residents	*04/08/2022*	The rules that apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency were amended and reissued as Rules No. 412/2022, such that they do not apply to derivatives positions between Icelandic commercial banks.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Open foreign exchange position limits		
On resident assets and liabilities		The rules that apply only to derivatives in which the Icelandic króna

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	04/08/2022	is specified in a contract against a foreign currency were amended and reissued as Rules No. 412/2022, such that they do not apply to derivatives positions between Icelandic commercial banks.
On nonresident assets and liabilities	*04/08/2022*	The rules that apply only to derivatives in which the Icelandic króna is specified in a contract against a foreign currency were amended and reissued as Rules No. 412/2022, such that they do not apply to derivatives positions between Icelandic commercial banks.

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INDIA

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: August 20, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation with India states that, as of November 7, 2022, India maintains the following restrictions on the making of payments and transfers for current international transactions, which are subject to Fund approval under Article VIII, Section 2(a):restrictions related to the non-transferability of balances under the India-Russia debt agreement; restrictions arising from unsettled balances under inoperative bilateral payments arrangements with two Eastern European countries; and a restriction on the transfer of amortization payments on loans by nonresident relatives. (Country Report No. 22/386)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of India is the Indian rupee.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal		

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bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are floating. The exchange rate of the rupee is largely market determined, but the Reserve Bank of India (RBI) intervenes in the domestic foreign exchange market to manage excessive volatility and maintain orderly conditions without any fixed target or band for the exchange rate. The RBI publishes monthly data on its interventions (foreign exchange purchases and sales) in its monthly bulletin with a six-week lag.
Free floating		
Official exchange rate	Yes.	Financial Benchmarks India Private Limited (FBIL) has the responsibility of computation and dissemination of reference rate for USD/INR and exchange rate of other major currencies. The USD/INR Reference Rate has been notified as a "significant benchmark" under the RBI Financial Benchmark Administrators (Reserve Bank) Directions, 2019 which mandates FBIL to ensure suitable processes are in place in compliance with the directions to ensure appropriate governance of the benchmark processes. The FBIL reference rate for spot US dollar against the Indian rupee is computed on the basis of the volume-weighted average of the actual market transactions that have taken place during a randomly selected 15-minute window between 1130 hours and 1230 hours every weekday. A ±3 standard deviation rule is applied to the transaction data, as above, to remove outliers. For calculation of EURO/INR, GBP/INR, and JPY/INR reference rates, the closing prices of each cross-currency pair, that is, EURO/USD, GBP/USD, and USD/JPY as depicted in the 1-minute charts over the 15-minute time period, are obtained from any electronic platform. All the cross-currency rates are taken from the same randomly selected time period of 15 minutes between 1130 hours and 1230 hours that is used for the calculation of USD/INR reference rate. The mean of the closing prices (closing price of each minute during the 15-minute window), so obtained, is crossed with the USD/INR reference rate to calculate the EURO/INR, GBP/INR, and JPY/INR reference rates. The reference rates are used for the settlement of exchange-traded currency futures and options. The foreign exchange transactions of the Government of India (GOI) undertaken through RBI take place at the reference rate. The RBI's foreign currency assets and liabilities are revalued at weekly and monthly intervals using the reference rate. The IMF also uses the rate for revaluation of SDRs. As stated by the Notification RBI/2018-19/34 of August 2, 2018, banks are advised to use the conversion rate announced by FBIL for the purpose of converting foreign assets/liabilities for reporting in Form "A" return and Form VIII return. As regards conversion of assets/liabilities in other currencies, for which reference rate is not available from FBIL, banks may use New York closing rate pertaining to the day end of the Reporting Friday, for converting such currencies to USD. Banks may use the reference rate of FBIL for USD/INR of the same day for conversion to INR.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		

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Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The RBI Act, 1934, as amended in 2016 provides for the statutory basis for implementing the flexible inflation-targeting framework.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The RBI Act provides for the inflation target to be set by the GOI, in consultation with the RBI, once in every five years. The RBI Act, 1934, also provides for a six-member MPC to determine the policy interest rate required to achieve the inflation target. The MPC was constituted on September 29, 2016, and it held its first meeting on October 3 and 4, 2016. On expiry of the term of the three non-ex-officio members in 2020, the Central Government reconstituted the MPC with appointment of three external members for a period of four years or until further orders, whichever is earlier.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	Inflation target for the period beginning from April 1, 2021, and ending on March 31, 2026, is as follows: Inflation target: 4%. Upper tolerance level: 6%. Lower tolerance level: 2%.
Band/Range		
Target measure	Yes.	CPI combined inflation rate.
CPI	Yes.	CPI inflation (defined as year-wise change in monthly CPI expressed in terms of percentage).
Core inflation		
Target horizon	Yes.	The 4% CPI inflation target is for the period from April 1, 2021, to March 31, 2026.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The policy repo rate is the (fixed) interest rate at which the RBI provides overnight liquidity to banks against the collateral of government and other approved securities under the liquidity adjustment facility. As of October 6, 2023, the policy rate was 6.5%.
Target corridor band	Yes.	The weighted average call rate (WACR) is the operating target of monetary policy. In April 2022, RBI Standing Deposit Facility (SDF) was introduced under which RBI can accept uncollateralized

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		deposits, on an overnight basis, from all liquid adjustment facility participants. The SDF rate has been kept 25 basis points (bps) below the policy repo rate and has now replaced the fixed reverse repo rate as the floor of the liquid adjustment facility corridor, with the marginal standing facility rate, at which scheduled commercial banks can borrow additional amount of overnight money from the RBI, constituting the upper band of the target corridor. As of October 6, 2023, marginal standing facility rate is 6.75% and SDF rate is at 6.25%.
Other	n.a.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	No.	
Other	Yes.	The Central Government announced the following as factors that constitute failure to achieve the inflation target: (1) the average inflation is more than the upper tolerance level of the inflation target for any three consecutive quarters or (2) the average inflation is less than the lower tolerance level for any three consecutive quarters. In the event of failure to achieve the target, the RBI will report to the government on: (1) reasons for the deviation of inflation from the target over three consecutive quarters, (2) remedial measures, and (3) an estimated time frame over which inflation will be brought back to the target.
Transparency	Yes.	
Publication of votes	Yes.	According to Section 45ZL of the amended RBI Act, 1934, the Reserve Bank publishes, on the fourteenth day after every meeting of the MPC, the minutes of the proceedings of the meeting which include the following: (1) the resolution adopted at the meeting of the MPC; (2) the vote of each member of the MPC, ascribed to such member, on the resolution adopted in the said meeting; and (3) the statement of each member of the MPC under Subsection (11) of Section 45ZI on the resolution adopted in the said meeting.
Publication of minutes	Yes.	According to Section 45ZL of the amended RBI Act, 1934, the Reserve Bank publishes, on the fourteenth day after every meeting of the MPC, the minutes of the proceedings of the meeting which include the following: (1) the resolution adopted at the meeting of the MPC; (2) the vote of each member of the MPC, ascribed to such member, on the resolution adopted in the said meeting; and (3) the statement of each member of the MPC under Subsection (11) of Section 45ZI on the resolution adopted in the said meeting.
Publication of inflation forecasts	Yes.	The MPC, in its bimonthly resolutions, sets out an inflation forecast path for about a year ahead. Apart from this, the RBI is required to publish the forecast of inflation for 6–18 months ahead in its Monetary Policy Report, once in every six months.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	.
Spot exchange market	Yes.	Dealers in the foreign exchange market (spot and derivatives) are the

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		entities authorized by the RBI to deal with foreign exchange and are known as authorized persons. Authorized persons can be of the following types: (1) AD Category-I: These dealers can undertake foreign exchange transactions with customers for all permissible current and capital account transactions. Currently, there are 101 AD Category-I; (2) AD Category-II: These dealers can undertake foreign exchange transactions with customers for certain non-trade current account transactions (CAT) and activities permitted to full-fledged money changers. Currently, there are 73 AD Category-II; (3) AD Category-III: These dealers can undertake foreign exchange transactions for bespoke current and capital account transactions incidental to their business/activities. Currently, there are 13 AD Category-III; and (4) Full-fledged money changers: These entities can undertake money changing transactions for specified purposes. Currently, there are around 1776 full-fledged money changers. The foreign exchange spot market comprises of dealer-to-dealer segment (or interbank market) and dealer-to-customer segment (or customer market). Both banks and nonbank entities (for example, primary dealers) can be dealers. Dealers are free to decide bid-ask spreads and mark-up. Foreign exchange spot transactions can be undertaken in OTC market only. In terms of purpose, customer (residents and nonresidents) can undertake foreign exchange spot transaction for purchasing/selling foreign exchange for a permissible current or capital account transaction and dealers can freely undertake foreign exchange spot transactions within their open position limit.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	
Over the counter	Yes.	The interbank foreign exchange spot market is completely over the counter which includes transactions executed on the electronic trading platforms.
Brokerage	Yes.	Dealers can undertake foreign exchange transactions through brokers. Such brokers are accredited by the Foreign Exchange Dealers Association of India (FEDAI), a market body, to operate in the dealer–dealer market.
Market making	No.	Authorized persons, authorized as such under Section 10(1) of the Foreign Exchange Management Act (FEMA, 1999 (42 of 1999), permitted to undertake foreign exchange derivative transactions with users and other authorized persons, can act as market-makers.
Forward exchange market	Yes.	Dealers in the foreign exchange market (spot and derivatives) are the entities authorized by the RBI to deal with foreign exchange and are known as authorized persons. Authorized persons can be of the following types: (1) AD Category-I: These dealers can undertake foreign exchange transactions with customers for all permissible current and capital account transactions. Currently, there are 101 AD Category-I;

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		(2) AD Category-II: These dealers can undertake foreign exchange transactions with customers for certain non-trade CAT and activities permitted to full-fledged money changers. Currently, there are 73 AD Category-II; (3) AD Category-III: These dealers can undertake foreign exchange transactions for bespoke current and capital account transactions incidental to their business/activities. Currently, there are 13 AD Category-III; and (4) Full-fledged money changers: These entities can undertake money changing transactions for specified purposes only. Currently, there are around 1776 full-fledged money changers. The foreign exchange derivative market (forward, swap, option, and other derivatives) comprises dealer-to-dealer segment (or interbank market) and dealer-to-customer segment (or customer market). Dealers are the entities authorized by the RBI to deal with foreign exchange (known as authorized persons). Both banks and nonbank entities (for example, primary dealers) can be dealers. Dealers are free to decide bid-ask spreads and mark-up. Foreign exchange derivative transactions can be undertaken in both over the counter and exchange-traded markets. In terms of purpose, customers (residents and nonresidents) can undertake: (1) foreign exchange derivative transactions involving INR for the purpose of hedging a contracted as well as anticipated exposure to exchange rate risk from a permissible current or capital account transaction and (2) foreign exchange derivative transactions not involving INR without any restriction in terms of purpose. Dealers can freely undertake foreign exchange derivative transactions within their open position limit. There are no restrictions on cancelation and rebooking of canceled derivatives.
Official cover of forward operations	Yes.	The Export Credit Guarantee Corporation of India Ltd. insures against exchange rate fluctuation for deferred receivables from the date of a bid up to 15 years after a contract is awarded. Exchange rate cover is offered in Australian dollars, euros, Japanese yen, pounds sterling, Swiss francs, UAE dirhams, and US dollars. For payments specified in other convertible currencies, cover is provided at the discretion of the Export Credit Guarantee Corporation of India Ltd.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	For prescription of currency purposes, countries are divided into two groups: (1) ACU members and (2) the external group (all other countries). For the first group, except Bhutan and Nepal, payments for eligible current international transactions must be settled through the ACU. (Myanmar may also settle transactions in freely convertible currency.) For Nepal and Bhutan, these are settled in Indian rupees. In other cases, payments may be settled in any permitted currency. Payment for imports of oil and gas is permitted outside the ACU mechanism, and all eligible CAT, including trade transactions with the Islamic Republic of Iran, must be settled in any permitted currency outside the ACU mechanism. Effective July 8, 2022, all eligible CAT including trade transactions with Sri Lanka have been allowed to be settled in any permitted currency outside the ACU mechanism until further notice. Trade settlements can be made through ACU dollar or ACU euro accounts or through ACU yen accounts, which are replenished through the RBI. Members of ACU can use nostro accounts of the commercial banks of ACU countries, that is, ACU dollar or ACU

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		euro accounts or ACU yen accounts, for settling the payments of both exports and imports. Operations in ACU euro are, however, temporarily suspended since July 1, 2016. Payments to countries in the second group may be made in rupees to the account of a bank of any of these countries or in any permitted currency, and receipts from these countries may be obtained in rupees from banks in any of these countries or in any permitted currency. However, special rules may apply to exports under lines of credit extended by the GOI to the governments of certain foreign countries. An additional arrangement has been put in place for international trade transactions for invoicing, payment, and settlement in INR.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	For prescription of currency purposes, countries are divided into two groups: (1) ACU members and (2) the external group (all other countries). For the first group, except Bhutan and Nepal, payments for eligible current international transactions must be settled through the ACU. For Nepal and Bhutan, these are settled in Indian rupees. In other cases, payments may be settled in any permitted currency. With the Islamic Republic of Iran, payment for imports of oil and gas is permitted outside the ACU mechanism, and all eligible CAT, including trade transactions may be settled in any permitted currency outside the ACU mechanism. In addition to the above, with Sri Lanka, all eligible CAT including trade transactions have been allowed to be settled in any permitted currency outside the ACU mechanism until further notice. Trade settlements can be made through ACU dollar or ACU euro accounts or through ACU yen accounts, which are replenished through the RBI. Members of ACU can use nostro accounts of the commercial banks of ACU countries, that is, ACU dollar or ACU euro accounts or ACU yen accounts, for settling the payments of both exports and imports. Operations in ACU euro are, however, temporarily suspended since July 1, 2016. Payments to countries in the second group may be made in rupees to the account of a resident of any of these countries or in any permitted currency, and receipts from these countries may be obtained in rupees from banks in any of these countries or in any permitted currency. However, special rules may apply to exports under lines of credit extended by the GOI to the governments of certain foreign countries. Effective July 11, 2022, an additional arrangement has been put in place for international trade transactions for invoicing, payment and settlement of exports/imports in INR.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	India and Russia have an Interbanking Arrangement, signed in 1992,

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		for repayment of state credits granted by the erstwhile Soviet Union. Currently, the rupee balances are being used for trade settlements/exports from India. India and Iran have a bilateral arrangement for settling trade in INR.
Inoperative	No.	
Regional arrangements	Yes.	India is a member of the ACU.
Clearing agreements	Yes.	AMU is the common unit of the ACU account. AMU is denominated as ACU dollar, ACU euro, and ACU yen which is equivalent in value to US$1, €1, and ¥ 1, respectively. Although Bhutan and Nepal are members of the ACU, trade with these countries is settled outside the ACU. At present, trade with the Islamic Republic of Iran is also settled outside the ACU mechanism. In addition to the above, all eligible CAT including trade transactions with Sri Lanka have been allowed to be settled in any permitted currency outside the ACU mechanism until further notice. Transactions with Nepal and Bhutan are settled in Indian rupees. Transactions with Nepal may also be settled in any freely convertible currency if permitted by the Nepal Rastra Bank. Transactions with Islamic Republic of Iran and Sri Lanka may be settled in any freely convertible currency or INR. Transactions with all other ACU members are currently being settled through ACU dollar and ACU yen; however, Myanmar can also settle transactions in any freely convertible currency. All eligible CAT including trade transactions in euro are permitted to be settled outside the ACU mechanism from July 1, 2016, until further notice.
Barter agreements and open accounts	No.	Presently, there are no barter trade agreements with any country.
Administration of control	Yes.	Exchange management is administered by the RBI in accordance with the FEMA, 1999, and the general policy established by the government, in consultation with the RBI. Much of the routine work of exchange control is delegated to authorized persons. Import and export licenses, where necessary, are issued by the director general of foreign trade.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Domestic gold sales must be made against up-front payments. Banks may grant gold metal loans. While imports of gold coins and medallions are no longer prohibited, pending further review, the restrictions on banks regarding selling gold coins and medallions have not been removed. Mutual funds (MFs), namely gold exchange-traded funds (ETFs), may invest in gold and gold-related instruments since 2019. Specified categories of MF schemes are also allowed to participate in Exchange-Traded Commodity Derivatives having gold as underlying. MFs, namely silver ETFs, may invest in silver and silver-related instruments. Specified categories of MF schemes are also allowed to participate in Exchange-Traded Commodity Derivatives having

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		silver as underlying.
On external trade	Yes.	Guidelines related to restrictions/control regarding exports and imports of gold are mentioned in the Foreign Trade Policy (FTP) issued by the Directorate General of Foreign Trade (DGFT), GOI. RBI guidelines in respect of import of gold are as given below: The 20:80 scheme of import of gold was withdrawn on November 28, 2014. However, the obligation to export under the 20:80 scheme would apply to the unutilized gold imported before November 28, 2014. Nominated banks and nominated agencies, as notified by the DGFT, are permitted to import gold on consignment basis. In addition to the above, qualified jewelers as notified by International Financial Services Centres Authority will be permitted to import gold under specific Indian Trade Clarification (Harmonized System) Codes through India International Bullion Exchange IFSC Limited (IIBX). The status holder exporters must adhere to the guidelines contained in extant FTP, as amended from time to time. The import of gold coins and medallions is permitted. However, prohibition on sale of gold coins and medallions by banks continues pending further review.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Any person resident in India: (1) may take outside India (other than to Nepal and Bhutan) currency notes of GOI and RBI notes up to an amount not exceeding Rs 25,000 a person or such amount and subject to such conditions as notified by the RBI from time to time and (2) may take or send outside India (other than to Nepal and Bhutan) commemorative coins not exceeding two coins each. Indian passport holders as well as persons of Indian origin carrying the Overseas Citizen of India (OCI) Card along with their passports traveling to Gurdwara Darbar Sahib, Kartarpur, Narowal, Pakistan, through the Sri Kartarpur Sahib Corridor, must be allowed to carry outside and bring into India at the time of his/her return, only Indian currency notes and/or foreign currency in USD, the total value of which may not exceed Rs 11,000. In case of travel to Nepal and Bhutan, a person may take or send out of India to Nepal or Bhutan, currency notes of GOI and RBI notes up to the denomination of Rs 100 without any limit. An individual traveling from India to Nepal or Bhutan can carry RBI notes of Mahatma Gandhi (new) Series of denominations Rs 200 and/or Rs 500 up to a total limit of Rs 25,000.
Foreign currency	Yes.	An AD may transfer abroad foreign currency acquired in the normal course of business. Any person may take out of India: (1) foreign exchange possessed by him in accordance with the Foreign Exchange Management (FEM) (Possession and Retention of Foreign Currency) Regulations, 2015; (2) unspent foreign exchange brought back by him to India while returning from travel abroad and retained in accordance with the FEM (Possession and Retention of Foreign Currency) Regulations, 2015. Any person resident outside India may take out of India unspent foreign exchange not exceeding the amount brought in by him and declared in accordance with the proviso to clause (b) of Regulation 6, on his arrival in India of FEM (Export and Import of Currency) Regulations, 2015.

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On imports	Yes.	
Domestic currency	Yes.	Any person resident in India who had gone out of India on a temporary visit may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of GOI and RBI notes up to an amount not exceeding Rs 25,000 a person or such amount and subject to such conditions as notified by the RBI from time to time. In case of Nepal and Bhutan, individuals may bring in currency notes of Rs 100 denomination or less without limit. Indian passport holders as well as persons of Indian origin carrying the OCI Card along with their passports traveling to Gurdwara Darbar Sahib, Kartarpur, Narowal, Pakistan, through the Sri Kartarpur Sahib Corridor, must be allowed to carry outside and bring into India at the time of his/her return, only Indian currency notes and/or foreign currency in USD, the total value of which may not exceed Rs 11,000.
Foreign currency	No.	Foreign exchange may be brought in without limit, provided the total amount is declared to the customs authorities on arrival, if the value of foreign exchange in the form of foreign currency notes, bank notes, or traveler's checks exceeds US$10,000 or its equivalent and/or if the aggregate value of foreign currency notes brought in at any one time exceeds US$5,000 or its equivalent.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Exchange earners' foreign currency (EEFC) account – Foreign exchange earners may open EEFC accounts and credit these accounts with up to 100% of their foreign exchange earnings. EEFC accounts do not earn interest. Exporters may credit 100% of their foreign exchange earnings to an EEFC account; total accruals in the account during a calendar month must be converted to rupees on or before the last day of the subsequent calendar month after adjusting for approved purposes and forward commitments. Credit may not be made available against the balances in these accounts. Balances may be used for trade-related loans to foreign importers. Resident foreign currency (RFC) (domestic) account – Residents and their close relatives may hold RFC domestic accounts with an AD. These accounts do not earn interest and may be credited with foreign exchange from the following sources: (1) exports of goods or services, (2) gifts or honoraria while abroad, (3) legal transactions with nonresidents in India, (4) remaining balances from travel abroad, and (5) proceeds of life insurance claims settled in foreign currency. As long as the foreign exchange is acquired by one of these means, there is no limit on the account balance. RFC account – A person resident in India may open RFC accounts with foreign exchange from pensions and other payments from overseas employers or with other receipts, such as gifts or inheritances, permitted under the regulations. The balance may be used for any permissible purpose and freely abroad. An AD in India may, subject to the directions as may be issued by the RBI, allow ship-manning/crew managing agencies in India and reinsurance and composite insurance brokers registered with Insurance Regulatory and Development Authority of India (IRDAI) to open and maintain non-interest-bearing foreign currency accounts

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		in India for the purpose of undertaking transactions in the ordinary course of their business. Diamond dollar account (DDA) – Firms and companies which comply with the eligibility criteria stipulated in the FTP of the GOI may open DDA accounts subject to terms and conditions of DDA scheme laid down in Schedule II of FEMA 10(R). Indian agent of shipping or airline companies incorporated outside India can maintain foreign currency account in India for meeting the local expenses of the overseas company. The credits permitted to such accounts are freight or passage fare collections in India or from his principal outside India. Project Offices of foreign companies can open non-interest bearing one or more foreign currency accounts in India for the project to be executed in India subject to certain conditions. Organizers of international Seminars, Conferences, Conventions, etc., can open temporary foreign currency accounts in India subject to certain conditions. An exporter who has undertaken a construction contract or a turnkey project outside India or who is exporting services or engineering goods from India on deferred payment terms may open, hold, and maintain a foreign currency account with a bank in India, provided approval as required under the FEM (Export of Goods and Services) Regulations, 2015, as amended from time to time has been obtained for undertaking the contract/project/export of goods or services, and the terms and conditions stipulated in the letter of approval have been duly complied with. A unit located in a Special Economic Zone (SEZ) may open hold and maintain a foreign currency account with an AD in India to credit all foreign exchange funds received by the unit subject to certain conditions. An Indian company receiving foreign investment under FDI route in terms of FEM (Non-debt Instruments (NDI)) Rules, 2019, of October 17, 2019, as amended from time to time, may open and maintain a foreign currency account with an AD in India, provided the Indian investee company has impending foreign currency expenditure and the account is closed immediately after the requirements are completed or within six months from the date of opening of such account, whichever is earlier.
Approval required	Yes.	RBI approval is required for foreign exchange accounts, held either domestically or abroad, except for those covered by general permission granted by the RBI.
Held abroad	Yes.	Resident individuals may open and maintain foreign exchange accounts abroad, which may be used to remit up to the equivalent of US$250,000 a financial year for all permissible current and capital account transactions or a combination of both under the liberalized remittance scheme (LRS) of 2015–2016. Specific approval is required for remittances in excess of this limit and for other transactions. In case of Project Exports, AD Bank/Export–Import Bank of India (EXIM) Bank (Approving Authority) may permit exporters to open, maintain, and operate one or more foreign exchange accounts in the currency of their choice with interproject transferability of funds in any currency or country. The transfer of funds between projects is monitored by those issuing the permit/approving the project. An Indian party (IP) (as defined for overseas direct investment (ODI)) may have a foreign currency account abroad for the purpose of ODI, subject to certain conditions – for example, if the host-country law stipulates that investment must be routed through a designated account. External commercial borrowing (ECB) proceeds

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		meant only for foreign currency expenditure to be kept abroad pending utilization in deposits with overseas branches/subsidiaries of Indian banks abroad. The following persons can open a foreign currency account with a bank outside India for carrying on normal business and incidental transactions. An AD in India with its branch/head office/correspondent outside India. A branch outside India of a bank incorporated in India. An Indian shipping or airline company. Insurance/reinsurance companies registered with IRDAI to carry out insurance/reinsurance business. An India firm/company/body corporate in the name of its foreign office/branch or its representative posted outside India. An exporter who is exporting services and engineering goods on deferred payment terms or executing a turnkey project or a construction contract abroad. A person resident in India who has gone abroad for studies may open a foreign currency account with a bank outside India during his stay abroad subject to certain conditions. A person resident in India who is on a visit to a foreign country may open a foreign currency account with a bank outside India during his stay abroad. The balance in the account should be repatriated to India on return of the account holder to India. A person going abroad to participate in an exhibition/trade fair may open a foreign currency account with a bank outside India for crediting the sale proceeds of goods. The balance should be repatriated to India within one month from the date of closure of the exhibition/trade fair. The following persons can open a foreign currency account outside India for remitting/receiving their entire salary payable to him in India. A foreign citizen resident in India, being an employee of a foreign company, on deputation to the office/branch/subsidiary/joint venture (JV)/group company in India; An Indian citizen, being an employee of a foreign company, on deputation to the office/branch/subsidiary/JV/group company in India. A foreign citizen resident in India employed with an Indian company; Indian start-up, having an overseas subsidiary, may open a foreign currency account with a bank outside India for the purpose of crediting to the account the foreign exchange earnings out of exports/sales made by the said start-up or its overseas subsidiary. The balances held in such accounts, to the extent they represent exports from India, must be repatriated to India within the period prescribed for realization of exports, in FEM (Export of Goods and Services) Regulations, 2015, of January 12, 2016, as amended from time to time.
Approval required	Yes.	Certain transactions as well as remittances in excess of specified limits require approval.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign currency nonresident (FCNR) accounts (Banks-Scheme B)

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		in freely convertible foreign currency are permitted for nonresident Indians (NRIs) and people of Indian origin (PIOs). These must be in the form of term deposits of one- to five-year maturity in any foreign currency that is freely convertible. Diplomatic missions and their staff and nondiplomatic staff with official passports may open foreign exchange accounts with ADs without RBI approval, subject to certain conditions. Accounts related to countries other than Bhutan and Nepal are treated as nonresident accounts. NRIs in Nepal and Bhutan may open foreign exchange accounts, provided they are funded with permitted foreign exchange. FDI proceeds may be credited to an FCNR (B) account, provided the original acquisition was from inward remittance or funds in a nonresident external (NRE)/FCNR (B) account. Balances may be repatriated at any time without RBI approval. NRIs may use new remittances or funds in FCNR accounts for (1) portfolio investment with repatriation benefits of up to 5% of the paid-up capital, provided total holdings of shares and convertible debentures under the Portfolio Investment Scheme (PIS) do not exceed 10% (24% with a special board resolution passed at a general meeting of the company) of the paid-up capital of the company or of the total paid-in value of each series of its convertible debentures; (2) existing JV companies to raise the ratio of foreign equity shares to prescribed percentages of their capital through expansion of their capital base or through preferential allocation of shares to foreign investors; and (3) investment (only NRIs) on a non-repatriation basis in money market MFs. The interest rate ceiling on FCNR (B) deposits of maturities between one and three years is Overnight Alternative Reference Rate (ARR) for the respective currency/Swap plus 250 bps, and for maturities between three and five years, is Overnight ARR for the respective currency/Swap plus 350 bps. Banks may grant loans, in rupees and foreign exchange, against FCNR (B) fixed deposits to the depositors or to third parties without limit, subject to margin requirements. Residents may be joint holders in FCNR accounts. NRIs and PIOs may open FCNR (B) accounts with a resident close relative(s) as joint holder(s) on a “former or survivor” basis. Borrowing not exceeding US$250,000 or its equivalent by residents from close relatives outside India of the borrower is permitted by the RBI, provided the loan is interest-free and the minimum maturity is one year, subject to certain conditions. AD Category-I banks may allow repayment of such loans to the NRE/FCNR (B) account of the lender concerned, subject to conditions.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Diplomatic missions and their personnel and family members may open rupee accounts with ADs. Foreign companies may not open new NRE accounts. NRIs and PIOs may maintain NRE rupee accounts with a resident close relative(s) as joint holder(s) on a “former or survivor” basis. The interest rates offered by banks on NRE deposits may not exceed those offered by them on comparable domestic rupee deposits. FDI proceeds may be credited to an NRE account, provided the original acquisition was from inward remittance or funds held in an NRE/FCNR (B) account. Balances may be repatriated at any time without RBI approval. NRIs may use funds from new remittances or in their NRE accounts for (1) portfolio investments with repatriation benefits of up to 5% of the paid-up capital, provided their total

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		holdings of shares and convertible debentures under the PIS do not exceed 10% (24% with a special board resolution passed at a general meeting of the company) of the paid-up capital of the company or of the total paid-in value of each series of its convertible debentures; (2) existing JV companies to raise the ratio of foreign equity shares to prescribed percentages of their capital through expansion of their capital base or preferential allocation of shares to foreign investors; and (3) investment on a non-repatriation basis in money market MFs (only NRIs). Balances in such accounts are freely convertible. Banks may freely set their interest rates on savings deposits and term deposits with maturities of one year or more. However, interest rates may not exceed those offered on comparable domestic rupee deposits. Gifts to NRIs may be credited to nonresident ordinary (NRO) accounts in rupees. Residents may make rupee gifts up to US$250,000 a financial year, as permitted under the LRS to an NRI or PIO who is a close relative through a cross-checked/electronic transfer to an NRO account. NRIs may transfer funds from NRO accounts within the overall ceiling of US$1 million a financial year subject to payment of applicable taxes (that is, when the funds are remitted abroad). Any person resident outside India, having a business interest in India, may open a special nonresident rupee account (SNRR account) with an AD for the purpose of putting through bona fide transactions in rupees, not involving any violation of the provisions of the Act, rules and regulations made thereunder. Scope of "SNRR" has been enhanced by allowing persons residing outside India to open such accounts for purposes like ECBs in INR; Trade Credits (TCs) in INR; Trade (Export/Import) Invoicing in INR; and Business-related transactions outside International Financial Service Centre by International Financial Service Centre units at GIFT city. Overseas branches or correspondents of AD Category- I banks in India can open Rupee account (non-interest bearing) with AD Category-I banks in India, without prior approval of RBI. These accounts require prior RBI approval if they are opened in the names of branches of Pakistani banks operating outside Pakistan.
Approval required	No.	These accounts require RBI approval if they are in the name of Pakistan or Bangladesh nationals – even those of Indian origin.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	The RBI allows requests from exporters through their AD Category-I banks to set off export receivables against import payables of the same foreign buyer and supplier, subject to certain terms and conditions.
Minimum financing requirements	No.	There are no minimum financing requirements for imports. AD Category-I banks may, however, need to obtain information from importers and verify the bona fide of the transactions before remittance.
Advance payment requirements	Yes.	ADs may allow unlimited advance remittances against imports of goods, but importers must provide a standby LC (SBLC) or bank guarantee for amounts over US$200,000. ADs, at their discretion, may allow advance remittance up to US$5 million without a bank guarantee or SBLC if the importer is legitimate and has a satisfactory track record. ADs may make advance remittances without a bank

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		guarantee or SBLC for the import of rough diamonds from certain mining companies and for aircraft, helicopter, or other aviation-related purchases up to US$50 million. ADs may allow unlimited advance remittances against imports of services, though importers must provide a bank guarantee if the amount exceeds US$500,000. Government and public sector companies require a specific waiver of the bank guarantee from the MOF for advance payments above US$100,000 for imports of both goods and services. In case of merchanting trade transactions, merchanting traders may make advance payment for the import leg if required by the overseas seller. However, for making advance beyond US$500,000, a bank guarantee/SBLC from a reputable international bank is required.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	These may be required by the terms of an LC.
Preshipment inspection	No.	These may be required by the terms of an LC.
Letters of credit	Yes.	These may be required where applicable.
Import licenses used as exchange licenses	Yes.	As per FTP.
Other	Yes.	AD Category-I banks need to obtain information from importers and verify the bona fide of the transactions before remittance documentary evidence is required to be submitted for all the imports. If the amount of the transaction is less than US$1 million, ADs may accept either (1) the exchange control copy of the bill of entry for home consumption or (2) a certificate from the chief executive officer or an auditor (in lieu of Exchange Control Copy of Bill of Entry for home consumption) of the importing company stating that the goods for which payment was made were imported into India, if the importing company is listed on a stock exchange in India and had a net worth of at least Rs 1 billion on the date of the most recent audited balance sheet or is an entity of the GOI or a public sector company or entity whose accounts are audited by the comptroller and auditor general of India. A credit report on the overseas supplier (when import documents are received directly) is not necessary if the invoice value does not exceed US$300,000, provided the ADs are satisfied as to the bona fide nature of the transaction and track record of the importer.
Import licenses and other nontariff measures	Yes.	These are decided by the GOI from time to time.
Positive list	No.	Under FTP, 2015–2020, there is no term as Positive list.
Negative list	Yes.	Under FTP, 2015–2020, there is no term as Negative list. However, goods whose import policy is “Restricted” require an authorization/license from DGFT for import. Goods whose import policy is “Prohibited” are not permitted to be imported.
Open general licenses	No.	As per Indian Trade Clarification based on Harmonized System of Coding classification, there is no terminology called OGL. There are some items which are “free” for import/export, but subject to conditions stipulated in other Acts or in law for the time being in force.
Licenses with quotas	No.	The license/authorization are issued to an importer indicating the quantity of the item with unit of measurement (UOM) which may

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		vary from the quantity indicated by the importer in its application.
Other nontariff measures	Yes.	
Import taxes and/or tariffs	Yes.	Import tariffs: "To provide a level playing field for domestic manufacturing, encourage domestic value addition, provide access to raw materials at lower cost and to ensure there are no duty inversions in the duty structure as far as possible, the customs rate structure has built in progression, with basic raw materials at the low rates, intermediates at medium rates and final consumption goods at peak rate or higher rates. In line with this over the years, duty on: (1) Basic raw materials like crude petroleum oil, man-made fibers, filament yarns, purified terephthalic acid, monoethylene glycol, dimethyltryptamine (DMT), iron or steel melting scrap, aluminum scrap, other metal scraps, etc., have been kept at the concessional lowest slabs of customs duty that is, Nil, 2.5% or 5%. (2) Intermediate goods, like chemicals, major plastics, refractories primary polymers, etc., and capital goods has been kept at 7.5%; (3) Specified iron and steel products attract 7.5%. (4) Final consumption goods and all other non-agricultural goods in general are kept at peak rate of 10% and higher in case of certain goods. There are certain exceptions to the peak rate of 10% with certain manufactured goods attracting customs duty on the higher side, including: (1) Cosmetics [20%], (2) Truck and bus radial tires [15%], (3) Footwear [35%], (4) LCD/LED TVs [20%], (5) Panels for LCD/LED TVs [15%], (6) Mobile phones [20%], (7) Specified automobile parts [15%], (8) Motor vehicle in Completely-Built Unit form [70%/100%], (9) Smart watches and similar wrist wearable devices [20%]; (10) Furniture [25%], (11) Wrist watches, pocket-watches, alarm clocks, clocks [20%] (12) Manmade fiber fabrics, apparels, and made-ups [20%]. (13) Glassware, tableware and kitchenware of steel, copper, aluminum, and ceramic [20%], (14) Padlocks and locks of base metals [20%], (15) Household appliances like ceiling fans, food grinders, shavers, hair dryers, water heaters, toasters, coffee, and tea makers, etc. [20%], (16) Industrial freezers and refrigerators, water coolers, etc. [15%], (17) Office stationery and furniture like filing cabinets, paper trays, paper rests, letter clips, name plates, etc. [20%]. Effective February 2, 2023, the important duty changes made in Budget 2023–2024 include: Chemicals and petrochemicals: (1) The basic customs duty (BCD) on denatured ethyl alcohol has been reduced from 5% to Nil for use in the manufacture of industrial chemicals through IGCR (Import of Goods at Concessional rate of duty, Rules) route.

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(2) The BCD on acid grade fluorspar (containing by weight more than 97% of calcium fluoride) has been reduced from 5% to 2.5%.
(3) The BCD on crude glycerin has been reduced from 7.5% to 2.5% for use in manufacture of epichlorohydrin through IGCR route.
(4) The BCD on naphtha has been increased from 1% to 2.5%.
(5) The BCD on styrene has been increased from 2% to 2.5%.
(6) The BCD on vinyl chloride monomer has been increased from 2% to 2.5%.

Precious metals:
(1) The import duty on Dore and bar of gold and platinum were enhanced in June and October 2022, respectively. While maintaining the existing incidence of import duty on these items, the BCD rate and the Agriculture Infrastructure Development Cess (AIDC) rates have been recalibrated. The import duty on silver bar and silver Dore was however enhanced. The changes are as follows:

(a) Gold Bars: the BCD has been reduced from 12.5% to 10%, and from 2.5% to 5% for the AIDC, the Social Welfare Surcharge (SWS) remains unchanged at
Nil. Hence, total duty is 15%.
(b) Gold Dore: the BCD has been reduced from 11.85% to 10%, the AIDC has been increased from 2.5% to 4.35%, the SWS remains unchanged at Nil. Hence, total duty is 14.35%.
(c) Platinum: the BCD has been reduced from 12.5% to 10%, the AIDC has been increased from 1.5% to 5.4%, the SWS has been reduced from 1.4% to Nil. Hence, total duty is 15.4%.
(d) Silver Bar: the BCD has been increased from 7.5% to 10%, and from 2.5% to 5% for the AIDC, the SWS has been reduced from 0.75% to Nil. Hence, total duty is 15%.
(e) Silver Dore: the BCD has been increased from 6.1% to 10%, and from 2.5% to 4.35% for the AIDC, the SWS has been reduced from 0.61% to Nil. Hence, total duty is 14.35%.

(2) The import duty on articles made of precious metals falling under CTH 7113 and 7114 has been increased from 22% to 25%. It has been exempted from SWS.

(3) The import duty on imitation jewelry classified under Heading 7117 has been increased from '22% or Rs. 400/kg, whichever is higher' to '25% or Rs. 600/kg, whichever is higher'. It has been exempted from SWS.

Export promotion:

(1) The BCD on "seeds" for use in manufacture of rough lab grown diamond has been reduced to Nil subject to IGCR condition for a period of two years.

(2) The BCD on certain ingredients/inputs for use in the manufacture of aquatic feed has been reduced subject to IGCR condition as follows:
(a) Fish meal from 15% to 5%.
(b) Krill meal from 15% to 5%.
(c) Fish lipid oil from 30% to 15%.
(d) Algal Prime (flour) from 30% to 15%.
(e) Mineral and Vitamin Premixes from 15% to 5%.

Electronics goods:

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(1) The BCD on camera lens for camera module and input/sub parts for lens of camera module of mobile phone has been reduced from 2.5% to Nil subject to IGCR condition.

(2) Exemption from BCD has been provided to specified chemicals/items for manufacture of precalcined ferrite powder as is available for ferrites.

(3) Exemption from BCD has been provided to Palladium Tetra Amine Sulphate for manufacture of parts of connectors as is available for manufacture of connectors.

(4) The BCD on parts for manufacture of open cells of TV panels has been reduced from 5% to 2.5% subject to IGCR condition.

Electrical appliances:

(1) The BCD on electric kitchen chimney has been increased from 7.5% to 15%.
(2) The BCD on heat coils for use in manufacture of electric kitchen chimney has been reduced from 20% to 15% subject to IGCR condition.

Automobiles:

(1) Exemption from BCD has been provided to vehicles, specified automobile parts/components, sub-systems, and tires, when imported by notified testing agencies for the purpose of testing and/ or certification, subject to specified conditions.

(2) The BCD on vehicle (including electric vehicles) in Semi-Knocked Down (SKD) form has been increased from 30% to 35%. However, it has been exempted from SWS.

(3) The BCD on vehicles in Completely-Built Unit form has been increased from 60% to 70%. However, it has been exempted from SWS.

Capital goods:

Customs duty exemption has been provided to import of specified capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles as is available for manufacture of lithium-ion cells for batteries used in mobile handsets.

Others:

(1) The BCD on bicycles has been increased from 30% to 35%. However, it is being exempted from SWS.
(2) The BCD on toys and its parts has been increased from 60% to 70%. However, has been exempted from SWS.
(3) The BCD on aircraft (other than those at Nil or 2.5%) and aircraft tires (other than those at Nil) has been reduced from 3% to 2.5% but they will attract AIDC of 0.5%.
(4) The BCD on coal, peat and lignite is being increased to 2.5% but these have been exempted from AIDC.
(5) The BCD on compounded rubber has been increased from 10% to ‘25% or Rs. 30/kg whichever is lower’.

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(6) The BCD on pecan nuts has been reduced from 100% to 30%. The SWS exemption has been withdrawn.
(7) The BCD on Warm blood horse imported by sports person of outstanding eminence for training purpose for equestrian sports has been reduced from 30% to Nil subject to conditions.

Other export taxes:

Following export duty measures have been taken in the fiscal year 2022–2023:
(1) Rice in the husk (1006) (paddy or rough), of seed quality exempted from export duty of 20%.
(2) Export duty on Iron ore and concentrates (Non-Agglomerated) (26011121, 26011122, 26011141, 26011142) reduced from 50% to Nil.
(3) Export duty on iron ore and concentrates (Non-Agglomerated) (other than 26011121, 26011122, 26011141, 26011142) (2601 11) reduced from 50% to 30%.
(4) Export duty on iron ore and concentrates (Agglomerated) other than iron ore pellets (260112) reduced from 50% to 30%.
(5) Export duty on Iron ore pellets (26011210) reduced from 45% to Nil.
(6) Export duty on pig iron and spiegeleisen in pigs, blocks, or other primary forms (7201) reduced from 15% to Nil.
(7) Export duty on flat-rolled products of iron or non-alloy steel, hot rolled, not clad, plated or coated (7208) reduced from 15% to Nil.

(8) Export duty on flat-rolled products of iron or non-alloy steel, cold rolled (cold-reduced), not clad, plated or coated (7209) reduced from 15% to Nil.
(9) Export duty on flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, plated or coated (7210) reduced from 15% to Nil.
(10) Export duty on bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel (7213) reduced from 15% to Nil.
(11) Export duty on other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling (7214) reduced from 15% to Nil.
(12) Export duty on flat-rolled products of stainless steel, of a width of 600 mm or more (7219) reduced from 15% to Nil
(13) Export duty on other bars and rods of stainless steel; angles, shapes and sections of stainless steel (7222) reduced from 15% to Nil.
(14) Export duty on bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel (7227) reduced from 15% to Nil.

Effective February 2, 2022, other important changes made in the 2022–2023 budget include:

(1) Customs duty on fisheries product such as Atlantic Salmon and Live Black tiger shrimp has been reduced to 10%, whereas, on Frozen Krill, Frozen Mussels, and Frozen Squids customs duty has

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		been reduced to 15%. (2) Customs duty on fuel oil, straight run fuel oil, low sulfur wax residue, vacuum residue, slurry, and vacuum gas oil reduced to 2.5%. (3) Customs duty on sodium cyanide has been increased to 10%. (4) Customs duty on methyl alcohol and acetic acid has been reduced to 2.5% and 5%, respectively. (5) Customs duty on recovered (waste and scrap) paper or paperboard imported for manufacture of paper, paperboard, or newsprint has been increased to 2.5%. (6) Customs duty on umbrellas and sun umbrellas has been increased to 20%. (7) Customs duty on cut and polished diamonds and cut and polished natural gemstones has been decreased to 5%. (8) Customs duty on S. G ingot castings for use in the manufacture of plastic processing machineries has been reduced to 7.5%. (9) Customs duty on linear motion guides and ball screws for use in the manufacture of plastic processing machineries has been reduced to 5%. (10) Customs duty on camera lens for use in manufacture of camera module of cellular mobile phone has been reduced to 2.5%. (11) Customs duty on specified parts of transformers for use in manufacture of chargers/adapters has been reduced to 5%. (12) Customs duty on specified parts of X-ray machines for medical, surgical, dental, or veterinary use has been increased to 10%. (13) Customs duty on X-ray machines for medical, surgical, dental, or veterinary use has been increased to 10%. (14) Customs duty on parts of electronic toys used in the manufacture of electronic toys has been increased to 25%.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Import policy of certain items is canalized through the state trading enterprises. DGFT may, however, grant an authorization to any other person to import or export any of the goods notified for exclusive trading through state trading enterprises.

Exports and Export Proceeds

Repatriation requirements	Yes.	The period of realization and repatriation of export proceeds is nine months from the date of export, and it includes all exporters, including units in SEZs, status holder exporters, Export Oriented Units (EOUs), units in electronic hardware technology parks (EHTPs), software technology parks (STPs), and biotechnology parks (BTPs). Exporters must obtain permission from an AD if the export proceeds are not collected within the prescribed period. ADs may extend the period of realization of export proceeds beyond the stipulated period of realization from the date of export up to six months at a time, regardless of the invoice value of the export, subject to conditions. In case of goods exported to Indian-owned warehouses established outside India, the proceeds must be realized within 15 months from the date of shipment of goods. The RBI also administers a program referred to as “Project Exports” under which engineering goods may be exported under deferred payment terms. Project Export also includes execution of turnkey projects and civil construction contracts aboard. Indian exporters are required to obtain the approval of AD Category-I banks/EXIM Bank at post-award stage before undertaking execution of such contracts.
Surrender requirements	Yes.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	Yes.	Exporters may credit 100% of their foreign exchange earnings to an EEFC account; total accruals in the account during a calendar month must be converted to rupees on or before the last day of the subsequent calendar month after adjusting for approved purposes and forward commitments. Status holder exporters may write off outstanding export proceeds up to 10% (5% for other than status holder exporters) of their total export proceeds realized during the previous calendar year. ADs may allow reduction in the export invoice value in case of normal exporters, provided the reduction does not exceed 25% of the invoice value, subject to regulatory conditions. In case of exporters who have been in the export business or more than three years, reduction in invoice value may be allowed, without any percentage ceiling, subject to regulatory conditions.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	These may be required where applicable.
Guarantees	Yes.	These may be required where applicable.
Domiciliation	No.	This may be required by the terms of LC.
Preshipment inspection	No.	This may be required by the terms of LC.
Other	Yes.	Under the Export Data Processing and Monitoring System, exports of goods and services must be declared, irrespective of the invoice value. To facilitate e-commerce, guidelines for facilitating export receivables and import payables are made through online payment gateway service providers. For third-party payments, with a view to further liberalizing the procedure relating to payments for exports/imports and taking into account evolving international trade practices, according to A.P. (DIR Series) Circular No. 70 of November 8, 2013, AD banks may allow payments for export of goods/software to be received from a third party (a party other than the buyer) subject to the following conditions: (1) The firm irrevocable order must be backed by a tripartite agreement. (2) Third-party payment must be through the banking channel after taking into consideration the FATF statement of the country. (3) The exporter must declare the third-party remittance on the export declaration form. (4) It is the responsibility of the exporter to realize and repatriate the export proceeds from the third party named in the export declaration form. (5) Reported outstanding amounts, if any, in the export outstanding statement must continue to be shown in the name of the exporter. However, instead of the name of the overseas buyer, the name of the declared third party must appear in the export outstanding statement. (6) Payments for shipments to a country in Group II of restricted cover countries (for example, Somalia, Sudan) may be received from an open cover country. AD Category-I banks may allow exporters with at least a three-year satisfactory track record to receive long-term export advances up to a tenor of 10 years for execution of long-term supply contracts for exports of goods, subject to certain conditions mentioned therein. Further, the condition that exporters and importers must have a “firm irrevocable order backed by a tripartite agreement” is not applicable if there is documentary evidence of third-party payments/name of the third party mentioned in the irrevocable order/invoice. The following conditions apply: (1) The AD bank must be satisfied with the bona

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		fides of the transaction and export documents, such as invoice/foreign inward remittance certificate (FIRC), and (2) the AD bank must consider the FATF statements while handling such a transaction.
Export licenses	Yes.	These are subject to the FTP.
Without quotas	Yes.	
With quotas	Yes.	
Export taxes	Yes.	These are decided by the GOI from time to time.
Collected through the exchange system	No.	
Other export taxes	Yes.	"Ad valorem export duties (%) apply as follows: (1) Snakeskin, raw fur, and lambskin, 10%. (2) Cycle saddle, hydraulic/packing, belting/washer, picking band, and strap/combing leather, 15%. (3) Leather for luggage, cases, and handbags, 25%. (4) Other hides, skins, and leathers, tanned and untanned, excluding manufactures, 40% (5) Iron ores and concentrates (having Fe content more than 58%), 30%. (6) Chrome and concentrates, 30%. (7) Iron ore pellets, 45%. (8) Pig iron and spiegeleisen in pigs, blocks or other primary forms, 15%. (9) Flat-rolled products of iron or non-alloy steel, hot-rolled, not clad, plated or coated, 15%. (10) Flat-rolled products of iron or non-alloy steel, cold-rolled (cold reduced), not clad, plated or coated, 15%. (11) Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated, 15%. (12) Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel, 15%. (13) Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling, 15%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Residents may obtain foreign exchange for bona fide permissible CAT.
Trade-related payments	Yes.	(1) Receipt for exports from third party (party other than buyer) is allowed subject to RBI guidelines, which were introduced vide A.P. (DIR Series) Circular No. 70 of November 8, 2013. (2) Receipt for export may also be made in form of bank draft, check, pay order, foreign currency notes/traveler's check from buyer during visit to India, provided the foreign currency is surrendered within the specified period to AD bank. Receipt for exports may be made by debit to FCNR/NRE/SNRR account, maintained by overseas buyer in India in rupees from credit card servicing bank in India subject to regulatory conditions, from a rupee account held in the name of exchange house subject to regulatory condition, in accordance with RBI directions in case of arrangement between the Central Government and foreign government/credit arrangement by EXIM Bank with financial institution in foreign state, in the form of precious metals in certain cases subject to regulatory conditions. Any receipt for other than exports may be received by means of postal order issued by a post office outside India or by a postal money order issued by such post office. These guidelines are specified under

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		Notification No. FEMA 14(R)/2016-RB of May 2, 2016. (3) A payment in foreign exchange by an AD, whether by way of remittance from India or by way of reimbursement to his branch or correspondent outside India against payment for import into India, or against any other payment, must be in the following manner: (a) For ACU countries (other than Nepal, Bhutan, and Iran), payment for import of goods and services by credit to ACU dollar account and/or ACU euro account and/or ACU yen account in India of a bank of the member country in which the other party to the transaction is resident or by debit to the ACU dollar account and/or ACU euro account and/or ACU yen account of the AD maintained with the correspondent bank in that member country; payment in any freely convertible currency in all other cases; payment may be in freely convertible currency or through ACU mechanism for imports from Myanmar; in case of Nepal and Bhutan, payment may be in rupees. In case of Iran, payment for import in any freely convertible currency and/or in accordance with RBI directions; in all other cases as per RBI directions. However, all eligible CAT including trade transactions in euro are permitted to be settled outside the ACU mechanism from July 1, 2016, until further notice. Further, effective July 11, 2022, an additional arrangement has been put in place for international trade transactions for invoicing, payment, and settlement in INR. Before putting in place this mechanism, AD banks must require prior approval from the Foreign Exchange Department of RBI, Central Office at Mumbai. Mechanisms are (i) invoicing: all exports and imports under this arrangement may be denominated and invoiced in rupee (INR); (ii) exchange rate: exchange rate between the currencies of the two trading partner countries may be market determined; and (iii) settlement: the settlement of trade transactions under this arrangement must take place in INR. (b) For all other countries (other than ACU countries), payment in rupees from account of a bank situated in any country other than a member country of the ACU or payment in any freely convertible currency. In addition to the above, effective July 8, 2022, in the case of Sri Lanka, all eligible CAT including trade transactions have been allowed to be settled in any permitted currency outside the ACU mechanism until further notice. (c) Payment for import to be made to third party is permitted as per RBI guidelines as per A.P. (DIR Series) Circular No. 70 of November 8, 2013. (d) Payment for import may be made through international card in rupees from international credit card (ICC)/debit card through the credit/debit card servicing bank in India against the charge slip signed by the importer as prescribed by Reserve Bank from time to time subject to regulatory conditions. Payment for import may also be made by credit to SNRR account maintained by the overseas seller in India. These guidelines are specified under Notification No. FEMA 14(R)/2016-RB of May 2, 2016. (4) Settlement of export and import transactions where the invoicing is in a freely convertible currency and the settlement takes place in the currency of the beneficiary, which though convertible does not have a direct exchange rate, is permitted subject to regulatory requirements. These guidelines are specified in A.P. (DIR Series) Circular No. 42 of February 4, 2016.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Remittances by persons other than individuals must require prior approval of the RBI if remittances exceed US$10,000,000 a project for any consultancy services in respect of infrastructure projects and

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		US$1,000,000 a project for other consultancy services procured from outside India. In case of import payment through online payment gateway service providers, the facility is available for import of goods and software if the value is not exceeding US$2,000.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Remittances are allowed, subject to certain conditions, provided all current taxes and other liabilities have been cleared. Branches of foreign companies operating in India may remit profits to their head offices without RBI approval, subject to payment of applicable taxes and other liabilities.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	An overall LRS limit of US$250,000 a financial year applies to individuals for permitted current and capital account transactions. The LRS includes all exchange and remittance facilities, including private/business visits for CAT available to resident individuals. No such limits apply to payments made with an ICC issued by overseas banks and other reputed agencies. Foreign exchange is not made available for travel to Bhutan or Nepal or for transactions with residents of these countries. ADs and full-fledged money changers may release the full amount of the basic travel quota entitlement in cash or up to the cash limit specified by the Hajj Committee of India, to Hajj/Umrah pilgrims.
Indicative limits/bona fide test	Yes.	ADs may release foreign exchange beyond indicative limits, where applicable, with RBI approval, on verification of purpose.
Personal payments	Yes.	Resident individuals may remit up to US$250,000 a financial year for any permitted current or capital account transaction or a combination of both under the LRS. Application cum Declaration for purchase of foreign exchange under the LRS of US$250,000 is clubbed with Form A2 to reduce multiplicity of forms to be filled in by the customers.
Prior approval	No.	
Quantitative limits	Yes.	The LRS limit available to individuals is US$250,000 for permitted current and capital account transactions. LRS exchange/remittance facilities for CAT include remittance for private visits; business visits; gifts or donations; travel abroad for employment; emigration; maintenance of close relatives abroad; expenses in connection with medical treatment abroad; and studies abroad. However, for items such as emigration, expenses in connection with medical treatment abroad and studies abroad, individuals may obtain exchange facility for an amount exceeding the overall limit prescribed under the LRS, if required by the country involved, medical institute offering treatment or the university, respectively. Gifts in Indian rupees by resident individuals to NRI relatives as defined in the Companies Act, 2013, are also subsumed under the LRS limit. A person who is resident but not permanently resident in India and is a citizen of a foreign country other than Pakistan or a citizen of India who is on deputation to the office or branch of a foreign company or subsidiary or JV in India of such foreign company may remit funds up to the net salary (after taxes, contribution to provident fund, and other deductions).

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		A resident individual may also carry out other permissible CAT (transactions not explicitly prohibited under Schedule I, or are restricted under Schedules II and III, to FEM CAT Rules, 2000, as amended) without any limits through an AD bank in India subject to verification of the bona fide of the transaction.
Indicative limits/bona fide test	No.	A person other than an individual may also obtain foreign exchange for gifts and donations, within the limit prescribed under the LRS.
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	Foreigners residing in India and employed by a foreign company and Indian citizens employed by a foreign company outside India – and in either case on deputation to the office, branch, subsidiary, or JV in India of such foreign company – may maintain a foreign exchange account with a bank outside India and have their entire salary credited to that account, provided income tax due under the Income Tax Act of 1961 has been paid on the salary accrued in India. Foreigners residing in India and employed by a company incorporated in India may maintain a foreign exchange account with a bank outside India and remit their whole salary in rupees to such account, provided income tax chargeable under the Income Tax Act of 1961 is paid on the salary accrued in India. A person who is resident but not permanently resident in India and is a citizen of a foreign country other than Pakistan or is a citizen of India who is on deputation to the office or branch of a foreign company or subsidiary or JV in India of such foreign company may remit the net salary (after taxes, contribution to the provident fund, and other deductions).
Indicative limits/bona fide test	No.	There is no limit or bona fide test prescribed for these transactions; the entire salary net of taxes can be remitted outside India. The RBI does not prescribe the documentation, which should be verified by the AD bank when permitting remittances for various transactions.
Credit card use abroad	Yes.	Travelers may use ICCs for all purposes, including for the purchase of articles for personal use, subject to the limits established by the card provider. The basic travel quota may also be obtained through the use of credit cards. The use of ICCs is allowed for imports of books, computer software, and other items through the Internet, with the exception of prohibited items, such as lottery tickets, sweepstakes participation, banned or proscribed subscriptions, and payments for callback services. Debit and automated teller machine (ATM) cards may be used for any purpose for which foreign exchange may be purchased from an AD.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds must be repatriated.

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Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Exporters may credit 100% of their foreign exchange earnings to an EEFC account; total accruals in the account during a calendar month must be converted to rupees on or before the last day of the subsequent calendar month after adjusting for approved purposes and forward commitments.
Restrictions on use of funds	Yes.	EEFC accounts do not earn interest.

Capital Transactions

Controls on capital transactions	Yes.	The FEM (NDI) Rules, 2019 (NDI Rules), of October 17, 2019, as amended from time to time, issued by the Central Government, regulate investments in India by person resident outside India. FEM (Mode of Payment and Reporting of NDI) Regulations, 2019, of October 17, 2019, issued by the RBI regulates mode of payment and reporting requirements for investment in India by a person resident outside India. The FEM (Debt Instruments) Regulations, 2019, regulate investments in India by a person resident outside India, with respect to debt instruments. On October 17, 2019, the FEM (transfer or issue of security by a person resident outside India) Regulations, 2017, has been superseded by the FEM (NDI) Rules, 2019, and FEM (Debt Instruments) Regulations, 2019. Resident individuals may remit abroad within the limit equivalent of US$250,000 a financial year for all permissible capital transactions under the LRS.
Repatriation requirements	Yes.	Investments made under the NDI Rules by persons resident outside India are in general repatriable, except those made by NRIs/OCIs under Schedule IV. ECB proceeds meant for rupee expenditure should be repatriated immediately for credit to their rupee accounts with AD Category-I banks in India. Proceeds meant only for foreign currency expenditures may be retained abroad until used.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	A person resident outside India may purchase equity instruments (equity shares; including partly paid-up equity shares; fully and mandatorily convertible debentures (CCDs) which are fully paid; fully and mandatorily convertible preference shares; which are fully paid; and share warrants;) issued by an Indian company in permitted sectors subject to entry route, sectoral cap/regulatory limits, and other attendant conditionalities. (The term “capital instruments” have been replaced with “equity instruments” in NDI Rules, 2019.) Foreign Portfolio Investors (FPIs) must register with the Securities and Exchange Board of India (SEBI) before they invest in the Indian capital market. (All categories of foreign institutional investors (FIIs)

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and subaccounts are merged into a single investor type, FPI.) Registered FPIs may invest in permissible equity and/or debt securities issued by an Indian company whose equity and/or debt is listed on recognized stock exchanges in India. Details of securities in which FPIs can invest are also provided in the SEBI (Foreign Portfolio Regulations), 2019. (NDI Rules and Debt Instruments Regulations are issued separately.)

The holdings of a single FPI or FPI group in an Indian company must be less than 10% of total paid-up capital on fully diluted basis. The aggregate limit for foreign investment by FPIs is the sectoral cap applicable to the investee company as laid out in paragraph 3(a)(iii) of Schedule I of the Non-debt Rules. However, the aggregate limit could be decreased by the Indian company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively, before March 31, 2020. The Indian company which has decreased its aggregate limit to 24% or 49% or 74% may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling, respectively, as deemed fit, with the approval of its Board of Directors or its General Body through a resolution and a special resolution, respectively.

NRIs and OCIs may invest in equity instruments. Individual NRIs and OCIs may purchase equity instruments of Indian companies listed on the stock exchange, up to 5% of the paid-up capital on fully diluted basis of the Indian company. The aggregate limit for investment by all NRIs and OCIs may not exceed 10% of the paid-up capital on fully convertible basis of the Indian company. This limit may be raised to 24% through a special resolution passed by the Board of Directors followed by an extraordinary general meeting. Provided also that the aggregate limit with respect to an Indian company in a sector where FDI is prohibited must be 24%.
Nonresidents, including NRIs and OCIs, may invest in equity instruments of a listed Indian company on the stock exchange through a registered broker under the FDI scheme, provided they have already acquired and continue to hold control in accordance with SEBI (Substantial Acquisition of Shares and Takeover) regulations. Pricing norms for transfer of equity instruments between residents and nonresidents for listed companies must comply with SEBI's guidelines and for unlisted companies internationally accepted pricing methodology for valuation of shares done on arm's length basis.
A person resident outside India (other than a citizen of Pakistan or Bangladesh) or an entity incorporated outside India (other than an entity in Pakistan or Bangladesh), not being a FPI or Foreign Venture Capital Investor (FVCI) registered in accordance with SEBI guidelines, may contribute foreign capital either by way of capital contribution or by way of acquisition/transfer of profit shares in the capital structure of a Limited Liability Partnership, subject to the terms and conditions as specified in Schedule VI of the FEM (NDI) Rules, 2019.

Equity instruments of Indian companies held by nonresidents under an FDI arrangement may be sold on the stock exchange. Transfers to residents under private arrangements (off market) do not require RBI permission and may be handled by authorized banks in accordance with the requirements in the regulations, including pricing and reporting requirements. Transfers of sale proceeds are permitted, subject to payment of applicable tax, provided no controls were

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		imposed on the repatriation of sale proceeds at the time of the original investment. Transfers between two nonresidents generally do not require any approval, except for the sector where the investment is under Government route. A FVCI may make investments in the manner and subject to the terms and conditions specified in Schedule VII of FEM (NDI) Rules, 2019 and SEBI (FVCI) Regulations, 2000.
Sale or issue locally by nonresidents	Yes.	NDI Rules permit disinvestment by persons resident outside India subject to pricing guidelines and reporting requirements. However, there is no provision for issue of stocks by nonresidents under the said Rules.
Purchase abroad by residents	Yes.	Resident individuals may remit abroad up to the equivalent of US$250,000 a financial year for any permissible capital transaction under LRS. General permission has been granted by the RBI to residents to hold, own, transfer, or invest in foreign currency or foreign securities outside India, if the currency or security was acquired or held by the person while residing outside India or received through inheritance from a person residing outside India. SEBI-registered venture capital funds and AIFs may invest in equity and equity-linked instruments of foreign venture capital undertaking, subject to an overall limit of US$1,500 million and SEBI regulations. Individual venture capital fund/AIF limits are set by the SEBI, subject to its terms and conditions. Residents may invest in companies listed or otherwise abroad on recognized stock exchanges up to an overall limit of US$250,000 in a financial year under the LRS. A listed Indian company may invest in (1) shares of an overseas company listed on a recognized stock exchange and (2) rated bonds/fixed-income securities issued by companies in up to 50% of its net worth on the date of its latest audited balance sheet. ADs may allow remittances by resident employees of foreign companies and their JVs or wholly owned subsidiaries in which the foreign company holds equity, either directly or indirectly, for acquisition of shares of the foreign company under an employee stock option plan, subject to certain conditions. ADs may also allow remittances from resident individuals for acquisition of qualified shares for the position of director in the overseas company according to the laws of the host country. The limit of these remittances is within the overall ceiling prescribed for resident individuals under the LRS in effect at the time of acquisition. Resident individuals may acquire shares of a foreign entity in part/full consideration of professional services rendered to the foreign company or in lieu of director's remuneration within the overall ceiling under the LRS in effect at the time of acquisition.
Sale or issue abroad by residents	Yes.	An Indian company may raise capital by issue of depository receipts including global depositary receipts (GDRs) with the underlying of an eligible instrument under Schedule IX of FEM (NDI) Rules, 2019, notified on October 17, 2019. Overseas investment by AIFs and Venture Capital Funds (VCFs) is governed by Schedule IV of FEM (Overseas Investment) Rules, 2022 , Regulation 15(1)(a) of SEBI (AIF) Regulations, 2012 and Chapter 7 of SEBI Master Circular for AIFs.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Effective July 6, 2022, nonresidents registered as FPIs and NRIs/OCI are allowed to participate in Indian debt markets. (1) FPI: FPIs are permitted to invest in the Indian debt market through the

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		following routes: (a) Medium-Term Framework (MTF): FPIs are permitted to invest in Central Government Securities (up to 6% of outstanding stock), State Government securities up to 2% of the outstanding stock) and corporate bonds (up to 15% of the outstanding stock), subject to certain macroprudential restrictions. Investment by FPIs in financial instruments involving companies facing financial distress have been exempted. (b) Voluntary Retention Route (VRR): To facilitate long-term investment in the debt market, FPIs are also permitted to invest in government securities (including treasury bills) and corporate debt (including commercial paper (CP)) without any macroprudential restrictions, provided they commit to retain at least 75% of their committed funds in India for a period of three years or above. Effective April 1, 2022, the investment limit under the VRR for investment in government and corporate debt securities by FPIs is increased by Rs 100,000 crore to Rs 250,000 crore. (c) Fully Accessible Route (FAR): FPIs have, since April 2020, been allowed to invest in certain specified central government securities without any limits or restrictions. All new issuances of Government securities of 5-year, 10-year and 30-year tenors from the financial year 2020–2021 are eligible for investment under the FAR. Effective July 7, 2022, the eligible central government securities under FAR has been augmented to include central government securities of 7-year and 14-year issuances. Effective January 23, 2023, the eligible government securities under FAR have been augmented to include Sovereign Green Bonds issued by the Government. (2) Investment by NRI/OCI: NRIs/OCIs, subject to criteria, are permitted to purchase debt securities, viz., Government Securities, units of domestic MFs or ETFs which invest less than or equal to 50% in equity, bonds issued by Public Sector Undertaking in India and infrastructure debt funds, bonds issued by banks which are eligible for inclusion in regulatory capital and listed bonds/debentures/redeemable preference shares issued pursuant to merger/demerger/amalgamation of Indian companies. NRIs are also permitted to subscribe to National Pension System administered by Pension Fund Regulatory and Development Authority.
Sale or issue locally by nonresidents	Yes.	Nonresidents are generally not permitted to issue their debt securities in India. Only few Multilateral Financial Institutions such as International Finance Corporation (IFC) and Asian Development Bank (ADB) have been permitted to issue debt securities in India.
Purchase abroad by residents	Yes.	Resident individuals may remit abroad up to the limit equivalent of US$250,000 a financial year for any permissible capital transaction under the LRS. SEBI-registered VCFs and AIFs may invest in equity and equity-linked instruments of foreign venture capital undertaking, subject to an overall limit of US$1,500 million. Overseas investment by AIFs and VCFs is governed by Schedule IV of FEM (Overseas Investment) Rules, 2022, Regulation 15(1)(a) of SEBI (AIF) Regulations, 2012 and Chapter 7 of SEBI Master Circular for AIFs.
Sale or issue abroad by residents	Yes.	Debt Securities can be issued abroad under the ECBs framework subject to the following guidelines: (1) Currency of borrowing: Foreign-currency-denominated (freely convertible) ECB and rupee-denominated ECB. (2) Amount: As announced July 6, 2022, eligible borrowers can raise

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		up to US$1.5 billion (temporarily increased from US$750 million) or equivalent a financial year under the automatic route for ECBs to be raised until December 31, 2022, and any higher amounts under approval route. The same has been enabled vide A.P. (DIR Series) Circular No. 11 dated August 1, 2022. (3) Eligible Borrowers: All entities eligible to receive FDI. Additionally, Port Trusts, Units in SEZ, the Small Industries Development Bank of India (SIDBI), EXIM Bank, registered entities engaged in micro-finance activities can also borrow under this framework. (4) Recognized Lender: The lender should be resident of FATF or IOSCO compliant country. Multilateral and Regional Financial Institutions, Individuals (if they are foreign equity holders), and foreign branches/subsidiaries of Indian banks can also be lenders. (5) End-use: Negative end-use list which includes real estate activities, investment in capital market, equity investment, working capital purposes, general corporate purposes, repayment of rupee loans, and on-lending for the above activities. (6) All-in-Cost ceiling: For Foreign currency ECB: Benchmark rate plus 500 bps spread: For new ECBs. Benchmark Rate plus 550 bps spread: For existing ECBs linked to LIBOR whose benchmarks required to change to ARR. For INR ECB: Benchmark rate plus 450 bps spread. (All-in-cost ceiling has been temporarily increased by 100 bps for ECBs raised until December 31, 2022. The enhanced all-in-cost ceiling must be available only to eligible borrowers of investment-grade rating from Indian Credit Rating Agencies. Other eligible borrowers may raise ECB within the existing all-in-cost ceiling as hitherto.) Benchmark rate: Benchmark rate in case of Foreign currency ECB/TC refers to any widely accepted interbank rate or ARR of 6-month tenor, applicable to the currency of borrowing. Benchmark rate in case of Rupee denominated ECB/TC will be prevailing yield of the GOI securities of corresponding maturity. (7) Minimum average Maturity and Corresponding end-use: Under the extant ECB framework ECB can be raised for a minimum average maturity period (MAMP) of three years. However, the following exceptions are provided to the above end-use and MAMP requirements as given below: (1) Manufacturing sector companies can raise ECBs with MAMP of one year for ECB up to US$50 million or its equivalent a financial year. (2) ECB with MAMP five years can be raised from foreign equity holder for working capital purposes, general corporate purposes, or repayment of rupee loans. (3) ECBs for repayment of rupee loans, working capital purposes, and general corporate purposes, on-lending by NBFC from all eligible ECB lenders (except foreign branches/overseas subsidiaries of Indian banks) with a higher MAMP of 7/10 years.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents registered as FPIs and NRIs/OCIs are allowed to participate in Indian debt markets.

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		FPIs are permitted to invest in short-term treasury bills (91 days, 182 days, and 364 days) under the MTF and VRR route. FPIs are generally not permitted to invest in corporate money market instruments. FPIs have been permitted to invest in CP under the VRR. NRIs/OCIs, subject to criteria, are permitted to purchase (1) short-term treasury bills (91 days, 182 days, and 364 days) and (2) units of domestic MFs or ETFs that invest less than or equal to 50% in equity.
Sale or issue locally by nonresidents	Yes.	Nonresidents are generally not permitted to issue their money market securities in India.
Purchase abroad by residents	Yes.	AD Category-I banks can invest in prescribed money market instruments in overseas markets up to the limits approved by their board. Such investments may be made in overseas money market instruments and/or debt instruments issued by a foreign state with a residual maturity of less than one year and rated at least as AA (-) by Standard & Poor/FITCH IBCA or Aa3 by Moody's. The Reserve Bank has not prescribed any separate limits for the residents to invest in money market instruments. However, as per Notification No. FEMA.120/RB-2004 of July 7, 2004, as amended from time to time, a person resident in India, being a listed Indian company, may invest in (1) the shares of an overseas company which is listed on a recognized stock exchange and (2) the rated bonds/fixed-income securities issued by companies at Point (1) above, provided investment by a listed Indian company may not exceed 50% of its net worth as on the date of its last audited balance sheet. Further, MFs and AIFs registered with SEBI may invest within the specified limits, subject to the terms and conditions prescribed by SEBI. Approvals are given by SEBI, within the overall limits decided from time to time in consultation with the RBI. Further, under LRS, a resident individual can remit funds overseas to invest in money market securities up to the overall limit specified under LRS of US$250,000 in a financial year. For remittance beyond this amount, RBI permission is required. MFs registered with SEBI are permitted per MF to invest abroad up to a maximum of US$1 billion, within the overall industry limit of US$7 billion. Investments are permitted in: (1) American depository receipts (ADRs)/GDRs of Indian and foreign companies; (2) equities of overseas companies listed on recognized overseas stock exchanges, including initial and follow-up public; (3) foreign investment-grade debt securities in countries with fully convertible currencies; (4) money market investment-grade investments, including repos with investment-grade counterparties; (5) G-Secs of countries rated at investment grade; (6) derivatives traded on recognized overseas stock exchanges, but only for hedging and portfolio balancing purposes; (7) short-term deposits with overseas investment-grade banks; and (8) units/securities issued by overseas MFs or unit trusts registered with overseas regulators.
Sale or issue abroad by residents	Yes.	These transactions are not permitted.
On collective investment securities	Yes.	Resident companies require general or specific permission from the RBI to issue securities to NRIs.
Purchase locally by nonresidents	No.	These transactions by FPIs do not require RBI approval.
Sale or issue locally by nonresidents	Yes.	The issuance of collective investment securities by nonresidents on local markets in India is permitted subject to certain conditions.

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Purchase abroad by residents	Yes.	Resident individuals may remit abroad up to the limit equivalent of US$250,000 a financial year for any permissible capital transaction under the LRS.
Sale or issue abroad by residents	Yes.	Resident companies require general or specific permission from the RBI to issue securities to NRIs.
Controls on derivatives and other instruments	Yes.	.
Purchase locally by nonresidents	Yes.	(1) Foreign Exchange Derivatives: Nonresident entities can deal with exchange-traded and deliverable foreign exchange derivatives involving INR for the purpose of hedging only. Nonresidents can deal with non-deliverable foreign exchange derivatives without any restriction in terms of purpose. (2) Interest Rate Derivatives: Nonresidents can deal with interest rate derivatives (OTC and exchange traded) for the purpose of hedging exposure to rupee interest rate risk. Nonresidents can undertake Overnight indexed swaps (settled in INR or in foreign currency) without any restriction in terms of purpose. FPIs are also permitted to take long position in Interest Rate Futures (IRFs), subject to limits (Rs 5,000 crore or US$625 million approximately). (3) Credit Derivatives: In terms of the regulatory framework revised in 2022, FPIs can deal with credit derivative swaps as both buyers and sellers. (4) FPIs are allowed to invest in stock derivatives, stock index derivatives, IRF, currency derivatives and cash settled non-agricultural commodity derivatives traded on exchanges subject to position limits and conditions as prescribed by SEBI from time to time. Since February 15, 2021, exchange of margin between a resident and a nonresident for permitted derivative contracts is enabled under FEMA, 1999.
Sale or issue locally by nonresidents	Yes.	These transactions are not allowed.
Purchase abroad by residents	Yes.	Resident entities can hedge their direct and indirect exposure in commodities (except gems and previous stones) and freight risks in the overseas markets. The price risk of Gold is allowed to be hedged only on exchanges in the International Financial Services Centre (IFSC) recognized by the International Financial Services Centres Authority.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	Save as otherwise provided in the Act, Rules, or Regulations made thereunder, no person resident in India must borrow or lend in foreign exchange from or to a person resident in or outside India and no person resident in India must borrow in rupees from, or lend in rupees to, a person resident outside India: Provided the Reserve Bank may, for sufficient reasons, permit a person resident in India to borrow or lend in foreign exchange from or to a person resident in or outside India and/or permit a person resident in India to borrow in rupees from, or lend in rupees to, a person resident outside India.
By residents to nonresidents	Yes.	A commercial credit of up to six months is allowed for exports on documents-against-acceptance terms. Contracts for exports involving payments to be realized beyond the usual period of six months or one year are treated as deferred payment exports. Such exports are

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		permitted, depending on the credit terms offered, the commodity to be exported, and other related considerations. This applies to turnkey, construction, and service contracts by Indian exporters on credit terms. Under the Buyer Credit Scheme, the EXIM Bank offers credit to foreign buyers in connection with the exportation of capital goods and turnkey projects in India in participation with commercial banks in India. An Indian exporter may lend without restriction from the funds held in an EEFC account for trade-related purposes to an overseas importing customer against a bank guarantee. Other transactions require RBI permission.
To residents from nonresidents	Yes.	TC can be availed subject to following guidelines: Currency of borrowing: INR or any freely convertible foreign currency. Amount under Automatic Route: TC can be availed up to US$50 million an import transaction under the automatic route. Additionally, the limit for certain sectors (oil/gas refining and marketing, airline, and shipping companies) will be up to US$150 million or equivalent an import transaction. Eligible borrower: An importer resident is India can raise TC for import of goods in the form of buyers' credit or suppliers' credit. Recognized lender: Suppliers' credit can be extended by the overseas supplier of goods. Buyers' credit can be extended by Banks, financial institutions, foreign equity holder(s) located outside India and financial institutions in IFSC located in India. The period of TC and corresponding end-use: The period of TC, from the date of shipment, must be up to three years for import of capital goods and up to one year or the operating cycle, whichever is less, for non-capital goods. For shipyards/shipbuilders, the period of TC for import of non-capital goods can be up to three years. All-in-Cost ceiling: Benchmark Rate plus 250 bps. Bank guarantees may be given by the ADs, on behalf of the importer, in favor of overseas lender of TCs not exceeding the amount of TC. Period of such guarantee cannot be beyond the maximum permissible period for TC. TC may also be secured by overseas guarantee issued by foreign banks/overseas branches of Indian banks. TCs may be raised by entities in SEZs, free trade warehousing zones, and domestic tariff area. These guidelines are issued under FEM (Borrowing and Lending) Regulations, 2018, of December 17, 2018.
Financial credits	Yes.	Save as otherwise provided in the Act, Rules, or Regulations made thereunder, no person resident in India must borrow or lend in foreign exchange from or to a person resident in or outside India and no person resident in India must borrow in rupees from, or lend in rupees to, a person resident outside India. The Reserve Bank may, for sufficient reasons, permit a person resident in India to borrow or lend in foreign exchange from or to a person resident in or outside India and/or permit a person resident in India to borrow in rupees from, or lend in rupees to, a person resident outside India.
By residents to nonresidents	Yes.	Under FEMA 3R of December 17, 2018: (1) An AD in India or its branch outside India or any other eligible entity may extend foreign-currency-denominated External Commercial Lending to a borrower outside India in accordance with the provisions contained in Schedule III. (2) An AD may grant loans to its constituents in India for meeting their foreign exchange requirements or for their rupee working capital requirements or capital expenditure subject to compliance with prudential norms, interest rate directives, and guidelines, if any, issued by Reserve Bank in this regard. (3) Branches outside India of AD banks may extend foreign

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		exchange loans against the security of funds held in NRE/FCNR deposit accounts or any other account as specified by the Reserve Bank from time to time, maintained in accordance with the FEM (Deposit) Regulations, 2016, notified vide Notification No. FEMA 5(R)/2016-RB of April 1, 2016, as amended from time to time. (4) An AD in India may grant loan to a NRI/OCI Cardholder for meeting the borrower's personal requirements/own business purposes/acquisition of a residential accommodation in India/acquisition of motor vehicle in India/or for any purpose as per the loan policy laid down by the Board of Directors of the AD and in compliance with prudential guidelines of RBI. The AD bank should ensure that the borrowed funds are not used for restricted end-uses. (5) Overdraft in rupee account maintained with AD in India by a bank outside India: An AD may permit a temporary overdraft, for value not exceeding Rs 5 billion or any other amount as prescribed by the Reserve Bank from time to time, in rupee accounts maintained with it by its overseas branch or correspondent or Head Office outside India, subject to such terms and conditions as the Reserve Bank may direct from time to time. (6) A registered nonbanking financial company in India or a registered housing finance institution in India or any other financial institution as may be specified by the Reserve Bank from time to time, may provide housing loan or vehicle loan, as the case may be, to a NRI/OCI Cardholder subject to such terms and conditions as prescribed by the Reserve Bank from time to time. The borrower should ensure that the borrowed funds are not used for restricted end-uses. (7) An Indian entity may grant loan in Indian rupees to its employee who is a NRI/OCI Cardholder in accordance with the Staff Welfare Scheme subject to such terms and conditions as prescribed by the Reserve Bank from time to time. The borrower should ensure that the borrowed funds are not used for restricted end-uses.
To residents from nonresidents	Yes.	Borrowing from outside India in foreign exchange by a person resident in India: (1) An AD may borrow from its Head Office or branch or correspondent outside India or any other entity up to limit specified and subject to terms and conditions as specified by the Reserve Bank from time to time, in consultation with GOI. (2) A branch outside India of an AD being a bank incorporated or constituted in India may borrow in foreign exchange in the normal course of its banking business from outside India, subject to the directions or guidelines issued by the Reserve Bank from time to time, and the Regulatory Authority of the country where the branch is located. (3) Financial Institutions, set up under an Act of the Indian Parliament, may raise foreign exchange borrowings with the prior approval of the GOI for the purpose of onward lending. (4) An AD may raise ECB from outside India in accordance with the provisions contained in Schedule I of Notification No. FEMA.3(R)/2018-RB (as amended from time to time). (5) Eligible resident entities (other than ADs) may raise ECB from outside India in accordance with the provisions contained in Schedule I of Notification No. FEMA.3(R)/2018-RB (as amended from time to time). Borrowing in Indian rupees by a person resident in India: (1) An AD may raise rupee-denominated ECB from outside India in accordance with the provisions contained in Schedule I of Notification No. FEMA.3(R)/2018-RB (as amended from time to time). (2) Borrowing by persons other than AD:

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(a) Eligible resident entities may raise rupee-denominated ECB from outside India in accordance with the provisions contained in Schedule I of Notification No. FEMA.3(R)/2018-RB (as amended from time to time).
(b) Eligible resident entities, as defined by the GOI, may borrow from overseas Multilateral Financial Institutions/International Development Financial Institutions, where the source of funds of such institutions is rupee-denominated bonds issued overseas or resources raised domestically, or any other source as approved by the GOI.
(c) Any foreign investment in the nature of debt arising out of transfer or issue of security, not covered under the above sub-regulations, should be in compliance with FEM (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, notified vide Notification No. FEMA 20(R)/2017-RB of November 7, 2017, as amended from time to time.
(d) Any person resident in India accepting any deposit from, or making any deposit with, a person resident outside India, including loans/overdrafts against security of funds held in such accounts, should be in compliance with FEM (Deposit) Regulations, 2016, notified vide Notification No. FEMA 5(R)/2016-RB of April 1, 2016, as amended from time to time.
(e) Financial Institutions, set up under an Act of the Indian Parliament, may raise rupee-denominated borrowings from outside India with the prior approval of the GOI for the purpose of onward lending.

Under the ECB framework, ECBs may be availed as per the guidelines given under:
(1) Currency of borrowing: Foreign-currency-denominated (freely convertible) ECB and rupee-denominated ECB.
(2) Amount: effective July 6, 2022, eligible borrowers can raise up to US$1.5 billion (temporarily increased from US$750 million) or equivalent a financial year under the automatic route for ECBs to be raised until December 31, 2022. The same has been enabled vide A.P. (DIR Series) Circular No. 11 dated August 1, 2022.)
(3) Eligible Borrowers: All entities eligible to receive FDI. Additionally, Port Trusts, Units in SEZ, SIDBI, EXIM Bank, registered entities engaged in micro-finance activities can also borrow under this framework.
(4) Recognized Lender: The lender should be resident of FATF or IOSCO compliant country. Multilateral and Regional Financial Institutions, Individuals (if they are foreign equity holders) and foreign branches/subsidiaries of Indian banks can also be lenders.
(5) End-use: Negative end-use list which includes real estate activities, investment in capital market, equity investment, working capital purposes, general corporate purposes, repayment of rupee loans and on-lending for the above activities.
(6) All-in-Cost ceiling:
For Foreign currency ECB:
Benchmark rate plus 500 bps spread: For new ECBs.
Benchmark Rate plus 550 bps spread: For existing ECBs linked to LIBOR whose benchmarks required to change to ARR.

For INR ECB:
Benchmark rate plus 450 bps spread.
(All-in-cost ceiling has been temporarily increased by 100 bps for ECBs raised until December 31, 2022. The enhanced all-in-cost ceiling must be available only to eligible borrowers of investment-

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		grade rating from Indian Credit Rating Agencies. Other eligible borrowers may raise ECB within the existing all-in-cost ceiling as hitherto.) Benchmark rate: Benchmark rate in case of Foreign currency ECB/TC refers to any widely accepted interbank rate or ARR of 6-month tenor, applicable to the currency of borrowing. Benchmark rate in case of rupee-denominated ECB/TC will be prevailing yield of the GOI securities of corresponding maturity. (7) Minimum average Maturity and Corresponding end-use: Under the extant ECB framework ECB can be raised for a MAMP of three years. However, the following exceptions are provided to the above end-use and MAMP requirements as given below: Manufacturing sector companies can raise ECBs with MAMP of one year for ECB up to US$50 million or its equivalent a financial year. ECB with MAMP five years can be raised from foreign equity holder can be utilized for working capital purposes, general corporate purposes, or repayment of rupee loans. ECBs for repayment of rupee loans working capital purposes, and general corporate purposes, on-lending by NBFC from all eligible ECB lenders (except foreign branches/overseas subsidiaries of Indian banks) with a higher MAMP of 7/10 years.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Banks can issue guarantees/SBLCs for TCs. However, they cannot issue the same for ECBs availed by residents.
To residents from nonresidents	Yes.	The RBI allows ADs to grant rupee loans to residents against guarantees from nonresidents under the general permission. Borrowing and lending between two residents are not affected by any provisions of the FEMA, 1999. If a rupee loan is granted against a guarantee by a nonresident, there is no transaction involving foreign exchange until the guarantee is invoked and the nonresident guarantor is required to meet the liability under the guarantee. Nonresident guarantees under the general permission are allowed for non-fund-based facilities (such as LCs and guarantees) between two residents. Credit enhancement by eligible nonresident entities has been extended to domestic debt raised through issues of capital market instruments, such as debentures and bonds, by Indian companies in all sectors.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	ODI means investment by way of acquisition of unlisted equity capital of a foreign entity, or subscription as a part of the memorandum of association of a foreign entity, or investment in 10%, or more of the paid-up equity capital of a listed foreign entity or investment with control where investment is less than 10% of the paid-up equity capital of a listed foreign entity. For the purposes of this clause, where an investment by a person resident in India in the equity capital of a foreign entity is classified as ODI, such investment must continue to be treated as ODI even if the investment falls to a level below 10% of the paid-up equity capital or such person loses control in the foreign entity. An Indian Entity (a company defined under the Companies Act, 2013 (18 of 2013); a body corporate incorporated by any law for the time

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being in force; a Limited Liability Partnership duly formed and incorporated under the Limited Liability Partnership Act, 2008 (6 of 2009); and a partnership firm registered under the Indian Partnership Act, 1932 (9 of 1932) may make ODI by undertaking financial commitment in the form of equity.

Financial commitment by Indian entity by modes other than equity capital:

The Indian Entity may lend or invest in any debt instrument issued by a foreign entity or extend non-fund-based commitment to or on behalf of a foreign entity including overseas step-down subsidiaries of such Indian entity within prescribed financial commitment limit.

A person resident in India making Overseas Investment may make payment by remittance made through banking channels; from funds held in an account maintained in accordance with the provisions of the Act; by swap of securities; and by using the proceeds of ADRs or GDRs or stock-swap of such receipts or ECBs raised in accordance with the provisions of the Act and the rules and regulations made thereunder for making ODI or financial commitment by way of debt by an Indian entity.

Where a person resident in India acquires equity capital by way of subscription to an issue or by way of purchase from a person resident outside India or where a person resident outside India acquires equity capital by way of purchase from a person resident in India, and where such equity capital is reckoned as ODI, the payment of amount of consideration for the equity capital acquired may be deferred for such definite period from the date of the agreement.

Any person resident in India who has an account appearing as a non-performing asset; or is classified as a willful defaulter by any bank; or is under investigation by a financial service regulator or by investigative agencies in India, namely, the Central Bureau of Investigation or Directorate of Enforcement or Serious Frauds Investigation Office, must, before making any financial commitment or undertaking disinvestment, obtain a No Objection Certificate from the lender bank or regulatory body or investigative agency by making an application in writing to such bank or regulatory body or investigative agency concerned.

A person resident in India holding equity capital may transfer such investment to a person resident inside/outside India. The transferor, in case of full disinvestment other than by way of liquidation, may not have any dues outstanding for receipt, which such transferor is entitled to receive from the foreign entity as an investor in equity capital and debt and the transferor, in case of any disinvestment must have stayed invested for at least one year from the date of making ODI.

In case the transfer of investment is on account of merger, amalgamation or demerger or on account of buyback of foreign securities, such transfer or liquidation in case of liquidation of the foreign entity, must have the approval of the competent authority as per the applicable laws in India or the laws of the host country or host jurisdiction.

A person resident in India who has made ODI in a foreign entity may

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permit restructuring of the balance sheet by such foreign entity, which has been incurring losses for the previous two years as evidenced by its last audited balance sheets, subject to ensuring compliance with reporting, documentation requirements and subject to the diminution in the total value of the outstanding dues toward such person resident in India on account of investment in equity and debt, after such restructuring not exceeding the proportionate amount of the accumulated losses.

No person resident in India must make ODI in a foreign entity engaged in real estate activity; gambling in any form; and dealing with financial products linked to the Indian rupee without specific approval of the Reserve Bank.

An Indian entity may make ODI by way of investment in equity capital for the purpose of undertaking bona fide business activity in the manner and subject to the limits and conditions provided. The ODI may be made or held by way of subscription as part of memorandum of association or purchase of equity capital, listed or unlisted; acquisition through bidding or tender procedure; acquisition of equity capital by way of rights issue or allotment of bonus shares; capitalization, within the time period, if any, specified for realization under the Act, of any amount due toward the Indian entity from the foreign entity, the remittance of which is permitted under the Act or does not require prior permission of the Central Government or the Reserve Bank under the Act or any rules or regulations made or directions issued thereunder; the swap of securities; and merger, demerger, amalgamation or any scheme of arrangement as per the applicable laws in India or laws of the host country or the host jurisdiction.

An Indian entity engaged in financial services activity in India may make ODI in a foreign entity, which is directly or indirectly engaged in financial services activity, subject to prescribed conditions.

An Indian entity not engaged in financial services activity in India may make ODI in a foreign entity, which is directly or indirectly engaged in financial services activity, except banking or insurance, subject to prescribed conditions.

The total financial commitment made by an Indian entity in all the foreign entities taken together at the time of undertaking such commitment may not exceed 400% of its net worth as on the date of the last audited balance sheet or as directed by the Reserve Bank, in consultation with Central Government from time to time.

Any resident individual may make ODI by way of investment in equity capital subject to the overall ceiling under the LRS of the Reserve Bank and in the manner prescribed under the ODI Rules.

A resident individual may make or hold Overseas Investment by way of ODI in an operating foreign entity not engaged in financial services activity and which does not have subsidiary or step-down subsidiary where the resident individual has control in the foreign entity. ODI by a resident individual may be by way of capitalization, within the time period, if any, specified for realization under the Act, of any amount due from the foreign entity the remittance of which is permitted under the Act or does not require prior permission of the Central Government or the Reserve Bank; swap of securities on account of a merger, demerger, amalgamation or liquidation;

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		acquisition of equity capital through rights issue or allotment of bonus shares; gift as per the conditions prescribed; inheritance; acquisition of sweat equity shares; acquisition of minimum qualification shares issued for holding a management post in a foreign entity; acquisition of shares or interest under Employee Stock Ownership Plan or Employee Benefits Scheme. Any person being a registered Trust or a registered Society engaged in the educational sector or which has set up hospitals in India may make ODI in a foreign entity with the prior approval of the Reserve Bank, subject to the prescribed conditions. A MF or venture capital fund or AIF may acquire or transfer foreign securities as stipulated by SEBI from time to time in accordance with the provisions of the ODI rules. Any person, being a SEBI-approved clearing corporation of a stock exchange and its clearing members, may acquire, hold and transfer foreign securities, offered as collateral by FPIs and, subject to the guidelines issued by the SEBI from time to time. A domestic depository may acquire, hold and transfer foreign securities of a foreign entity, being the underlying security to issue Indian Depository Receipts as may be authorized by such foreign entity or its overseas custodian bank and the person investing in Indian Depository Receipts may either sell or continue to hold foreign securities in accordance with the prescribed conditions. An AD bank including its overseas branch may acquire or transfer foreign securities in accordance with the terms of the host country or host jurisdiction, as the case may be, in the normal course of its banking business. A person resident in India may make Overseas Investment in an IFSC in India within the limits provided and conditions prescribed. A person resident in India who does not submit the evidence of investment within the time specified or does not make any filing within the time specified may make such submission or filing, as the case may be, along with Late Submission Fee within such period, provided such facility can be availed within a maximum period of three years from the due date of such submission or filing. A person resident in India who has made a financial commitment in a foreign entity in accordance with the Act or rules or regulations made thereunder, may not make any further financial commitment, whether fund-based or non-fund-based, directly or indirectly, toward such foreign entity or transfer such investment till any delay in reporting is regularized.
Inward direct investment	Yes.	The FDI in India is subject to policy guidelines framed by the GOI from time to time and implemented through FEM (NDI) Rules, 2019, as amended from time to time. Persons resident outside India are permitted to invest in India, subject to the guidelines issued under FEM (NDI) rules, 2019, as amended from time to time, except in those sectors/activities which are prohibited. However, government approval is required for investment

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		by an entity of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country. Further, an Indian company receiving FDI from Pakistan may not engage in sectors or activities pertaining to defense, space, and atomic energy or sectors or activities prohibited for foreign investment. Foreign investment is permitted under two routes: the government route and the automatic route, subject to sector-specific caps and guidelines, except for prohibited activities, viz. (1) lottery business; (2) gambling and betting; (3) chit funds; (4) nidhi companies; (5) trading in transferable development rights; (6) real estate business or construction of farmhouses; (7) manufacturing of cigars, cheroots, cigarillos, and cigarettes of tobacco or tobacco substitutes; (8) activities/sectors not open to private sector investment, for example, (a) atomic energy and (b) railway operations (other than permitted activities mentioned in paragraph (3) of Schedule I of NDI Rules, 2019); and (9) foreign technology collaboration in any form including licensing for franchise, trademark, brand name, and management contract is also prohibited for lottery business and gambling and betting activities. Further, there are other sectors where foreign investment is permitted with certain terms and conditions as stated in paragraph (3) of Schedule I of NDI Rules, 2019. If the activity is not stated in paragraph (3) of Schedule I and not prohibited under paragraph (2) of schedule I of NDI Rules then foreign investment up to 100% must be permitted under the automatic route. Further, Foreign investment in financial services not specifically indicated in the Rules requires prior approval of GOI. The percentage of foreign investment and route under which such foreign investment is permitted has been specified in paragraph 3 of schedule I of NDI Rules, 2019, as amended from time to time. Any funds payable by the Indian company to a person resident outside India, the remittance of which is permitted under the Act or the rules and regulations framed or directions issued thereunder or does not require prior permission of the Central Government or the Reserve Bank under the Act or the rules and regulations framed or directions issued thereunder or has been permitted by the Reserve Bank under the Act or the rules and regulations framed or directions issued thereunder, may be converted to equity subject to specified conditions (Res. No. 3. Notification No. FEMA 315/2014-RB of July 10, 2014). Indian companies may issue capital instruments against swap of capital instruments; imports of capital goods, machinery, equipment (excluding second-hand machinery), and preoperative/pre-incorporation expenses up to a limit of 5% of its authorized capital or US$500,000 whichever is less (including payments of rent, etc.), subject to specified conditions.
Controls on liquidation of direct investment	Yes.	Shares may be sold freely on the stock exchange and the sale proceeds may be repatriated. Other sales of shares, securities, and immovable property may be allowed by authorized banks after complying with conditions prescribed by the RBI. RBI approval is required only for sales of shares when preconditions and norms have not been fulfilled. Repatriation of after-tax sales proceeds is generally permitted. Investment on a non-repatriation basis is permitted only for NRIs and OCIs where for investment on non-repatriation basis, the sale proceeds cannot be repatriated outside and have to be credited only to the NRO account of the investor.
Controls on real estate transactions	Yes.	These transactions require RBI permission.

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Purchase abroad by residents	Yes.	Residents may hold, own, or transfer immovable property outside India, in terms of Rule 21 of FEM (Overseas Investment) Rules, 2022, dated August 22, 2022, and paragraph 25 of the FEM (Overseas Investment) Directions, 2022, dated August 22, 2022. Residents may buy immovable property abroad using RFC accounts. A resident individual may make remittances for the acquisition of immovable property within the LRS limit of US$250,000, subject to verification of the transactions by the AD bank. General permission has been granted to Indian companies with established offices abroad to acquire immovable property abroad for their business use and for staff residences.
Purchase locally by nonresidents	Yes.	Acquisition and transfer of property in India by a NRI or an OCI – A NRI or an OCI may: acquire by way of purchase immovable property in India other than an agricultural land or farmhouse or plantation property subject to certain conditions; acquire any immovable property in India other than agricultural land or farmhouse or plantation property by way of gift from a person resident in India or from an NRI or from an OCI, who in any case is a relative as defined in clause (77) of Section 2 of the Companies Act, 2013; acquire any immovable property in India by way of inheritance from a person resident outside India subject to certain conditions; transfer any immovable property in India to a person resident in India; transfer any immovable property other than agricultural land or farmhouse or plantation property to an NRI or an OCI. Joint acquisition by the spouse of a NRI or an OCI – A person resident outside India, not being an NRI or an OCI, who is a spouse of an NRI or an OCI may acquire one immovable property (other than agricultural land or farmhouse or plantation property), jointly with his or her NRI or OCI spouse subject to certain conditions. Acquisition of immovable property for carrying on a permitted activity – A person resident outside India who has established in India in accordance with the FEM (Establishment in India of a Branch office or a liaison office or a project office or any other place of business) Regulations, 2016, as amended from time to time, a branch, office, or other place of business for carrying on in India any activity, excluding a liaison office, may: acquire any immovable property in India, which is necessary for or incidental to carrying on such activity subject to certain conditions; transfer by way of mortgage to an AD as a security for any borrowing, the immovable property acquired in pursuance of clause (a) above: Provided no person of Pakistan or Bangladesh or Sri Lanka or Afghanistan or China or Iran or Hong Kong or Macau or Nepal or Bhutan or Democratic People's Republic of Korea must acquire immovable property, other than on lease not exceeding five years, without prior approval of the Reserve Bank. Purchase or sale of immovable property by Foreign Embassies or Diplomats or Consulate Generals – A Foreign Embassy or Diplomat or Consulate General may purchase or sell immovable property in India other than agricultural land or plantation property or farmhouse, provided clearance from GOI, Ministry of External Affairs is obtained for such purchase or sale, and the consideration for acquisition of immovable property in India is paid out of funds remitted from abroad through banking channels. Acquisition by a long-term visa holder – a person being a citizen of Afghanistan, Bangladesh, or Pakistan belonging to minority

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		communities in those countries, namely Hindus, Sikhs, Buddhists, Jains, Parsis, and Christians, who is residing in India and has been granted a long-term visa by the Central Government may purchase only one residential immovable property in India as dwelling unit for self-occupation and only one immovable property for carrying out self-employment subject certain conditions. As regards persons other that OCI/NRI or person who has not opened any liaison, branch, or project office in India, no such person resident outside India must transfer any immovable property in India, provided the Reserve Bank may, for sufficient reasons, permit the transfer, subject to such conditions as may be considered necessary.
Sale locally by nonresidents	Yes.	In terms of FEM (NDI) Rules, 2019, of October 17, 2019, which supersedes FEMA 21(R) 2018-RB of March 26, 2018], From March 26, 2018: In the event of sale of immovable property other than agricultural land or farmhouse or plantation property in India by an NRI or an OCI, the AD may allow repatriation of the sale proceeds outside India, provided the following conditions are satisfied, namely: the immovable property was acquired by the seller in accordance with the provisions of the foreign exchange law in force at the time of acquisition or the provisions of these rules; the amount for acquisition of the immovable property was paid in foreign exchange received through banking channels or out of funds held in FCNR account or out of funds held in NRE account; in the case of residential property, the repatriation of sale proceeds is restricted to not more than two such properties. Prohibition: Citizens of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal, Bhutan, Macau, Hong Kong, and Democratic People's Republic of Korea cannot, without prior permission of the Reserve Bank, acquire or transfer immovable property in India, other than on lease, not exceeding five years. For this purpose, the term "citizen" must include natural persons and legal entities. This prohibition may not apply to an OCI. Remittance of assets is permitted under FEMA 13(R) 2016-RB of April 1, 2016. (1) A citizen of foreign state, not being a PIO or a citizen of Nepal or Bhutan, who has retired from an employment in India or has inherited the assets from a person referred to in Subsection (5) of Section 6 of FEMA or is a widow/widower resident outside India and has inherited assets of the deceased spouse who was an Indian citizen resident in India, may remit through an AD an amount, not exceeding US$1,000,000 (US dollar one million only) a financial year on production of documentary evidence in support of acquisition, inheritance or legacy of assets by the remitter subject to certain conditions. (2) A NRI or a PIO may remit through an AD an amount, not exceeding US$1,000,000 (US dollar one million only) a financial year, out of the balances held in the nonresident (ordinary) accounts (NRO accounts)/sale proceeds of assets/the assets acquired by him by way of inheritance/legacy on production of documentary evidence in support of acquisition, inheritance, or legacy of assets by the remitter; Under a deed of settlement made by either of his parents or a relative (relative as defined in Section 2(77) of the Companies Act, 2013) and the settlement taking effect on the death of the settler, on production of the original deed of settlement.
Controls on personal capital transactions	Yes.	

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Loans	Yes.	
By residents to nonresidents	Yes.	A resident individual may grant rupee loan to a NRI/OCI cardholder relative within the overall limit under the LRS subject to such terms and conditions as prescribed by the Reserve Bank from time to time. The borrower should ensure that the borrowed funds are not used for restricted end-uses.
To residents from nonresidents	Yes.	An individual resident in India may borrow a sum not exceeding US$250,000 or its equivalent, or any other amount as decided by the Reserve Bank from time to time, from his or her relatives outside India and subject to such terms and conditions as specified by the Reserve Bank from time to time in consultation with the GOI. An individual resident in India studying abroad may raise loan outside India not exceeding US$250,000 or its equivalent, or any other amount as decided by the Reserve Bank from time to time, for the purposes of payment of education fees abroad and maintenance subject to terms and conditions as specified by the Reserve Bank from time to time in consultation with the GOI. A person resident in India, not being a company incorporated in India, may borrow in Indian rupees from a NRI/relatives who are OCI cardholders outside India, subject to such terms and conditions as specified by the Reserve Bank from time to time in consultation with the GOI. The borrower should ensure that the borrowed funds are not used for restricted end-uses.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	There is an overall LRS limit of US$250,000 a financial year for exchange/remittance facilities of resident individuals for CAT, such as remittance for private visits; business visits; gifts or donations; travel abroad for employment; emigration; maintenance of close relatives abroad; and expenses in connection with medical treatment abroad and studies abroad. Gifts in Indian rupees by resident individuals to NRI relatives as defined in the Companies Act, 2013, are also subsumed under the LRS limit. A person other than an individual may obtain foreign exchange for gifts and donations, within the limit prescribed under the LRS. RBI approval is required for remittances by persons other than individuals for donations exceeding 1% of their foreign exchange earnings during the previous three financial years or US$5 million, whichever is less, for (1) creation of chair positions in reputable education institutions; (2) contributions to funds (other than investment funds) promoted by education institutions; and (3) contributions to technical institutions, agencies, or associations in the field of the donor company. A person resident in India, except earlier overseas corporate bodies (OCBs), may transfer securities as a gift to a person abroad, subject to certain conditions. The value of the securities transferred by the donor together with any other securities transferred to any person outside India during the financial year may not exceed the rupee equivalent of US$50,000. Deposits of multilateral organizations to which India belongs and their subsidiaries/affiliates and officials in India are exempt from nonresident account restrictions. Rule 9 (4) of FEM (NDI) Rules, 2019, permits a person resident in India holding equity instruments or units of an Indian company to transfer the same to a person resident outside India by way of gift with the prior approval of the Reserve Bank, in the manner prescribed, and subject to certain conditions.
To residents from nonresidents	Yes.	Section 6(4) of the FEMA, 1999, permits a person resident in India to hold, own, transfer or invest in foreign currency, foreign security or

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		any immovable property situated outside India if such currency, security, or property was acquired, held, or owned by such person when he was resident outside India or inherited from a person who was resident outside India.
Settlement of debts abroad by immigrants	n.a.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	ADs may allow remittances of up to US$250,000 or up to the amount prescribed by the relevant country at the time of emigration and thereafter US$1 million a financial year from balances held in NRO accounts, subject to certain conditions.
Transfer into the country by immigrants	Yes.	
Transfer of gambling and prize earnings	Yes.	Remittances of earnings from sweepstakes, gambling, and lotteries are not permitted in terms of Schedule I of FEM CAT Rules, 2000, updated from time to time.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Legal Entity Identifier system for all borrowers of banks having total (fund-based and non-fund-based) exposure of 500 million rupees and above has been introduced in a phased manner vide RBI circular of November 2, 2017. Effective September 1, 2023, SEBI has mandated issuers who have listed and/ or propose to list non-convertible securities, securitized debt instruments and security receipts, to report their Legal Entity Identifier) code to the depositories.
Borrowing abroad	Yes.	ECB is subject to the policy framed by the RBI in consultation with the MOF. Financial institutions which are eligible to receive FDI are permitted borrow ECB. Further, All India Financial Institutions – EXIM Bank and SIDBI – are also permitted to borrow ECB. All such borrowings by financial institutions are subject to the prudential guidelines issued by the sectoral regulator. All ECBs have to be availed under the ECB framework as summarized under Section XI.A.4.b.2. Further, the following borrowing from abroad is also enabled for financial institutions under FEMA 3R: (1) An AD may borrow from its Head Office or branch or correspondent outside India or any other entity up to limit specified and subject to terms and conditions as specified by the Reserve Bank from time to time, in consultation with GOI. (2) A branch outside India of an AD being a bank incorporated or constituted in India may borrow in foreign exchange in the normal course of its banking business from outside India, subject to the directions or guidelines issued by the Reserve Bank from time to time, and the Regulatory Authority of the country where the branch is located. (3) Financial institutions, set up under an Act of the Indian Parliament, may raise foreign exchange borrowings with the prior approval of the GOI for the purpose of onward lending.
Maintenance of accounts abroad	No.	There are no restrictions on AD accounts abroad.
Lending to nonresidents (financial or commercial credits)	Yes.	Lending in foreign exchange or in Indian rupees by a person resident in India to nonresident is prohibited unless in cases specified by the RBI or on RBI approval. ADs may manage surplus balances in their exchange accounts through overnight placement and investment with their overseas branches or correspondent banks, subject to limits imposed by RBI. Stand-alone primary dealers (SPDs) are allowed to offer foreign

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		exchange products to their FPI clients under certain conditions, as permitted by the RBI from time to time. Such activities must be part of their non-core activities. An AD in India may extend foreign-currency-denominated External Commercial Lending to a borrower outside India in accordance with the provisions contained in Schedule III of Notification No. FEMA.3(R)/2018-RB (as amended from time to time). An AD in India may lend in Indian rupees to an NRI/OCI cardholder for meeting the borrower's personal requirements/own business purposes/acquisition of a residential accommodation in India/acquisition of motor vehicle in India or for any purpose as per the loan policy laid down by the Board of Directors of the AD and in compliance with prudential guidelines of RBI. The AD bank should ensure that the borrowed funds are not used for restricted end-uses. Overdraft in rupee account maintained with AD in India by a bank outside India: An AD may permit a temporary overdraft, for value not exceeding Rs 5 billion or any other amount as prescribed by the RBI from time to time, in rupee accounts maintained with it by its overseas branch or correspondent or Head Office outside India, subject to such terms and conditions as the RBI may direct from time to time. Under the revised ECB framework, lending and borrowing by Indian banks and their branches/subsidiaries outside India will be subject to prudential guidelines issued by the Department of Banking Regulation of the Reserve Bank. Further, other entities raising ECB are required to follow the guidelines issued, if any, by the concerned sectoral or prudential regulator.
Lending locally in foreign exchange	Yes.	ADs may grant loans to clients in India for meeting their foreign exchange requirements, for their rupee working capital requirements, or for capital expenditure subject to compliance with prudential norms, interest rate directives, and guidelines, if any, issued by RBI in this regard. ADs can also extend loans to clients maintaining RFC account, against the security of funds held in such account; and to other ADs subject to the directions or guidelines issued by the RBI from time to time. ADs can also borrow from financial institutions outside India for the purpose of granting pre-shipment or post-shipment credit to their exporter clients in India. Select institutions, other than ADs, may extend loans to their clients in India for the purpose of onward lending, on the condition that these loans are out of the foreign currency borrowings raised by these institutions and subject to the approval of the Central Government.
Purchase of locally issued securities denominated in foreign exchange	n.a.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	The banks, vide circular dated and effective July 6, 2022, have been advised that with effect from the reporting fortnight beginning July 30, 2022, incremental FCNR (B) deposits as also NRE Term deposits with reference to base date of July 1, 2022, mobilized by banks will be exempt from maintenance of cash reserve ratio (CRR) and statutory liquidity ratio (SLR). The exemptions are valid for deposits raised until November 4, 2022. The CRR, set at 4.5%, effective May 21, 2022, of the net demand and time liabilities of all banks, was lowered to 3% during the COVID-19 pandemic. Previously, the CRR was increased to 3.50% on March 27, 2021, and

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		to 4.00% on May 22, 2021. Credit balances in ACU dollar accounts, net interbank liabilities, and liabilities of banks' offshore banking units are exempt. The daily minimum CRR maintenance is 90% of requirement, with effect from September 26, 2020. However, this was reduced to 80% during the COVID-19 pandemic.
Liquid asset requirements	No.	The banks, vide circular dated July 6, 2022, have been advised that with effect from the reporting fortnight beginning July 30, 2022, incremental FCNR (B) deposits as also NRE Term deposits with reference to base date of July 1, 2022, mobilized by banks will be exempt from maintenance of CRR and SLR. The exemptions are valid for deposits raised till November 4, 2022. Banks are subject to a SLR, which is based on both domestic and foreign currency liabilities and is set at 18% of net demand and time liabilities.
Interest rate controls	Yes.	Banks' interest rates on FCNR (B) deposits (held by NRIs) are subject to a ceiling of Overnight ARR for the respective currency/Swap plus 250 bps (for maturities of 1–3 years) and Overnight ARR for the respective currency/Swap plus 350 bps (for maturities of 3–5 years). The Overnight ARR for the respective currency/Swap rates quoted/displayed by FBIL must be used as the reference for arriving at the interest rates on FCNR (B) deposits.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	No.	There is no differential treatment of deposit accounts held by nonresidents.
Liquid asset requirements	No.	There is no differential treatment of deposit accounts held by nonresidents.
Interest rate controls	Yes.	Interest rates on resident deposits are not regulated. However, banks are required to set uniform interest rates on savings-deposit balances of up to Rs 100,000 (irrespective of the amount in the account), but are allowed to provide differential rates on balances above Rs 100,000 (as long as it does not discriminate between deposits accepted on the same date). Banks can also offer differential rates on bulk term deposits. Banks are free to determine interest rates on NRE/NRO (rupee-denominated) savings and term deposits. However, interest rates on NRE/NRO savings deposits should be set following the same conditions as for rupee deposits, while interest rates on NRE/NRO term deposits should not exceed those offered on comparable domestic rupee deposits. Banks' interest rates on FCNR (B) (foreign-currency-denominated) deposits are subject to a ceiling of Overnight ARR for the respective currency/Swap plus 250 bps (for deposits with maturities of 1–3 years) and Overnight ARR for the respective currency/Swap plus 350 bps (for deposits with maturities of 3–5 years).
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks may invest in money market instruments and/or debt instruments held abroad up to the limits approved by their respective boards of directors. Equity investments by banks are governed by Prudential Regulations

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		issued under Para 5 of Master Direction on Financial Services Provided by Banks of May 26, 2016, as updated from time to time. An overseas JV or wholly owned subsidiaries, with direct or indirect equity participation by an Indian bank, cannot offer any rupee-linked financial products without specific approval from the RBI.
In banks by nonresidents	No.	FPIs registered with SEBI and NRIs are allowed to subscribe to rupee-denominated instruments issued by Indian banks, including perpetual debt instruments (PDI) (Tier 1 capital) and debt capital instruments (upper Tier 2 capital), subject to the following conditions: (1) aggregate FPI investments in PDI should not exceed a ceiling of 49% of each issue, and investment by an individual FPI should not exceed the limit of 10% of each issue; (2) aggregate NRI investments in PDI should not exceed a ceiling of 24% of each issue, and investments by a single NRI should not exceed 5% of each issue; (3) investment by FPIs in debt capital instruments should be within SEBI-determined limits for FPI investment in corporate debt instruments; and (4) investment by NRIs in debt capital instruments should be in accordance with the policy for investment by NRIs in other debt instruments. The issuing banks should meet these conditions at the time of issue and comply with new RBI guidelines from time to time.
Open foreign exchange position limits	Yes.	Banks must apply a capital charge of 9% (that is, a risk weight of 100%) on the open foreign exchange position limit or the actual position, whichever is higher.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Section 27E of the Insurance Act, 1938, prohibits insurers investing directly or indirectly outside India the funds of the policyholders. Hence, insurers are not permitted to subscribe to securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies are free to invest any of the funds generated from the business promoted outside India. However, any investment from Indian operations requires IRDAI approval. Further, such investments are only to be made from shareholder's fund beyond solvency margin. These provisions have been applied since the inception of IRDAI.
Limits (min.) on investment portfolio held locally	Yes.	Life insurance companies must invest (other than funds relating to pension, annuity, and group business and unit-linked business) not less than 50% of total investments in Central, State, and Other Approved Securities, with at least 25% of investments in Central G-Secs. Insurance companies must invest 40% of pension, annuity, and group fund in Central G-Secs, State G-Secs, or Other Approved Securities, with at least 20% in Central G-Secs. Not more than 50% of life fund must be invested in "approved investments," including corporate bonds or debentures rated AA or above; short-term corporate securities rated A1 or above; all-India financial institutions rated at least AA (or at least A+, subject to lack of available higher-rated investments and Investment Committee's approval). Instruments must be rated with Rating Agency, registered with SEBI. Housing and infrastructure investments across all securities must be a minimum of 15% of life fund for life insurers.

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		Not less than 75% of investment in debt instruments (including Central G-Secs, State G-Secs, or Other Approved Securities) in case of life insurer and not less than 65% of investment in debt instruments (including Central G-Secs, State G-Secs, or Other Approved Securities) in case of general insurer must be in sovereign debt, AAA or equivalent rating for long-term and A1+ or equivalent for short-term instruments. General insurance companies must invest not less than 30% of total investments in Central G-Secs, State G-Secs, or Other Approved Securities, with at least 20% in Central G-Secs. Not more than 70% of total investments must be in "approved investments." Housing and infrastructure investments across all securities must be a minimum of 15% of total investments for general insurers. Not more than 5% of life fund and unit-linked fund in debt instruments (including Central G-Secs, State G-Secs, or Other Approved Securities) in case of life insurer and not more than 8% of investment in debt instruments (including Central G-Secs, State G-Secs, or Other Approved Securities) in case of general insurers must have a rating of A or below or equivalent rating for long-term instruments.
Currency-matching regulations on assets/liabilities composition	Yes.	Insurers are allowed to issue foreign-currency-denominated policies to nonresidents or to resident persons of Indian nationality or origin who have returned to India after being nonresidents through their offices (in India or abroad), provided the premia are collected in foreign currency from abroad or out of NRE/FCNR accounts of the insured or his relatives held in India. Insurance companies can make investments abroad only out of funds held abroad.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investments in securities issued by nonresidents are not allowed.
Limits (max.) on investment portfolio held abroad	Yes.	Overseas investments are not allowed for pension funds. As per Section 25 of Pension Fund Regulatory and Development Authority Act, 2013, there is prohibition on offshore investments by pension funds. Pension Fund Regulatory and Development Authority regulates National Pension System (NPS) and also administers Atal Pension Yojana; accordingly, the comments pertain only to the pension products handled by the Authority.
Limits (min.) on investment portfolio held locally	Yes.	The investment caps under the contributory pension scheme (NPS) for Government sector employees, that is, for those under Central Government Scheme and State Government Scheme (under default scheme) Corporate Central Government Scheme, NPS Lite Schemes, and Atal Pension Yojana), are as follows: For assets class: (1) G-Secs and related investments, up to 65%; (2) debt instruments and related investments, up to 45%; (3) equity and related investments, up to 15%; (4) asset backed, trust structured, etc., up to 5%; and (5) short-term debt instrument and related investment, up to 10%. The Central Government sector employees who wish to choose other than default scheme, may choose following options: (1) Scheme G – 100% of funds invested in G-Secs; (2) Equity: Life Cycle Funds with following options to choose from (a) LC-25: A conservative Life Cycle Fund with equity capped at 25%; (b) LC-50: A moderate Life Cycle Fund with equity capped at 50%. In Life Cycle Fund, the equity exposure gradually decreases with

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		increase in the age of subscribers. For scheme Tier-II Tax Saver scheme (only applicable for Central Government employees), the following limits apply: Equity: 10% to 25%; Debt: up to 90%; Cash/money market/liquid MFs: up to 20%; The caps on investments under the NPS, implemented in India for non-government sector employees, are (1) equity, up to 75%; (2) corporate debt, up to 100%; (3) G-Secs, up to 100%; (4) short-term debt instruments and related instruments, up to 10%; and (5) asset class A – alternative investment class (for Tier 1 only), up to 5%. The cap on equity investment has maximum limit of 75% in active choice for private sector subscribers.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	MFs registered with SEBI are permitted per MF to invest abroad up to a maximum of US$1 billion, within the overall industry limit of US$7 billion. Investments are permitted in: (1) ADRs/GDRs of Indian and foreign companies; (2) equities of overseas companies listed on recognized overseas stock exchanges, including initial and follow-up public; (3) foreign investment-grade debt securities in countries with fully convertible currencies; (4) money market investment-grade investments, including repos with investment-grade counterparties; (5) G-Secs of countries rated at investment grade; (6) derivatives traded on recognized overseas stock exchanges, but only for hedging and portfolio balancing purposes; (7) short-term deposits with overseas investment-grade banks; and (8) units/securities issued by overseas MFs or unit trusts registered with overseas regulators.
Limits (max.) on investment portfolio held abroad	Yes.	MFs registered with SEBI are permitted per MF to invest abroad up to a maximum of US$1 billion, within the overall industry limit of US$7 billion. Investments are permitted in: (1) ADRs/GDRs of Indian and foreign companies; (2) equities of overseas companies listed on recognized overseas stock exchanges, including initial and follow-up public; (3) foreign investment-grade debt securities in countries with fully convertible currencies; (4) money market investment-grade investments, including repos with investment-grade counterparties; (5) G-Secs of countries rated at investment grade; (6) derivatives traded on recognized overseas stock exchanges, but only for hedging and portfolio balancing purposes; (7) short-term deposits with overseas investment-grade banks; and (8) units/securities issued by overseas MFs or unit trusts registered with overseas regulators. MFs are also subject to an aggregate investment ceiling on exposures to overseas ETF(s) that invest in securities of US$1 billion, subject to a maximum of US$300 million a MF.
Limits (min.) on investment portfolio held locally	Yes.	MFs are subject to investment concentration limits as provided in the SEBI (MFs) Regulations, 1996, and circulars issued thereunder. Excerpts of the broad provisions in this regard are as under: A MF scheme may not invest in unlisted debt instruments including CPs, except G-Secs, other money market instruments, and derivative products such as interest rate swaps, IRF, etc., which are used by

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MFs for hedging. However, MF schemes may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the scheme subject to certain conditions.

All investments by a MF scheme in equity shares and equity-related instruments must only be made, provided such securities are listed or to be listed.

Investment in unrated debt and money market instruments, other than G-Secs, treasury bills, and derivative products such as interest rate swaps and IRF by MF schemes is capped at 5%.

Restrictions have been specified on Investment in debt instruments having Structured Obligations/Credit Enhancements.
Restrictions have been specified on Investment in debt instruments with special features like subordination to equity (loss absorption before equity) and/or convertible to equity on trigger of a pre-specified event for loss absorption. MF under all its schemes should not own more than 10% of such instruments issued by a single issuer and having special features as mentioned above, and an individual MF scheme may not invest more than 10% of its NAV in such instruments with special features as mentioned above and more than 5% of its NAV in such instruments issued by a single issuer.

A MF scheme may not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity. The limit may be raised to 12%, subject to prior approval by the Board of Trustees and the Board of Directors of the asset management company (AMC).

A MF under all its schemes should not own more than 10% of units issued by a single issuer of Real Estate Investment Trust (REIT) and Infrastructure Investment Trust (InvIT), and an individual MF scheme may not invest more than 10% of its NAV in the units of REIT and InvIT, and more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer.

MF schemes are also subject to a limit on exposures to a single sector in debt-oriented MF schemes (excluding investments in bank CDs, collateralized borrowing and lending obligation (CBLO), G-Secs, T-Bills, and AAA-rated securities issued by Public Financial Institutions, Public Sector Banks, and short-term deposits of scheduled commercial banks) set at 20% of NAV. A further exposure to the financial services sector (over the 20% limit), but not exceeding 10% of the scheme's NAV, is allowed only via an increase in exposure to Housing Finance Companies (HFCs), provided the HFCs are rated at AA or above and are registered under Section 29A of the National Housing Bank, 1987. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio, and the aggregate investment exposure to HFCs cannot exceed 20%. The additional exposure limits provided for HFCs in financial services sector have been capped at 10%.

A MF scheme should not park more than 10% of NAV in short-term deposits at a single scheduled commercial bank including its subsidiaries. No MF scheme must park more than 15% of their net

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		assets in short-term deposits of all scheduled commercial banks put together. This limit, however, may be raised to 20% with prior approval of the Trustees. No MF under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights. No MF scheme must make any investment in: (1) any unlisted security of an associate or group company of the sponsor or (2) any security issued by way of private placement by an associate or group company of the sponsor or (3) the listed securities of group companies of the sponsor which is in excess of 25% of the net assets. No MF scheme must invest more than 10% of its NAV in the equity shares or equity-related instruments of any company. MFs/AMCs must ensure that total exposure of debt schemes of MFs in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions, and Public Sector Banks) do not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees. However, the investments by debt MF schemes in debt and money market instruments of group companies of both the sponsor and the AMC may not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees. A MF scheme's exposure to repo transactions in corporate debt securities is capped at 10% of the scheme's NAV. The cumulative exposure through repo transactions in corporate debt securities, equity, debt, and derivatives should not exceed 100% of the scheme's NAV. MF schemes may participate in exchange-traded currency derivatives (ETCDs) of a particular goods (single), not exceeding 10% of NAV of the scheme. However, the limit of 10% is not applicable for investments through gold ETFs in ETCDs having gold as underlying. In case of multi-assets allocation schemes, the exposure to ETCDs may not be more than 30% of the NAV of the scheme. In case of other hybrid schemes excluding multi-assets allocation scheme, the participation in ETCDs may not exceed 10% of NAV of the scheme.
Currency-matching regulations on assets/liabilities composition	n.a.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	Both Retail and Wholesale central bank digital currency (CBDC) are in Pilot Phase.
Retail	No.	The retail digital rupee pilot commenced on December 1, 2022, is being conducted in closed user group in selected cities and with select banks.
Wholesale	No.	The wholesale pilot launched on November 1, 2022, is being conducted with selected banks with the use case of the pilot being settlement of secondary market transactions in government securities.
CBDC launched by another	No.	

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jurisdiction in circulation—retail and/or wholesale		
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	The CBDC retail pilot is available in select locations in closed user group comprising participating customers/ merchants and is covering use cases of person to person (P2P) and person to merchant (P2M) transactions. The digital rupee wallet can be provided only by the banks which are in the CBDC retail pilot and the user must have an account with the concerned bank which ensures that know your customer (KYC) is already completed. All the rules and regulations applicable to cash are applicable to CBDC.
Between residents and nonresidents	n.r.	Currently, CBDC pilot is available for transactions only domestically. Going forward, cross-border CBDCs is proposed to be explored.
For current transaction	n.r.	Currently, CBDC pilot is available for transactions only domestically. Going forward, cross-border CBDCs is proposed to be explored.
For capital transactions	n.r.	Currently, CBDC pilot is available for transactions only domestically.
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	n.r.	RBI has repeatedly through its public notices on December 24, 2013, February 1, 2017, and December 5, 2017, cautioned users, holders, and traders of virtual currencies (VCs) regarding various risks associated in dealing with such VCs. In terms of our circular dated May 31, 2021, on "Customer Due Diligence for transactions in VC," RBI has advised its regulated entities to continue to carry out customer due diligence processes, in line with regulations governing standards for KYC, Anti-Money Laundering (AML), Combating of

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		Financing of Terrorism (CFT) and obligations of regulated entities under Prevention of Money Laundering Act, (PMLA), 2002, in addition to ensuring compliance with relevant provisions under FEMA for overseas remittances.
Controls on unbacked tokens	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on utility and security tokens	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on stablecoins	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	n.r.	
Domestic exchanges	n.r.	Government of India vide notification dated March 7, 2023, brought cryptocurrency or virtual digital assets (VDA) transactions under the

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		preview of the PMLA, 2002, and consequently crypto exchanges, custodians, wallet providers, among others in crypto-related trade under PMLA as "Reporting Entities" and have to adhere to all the obligations such as KYC, carrying out due diligence, registering with Financial Intelligence Unit India, etc., and also report suspicious activity to the Financial Intelligence Unit India.
Access to crypto exchange/trading platform by residents	n.r.	

Changes during 2022 and 2023

Arrangements for Payments and Receipts

Prescription of currency requirements	*07/08/2022*	All eligible current account transactions including trade transactions with Sri Lanka have been allowed to be settled in any permitted currency outside the ACU mechanism until further notice.
Controls on the use of domestic currency		
For current transactions and payments	*07/11/2022*	There is an additional arrangement for invoicing, payment, and settlement of exports/imports in INR. Before putting in place this mechanism, AD banks must require prior approval from the Foreign Exchange Department of Reserve Bank of India, Central Office at Mumbai. Mechanisms are (1) invoicing: all exports and imports under this arrangement may be denominated and invoiced in rupee (INR); (2) exchange rate: exchange rate between the currencies of the two trading partner countries may be market determined; and (3) settlement: the settlement of trade transactions under this arrangement must take place in INR.

Imports and Import Payments

Import taxes and/or tariffs	*02/02/2022*	The important duty changes made in the 2022–2023 budget include: (1) Customs duty on fisheries product such as Atlantic Salmon and Live Black tiger shrimp has been reduced to 10%, whereas, on Frozen Krill, Frozen Mussels, and Frozen Squids customs duty has been reduced to 15%. (2) Customs duty on fuel oil, straight run fuel oil, low sulfur wax residue, vacuum residue, slurry, and vacuum gas oil reduced to 2.5%. (3) Customs duty on sodium cyanide has been increased to 10% (4) Customs duty on methyl alcohol and acetic acid has been reduced to 2.5% and 5%, respectively. (5) Customs duty on recovered (waste and scrap) paper or paperboard imported for manufacture of paper, paperboard, or newsprint has been increased to 2.5%. (6) Customs duty on umbrellas and sun umbrellas has been increased to 20%. (7) Customs duty on cut and polished diamonds and cut and polished natural gemstones has been decreased to 5%. (8) Customs duty on S. G ingot castings for use in the manufacture of plastic processing machineries has been reduced to 7.5%. (9) Customs duty on linear motion guides and ball screws for use in the manufacture of plastic processing machineries has been reduced to 5%. (10) Customs duty on camera lens for use in manufacture of camera module of cellular mobile phone has been reduced to 2.5%. (11) Customs duty on specified parts of transformers for use in manufacture of chargers/adapters has been reduced to 5%. (12) Customs duty on specified parts of X-ray machines for medical, surgical, dental, or veterinary use has been increased to 10%. (13) Customs duty on X-ray machines for medical, surgical, dental, or veterinary use has been increased to 10%.

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		(14) Customs duty on parts of electronic toys used in the manufacture of electronic toys has been increased to 25%.
	02/02/2023	There were several important duty changes made in Budget 2023–2024.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	*07/08/2022*	All eligible current account transactions including trade transactions with Sri Lanka have been allowed to be settled in any permitted currency outside the ACU mechanism until further notice.
	07/11/2022	There is an additional arrangement for invoicing, payment, and settlement of exports/imports in INR. Before putting in place this mechanism, AD banks must require prior approval from the Foreign Exchange Department of Reserve Bank of India, Central Office at Mumbai. Mechanisms are (1) invoicing: all exports and imports under this arrangement may be denominated and invoiced in rupee (INR); (2) exchange rate: exchange rate between the currencies of the two trading partner countries may be market determined; and (3) settlement: the settlement of trade transactions under this arrangement must take place in INR.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Bonds or other debt securities		
Purchase locally by nonresidents	*04/01/2022*	The investment limit under the Voluntary Retention Route for investment in government and corporate debt securities by Foreign Portfolio Investors is increased by Rs 100,000 crore to Rs 250,000 crore.
	07/06/2022	Nonresidents registered as Foreign Portfolio Investors (FPIs) and Nonresident Indians/Overseas Citizen of India are allowed to participate in Indian debt markets, to encourage FPI. This is part of the measures introduced to further diversify and expand the sources of foreign exchange funding to mitigate volatility and dampen global spillovers, to enhance foreign exchange inflows while ensuring overall macroeconomic and financial stability.
	07/07/2022	The eligible central government securities under Fully Accessible Route have been augmented to include central government securities of 7-year and 14-year issuances.
	01/23/2023	The eligible government securities under Fully Accessible Route have been augmented to include Sovereign Green Bonds issued by the Government.
Sale or issue abroad by residents	*07/06/2022*	Temporarily increase the limit under the automatic route of External Commercial Borrowings from US$750 million or its equivalent per financial year to US$1.5 billion. This is part of measures to further diversify and expand the sources of foreign exchange funding so as to mitigate volatility and dampen global spillovers, to enhance foreign exchange inflows while ensuring overall macroeconomic and financial stability.
Controls on credit operations		
Financial credits		
To residents from nonresidents	*07/06/2022*	Temporarily increase the limit under the automatic route of External Commercial Borrowings from US$750 million or its equivalent per

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financial year to US$1.5 billion. This is part of measures to further diversify and expand the sources of foreign exchange funding so as to mitigate volatility and dampen global spillovers, to enhance foreign exchange inflows while ensuring overall macroeconomic and financial stability.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

09/01/2023 SEBI now mandates issuers who have listed and/or propose to list non-convertible securities, securitized debt instruments and security receipts, to report their Legal Entity Identifier code to the depositories.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

05/21/2022 The cash reserve ratio is increased to 4.5% from 4.00%.

07/06/2022 The banks, vide circular dated July 6, 2022, have been advised that with effect from the reporting fortnight beginning July 30, 2022, incremental foreign currency nonresident (Bank) deposits as also nonresident (External) rupee term deposits with reference to base date of July 1, 2022, mobilized by banks will be exempt from maintenance of cash reserve ratio and statutory liquidity ratio. The exemptions are valid for deposits raised until November 4, 2022.

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INDONESIA

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		February 21, 1967.
Article VIII	Yes.	Date of acceptance: May 7, 1988.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with UNSC resolutions, Indonesia maintains restrictions on the assets of and making of payments to Al-Qaida and the Taliban.
Other security restrictions	Yes.	Restrictions against countries on which the UN has imposed a trade embargo are in effect.

Exchange Arrangement

Currency	Yes.	The currency of Indonesia is the Indonesian rupiah. Commemorative gold coins are also legal tender but seldom circulate.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating (adopted August 14, 1997). The exchange rate is determined by supply and demand in the foreign exchange market. Bank Indonesia (BI),

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however, may intervene—as part of a policy mix—whenever necessary to achieve the inflation target and to maintain macroeconomic stability.

The global economy continued facing challenges in 2022. Geopolitical tensions exacerbated economic fragmentation and undermined the economic outlook, while elevating global financial market uncertainty. In general, the global economy in 2022 faced five serious challenges that could potentially downgrade the world economic outlook, including the emerging risk of recession and high inflation (reflation) if the fragmentation remains unchecked. The five challenges were as follows: (1) moderating world economic growth (slow growth); (2) soaring inflation because of global food and energy prices (high inflation); (3) higher for longer monetary policy rates; (4) strong US dollar with broad-based pressures on world currencies; and (5) rebalancing of global investor funds towards liquid assets (cash is king). Such challenges demanded close monitoring and an optimal response because of the ongoing risk of stagflation and reflation. In addition, the global economic challenges also demanded strong international cooperation regionally and multilaterally.

In 2022, Indonesia's Balance of Payments (BOP) recorded a surplus, bolstered by stronger export performance that reinforced external sector resilience. The current account surplus in 2022 increased significantly to US$13.2 billion (1.0% of GDP) from US$3.5 billion (0.3% of GDP) in 2021. This was primarily attributable to an uptick of exports in line with persistently high international commodity prices and strong demand for Indonesian commodities, despite higher imports to fuel the domestic economic recovery. Meanwhile, the capital and financial account in 2022 recorded an US$8.9 billion deficit given elevated global financial market uncertainty. Consequently, the overall BOP in 2022 booked a US$4.0 billion surplus, after recording a US$13.5 billion surplus in the previous year. Correspondingly, the position of reserve assets at the end of December 2022 stood at US$137.2 billion, equivalent to 6.0 months of imports or 5.9 months of imports and servicing short-term government external debt.

The BOP until the second quarter of 2023 remains maintained despite global uncertainty. The current account recorded a narrow deficit against a backdrop of lower international commodity prices and global economic moderation, coupled with increasing domestic demand. Meanwhile, the capital and financial account posted a deficit in line with elevated global financial market uncertainty. Consequently, Indonesia's BOP in the second quarter of 2023 recorded a US$7.4 billion deficit and the position of reserve assets at the end of June 2023 stood at US$137.5 billion, equivalent to 6.0 months of imports and servicing government external debt, which is well above the international adequacy standard of around 3 months of imports. Looking ahead, BOP performance in 2023 is forecast to remain sound, supported by a manageable current account maintained in the range of a 0.4% surplus to a 0.4% deficit of GDP.

The de facto exchange rate arrangement is classified as floating. The BI does not disclose data on its interventions.

Free floating

Official exchange rate	Yes.	Rates are as follows: The official foreign exchange reference rate is the Jakarta interbank spot dollar rate (JISDOR) for US dollars. The

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		JISDOR represents the weighted average of US dollar–rupiah spot transactions in the interbank market within a specific window, captured in real time through the BI monitoring system. The JISDOR has been published since May 20, 2013, and is intended to be a market reference for US dollar–rupiah spot transactions in the domestic market. The JISDOR is published on every Indonesian business day. The official foreign exchange reference rate for non–US dollar currencies is the midrate of other BI foreign exchange transaction rates. The JISDOR and other foreign exchange midrates are used for BI accounting purposes. The BI foreign exchange transaction rates represent the bid-ask prices of foreign exchange rates against rupiah used for BI transactions with the government and other parties. The BI announces these rates every Indonesian business day. Since May 20, 2013, the calculation of BI foreign exchange transaction rates has been based on the JISDOR. The BI does not publish banknote rates because banknote transactions with third parties are no longer provided.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The BI's monetary policy framework continues to adhere to an inflation target as the overriding objective (inflation-targeting framework (ITF)). The ITF is implemented by applying policy interest rates as the monetary policy stance and money market benchmark rate (IndONIA) rates as operational targets. The experience of the 2008–2009 global financial crisis made the CB require sufficient flexibility to respond to the complexities of economic development and the strengthening role of the financial sector in influencing macroeconomic stability. Considering the lesson learned from the global financial crisis, the BI strengthened the ITF framework to the Flexible ITF, which continued to be based on important ITF elements such as public announcement of the inflation target and forward-looking monetary policy. The essence of the Flexible ITF is the flexibility to integrate monetary and financial system stability frameworks through a policy mix including monetary and macroprudential instruments, exchange rates, capital flows, and institutional strengthening, as well as optimal policy coordination and communication. This enhanced version is known as Central Bank Policy Mix, or Integrated Policy Framework. The annual inflation target for 2021 is 3.0% ± 1%. As stipulated in Regulation of the Minister of Finance No. 101/PMK.010/2021 of July 28, 2021, on the Inflation Target of Year 2022, Year 2023, and Year 2024, the government, in coordination with the BI, set the annual inflation target for 2022–2023 at 3.0% ± 1% and for 2024 at 2.5% ± 1%. The inflation target is year-over-year headline CPI inflation at the end of the year. The BI announces inflation target accomplishment through the BI Annual Report, which is publicly accessible. If the inflation target is not met, the BI must issue an explanation to the government as material for open explanations

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		presented jointly by the government and the BI to the Indonesian Parliament and the public.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The inflation target is set by the government (MOF) in coordination with the BI. The inflation target is preceded by a discussion at the high-level meeting, attended by the BI governor and the government, represented by the MOF, the coordinating minister for economic affairs, and other relevant ministries and institutions. The target is based on consensus at the high-level meeting forum discussing current inflation conditions, the risk of inflation pressure in future, and the long-term inflation target. Furthermore, the BI addressed an official letter to the MOF for the issuance of regulations for setting the inflation target. If the inflation target is not achieved during any given year, the BI must issue an explanation to the government as material for open explanations presented jointly by the government and the BI to the Indonesian Parliament and the public. There is no operational freedom to decide the target, but under extraordinary conditions that render the inflation target unrealistic, the government may change it after coordinating with the BI.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The annual inflation target for 2021 is 3.0% ± 1%. As stipulated in Regulation of the Minister of Finance No. 101/PMK.010/2021 of July 28, 2021, on the Inflation Target of Year 2022, Year 2023, and Year 2024, the government, in coordination with the BI, set the annual inflation target for 2022–2023 at 3.0% ± 1% and for 2024 at 2.5% ± 1%.
Band/Range		
Target measure	Yes.	
CPI	Yes.	Inflation is measured in the CPI and expressed in terms of year-over-year inflation at the end of the year. The CPI is officially released monthly by the Indonesia Statistics Agency (Statistics Indonesia, Badan Pusat Statistik). It is calculated based on the Cost of Living Survey conducted in 90 major cities across Indonesia.
Core inflation		
Target horizon	No.	
Operating target (policy rate)	Yes.	To achieve the overriding monetary policy objective, the BI has implemented an interest-based monetary policy framework. The monetary policy stance is reflected by setting the policy interest rate (BI seven-day reverse repo rate (BI7DRR)). At the operational level, BI7DRR is reflected in short-term money market interest rates, which are the operational targets of monetary policy. As of June 9,

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		2008, the BI uses the overnight interbank money market (PUAB O/N) interest rate as the operational target of monetary policy.
Policy rate	Yes.	The policy rate is the BI7DRR.
Target corridor band	No.	
Other	No.	
Accountability	Yes.	The BI communicates its monetary policy through various channels and publications, including press releases and press conferences after board meetings; the Monetary Policy Review/Report presenting the background for decisions made; Economic Report on Indonesia; and explanations provided directly to the public, the media, economic actors, market analysts, and academics.
Open letter	No.	
Parliamentary hearings	Yes.	The BI submits the Policy Accountability Report on a quarterly basis to the House of Representatives (DPR) as a form of accountability for carrying out the duties and authorities set out in the law. Accountability for monetary policy is carried out through written submissions and verbal explanations of the implementation of monetary policy each quarter and of specific aspects of monetary policy as may be deemed necessary. The Policy Accountability Report was also submitted to the government and made available to the public for the purposes of transparency and coordination. Moreover, the BI also conducts a hearing with the Parliament regarding the BI's annual budget.
Other	Yes.	The BI announces accountability for inflation target accomplishment through the BI Annual Report, Monetary Policy Review/Report, Indonesian Economic Report, Quarterly Report to the Indonesian Parliament, and press releases, which can be accessed publicly.
Transparency	Yes.	BI policy communications use several channels of communication; that is, press releases of decisions of the board meeting; a press conference after the board meeting; publication of policy reports—that is, the Monetary Policy Review/Report, Financial Stability Report, Economic Report on Indonesia, and so forth; a quarterly report to the Parliament as part of accountability based on the Central Bank Act; and policy dialogue with the Parliament. Monetary policy communications provide information about recent economic developments, policy decisions pursued by the BI, and the outlook for the economy. Such information is provided to the public, parliament, the media, business actors, market analysts, and academics.
Publication of votes	No.	Votes are not published. After board meetings, monetary policy decisions appear in the first paragraph of the press release. The paragraph outlines decisions made at the board meeting and reveals the policy direction that will be taken by the BI. There is no information published regarding voting of board members, whether on individual votes or on votes in favor or against a decision.
Publication of minutes	No.	Minutes are not published. The BI does not publish minutes for board meetings. All information regarding the meeting is published in a press release. Comprehensive information regarding economic development and prospects, as well as policy decisions, including background based on board meeting materials, is provided in monetary policy reviews and reports.
Publication of inflation forecasts	Yes.	Inflation forecasts are published in the Monetary Policy Report every quarter, or four times a year. Inflation forecasts are also published in the Economic Report on Indonesia (annual publication) presenting

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		forecasts of CPI inflation and its components and on some risk factors. In the Monetary Policy Report, forecasts are presented in a fan chart. In the Economic Report on Indonesia, inflation forecasts are presented for the short term (current year) and medium term. A summary of inflation forecasts is also included in press releases and press conferences after board meetings. Both the report and press releases are available to the public on the bank's website.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set their exchange rates and commissions for transactions with clients. The BI regulates foreign exchange transactions against rupiah between commercial banks and domestic and foreign parties to strengthen and increase the governance of the foreign exchange market without restricting the use of the acquired foreign currency. Foreign exchange transactions above a certain threshold must be supported by documents on the underlying trade or investment transactions, with certain exemptions. Spot transactions must be settled in full on delivery. Derivative transactions may be settled in full or by netting. Derivative transactions can also be settled through rollover, early termination, or unwinding of the initial derivative transaction.
Spot exchange market	Yes.	As of December 31, 2022, there were 78 commercial banks with foreign exchange activity licenses that settled today, tomorrow, and spot. Through BI Regulation No. 24/7/PBI/2022, the purchases of foreign currency against rupiah by residents and nonresidents through spot transactions exceeding a certain threshold are subject to verification of supporting documents on the underlying transaction. Spot transactions must be settled in full. The number of money changers as of December 31, 2022, was 1,053 for nonbank money exchange activities.
Operated by the central bank	No.	The BI revoked the facility for foreign exchange liquidity to domestic companies by conducting spot transactions through commercial banks in connection with economic activities in Indonesia.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	As of December 31, 2022, there were 78 commercial banks with foreign exchange activity licenses that settled today, tomorrow, and spot. Interbank spot transactions against rupiah can be done without underlying transactions. The foreign exchange market operates directly among market participants (interbank) or indirectly through brokers in the OTC market. As of June 30, 2021, interbank spot market transactions can be done through electronic trading platform multimatching.
Over the counter	Yes.	The foreign exchange market operates directly among market participants (interbank) or indirectly through brokers in the OTC market. As of June 30, 2021, interbank spot market transactions can be done

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		through electronic trading platform multimatching.
Brokerage	Yes.	There are eight money brokers available in the foreign exchange market, with a total share of 40% from the total interbank spot market.
Market making	Yes.	The foreign exchange market operates based on a market-making mechanism.
Forward exchange market	Yes.	The domestic forward exchange market is regulated by BI Regulation No. 24/7/PBI/2022. Forward transactions (buying and selling) above a certain threshold must be supported by underlying documents. To promote foreign exchange supply through forward transactions, the threshold amount for forward sell is the equivalent of US$5 million a transaction without an underlying transaction. Above US$5 million a transaction of forward sell must be supported by underlying documents.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Rupiah may not be used by or transferred to any party outside Indonesia.
Controls on the use of domestic currency	Yes.	According to BI Regulation No. 24/6/PBI/2022 concerning Policy the Use of Rupiah on International Activities, the policy on the use of Rupiah in international activities is based on the following main principles: (1) the use of Rupiah can only be carried out within the Territory of the Republic of Indonesia and (2) in the event that Rupiah is used outside the Territory of the Republic of Indonesia, its use may be limited as long as it has a positive impact and benefit on the Indonesian economy by taking into account: (a) the condition, size, and level of openness of the national economy, (b) conditions, openness, and depth of financial markets, and (c) institutional and infrastructure readiness. According to BI Regulation No. 24/7/PBI/2022, transfer rupiah outside Indonesia jurisdiction is prohibited. Hence, rupiah could be used for the settlement of bilateral transaction under local currency settlement (LCS) mechanism. The threshold for rupiah transfers to accounts of foreign parties as stated in Article 18 is as follows: Bank receiving Rupiah transfer must ensure Rupiah transfer to (1) accounts owned by nonresident or (2) joint accounts owned by nonresident and resident have underlying transactions with nominal value greater than US$1 million. Pursuant to Article 44 and Article 50 of BI Regulation concerning Payment Service Provider, Payment Service Provider is required to meet general principles in Payment System including implementation of mandatory use of rupiah. Pursuant to Article 201 of BI Regulation concerning Payment Service Provider, Payment Service Provider is prohibited from having and/or managing the value which may be equated to the value of money or value other than rupiah which may be widely used for the payment purpose. Pursuant to Article 4 (1) of BI Regulation concerning Non-Bank Foreign Exchange Business, the purchase of foreign banknotes from money changers may not exceed the nominal value of the underlying transaction.
For current transactions and payments	Yes.	

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For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	The use of foreign exchange among residents is not allowed in Indonesian territory, as stated in Article 21 of Act No. 7, 2011, concerning the Indonesian currency and Article 2 and Article 4 of BI Regulation No. 17/3/PBI/2015 on the obligation to use rupiah in Indonesia. However, certain transactions are exempt: (1) certain transactions within the framework of budget revenue and expenditure implementation, (2) disbursement of grants from/to overseas entities, (3) international trade transactions, (4) bank deposits in foreign currency, and (5) international financing transactions. Pursuant to Article 2 of BI Regulation concerning Non-Bank Foreign Exchange Business Activities, Non-Bank Foreign Exchange Business Activities include: (1) exchange in the mechanism of selling and buying foreign banknotes and (2) buying traveler's checks. Pursuant to Article 11 of BI Regulation concerning Non-Bank Foreign Exchange Business Activities, any nonbank entities, which intend to conduct business activities as money changers, must obtain a license from BI.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	Effective August 29, 2022, BI and Bank of Thailand (BOT) have implemented cross-border QR payment linkage. Effective May 8, 2023, BI and Bank Negara Malaysia (BNM) have implemented cross-border QR payment linkage. As of August 17, 2023, BI have initiated testing phase of cross-border QR payment linkage with Monetary Authority of Singapore following the success of cross-border QR payments linkages implementation with Thailand and Malaysia. The initiative is scheduled to be launched in November 2023. BI has established the framework of LCS based on appointed cross-currency dealers (ACCD) to promote the use of local currency for the settlement of current account transactions and direct investment between Indonesia and other counterpart countries. The framework is designed to enable businesses to settle their transactions with their partner in overseas using local currencies. Currently, BI has implemented maintains bilateral cooperation of LCS ACCD with BOT (2018), BNM (2018), Japan MOF (2020), and People's Bank of China (2021). In the LCS framework, BI and monetary authorities of partner countries will appoint some banks in each country, as ACCD banks, to facilitate direct trading of local currencies and obtain foreign exchange administration (FEA) flexibilities. Furthermore, the implementation of LCS using local currency to settle such transactions is not obligatory, mandatory but remains as an option.
Inoperative	No.	
Regional arrangements	Yes.	Indonesia is a member of ASEAN. Indonesia has already connected with five other Asian Payment

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		Network (APN) members including Thailand, Philippines, South Korea, and Vietnam for cross-border automated teller machine (ATM) cash withdrawals and inquiry service. BI, BNM, Bangko Sentral ng Pilipinas (BSP), Monetary Authority of Singapore, and BOT have agreed to strengthen and enhance cooperation on payment connectivity to support faster, cheaper, more transparent, and more inclusive cross-border payments. A MoU on Cooperation in Regional Payment Connectivity was signed on November 14, 2022. On August 25, 2023, State Bank of Vietnam (SBV) has officially joined the Regional Payment Connectivity initiative.
Clearing agreements	No.	
Barter agreements and open accounts	Yes.	There are barter arrangements as part of bids for government-sponsored construction and procurement projects whose import components are valued at more than Rp 500 million.
Administration of control	Yes.	Under Act No. 24 of 1999 on the Foreign Exchange Activities and Exchange Rate System, residents must submit information and data on foreign exchange activities, directly or through another party stipulated by the BI. The implementation of the provision is prescribed in BI regulations: BI Regulation No. 21/15/PBI/2019 concerning the Monitoring of Foreign Exchange Flow of Banks and Customers stipulates that banks must submit complete, accurate, and timely information and data on foreign exchange flows to the BI. The regulation also states that bank customers must submit supporting documents to the bank for outgoing foreign currency transfers exceeding US$100,000 or its equivalent. BI Regulation No. 21/15/PBI/2019 replaces BI Regulation No. 18/10/PBI/2016 to encourage transparency and improve the availability of information on foreign exchange activities through rearrangement of provisions concerning data submission and information, including information related to foreign exchange expenditures for import payments. BI Regulation No. 16/22/PBI/2014 requires banks and nonbank corporate entities (reporters) to provide complete, accurate, and timely reports to the BI. This regulation updated BI Regulation No. 14/21/PBI/2012, which was adopted as the legal basis for integration of the reporting system for activity in foreign exchange flows with the reporting system for external debt to improve effectiveness and efficiency in monitoring activity in foreign exchange flows by residents. The regulation requires reporters (including state-owned and private enterprises) to report all offshore commercial borrowing, and individuals must report commercial offshore borrowing equivalent to US$200,000 or more. The regulation also requires nonbank corporations that have external debt in foreign currency to implement prudential principles in addition to their reports on foreign exchange flows. BI Regulation No. 21/2/PBI/2019 concerning the Reporting of Foreign Exchange Activities revokes and replaces BI Regulation No. 16/22/PBI/2014, specifically regarding reporting of foreign exchange activities. The new regulation also aims to strengthen the implementation of offshore loans and banks' other foreign exchange obligations. Pursuant to Article 31 of BI Regulation concerning Non-Bank Foreign Exchange Business Activities, a money changer must submit

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		the following reports to BI: (1) periodic reports (among others include monthly reports of Non-Bank Foreign Exchange business operation) and (2) incidental reports (among others are report of change of Board of Directors, Board of Commissioners, and/or shareholders, report of office address change, and other reports which may be requested at any time by BI, such as report on foreign exchange rate and certain financial transactions).
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Travelers may take out freely up to Rp 65,000 a person in Indonesian commemorative gold and silver coins issued in August 1970 and up to Rp 130,000 a person in gold and silver coins issued in October 1974; amounts in excess of these limits require BI approval. Gold may be imported freely. Imports are subject to a levy of Rp 25 per US dollar.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers are free to take out Indonesian notes and coins up to Rp 100 million a person. Larger amounts require BI approval and must be declared to customs.
Foreign currency	Yes.	According to Act No. 8/2010 on Money Laundering, travelers are free to take out foreign currency notes and coins up to the equivalent of Rp 100 million a person. Amounts in excess of this limit must be declared to customs. As of March 5, 2018, according to BI Regulation No. 19/7/PBI/2017, concerning Exportation and Importation of Foreign Banknotes, any party carrying foreign currency notes equivalent to at least Rp 1 billion must obtain a license and approval from the BI.
On imports	Yes.	
Domestic currency	Yes.	Travelers are free to bring in Indonesian notes and coins up to Rp 100 million a person. Larger amounts must be declared to customs; the authenticity of the rupiah is checked by customs.
Foreign currency	Yes.	According to Act No. 8/2010 on Money Laundering, travelers are free to take out foreign currency notes and coins up to the equivalent of Rp 100 million a person. Larger amounts must be declared to customs. As of March 5, 2018, according to BI Regulation No. 19/7/PBI/2017, concerning Exportation and Importation of Foreign Banknotes, any party carrying foreign currency notes equivalent to at least Rp 1 billion must obtain a license and approval from the BI.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	In accordance with the Currency Act, all transactions in Indonesia must use rupiah. Therefore, no checks may be drawn on foreign exchange accounts, as this is considered a means of payment.

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		Nevertheless, funds in foreign exchange accounts may still be transferred abroad freely, with the terms mentioned in IV. The threshold for rupiah transfers to accounts of foreign parties as stated in Article 18 is as follows: Bank receiving rupiah transfer must ensure rupiah transfer to (1) accounts owned by nonresident or (2) joint accounts owned by nonresident and resident have underlying transactions with nominal value greater than US$1 million. Article 2 (3) of BI Regulation concerning Non-Foreign Exchange Business Activities states that the mechanism of selling and buying foreign banknotes is stipulated as follows: (1) foreign banknotes must be transferred physically; (2) rupiah must be transferred physically or through intra-bank or interbank transfers; (3) buying foreign banknotes above a certain threshold per month per customer of money changers must have underlying transactions or its equivalent as specified in the customer's foreign currency purchase from a bank through spot transactions; and (4) if foreign banknotes are bought by a money changer, the obligation set forth in Point (3) will not be applicable. Article 4 (1) of BI Regulation concerning Non-Bank Foreign Exchange Business states that the purchase of foreign banknotes from money changers may not exceed the nominal value of the underlying transaction.
Approval required	No.	
Held abroad	Yes.	Balances may be freely transferred to the home country.
Approval required	No.	
Accounts in domestic currency held abroad	No.	These accounts are prohibited because the rupiah is not an internationalized currency.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	Checking, savings, and time deposit accounts are permitted. No checks may be drawn on foreign exchange accounts.
Domestic currency accounts	Yes.	According to BI Regulation No. 24/7/PBI/2022, as of July 4, 2022, the threshold for rupiah transfers to accounts of foreign parties as stated in Article 18 is as follows: Bank receiving rupiah transfer must ensure rupiah transfer to (1) accounts owned by nonresident or (2) joint accounts owned by nonresident and resident have underlying transactions with nominal value greater than US$1 million.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	

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Financing requirements for imports	No.	Requirements generally are set by commercial banks on the basis of their assessment.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	Domiciliation is not required. Instead, BI regulations stipulate that release of foreign exchange is subject to underlying documentation of import transactions.
Preshipment inspection	No.	
Letters of credit	No.	Import payments may be made on either an LC or a non-LC basis depending on the agreement between exporters and importers.
Import licenses used as exchange licenses	No.	
Other	Yes.	Cement and asbestos sheets, dry batteries, steel slabs, low-voltage electric cords, and electric light bulbs are subject to quality control. BI regulations stipulate that release of foreign exchange is subject to underlying documentation of import transactions.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports from countries against which the UN has imposed a trade embargo are prohibited, as are imports from all sources of most secondhand goods and of certain other products. However, secondhand engines, their parts, and other capital goods may be imported by industrial firms for their own use or for reconditioning, in accordance with the guidelines of the Ministry of Trade (MOT). Certain categories of agricultural imports, including foodstuffs, beverages, and fruits, may be imported only by registered importers designated by the MOT. The procurement policies of companies approved for the importation of fruit, alcoholic beverages, and chicken are evaluated annually by the government, although explicit quantitative restrictions are not placed on these products. There is an import ban on rice. The MOT defines the requirements for importers. Companies that meet the requirements must apply and are designated registered importers. These requirements aim to make import administration more orderly. Only the government-owned Bulog (Indonesian Bureau of Logistics, Badan Urusan Logistik/Bulog) may import medium-grade rice. Premium rice may be imported by licensed importers.
Open general licenses	Yes.	There is a registry of authorized importers that includes only Indonesian nationals, although foreign investors are permitted to import the items required for their own projects. Although imports are subject to licensing requirements, most of them are classified under the general importer license.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	In April 2022, Indonesia has implemented harmonized system 2022 based on World Customs Organization (WCO) amendment, so that all Minister of Finance Regulations related to tariffs are re-stipulated by Minister of Finance Regulation based on harmonized system

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		2022, including MFN and preferential import duty rates. Generally, MFN import duties range from 0% to 5% except for some sensitive products such as automotive or alcohol. Certain products are given preferential duty within the framework of (1) free trade areas (FTA) such as AFTA (ASEAN Trade in Goods Agreement), ASEAN–Australia–New Zealand Free Trade Area, ASEAN–China Free Trade Area, ASEAN–India Free Trade Area, and ASEAN–Hong Kong, China Free Trade Agreement; (2) Economic Partnership Agreement (CEP) such as ASEAN–Japan Comprehensive Economic Partnership, Indonesia–Japan Economic Partnership Agreement, Indonesia–Australia Comprehensive Economic Partnership Agreement, and Indonesia–European Free Trade Association Comprehensive Economic Partnership Agreement (IEFTA-CEPA); (3) Preferential Trade Agreement (PTA) such as Indonesia–Pakistan Preferential Trade Agreement, Developing-8 Preferential Trade Agreement, and Indonesia-Mozambique Preferential Trade Agreement; and (4) MoU such as MoU Indonesia–Palestine. The government has lowered the limit on the value of imported goods subject to import duties from US$75 a shipment to US$3 a shipment according to Minister of Finance Regulation No. 199 of 2020.
Taxes collected through the exchange system	Yes.	Import taxes are collected through designated foreign exchange banks authorized by the MOF.
State import monopoly	Yes.	Imports of certain goods remain restricted to approved importers. The government enterprise Pertamina imports lubricating oil and lubricating grease, and the Indonesian state-owned company Dahana imports ammunition and gel explosives. Licensed importers are permitted to import lubricating grease (as stated in the joint agreement between the Ministry of Energy and Mineral Resources, MOF, and MOT Republic of Indonesia Nos. 1905 K/34/MEM/2001, 426/KMK.01/2001, and 233/MPP/Kep/7/2001). Imports of ammunition and gel explosives are not limited to Dahana. Other companies have been appointed to import ammunition and gel explosives in the interest of national security.

Exports and Export Proceeds

Repatriation requirements	Yes.	All export proceeds must be received through the Indonesian banking system. Export proceeds derived from natural resource exports must be received in a special account (Reksus DHE SDA -Export Proceeds from Natural Resources Export Goods). Effective August 1, 2023, with the Government Regulation No.36 of 2023, mandates that for natural resource exports proceeds valued more than US$250,000 or the equivalent (fob), 30 percent (net of the exporter's foreign exchange obligations) be repatriated and retained within the Indonesian financial system for at least three months. There is still no obligation to convert the foreign exchange to domestic currency.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	MOT Regulation No. 04/M-DAG/PER/1/2015 as revised to MOT Regulation No. 67/M-DAG/PER/8/2015 (revision on the regulation attachment specifically on the scope of commodities) requires LCs

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		for export payments for certain products from natural resources. Export payments must be made through an LC for exports of minerals, coal, crude palm oil, crude palm kernel oil, oil, and gas. Exports of other products that are not regulated in MOT Regulation No. 67/M-DAG/PER/8/2015 may be made on either an LC or a non-LC basis depending on the agreement between exporters and importers.
Letters of credit	No.	Export payments may be made on either an LC or a non-LC basis depending on the agreement between exporters and importers.
Guarantees	No.	
Domiciliation	Yes.	
Preshipment inspection	Yes.	Exports of goods containing imported material that is exempt from import taxes must be inspected before shipment. The government makes exceptions for industries that have the "ease of imports for export purposes" (KITE) facility for inspection before shipment.
Other	Yes.	
Export licenses	Yes.	Exports are prohibited to countries against which the UN has imposed a trade embargo, as are exports to all countries of certain categories of unprocessed or low-quality rubber, brass, and copper scrap (except from the island of Irian Jaya), iron scrap, steel scrap, and antiques of cultural value. Exporters are required to obtain trade permits issued by the MOT.
Without quotas	Yes.	To meet domestic demand and encourage domestic processing of certain raw materials, exports of certain domestically produced commodities must have MOT authorization. Items affected by such controls include clove seeds, logs, fertilizer, cement, iron for construction reinforcement, automobile tires, paper, asphalt, stearin, cattle, salt, wheat flour, maize, soybeans, rice, copra, olein, raw rattan, meat, and all goods produced from subsidized raw materials. Concern about domestic price stability sometimes leads to the suspension of exports of various items in this category.
With quotas	Yes.	Manioc may be exported only by approved exporters. Textiles and textile products subject to import quotas in the consumer countries may be exported only by approved textile exporters, who may transfer their allocated quotas to other approved exporters through the Indonesian Commodity Exchange Board (ICEB, Bursa Komoditi Indonesia).
Export taxes	Yes.	
Collected through the exchange system	Yes.	Taxes are collected through designated banks authorized by the MOF.
Other export taxes	Yes.	Export taxes are imposed on skins (bovine/buffalo, goat/sheep), timber, cocoa, mineral concentrates, palm and crude palm oil and its derivatives, and used cooking oil.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

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Controls on capital transactions	Yes.	As of July 4, 2022, according to BI Regulation No. 24/7/PBI/2022, banks are prohibited from (1) overdraft/lending/credit for foreign exchange transaction against rupiah, (2) overdraft/lending/credit in rupiah or foreign exchange to nonresident, except for noncash loans or guarantees with certain requirements, syndicated loans led by offshore banks with certain criteria, credit cards, local currency transaction scheme, and personal loans used domestically, (3) buying securities in rupiah issued by nonresident, except for related trade activities with Indonesia and domestic trade activities, overseas bank draft for the benefit of Indonesian migrant workers, and the rupiah funds received in Indonesia by residents, (4) investment in rupiah to nonresident, and (5) rupiah transfer outside Indonesia jurisdiction (overseas).
Repatriation requirements	Yes.	BI Regulation No. 16/10/PBI/2014, concerning Receipt of Export Proceeds and Withdrawal of Foreign Exchange from External Debt, has been replaced by BI Regulation No. 17/23/PBI/2015. BI Circular Letter No. 16/9/DSta of May 26, 2014, as provisions of BI Regulation No. 16/10/PBI/2014, remains the guideline for technical processes—for example, requirements for receipt of export proceeds, supporting documents and information submission, and sanction procedures. The purpose of the regulation is to ensure receipt of export proceeds through the Indonesian banking system. These funds need not be kept in a domestic bank, and there is no restriction on subsequent transfers abroad. There is also no obligation to convert the foreign exchange to domestic currency.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Foreign investors are allowed to purchase without limit shares issued by Indonesian companies in the Indonesian capital market. There is a limit on the ownership of joint securities companies that are also finance companies.
Sale or issue locally by nonresidents	Yes.	Foreign companies are permitted to issue Indonesian depository receipts (IDRs) through custodian banks in Indonesia. IDRs are instruments that facilitate the trading of shares of foreign companies in the Indonesian capital market. Custodian banks, in turn, issue IDRs based on the shares that the foreign companies have in the custodian bank. Clarification of Article 1, Paragraph 15, of Law No. 8 of 1995 concerning the Capital Market states that "An 'Offering' within the territory of the Republic of Indonesia includes both domestic and foreign issuers, as well as offerings to both domestic and foreign investors, in compliance with the disclosure principle." Accordingly, a public offering must be handled by professionals registered in the capital market as regulated in Article 64 of the Capital Market Law and other provisions in the capital market regulations—among others: Rule No. IX.A.1 concerning General Provisions of Registration Statement, Rule No. IX.A.2 concerning Registration Procedures for Public Offering, Otoritas Jasa Keuangan (OJK—Financial Services Authority (FSA)) Regulation No. 7/Peraturan Otoritas Jasa Keuangan (POJK).04/2017 concerning Registration Statement Documents for Public Offering of Equity and

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		Debt Securities, and/or Sukuk and OJK Regulation No. 8/POJK.04/2017 concerning Form and Content of a Prospectus and Brief Prospectus for Public Offering of Equity Securities. An alternative to a direct public offering is of IDRs as stipulated. OJK Regulation No. 8/POJK.04/2020 concerning the Issuance of Foreign Depositary Receipts (FDRs) [OJK].
Purchase abroad by residents	Yes.	Pension funds may not invest in securities abroad, and collective investment scheme (CIS) mutual funds may invest abroad only up to 15% of their NAV. Protected mutual funds and guaranteed mutual funds may invest up to 30% of their NAV abroad.
Sale or issue abroad by residents	Yes.	No controls apply as long as the shares are not listed on the Indonesia Stock Exchange. Securities listed on the Indonesia Stock Exchange must comply with the Capital Market Law and with the requirement concerning the maximum percentage of foreign ownership of shares. OJK Regulation No. 8/POJK.04/2020 concerning the Issuance of FDRs requires issuers or public companies wishing to issue FDRs to submit to OJK disclosure of information relating to the FDRs' issuance plan. The information must include the involvement of the issuers or public companies in the FDRs' issuance and the requirements issuers or public companies must fulfill for FDR issuance. Examples of FDRs are American depositary receipts (ADRs), Singapore depositary receipts (SDRs), and dan global depositary receipts (GDRs). Obligation to disclose material information is also regulated in OJK Regulation No. 31/POJK.04/2015 concerning Disclosure of Information or Material Facts by Issuers or Public Companies. If the FDR issuance meets the criteria of public offering as stipulated in the Capital Market Law, the issuers must follow the provisions of the public offering as set forth in, among others, Rule No. IX.A.1 concerning General Provisions of Registration Statement, Rule No. IX.A.2 concerning Registration Procedures for Public Offering, OJK Regulation No. 7/POJK.04/2017 concerning Registration Statement Documents for Public Offering of Equity and Debt Securities and/or Sukuk, and OJK Regulation No. 8/POJK.04/2017 concerning Form and Content of a Prospectus and Brief Prospectus for Public Offering of Equity Securities.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	In general, government bonds are issued in the primary market only through predetermined primary dealers. Nonresidents may purchase government bonds issued in the primary market through local primary dealers without limitation. In the secondary market, both resident and nonresident investors may purchase government bonds freely. However, government bonds issued specifically for individual and retail investors, called Indonesian retail bonds (in Indonesian, Obligasi Negara Ritel) and retail sukuk (in Indonedian, Sukuk Ritel), may be purchased in the primary market only by Indonesian investors through a predetermined selling agent. Since 2018, those retail instruments may only be purchased by resident investors, both individual and institutional, in the secondary market. No regulation explicitly limits the purchase of corporate bonds locally by nonresidents. Investment in other domestic bond markets and debt securities (that is, corporate bonds, commercial paper (CP), and CDs) is not clearly regulated in the context of nonresident transactions—thus, such transactions are carried out in practice and are considered free of capital controls. • Regarding CP, the regulation lies with BI, while CDs are regulated by the OJK Banking Sector Supervision Division.

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		OJK has issued regulations regarding Medium Term Notes, namely Debt Securities issued without a Public Offering, namely OJK Regulation No. 30/POJK.04/2019 concerning the Issuance of Debt Securities and/or Sukuk (EBUS) Conducted Without a Public Offering. Article 7 states that EBUS without a public offering is prohibited from being sold to other than professional investors. Article 8 (1) Parties who wish to purchase EBUS without a Public Offering are required to declare that they have fulfilled the criteria as a Professional Investor to: (a) Issuer; or b. Issuer Management for Issuer who use Issuer Management. (2) The Professional Investor Statement as intended in paragraph (1) is an inseparable part of the EBUS order form without a Public Offering. (3) The Issuer or Issuance Manager is obliged to use information from statements made by Professional Financiers to ensure that parties purchasing EBUS Without a Public Offering meet the Professional Financiers' criteria for the purpose of purchasing Securities, unless it is known and supported by sufficient evidence that the statement is not Correct. From the provisions above, nonresidents who meet the category of global professional investors can purchase bonds/sukuk offered in accordance with OJK Regulation No. 30/POJK.04/2019 offered in Indonesia.
Sale or issue locally by nonresidents	No.	There are no regulations concerning the sale of bonds and other debt securities locally by nonresidents, and thus this type of activity is considered to be free of capital controls. The regulations on the issuance of bonds do not differentiate between residents and nonresidents and, therefore, this type of activity is also considered to be free of capital controls. Clarification of Article 1 Paragraph 15 of Law No. 8 of 1995 concerning the Capital Market states that “An ‘offering’ within the territory of the Republic of Indonesia includes both domestic and foreign issuers, as well as offerings to both domestic and foreign investors, in compliance with the disclosure principle.” According to this condition, the public offering must be handled by professionals registered in the capital market as regulated in Article 64 of the Capital Market Law and other provisions in the capital market regulations, among others: Rule No. IX.A.1 concerning General Provisions of Registration Statement. Rule No. IX.A.2 concerning Registration Procedures for Public Offering, OJK Regulation No. 7/POJK.04/2017 concerning Registration Statement Documents for Public Offering of Equity and Debt Securities and/or Sukuk, and OJK Regulation No. 9/POJK.04/2017 concerning Form and Content of a Prospectus and Brief Prospectus for Public Offering of Debt Securities. An alternative to direct public offering is publication of IDRs as stipulated in Rule No. IX.A.10 of Public Offerings of IDRs.
Purchase abroad by residents	Yes.	Purchases of bonds and other debt securities abroad are regulated only for pension funds, which may not invest in securities abroad, and domestic mutual fund companies as follows: CIS mutual funds may invest abroad up to 15% of their NAV, and protected mutual funds and guaranteed mutual funds may invest up to 30% of their NAV abroad, for prudential purposes. No regulations explicitly limit

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		purchases abroad by other resident investors.
Sale or issue abroad by residents	Yes.	The sale of bonds or other debt securities abroad by residents is not clearly regulated and is considered free of capital controls. The issuance of bonds or other debt securities abroad is subject to the same regulations that apply to resident investors who issue these securities locally, and in this respect, this activity is considered to be free of capital controls, with the exception of issuance of securities with maturities of more than one year, which is subject to BI approval. However, the issuer under the supervision of Indonesia's FSA must fulfill the principles of disclosure, which are regulated by the FSA, among others, giving notice of a public offering abroad as stipulated in OJK Regulation No. 31/POJK.04/2015 concerning Disclosure of Information or Material Facts by Issuer or Public Company. Furthermore, if the issuance of securities is in the form of a public offering, the issuer must follow the provisions of the public offering as set forth in, among others, Rule No. IX.A.1 concerning General Provisions of Registration Statement, Rule No. IX.A.2 concerning Registration Procedures for Public Offering, OJK Regulation No. 7/POJK.04/2017 concerning Registration Statement Documents for Public Offering of Equity and Debt Securities and/or Sukuk, and OJK Regulation No. 9/POJK.04/2017 concerning Form and Content of a Prospectus and Brief Prospectus for Public Offering of Debt Securities. The government is able to issue the global bonds in any currency and/or repurchase the global bonds. Global bond issuance and/or repurchase is based on international market standards. The government is able to sell the global bonds to individuals who are Indonesian citizens (residents) as well as foreign nationals (nonresidents) wherever they are domiciled, companies, joint ventures, associations, or organized groups, either Indonesian or foreigners, wherever they are located.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	BI Regulation No. 23/10/PBI/2021 Article 27 states that nonresidents may engage in money market transactions domestically including sales and purchases of money market transaction and/or doing foreign exchange money market transactions that must be done through Money Market Supporting Institution. However, regarding negotiable certificate of deposits (NCDs), BI Regulation No. 19/7/PADG/2017 Article 15 implies that while nonresidents may buy NCDs in the primary market, nonresidents may buy NCDs from other nonresidents only in the secondary market. Regarding money market instruments denominated in rupiah, nonresidents may purchase BI certificates (tradable BI certificates, sertifikat Bank Indonesia (SBIs)) in the secondary market. However, the minimum holding period for all investors (domestic and foreign) for purchases of SBIs in the primary and secondary markets is one week (Press Release No. 17/71/DKom of September 30, 2015). In addition, according to Article 6 of BI Regulation No. 24/10/PADG/2022, purchases of rupiah against foreign currency exceeding $100,000 a month and transfers of rupiah to nonresident exceeding $1,000,000 a transaction must have underlying trade or investment documentation, current accounts activities, and financial account activities.
Sale or issue locally by nonresidents	Yes.	Regarding the issuance of domestic market instruments, BI

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		Regulation No. 18/11/PBI/2016 Article 8 states that only residents can issue domestic money market instruments. Residents as issuers must be registered with the BI to issue domestic money market instruments. However, for lending and borrowing transactions such as unsecured call money and repurchase agreement transactions, nonresidents may make transactions domestically.
Purchase abroad by residents	Yes.	Based on Article 4 of BI Regulation No. 18/18/PBI/2016, residents may not purchase foreign currency against rupiah above a certain threshold for investment in offshore money market instruments; that is, current accounts, savings accounts, time deposits, and NCDs. Pension funds may not invest in securities abroad, and mutual funds may invest abroad only up to 15% of their NAV.
Sale or issue abroad by residents	Yes.	The absence of regulations concerning the sale or issuance of money market instruments abroad indicates that the activity is free of capital controls, with the exception of those issued by nonbank corporate entities, which must fulfill prudential requirements and must report the activity to the BI.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	No person may purchase more than 1% of any fund.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	According to BI Regulation No. 24/7/PBI/2022, foreign exchange transaction above a certain threshold must be supported by underlying documents. Derivatives against rupiah transaction limited to forward, domestic non-deliverable forward (DNDF), swap, option, cross-currency swap, call spread option, and structured products. According to BI Regulation No. 12/10/PBI/2010, banks may not incur losses from derivative transactions exceeding 20% of their capital.
Purchase locally by nonresidents	Yes.	Effective July 4, 2022, underlying documents are required for derivatives transactions over US$100,000 a month a customer (previously, the limit was US$1 million a transaction a foreign party or a position). Based on BI Regulation No. 24/7/PBI/2022, effective July 4, 2022, structured derivative products are allowed to be transacted.
Sale or issue locally by nonresidents	Yes.	Underlying documents are required for derivative transactions exceeding US$1 million a month a customer. Foreign exchange forwards and DNDFs exceeding US$5 million a month a customer must have underlying documents. As of June 26, 2018, BI Regulation No. 20/13/PBI/2018 allows nonresidents to engage in interest rate derivative transactions (in rupiah) locally with banks without underlying documents.
Purchase abroad by residents	Yes.	Purchases of derivatives abroad by residents are not regulated as long as they are non-rupiah/non-foreign-exchange transactions. For purchase of forward transactions by banks from foreign parties, the threshold is US$5 million or its equivalent. The nominal amount of sale and purchases of derivative transactions between banks and foreign parties may not exceed the nominal value of the underlying transactions.
Sale or issue abroad by residents	Yes.	Sales of foreign exchange derivative instruments are not regulated as long as they are non-rupiah/non-foreign-exchange transactions.

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		Sale derivative transactions by banks to foreign parties exceeding US$1 million or its equivalent both a transaction a foreign party and a position (outstanding) of the respective sale a bank must have underlying documents. The nominal amount of sale and purchases of derivative transactions between banks and foreign parties may not exceed the nominal value of the underlying transactions.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Resident banks may not grant credit to nonresidents (including overdrafts in rupiah or foreign currencies), except for noncash loans or guarantees with certain requirements, syndicated loans led by offshore banks with certain criteria, credit cards, and personal loans used domestically.
To residents from nonresidents	Yes.	Resident entities, including nonbank corporate entities, may borrow from nonresidents subject to compliance with the applicable regulations and the submission of periodic reports to the BI. Nonbank corporations do not need approval from the BI of their external debt. Nonbank corporations that have external debt in foreign currency, as regulated in BI Regulation No. 16/21/PBI/2014, are required to fulfill the following: (1) minimum hedging ratio of 25%, (2) minimum liquidity ratio of 70%, and (3) minimum credit rating of BB– (or equivalent). Nonbank corporations that have external debt also need to submit several reports to the BI (regulated in BI Regulation No. 16/22/PBI/2014): (1) a Prudential Principles Implementation Report, which reports the fulfillment of the three requirements stated above, and (2) an external debt report.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Banks may not grant credit to nonresidents. Domestic banks may not grant credit to nonresidents (including overdrafts in rupiah or foreign currencies), except for noncash loans or guarantees with certain requirements, syndicated loans led by offshore banks with certain criteria, credit cards, certain local currency transaction scheme, and personal loans used domestically.
To residents from nonresidents	Yes.	Resident entities, including nonbank corporate entities, may borrow from nonresidents subject to compliance with the applicable regulations and the submission of periodic reports to the BI. Nonbank corporations do not need BI approval of their external debt. Nonbank corporations with external debt in foreign currency, as regulated in BI Regulation No. 16/21/PBI/2014, must fulfill the following: (1) minimum hedging ratio of 25%, (2) minimum liquidity ratio of 70%, and (3) minimum credit rating of BB– (or equivalent). Nonbank corporations with external debt must also submit several reports to the BI (regulated in BI Regulation No. 16/22/PBI/2014): (1) a Prudential Principles Implementation Report, which reports the fulfillment of the three requirements stated above, and (2) an external debt report.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Banks may provide noncash credit, sureties, and guarantees to nonresident entities only if they fulfill the following requirements:

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		(1) used for domestic investments (since November 10, 2014); (2) with a sufficient counter guarantee from overseas banks (excluding those of the bank involved); and (3) a cash deposit valued at 100% of the guarantee.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Under Presidential Regulation No. 10 of 2021 on Investment Business Activities Junto Presidential Regulation No. 49 of 2021, permitted and restricted sectors have been simplified, and instead of navigating a long list of businesses that foreign investors cannot invest in, they can now target the desired business and comply with the necessary conditions. All business sectors on the investment business activities list are open to foreign investment unless expressly prohibited; can be carried out only by the central government; or are allocated to, or require partnership with, cooperatives and micro-, small-, and medium-sized enterprises (MSMEs). As on the previous Daftar Negatif Investasi (DNI), the list of business sectors in investment business activities refers to the classification of sectors set out in the Indonesian business sector classifications. Presidential Regulation No. 10 of 2021 Junto Presidential Regulation No. 49 of 2021 includes three appendixes. Appendix I, List of Priority Business Activities, lists business activities that satisfy the following criteria: (1) nationally strategic project/program; (2) capital-intensive; (3) labor-intensive; (4) advanced technology; (5) pioneer industry; (6) export oriented; and/or (7) oriented toward research, development, and innovation activities. This list includes groups of business activities in important sectors (transportation, energy, distribution, construction services, media, telecommunications) eligible for fiscal incentives of tax allowance, tax holiday, or investment allowance. Appendix I is not an exhaustive list: there are still available fiscal incentives in accordance with the provisions of laws and regulations—among them, super tax deduction for vocational expenses, super tax deduction for research and development expenses, import duty exemption for the importation of capital goods for the power plant industry, import duty exemption for the importation of machinery and raw and auxiliary materials for manufacturing and selected service industries, import duty exemption/reduction and/or VAT exemption for the importation of goods for contract of work/coal contract of work, as well as more generous tax allowance and tax holiday programs in special economic zones. Appendix II, List of Group of Business Activities Allocated to, or Requiring Partnership with, Cooperatives and MSMEs, lists business activities allocated to cooperatives and MSMEs, namely, those (1) not using technology or using simple technology; (2) with specific processes that are labor-intensive in nature and that have special and cultural significance; and (3) requiring capital not exceeding Rp 10 billion, excluding the value of land and buildings. Business activities requiring partnership with cooperatives and MSMEs are those undertaken mostly by cooperatives and MSMEs and/or encouraged to enter the large-scale enterprise supply chain. Ministry of Investment/Indonesia Investment Coordinating Board (BKPM), the Minister of Cooperatives and Small and Medium Micro Enterprises,

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		and the Coordinating Minister for Economic Affairs strive to make the law fair for large enterprises and MSMEs. Large enterprises are expected to collaborate with local MSMEs where their projects are located to promote equitable economic growth across regions in Indonesia. In addition, partnership is a requirement of application for fiscal incentives. Appendix III, List of Business Activities with Certain Requirements, includes business activities reserved for domestic investors, with foreign ownership maximums or special license requirements, as well as three strictly limited business activities supervised under specific regulations. Less restriction of business activities through Presidential Regulation No. 10 of 2021 on Investment Business Activities Junto Presidential Regulation No. 49 of 2021 is expected to promote Indonesia as a preferred location for businesses engaged in labor-intensive manufacturing, export-oriented manufacturing, the pharmaceutical and medical devices industry, renewable energy, infrastructure, and mining industry with added value. These industries will receive strong support and beneficial incentives from the government. There will be more opportunities to enter into new business and to restructure or expand current investment business activities. Foreign enterprises were eligible for the following: (1) Facility for exemption from import duty on imports of machines, goods, and materials: Enterprises were eligible to receive preferential customs duty treatment for imports of required raw materials and machines subject to certain conditions as prescribed in various government regulations. The procedures and mechanism for exemption from import duty on imports of machines, goods, and materials were stipulated in BKPM Regulation No. 46 of 2021 on Guidelines and Procedures for Investment Licensing and Facilities. (2) Tax allowance: Enterprises were also eligible to receive an income tax facility, stipulated in the regulations. (3) Tax holiday: Income tax waivers could be granted to newly established corporations pursuant to the requirements set within government regulations. BKPM Regulation No. 1 of 2019 contains details of business fields and pioneer industry products that can be granted corporate income tax reduction and procedures for granting the reduction. According to Minister of Finance Regulation (Peraturan Menteri Keuangan - PMK 35, reduction of corporate income tax (tax holiday) may be granted to newly established corporations for no less than 5 years and for up to 20 years, depending on its investment value. (4) Foreign workers: Hiring of foreign workers must comply with Presidential Regulation No. 34 of 2021 on the Utilization of Foreign Workers, which stipulates the procedure for use of foreign workers. Moreover, it also stipulates certain positions that foreign workers may not fill, as stipulated by the minister of manpower. (5) Divestment provisions: Some shares must be sold to Indonesian citizens and/or entities through direct placement within the time stipulated by prevailing laws and regulations depending on the sector.
Controls on liquidation of direct investment	No.	According to Law No. 25 of 2007 on Investment Junto Law No. 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation to Become Law, investors may repatriate capital, transfer profits (after settlement of taxes and

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		financial obligations in Indonesia, such as corporate/personal income tax and withholding tax for dividends and interest) and make transfers for depreciation expenses and employment of foreign nationals in Indonesia.
Controls on real estate transactions	Yes.	According to Law No. 6 of 2023, Government Regulation No. 18 of 2021 on Right to Manage, Right over Land, Strata Titles and Land Registration, and Government Regulation No. 20 of 2021 on the Implementing Regulation of Control of Abandoned Area and Land, there are various types of land titles in Indonesia. Not all of them may be acquired by foreign entities and individuals, even if they reside in Indonesia or have a presence or do business in Indonesia. The following are the types of land titles and the parties that may acquire them: (1) right of ownership: Indonesian individuals and specific Indonesian institutions; (2) right to build: Indonesian individuals and Indonesian companies; (3) right to cultivate: Indonesian individuals and Indonesian companies; (4) right to use: Indonesian individuals, Indonesian companies, government institutions, religious and social agencies, diplomatic offices, international agencies, foreign representative offices, and foreign citizens; (5) right to manage: government institutions (including regional governments, state-owned business entities, regional government-owned business entities, PT Persero, authority bodies, and other government legal entities designated by the government); (6) right of ownership over apartment units: parties who are permitted to hold title for the land on which the building is built; and (7) lease: Indonesian individuals, Indonesian companies, foreign companies, and foreign individuals.
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Government Regulation No. 18 of 2021 allows (1) foreign citizens with the relevant permit, (2) foreign legal entities with a representative office in Indonesia, (3) representatives of foreign countries, and (4) international institutions to own strata title right of ownership of apartment units, or Sertifikat Hak Milik atas Satuan Rumah Susun (SHMSRS).
Sale locally by nonresidents	Yes.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	

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Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	According to BI Regulation No. 7/1/PBI/2005, banks' long-term foreign debt (maturities of more than one year) requires BI approval. Banks' short-term foreign debt balance is limited to 30% of capital with some exemptions. BI Regulation (PBI)No. 15/6/PBI/2013 and PBI No. 16/7/PBI/2014 extend exemptions for short-term foreign debt to include rupiah demand deposits for nonresident holdings of SBIs for minority shareholders for real sector and infrastructure financing, supranational bodies holding proceeds from global bond issuance for real sector and infrastructure financing, and banks' liabilities to nonresidents arising from hedging activities. Banks' foreign debt is regulated by PBI No. 21/1/PBI/2019, whose scope of includes the Master Risk Participation Agreement. This ruling also expands the scope of exempt short-term debt, which includes shareholder loans drawn to solve banks' problems as well as intermediation in the real sector. Under the FSA, OJK has amended OJK Regulation No. 29/POJK.05/2014 with OJK Regulation No. 35/POJK.05/2018 regarding Business Operations of Multifinance Companies. The new regulation governs hedging on foreign currency loans received by multifinance companies. The following types of loans are permitted: regular loans, subordinated loans, securities issued through public offerings, and debt securities not issued through public offerings. Multifinance companies must apply a full hedge for principal debt, loan interest rate, and/or period of payment.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	BI Regulation No. 24/7/PBI/2022 prohibits banks from performing transactions with foreign parties, including (1) lending or financing in rupiah and/or foreign currencies, except (a) noncash credit or financing or guarantees related to investment activities in Indonesia with a counter guarantee from a bank or a security deposit of 100% of the value of guarantees given; (b) credit or financing in the form of syndication; (c) credit cards; (d) domestic consumer credit or financing; (e) intraday overdrafts in rupiah and foreign currencies supported by authenticated documents confirming inflow of funds to the relevant account on the same day; (f) overdrafts in rupiah and foreign currencies for administrative costs; (g) certain local currency transaction scheme, and (h) assumption of bills from a government-appointed body designated to manage the concerned bank's assets in the context of restructuring Indonesia's banking by foreign parties whose payments are guaranteed by prime banks; (2) overdraft or lending for foreign exchange/IDR transactions; (3) buying securities in rupiah issued by nonresident, except for related trade activities with Indonesia and domestic trade activities, overseas bank draft for the benefit of Indonesian migrant workers and the rupiah funds are received in Indonesia by Residents; (4)overdraft for nonresidents; and (5) investments for nonresidents.
Lending locally in foreign exchange	Yes.	BI Regulation No. 24/7/PBI/2022 prohibits banks from performing transactions with foreign parties, including (1) lending or financing in rupiah and/or foreign currencies, except (a) noncash credit or

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		financing or guarantees related to investment activities in Indonesia with a counter guarantee from a bank or a security deposit of 100% of the value of guarantees given; (b) credit or financing in the form of syndication; (c) credit cards; (d) domestic consumer credit or financing; (e) intraday overdrafts in rupiah and foreign currencies supported by authenticated documents confirming inflow of funds to the relevant account on the same day; (f) overdrafts in rupiah and foreign currencies for administrative costs; (g) certain local currency transaction scheme; and (h) assumption of bills from a government-appointed body designated to manage the concerned bank's assets in the context of restructuring Indonesia's banking by foreign parties whose payments are guaranteed by prime banks; (2) overdraft or lending for foreign exchange/IDR transactions; (3) buying securities in rupiah issued by nonresident, except for related trade activities with Indonesia and domestic trade activities, overseas bank draft for the benefit of Indonesian migrant workers and the rupiah funds are received in Indonesia by residents; (4)overdraft for nonresidents; and (5) investments for nonresidents. Banks must take into account the regulation on the net open position (NOP, posisi devisa netto (PDN)) aimed at prudential control, which states that banks must take into account every exposure in foreign exchange when calculating the NOP.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Banks may purchase locally issued bonds denominated in foreign exchange subject to BI approval for foreign exchange transactions. Banks must also take into account the regulation on the NOP aimed at prudential control, which states that banks must include every exposure in foreign exchange in calculating the NOP. Specifically, the CP must have an investment grade and may not be issued by a bank's own group. Banks may not purchase any CP issued by firms with NPL classified as "doubtful" or "loss."
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	(1) Reserve Requirement Member of the Board of Governors Regulation No. 24/3/PADG/2022 concerning the Eighth Amendment to Regulation of Members of the Board of Governors No. 20/10/PADG/2018: The gradual adjustment of the Rupiah Reserves for conventional commercial bank (BUK) which was at 3.0% with average fulfillment and 0.5% daily to be as follows: Effective January 3, 2022, the calculation of the fulfillment of the Rupiah Reserves based on the balance of the rupiah demand deposit account at Bank Indonesia-Real-Time Gross Settlement and Bank Indonesia Fast Payment funds became effective; Effective March 1, 2022, the reserves requirement will be increased by 1.5%, so that it becomes 5.0% with average fulfillment. Banks that fulfill the reserve requirement will receive a remuneration of 1.5% of the reserve requirement, with the portion calculated to obtain a remuneration of 4.0% of third-party funds (TPF); Effective June 1, 2022, the Reserves is increased by 1%, so that it becomes 6.0% with full compliance on average. Banks that fulfill the reserve requirement will receive a remuneration of 1.5% of the reserve requirement, with the portion calculated to obtain a remuneration of 5.0% of TPF;

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Gradually increase the Rupiah Reserves for Sharia commercial banks (BUS) and Sharia business unit (UUS) which was at 3.0% with average fulfillment and 0.5% daily to be as follows:
Effective March 1, 2022, the Reserves will be increased by 0.5%, so that it becomes 4.0% with full compliance on average. Banks that fulfill the reserve requirement will receive a grant ('athaya) of 1.5% of the fulfillment of the reserve requirement, with the portion calculated for obtaining a grant ('athaya) of 3% of the TPF;
Effective June 1, 2022, the Reserves will be increased by 0.5%, so that it becomes 4.5% with average fulfillment. Banks that fulfill the reserve requirement will receive a gift ('athaya) of 1.5% of the fulfillment of the statutory reserve requirement (GWM), with the portion calculated for obtaining a grant ('athaya) of 3.5% of the deposit;

Members of the Board of Governors Regulation No. 24/8/PADG/2022, in effect starting from July 1, 2022:
The minimum reserve requirement in rupiah for BUK, which stood at 6.0%, has increased to 7.5% effective July 1, 2022. Effective September 1, 2022, this increased to 9.0%.
The minimum reserve requirement in rupiah for BUS and UUS, which stood at 4.5%, has increased to 6.0% effective July 1, 2022. Effective September 1, 2022, this increased to and 7.5%.
Provision of remuneration of 1.5% for meeting the Reserves obligation after taking into account incentives for banks in lending/financing to priority sectors and MSMEs and/or meeting the target of the macroprudential inclusive financing ratio (RPIM).
This PADG GWM also consolidates all changes to PADG No. 20/10/PADG/2018 concerning Statutory Reserves in Rupiah and Foreign Exchange for BUK, BUS, and UUS, without changing the substance of the arrangement other than changes in the amount of Reserves and the portion calculated for remuneration. Furthermore, when PADG GWM No. 24/8/PADG/2022 came into force July 1, 2022, PADG No. 20/10/PADG/2018 and its amendments are revoked and declared invalid.

Incentive from macroprudential policy by deducting reserve requirement obligation for banks with certain activities.
BI Regulation No. 24/4/PBI/2022 concerning the Third Amendment of BI Regulation No. 20/3/PBI/2018, starting from March 1, 2022, with the following changes: (1) Amend the provisions of Article 3A and Article 12A which stipulate that relaxation of the obligation to fulfill the Reserves in rupiah may be granted to BUK, BUS, and UUS for meeting the Reserves in rupiah on a daily basis and/or on an average basis based on macroprudential policy considerations of BI. (2) The regulation regarding the easing of the obligation to fulfill the Reserves in rupiah for macroprudential policies is implemented in accordance with a separate BI Regulation concerning incentives for banks that provide funds for certain and inclusive economic activities.
The detailed regulation regarding these incentives is regulated in a separate PBI regarding incentives for banks that provide funds for certain and inclusive economic activities. In February 2022, BI issued regulation concerning banking incentive policies to encourage banks' role in financing to priority sectors and inclusive starting at March 2023. There are two amendments regarding the incentive with the last one on February 2023 that came into effect April 2023 by reclassifying the 46 priority sectors and increasing the maximum amount of overall incentives from 2% to 2.8%. However, this policy no longer in effect after the BI Regulation No.11 of 2023 and Board

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		of Governors Regulation No.11 of 2023 regarding Macroprudential Liquidity Incentive Policy (KLM) came into force October 1, 2023. In this regard, BI Regulation No.24/5/PBI/2022, Board of Governors Regulation No.24/4/PADG/2022 and its amendments are revoked. Board of Governors Regulation No.11 of 2023 and BI Regulation No.11 of 2023 concerning Macroprudential Liquidity Incentive Policy, in effect starting from October 1, 2023: Macroprudential Liquidity Incentive l Policy is provided for Banks in the form of GWM relaxation by up to 400 basis points. Banks are entitled to a reduction in GWM if they meet the minimum threshold for credit disbursement in certain predetermined sectors such as downstream mineral and coal mining sectors and downstream non-mineral and coal mining sectors (including agriculture, livestock and fishing), housing (including affordable housing), tourism, inclusive sectors (including MSMEs, People's Business Loans (KUR) and ultra-micro enterprises) as well as the green economy and finance. Member of the Board of Governors Regulation No. 2/PADG/2023 concerning the Amendment to Regulation of Members of the Board of Governors No. 24/8/PADG/2022: Total GWM incentive which may be received by banks changes from previously 200 bps at the maximum to 280 bps at the maximum. Adjustment of GWM provisions related to certain amounts of the provision of GWM obligations in rupiah which are given remuneration/grants ('athaya), from the original 7% for BUK and 5.5% for BUS and UUS to a maximum of 7% for BUK (6,2%-7%) and 5.5% for BUS and UUS (4,7%-5,5%), in accordance with the amount of GWM obligations after considering incentives within the framework of macroprudential policy. Member of the Board of Governors Regulation No. 12/PADG/2023 concerning the Second Amendment to Regulation of Members of the Board of Governors No. 24/8/PADG/2022: KLM is achieved through a total incentive amount of a maximum of 4%, an increase from the previous maximum of 2.8%. KLM implementation is carried out by reducing bank demand deposits at BI to provide GWM in Rupiah which must be fulfilled on an average basis. The increase in the total amount of incentives received by the bank affects the size of a certain portion of the provision of GWM obligations in rupiah which is given remuneration or GWM incentives in the form of grants ('athaya) to the bank from previously 6.2%–7% for BUK and 4.7%–5.5% for BUS and UUS becomes 5%–7% for BUK and 3.5%–5.5% for BUS and UUS.
Liquid asset requirements	No.	There is no difference in treatment of deposit accounts in foreign currency and deposit accounts in local currency as stipulated in (1) POJK No. 42/POJK.03/2015 regarding Obligation of LCR fulfillment for Commercial Banks (POJK—Regulation on the FSA) and (2) POJK No. 50/POJK.03/2017 regarding Obligation of Net Stable Funding Ratio fulfillment for Commercial Banks. POJK No. 42/POJK.03/2015 also stipulates that the maximum value of bonds issued by the Indonesian government and the BI, as well as by foreign governments and foreign CBs, in a foreign currency with a risk weight of more than 0% that can be considered a level 1 high-quality liquid asset is equal to the bank’s net cash outflow needs in such foreign currency.
Interest rate controls	No.	There is no difference in the treatment of deposit accounts in foreign and domestic currency.
Credit controls	No.	
Differential treatment of deposit accounts	No.	

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held by nonresidents		
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Capital limitations on foreign equity participation were eased as long as a bank is assessed by the OJK as capable of carrying out such activities. This POJK was effectively implemented three months after its issuance on October 31, 2021. Pursuant to OJK Regulation No. 22 of 2022, effective November 1, 2022, banks can only conduct equity participation in the financial institution and must have approval from the authority (OJK) each time conducting capital participation, in either domestic or overseas financial institutions. The total amount of bank equity participation may not exceed 35% of bank's capital. Meanwhile, temporary equity participation can only be conducted by banks to overcome credit failure of debtors, with a maximum period of 5 years or the debtors has earned profit. Previously, according to POJK No. 6/POJK.03/2016, only banks under the BUKU (Commercial Bank for Business Activities) 3 (Tier 1 capital between Rp 5 trillion and Rp 30 trillion) and BUKU 4 categories (Tier 1 capital of Rp 30 trillion or more) were permitted equity participation in foreign financial institutions. BUKU 3 banks were allowed to conduct equity participation only with financial institutions in Asia; BUKU 4 banks were not subject to any geographical limitation on equity participation and could inject a higher amount of equity than BUKU 3 banks. The changes are an update of the regulation, mostly because of changes of bank’s classification (there’s no more BUKU 1,2,3,4). BI Regulation No. 24/7/PBI/2022 prohibits banks from performing transactions with foreign parties, including (1) lending or financing in rupiah and/or foreign currencies, except (a) noncash credit or financing or guarantees related to investment activities in Indonesia with a counter guarantee from a bank or a security deposit of 100% of the value of guarantees given; (b) credit or financing in the form of syndication; (c) credit cards; (d) domestic consumer credit or financing; (e) intraday overdrafts in rupiah and foreign currencies supported by authenticated documents confirming inflow of funds to the relevant account on the same day; (f) overdrafts in rupiah and foreign currencies for administrative costs; (g) certain local currency transaction scheme; and (h) assumption of bills from a government-appointed body designated to manage the concerned bank’s assets in the context of restructuring Indonesia’s banking by foreign parties whose payments are guaranteed by prime banks; (2) overdraft or lending for foreign exchange/IDR transactions; (3) buying securities in rupiah issued by nonresident, except for related trade activities with Indonesia and domestic trade activities, overseas bank draft for the benefit of Indonesian migrant workers and the rupiah funds are received in Indonesia by residents; (4)overdraft for nonresidents; and (5) investments for nonresidents.
In banks by nonresidents	Yes.	Equity participation of a foreign shareholder in a commercial bank

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		may reach 99%. Foreign bank branches are not allowed to conduct temporary equity participation. In addition, foreign and domestic shareholders are subject to a cap on their ownership shares in an Indonesian bank based on their category (banks, nonbank financial institutions, nonfinancial institutions, individuals). All prospective controlling shareholders must pass the fit and proper requirement. To support this requirement, foreign legal entities must obtain a recommendation from the monetary authorities and/or bank supervisor of their country of origin. The recommendation must state at a minimum that the foreign legal entity has a good reputation and sound financial ability and has never committed an unethical act in the banking business. In addition, foreign shareholders must commit to necessary measures if the bank faces capital or liquidity difficulties.
Open foreign exchange position limits	Yes.	Banks must maintain a maximum overall (on- and off-balance-sheet) NOP of 20% of capital at the end of the working day. The capital charge to incorporate foreign exchange risk (under the market risk capital requirement) is based on 8% of the overall NOP. The NOP regulation is applied only for domestic banks.
On resident assets and liabilities	Yes.	There is a limit on the NOP of 20% of capital, based on BI Regulation No. 17/5/PBI/2015 concerning the fourth amendment to BI Regulation No. 5/13/PBI/2003 on NOP for Commercial Banks. Per Article 2, banks should manage and maintain the overall NOP at the end of the working day with a provisions maximum of 20% of capital.
On nonresident assets and liabilities	Yes.	Banks should manage and maintain the overall NOP at the end of the working day with a provisions maximum of 20% of capital, which applies to assets and liabilities whether from residents or nonresidents. In accordance with BI Regulation No. 7/37/PBI/2005 Article 2 Paragraphs (4) and (5), calculation of the NOP includes the difference between net assets and liabilities, taking into account the assets and liabilities of residents and nonresidents, so the restriction on the NOP also applies to the assets and liabilities of nonresidents. Article 2 (4): Assets in foreign currencies as referred to in Paragraph (2) Letter (a) and Paragraph (3) consist of cash, gold, demand deposits (including current accounts in the BI), deposits on call, time deposits, CDs, margin deposits, securities, loans, net value of negotiated export drafts, interoffice accounts of assets and other receivables, and foreign currency both of residents and of nonresidents. Article 2 (5): Liabilities in foreign currencies as referred to in Paragraph (2) Letter (a) and Paragraph (3) consist of demand deposits, deposits on call, time deposits, CDs, margin deposits, loans, import guarantees, interoffice account liabilities, income from other comprehensive securities of foreign currencies other than shares, and other liabilities in foreign currency to both residents and nonresidents.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	In Article 11 of OJK Regulation No. 5/2023, insurance companies and re-insurance including shariah companies allowed to investment may not exceed 10% of total investments.
Limits (max.) on investment portfolio held abroad	Yes.	Following the Article 5 particle (3) POJK 5/2023, Insurance and re-insurance companies may hold investments abroad. Permitted investments are shares listed on the stock exchange, corporate bonds listed on the stock exchange, securities issued by countries other than Indonesia, securities issued by multinational organizations of which

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		Indonesia is a member or shareholder, mutual funds, and/or private placements/direct investments (not listed on the stock exchange). For solvency measures, the prudential limits on investments held abroad are as follows: (1) For shares listed on the stock exchange, investments in a single issuer may not exceed 10% of total investments, and the sum of investments in all issuers may not exceed 40% of total investments. (2) For corporate bonds listed on the stock exchange and securities (issued by multinational organizations of which Indonesia is a member or shareholder), investments in a single issuer may not exceed 20% of total investments, and the sum of investments in all issuers may not exceed 50% of total investments. (3) For securities issued by countries other than Indonesia, investments in a single issuer may not exceed 10% of total investments. (4) For general mutual funds, investments with a single investment manager may not exceed 10% of total investments, and in all issuers may not exceed 20% of total investments; the sum of investments with all investment managers may not exceed 50% of total investments. For mutual funds in the form of a collective investment contract in a limited participation or private equity fund, investments with a single investment manager may not exceed 10% of total investments, and the sum of investments with all investment managers may not exceed 20% of total investments. (5) For private placements/direct investments (not listed on the stock exchange) the sum of all investments may not exceed 10% of total investments. (6) The sum of investments allocated overseas may not exceed 20% of total investments.
Limits (min.) on investment portfolio held locally	Yes.	Although not explicit in the regulations, because the total of investments allocated overseas is limited to 20%, the investment portfolio held locally must be at least 80%.
Currency-matching regulations on assets/liabilities composition	Yes.	For solvency measures, insurance and re-insurance companies must provide additional funds to cover currency mismatches. The amounts required to cover foreign currency mismatch risk for a single foreign currency are (1) 30% of the sum of foreign currency liabilities minus admitted assets if the sum of admitted assets minus foreign currency liabilities is less than or equal to 0; (2) 0 if the sum of admitted assets minus foreign currency liabilities is between 0% and 20% of total liabilities; and (3) 10% of the sum of admitted assets minus 120% of foreign currency liabilities if the sum of admitted assets minus foreign currency liabilities is more than 20% of total liabilities (OJK Circular Letter No. 24/SEOJK.05/2017, July 1, 2017).
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds in Indonesia are not allowed to invest in securities issued by nonresidents (OJK Regulation No. 3/POJK.05/2015) and its revision OJK Regulation No. 29/POJK.05/2018).
Limits (max.) on investment portfolio held abroad	Yes.	Based on OJK Regulation No. 29/POJK.05/2018, OJK no longer allows pension funds in Indonesia to invest abroad for private placement investments.
Limits (min.) on investment portfolio held locally	Yes.	OJK Regulation No. 29/POJK.05/2018 not only prohibits pension funds from private placements abroad, but also places percentage limitations on private placement investments, limited investment mutual funds, medium-term notes, and repurchase agreements.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio	Yes.	The maximum on investment portfolios held abroad includes the

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held abroad		following: (1) CIS mutual funds may invest abroad up to 15% of NAV (OJK Regulation No. 23/POJK.04/2016) and (2) protected mutual funds and guaranteed mutual funds may invest abroad up to 30% of NAV (OJK Regulation No. 48/POJK.04/2015).
Limits (min.) on investment portfolio held locally	Yes.	The minimum on investment portfolios held locally includes the following: (1) At least 85% of CIS mutual fund NAV must be invested in locally issued, offered, or traded securities or debt securities issued abroad by the Indonesian government or an Indonesian company (OJK Regulation No. 23/POJK.04/2016). (2) At least 70% of protected mutual fund and guaranteed mutual fund NAV must be invested in locally issued, offered, or traded securities or debt securities issued abroad by the Indonesian government or an Indonesian company (OJK Regulation No. 48/POJK.04/2015).
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	Yes.	Because the development of central bank digital currency (CBDC) project is still underway, hence there is no related transaction to CBDC launched by another jurisdiction. However, controls on cross-border CBDC would be similar to current application in conventional foreign exchange transaction with certain limit, threshold, capping, etc.
Acquisition by residents	Yes.	
Use among residents	Yes.	
Between residents and nonresidents	Yes.	

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For current transaction	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Based on Article 23B of the 1945 Constitution, Article 1, points 1 and 2, Article 2, paragraph (1) and Article 21, paragraph (1) of the Currency Act, the Indonesian Rupiah is the sole legal tender within the Republic of Indonesia's territory and must be used for all payment transactions within it. Therefore, Indonesia prohibits the use of virtual assets, including crypto assets, as a means of payment. In accordance with the Currency Act, regulatory reform in payment systems, specifically the BI Regulation on payment system, BI Regulation on Payment Service Providers, and BI Regulation on Payment System Infrastructure Providers, forbids payment service providers and payment system infrastructure providers from accepting or utilizing virtual currency as a source of funds in processing payment transactions. The BI Regulation prohibits payment service providers from facilitating the trading of virtual currency as a commodity, unless specified in the relevant regulations. Additionally, the regulations indicate that BI recognizes the use and regulation of “virtual currency as a commodity,” which encompasses crypto assets.
Acquisition by residents	n.r.	
Use among residents	Yes.	Based on Article 23B of the 1945 Constitution, Article 1, points 1 and 2, Article 2, paragraph (1) and Article 21, paragraph (1) of the Currency Act, the Indonesian Rupiah is the sole legal tender within the Republic of Indonesia’s territory and must be used for all payment transactions within it. Therefore, Indonesia prohibits the use of virtual assets, including crypto assets, as a means of payment. In accordance with the Currency Act, regulatory reform in payment systems, specifically the BI Regulation on payment system, BI Regulation on Payment Service Providers, and BI Regulation on Payment System Infrastructure Providers, forbids payment service providers and payment system infrastructure providers from accepting or utilizing virtual currency as a source of funds in processing payment transactions. The BI Regulation prohibits payment service providers from facilitating the trading of virtual currency as a commodity, unless specified in the relevant regulations. Additionally, the regulations indicate that BI recognizes the use and regulation of "virtual currency as a commodity," which encompasses crypto assets.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Current transactions cannot be paid with crypto assets.
For capital transactions	Yes.	Capital transactions cannot be paid with crypto assets.
Transactions in capital and money market instruments	Yes.	Capital transactions cannot be paid with crypto assets.

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Transactions in derivatives and other instruments	Yes.	Capital transactions cannot be paid with crypto assets.
Credit operations	Yes.	Capital transactions cannot be paid with crypto assets.
Controls on utility and security tokens	Yes.	
Acquisition by residents	n.r.	
Use among residents	Yes.	Based on Article 23B of the 1945 Constitution, Article 1, points 1 and 2, Article 2, paragraph (1) and Article 21, paragraph (1) of the Currency Act, the Indonesian Rupiah is the sole legal tender within the Republic of Indonesia's territory and must be used for all payment transactions within it. Therefore, Indonesia prohibits the use of virtual assets, including crypto assets, as a means of payment. In accordance with the Currency Act, regulatory reform in payment systems, specifically the BI Regulation on payment system, BI Regulation on Payment Service Providers, and BI Regulation on Payment System Infrastructure Providers, forbids payment service providers and payment system infrastructure providers from accepting or utilizing virtual currency as a source of funds in processing payment transactions. The BI Regulation prohibits payment service providers from facilitating the trading of virtual currency as a commodity, unless specified in the relevant regulations. Additionally, the regulations indicate that BI recognizes the use and regulation of "virtual currency as a commodity," which encompasses crypto assets.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Current transactions cannot be paid with utility and security tokens.
For capital transactions	Yes.	Capital transactions cannot be paid with utility and security tokens.
Transactions in capital and money market instruments	Yes.	Capital transactions cannot be paid with utility and security tokens.
Transactions in derivatives and other instruments	Yes.	Capital transactions cannot be paid with utility and security tokens.
Credit operations	Yes.	Capital transactions cannot be paid with utility and security tokens.
Controls on stablecoins	Yes.	
Acquisition by residents	n.r.	
Use among residents	Yes.	Based on Article 23B of the 1945 Constitution, Article 1, points 1 and 2, Article 2, paragraph (1) and Article 21, paragraph (1) of the Currency Act, the Indonesian Rupiah is the sole legal tender within the Republic of Indonesia's territory and must be used for all payment transactions within it. Therefore, Indonesia prohibits the use of virtual assets, including crypto assets, as a means of payment. In accordance with the Currency Act, regulatory reform in payment systems, specifically the BI Regulation on payment system, BI Regulation on Payment Service Providers, and BI Regulation on Payment System Infrastructure Providers, forbids payment service providers and payment system infrastructure providers from accepting or utilizing virtual currency as a source of funds in processing payment transactions. The BI Regulation prohibits payment service providers from facilitating the trading of virtual currency as a commodity, unless specified in the relevant regulations. Additionally, the regulations indicate that BI recognizes the use and regulation of "virtual currency as a commodity," which encompasses

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		crypto assets.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Current transactions cannot be paid with stablecoins.
For capital transactions	Yes.	Capital transactions cannot be paid with stablecoins.
Transactions in capital and money market instruments	Yes.	Capital transactions cannot be paid with stablecoins.
Transactions in derivatives and other instruments	Yes.	Capital transactions cannot be paid with stablecoins.
Credit operations	Yes.	Capital transactions cannot be paid with stablecoins.
Controls on crypto exchanges and trading platforms	n.r.	
Domestic exchanges	n.r.	
Access to crypto exchange/trading platform by residents	n.r.	

Changes during 2022 and 2023

Arrangements for Payments and Receipts

Payments arrangements

Bilateral payments arrangements

Operative	*08/29/2022*	Bank Indonesia and Bank of Thailand implemented cross-border QR payment linkage.
	05/08/2023	Bank Indonesia and Bank Negara Malaysia implemented cross-border QR payment linkage.

Exports and Export Proceeds

Repatriation requirements	*08/01/2023*	The repatriation requirement mandates that for natural resource exports proceeds valued more than US$250,000 or the equivalent (fob), 30 percent (net of the exporter's foreign exchange obligations) be repatriated and retained within the Indonesian financial system for at least three months.

Capital Transactions

Controls on capital transactions

Controls on derivatives and other instruments

Purchase locally by nonresidents	*07/04/2022*	Structured derivative products are allowed to be transacted.
	07/04/2022	Underlying documents are required for derivatives transactions over US$100,000 a month a customer (previously, the limit was US$1 million a transaction a foreign party or a position).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements	*01/03/2022*	The calculation of the fulfillment of the Rupiah Reserves based on the balance of the rupiah demand deposit account at Bank Indonesia-Real-Time Gross Settlement and Bank Indonesia Fast Payment funds became effective.

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	03/01/2022	For conventional commercial bank, the reserves requirement increased by 1.5%, so that it becomes 5.0% with average fulfillment. Banks that fulfill the reserve requirement will receive a remuneration of 1.5% of the reserve requirement, with the portion calculated to obtain a remuneration of 4.0% of third-party funds.
	03/01/2022	For Sharia commercial banks and Sharia business unit, the Reserves increased by 0.5%, so that it becomes 4.0% with full compliance on average. Banks that fulfill the reserve requirement will receive a grant ('athaya) of 1.5% of the fulfillment of the reserve requirement, with the portion calculated for obtaining a grant ('athaya) of 3% of the third-party funds.
	06/01/2022	For conventional commercial bank, the Reserves is increased by 1%, so that it becomes 6.0% with full compliance on average. Banks that fulfill the reserve requirement will receive a remuneration of 1.5% of the reserve requirement, with the portion calculated to obtain a remuneration of 5.0% of third-party funds.
	06/01/2022	For Sharia commercial banks and Sharia business unit, the Reserves will be increased by 0.5%, so that it becomes 4.5% with average fulfillment. Banks that fulfill the reserve requirement will receive a gift ('athaya) of 1.5% of the fulfillment of the statutory reserve requirement, with the portion calculated for obtaining a grant ('athaya) of 3.5% of the deposit.
	07/01/2022	For conventional commercial bank, the minimum reserve requirement in rupiah, which stood at 6.0%, has increased to 7.5%.
	07/01/2022	For Sharia commercial banks and Sharia business unit, the minimum reserve requirement in rupiah, which stood at 4.5%, has increased to 6.0%.
	09/01/2022	For conventional commercial bank, the minimum reserve requirement in rupiah, which stood at 7.5%, has increased to 9.0%.
	09/01/2022	For Sharia commercial banks (BUS) and Sharia business unit (UUS), the minimum reserve requirement in rupiah for BUS and UUS, which stood at 6.0% has increased to 7.5%.
Investment regulations		
Abroad by banks	*11/01/2022*	Banks can only conduct equity participation in the financial institution and must have approval from the authority (Otoritas Jasa Keuangan) each time conducting capital participation, in either domestic or overseas financial institutions. The total amount of bank equity participation may not exceed 35% of bank's capital. Meanwhile, temporary equity participation can only be conducted by banks to overcome credit failure of debtors, with a maximum period of 5 years or the debtors has earned profit. Previously, according to Peraturan Otoritas Jasa Keuangan (POJK) No. 6/POJK.03/2016, only banks under the BUKU (Commercial Bank for Business Activities) 3 (Tier 1 capital between Rp 5 trillion and Rp 30 trillion) and BUKU 4 categories (Tier 1 capital of Rp 30 trillion or more) were permitted equity participation in foreign financial institutions. BUKU 3 banks were allowed to conduct equity participation only with financial institutions in Asia; BUKU 4 banks were not subject to any geographical limitation on equity participation and could inject a higher amount of equity than BUKU 3 banks. The changes are an update of the regulation, mostly because of changes of bank’s classification (there’s no more BUKU 1,2,3,4).

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ISLAMIC REPUBLIC OF IRAN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 28, 1945.
Article VIII	Yes.	Date of acceptance: September 6, 2004.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2018 Article IV Consultation with Islamic Republic of Iran states that, as of March 7, 2018, Iran maintained MCPs and an exchange restriction subject to IMF jurisdiction under Article VIII, Sections 2(a) and 3: (1) An MCP and an exchange restriction arise from the establishment of an official exchange rate for use in some exchange transactions, which in practice differs by more than 2% from the rate used by foreign exchange bureaus. (2) An MCP arises from the differences of more than 2% between the current official and exchange bureaus rates and the preferential rates for certain imports for which foreign exchange commitments were made through LCs opened prior to March 21, 2002, under the previous multiple exchange rate system. (3) An MCP arises from the differences of more than 2% between the current official and exchange bureaus rates and the preferential rates for certain imports for which foreign exchange payment commitments were made through LCs or bank drafts prior to July 24, 2012. (Country Report No. 18/93)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Credit and financial institutions and banks have been instructed by the Bank Markazi Jomhouri Islami Iran (Central Bank of Iran—CBI) to freeze suspected accounts, based on an official list. These measures were taken in accordance with UNSC resolutions.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the Islamic Republic of Iran is the Iranian rial.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual	Yes.	The official rate is used for the settlement of oil product exports and for imports of priority goods. In addition, a depreciated parallel rate is offered at the free market. This rate is used for exports of all goods, except oil, for imports of non-priority goods and services, and for settlement for goods and services to be financed from non-oil revenues.
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement has been a managed floating arrangement against a basket of currencies since 2002. All foreign exchange transactions are to be conducted via banks and money exchanges (bureaus) using CBI's electronic trading system. Transactions occurring at rates other than the unified rate will be subject to penalties under the Anti-Smuggling Law. CBI's Forex Management Integrated System (NIMA) platform operates to regulate foreign exchange transactions by enabling exporters to sell foreign currencies to exchange houses who must then on-sell the currency to importers of goods and services with a valid import/services registration order in place. The price of each transaction is agreed between importer and exporter as well as banks and bureaus. As of May 12, 2022, the daily exchange rate announcement is based on the transactions done in the NIMA market and the foreign exchange market and is published to the public. The CBI also quotes market exchange rate on daily basis for the transactions on the secondary market (NIMA) for trade and projects finance other than priority goods and services. Previously, the official exchange rate was used in transactions on priority goods operated by the banking system. It was also used to buy the revenue from oil and gas exports from the government and for imports of priority goods and services. The importing oil proceeds and priority goods and services, including medical goods were financed at a fixed rate of 42,000 IRR. The de facto exchange rate arrangement was reclassified to other managed from stabilized, effective May 12, 2022.
Floating		
Free floating		
Official exchange rate	Yes.	Effective May 12, 2022, the daily rate announcement is based on the transactions done in the NIMA market and the foreign exchange market and is published to the public. The CBI also quotes market exchange rate on daily basis for the transactions on the secondary market (NIMA) for trade and projects finance other than priority goods and services. Previously, the official exchange rate was used in transactions on priority goods operated by the banking system. It was also used to buy the revenue from oil and gas exports from the government and for imports of priority goods and services. The importing oil proceeds and priority goods and services, including medical goods were financed at a fixed rate of 42,000 IRR.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework uses an exchange rate anchor vis-à-

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vis the US dollar. Under Iran's Five-Year Development Plan, Article 81, the CBI bases the exchange rate on relevant economic variables directly connected to the implementation of monetary policy—that is, the difference between internal and international inflation, the internal demand for and supply of foreign exchange, and the exchange value of major foreign currencies against each other, particularly in the SDR portfolio. However, 4 years after the 6th National Development Plan started, many policy directives are not yet implemented. Policy orientations may vary from the National Development Plan. In addition to the exchange rate anchor, the CBI objective is to maintain inflation in single digits by trying to control base money growth. Legally, the CBI does not have an inflation objective or target (see Article 10 of the CBI law).

Euro

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

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Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	Yes.	The official rate is used for imports of priority goods and services. An additional preferential rate of Rial 42,000 per US dollar is used for certain priority goods.
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Foreign exchange bureaus are allowed to operate and are subject to licensing by the CBI. There are 744 licensed bureaus as of December 31, 2022. The bureaus may have accounts abroad, purchase and sell banknotes, and make foreign currency payments and transfers on behalf of their clients. The bureaus effect intermediate sales of non-oil export receipts. The CBI introduced the SANA system to monitor the bureaus' transactions. The CBI does not transact directly with foreign exchange bureaus.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	Yes.	To import goods, importers obtain permission to import goods from the Ministry of Industry, Mines and Trade (orders). After that, the importers get permission to buy currency from the CB through the bank (currency allocation). After receiving the currency allocation, importers buy currency in the NIMA system from banks and exchanges.
Auction	No.	
Fixing	Yes.	
Interbank market	Yes.	As of December 31, 2022, the following institutions participated in the interbank foreign exchange market: the CBI, 8 government-owned banks, and 18 private banks. Licenses are issued by the CBI, which does restrict margin profits.
Over the counter	Yes.	
Brokerage	No.	
Market making	Yes.	
Forward exchange market	Yes.	This market is not currently operational.
Official cover of forward operations	No.	Neither the CBI nor the government offers official coverage for these contracts.

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	The use of foreign exchange for domestic transactions among residents is not permitted, except for internationally linked transactions with CBI approval.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	All bilateral payments arrangements have been terminated, and the outstanding credit balances are in the process of being settled.
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	Yes.	The Islamic Republic of Iran is a member of the ACU. Bimonthly settlements of current transactions with ACU members take place in convertible currencies.
Barter agreements and open accounts	No.	
Administration of control	Yes.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Trading in gold as part of monetary policy and the exportation of Iranian gold coins for numismatic purposes require CBI approval. Gold bullion imports are allowed.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may export up to RIs 5 million a person a trip.
Foreign currency	Yes.	Travelers may export up to €5,000 or its equivalent a person over an air trip (air borders) and €2,000 a person on a land and rail traveling and sea journey in the form of cash, checks, traveler's checks, guaranteed checks, and other forms of legally issued securities. Higher amounts may be exported with documentation that it was

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		previously imported and systematically declared subject to the AML measures and procurements. Travelers may export more than the abovementioned amounts or the equivalent if the cash amount is recorded in traveler's documents by an Iranian bank according to the CBI rules. Foreign exchange transactions must take place in a bank, and the bank must record the event in the traveler's documents.
On imports	Yes.	
Domestic currency	Yes.	Travelers may import up to RIs 5 million a person a trip.
Foreign currency	No.	No limit applies to the amount of foreign exchange that foreign travelers may bring into the country, but a customs declaration is required for amounts exceeding €10,000 or its equivalent.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Iranian nationals may open foreign-currency-denominated accounts domestically.
Approval required	No.	
Held abroad	Yes.	Iranian nationals may open foreign-currency-denominated accounts abroad. Balances may be repatriated freely.
Approval required	Yes.	Approval is required only for public institutions.
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Nonresidents may convert funds in rial accounts to foreign exchange at the market rate to repatriate their legitimate income from permitted activities. Such conversions require supporting documents and evidence of income tax payment.
Approval required	Yes.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	There is no foreign exchange budget, but several important categories of imports were given priority for foreign exchange at the official rate through the CBI's official foreign exchange market.
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for	Yes.	

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release of foreign exchange for imports		
Domiciliation requirements	No.	
Preshipment inspection	Yes.	This requirement applies to all commodities. On April 12, 2020, for the purpose of facilitating international trade between Iran and target countries during COVID-19 pandemic crisis, the deadline to submit the shipping documents by importers to banks was extended from 9 months to 11 for productive units and from 6 months to 8 for trade companies. These procedures were reversed back to the original deadlines effective August 1, 2022.
Letters of credit	Yes.	On April 12, 2020, for the purpose of facilitating international trade between Iran and target countries during COVID-19 pandemic crisis, the deadline to submit the shipping documents by importers to banks was extended from 9 months to 11 for productive units and from 6 months to 8 for trade companies. These procedures were reversed back to the original deadlines effective August 1, 2022.
Import licenses used as exchange licenses	Yes.	On April 12, 2020, for the purpose of facilitating international trade between Iran and target countries during COVID-19 pandemic crisis, the deadline to submit the shipping documents by importers to banks was extended from 9 months to 11 for productive units and from 6 months to 8 for trade companies. These procedures were reversed back to the original deadlines effective August 1, 2022.
Other	Yes.	In some cases, insurance documents and a Uniform Customs and Practices (UCP) for Documentary LC are required. On April 12, 2020, for the purpose of facilitating international trade between Iran and target countries during COVID-19 pandemic crisis, the deadline to submit the shipping documents by importers to banks was extended from 9 months to 11 for productive units and from 6 months to 8 for trade companies. These procedures were reversed back to the original deadlines effective August 1, 2022.
Import licenses and other nontariff measures	Yes.	Importers must obtain import licenses from the relevant ministries (mainly the Ministry of Industry, Mines and Commerce). Customs clearance is authorized on presentation of shipping documents endorsed by an authorized bank and Ministry of Industry, Mines and Commerce permit. Certain goods, such as pharmaceuticals, must have a permit from the Ministry of Health, Treatment, and Medical Education. Telecommunication devices require a permit issued by the Ministry of Communication and Information Technology.
Positive list	No.	
Negative list	Yes.	Some goods on the negative list may be imported under certain conditions with special permits. Imports from Israel are prohibited. In 2012, the negative list was expanded to include some luxury goods.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Imports are subject to import tariffs of at least 4% and to a commercial benefit tax that varies by product category.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds must be repatriated within 4 months after the

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issuance of the export permission pursuant to the CBI terms and Instructions. Exporters should take measures to return the currency to the economic cycle and eliminate the foreign exchange obligation based on the value of the exports made through these methods: Import vs. export, transfer to others, sale of currency in SANA and NIMA systems, debt repayment and sale to banks and exchanges. Exporter who repatriates export revenues may qualify for incentives, such as tax exemptions.

Effective December 6, 2022, a hundred percent of petrochemical and steel products' export revenues should be supplied on the NIMA platform in the context of export requirement at about 80 days, oil products and non-ferrous export revenues should be a hundred percent exchanged on the NIMA platform within 4 months from the date of issuing customs cottage. Other commodities exporters should also exchange and submit export revenues at 90% within four months through bellowed vehicles:

- Selling export revenue on the NIMA platform to the CB, credit institutions, or bureau de change;
- Import vs. export by exporters;
- Barter trade;
- Selling export revenues in the context of notes to the CB, credit institutions or bureau de change;
- Reimbursement of the foreign debt;
-Settlement of credit institutions' foreign debt in the context of import documentary credits, L/C, and foreign guarantees.
- Handing over the export resources for import.

Previously, the repatriation rules were as follows: (1) Exporters repatriating less than €1 million (or equivalent in other currencies) could convert by cash or money order to exchange agents or use the proceeds for imports for the same amount. (2) Exporters repatriating between €1 and €3 million (or equivalent in other currencies) could sell up to €1.5 million by cash or money order to exchange agents if the converted amount accounts for more than 30% of the foreign transaction, and up to €1 million if the converted amount accounts for less than 30% of the foreign transaction. They could convert 40% on NIMA if the converted amount accounts for more than 60% of the foreign transaction, and 45% on NIMA if the converted amount accounts for between 30% and 60% of the foreign transaction. The rest of the transaction amount could be settled in imports of an equivalent amount. (3) Exporters repatriating between €3 and €10 million (or equivalent in other currencies) could sell by cash or money order to exchange agents up to €2 million if the converted amount accounts for more than 60% of the foreign transaction, up to €1.5 million if the converted amount accounts for between 30% and 60% of the foreign transaction, and up to €1 million if the converted amount accounts for less than 30% of the foreign transaction. They could convert 40% on NIMA if the converted amount accounts for more than 60% of the foreign transaction, 55% on NIMA if the converted amount accounts for between 30% and 60% of the foreign transaction, and 70% on NIMA if the converted amount accounts for less than 30% of the transaction. The rest of the transaction amount could be settled in imports of an equivalent amount. (4) Exporters repatriating more than €10 million (or equivalent in other currencies) could sell by cash or money order to exchange agents up to €4 million if the converted amount accounts for more than 60% of the foreign transaction, up to €2 million if the converted amount accounts for between 30% and 60% of the foreign transaction, and

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		up to €1 million if the converted amount accounts for less than 30% of the foreign transaction. They could convert 70% on NIMA if the converted amount accounts for more than 60% of the foreign transaction, 80% on NIMA if the converted amount accounts for between 30% and 60% of the foreign transaction, and 90% on NIMA if the converted amount accounts for less than 30% of the foreign transaction. The rest of the transaction amount could be settled in imports of an equivalent amount.
Surrender requirements	No.	Exporters may use their revenues for importing, transfer to others, debt repayments, selling to the banks and exchange bureaus.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	Yes.	Money and Credit Council Act of 2004 on Export Finance.
Documentation requirements	Yes.	CBI exchange policies and regulations as well as international standards, such as UCP600 (UCP for Documentary Credits), apply.
Letters of credit	Yes.	
Guarantees	Yes.	
Domiciliation	Yes.	
Preshipment inspection	Yes.	
Other	No.	
Export licenses	Yes.	
Without quotas	No.	
With quotas	Yes.	
Export taxes	Yes.	If exporters fulfill their foreign exchange obligations according to the regulations, they will be exempt from export taxes.
Collected through the exchange system	No.	
Other export taxes	Yes.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments for invisibles may be made in excess of limits established by the CBI from externally financed foreign-currency-denominated accounts on presentation of supporting documents.
Trade-related payments	Yes.	Freight charges may be transferred through LCs and bills of exchange without limit, but for cash (full advance payment in relation to freight changes via LCs and bills of exchange), there is a US$10,000 maximum. Only Iranian insurance companies may issue insurance policies for imports of goods.
Prior approval	Yes.	Approval for payment of unloading and administrative charges is granted on a case-by-case basis.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Travelers' foreign exchange is paid to passengers via Bank Melli Iran, and Mellat, Saman, Tejarat, and Parsian banks in cash (subject to rules and regulations). Effective January 8, 2022, the maximum amount of travelers' foreign exchange which is paid to air passengers traveling to visa-needed countries is €500 at Electronic Currency Transaction System rate (ETS) and €300 at the same rate to air travelers who make their trips to other countries. Previously, the maximum amount of foreign exchange travelers (Iranian nationals) could buy from the banking system for trips to the neighboring countries was €500 or the equivalent a person a year except when traveling to Iraq in which case the amount was 250,000 Iraqi dinars. Travelers to other countries could buy €1000 or the equivalent a person a year.
Indicative limits/bona fide test	Yes.	Amounts in excess of the limit may be approved by the CBI on presentation of satisfactory supporting documents.
Personal payments	Yes.	Applications for payment of registration fees for participation in research projects must be submitted to the relevant ministry for approval.
Prior approval	No.	
Quantitative limits	Yes.	Monthly allowances are provided to students on scholarships abroad approved by the Ministry of Science, Research and Technology or Ministry of Health and Medical Education. Other students abroad may purchase the needed amount of foreign exchange for tuition fees and living costs on submission of supporting documentation. Individuals who seek medical treatment abroad may obtain a foreign exchange allowance of up to US$10,000 on presentation of a written diagnosis by an Iranian doctor of medicine which indicates that further treatment abroad is necessary to be given. A confirmation signed by the Medical High Council is required for amounts exceeding US$10,000.
Indicative limits/bona fide test	Yes.	Amounts in excess of the limit may be approved by the CBI on presentation of satisfactory supporting documents.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Foreign workers with work permits may transfer their salaries without limitation, on confirmation by their employers.
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	Yes.	Transferring of consulting and legal fees abroad is permitted with the

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		approval of the Iranian Bureau of Legal Service.
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Strategic foreign investors may not sell shares purchased for two years without the Securities and Exchange Organization's permission. Sales of such shares must comply with the regulations governing the bulk trade of shares on the exchange or in the OTC market.
Purchase locally by nonresidents	Yes.	Nonresidents must have a trading license and be authorized to trade in the securities or OTC market and on the exchange as indicated in the trading license.
Sale or issue locally by nonresidents	Yes.	CBI approval by the Securities and Exchange High Council is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	With a trading license, nonresidents may trade bonds or other debt securities with no limits.
Sale or issue locally by nonresidents	Yes.	Approval by the Securities and Exchange High Council is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	

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Sale or issue locally by nonresidents	Yes.	Approval by the CBI is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Approval by the Securities and Exchange High Council is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Approval by the Securities and Exchange High Council is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	Controls apply to all credit operations and all transactions in sureties, guarantees, and financial backup facilities.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Approval by the CBI is required.
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	
Inward direct investment	Yes.	The Organization for Investment Economic and Technical Assistance of Iran of the Ministry of Economic Affairs and Finance applies controls on investments in accordance with the Freedom of Information and Protection of Privacy Act.
Controls on liquidation of direct investment	No.	The repatriation of capital is guaranteed, with Organization for Investment Economic and Technical Assistance of Iran–Ministry of Economic Affairs and Finance approval.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	The regulations governing real estate ownership by foreigners apply.

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Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	Controls are in place to prevent money laundering.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Gambling is illegal.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	
Purchase of locally issued securities denominated in foreign exchange	Yes.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Reserve requirements do not apply on deposit accounts in foreign exchange. Therefore, the treatment of accounts in rials and in foreign exchange differs.
Liquid asset requirements	Yes.	
Interest rate controls	Yes.	
Credit controls	Yes.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	

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Credit controls	No.
Investment regulations	Yes.
Abroad by banks	Yes.
In banks by nonresidents	Yes.
Open foreign exchange position limits	Yes.
On resident assets and liabilities	Yes.
On nonresident assets and liabilities	Yes.
Provisions specific to institutional investors	n.a.
Insurance companies	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Pension funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Investment firms and collective investment funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	Iran is currently in the proof-of-concept stage of its retail central bank digital currency, the digital rial.
Retail	No.	Iran is currently in the proof-of-concept stage of its retail central bank digital currency, the digital rial.
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	

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Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Controls on unbacked tokens	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Acquisition by residents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Use among residents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Between residents and nonresidents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
For current transaction	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
For capital transactions	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Transactions in capital and money market instruments	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Transactions in derivatives and other instruments	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Credit operations	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Controls on utility and security tokens	Yes.	Trading of cryptocurrencies is prohibited inside Iran.

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Acquisition by residents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Use among residents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Between residents and nonresidents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
For current transaction	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
For capital transactions	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Transactions in capital and money market instruments	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Transactions in derivatives and other instruments	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Credit operations	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Controls on stablecoins	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Acquisition by residents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Use among residents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Between residents and nonresidents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
For current transaction	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
For capital transactions	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Transactions in capital and money market instruments	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Transactions in derivatives and other instruments	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Credit operations	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Controls on crypto exchanges and trading platforms	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Domestic exchanges	Yes.	Trading of cryptocurrencies is prohibited inside Iran.
Access to crypto exchange/trading platform by residents	Yes.	Trading of cryptocurrencies is prohibited inside Iran.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Other managed arrangement	*05/12/2022*	The de facto exchange rate arrangement was reclassified to other managed from stabilized.
Official exchange rate	*05/12/2022*	The daily rate announcement is based on the transactions done in the Forex Management Integrated System (NIMA) market and the foreign exchange market and is published to the public. The Bank Markazi Jomhouri Islami Iran (Central Bank of Iran) also quotes market exchange rate on daily basis for the transactions on the secondary market (NIMA) for trade and projects finance other than priority goods and services. Previously, the official exchange rate was used in transactions on priority goods operated by the banking system. It was also used to buy the revenue from oil and gas exports from the government and for imports of priority goods and services. The importing oil proceeds and priority goods and services, including medical goods were financed at a fixed rate of 42,000 IRR.

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Imports and Import Payments

Documentation requirements for release of foreign exchange for imports		
Preshipment inspection	*08/01/2022*	The extension of deadlines to submit shipping documents by importers to banks from 9 to 11 months for productive units and from 6 to 8 months for trade companies, for the purpose of facilitating international trade between Iran and target countries during COVID-19 pandemic crisis, was abolished.
Letters of credit	*08/01/2022*	The extension of deadlines to submit shipping documents by importers to banks from 9 to 11 months for productive units and from 6 to 8 months for trade companies, for the purpose of facilitating international trade between Iran and target countries during COVID-19 pandemic crisis, was abolished.
Import licenses used as exchange licenses	*08/01/2022*	The extension of deadlines to submit shipping documents by importers to banks from 9 to 11 months for productive units and from 6 to 8 months for trade companies, for the purpose of facilitating international trade between Iran and target countries during COVID-19 pandemic crisis, was abolished.
Other	*08/01/2022*	The extension of deadlines to submit shipping documents by importers to banks from 9 to 11 months for productive units and from 6 to 8 months for trade companies, for the purpose of facilitating international trade between Iran and target countries during COVID-19 pandemic crisis, was abolished.

Exports and Export Proceeds

Repatriation requirements	*12/06/2022*	A hundred percent of petrochemical and steel products' export revenues should be supplied on the Forex Management Integrated System (NIMA) platform in the context of export requirement at about 80 days, oil products and non-ferrous export revenues should be a hundred percent exchanged on the NIMA platform within 4 months from the date of issuing customs cottage. Other commodities exporters should also exchange and submit export revenues at 90% within four months through bellowed vehicles: - Selling export revenue on the NIMA platform to the CB, credit institutions, or bureau de change; - Import vs. export by exporters; - Barter trade; - Selling export revenues in the context of notes to the CB, credit institutions or bureau de change; - Reimbursement of the foreign debt; -Settlement of credit institutions' foreign debt in the context of import documentary credits, L/C, and foreign guarantees. - Handing over the export resources for import. Previously, the repatriation rules were as follows: (1) Exporters repatriating less than €1 million (or equivalent in other currencies) could convert by cash or money order to exchange agents or use the proceeds for imports for the same amount. (2) Exporters repatriating between €1 and €3 million (or equivalent in other currencies) could sell up to €1.5 million by cash or money order to exchange agents if the converted amount accounts for more than 30% of the foreign transaction, and up to €1 million if the converted amount accounts for less than 30% of the foreign transaction. They could convert 40% on NIMA if the converted amount accounts for more than 60% of the foreign transaction, and 45% on NIMA if the converted amount accounts for between 30% and 60% of the foreign transaction. The rest of the transaction amount could be settled in imports of an

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equivalent amount. (3) Exporters repatriating between €3 and €10 million (or equivalent in other currencies) could sell by cash or money order to exchange agents up to €2 million if the converted amount accounts for more than 60% of the foreign transaction, up to €1.5 million if the converted amount accounts for between 30% and 60% of the foreign transaction, and up to €1 million if the converted amount accounts for less than 30% of the foreign transaction. They could convert 40% on NIMA if the converted amount accounts for more than 60% of the foreign transaction, 55% on NIMA if the converted amount accounts for between 30% and 60% of the foreign transaction, and 70% on NIMA if the converted amount accounts for less than 30% of the transaction. The rest of the transaction amount could be settled in imports of an equivalent amount. (4) Exporters repatriating more than €10 million (or equivalent in other currencies) could sell by cash or money order to exchange agents up to €4 million if the converted amount accounts for more than 60% of the foreign transaction, up to €2 million if the converted amount accounts for between 30% and 60% of the foreign transaction, and up to €1 million if the converted amount accounts for less than 30% of the foreign transaction. They could convert 70% on NIMA if the converted amount accounts for more than 60% of the foreign transaction, 80% on NIMA if the converted amount accounts for between 30% and 60% of the foreign transaction, and 90% on NIMA if the converted amount accounts for less than 30% of the foreign transaction. The rest of the transaction amount could be settled in imports of an equivalent amount.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Payments for travel

Quantitative limits	*01/08/2022*	The maximum amount of travelers' foreign exchange which is paid to air passengers traveling to visa-needed countries is €500 at Electronic Currency Transaction System rate and €300 at the same rate to air travelers who make their trips to other countries. Previously, the maximum amount of foreign exchange travelers (Iranian nationals) could buy from the banking system for trips to the neighboring countries was €500 or the equivalent a person a year except when traveling to Iraq in which case the amount was 250,000 Iraqi dinars. Travelers to other countries could buy €1000 or the equivalent a person a year.

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IRAQ

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership	December 27, 1945.	
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2020 Article IV Consultation with Iraq states that, as of January 22, 2021, Iraq continues to avail itself of the transitional arrangements under Article XIV, Section 2 but no longer maintains any exchange restrictions or MCPs subject to Article XIV, Section 2, and currently maintains one MCP subject to IMF approval under Article VIII, Section 3. The MCP arises from the lack of a mechanism to ensure that the exchange rate at the Central Bank of Iraq (CBI) foreign exchange window and the market rates (retail exchange rates of commercial banks and exchange bureaus for the sale of foreign currency from sources other than the CBI foreign exchange window) do not deviate from each other by more than 2%. (Country Report No. 21/38)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Iraq is the Iraqi dinar.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual	Yes.	The exchange rate system comprises two rates: the exchange rate at the CBI foreign exchange window and the market rates (retail exchange rates of commercial banks and exchange bureaus).
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional peg arrangement. The Central Bank Law gives the Board of the CBI the authority to formulate exchange rate policy. The official pegged exchange rate was set at ID 1,310 a US dollar including the CBI commission (ID 1,300 plus ID 10 (fees)). Banks are allowed to deal at a maximum

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		exchange rate of ID 1,320
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	Effective February 8, 2023, the CBI changed the approved exchange rate as follows: The purchasing price of the dollar from MOF is 1,300 as well as from any other entity (previously, the CBI used the official selling rate of the day minus 0.001% to purchase foreign currency and the government's foreign exchange receipts); the selling price of the dollar to banks through the electronic platform is 1,310 (including ID 10 fees) (previously ID 1,460 (including ID 10 fees)); and the selling price of the dollar to banks and non-banking financial institution for the ultimate beneficiary is 1,320 (previously ID 1,470).
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		

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Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	The number of banks that participate on average in the currency window is 40, foreign exchange companies Type A–76, Type B–50, and Type C–350.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	Yes.	Currency selling window is held daily; eligible bidders may buy and sell foreign exchange at the official exchange rate including a commission determined by the CBI (cash and transfer exchange rates). Banks may buy foreign exchange on their behalf and on behalf of their clients but have to ensure that foreign exchange purchase requests they intermediate are for legitimate purposes (to finance legally permitted transactions in foreign currency) by checking clients' documents. Banks are subject to an advance deposit requirement which requires depositing the local currency unit (LCU) equivalent of their cash and noncash purchase requests, effective February 19, 2023, 2 days (previously 7 days) before the auction. There are no limits on the bids. In case of default, the auction participant may not participate in future auctions and fines are

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		imposed. The CBI monitors these transactions for AML purposes and sells foreign currency for transactions that are not considered suspect. Because the CBI has been pursuing a policy of fulfilling every bid at a single settlement price, bids are submitted without indication of price. Volume is not preannounced. There are no limits for noncash sales. The weekly limits on the amount banks and foreign exchange companies may buy in cash foreign exchange from the CBI currency sales window are as follows. Effective February 20, 2022: US$200,000 for a bank, US$1,800,000 for foreign exchange Type A, US$700,000 for foreign exchange Type B, and US$60,000 for foreign exchange Type C. (Previously, they were US$250,000 for a bank, US$200,000 for foreign exchange Type A, US$750,000 for foreign exchange Type B, and US$70,000 for foreign exchange Type C.) Effective March 19, 2022: US$150,000 for a bank, US$1,500,000 for foreign exchange Type A, US$500,000 for foreign exchange Type B, and US$50,000 for foreign exchange Type C. Effective December 1, 2023: US$200,000 for a bank, US$700,000 for foreign exchange Type A, US$250,000 for foreign exchange Type B, and US$30,000 for foreign exchange Type C.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	All banks operating in Iraq (except banks included in the CBI and Office of Foreign Assets Control (OFAC) blacklists) are allowed to trade among themselves; however, there is no specific legal framework for interbank transactions, and there is no official organized interbank market for buying and selling foreign currency.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Internal transfers are permitted between residents inside Iraq in domestic currency through Exchange companies and according to the regulations of supervision Department in the CBI. However, the instructions for selling foreign currency No. 6/2251 do not allow internal transfers in foreign currency among residents.

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Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	There is an inoperative bilateral payments agreement with Jordan.
Regional arrangements	No.	
Clearing agreements	No.	A contract with Booz & Company was signed to prepare a feasibility study and launch a project establishing regional arrangements for Arab clearing and payment settlements that connect CBs in Arab countries that have such systems. Work is in progress to prepare operating model documents, including those related to legal and regulatory framework.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBI is responsible for monitoring exchange controls and determining the extent to which powers are delegated to commercial banks through the AML Unit, which replaced the Foreign Exchange Department.
Payments arrears	Yes.	
Official	No.	
Private	Yes.	There are arrears to Iran's state-owned electricity and gas companies for the importation of electricity and natural gas. The stock of arrears fluctuates subject to volumes of purchases and schedule of payments.
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Iraqi citizens and noncitizens may bring into Iraq worked and unworked gold, regardless of its weight, provided they declare it on importation. Adult Iraqi citizens may take out with them personal gold jewelry up to 100 grams a person, provided they agree to bring the jewelry back on their return. Noncitizens may take out gold jewelry they brought with them for personal use, up to the amount they brought in and declared.
Controls on exports and imports of banknotes	Yes.	It is permissible to transfer funds exceeding the allowed limit through the banking financial system for the purpose of importing goods or making external payment, providing that supporting documents are submitted to verify the financial transaction's integrity.
On exports	Yes.	
Domestic currency	Yes.	The maximum amount allowed is, effective October 2, 2023, ID 1,000,000 (previously ID 2,000,000) for adult Iraqis.
Foreign currency	Yes.	The maximum amount allowed is US$10,000 or its equivalent for adult Iraqis. Foreigners may take out the amount imported and declared up to one year from the date of importation.
On imports	Yes.	
Domestic currency	Yes.	The maximum amount allowed is, effective October 2, 2023, ID1,000,000 (previously ID 2,000,000) for Iraqis and others.
Foreign currency	Yes.	Travelers may bring in foreign exchange, including currency notes, in unlimited amounts, provided they declare the funds on an exchange control form; amounts not intended to be taken out of the

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country are exempt from declaration.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Banking Law No. 94 of 2004 does not distinguish between residents and nonresidents in terms of opening accounts or performing transfers except when it relates to money laundering. A home address is required to open an account.
Held domestically	Yes.	Resident Iraqis, resident nationals of other Arab countries, and domestic and foreign companies are allowed to open foreign exchange accounts at commercial banks and to use the balances in these accounts for domestic and foreign payments and transfers in accordance with banking procedures, provided documents are submitted proving that the accounts were credited with foreign currency.
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents are allowed to open foreign exchange accounts at commercial banks and to use the balances in these accounts without restriction, provided the accounts were credited with foreign currency.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Transfers abroad exceeding ID 15 million require a tax clearance certificate.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	
Preshipment inspection	No.	
Letters of credit	Yes.	Banks may open and accept LCs for importation and exportation of

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		permitted goods. The relevant amount may be transferred as follows: (1) Banks must be in compliance with the terms of payment described in the LC. (2) The goods must be insured in Iraq to the extent possible. (3) The bill of lading must be in the name of an Iraqi bank. Banks may purchase foreign exchange for LCs at the currency selling window, provided total LCs do not exceed 100% of the bank capital. Banks must notify the CBI when an LC is fully or partially paid, so that the amount can be deducted from this limit. In cases exceeding the limit, the CBI will consider a bank's request, provided it commits to return the LC amount transferred to it. If the bank does not submit documents proving the entry of goods in Iraq by the expiration date of the credit, the bank must return the amount of credit at the CBI selling price minus ID 1; this also applies to the unexecuted portion of the LC (in addition to the principal commission for opening the LC). Banks must submit a statement indicating amounts the bank transferred to its customers 15 days after the transfer date. Banks must send monthly statements with details of the transferred amounts in foreign currency to the Credit and Banking Supervision Department, using a form designed for this purpose.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Ministry of Trade, Ministry of Agriculture, and Customs Authority have a list of prohibited items, and these items are prohibited from importation for either trade or legal reasons. These items include weapons and drugs.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Importation is subject to licensing.
Import taxes and/or tariffs	Yes.	Duty rates vary by product. Implementation remains challenging and incomplete.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	Yes.	
Documentation requirements	Yes.	
Letters of credit	Yes.	

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Guarantees	Yes.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	n.a.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	Yes.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Procedures related to the AML law ensure the soundness of transferred funds.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Obligations and debts to the government must be settled before the transfer of investment proceeds. Payments due on external investments in Iraq that were licensed by the valid investment law may be made on submission to the bank of documents confirming profits accrued, the investment license, financial statements audited by a licensed comptroller confirming the profits accrued in the investment project, and the payment of taxes and fees on distributed profits as verified by the project's board.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	There is a US$10,000 limit on the amount in banknotes a traveler may take out of Iraq. Expenditures of government agency delegates are allowed as per defined entitlement.
Indicative limits/bona fide test	Yes.	The CBI allows individuals to buy foreign exchange banknotes up to US$3,000 a month for travel purpose on proof of airline ticket with a passport.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	

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Indicative limits/bona fide test	Yes.	Transfers of tuition fees require proof of current enrollment. Transfers for medical treatment require a medical report certified by a competent medical authority. Transfers to cover the household living expenses of Iraqis residing permanently abroad, on submission of a statement verifying their residency status, the relationship, and the source of the funds, not to exceed US$5,000 a month are allowed. The CBI addresses the additional requests of Iraqi citizens for lawful purposes, as they arise.
Foreign workers' wages	Yes.	
Prior approval	Yes.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments to foreign experts, whether under contract with the government or with the private sector, may be transferred on submission of supporting documents. All obligations and debts to the government must be settled before salaries and other compensation of non-Iraqi employees may be transferred out of Iraq.
Credit card use abroad	No.	The Iraqi retail payment infrastructure and the National Switch were implemented enabling use of credit cards issued by banks abroad and settlement within the payment system.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	Nonresidents' obligations and debts to the government must be settled before the transfer abroad of amounts exceeding ID 15 million.
Prior approval	Yes.	CBI approval and compliance with the AML law are required for payments and transfers not explicitly authorized to be made by banks.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Transfers for subscriptions to journals require documentation of the subscription.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The investment law (Investment Law No. 13 of 2006) applies to promote investment in Iraq. Restrictions on capital transactions are not enforced; however, documentation and reporting requirements apply. Foreign exchange may not be purchased for capital transactions through the auction.
Repatriation requirements	No.	

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Transfers of funds in connection with securities or shares owned by an Iraqi residing abroad or a foreign seller, including profits, require presentation of an ownership certificate in the seller's name. Also required are the contract with the date of the sale and documenting the sale by the Iraq Securities Market as well as proof that the funds entered through the Iraqi banking system.
Sale or issue locally by nonresidents	Yes.	Transfers of funds in connection with securities or shares owned by an Iraqi residing abroad or a foreign seller, including profits, require presentation of an ownership certificate in the seller's name. Also required are the contract with the date of the sale and documenting the sale by the Iraq Securities Market as well as proof that the funds entered through the Iraqi banking system.
Purchase abroad by residents	Yes.	Banks are subject to CBI approval if they intend to deposit foreign currency or buy shares and stocks abroad. CBI approval is required for banks' investments in securities exceeding 20% of their capital according to the provisions of Article 33 of Iraqi Banking Law Order No. 94 of 2004. Foreign exchange may not be purchased for capital transactions in the foreign exchange auctions.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Transfers of funds in connection with securities or shares owned by an Iraqi residing abroad or a foreign seller, including profits, require presentation of an ownership certificate in the seller's name. Also required are the contract with the date of the sale and documenting the sale by the Iraq Securities Market as well as proof that the funds entered through the Iraqi banking system.
Sale or issue locally by nonresidents	Yes.	Transfers of funds in connection with securities or shares owned by an Iraqi residing abroad or a foreign seller, including profits, require presentation of an ownership certificate in the seller's name. Also required are the contract with the date of the sale and documenting the sale by the Iraq Securities Market as well as proof that the funds entered through the Iraqi banking system.
Purchase abroad by residents	Yes.	Foreign exchange may not be purchased for capital transactions in the foreign exchange auctions.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Foreign exchange may not be purchased for capital transactions in the foreign exchange auctions.
Sale or issue abroad by residents	No.	

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On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Foreign exchange may not be purchased for capital transactions in the foreign exchange auctions.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Foreign exchange may not be purchased for capital transactions in the foreign exchange auctions.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Foreign exchange may not be purchased for capital transactions in the foreign exchange auctions.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Foreign exchange may not be purchased for capital transactions in the foreign exchange auctions.
Inward direct investment	Yes.	All economic sectors are open to foreign investment, except for two sectors: (1) direct and indirect ownership of natural resource firms involved in primary extraction and initial processing and (2) banks and insurance companies.
Controls on liquidation of direct investment	Yes.	All obligations and debts to the government must be settled before the transfer of proceeds from investments.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Foreign exchange may not be purchased for capital transactions in the foreign exchange auctions.
Purchase locally by nonresidents	Yes.	Foreign investors, except foreign banks, may hold long-term and renewable leases of real property but not ownership rights.
Sale locally by nonresidents	Yes.	Nonresidents may sell real estate for residential purposes according to the latest amendment of Investment Law No. 13 of 2006. The transfer of funds from the sale of property registered in Iraq and owned by Iraqis residing permanently abroad, whose value is

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		certified by the Real Estate Registration Department, requires official verification that the owner or heir (of the seller) acquired the property before moving permanently abroad.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Foreign exchange may not be purchased for capital transactions in the foreign exchange auctions.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	Commercial banks may borrow from foreign financial markets and may obtain overdraft facilities from correspondent banks if it is reflected in their monthly balance sheets.
Maintenance of accounts abroad	No.	Banks may enter into agreements with correspondent banks abroad and must comply with disclosure and transparency requirements. Banks are allowed to maintain 20% of its capital for investment purposes according to Article 33 of Banking Law.
Lending to nonresidents (financial or commercial credits)	No.	The banking law does not distinguish between residents' and nonresidents' financial operations.
Lending locally in foreign exchange	No.	Local lending in foreign currency is not regulated; banks may lend in foreign currency subject to lending instructions in Iraqi and foreign currency.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	The differential treatment concerns the kinds of deposits, which are categorized as current deposits, savings deposits, and fixed deposits—each with a different interest rate.
Reserve requirements	No.	
Liquid asset requirements	Yes.	
Interest rate controls	No.	
Credit controls	Yes.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	

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Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	The investment law (Investment Law No. 13 of 2006) applies.
Abroad by banks	Yes.	With regard to suspicious transactions defined in the AML/CFT Law, banks must obtain CBI approval to deposit foreign currency or buy shares and stocks abroad. CBI approval is required for banks' investments in securities exceeding 20% of their capital under Article 33 of Iraqi Banking Law Order No. 94 of 2004.
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	No.	
Insurance companies	No.	Insurance companies must be licensed by the MOF. The CBI audits them only in two areas—investment portfolio and loans—that are considered banking activities, but they are not currently audited by the CBI because there is no legal basis and because insurance companies are governed by their own law.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

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Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	This is under consideration and development.
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	The topic is still under study and development.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	This is under consideration and development.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	n.a.	This is under consideration and development.
Controls on unbacked tokens	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	

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For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on utility and security tokens	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on stablecoins	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on crypto exchanges and trading platforms	No.	This is under consideration and development.
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*02/08/2023*	The Central Bank of Iraq (CBI) changed the approved exchange rate as follows: The purchasing price of the dollar from MOF is 1,300 as well as from any other entity (previously, the CBI used the official selling rate of the day minus 0.001% to purchase foreign currency and the government's foreign exchange receipts); the selling price of the dollar to banks through the electronic platform is 1,310 (including ID 10 fees) (previously ID 1,460 (including ID 10 fees)); and the

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selling price of the dollar to banks and non-banking financial institution for the ultimate beneficiary is 1,320 (previously ID 1,470).

Foreign exchange market

Spot exchange market

Operated by the central bank

Allocation	*02/20/2022*	The weekly limit on the amount foreign exchange companies Type A may buy in cash foreign exchange from the Central Bank of Iraq currency sales window is US$1,800,000. Previously, it was US $200,000.
	02/20/2022	The weekly limits on the amount banks and foreign exchange companies may buy in cash foreign exchange from the Central Bank of Iraq currency sales window are US$200,000 for a bank, US $700,000 for foreign exchange Type B, and US$60,000 for foreign exchange Type C. (Previously, they were US$250,000 for a bank, US $750,000 for foreign exchange Type B, and US$70,000 for foreign exchange Type C.)
	03/19/2022	The weekly limits on the amount banks and foreign exchange companies may buy in cash foreign exchange from the Central Bank of Iraq currency sales window are US$150,000 for a bank, US $1,500,000 for foreign exchange Type A, US$500,000 for foreign exchange Type B, and US$50,000 for foreign exchange Type C. Previously, as of February 20, 2022, they were US$200,000 for a bank, US$1,800,000 for foreign exchange Type A, US$700,000 for foreign exchange Type B, and US$60,000 for foreign exchange Type C.
	02/19/2023	Banks are subject to an advance deposit requirement which requires depositing the local currency unit equivalent of their cash and noncash purchase requests 2 days (previously 7 days) before the auction.
	12/01/2023	The weekly limits on the amount banks and foreign exchange companies may buy in cash foreign exchange from the Central Bank of Iraq currency sales window are US$700,000 for foreign exchange Type A, US$250,000 for foreign exchange Type B, and US$30,000 for foreign exchange Type C. Previously, as of March 19, 2022, they were US$1,500,000 for foreign exchange Type A, US$500,000 for foreign exchange Type B, and US$50,000 for foreign exchange Type C.
	12/01/2023	The weekly limits on the amount banks and foreign exchange companies may buy in cash foreign exchange from the Central Bank of Iraq currency sales window are US$200,000 for a bank (previously US$150,000).

Arrangements for Payments and Receipts

Controls on exports and imports of banknotes

On exports

Domestic currency	*10/02/2023*	The maximum amount allowed is ID1,000,000 (previously ID 2,000,000) for Iraqis and others.

On imports

Domestic currency	*10/02/2023*	The maximum amount allowed is ID1,000,000 (previously ID 2,000,000) for Iraqis and others.

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IRELAND

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		August 8, 1957.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with EC regulations, Ireland maintains certain restrictions solely for the preservation of national or international security with respect to Afghanistan (restrictive measures imposed with respect to the Taliban); restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine; restrictive measures in view of the situation in Bosnia and Herzegovina; restrictive measures in view of the situation in Burundi; restrictive measures against the Central African Republic; restrictive measures against the Democratic Republic of the Congo; restrictive measures against the Republic of Guinea; restrictive measures against those threatening the peace, security, or stability of the Republic of Guinea-Bissau; restrictive measures in view of the situation in Haiti, effective November 28, 2022; Iran (restrictive measures in relation to serious human rights violations in Iran, restrictive measures in relation to the non-proliferation of weapons of mass destruction, and restrictive measures in view of Iran's military support of Russia's war of aggression against Ukraine, effective July 26, 2023); restrictive measures on Iraq; Lebanon (restrictive measures in view of the situation in Lebanon and restrictive measures in relation to the February 14, 2005, terrorist bombing in Beirut, Lebanon); restrictive measures in view of the situation in Libya; restrictive measures in view of the situation in Mali; restrictive measures in view of actions destabilizing the Republic of Moldova, effective May 3, 2023; restrictive measures in view of the situation in Myanmar/Burma; restrictive measures in view of the situation in Niger, effective October 25, 2023; restrictive measures in view of the situation in the Republic of Nicaragua; Democratic People's Republic of Korea (restrictive measures in relation to the non-proliferation of the weapons of mass destruction); restrictive measures in view of Russia's actions destabilizing the situation in Ukraine; restrictive measures against Somalia; restrictive measures in view of the situation in South Sudan; Sudan (restrictive measures in view of the situation in Sudan and restrictive measures in view of activities undermining the stability and the political transition of Sudan, effective October 12, 2023); Syria (restrictive measures against Syria and restrictive measures in relation to the February 14, 2005, terrorist bombing in Beirut, Lebanon); restrictive measures against the misappropriation of state funds of Tunisia; restrictive measures in view of Turkey's unauthorized drilling activities in the Eastern

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		Mediterranean; Ukraine (restrictive measures against the misappropriation of state funds of Ukraine and restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine); restrictive measures in view of the situation in Venezuela; restrictive measures in view of the situation in Yemen; restrictive measures in respect of Zimbabwe; restrictive measures against the proliferation and use of chemical weapons; restrictive measures against serious human rights violations and abuses; restrictive measures against cyberattacks threatening the EU or its Member States; and restrictive measures against terrorism (specific measures to combat terrorism and restrictive measures with respect to ISIL (Da'esh) and Al-Qaida (ISIL/Daesh and Al-Qaida)). In accordance with EC regulations, Ireland has restrictions solely for the preservation of national or international security with respect to the countries listed on the Irish Department of Finance's financial sanctions page. This resource lists instruments issued by the minister of finance to implement in Ireland various EU regulations, which implement the UN's international sanctions regime.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Ireland is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Ireland participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of

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		the market makers.
Official exchange rate	Yes.	Effective April 3, 2023, the ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks, which normally takes place at 14:10 Central European Time. The publication time of the euro foreign exchange reference rates is around 14:30 to around 16:00 Central European Time. The reference rate against the euro is the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		

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Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in Article 127(1) of Treaty on the Functioning of the EU and Article 2 of the Statute of the European System of Central Banks and of the ECB. Section 6A of the Central Bank Act 1942 notes that in discharging its functions and exercising its powers as part of the European System of Central Banks, the primary objective of the Central Bank of Ireland (CBI) is to maintain price stability. "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Union with a view to contributing to the achievement of the objectives of the Union as laid down in Article 3 of the Treaty on EU." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Credit institutions are free to provide spot and forward exchange rate facilities. ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients. Certain foreign-exchange-related operations may be subject to a regulatory authorization regime or certain restrictions reflecting obligations in European legislation. For example, with regard to investment firms for the purposes of Directive 2014/65/EU (Markets in Financial Instruments Directive, or MiFID II), "spots" which meet the requirements in Article 10(2) of Commission Delegated Regulation (EU) No. 2017/56 are not considered "financial instruments under MiFID II," and accordingly, the performance of certain activities/services in relation to these "spots" may not require a firm to be authorized in Ireland in accordance with the regime provided for in MiFID II. Investment firms for the purposes of MiFID II may require an authorization in Ireland to perform activities or services in relation to foreign exchange forwards. UCITS management companies authorized in Ireland are permitted to use foreign exchange derivatives on behalf of UCITS funds in line with Directive 2009/65/EU, subject to certain restrictions. Alternative investment fund managers (AIFM) authorized in Ireland are also permitted to use foreign exchange derivatives on behalf of AIFs under management.
Spot exchange market	Yes.	Euro foreign exchange policy is the responsibility of the ECB. There were 19 credit institutions authorized by the CBI as of December 31, 2022, all of which may deal in foreign exchange. Credit institutions are authorized and supervised under the provisions of, inter alia, the Central Bank Act 1971, Directive 2013/36/EU (As Amended),

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		Regulation No. 575/2013 (As Amended), and Council Regulation (EU) No. 1024/2013 (the Single Supervisory Mechanism Regulation). As of December 31, 2022, 7 firms were authorized as exchange bureaus by the CBI under Part V of the Central Bank Act 1997. These firms do not have a counterparty relationship with the CBI. Most firms authorized as exchange bureaus only provide OTC services to the public. A payment institution or an electronic money institution authorized to provide payment services or issue electronic money may, in addition, provide foreign exchange services. There were 21 payment institutions and 24 electronic money institutions authorized in Ireland as of December 31, 2022. Please note that these figures do not include registered Account Information Service Providers which, although treated as payment institutions, are not permitted to provide foreign exchange services. The provision of foreign exchange services, in addition to the provision of payment services, by a payment institution is recognized in Regulation No. 29(1) of the EU (Payment Services) Regulations 2018, which transposed Directive 2015/2366/EU (Payment Services Directive 2) into the domestic legislative framework. The provision of foreign exchange services, in addition to the issuance of electronic money or provision of payment services, by an electronic money institution is recognized in Regulation No. 28(1)(c) of the EU (Electronic Money) Regulations 2011, which transposed Directive 2009/110/EC (as amended by Payment Services Directive 2) into the domestic legislative framework. Under MiFID, spots which meet the requirements as set out in Article 10(2) of Commission Delegated Regulation (EU) No. 2017/565 are not considered financial instruments for the purposes of Section C(4) of Annex 1 to Directive 2014/65/EU.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	
Over the counter	Yes.	
Brokerage	Yes.	
Market making	No.	
Forward exchange market	Yes.	Foreign exchange swaps and forwards are used by credit institutions to facilitate client-driven transactions and to manage internal foreign exchange asset exposures. Institutional investors use outright forwards and foreign exchange swaps owing to their needs to hedge international asset portfolios and future foreign exchange cash flows. The CBI participates in the forward exchange market to hedge investment activities and the swaps market to hedge certain foreign exchange exposures.
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.
Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.
Barter agreements and open accounts	No.
Administration of control	No.
Payments arrears	No.
Official	No.
Private	No.
Controls on trade in gold (coins and/or bullion)	No.
On domestic ownership and/or trade	No.
On external trade	No.
Controls on exports and imports of banknotes	No.
On exports	No.
Domestic currency	No.
Foreign currency	No.
On imports	No.
Domestic currency	No.
Foreign currency	No.

Resident Accounts

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Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange balances may generally be freely transferred: all exchange control legislation in Ireland expired December 31, 1992. Since January 1, 1993, no laws or restrictions prevent the free movement of capital or current payments to or from Ireland by individuals or corporate entities for any purpose whatsoever. This liberalization applies equally to EU and non-EU countries. However, in any such foreign exchange transactions, the Irish resident parties, including financial institutions, must ensure conformity with (1) financial sanctions under various EU Council regulations enforced under domestic law, which affect transfers, including economic resources, to and from jurisdictions, entities, and individuals that are subject to sanctions, and (2) anti-money-laundering legislation to ensure that effective measures are taken to combat the laundering of the proceeds of criminal activity or the financing of terrorism. In accordance with the Criminal Justice (Money Laundering and Terrorism Financing) Act 2010 (the "Act"), all credit and financial institutions providing services (including foreign-exchange-related services) must adopt policies and procedures to prevent money laundering and terrorism financing. The procedures must specify "measures to be taken (by them in their businesses) to prevent the use, for money laundering or terrorism financing, of transactions or products that could favor or facilitate anonymity." The "CBI" is specified in the Act as the appropriate authority for credit and financial institutions. CBI, pursuant to Section 63 of the Act, is responsible for monitoring credit and financial institutions' compliance with the AML/CFT obligations contained in the Act. If a credit or financial institution fails to establish procedures to guard against the use of its foreign exchange services for money laundering or the financing of terrorism, it commits an offence under Section 54(15) of the Act, and may also be subject to regulatory action by the CBI, including an administrative sanction.
Approval required	No.	
Held abroad	Yes.	Foreign exchange balances may generally be freely transferred: all exchange control legislation in Ireland expired December 31, 1992. However, in any such foreign exchange transactions, the Irish resident parties, including financial institutions, must ensure conformity with (1) financial sanctions under various EU Council regulations enforced under domestic law, which affect transfers, including economic resources, to and from jurisdictions, entities, and individuals that are subject to sanctions, and (2) anti-money-laundering legislation to ensure that effective measures are taken to combat the laundering of the proceeds of criminal activity or the financing of terrorism.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange balances may be freely transferred: all exchange control legislation in Ireland expired December 31, 1992. However, the parties, including financial institutions, must ensure conformity with (1) financial sanctions under various EU Council regulations

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		enforced under domestic law, which affect transfers, including economic resources, to and from jurisdictions, entities, and individuals that are subject to sanctions, and (2) anti-money-laundering legislation to ensure that effective measures are taken to combat the laundering of the proceeds of criminal activity or the financing of terrorism. Effective February 25, 2022, and subject to certain exemptions, EU credit institutions cannot accept deposits exceeding €100,000 from Russian or Belarusian persons or entities under the specific case laid down in Article 5(b)(1) of Council Regulation No. 833/2014 and Article 1u of Council Regulation No. 765/2006 of May 18, 2006, respectively: "it shall be prohibited to accept any deposits from Russian/Belarusian nationals or natural persons residing in Russia/Belarus, or legal persons, entities or bodies established in Russia/Belarus, if the total value of deposits of the natural or legal person, entity, or body per credit institution exceeds 100 000 EUR."
Approval required	No.	
Domestic currency accounts	Yes.	Balances may be freely transferred: all exchange control legislation in Ireland expired December 31, 1992. However, the parties, including financial institutions, must ensure conformity with (1) financial sanctions under various EU Council regulations enforced under domestic law, which affect transfers, including economic resources, to and from jurisdictions, entities, and individuals that are subject to sanctions, and (2) anti-money-laundering legislation to ensure that effective measures are taken to combat the laundering of the proceeds of criminal activity or the financing of terrorism.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	Accounts may be frozen in accordance with the relevant EU Council regulations.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.
Letters of credit	No.
Import licenses used as exchange licenses	No.
Other	No.
Import licenses and other nontariff measures	Yes.
Positive list	No.

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Negative list	Yes.	For reasons of national policy, imports of certain goods (for example, specified drugs, explosives, and firearms and ammunition) are prohibited without special licenses.
Open general licenses	No.	
Licenses with quotas	Yes.	Imports of certain goods (including textiles, steel, footwear, and ceramic products) originating in certain non-EU countries are subject to either quantitative restrictions or surveillance measures. Imports from non-EU countries of products covered by the Common Agricultural Policy of the EU are subject to a system of access quotas.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The EU system of customs duties applies to imports.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Exports of controlled military and dual-use goods to both EU and non-EU countries may require export licenses.
Without quotas	Yes.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.

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Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Controls on capital transactions apply in accordance with EU regulations. In accordance with Article 63 of the Treaty on the Functioning of the EU, all restrictions on the movement of capital between EU member states and between EU member states and third countries are prohibited.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	

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Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) investment in airlines, which must be majority owned and effectively controlled by EU countries and/or nationals of EU countries, unless otherwise provided for through an international agreement to which the EU is a signatory; (2) the acquisition by non-EU nationals of land for agricultural purposes, except with authorization; (3) the acquisition of Irish-registered shipping vessels, except through an enterprise incorporated in Ireland; (4) the acquisition by non-EU nationals of sea-fishing vessels registered in Ireland; (5) investment by residents of non-EU countries in flour milling activities; (6) the establishment of branches of third-country insurance enterprises as set out in the Solvency II Framework and supplemented with a CBI Handbook consistent with Solvency II for Branches of Third-Country Insurance Undertakings authorized by the CBI; (7) the extent that, under Directive 2009/65/EU, a depository of a UCITS must either have its registered office in the same EEA member state as that of the UCITS or be established in the EEA member state of the UCITS if its registered office is in another EEA member state; (8) the extent that, under AIFMD (2011/61/EU), the depositary for an EU AIF must be established in the EEA member state of the AIF and the depositary for a non-EU AIF must be established in the third country where the AIF is established or in the EEA member state of the AIFM managing the AIF or in the EEA member state of reference of the AIFM managing the AIF; and (9) investment by foreign-controlled enterprises does not require authorization, except for a very limited number of sectors that are subject to special conditions.

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		Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments. In July 2020, the Government agreed to draft legislation which will give effect to this EU regulation to screen FDI coming into Ireland, and the Screening of Third Country Transactions Act 2023 was enacted in October 2023. The Act empowers the Minister for Enterprise, Trade, and Employment to respond to threats to Ireland's security and public order posed by particular types of foreign investment and to prevent or mitigate such threats. Under this legislation, the Minister will be able to assess, investigate, authorize, condition, prohibit, or unwind foreign investments from outside of the EU, based on a range of security and public order criteria. The act will need to be commenced by way of Ministerial order, and this is expected in Q2 2024.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Persons, individuals, and companies whose principal place of residence or registered office is outside the territory of the EU/EEA must apply to the Ministry of Agriculture, Food, and Rural Development through its Land Services Division for permission to purchase land. Such permission is rarely withheld. Controls apply to the acquisition of an interest in rural land for which authorization is required, other than land not exceeding two hectares in area and acquired for private residential purposes.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	

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Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Pursuant to Article 92 of the CRR (EU No. 575/2013), credit institutions must provide capital for foreign exchange risk, unless they can take advantage of the de minimis provision of Article 351. There are no limits on open foreign exchange positions, but the CBI expects credit institutions to be prudent in the management of foreign exchange risk.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.

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For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	
Controls on unbacked tokens	No.	At present, supervision on unbacked tokens is only considered from an Anti-Money Laundering and Terrorist Financing perspective. With regard to the Virtual Asset Service Providers (VASPs), control exists for this only on custodial services.
Acquisition by residents	No.	AML and CFT controls on custodial crypto wallets.
Use among residents	No.	AML and CFT controls on custodial crypto wallets.
Between residents and nonresidents	No.	AML and CFT controls on custodial crypto wallets in resident Jurisdiction.
For current transaction	No.	AML and CFT controls on custodial crypto wallets.
For capital transactions	No.	AML and CFT controls on custodial crypto wallets.
Transactions in capital and money market instruments	No.	AML and CFT controls on custodial crypto wallets.
Transactions in derivatives and other instruments	No.	AML and CFT controls on custodial crypto wallets.
Credit operations	No.	AML and CFT controls on custodial crypto wallets.
Controls on utility and security tokens	No.	At present, supervision/controls on utility and security tokens are only considered from an Anti-Money Laundering and Terrorist Financing perspective. Control exists for this only on custodial services.
Acquisition by residents	No.	AML and CFT controls on custodial crypto wallets.
Use among residents	No.	AML and CFT controls on custodial crypto wallets.
Between residents and nonresidents	No.	AML and CFT controls on custodial crypto wallets.
For current transaction	No.	AML and CFT controls on custodial crypto wallets.
For capital transactions	No.	AML and CFT controls on custodial crypto wallets.
Transactions in capital and money market instruments	No.	AML and CFT controls on custodial crypto wallets.
Transactions in derivatives and other instruments	No.	AML and CFT controls on custodial crypto wallets.
Credit operations	No.	AML and CFT controls on custodial crypto wallets.
Controls on stablecoins	No.	At present, supervision/controls on stablecoins are only considered from an Anti-Money Laundering and Terrorist Financing perspective. Controls are on custodial services.
Acquisition by residents	No.	AML and CFT controls on custodial services.
Use among residents	No.	AML and CFT controls on custodial services.
Between residents and nonresidents	No.	AML and CFT controls on custodial services.
For current transaction	No.	AML and CFT controls on custodial services.

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For capital transactions	No.	AML and CFT controls on custodial services.
Transactions in capital and money market instruments	No.	AML and CFT controls on custodial services.
Transactions in derivatives and other instruments	No.	AML and CFT controls on custodial services.
Credit operations	No.	AML and CFT controls on custodial services.
Controls on crypto exchanges and trading platforms	No.	AML and CFT controls. All VASPs established in Ireland are required to register with the Central Bank for AML/CFT purposes only. A VASP is any entity that provides the following crypto asset services: exchange between virtual assets and fiat currencies; exchange between one or more forms of virtual assets; transfer of virtual assets, that is to say, to conduct a transaction on behalf of another person that moves a virtual asset from one virtual asset address or account to another; custodian wallet provider; and participation in, and provision of, financial services related to an issuer's offer or sale of a virtual asset or both.
Domestic exchanges	No.	AML and CFT controls.
Access to crypto exchange/trading platform by residents	No.	AML and CFT controls.

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*11/28/2022*	Restrictive measures in view of the situation in Haiti.
	05/03/2023	Restrictive measures in view of actions destabilizing the Republic of Moldova.
	07/26/2023	Restrictive measures in view of Iran’s military support of Russia’s war of aggression against Ukraine.
	10/12/2023	Restrictive measures in view of the situation in Sudan and in view of activities undermining the stability and the political transition of Sudan.
	10/25/2023	Restrictive measures in view of the situation in Niger.

Exchange Arrangement

Official exchange rate	*04/03/2023*	The ECB Governing Council changed the computation time of the euro foreign exchange rates (also known as the ECB reference rates) to around 14:10 Central European Time (CET), to avoid overlaps with publication time (14:15 CET). Previously reference rates took place at 14:15 CET.

Nonresident Accounts

Foreign exchange accounts permitted	*02/25/2022*	Subject to certain exemptions, EU credit institutions cannot accept deposits exceeding €100,000 from Russian or Belarusian persons or entities under the specific case laid down in Article 5(b)(1) of Council Regulation No. 833/2014 and Article 1u of Council Regulation No. 765/2006 of May 18, 2006, respectively.

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ISRAEL

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 12, 1954.
Article VIII	Yes.	Date of acceptance: September 21, 1993.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Under Prevention of Terrorism Ordinance No. 33, 5708-1948, money and other assets may not benefit an organization associated with terrorism. The Prohibition on Terrorism Financing Law, No. 5765-2004, prohibits transactions in property for purposes of terrorism and prohibits transactions in terrorists' property. Israel maintains a licensing mechanism on imports from eight non-WTO members that have no diplomatic relations with Israel or prohibit imports from Israel—namely, Afghanistan, Algeria, Iraq, the Democratic People's Republic of Korea, Libya, Saudi Arabia, Sudan, and Yemen. Licenses are granted for imports from these countries on an ad hoc basis, under exceptional circumstances (for example, economic necessity) and with authorization from the Ministry of Industry, Trade and Labor. Imports and exports of rough diamonds are controlled to avoid trade with countries that do not participate in the Kimberley Process Certification Scheme. Imports of goods that are clearly identified with organizations associated with terrorism (for example, flags) are prohibited. Trading is prohibited with the Islamic Republic of Iran, Iraq, Lebanon, and Syria; however, because of the US presence in Iraq, trade in Iraqi dinars was authorized temporarily. Economic activity is prohibited with a foreign entity that has been identified by a ministerial committee as assisting Iran in the advancement of its nuclear program or in obtaining weapons of mass destruction or the means of delivery of weapons of mass destruction, unless the ministerial committee has permitted economic activity with that foreign entity. In addition, financial institutions are prohibited from investing in a corporation that has been identified by a ministerial committee as maintaining a substantial business relationship with Iran, unless the ministerial committee has permitted it.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Israel is the new Israeli shekel.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	

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Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. However, the Bank of Israel (BOI) may intervene in the foreign exchange market in the event of unusual movements in the exchange rate that are inconsistent with underlying economic conditions or when conditions in the foreign exchange market are disorderly. The de facto exchange rate arrangement is classified as a floating arrangement.
Free floating		
Official exchange rate	Yes.	The representative rate of the new shekel against the US dollar for a specific day is the average rate of new shekels in bilateral interbank quotes during a predetermined sampling period. Deviations from the sample average of more than 2 standard deviations are excluded from the calculation. In exceptional cases, if the calculated exchange rate does not reflect actual rates in the market, discretion may be exercised in determining the representative rate. The representative rates of the new shekel against other currencies are based on the representative rate of the US dollar, and the exchange rates of the relevant currencies in the international money markets at the time the rates are determined. Therefore, the representative rate of any currency against the new shekel is an indicator of the exchange rate in the foreign exchange market, is based on an average of banks' published buying and selling prices, and does not necessarily reflect actual transaction rates. The rates have no official or legal standing and are not published in the Official Gazette. They are used mainly for valuations and in contracts. Parties to a foreign-currency-indexed business transaction may use any mutually acceptable rate. The representative rate is binding on such transactions only if explicitly stipulated in advance.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		

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Monetary aggregate target		
Inflation-targeting framework	Yes.	
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	Israel's government, in consultation with the governor of the BOI, sets a price stability target—an annual rate of increase in the CPI. The current target is between 1% and 3% a year, and the BOI is obliged to strive to achieve that goal.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band		
Band/Range	Yes.	The government sets an inflation target (currently 1%–3%) as part of its economic policy.
Target measure	Yes.	The target is set in terms of the headline CPI and is evaluated continuously referring to the CPI inflation rate in the past 12 months.
CPI	Yes.	Israel's government, in consultation with the governor of the BOI, sets a price stability target—an annual rate of increase in the CPI. The current target is between 1% and 3% a year, and the BOI is obliged to strive to achieve that goal.
Core inflation		
Target horizon	Yes.	The target is set in terms of the headline CPI and is evaluated continuously referring to the CPI inflation rate in the past 12 months.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The BOI is independent in setting the short-term rate of interest and in using the monetary instruments to achieve its goals. The BOI's interest rate serves as the basis according to which a range of interest rates is set in the economy, including the rates of interest that the public (households and businesses) pays the banks on short-term loans and the rates of interest that it receives from the banks on its short-term deposits.
Target corridor band	No.	It is a point decision on interest rate, not a corridor.
Other	No.	
Accountability	Yes.	
Open letter	Yes.	The MPC is obligated to present the Government and the finance committee in parliament, at least twice a year, the Monetary Policy Report. Periodic Report on Monetary Policy (Bank of Israel Law (2010), section:55 a and b:

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		(a) No less than twice annually, the Committee shall present the Government and the Knesset Finance Committee with a report containing a survey of developments in the field of price stability and economic developments in the time period covered by the report, and the policy that the Committee believes necessary for the maintenance of price stability within the range determined by the Government as per Section 3(b) and for the attainment of the other objectives in Section 3. (b) If the inflation rate deviates, during six consecutive months, from the range determined by the Government as per Section 3(b), said periodic report shall include details about the reasons for the deviation, the policy that the Committee has adopted to readjust the inflation rate to the determined range, and the Committee's estimate of the period of time required for the attainment of this result; for this purpose, "deviation of the inflation rate" is the change between the Index most recently published before the date of the calculation and the Index published in the same month of the preceding year.
Parliamentary hearings	Yes.	Bank of Israel Law (2010), section 55 c: The Knesset Finance Committee shall discuss the report presented under this Section, with the participation of the Governor, immediately after the report is presented; if a report as per Subsection (b) is submitted, the discussion shall take place with the participation of the Minister of Finance as well.
Other	No.	
Transparency	Yes.	
Publication of votes	Yes.	The overall voting count of the MPC is published but not with the identification of individual MPC members
Publication of minutes	Yes.	The BOI publishes the minutes of the discussions regarding the determination of the interest rate. The minutes are published about two weeks after the announcement of the interest rate. The publication of the minutes of the interest-rate discussions, in the format adopted by the CBs of the advanced economies throughout the world, is intended to increase the transparency of the BOI's interest-rate policy, and together with other of the BOI's publications will enable the public, the Knesset (Israel's unicameral parliament), and the government to deepen their understanding of that policy.
Publication of inflation forecasts	Yes.	The Staff publishes a forecast, on quarterly basis, that includes an inflation forecast for the upcoming year and for 2 subsequent years. The Monetary Policy Reports include a section with these forecasts. The Monetary Committee presents the government and the Knesset Finance Committee no less than twice annually a report on the monetary policy. The report includes a survey of developments in the field of price stability and economic developments in the time period covered by the report, and the policy that the Committee believes necessary for the maintenance of price stability within the range determined by the government and for the attainment of the BOI's other objectives. The reports are issued about a month after the end of each half-year. Appendices to the report contain tables with updated figures, which are used by policymakers. The BOI generally published this report before the Committee's appointment as well.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set the exchange rate in transactions with their clients.

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Spot exchange market	Yes.	The spot exchange market is unregulated and operates in an identical manner to developed country markets. Foreign exchange bureaus are licensed by the MOF; their activities are generally unrestricted, and several hundred bureaus are in operation. Foreign exchange bureaus may not make foreign exchange transactions directly with the BOI. They may maintain accounts abroad and make foreign currency transfers on behalf of their clients. They are subject to the Money-Laundering and Terrorism Financing Prohibition.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The interbank market operates freely with no formal framework. As of December 31, 2022, there were 11 local market-maker banks and between 30 and 40 foreign financial institutions that were also active at times, as well as a few brokers. The BOI monitors the foreign exchange market (daily volume, volatility, bid-offer spreads, and so on) to ensure its orderly functioning.
Over the counter	Yes.	The interbank market operates freely; there is no formal framework.
Brokerage	Yes.	The interbank market operates freely; there is no formal framework.
Market making	Yes.	The interbank market operates freely; there is no formal framework.
Forward exchange market	Yes.	The BOI does not participate in the foreign exchange derivatives market. There are reporting requirements for transactions in spots, swaps, and new shekel–foreign currency forwards. The BOI had previously introduced US$/NIS swaps in 2020 to confront high dollar liquidity pressures.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.

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Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.
Barter agreements and open accounts	No.
Administration of control	No.
Payments arrears	No.
Official	No.
Private	No.
Controls on trade in gold (coins and/or bullion)	No.
On domestic ownership and/or trade	No.
On external trade	No.
Controls on exports and imports of banknotes	No.
On exports	No.
Domestic currency	No.
Foreign currency	No.
On imports	No.
Domestic currency	No.
Foreign currency	No.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Banks are required to keep a record of the accounts of residents in areas under autonomous Palestinian administration and to report these accounts according to the same principles that apply to nonresident accounts.
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	No.
Domestic currency accounts	Yes.

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Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Generally, a license is not required for importing goods, except goods which are prohibited for import or specifically require a license or an import permit according to the free import order 2014.
Positive list	No.	
Negative list	Yes.	There is a list of products that are prohibited for import. Government policy is to encourage free trade including imports. However, there are products whose import the state has banned as a result of unwanted use or danger to the public. The prohibited items for import are defined in the Customs Order (Prohibition of Importation) 2005, under the authority of the Minister of Finance. The order lists the prohibited goods for import at several levels, in some cases it defines the detail of the customs and the prohibited goods and in other cases it defines the designation of the prohibited goods for import. In addition, there are prohibited products that are not included in the order: Law for the Prevention of Asbestos and Harmful Dust Hazards 2011; Import and Export Order (Prohibition of Importing Fireworks Di Nur) 2015; and Import and Export Order (Airsoft Import Prohibition) (Temporary Order) 2021.
Open general licenses	Yes.	According to the provisions of the Free Import Order 2014, an exemption from proof of compliance of the import legality can be requested, depending on the government office in question, the type of goods and the purpose of the goods. These are exemptions from proving compliance with the conditions set out in the law, but the essential obligation remains unchanged. In this area, there are exemptions in the field of standards, in the field of sensitive food or exemptions set forth in the Licensing of Services and Professions Law in the Automotive Industry and more.

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Licenses with quotas	Yes.	There are quantitative restrictions on imports from countries with which Israel does not have diplomatic relations, mainly on fabrics and bedding from Pakistan and Bangladesh and polyethylene from the Gulf countries.
Other nontariff measures	Yes.	Israel has taken steps to reduce tariffs and nontariff barriers. With the exception of agricultural products, imports are free of quantitative restrictions. A special regime applies to imports from countries that restrict or prohibit imports from Israel. Most of Israel's trade is covered by bilateral FTAs; additional FTAs with neighboring countries are under consideration.
Import taxes and/or tariffs	No.	
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Except for exports of oil and certain defense equipment, most exports do not require licenses.
Without quotas	Yes.	Licenses for exports of oil and certain defense equipment are without quotas.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	

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Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

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Capital Transactions

Controls on capital transactions	Yes.	Residents' investments abroad are subject to reporting requirements pertaining to financial assets and direct investment balances and purchases and realization of such assets above a certain threshold.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The purchase of shares and other securities of a participating nature by nonresidents may be affected by the laws on inward direct investment and establishment.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	There are reporting requirements for transactions in spots, swaps, and new shekel–foreign currency forwards.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	

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Purchase locally by nonresidents	No.	There are reporting requirements for transactions in spots, swaps, and new shekel–foreign currency forwards.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) establishment of branches by nonresident investment advisors and marketing, portfolio management, and pension fund management service providers; (2) establishment of branches by nonresident private pension funds; (3) air transportation, in which foreign equity participation is limited to 49% of capital; (4) maritime transportation, to the extent that (a) acquisition of 49% or more in Israeli flag vessels is reserved for Israeli residents and (b) port services at international shipping ports open to the general public must be majority controlled by Israelis; (5) telecommunication services, to the extent that (a) for international communication services, foreigners may hold no more than 49% of the controlling interest and at least 26% of the control must be held by resident Israelis; (b) for domestically licensed fixed line operators, controlling interest must be held by an Israeli individual or a company incorporated in Israel in which an Israeli individual holds at least a 20% interest; (c) for radio and mobile telephone services, in which at least 20% of the shares must be held by resident Israelis; (d) for satellite broadcasting, in which at least 26% of the controlling interest must be held by resident Israelis; (e) in cable broadcasting, in which (i) at least 26% of the controlling interest must be held by resident Israelis and (ii) a foreign government shareholder may not be granted a license, unless the minister of communications authorizes indirect holdings of up to 10% by such an applicant; and (f) in commercial television and regional radio, in which at least 51% of the controlling interest must be held by resident Israelis; and (6) electricity generation, in which the maximum investment, direct or indirect, by a nonresident in a company licensed to transmit, distribute, or produce a substantial amount of electricity is determined by the minister of national infrastructure; the controlling

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		interest must be held by resident Israelis.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	The acquisition of land by foreign nationals is subject to approval of the Israel Land Administration Council.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	There is a reporting requirement for spot derivative transactions.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The same reserve requirement ratios apply to bank accounts held by residents and nonresidents. The reserve ratio depends on the type of deposit: 6% on current accounts, 3% on a deposit with a term of one week to one year, and no reserve is required on deposits of more than one year. However, reserve requirements against resident foreign exchange accounts are denominated in local currency, whereas reserve requirements against nonresident foreign exchange accounts are denominated in foreign currency.

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Liquid asset requirements	Yes.	The ratio of foreign currency liquid assets to foreign currency net cash outflow for a repayment period of up to one month may not be less than 1. Banks are subject to the Basel III LCR requirement.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	The same reserve requirement ratios apply to bank accounts of residents and nonresidents. The reserve ratio depends on the type of deposit: 6% on current accounts, 3% on a deposit with a term of one week to one year, and no reserve is required on deposits of more than one year. However, reserve requirements against resident foreign exchange accounts are denominated in local currency, whereas reserve requirements against nonresident foreign exchange accounts are denominated in foreign currency.
Liquid asset requirements	Yes.	Banks must have an overall liquidity management policy. The ratio of liquid assets to net cash outflow (including accounts held by residents and nonresidents) for a repayment period of up to one month may not be less than 1. Banks are subject to the Basel III LCR requirement.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	There are limits on banks' investments in nonfinancial companies (including insurance companies).
Abroad by banks	Yes.	
In banks by nonresidents	Yes.	No person may have control of more than 5% of a particular category of means of control of a banking corporation or bank holding corporation, except with a permit from the governor of the BOI after consultation with the Licenses Committee.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investments in securities issued by nonresidents are allowed only in countries with a sovereign rating of BBB or higher.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investments in securities issued by nonresidents are allowed only in countries with a sovereign rating of BBB or higher.
Limits (max.) on investment portfolio held abroad	No.	

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Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.

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Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	n.r.
For current transaction	No.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and	Yes.

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trading platforms	
Domestic exchanges	Yes.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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ITALY

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		March 27, 1947.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Italy has not adopted autonomous sanctions regimes. In accordance with EU regulations and the relevant UNSC resolutions, restrictive measures are maintained with respect to: (1) Belarus (since September 24, 2004), in the form of freezing of funds and economic resources of certain individuals and entities, and an embargo on arms and on goods intended for internal repression; since June 4, 2021, in the form of (a) flight ban for Belarusian airlines over the EU airspace; (b) further freezing of the funds and economic resources of certain individuals and entities; (c) export ban on dual-use goods; (d) restrictions on tobacco export; (e) trading restrictions on oil and potassium products; and (f) financial restrictions; since March 2, 2022, (g) restrictions to the trade of tobacco products, mineral products, potash, wood products, cement products, iron and steel products and rubber products; (h) limitation to dual-use goods and technology, export of goods and technology that might contribute to Belarus's military, technological, defense and security development, and exports to machinery, together with restrictions on the provision of related services; and (i) measures targeting the financial sector, banning a range of financial interactions and transactions with Belarus, and prohibiting the acceptance of deposits from Belarusian natural and legal persons exceeding EUR 100,000; (2) Bosnia and Herzegovina (since March 21, 2011), in the form of (a) asset freeze and prohibition for EU persons and entities to make funds available to certain natural and legal persons; (3) Burundi (since October 1, 2015), in the form of (a) the freezing of funds and economic resources of certain individuals and entities, and the prohibition for EU persons and entities to make funds available to those listed; (4) Central African Republic (since December 23, 2013), in the form of (a) freezing of funds and economic resources of certain individuals and entities; (b) the prohibition for EU persons and entities to make funds available to those listed; and (c) arms embargo; (5) Democratic Republic of the Congo (DRC) (since April 7, 1993), in the form of (a) freezing of funds and economic resources of certain individuals and entities; (b) prohibition for EU persons and entities to make funds and economic resources available to those listed; and (c) embargo on arms; (6) Guinea (Conakry) (since October 27, 2009), in the form of freezing of funds and economic resources of certain individuals and

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entities, and prohibition for EU persons and entities to make funds available to those listed;
(7) Guinea Bissau (since May 31, 2012), in the form of freezing of funds and economic resources of certain individuals and entities, and the prohibition for EU persons and entities to make funds available to those listed;
(8) Iran (since July 26, 2010, April 12, 2011, and July 20, 2023), in the form of (a) freezing of funds and economic resources of certain individuals and entities; (b) the prohibition for EU persons and entities to make funds available to those listed; (c) an embargo on the export of arms, equipment used for internal repression, certain telecommunications equipment, goods and services related to missile technology and nuclear proliferation, and certain metals and software; (d) an embargo on dual-use goods; and (e) the prohibition on the export of components used in the construction and production of unmanned aerial vehicles (UAVs) used by Russia in its war against Ukraine;
(9) Iraq, in the form of (a) freezing of the funds and economic resources of certain individuals and entities; (b) the prohibition for EU persons and entities to make funds available to those listed; (c) a ban on the trade of Iraqi cultural artifacts and other objects of archaeological, historical, cultural, scientific, and religious significance;
(10) Democratic People's Republic of Korea (DPRK) (since 2006), in the form of (a) freezing of the funds and economic resources of certain individuals and entities; (b) the prohibition for EU persons and entities to make funds available to those listed; (c) an embargo on arms, goods, dual-use goods, luxury goods, crude oil, and services related to missile technology and nuclear proliferation;
(11) Lebanon (since August 11, 2006), in the form of an arms embargo; and (since July 30, 2021) in the form of (a) freezing of the funds and economic resources of certain individuals and entities; (b) the prohibition for EU persons and entities to make funds available to those listed; and (c) an arms embargo;
(12) Libya (since February 26, 2011), in the form of (a) freezing of the funds and economic resources of certain individuals and entities; (b) the prohibition for EU persons and entities to make funds available to those listed; (c) an embargo on the export of arms and equipment used for internal repression; and (d) restrictions on the trade of oil and oil-derived products;
(13) Mali (since September 28, 2017), in the form of freezing of the funds and economic resources of certain individuals and entities, and the prohibition for EU persons and entities to make funds available to those listed;
(14) Myanmar (since October 28, 1996), in the form of (a) freezing of the funds and economic resources of certain individuals and entities; (b) prohibition for EU persons and entities to make funds available to those listed; and (c) embargo on arms, dual-use goods, equipment used for internal repression, and certain telecommunications equipment;
(15) Niger (effective October 23, 2023), in the form of freezing of the funds and economic resources of certain individuals and entities, and the prohibition for EU persons and entities to make funds available to those listed.
(16) Nicaragua (since October 14, 2019), in the form of (a) freezing of funds and economic resources of certain individuals and entities; and (b) the prohibition for EU persons and entities to make funds available to those listed;
(17) Russia (since July 31, 2014), in the form of (a) limited access to EU primary and secondary capital markets for certain Russian banks

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and companies; (b) export and import ban on trade in arms; (c) export ban for dual-use goods for military use or military end users in Russia; (d) restrictions on the trade of sensitive technologies and services that can be used for certain types of oil production and exploration; since February 22, 2022, further sectoral restrictive measures in the form of (a) broad financial limitations; (b) ban on dual-use goods export; (c) trade limitations on oil, gold, coal, solid fossil fuels, iron, steel, gold and luxury goods; (d) restrictions in the aviation, maritime navigation and road transport sectors; (e) suspension of broadcasting activities and licenses of several disinformation outlets; (f) prohibition on the direct or indirect import, purchase or transfer of diamonds including jewelry from Russia; (g) prohibition for EU operators of re-exportation for use in Russia of certain goods.
(18) Somalia (since January 23, 1992) in the form of (a) asset freeze and the prohibition to make funds available to certain individuals and entities; (b) export ban on the trade of arms; (c) ban on charcoal imports; (d) import ban on improvised explosive devices components.
(19) South Sudan (since May 7, 2015), in the form of (a) asset freeze and prohibition for EU persons and entities to make funds available to certain natural and legal persons; and (b) export ban on the trade of arms;
(20) Sudan (since March 15, 1994), in the form of (a) asset freeze and the prohibition for EU persons and entities to make funds available to certain natural and legal persons; and (b) export ban on trade in arms;
(21) Syria (since May 27, 2013), in the form of (a) asset freeze and the prohibition for EU persons and entities to make funds available to certain natural and legal persons; (b) embargo on arms and equipment used for internal repression; (c) restrictions within the scope of banking and insurance relationships between EU Member States and Syria; (d) restrictions on financing and financial assistance related to certain telecommunications systems or to the construction of new power plants; (e) restrictions on trading of oil and oil-derived products, precious minerals, precious metals and luxury goods; and (f) restrictions on investments related to oil exploration and production and to power plant construction.
(22) Tunisia (since January 31, 2011), in the form of asset freeze and prohibition for EU persons and entities to make funds available to certain natural and legal persons;
(23) Turkey (since October 14, 2019), in the form of freezing of funds and economic resources of certain individuals and entities;
(24) Ukraine (since March 5, 2014; March 17, 2014; June 23, 2014, with the addition of further measures since February 2022) in the form of (a) freezing of funds and economic resources of certain individuals and entities; (b) import ban on goods from Crimea and Sevastopol; (c) export ban on certain goods to Crimea and Sevastopol; (d) restrictions on trade and investment in specific economic sectors and infrastructure projects in Crimea and Sevastopol, and the prohibition against the supply of tourism services in Crimea or Sevastopol; and (e) since February 23, 2022, an import ban on goods originating in the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine;
(25) Venezuela (since November 13, 2017), in the form of (a) freezing of the funds and economic resources of certain individuals and entities; and (b) embargo on the exports of arms and military equipment used for internal repression, and certain telecommunications equipment;
(26) Yemen (since December 18, 2014) in the form of (a) freezing of

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		funds and economic resources of certain individuals and entities; (b) the prohibition for EU persons and entities to make funds available to those listed; and (c) an arms embargo. (27) Zimbabwe (since February 18, 2002), in the form of (a) an embargo on the export of arms and military equipment used for internal repression; (b) freezing of the funds and economic resources of certain individuals and entities; and (c) the prohibition for EU persons and entities to make funds available to those listed; (28) Individuals and entities connected with the proliferation of chemical weapons (since October 15, 2018), in the form of (a) freezing of the funds and economic resources of certain individuals and entities; and (b) the prohibition for EU individuals and entities to make funds available to those listed; (29) Individuals and entities responsible for cyberattacks (since May 17, 2019) threatening the EU or its Member States in the form of (a) freezing of the funds and economic resources of certain individuals and entities; and (b) the prohibition for EU persons and entities to make funds available to those listed; (30) Terrorist groups in the form of (a) freezing of funds and economic resources; and (b) prohibition for EU persons and entities to make funds available to persons and entities associated with Osama bin Laden, Al-Qaida, Hamas, Palestinian Islamic Jihad, and the Taliban, and to certain individuals, groups, and entities, with a view to combating terrorism; and (31) Individuals, entities, and bodies - including state and non-state actors - responsible for, involved in, or associated with serious human rights violations and abuses worldwide, regardless of where they occurred, in the form of (a) freezing of funds and economic resources; and (b) prohibition for EU persons and entities to make funds available to those listed.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Italy is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal		

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bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Italy participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes euro foreign exchange reference rates on every working day, except on TARGET closing days. The reference rates are based on a regular daily concertation procedure between CBs across Europe. The euro foreign exchange reference rates are determined by the ECB daily at around, effective April 3, 2023, 14:10 Central European Time (CET) (previously 14:15 CET), and are published at around 16:00CET. The reference rates are broadly used by the Italian public administration for administrative and fiscal purposes.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		

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Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	Price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Italian banks deal freely in the foreign exchange market. Banks are authorized by the CB to perform their general activities. Their operations are not limited to the purchase and sale of banknotes; they may also make foreign currency payments and transfers on behalf of their clients.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Dealers may freely determine their exchange rates. No data are available on the number of banks that deal on the OTC foreign exchange market.

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Over the counter	Yes.	The interbank foreign exchange market operates over the counter.
Brokerage	Yes.	
Market making	Yes.	
Forward exchange market	Yes.	Premiums and discounts in the forward exchange market are determined by the interplay of market forces.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	Transfers in cash or bearer instruments of, effective December 29, 2022, €5,000 (previously, it was reduced to €2,000 from €3,000 on October 26, 2019) or more may be made only through banks, electronic money institutions, or payment institutions, provided they do not perform money remittance services, and the Poste Italiane S.p.A. For money remittance services, the applicable threshold is €1,000.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	Yes.	Italy maintains clearing accounts with Croatia and Slovenia. These accounts are used for trade in cross-border areas. The balances in these accounts may be used only to finance trade between certain districts of Croatia and Slovenia and the Italian province of Trieste. The balances are not transferable. There is no automatic mechanism by which outstanding balances are settled within 90 days. Only Italy is allowed to maintain a debit balance on these accounts.
Barter agreements and open accounts	No.	
Administration of control	No.	Residents are allowed to conduct foreign exchange transactions freely, with settlements effected either indirectly—through the Bank of Italy (BOI), other financial intermediaries, or the Poste Italiane S.p.A.—or directly by drawing on external accounts or by offsetting debits and credits vis-à-vis other residents or nonresidents. Data on all transactions exceeding the equivalent of €15,000 must be registered and reported for fiscal purposes. Payments in cash or bearer instruments, when the amount exceeds, effective December 29, 2022, €5,000 (previously €2,000), may be made only through

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		authorized financial institutions.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Domestic purchases and sales of gold exceeding the equivalent of €12,500 must be declared to the BOI's financial information unit (Unità di Informazione Finanziaria) for AML purposes.
On external trade	Yes.	Purchases and sales of gold exceeding the equivalent of €12,500 must be declared to the financial information unit (Unità di Informazione Finanziaria).
Controls on exports and imports of banknotes	No.	Residents and nonresidents may take into or out of the country unlimited amounts of cash and securities in euros and/or foreign currency. For fiscal and AML purposes, the physical transfer of cash and/or securities exceeding the equivalent of €10,000 must be declared in writing on entry or departure, and the declaration must be submitted to the customs agency (Agenzia delle Dogane). For transfers by mail, the declaration must be submitted to the Poste Italiane S.p.A. or other postal service providers, which in turn transmit the information to the customs agency.
On exports	No.	
Domestic currency	No.	Residents and nonresidents may take into or out of the country unlimited amounts of cash and securities in euros and/or foreign currency. For fiscal and AML purposes, the physical transfer of cash and/or securities exceeding the equivalent of €10,000 must be declared in writing on entry or departure and the declaration submitted to the customs agency.
Foreign currency	No.	Residents and nonresidents may take into or out of the country unlimited amounts of cash and securities in euros and/or foreign currency. For fiscal and AML purposes, the physical transfer of cash and/or securities exceeding the equivalent of €10,000 must be declared in writing on entry or departure and the declaration submitted to the customs agency.
On imports	No.	
Domestic currency	No.	Residents and nonresidents may take into or out of the country unlimited amounts of cash and securities in euros and/or foreign currency. For fiscal and AML purposes, the physical transfer of cash and/or securities exceeding the equivalent of €10,000 must be declared in writing on entry or departure and the declaration submitted to the customs agency.
Foreign currency	No.	Residents and nonresidents may take into or out of the country unlimited amounts of cash and securities in euros and/or foreign currency. For fiscal and AML purposes, the physical transfer of cash and/or securities exceeding the equivalent of €10,000 must be declared in writing on entry or departure and the declaration submitted to the customs agency.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	No.	

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Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports are governed by EU regulations, under which most imports are free of licensing and quantitative restrictions, except licensing for textiles (from the DPRK), licensing for agricultural products and licensing for dual-use items from Iran, according to Regulation (EU) No. 267/2012 and its amendments, included in the scope of the implementing measures of the CAP. Imports of certain iron and steel products originating in certain third countries are governed by EU regulation and are subject to presentation of a surveillance document. Imports of endangered wild fauna and flora (under CITES) are governed by EU regulations and are subject to ministerial authorization.
Positive list	No.	
Negative list	Yes.	Commission Implementing Regulation (EU) No. 888/2014 prohibits

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		introduction into the EU of certain species of wild fauna and flora. Decrees of the Ministry of the Environment of April 19, 1996, and April 26, 2001, list the prohibited species (dangerous live animals). For agricultural products, conditions for importation are established in Annex II of Regulation (EC) No. 376/2008.
Open general licenses	No.	
Licenses with quotas	Yes.	Licenses are required for textiles (from DPRK) (Regulation (EU) No. 2015/936 amended by Regulation (EU) No. 2017/354) and wood (from Russia) (Regulation (EU) No. 498/2012).
Other nontariff measures	Yes.	Surveillance documents are required for certain iron and steel products originating in certain third countries.
Import taxes and/or tariffs	Yes.	
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports of endangered wild fauna and flora (under CITES) are governed by EU regulations and are subject to ministerial authorization. Exports of dual-use goods are subject to ministerial authorization according to Regulation (EU) No. 428/2009 and its amendments. Exports of agricultural products are established in Annex II of Regulation (EC) No. 376/2008.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

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Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.

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Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	According to the Consolidated Law of Finance (Legislative Decree No. 58 of February 24, 1998, TUF), if mutual funds are covered under EU directives (UCITS and the AIFMD), the CONSOB (Italian Securities and Exchange Commission, Commissione Nazionale per le Società e la Borsa) must be notified before the offering.

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	With respect to nonresidents, controls apply to (1) majority participation or controlling interest in companies that publish daily newspapers and periodicals; (2) licenses for audiovisual communications firms headquartered in a non-EU country; (3) majority participation by non-EU residents in companies licensed for television and sound-radio broadcasting and participation by non-EU residents in companies that are not legal persons and are licensed for television and sound-radio broadcasting; (4) acquisition of aircraft in Italy by foreigners and foreign ownership exceeding one-third of the capital of companies possessing such aircraft; (5) airlines established in the country, which must be majority owned and effectively controlled by EU states and/or nationals of EU states, unless otherwise indicated through an international agreement to which the EU is a signatory; (6) purchases by foreigners other than EU residents of a majority interest in Italian flag vessels or of a controlling interest in ship-owning companies headquartered in Italy; (7) purchases of Italian flag vessels used to fish in Italian territorial waters; and (8) establishment of branches, agencies, etc., of securities investment companies. In accordance with EU legislation, whatever the potential acquirer's nationality (resident or nonresident), acquisition of holdings in the financial sector requires prior authorization by the relevant supervisor (for banks, by the ECB, with a preliminary investigation by the BOI; for investment firms

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		and asset management companies, the BOI; for insurance companies, the Institute for the Supervision of Insurance Companies) if the holding (a) equals or exceeds 10%, 20%, 30%, or 50% of the target entity's capital or voting rights or (b) confers the power to exert significant influence over the target entity. Authorization is also needed if control is gained as a result of acquisition of holdings or contracts or through other bylaw provisions. Regulation (EU) 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments. The Italian government enacted Law Decree No. 23, setting forth new provisions impacting the Golden Power and in general the FDI screening mechanisms in light of COVID-19. The Decree has expanded the obligation to communicate to the government any acquisition (or share deal) and asset deal, by EU and extra-EU entities, of shareholdings in companies operating assets falling in the sectors defined in accordance with the Article 4 of the Regulation (EU) 2019/452, which include critical technologies and dual-use items, including artificial intelligence, robotics, semiconductors, cybersecurity, aerospace, energy storage, quantum and nuclear technologies as well as nanotechnologies and biotechnologies, food security, access to sensitive information, including personal data, freedom and pluralism of the media and financial, credit and insurance sectors. The Decree now allows the Italian government to initiate Golden Power reviews independently and in the absence of a notification. The Decree has provisionally extended the scope of the existing filing requirements for transactions concerning sectors of energy, transportation, communications, as well as the European sectors mentioned above, also to EU entities. In particular, until December 31, 2020, any acquisition of shares, resolution, and transaction adopted by any EU or extra-EU entity holding strategic assets in the sectors of energy, transportation and communications, as well as high tech is subject to a foreign investment filing if: (1) resulting in change of control, ownership, or destination of use of assets above and (2) for extra-EU investments, the acquisition is at least 10% of share capital or voting rights and the total investment value is equal to or higher than one million euros, while for European entities, the investment results in control of the targeted company. Decree No. 23 was extended by Law No. 176/2020 until June 30, 2021, by Decree No. 56/2021 until December 31, 2021, and by Decree No. 228/2021 until December 31, 2022 (effective January 1, 2022). The provisions on the Golden Power contained in Decree No. 23 were incorporated in Law Decree No. 21/2022 effective March 21, 2022.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Commercial banks and other credit institutions are subject to EU and national prudential regulations in accordance with the Basel Committee on Banking Supervision core principles for effective banking supervision and the Basel Accord (International Convergence of Capital Measurement and Capital Standards). The Consolidated Law on Banking (Legislative Decree No. 385/1993, Testo Unico Bancario (TUB)), as well as BOI Circular No. 285 of December 17, 2013 (as amended), and Circular No. 286 on prudential reporting transpose into the national regulatory framework the provisions in CRD IV—Directive 2013/36/EU concerning authorization of credit institutions, acquisition of qualified holdings in a credit institution, cross-border activities, internal capital and liquidity adequacy assessment processes, corporate governance, risk management and control, remuneration policies and practices, capital buffers, prudential supervision, supervisory review and evaluation processes, and sanctions. The present framework has been recently reviewed to implement the new CRD V requirements (Directive (EU) No. 2019/878 of the European Parliament and of the Council of May 20, 2019, Amending Directive 2013/36/EU as regards Exempted Entities, Financial Holding Companies, Mixed Financial Holding Companies, Remuneration, Supervisory Measures and Powers, and Capital Conservation Measures). The CRD V requirements regarding the financial holding companies, the mixed financial holding companies, and Intermediate EU parent company (Articles 21a and 21b of the Directive (EU) No. 2019/878 of the European Parliament and of the Council of May 20, 2019) were transposed into the Italian legislation by means of the Legislative Decree No. 182/2021. The national framework was amended via BOI's implementing provisions (Circular No. 285, Part I, Chapters 2 and 4, as updated in July 2022). Regarding the provisions concerning interest risk arising from non-trading book activities, references have been updated in the national framework (Circular No. 285, Part I, Title III, Chapter 1, and Title IV, Chapter 3, as updated in December 2023) to the aspects that will be supplemented with the Delegated Regulations to be adopted by the Commission (in accordance with Article 84(5) and Article 98(5a) of Directive 2013/36/EU). Moreover, provisions concerning own funds, own funds requirements, liquidity requirements, leverage, large exposures, and public disclosure obligations are laid out in the CRR — EU CRR No. 575/2013.

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(1) A reform of "Banche Popolari" (a particular form of nonprevalent mutual cooperative bank) was approved by the parliament (Decree-Law No. 3/2015 converted to Law No. 33/2015); in December 2016, in particular, the reform introduced an obligation for Banche Popolari with consolidated assets exceeding €8 billion to become joint-stock companies. Following the enactment of primary legislation, the BOI's implementing provisions went into effect, completing the legal framework by providing the necessary prudential rules and guidelines for the banks concerned.
(2) Decree-Law No. 18 of February 14, 2016, converted by Law No. 49 of April 8, 2016, introduced significant innovations in the Italian cooperative banking sector fostering the consolidation of the "Banche di Credito Cooperativo" (BCCs) and providing for the establishment of cooperative banking groups. According to the regulatory framework, each Italian BCC must either join a cooperative banking group to hold a banking license, become a joint-stock company, or liquidate. The parent company of the cooperative banking group must be a joint-stock company, with a banking license and net capital not less than €1 billion. The provisions of BOI Circular No. 285, as amended, aligned the rules applicable to cooperative banks on an individual basis to the reform of cooperative banking groups. Decree-Law No. 119 of October 23, 2018, amended the reform and allowed BCCs established in the Italian Region of Trentino Alto-Adige to create an institutional protection scheme (IPS) instead of joining a cooperative banking group to take into account particular features of the mutual banks located in that region.
(3) Directive 2014/92/EU on the comparability of fees related to payment accounts, payment account switching, and access to payment accounts with basic features (Payment Accounts Directive—PAD) was implemented in Legislative Decree No. 37 of March 15, 2017, which aims to enhance customer protection and financial inclusion.
On August 3, 2017, the BOI adopted implementing provisions (amending its provisions for banks and financial intermediaries on transparency and correct customer relations, originally issued July 29, 2009) to (a) enhance customer protection by ensuring continuity of payment services in the event of divestment of branches of business and (b) clarify the discipline of basic payment accounts, also regulated by Ministerial Decree No. 70 of May 3, 2018, which introduced detailed provisions regarding consumer access to a payment account with basic features. In June 2019, the BOI adopted implementing provisions (amending its provisions for banks and financial intermediaries on transparency and correct relations with customers, originally issued July 29, 2009) to ensure that adequate information is delivered to consumers on payment account fees.
(4) Directive (EU) 2015/2366 on payment services in the internal market (Revised Payment Service Directive—PSD2), complemented by Regulation (EU) 2015/751, was transposed into Legislative Decree No. 218 of December 15, 2017. In particular, the regime (a) regulates the new payment services set out in the Directive; (b) aligns the electronic money distribution regime applicable to banks with those already applicable to electronic money institutions; (c) imposes EU payment institutions operating on an EU member state territory through agents under the right of establishment to appoint a central contact point, under certain conditions, to ensure adequate communication and information reporting; (d) strengthens customer protection in the event of unilateral changes to contract terms; and (e) prohibits additional fees for specified payment methods. In March 2019, the BOI adopted implementing provisions (amending its provisions for banks and financial intermediaries on transparency and

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correct relations with customers, originally issued July 29, 2009) to ensure that customers receive adequate information regarding payment services.
In July 2019, the BOI issued a regulation amending supervisory provisions for payment institutions and electronic money institutions and updated Circular No. 285 on supervisory provisions for banks to implement the Revised Payment Service Directive provisions applicable to banks.
(5) The Banking Recovery and Resolution Directive (BRRD) was transposed (Legislative Decree Nos. 180 and 181). In particular, Decree No. 180/2015 (a) requires banks to meet at all times a prudential requirement on their own funds and liabilities to ensure resolution actions' effectiveness; (b) empowers resolution authorities to assess banks' resolvability and impose a wide range of measures to remove any impediment to their resolvability (for example, requirement to divest specific assets; restrict or prevent the development of business lines or products; require changes to legal or operational structures); and (c) provides that banks must contribute annually to the National Resolution Fund. The Deposit Guarantee Scheme Directive (DGSD) (Legislative Decree No. 30) requires banks to contribute annually to a deposit guarantee scheme; if a bank fails to do so, the ECB may, as a last resort, withdraw its banking license.
Directive (EU) 2017/2399 of the European Parliament and of the Council of December 12, 2017, amended Directive 2014/59/EU as regards the ranking of unsecured debt instruments in the insolvency hierarchy. The directive promotes the harmonization of the creditors' hierarchy across national insolvency laws, introducing a new layer of unsecured debt instruments that ranks senior to subordinated debt and junior to senior preferred notes and any claims benefiting from legal or statutory preferences. The directive was transposed into Article 12-bis of the TUB by Law No. 205 of December 27, 2017, which created a new class of nonpreferred senior debt ("strumenti di debito chirografario di secondo livello") ranked in insolvency proceedings above own funds instruments and subordinated liabilities that do not qualify as own funds instruments, but below other senior liabilities.
Directive (EU) 2019/879 amended Directive 2014/59/EU as regards the minimum requirement of own funds and eligible liabilities that banks should fulfill to have enough loss-absorbing and recapitalization capacity in the event of resolution. This Directive was transposed into the Italian framework, by Legislative Decree No. 193, which, inter alia, (a) required banks subject to resolution strategy to build-up a minimum requirement of own funds and eligible liabilities (this requirement will enter into force in 2024, but an intermediate requirement applies as of 2022), (b) introduced some amendments to certain provisions implementing Directive BRRD, relating, notably, to liabilities governed by non-EU law and moratorium, and (c) introduced a minimum denomination amount of €150,000 and €200,000 for, respectively, senior non-preferred debt and subordinated debt instruments issued by banks.
(6) Following the transposition of the Mortgage Credit Directive (MCD) relating to residential immovable property (Legislative Decree No. 72), an updated version of the regulation on transparency in banking services and conduct rules between intermediaries and clients entered into force. In particular, such amendments enhanced consumer protection by requiring banks to provide consumers with personalized information about mortgage credit agreements by means of a standardized document (according to the template attached to the MCD) and granting the consumer a seven-day

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		reflection period before the conclusion of the agreement. Also, BOI Circular No. 285/2013 (Supervisory Provisions for Banks) and Circular No. 288/2015 (Supervisory Provisions for Financial Institutions) were updated and provide for the MCD rules on creditworthiness assessment and on the valuation of immovable property for mortgage lending purposes. (7) Regarding the provision of investment services, the Markets in Financial Instruments and Amending Regulation/Markets in Financial Instruments and Amending Directive package on market in financial instruments (Regulation (EU) No. 600/2014 and Directive 2014/65/EU) was transposed into national law by Legislative Decree No. 129 of August 3, 2017, which amended the TUF and entered into force on January 3, 2018. In December 2019, a BOI implementing regulation, which introduces organizational rules for intermediaries providing investment services (banks included) was issued. Circular No. 285 on supervisory provisions for banks was also updated. Such regulation has been revised to complete the transposition of the Investment Firm Directive (IFD) (Directive 2019/2034/EU) on the prudential supervision of investment firms, with specific regard to rules on internal governance and remuneration systems applicable to investment firms. (8) Directive (EU) 2018/843 on AML and CFT was transposed into AML Law No. 231/2007, as amended by Legislative Decree No. 125 of October 4, 2019. The implementation process of the previous directive (Directive EU 2015/849)—with regard to sanctioning procedures, customer due diligence, internal controls, and record keeping —is finalized. The BOI has adopted the following implementing provisions: (a) Regulation of the BOI of March 26, 2019, on organization, procedures and internal control in the field of aAML, which introduces organizational rules for obligated entities and (b) BOI regulation of January 15, 2019, on sanctions and administrative sanctioning procedures; (c) BOI regulation of July 30, 2019, on customer due diligence; and (d) BOI regulation of March 24, 2020, on record keeping. (9) In November 2019, the European Parliament adopted a regulatory package for the (minimum) harmonization of European Covered Bond Framework in EU Member States (Directive (EU) 2019/2162 and Regulation (EU) 2019/2160). The Directive was transposed into national law with the adoption of Legislative Decree No. 190/2021, which amended Law No. 130/1999. The new framework was complemented with level two implementing provisions issued by the BOI (Circular No. 285, Part III, Chapter 3, as amended with the 42nd update of the Circular).
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The open net foreign exchange position is subject to prudential regulations (cf. Article 352, Regulation (EU) No. 575/2013).
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Portfolio investments abroad by life insurance companies and pension funds are subject to prudential regulations.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	Portfolio investments abroad by pension funds are subject to prudential regulations.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The BOI issued a regulation on collective asset management (Regolamento sulla gestione collettiva del risparmio (RGCR)) that is consistent with the EU regulatory framework (as amended). Among other things, the Italian Consolidated Law on Finance specifies that Italian credit funds, which have been permitted to originate loans since 2015, cannot lend to retail consumers and that their lending activity is subject to rules on transparency. It also extends permission to EU AIFs to grant loans in Italy under conditions set out in the law and specified by the above-mentioned RGCR issued by the BOI. Effective November 16, 2022, the RGCR was amended to implement Directive (EU) 2019/1160 amending Directive 2009/65/EC and Directive 2011/61/EU with regard to cross-border distribution of

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		collective investment undertakings. Ministry of Economy and Finance Decree No. 30 of March 5, 2015 (Regulations implementing Article 39 of the Consolidated Law on Finance on the General Criteria that Italian collective investment schemes have to comply—DM 30/2015), was amended effective March 30, 2022, by Ministry of Economy and Finance Decree No. 22 of January 13, 2022, with reference to the access of certain categories of retail investors to investments in collective investment schemes marketed to professional investors to increase the possibility of investments by well-informed and high- and medium-net worth retail investors.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	There are concentration limits: AIFs may not invest in credit toward a single counterparty exceeding 10% of the assets of the fund.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	

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For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	Regulation (UE) 1114/2023 (Markets in Crypto-Assets Regulation, MiCAR) of May 31, 2023, introduces an EU framework applicable to those engaged in the issuance, offer to the public, and admission to trading of crypto assets or that provide services related to crypto assets in the EU. In particular, MiCAR does not apply to tokenized traditional assets; rather, it refers to the following crypto assets: (1) electronic money tokens, which is a type of crypto asset that purports to maintain a stable value by referencing the value of one official currency; (2) asset-referenced tokens, which is a type of crypto asset that is not an electronic money token and that purports to maintain a stable value by referencing another value or right or a combination thereof, including one or more official currencies; and (3) crypto assets other than those referred in to the precedent categories. The Regulation has different application dates starting 2024 (Articles 142 and 149).
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	

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Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	Regulation (UE) 1114/2023 (MiCAR) of May 31, 2023, introduces an EU framework applicable to those engaged in the issuance, offer to the public, and admission to trading of crypto assets or that provide services related to crypto assets in the EU. In particular, MiCAR does not apply to tokenized traditional assets; rather, it refers to the following crypto assets: (1) electronic money tokens, which is a type of crypto asset that purports to maintain a stable value by referencing the value of one official currency; (2) asset-referenced tokens, which is a type of crypto asset that is not an electronic money token and that purports to maintain a stable value by referencing another value or right or a combination thereof, including one or more official currencies; and (3) crypto assets other than those referred in to the precedent categories. The Regulation has different application dates starting 2024 (Articles 142 and 149).
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*10/23/2023*	Restrictive measures in the form of freezing of the funds and economic resources of certain individuals and entities, and the prohibition for EU persons and entities to make funds available to those listed in view of the situation in Niger.

Exchange Arrangement

Official exchange rate	*04/03/2023*	The euro foreign exchange reference rates are determined by the ECB daily at around 14:10 Central European Time (CET) (previously 14:15 CET).

Arrangements for Payments and Receipts

Prescription of currency requirements		
Controls on the use of domestic currency	*12/29/2022*	Transfers in cash or bearer instruments of €5,000 (previously €2,000) or more may be made only through banks, electronic money institutions, or payment institutions, provided they do not perform

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		money remittance services, and the Poste Italiane S.p.A.
Administration of control	*12/29/2022*	Payments in cash or bearer instruments, when the amount exceeds €5,000 (previously €2,000), may be made only through authorized financial institutions.

Capital Transactions

Controls on capital transactions

Controls on direct investment

Inward direct investment	*01/01/2022*	Decree No. 23, which came into force April 8, 2020, was extended by Decree No. 228/2021 until December 31, 2022.
	03/21/2022	The provisions on the Golden Power contained in Decree No. 23 were incorporated in Law Decree No. 21/2022.

Provisions Specific to the Financial Sector

Provisions specific to institutional investors

Investment firms and collective investment funds	*03/30/2022*	Ministry of Economy and Finance Decree No. 30 of March 5, 2015 (Regulations implementing Article 39 of the Consolidated Law on Finance on the General Criteria that Italian collective investment schemes have to comply—DM 30/2015), was amended by Ministry of Economy and Finance Decree No. 22 of January 13, 2022, with reference to the access of certain categories of retail investors to investments in collective investment schemes marketed to professional investors to increase the possibility of investments by well-informed and high- and medium-net worth retail investors.
	11/16/2022	The regulation on collective asset management (Regolamento sulla gestione collettiva del risparmio) was amended to implement Directive (EU) 2019/1160 amending Directive 2009/65/EC and Directive 2011/61/EU with regard to cross-border distribution of collective investment undertakings.

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JAMAICA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		February 21, 1963.
Article VIII	Yes.	Date of acceptance: February 22, 1963.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with Jamaica states that, as of January 25, 2022, Jamaica maintains a multiple currency practice, subject to IMF approval under Article VIII, Section 3 of the IMF's Articles of Agreement, due to the absence of a mechanism to prevent the exchange rates used for the resale of foreign exchange auction funds (capped with a specified spread) by participants and the exchange rates at which such participants sell foreign exchange other than from the foreign exchange auction funds, from deviating by more than 2%. (Country Report No. 22/43)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Jamaica is the Jamaica dollar. There are six denominations of banknotes ($5000, J$1000, J$2000, J$500, J$100, and J$50) and four denominations of coins (J$20, J$10, J$5, and J$1.00).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	The single exchange rate for each day is market determined.
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. The rate of the

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		Jamaican dollar is determined in the domestic foreign exchange market, in which the Bank of Jamaica (BOJ) intervenes occasionally with sales and purchases of foreign currency. The BOJ intervenes occasionally via market auctions. Intervention may be done on both sides of the market. The BOJ announces the auction on the day of the auction by 9:30 a.m., and the results are published on the day by 10:45 a.m. The results are also published in its Annual Report and Quarterly Monetary Policy Report, with a two-month lag. The Bank also publishes, on each intervention date, a list of the foreign exchange intermediaries that participated in the auction, the amounts that each was allotted, and the settlement prices. To improve the transparency of the market, the BOJ, since mid-2019, has published all transactions over US$100,000 and the rate at which these transactions were consummated. There has been no discernible change in BOJ's operations in the foreign exchange market. The intervention process on both sides of the market is transparent. The Bank's intervention in the foreign exchange market has resulted in more net purchases relative to the previous year. Data on BOJ's intervention shows that, over the period May 1, 2022, to April 30, 2023, BOJ net purchased US$1.2 billion from the market, reflecting US$704.1 million in B-FXITT sales. This compares to US$800.6 million in net purchases and US$621.9 million via B-FXITT during the same period in the previous year. BOJ's net purchases from the market occurred in a context of the strong performance on the current account of the balance of payments. Jamaica recorded a current account surplus of 1.9% for fiscal year 2022/2023. This was underpinned by strong recovery in some key sectors of the economy such as Tourism. In addition, remittances inflows remained well above pre-COVID levels, allowing for a strong surplus on the transfers account and, hence, strong inflows via the surrender requirement. Concurrent with the increase in foreign exchange inflows, there was also an increase in foreign currency demand, driven to a large extent by an increase in global commodity prices. It was in this context that the BOJ provided USD liquidity to the market via its foreign exchange intervention sale auctions, to maintain orderly functioning of the financial markets. Notwithstanding the sales to the market, the BOJ was able to build reserves during the period. Since July 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar, with one realignment in March 2023. Therefore, the de facto exchange rate arrangement was reclassified to "crawl-like" from "floating", effective July 5, 2022.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The weighted average selling rate of ADs and cambios is the official rate for customs duty valuation and tax purposes, legal transactions, accounting and foreign exchange transactions with the government. The official rate is calculated daily for use the following business day or until the day after the next calculation and publication of an

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		exchange rate by the BOJ. This information is published via various media and on the BOJ website.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The mandate of monetary policy is the maintenance of price stability or low inflation. The BOJ conducts monetary policy with the aim of achieving a continuous medium-term inflation target of 4%–6% an annum for the next three years. The Bank uses monetary policy tools to meet this target objective. Jamaica's monetary policy framework moved from Inflation Targeting Lite to a full-fledged inflation-targeting regime with the passing of the BOJ (Amendment) Act, 2020, on April 16, 2021. The BOJ (Amendment) Act, 2020, also established the MPC which has the responsibility of making monetary policy decisions to achieve the Government of Jamaica's (GOJ's) inflation target.
Target setting body	Yes.	
Government	Yes.	The inflation target was established by the Minister of Finance and the Public Service (MOFP) in consultation with the BOJ on April 16, 2021. The target is a continuous medium-term inflation target.
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band		
Band/Range	Yes.	The Bank's medium-term inflation target range is 4%–6%.
Target measure	Yes.	
CPI	Yes.	This inflation rate is measured as the 12-month point-to-point change in the CPI published by the Statistical Institute of Jamaica.
Core inflation		
Target horizon	Yes.	The target horizon is three fiscal years (fiscal years 2021/2022–2023/2024).
Operating target (policy rate)	Yes.	The BOJ uses a variety of tools to achieve its inflation target. Since

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		March 1, 2019, the main one is the interest rate on the overnight balances in the current accounts of deposit-taking institutions (DTIs) at the BOJ. Changes in the Bank's policy rate signal the Bank's policy stance toward achieving its inflation objective.
Policy rate	Yes.	Interest is paid on overnight balances in the current accounts of DTIs at the BOJ. The applicable interest rate is the BOJ policy rate. At end-September 2023, the policy rate was 7%.
Target corridor band	Yes.	The floor of the corridor is set as the Bank's policy rate while the ceiling, the interest rate on the overnight standing lending facility, is determined as a spread over the policy rate. The ceiling of the interest rate corridor is 200 basis points (bps) over the policy rate.
Other	No.	
Accountability	Yes.	
Open letter	Yes.	If inflation either falls below the lower end of the target (below 4%) or increases above the upper end of the target (above 6%), the Bank is required to explain to the MOFP and the Jamaican public why the inflation target was missed and the corrective policy actions that will be taken to restore inflation to the target. The Bank is required to notify the MOFP within 60 days of missing the target.
Parliamentary hearings	Yes.	The MPC must publish statements on the performance of the Bank with respect to its monetary policy and achievements in relation to the inflation target, and issue monetary policy updates which are to be submitted to the MOFP every six months, at a minimum, or as may be directed by Parliament. The law guides that the MOFP must, on receipt of the Monetary Policy Statement prepared by the MPC, table a copy in the House of Representatives, following which, in keeping with the statutory provision, the MOFP must refer to the Standing Finance Committee of the House of Representatives.
Other	No.	
Transparency	Yes.	
Publication of votes	No.	
Publication of minutes	Yes.	The MPC must at the end of each meeting, or as soon as practical thereafter, publish on the Bank's website, a summary of the decisions made at the meeting and the reasons, and must further within four weeks of the conclusion of the meeting publish on the Bank's website the Minutes of the meeting.
Publication of inflation forecasts	Yes.	The monetary policy report, published quarterly, describes the Bank's most recent policy decision and outlines the Bank's projections for inflation in Jamaica and the main macroeconomic variables that affect it.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks and other ADs and cambios freely set the exchange rate in transactions with their clients. ADs and cambios are free to determine their foreign exchange commissions and margins with their clients. With regard to the resale of intervention funds, the BOJ reserves the right to determine the spread above the settlement price at which the funds must be resold.

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Spot exchange market	Yes.	The market is operated by ADs, cambios, exchange bureaus (bureaux de change), and the BOJ. As of December 31, 2022, there were 11ADs and 49 cambios. ADs include all commercial banks, merchant banks, and building societies. ADs are authorized to buy, sell, borrow, or lend foreign currency or foreign currency instruments. Cambios are licensed to buy and sell foreign currency. Starting in September 2015, commercial banks have stopped accepting as deposits or purchasing cash from cambios as a result of de-risking by overseas correspondent banks. Proceeds from official loans, divestment of government assets, and taxes on the bauxite sector payable in foreign currency are sold or payable directly to the BOJ. Exchange bureau operations are limited to the exchange of foreign currency notes (for Jamaican dollars) held by hotel guests. As of December 31, 2022, there were 133 exchange bureaus, whose purpose is to facilitate foreign exchange transactions with hotel guests. Exchange bureaus which operate in hotels may purchase only up to US$8,000 or its equivalent in other currencies, in any one transaction. The sale of foreign exchange is limited to reconversion of unused Jamaican dollars from guests. BOJ operates a foreign exchange facility for PSEs where foreign exchange is sold to meet their demand, thereby minimizing volatility in the market. The surrender requirement for ADs under the PSE facility is 15% of ADs' US dollar purchases from commercial clients, and the surrender requirement for cambios under the PSE facility is 10% of their daily foreign exchange purchases from commercial clients. The regular surrender arrangement for both ADs and cambios is 5%. The total minimum surrender obligation for ADs to the BOJ therefore is 20% of daily foreign currency purchases from commercial clients and 15% for cambios. Under the surrender arrangement, the BOJ purchases US dollars, Canadian dollars, pounds sterling, and euros at the applicable mid-day rates. As of April 2019, cambios' foreign exchange purchases' holdings cannot exceed 30% of their five days' gross purchases for all currencies or US$9 million, whichever is less.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The BOJ purchases from and sells foreign exchange to ADs and cambios under the specified terms. The BOJ launched the BOJ Foreign Exchange Intervention Trading Tool (B-FXITT) in July 2017. Transactions are done via an auction mechanism that determines the price, while the BOJ only determines the volume. The rules of the B-FXITT stipulate, inter alia, that each entity is allowed no more than three bids and each bid must be no more than 10% of the auction size and no entity's total bid-volume may exceed 20% of the auction size. The BOJ stopped conducting auctions on a weekly basis on October 17, 2019. The BOJ conducts auctions at short notice, in the event of abnormal or disorderly market conditions. The intermediaries may submit bids to buy or sell foreign exchange from or to the BOJ at a rate determined by the participants. While the framework allows for both the sale and purchase of foreign exchange to and from the market, in the initial stages, the BOJ used the framework for the sale of foreign exchange only. The BOJ started using the framework for the purchase of foreign exchange in April 2018. The BOJ has not used the framework for the purchase of

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		foreign exchange since December 2018. The BOJ introduced a reserve price in the B-FXITT auction to eliminate extreme pricing/bidding, aiming to maintain a rules-based, competitive, multiple price intervention system while eliminating outliers. The reserve price is calculated as a reference rate ± a predetermined spread where bids/offers above and below the highest and lowest reserve price, respectively, are not accepted. In the case of the sell auction, bids are allocated starting with the highest bid price to the lowest bid price, subject to a calculated reserve price, until the operation amount is fully allotted or all bids are fully allocated. All allocated bids are settled at a uniform price which is the lowest allocated bid price (cut-off price).
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spread and commission of market participants. All 11 ADs and 49 cambios as of December 31, 2022, can participate in the interbank market. The trading platform was introduced in December 2020.
Over the counter	Yes.	Institutions may transact with each other directly.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	There was an increase in the number of forward transactions in 2022 relative to 2021. Of the 252 trading days in 2022, there were 141 days on which forward market activity was reported in the USD/JMD compared to 35 days in 2021.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Transactions may take place in all currencies, but the principal currencies accepted in the exchange market are the US dollar, Canadian dollar, pound sterling, and euro. There are no restrictions on the use of foreign currency among residents.
Controls on the use of domestic currency	No.	Economic agents are free to settle all transactions with domestic currency. The Jamaican dollar may be used to conduct and settle all current and capital transactions.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	There are no restrictions on residents' use of foreign currency to settle their foreign-currency-denominated debts or any other obligation.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	

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Regional arrangements	No.	
Clearing agreements	Yes.	The BOJ operates the Systemically Important Payment Systems in Jamaica, including the JamClear systems—Real-Time Gross Settlement (RTGS) and Central Securities Depository. The BOJ provides operational support to the Automated Clearing House (ACH)—another Systemically Important Payment System owned and operated by Automated Payments Limited, a company owned by participating commercial banks. The JamClear RTGS is specifically designed to clear large-value, time-critical payments by financial market participants on accounts held at the BOJ in real time throughout the business day. Payments settled in JamClear RTGS are final and irrevocable. The JamClear systems are fully integrated, facilitating settlement on a delivery versus payment basis of all securities traded in the domestic market. With regard to the ACH, the BOJ acts as (1) participant—negotiating checks drawn on commercial banks, sending and receiving electronic files with check data, and handling direct debits and credits to and from the ACH operator; (2) settlement bank—effecting the settlement of clearing balances on the accounts of commercial banks; (3) overseer—providing oversight to ensure the efficient operations of the clearing system; and (4) supervisor of the manual clearing process—facilitating processing of items that do not qualify for the ACH and for foreign currency checks that qualify for domestic clearing—that is, checks drawn on local commercial banks or their correspondent overseas banks in the four major currencies: US dollars, Canadian dollars, pounds sterling, and euros.
Barter agreements and open accounts	No.	
Administration of control	Yes.	While all residents are free to conduct transactions in foreign currency, only ADs, cambios, and exchange bureaus may undertake the business of trading in foreign exchange. The Minister of Finance may issue directions to specified classes of persons regarding the acquisition of foreign assets and may exempt persons from one or more of the prohibitions outlined in Section 22A(2) of the BOJ Act. Trading in foreign currency by residents and nonresidents must be authorized in their capacity as ADs, cambios, or exchange bureaus. Persons whose acquisition of foreign assets is restricted may acquire them (including foreign securities) only as directed by the Minister of Finance or the BOJ acting under delegated authority from the Minister of Finance. This delegated authority has been exercised for cambios and exchange bureaus.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	There is no restriction on the amount of JMD (Jamaican dollar) that can be taken out of the country, but there are strict reporting and declaration obligations which are implemented through the border control mechanisms, for example, customs.

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Domestic currency	No.	
Foreign currency	No.	There is no restriction on the amount of foreign currency that can be taken out of the country, but there are strict reporting and declaration obligations which are implemented through the border control mechanisms, for example, customs.
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	These are subject to the ordinary tax laws of Jamaica and the foreign country.
Held domestically	Yes.	Residents may maintain foreign exchange accounts domestically, but these are subject to the ordinary tax laws of Jamaica. These accounts facilitate balance transfers abroad. As with the operation of domestic currency accounts, institutions must fulfill know-your-customer (KYC) requirements before accepting foreign currency deposits (Regulation 6(1)(a)(i) The Proceeds of Crime (Money Laundering Prevention) Regulations, 2007); and (Section V of the BOJ's Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)/PF (Proliferation Financing) Guidance Notes—(KYC) Know the Transaction Counterparty Policy and Procedures). In addition, minimum operational standards are determined by the institutions' internal policy. The BOJ AML/CFT/PF Guidance Notes were substantially updated, to, inter alia, incorporate discussions on a risk-based approach and risk assessments and regulatory expectations and licensees' obligations in these regards, and provide guidance on PF, KYC, and customer due diligence (CDD) requirements, AML/CFT obligations of the Boards of Licensees, Politically Exposed Persons, correspondent banking and virtual assets, and nominated officer regime.
Approval required	No.	
Held abroad	Yes.	Residents may maintain foreign exchange accounts abroad, subject to the tax laws of the foreign country. Operations of these accounts are subject to the foreign country's laws and regulations.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents may hold domestic currency deposits abroad. Residents are free to transfer bank balances held abroad to accounts held domestically. The Jamaican dollar is not traded internationally.
Accounts in domestic currency convertible into foreign currency	Yes.	The residents may use Jamaican dollar balances in their account to purchase foreign currency at any time with an AD (including the bank at which the account is held) or a cambio at the rate negotiated with the counterparty.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may hold foreign exchange accounts in Jamaica. Funds from these accounts may be transferred freely between residents and nonresidents as well as between domestically held accounts and those held abroad.
Approval required	No.	
Domestic currency accounts	Yes.	The regulations governing accounts held by residents apply.

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		Nonresidents may hold domestic currency accounts. Institutions must fulfill the necessary KYC requirements before accepting foreign currency deposits (Regulation 6(1)(a)(i) The Proceeds of Crime (Money-Laundering Prevention) Regulations, 2007, and (Section V of the BOJ AML/CFT/PF Guidance Notes—KYC Know the Transaction Counterparty Policy and Procedures). The BOJ AML/CFT/PF Guidance Notes were substantially updated, to, inter alia, incorporate discussions on a risk-based approach and risk assessments and regulatory expectations and licensees' obligations in these regards, and provide guidance on PF, KYC, and CDD requirements, AML/CFT obligations of the Boards of Licensees, Politically Exposed Persons, correspondent banking and virtual assets, and nominated officer regime. In addition, minimum operational standards are determined by the institutions' internal policy. The Jamaican dollar is not traded internationally.
Convertible into foreign currency	Yes.	Jamaican dollar assets may be freely converted to foreign currency assets. The regulations apply equally to nonresidents under the principle of national treatment.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Import licenses are required for pharmaceutical products and for items that endanger public health or security; otherwise, goods may be imported freely without a license. Import licenses are issued by the Trade Board, under the direction of the Ministry of Industry, Commerce, Agriculture, and Fisheries. Imports of motor vehicles require a permit for government statistical purposes. Payments for imports may be made by commercial banks without reference to the BOJ.
Positive list	No.	
Negative list	Yes.	Prohibited items include indecent and obscene prints and base or counterfeit coins of any country. Restricted items, which require a permit prior to importation, include meat, fruits, vegetables,

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		pharmaceuticals, chemicals, herbal teas, firearms, used tires, radios (two-way), coconut derivatives, oil-producing seeds, edible oils, detergent (solid or liquid), motor vehicles, explosives, alcohol in bulk, sugar, human remains, pesticides, and live animals. Imports of bone marrow, brains, and cows older than two and a half years are banned.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The Customs Act, as amended by the Customs Tariff (Revision) (Amendment) Resolution of 2013, applies. Tariff rates are capped at 20% in most cases.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The surrender requirement for ADs under the PSE facility is 15% of ADs' US dollar purchases from commercial clients, and the surrender requirement for cambios is 10% of their daily foreign exchange purchases from commercial clients. The regular surrender arrangement for ADs and cambios is 5%. The total minimum surrender obligation for ADs to the BOJ therefore is 20% of daily foreign currency purchases from commercial clients and 15% for cambios.
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Most goods may be exported without restriction and there are no export quotas. However, specific licenses are required for exports of certain agricultural products, ammunition, explosives, firearms, antique furniture, motor vehicles, mineral and metal ores, paintings, gold bullion, jewelry, ores (minerals and metals including bauxite, alumina, and gypsum), and petroleum products.
With quotas	No.	
Export taxes	No.	

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Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	Yes.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The surrender requirement for ADs under the PSE facility is 15% of ADs' US dollar purchases from commercial clients, and the surrender requirement for cambios is 10% of their daily foreign exchange purchases from commercial clients. The regular surrender arrangement for ADs is 5%. The total surrender obligation for ADs to the BOJ therefore is 20% of daily foreign currency purchases from commercial clients and 15% for cambios.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The surrender requirement for ADs under the PSE facility is 15% of ADs US dollar purchases from commercial clients, and the surrender requirement for cambios is 10% of their daily foreign exchange purchases from commercial clients. The regular surrender arrangement for ADs is 5%. The total surrender obligation for ADs to the BOJ therefore is 20% of daily foreign currency purchases from commercial clients and 15% for cambios.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Residents and nonresidents who intend to make a public offering of securities in Jamaica must register with the Financial Services Commission (FSC). Issuers must provide detailed information about themselves to the FSC and to the public. Persons dealing in such instruments should comply with the Securities Act and, where applicable, the Exempt Distribution Guidelines issued by the FSC. If the issue of debt is undertaken in foreign currency, it is subject to the foreign exchange regime under the BOJ Act.
On capital market securities	Yes.	Residents and nonresidents who intend to make a public offering of securities in Jamaica must register with the FSC. Issuers must provide detailed information about themselves to the FSC and to the public. Persons dealing in such instruments should comply with the Securities Act, unless exempt. Deposit-taking financial institutions are prohibited from investing on behalf of clients. This business is conducted by separate corporate entities. If the issue of debt is undertaken in foreign currency, it is subject to the foreign exchange regime under the BOJ Act.
Shares or other securities of a participating nature	Yes.	Persons issuing shares to the public must comply with the Securities Act, Guidelines and the Companies Act and, if the shares are to be listed, the Jamaica Stock Exchange rules. Persons dealing in such instruments should comply with the Securities Act, unless exempt. An offer must be made to other shareholders of the same class if any person acquires, at once or over a period of time, shares that (taken together with shares held or acquired by persons acting in concert with that person) convey 50% or more of the voting rights of a

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		company or control of the company. Additional requirements apply.
Purchase locally by nonresidents	Yes.	There are no limitations on the acquisition of shares in a company by nonresidents, except shares in locally incorporated commercial banks and other licensed DTIs, no more than 5% of which may be held by a foreign government or an agency of a foreign government without the written approval of the Supervisory Committee. Pursuant to the Banking Services Act (BSA), the Supervisory Committee replaces the Minister of Finance as the supervisory decision-making authority. Effective March 31, 2023, companies are now expressly required to obtain and hold accurate and up to date information on their respective beneficial owners and to file such information with the Companies Office of Jamaica.
Sale or issue locally by nonresidents	Yes.	There are no limitations on the sale or issue of securities by a nonresident, except for the general rules that apply to all issuers of securities pursuant to the Securities Act and its regulations. The sale or issue of debt and equity is a regulated activity. Issuers may also be required to prepare a prospectus pursuant to the Companies Act and comply with the Jamaica Stock Exchange listing rules (if listing on the exchange).
Purchase abroad by residents	Yes.	In the case of individuals and non-financial firms, there are no restrictions on the purchase of bonds and other debt securities abroad. ADs, insurance companies, securities dealers (SDs), credit unions, cambios, exchange bureaus, collective investment schemes (CISs), and pension fund managers may not acquire foreign assets, except in accordance with directives from the BOJ. Commercial banks, merchant banks, and building societies are ADs and have the widest remit to undertake dealings in relation to foreign currency and foreign currency instruments. According to directives from the BOJ, insurance companies and pension funds may acquire securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States, as well as the foreign assets set out in the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Insurance Companies) Directions, and the BOJ (Dealings In Foreign Currency) (Foreign Asset Limit) (Pensions Funds) Directions. Foreign assets may not exceed 10% of the total assets of insurance companies and pension funds. SDs and CISs are allowed to invest in securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States investment grade sovereign obligations, investment grade corporate obligations of entities incorporated outside Jamaica, and shares of such corporations. On April 30, 2021, the permissible investments for SDs and CISs were expanded to include investment grade corporate obligations of entities incorporated in Jamaica and which are foreign exchange earners; publicly traded shares of entities incorporated in Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars that are earners of foreign exchange and whose debts are rated by credit rating agencies as investment grade; BOJ CDs denominated in foreign currency; GOJ guaranteed corporate foreign currency debt instruments issued by corporate entities incorporated in Jamaica, publicly traded shares of corporate entities incorporated outside of Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars, with market capitalization of US$10 billion or greater. The cap on these investment activities for SDs and CISs is 25%. From April 30, 2021, the permissible investments for insurance companies, pensions funds, CISs, and SDs are the same. No directives have been issued to authorize the acquisition of foreign assets by credit unions. Parties

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		not in these categories are not limited in their acquisition of foreign assets but may otherwise be subject to the exemption requirements to proceed with a contemplated transaction once the activity fits the description of an activity under Section 22A(2) and (3) of the BOJ Act. There are limits on investments by the DTI that apply to equity investments. Aggregate shareholdings by the DTI may not exceed 50% of the DTI's capital base, and in any one company or enterprise may not exceed 10% of the DTI's capital base.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	These transactions are subject to the Securities laws. Residents and nonresidents who intend to make a public offering of securities in Jamaica must register with the FSC. Issuers must provide detailed information about themselves to the FSC and to the public. Persons dealing in such instruments should comply with the Securities Act, unless exempt. Deposit-taking financial institutions are prohibited from investing on behalf of clients. This business is conducted by separate corporate entities.
Purchase locally by nonresidents	Yes.	In the case of bonds issued via exempt distribution, both residents and nonresidents must meet the criteria to be eligible to purchase the bonds or debt securities. Otherwise, the Securities Act and the attendant regulations do not impose any restrictions on the purchase of local bonds or debt securities by nonresidents. There is no minimum holding period. The issuance of debt in foreign currency is subject to the foreign exchange regime under the BOJ Act. Effective February 22, 2022, there was a ban on foreign exchange debt issuance in Jamaica. Effective March 4, 2022, the ban was lifted. Effective March 5, 2022, the BOJ requires the issuer of foreign exchange debt in Jamaica to submit: (1) an attestation that the distribution strategy would not create a demand for foreign exchange; (2) a list of the intended sources of subscription across the dealers' client buckets; and (3) following the closure of the transaction, verification of the sources of subscription.
Sale or issue locally by nonresidents	Yes.	As in the case of residents, nonresidents have to comply with the laws applicable to the sale or issue of bonds or debt securities. For example, the Securities Act requires the issuer to be registered with the FSC and the Disclosure of Interest Regulations mandates the filing of information and the periodicity of such filings, and that the issuer provides an information memorandum. Where the sale or issue of debt instruments involves debt denominated in foreign currency, such issues are subject to the foreign currency dealings framework under the BOJ Act. Payments must occur through ADs; instruments must be issued with or by persons licensed under the Securities Act as a SD and must comprise instruments in respect of which SDs have obtained the requisite exemption to deal in. Effective February 22, 2022, there was a ban on foreign exchange debt issuance in Jamaica. Effective March 4, 2022, the ban was lifted. Effective March 5, 2022, the BOJ requires the issuer of foreign exchange debt in Jamaica to submit: (1) an attestation that the distribution strategy would not create a demand for foreign exchange; (2) a list of the intended sources of subscription across the dealers' client buckets; and (3) following the closure of the transaction, verification of the sources of subscription.
Purchase abroad by residents	Yes.	In the case of individuals and non-financial firms, there are no restrictions on the purchase of bonds and other debt securities abroad. ADs, insurance companies, SDs, credit unions, cambios, exchange bureaus, CISs, and pension fund managers may not acquire

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		foreign assets, except in accordance with directives from the MOFP. Commercial banks, merchant banks, and building societies are ADs and have the widest remit to undertake dealings in relation to foreign currency and foreign currency instruments. According to Ministerial directives from the MOF, insurance companies and pension funds may acquire securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States, as well as the foreign assets set out in the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Insurance Companies) Directions and the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Pensions Funds) Directions. Foreign assets may not exceed 10% of the total assets of insurance companies and pension funds. SDs and CISs are allowed to invest in securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States investment grade sovereign obligations, investment grade corporate obligations of entities incorporated outside Jamaica, and shares of such corporations. On April 30, 2021, the permissible investments for SDs and CISs were expanded to include investment grade corporate obligations of entities incorporated in Jamaica and which are foreign exchange earners; publicly traded shares of entities incorporated in Jamaica with shares issued in United States dollars, Great Britain pounds, euro or Canada dollars that are earners of foreign exchange and whose debts are rated by credit rating agencies as investment grade; BOJ CDs denominated in foreign currency; GOJ guaranteed corporate foreign currency debt instruments issued by corporate entities incorporated in Jamaica, publicly traded shares of corporate entities incorporated outside of Jamaica with shares issued in United States dollars, Great Britain pounds, euro or Canada dollars, with market capitalization of US$10 billion or greater. The cap on these investment activities for SDs and CISs is 25%. From April 30, 2021, the permissible investments for insurance companies, pensions funds, CISs, and SDs are the same. No directives have been issued to authorize the acquisition of foreign assets by credit unions. Parties not in these categories are not limited in their acquisition of foreign assets but may otherwise be subject to the exemption requirements to proceed with a contemplated transaction once the activity fits the description of an activity under Section 22A(2) and (3) of the BOJ Act.
Sale or issue abroad by residents	Yes.	The Securities Act and its attendant regulations and the Securities (CISs) Regulations, 2013, apply to residents.
On money market instruments	Yes.	These transactions fall under the regulatory oversight of the Securities Regulator (that is, the FSC).
Purchase locally by nonresidents	Yes.	The issuance of debt in foreign currency is subject to the foreign exchange regime under the BOJ Act. Effective February 22, 2022, there was a ban on foreign exchange debt issuance in Jamaica. Effective March 4, 2022, the ban was lifted. Effective March 5, 2022, the BOJ requires the issuer of foreign exchange debt in Jamaica to submit: (1) an attestation that the distribution strategy would not create a demand for foreign exchange; (2) a list of the intended sources of subscription across the dealers' client buckets; and (3) following the closure of the transaction, verification of the sources of subscription.
Sale or issue locally by nonresidents	Yes.	The issuance of debt in foreign currency is subject to the foreign exchange regime under the BOJ Act. Effective February 22, 2022, there was a ban on foreign exchange debt issuance in Jamaica. Effective March 4, 2022, the ban was lifted. Effective March 5, 2022, the BOJ requires the issuer of foreign exchange debt in Jamaica to submit: (1) an attestation that the distribution strategy

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		would not create a demand for foreign exchange; (2) a list of the intended sources of subscription across the dealers' client buckets; and (3) following the closure of the transaction, verification of the sources of subscription.
Purchase abroad by residents	Yes.	In the case of individuals and non-financial firms, there are no restrictions on the purchase of bonds and other debt securities abroad. ADs, insurance companies, SDs, credit unions, cambios, exchange bureaus, CISs, and pension fund managers may not acquire foreign assets, except in accordance with directives from the MOFP. Commercial banks, merchant banks, and building societies are ADs and have the widest remit to undertake dealings in relation to foreign currency and foreign currency instruments. According to Ministerial directives from the MOF, insurance companies and pension funds may acquire securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States, as well as the foreign assets set out in the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Insurance Companies) Directions, and the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Pensions Funds) Directions. Foreign assets may not exceed 10% of the total assets of insurance companies and pension funds. SDs and CISs are allowed to invest in securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States investment grade sovereign obligations, investment grade corporate obligations of entities incorporated outside Jamaica, and shares of such corporations. On April 30, 2021, the permissible investments for SDs and CISs were expanded to include investment grade corporate obligations of entities incorporated in Jamaica and which are foreign exchange earners; publicly traded shares of entities incorporated in Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars that are earners of foreign exchange and whose debts are rated by credit rating agencies as investment grade; BOJ CDs denominated in foreign currency; GOJ guaranteed corporate foreign currency debt instruments issued by corporate entities incorporated in Jamaica, publicly traded shares of corporate entities incorporated outside of Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars, with market capitalization of US$10 billion or greater. The cap on these investment activities for SDs and CISs is 25%. From April 30, 2021, the permissible investments for insurance companies, pensions funds, CISs, and SDs are the same. No directives have been issued to authorize the acquisition of foreign assets by credit unions. Parties not in these categories are not limited in their acquisition of foreign assets but may otherwise be subject to the exemption requirements to proceed with a contemplated transaction once the activity fits the description of an activity under Section 22A(2) and (3) of the BOJ Act.
Sale or issue abroad by residents	Yes.	The Securities Act and its attendant regulations apply. The residents must comply with Sections 7 and 26, unless except exempt under subsection 7(2)(a).
On collective investment securities	Yes.	Unit trusts, mutual funds, and other forms of CISs are governed by regulations under the Securities Act. The Securities Act has established a comprehensive legal framework for the regulation of CISs facilitating various forms of CISs by removing obstacles that impede the growth and diversity of the CIS industry, while granting greater protection for users of these products. The investments are managed by an investment company, whereas trust assets are held by a trustee independent of the management company. The law seeks to ensure full disclosure to investors and proper licensing of sellers. The

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		law requires (1) registration of CIS with the FSC; (2) fit and proper requirements of trustees and managers; and (3) proper record keeping and accounting. The law also prohibits (1) failure to file returns with the FSC; (2) false statements or falsification or destruction of documents required under the law; (3) fraudulent or misleading inducements to acquire units; (4) distribution of circulars pertaining to unregistered unit trusts; and (5) failure to keep records required by law. Authorization from the Minister of Finance in relation to the foreign currency component of collective investment securities is required. Banks and other licensed DTIs cannot directly undertake investment activities on behalf of third parties (or customers), but such activities may be accommodated through separate legal entities (that is, subsidiaries) with appropriate authorization. ADs have the broadest authorization to acquire foreign assets on their own behalf subject their respective prudential requirements.
Purchase locally by nonresidents	No.	There are no limitations.
Sale or issue locally by nonresidents	Yes.	Part III of the CIS Regulations states the requirements for overseas CIS to be registered to issue its securities in Jamaica. An example of the requirements is the submission of information and documents (including but not limited to financial statements, organizational documents, and a profile of directors and officers) to satisfy the FSC, including: (1) the overseas CIS which is from a jurisdiction where the laws and regulatory oversight for CIS are sufficient to ensure investor protection and market integrity and (2) the CIS which is in good standing in the foreign jurisdiction. The FSC has the power to request any other information to assess the application of the overseas CIS.
Purchase abroad by residents	Yes.	In the case of individuals and non-financial firms, there are no restrictions on the purchase of bonds and other debt securities abroad. ADs, insurance companies, SDs, credit unions, cambios, exchange bureaus, CISs, and pension fund managers may not acquire foreign assets, except in accordance with directives from the MOFP. Commercial banks, merchant banks, and building societies are ADs and have the widest remit to undertake dealings in relation to foreign currency and foreign currency instruments. According to Ministerial directives from the MOF, insurance companies and pension funds may acquire securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States, as well as the foreign assets set out in the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Insurance Companies) Directions, and the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Pensions Funds) Directions. Foreign assets may not exceed 10% of the total assets of insurance companies and pension funds. SDs and CISs are allowed to invest in securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States investment grade sovereign obligations, investment grade corporate obligations of entities incorporated outside Jamaica, and shares of such corporations. On April 30, 2021, the permissible investments for SDs and CISs were expanded to include investment grade corporate obligations of entities incorporated in Jamaica and which are foreign exchange earners; publicly traded shares of entities incorporated in Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars that are earners of foreign exchange and whose debts are rated by credit rating agencies as investment grade; BOJ CDs denominated in foreign currency; GOJ guaranteed corporate foreign currency debt instruments issued by corporate entities incorporated in Jamaica, publicly traded shares of corporate entities incorporated outside of Jamaica with shares

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		issued in United States dollars, Great Britain pounds, euros, or Canada dollars, with market capitalization of US$10 billion or greater. The cap on these investment activities for SDs and CISs is 25%. From April 30, 2021, the permissible investments for insurance companies, pensions funds, CISs, and SDs are the same. No directives have been issued to authorize the acquisition of foreign assets by credit unions. Parties not in these categories are not limited in their acquisition of foreign assets but may otherwise be subject to the exemption requirements to proceed with a contemplated transaction once the activity fits the description of an activity under Section 22A(2) and (3) of the BOJ Act.
Sale or issue abroad by residents	Yes.	The Securities Act and the CISs Regulations, 2013, apply to residents.
Controls on derivatives and other instruments	Yes.	These are governed by securities under the Securities Act. The definition does not contemplate any financial commodity, contract, or instrument that may be gazetted from time to time. There is none gazetted at this time.
Purchase locally by nonresidents	No.	There are no limitations.
Sale or issue locally by nonresidents	Yes.	These transactions are subject to the Securities Act and the attendant requirements apply to nonresidents.
Purchase abroad by residents	Yes.	In the case of individuals and non-financial firms, there are no restrictions on the purchase of bonds and other debt securities abroad. ADs, insurance companies, SDs, credit unions, cambios, exchange bureaus, CISs, and pension fund managers may not acquire foreign assets, except in accordance with directives from the MOFP. Commercial banks, merchant banks, and building societies are ADs and have the widest remit to undertake dealings in relation to foreign currency and foreign currency instruments. According to Ministerial directives from the MOF, insurance companies and pension funds may acquire securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States, as well as the foreign assets set out in the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Insurance Companies) Directions, and the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Pensions Funds) Directions. Foreign assets may not exceed 10% of the total assets of insurance companies and pension funds. SDs and CISs are allowed to invest in securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States investment grade sovereign obligations, investment grade corporate obligations of entities incorporated outside Jamaica, and shares of such corporations. On April 30, 2021, the permissible investments for SDs and CISs were expanded to include investment grade corporate obligations of entities incorporated in Jamaica and which are foreign exchange earners; publicly traded shares of entities incorporated in Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars that are earners of foreign exchange and whose debts are rated by credit rating agencies as investment grade; BOJ CDs denominated in foreign currency; GOJ guaranteed corporate foreign currency debt instruments issued by corporate entities incorporated in Jamaica, publicly traded shares of corporate entities incorporated outside of Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars, with market capitalization of US$10 billion or greater. The cap on these investment activities for SDs and CISs is 25%. From April 30, 2021, the permissible investments for insurance companies, pensions funds, CISs, and SDs are the same. No directives have been issued to authorize the acquisition of foreign

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		assets by credit unions. Parties not in these categories are not limited in their acquisition of foreign assets but may otherwise be subject to the exemption requirements to proceed with a contemplated transaction once the activity fits the description of an activity under Section 22A(2) and (3) of the BOJ Act.
Sale or issue abroad by residents	Yes.	The Securities Act and the CIS Regulations, 2013, apply to residents.
Controls on credit operations	Yes.	The Money Lending framework imposes certain requirements on non-financial institutions wishing to undertake lending activities in Jamaican dollars. The law sets forth, among other things, the prescribed maximum rate of interest (that is, rate beyond which interest cannot be charged and is periodically prescribed by the Ministerial order), the form of the lending agreement, and how money lenders may advertise. Commercial banks, merchant banks, and building societies, nonbank financial institutions governed by the Insurance Act, and Securities Act, Industrial and Provident Societies and Friendly Societies; and statutory bodies incorporated for the purposes of lending money are exempt from the requirements of this law. The business of money lending in foreign currency is subject to the provisions of the BOJ Act. Licensed deposit takers under the BSA (that is, commercial banks, merchant banks, and building societies) are subject to statutory lending limits and other prudential requirements applicable to the extension of credit as follows: (1) Facilities to any one person (not another bank) may not exceed in the aggregate 20% of a DTI's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 5% of the DTI's capital base (10% for a building society). (2) Facilities to a group may not exceed in the aggregate 40% of the bank's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 10% of the DTI's capital base. There are also prudential provisioning requirements applicable to the extension of credit. The Microcredit Act governs the business of lending to individuals and to micro, small, and medium enterprises (MSMEs). The Act speaks to licensing and governance requirements, reflects BOJ is the regulator for these service providers, incorporates consumer related provisions on lending practices, which regime is overseen by the Consumer Affairs Commission, and includes penalties for non-compliance with the Act. Lending in foreign currency remains subject to the requirements of the BOJ Act and commercial banks, merchant banks, and building societies, nonbank financial institutions governed by the Insurance Act, and Securities Act, Industrial and Provident Societies, and Friendly Societies; and statutory bodies incorporated for the purposes of lending money are exempt from the requirements of this law.
Commercial credits	Yes.	The Money Lending Act governs transactions involving persons who do not undertake the business of extending credit.
By residents to nonresidents	Yes.	In relation to private persons, such transactions are subject to the laws of the overseas jurisdiction. Licensed deposit takers (that is, commercial banks, merchant banks, and building societies) are subject to statutory lending limits and other prudential requirements applicable to the extension of credit as follows: (1) Facilities to any one person (not another bank) may not exceed in the aggregate 20% of a DTI's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 5% of the DTI's capital base (10% for a building society). (2) Facilities to a group may not exceed in the aggregate 40% of the bank's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 10% of the DTI's capital base. There are also prudential provisioning requirements applicable to the extension of credit.

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To residents from nonresidents	Yes.	While all residents are free to conduct transactions in foreign currency, only ADs may undertake the business of lending in foreign currency. Otherwise, persons (such as nonresidents) wishing to undertake the business of lending in Jamaica must obtain the requisite exemption by Ministerial order to proceed.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Lending activities in Jamaica involving foreign currency are subject to the foreign currency dealings provisions of the BOJ Act. Licensed deposit takers under the BSA (that is, commercial banks, merchant banks, and building societies) are subject to statutory lending limits and other prudential requirements applicable to the extension of credit as follows: (1) Facilities to any one person (not another bank) may not exceed in the aggregate 20% of a DTI's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 5% of the DTI's capital base. (2) Facilities to a group may not exceed in the aggregate 40% of the bank's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 10% of the DTI's capital base. There are also prudential provisioning requirements applicable to the extension of credit.
To residents from nonresidents	Yes.	The provisions of the Microcredit Act, Money Lending Act, and the BOJ Act apply, if the financing is offered and/or executed in Jamaica. Money lending in foreign currency to persons resident in Jamaica is subject to the provisions of the BOJ Act, and this extends to cases in which an overseas-based person conducts financing activities in foreign currency, or through foreign currency instruments, with a Jamaica-based person, regardless of whether negotiations take place and related contracts are executed outside Jamaica.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	In the case of individuals and non-financial firms, there are no restrictions. Licensed deposit takers under the BSA (that is, commercial banks, merchant banks, and building societies) are subject to statutory lending limits and other prudential requirements applicable to the extension of credit as follows: (1) Facilities to any one person (not another bank) may not exceed in the aggregate 20% of a DTI's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 5% of the DTI's capital base. (2) Facilities to a group may not exceed in the aggregate 40% of the bank's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 10% of the DTI's capital base. There are also prudential provisioning requirements applicable to the extension of credit.
To residents from nonresidents	Yes.	The provisions of the Microcredit Act, Money Lending Act, and possibly the BOJ Act apply, if the financing is offered and/or executed in Jamaica. The business of money lending in foreign currency to persons resident in Jamaica is subject to the provisions of the BOJ Act, and this extends to cases in which an overseas-based person conducts financing activities in foreign currency or through foreign currency instruments with a Jamaica-based person, regardless of whether negotiations take place and related contracts are executed outside Jamaica.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	The Exchange Control (Removal of Restrictions) Order of 1991 eliminated controls on outward direct investment. There are limits on investments by DTI that apply to equity investments. Aggregate

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		shareholdings by a DTI may not exceed 50% of the DTI's capital base, and in any one company or enterprise may not exceed 10% of the DTI's capital base.
Inward direct investment	Yes.	There are no limitations on the acquisition of shares in a company by nonresidents, except shares in locally incorporated licensed DTIs under the BSA, no more than 5% of which may be held by a foreign government or an agency of a foreign government without the written approval of the Supervisory Committee. The Supervisory Committee is the supervisory decision-making authority.
Controls on liquidation of direct investment	No.	To the extent that the liquidation of direct investment in locally incorporated licensed DTIs under the BSA amounts to divestment/transfers or disposal of shares, these are subject to the approval of the Supervisory Committee where the disposal involves 20% or more of the voting shares of the DTI. If the liquidation equates to a voluntary liquidation, this requires the approval of the supervisor of banks. To the extent that the liquidation of direct investment in a corporate SD amounts to a divestment/transfer or a disposal of shares that amounts to a change in ownership, the Securities Act mandates that corporate SDs and advisers be owned, controlled, or supervised by persons who are citizens of and habitually resident in Jamaica or a CARICOM member.
Controls on real estate transactions	No.	No controls are in place in relation to transactions between private persons. However, persons in the real estate business (that is, valuators, dealers, developers) are subject to the Real Estate Dealers and Developers Act and oversight by the Real Estate Board. Under the BOJ Act, foreign assets include real estate situated outside of Jamaica and the foreign asset acquisition restriction that applies to certain local financial firms includes real estate located outside of Jamaica.
Purchase abroad by residents	No.	No restrictions are in place in relation to transactions between private persons. However, persons listed in Section 22B(1) of the BOJ Act are subject to restrictions, because this activity amounts to the acquisition of a foreign asset. Although licensed deposit takers under the BSA, who are also ADs, have the broadest permit to acquire foreign assets, they are also subject to prudential and statutory limits regarding the nature and quality of investments and fixed asset holdings, which may not exceed an amount equivalent to their capital base without the approval of the supervisor.
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	No restrictions are in place in relation to transactions between private persons. However, transactions involving commercial enterprises in the real estate business are subject to the requirements of the Real Estate Dealers and Developers Act and the Real Estate Board. These persons are also designated non-financial institutions under the Proceeds of Crime Act (POCA) and are reporting entities under the Terrorism Prevention Act (TPA) and therefore have similar CDD obligations as banks and other financial institutions, when dealing with customers.
Controls on personal capital transactions	Yes.	
Loans	Yes.	The Money Lending Act is applicable to transactions undertaken by persons who are not involved in the business of extending credit. Otherwise, if such transactions involve commercial enterprises, the BOJ Act may apply. In addition, the Companies Act specifically prohibits private companies from soliciting capital from the public. Any activities indicative of deposit-taking or securities business are expressly prohibited under the BSA and the Securities Act.
By residents to nonresidents	No.	

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To residents from nonresidents	Yes.	The laws of the overseas jurisdiction apply. In addition, the provisions of the Money Lending Act and possibly the BOJ Act apply, if the financing is offered and/or executed in Jamaica.
Gifts, endowments, inheritances, and legacies	Yes.	Depending on the circumstances, these matters may be subject to the existing succession laws (that is, the Probate of Deeds Act, the Inheritance (Provision for Family and Dependents) Act, the Intestate Estates and Property Charges Act, the Companies Act, the Proceeds of Crime Act), and applicable tax laws.
By residents to nonresidents	No.	The laws of the overseas jurisdiction apply.
To residents from nonresidents	Yes.	The laws of the overseas jurisdiction apply. In addition, the provisions of the Money Lending Act and possibly the BOJ Act apply, if the financing is offered and/or executed in Jamaica.
Settlement of debts abroad by immigrants	No.	The laws of the overseas jurisdiction apply.
Transfer of assets	No.	The laws of the overseas jurisdiction apply.
Transfer abroad by emigrants	No.	The laws of the overseas jurisdiction apply.
Transfer into the country by immigrants	No.	The laws of the overseas jurisdiction apply.
Transfer of gambling and prize earnings	Yes.	These transfers are generally authorized, subject to the presentation of supporting documents and compliance with the relevant provisions under customs laws, income tax laws, and AML/CFT laws (where applicable in relation to financial institutions that facilitate the transfers), and the Betting, Gaming, and Lotteries Act.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Deposit-taking financial institutions may not invest on behalf of clients. This business is conducted by separate corporate entities. BOJ operates a foreign exchange facility for PSEs. The foreign exchange demand of PSEs is consolidated and met through this facility thereby minimizing volatility in the market. The surrender requirement for ADs is 20% of their daily foreign exchange purchases from commercial clients, of which 15% is directed to the PSE facility and the additional 5% comprises the regular surrender arrangement for ADs. The surrender requirement for cambios is 15% of their daily foreign exchange purchases from commercial clients, of which 10% is directed to the PSE facility and 5% comprises the regular surrender arrangements for cambios.
Borrowing abroad	Yes.	Licensed deposit takers are not prohibited from borrowing overseas, but the extent to which such activities may be undertaken is subject to these persons continuing to meet the prudential and statutory limits regarding the nature and quality of investments. SDs, which are subject to margin and capital requirements, may not engage in credit operations that would result in a breach of margin and/or capital requirements.
Maintenance of accounts abroad	No.	No restrictions apply, but institutions must be guided by local and overseas income tax laws in relation to any interest accrued and remitted to Jamaica as well as the AML/CFT/PF laws in this regard as well as the respective AML/CFT/PF guidance issued by functional regulators.
Lending to nonresidents (financial or commercial credits)	Yes.	Licensed deposit takers under the BSA are not prohibited from lending overseas, but the extent to which such activities may be undertaken is subject to these persons continuing to meet the prudential and statutory limits regarding the nature and quality of such facilities as well as any financial regulations operating in that

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		jurisdiction. The following limits apply: financial institutions (operating under the BSA, that is, commercial banks, merchant banks, and building societies) and financial institutions (operating under Insurance Act and Securities Act) are exempt from the requirements of the Money Lending Act and the Microcredit Act. The business of money lending in foreign currency is subject to the provisions of the BOJ Act. Licensed deposit takers under the BSA (that is, commercial banks, merchant banks, and building societies) are subject to statutory lending limits and other prudential requirements applicable to the extension of credit as follows: (1) Facilities to any one person (not another bank) may not exceed in the aggregate 20% of a DTI's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 5% of the DTI's capital base. (2) Facilities to a group may not exceed in the aggregate 40% of the DTI's capital base; for any portion of such credit facilities that is unsecured, that portion may not exceed 10% of the DTI's capital base. There are also prudential provisioning requirements applicable to the extension of credit. In relation to the DTIs, the BSA 2014 repealed Banking Act (BA) and Financial Institutions Act (FIA), which governed these entities and substantially amended the Building Societies Act. The BSA came into force September 30, 2015, by Appointed Day Notice signed by the Minister of Finance. However, notwithstanding the repeal of the BA and FIA and amendment of the Building Societies Act, regulations (including notices and notifications) under the repealed enactments remain in effect with such changes as may be necessary, as if made under the BSA (Section 139). SDs are subject to margin and capital requirements and may not engage in credit operations that would result in a breach of margin and/or capital requirements.
Lending locally in foreign exchange	Yes.	Currently, lending in foreign currency may be carried out only by ADs. Other commercial lenders may apply for exemptions issued by the MOF.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Any person may purchase instruments denominated in foreign currency. ADs have the broadest permit to carry out transactions with securities issued in foreign currency. Other specific categories of companies are allowed to acquire foreign securities only in accordance with the directives issued by the MOF. Deposit takers must hold capital on a risk-weighted basis that depends on the classes of assets held.
Differential treatment of deposit accounts in foreign exchange	Yes.	Commercial banks and other licensed DTIs under the BSA may be required to match their Jamaican dollar liabilities to their clients with Jamaican dollar assets.
Reserve requirements	Yes.	Effective April 1, 2023, the minimum cash reserve requirement for domestic-currency-denominated liabilities is 6% (before it was 5%). The requirement on foreign currency liabilities is 14% (before 13%). The cash reserve and liquid assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. For building societies, domestic and foreign currency reserve requirements are based on building societies meeting the 40% threshold for domestic-currency-denominated qualifying assets in relation to domestic currency deposits and withdrawable shares and for foreign-currency-denominated qualifying assets in relation to foreign currency deposits and withdrawable shares. Societies that meet the qualifying assets threshold have lower requirements of 1% and 5% for the cash reserve and liquid assets ratios, respectively. Higher requirements apply to societies that fail to meet the prescribed thresholds. The BSA came into effect September 30,

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		2015, by Appointed Day Notice signed by the Minister of Finance. The BSA repealed and replaced the BA and FIA and substantially amended the Building Societies Act. However, notwithstanding the repeal of the BA and FIA and amendment of the Building Societies Act, regulations (including notices and notifications) under the repealed enactments remain in effect with such changes as may be necessary, as if made under the BSA (Section 139), unless expressly revoked.
Liquid asset requirements	Yes.	Effective April 1, 2022, the LAR for domestic currency and foreign liabilities of commercial banks, merchant banks, and building societies was reduced to 14% (previously 19%) and 22% (previously 29%), respectively. Effective July 1, 2022, the LAR for domestic currency and foreign liabilities was reduced to 9% and 17%, respectively. Effective October 1, 2022, the LAR for domestic currency and foreign liabilities of commercial banks, merchant banks, and building societies was reduced to 5% and 13%, respectively. The cash reserve and liquid assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. For building societies, domestic and foreign currency reserve requirements are based on building societies meeting the 40% threshold for domestic-currency-denominated qualifying assets in relation to domestic currency deposits and withdrawable shares and for foreign-currency-denominated qualifying assets in relation to foreign currency deposits and withdrawable shares. Societies that meet the qualifying assets threshold have lower requirements of 1% and 5% for the cash reserve and LARs, respectively. Higher requirements apply to societies that fail to meet the prescribed thresholds. Debt securities and instruments issued by the GOJ, whether denominated in Jamaican dollars or in foreign currency and regardless of original maturity, are designated liquid assets within nine months of maturity. The BSA came into force September 30, 2015, by Appointed Day Notice signed by the minister of finance. The BSA repealed and replaced the BA and FIA and substantially amended the Building Societies Act. However, notwithstanding the repeal of the BA and FIA and amendment of the Building Societies Act, regulations (including notices and notifications) under the repealed enactments remain in effect with such changes as may be necessary, as if made under the BSA (Section 139) unless expressly revoked. Following a series of phased reductions (effective April 1, 2022, from 14% to 9%, effective July 1, 2022, from 9% to 4%, effective October 1, 2022, from 4% to 0%), the non-cash portion of the liquid asset requirement (LAR) in domestic and in foreign currency for DTIs was eliminated. The coexistence of the LAR and a LCR represented a regulatory burden for DTIs, making it necessary for the non-cash portion of the LAR to be phased out entirely. Licensees are expected to be able to meet their liquidity needs, as measured by the LCR (minimum limit of 100%), in each significant currency, where a significant currency is defined as one that comprises at least 5% of a DTI's total liabilities or at least 5% of a Financial Holding Company's total consolidated liabilities.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts	No.	Deposit accounts, whether held by residents or nonresidents, are

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held by nonresidents		treated alike, except for the tax treatment of A accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	Banks may not engage in managed funds activities on behalf of customers or other third parties.
Abroad by banks	Yes.	There are limits on investments by DTIs that apply to equity investments. Aggregate shareholding may not exceed 50% of the capital base, and in any one company may not exceed 10% of the capital base.
In banks by nonresidents	Yes.	Substantial ownership (that is, holdings of 20% or more) in banks is subject to the Supervisory Committee. Foreign governments and their agents may not hold more than 5% of the shares in locally incorporated commercial banks and licensed DTIs, unless the Supervisory Committee approves. Pursuant to the BSA, the Supervisory Committee replaces the Minister of Finance as the supervisory decision-making authority.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	ADs' NOP limits for long positions are 15% of capital or J$4.5 billion (whichever is lower) and for short positions 25% or J$7.5 billion (whichever is higher).
On nonresident assets and liabilities	Yes.	ADs' NOP limits for long positions are 15% of capital or J$4.5 billion (whichever is lower) and for short positions 25% or J$7.5 billion (whichever is higher).
Provisions specific to institutional investors	Yes.	As of 2017, GOJ foreign currency exposures were 100% risk-weighted. Foreign currency bonds issued by the GOJ adhere to the global standard as set out in the Basel Accord. ADs, insurance companies, credit unions, building societies, cambios and exchange bureaus, CISs, and pension fund managers may not acquire foreign assets, except in accordance with directives issued by the MOF. No directions have been issued to authorize the acquisition of foreign assets by credit unions. These transactions may be undertaken in accordance with the requisite exemption orders issued under the BOJ Act. Stipulated requirements are the standard minimum requirements. The insurance, securities, and pension sector have specific legislations and attendant regulations.
Insurance companies	Yes.	Insurance companies are subject to the requirements of the Insurance Act and its regulations and to all other regulatory requirements issued by the FSC. Insurance companies may acquire securities issued by the GOJ and securities issued or guaranteed by the governments of Canada, the United Kingdom, or the United States as well as the foreign assets set out in the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Insurance Companies) Directions issued October 2020 and April 2021 (see definition of "Allowable Foreign Assets"). Foreign assets may not exceed 10% of total assets. These permissions apply in relation to permissible insurance business which is defined as including General insurance business as defined under the Insurance Act; Ordinary Long-Term Insurance Business as defined under the Insurance Act, excluding Equity Linked Insurance Products; and Sickness and Health Insurance Business. These requirements are the standard minimum requirements. Insurance regulations 38–72 govern the investments that an insurance company may make, specifying, for example, eligible investments, portfolio

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		limits, and prohibited investments. Since 2020, insurance companies have been communicated by the BOJ through statutory directions issued under the BOJ Act.
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies may acquire only securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States and foreign assets set out in the BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Insurance Companies) Directions (see definition of "Allowable Foreign Assets"). Foreign assets may not exceed 10% of the total assets of insurance companies. Pursuant to Regulation No. 59 of the Insurance Regulations, an insurer that is authorized to transact business on a branch basis in a foreign country may hold foreign securities of that country not exceeding its deposit and reserve obligations incurred in that country.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies may acquire only securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States and foreign assets set out in BOJ (Dealings in Foreign Currency) (Foreign Asset Limit) (Insurance Companies) Directions(see definition of "Allowable Foreign Assets"). Foreign assets may not exceed 10% of the total assets of insurance companies. Matching assets must be held in relation to liabilities.
Limits (min.) on investment portfolio held locally	Yes.	No specific regulation requires a minimum on local portfolio holdings. However, directives include maximums for institutions' foreign investment (that is, no more than 10% of total assets in foreign assets).
Currency-matching regulations on assets/liabilities composition	Yes.	Insurance companies must ensure that matching assets are held against liabilities incurred. Insurance companies are expected to apply an asset liability management program that is appropriate to the nature, scale, and complexity of the risk and its business. The insurance act was amended to expand the powers of the FSC to prescribe regulations for insurers to establish risk management procedures based on international standards, allowing the Commission to introduce new regulations which will require insurers to carry out annual stress testing and implement asset liability management policies and procedures to assess and mitigate the risk to which these entities are exposed in their daily business activities.
Pension funds	Yes.	The Pensions (Superannuation Funds and Retirement Schemes) Act and regulations and directions from the BOJ in relation to the acquisition of foreign assets apply. The Pensions (Superannuation Funds and Retirement Schemes) (Investment) regulations governed the pension plans' investment. Investment in ordinary shares must be from a recognized stock exchange of a recognized jurisdiction. Recognized jurisdiction is defined as Canada, United Kingdom, or United States. Limits were communicated by the BOJ on a case-by-case basis or on request and thereafter by Directions of October 2020, and April 30, 2021.
Limits (max.) on securities issued by nonresidents	Yes.	For pension funds that acquire foreign assets as part of their business activities, purchases must be in accordance with directions issued by the MOF. Accordingly, pension funds may acquire only securities issued or guaranteed by the governments of Canada, the United Kingdom, or the United States, and foreign assets set out in the BOJ (Dealings in Foreign Currency) (Foreign Assets Limit) (Pensions Funds), Directions (see definition of "Allowable Foreign Assets"). Foreign assets may not exceed 10% of the total assets of insurance companies and pension funds. These requirements are the standard minimum requirements and may change.
Limits (max.) on investment portfolio held abroad	Yes.	For pension funds that acquire foreign assets as part of their business activities, purchases must be in accordance with directives issued by the MOF and the BOJ Act Section 22B(1). Pension funds may

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		acquire only securities issued or guaranteed by the governments of Canada, the United Kingdom, and the United States, and foreign assets set out in the BOJ (Dealings in Foreign Currency) (Foreign Assets Limit) (Pensions Funds), Directions (see definition of "Allowable Foreign Assets"). Foreign assets may not exceed 10% of the total assets of insurance companies and pension funds. These requirements are the standard minimum requirements and may change.
Limits (min.) on investment portfolio held locally	Yes.	No specific regulation requires a minimum on local portfolio holdings. However, directives include maximums for institutions' foreign investment (that is, no more than 10% of total assets in foreign assets).
Currency-matching regulations on assets/liabilities composition	No.	While pension legislation does not explicitly require currency matching, it is a criterion considered in evaluating the maturity profile of the assets and liabilities of a pension plan.
Investment firms and collective investment funds	Yes.	SDs (investment firms) must be incorporated in Jamaica or CARICOM member countries. For CIS, the CIS Regulations—Parts II and III provide for the registration for both local and overseas CIS, respectively. Part III of the CIS Regulations states the requirements for overseas CIS to be registered to issue its securities in Jamaica. An example of the requirements is the submission of information and documents (including but is not limited to financial statements, organizational documents, and a profile of directors and officers) to satisfy the FSC, including: (1) the overseas CIS which is from a jurisdiction where the laws and regulatory oversight for CIS are sufficient to ensure investor protection and market integrity and (2) the CIS which is in good standing in the foreign jurisdiction.
Limits (max.) on securities issued by nonresidents	Yes.	CIS Regulation 33 mandates investment restrictions for CIS. For example, (1) no more than 15% of the scheme's net assets may be invested in illiquid assets and (2) no more than 10% of the scheme's net assets may consist of securities from one issuer, except in the case of securities that are issued or guaranteed by the GOJ and the BOJ and issued by any government where those securities have received an investment grade credit rating. For the SDs, there are concentration limits and large exposure limits. For the purchase of foreign securities, the cap on foreign assets for SDs and CISs' investments is 25%. The permissible investment activities also include investment grade sovereign obligations, investment grade corporate obligations of entities incorporated outside of Jamaica, and shares of such corporations. On April 30, 2021, the permissible investment activities were expanded to include investment grade corporate obligations of entities incorporated in Jamaica and which are foreign exchange earners; publicly traded shares of entities incorporated in Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars that are earners of foreign exchange and whose debts are rated by credit rating agencies as investment grade; BOJ CDs denominated in foreign currency; GOJ guaranteed corporate foreign currency debt instruments issued by corporate entities incorporated in Jamaica, publicly traded shares of corporate entities incorporated outside of Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars, with market capitalization of US$10 billion or greater.
Limits (max.) on investment portfolio held abroad	Yes.	CIS Regulation 33 mandates investment restrictions for CIS. For example, (1) no more than 15% of the scheme's net assets may be invested in illiquid assets and (2) no more than 10% of the scheme's net assets may consist of securities from one issuer, except in the case of securities that are issued or guaranteed by the GOJ and the BOJ and issued by any government where those securities have

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		received an investment grade credit rating. For the SDs, there are concentration limits and large exposure limits. For the purchase of foreign securities, the cap on foreign assets for SDs and CISs' investments is 25%. The permissible investment activities also include investment grade sovereign obligations, investment grade corporate obligations of entities incorporated outside of Jamaica, and shares of such corporations. On April 30, 2021, the permissible investment activities were expanded to include investment grade corporate obligations of entities incorporated in Jamaica and which are foreign exchange earners; publicly traded shares of entities incorporated in Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars that are earners of foreign exchange and whose debts are rated by credit rating agencies as investment grade; BOJ CDs denominated in foreign currency; GOJ guaranteed corporate foreign currency debt instruments issued by corporate entities incorporated in Jamaica, publicly traded shares of corporate entities incorporated outside of Jamaica with shares issued in United States dollars, Great Britain pounds, euros, or Canada dollars, with market capitalization of US$10 billion or greater.
Limits (min.) on investment portfolio held locally	Yes.	No regulation specifies a minimum on local portfolio holdings. However, directives include maximums for institutions' foreign investment (that is, no more than 25% of total assets in foreign assets).
Currency-matching regulations on assets/liabilities composition	No.	Although securities legislation does not explicitly state that a SD must match the currency composition of assets against liabilities, in calculating the capital adequacy ratio, a dealer must measure its exposure in each foreign currency position by deducting all liability amounts from all asset amounts in each currency. The overall net position is added to the total of the dealer's risk-weighted assets in determining the capital adequacy ratio. Implicitly, it is in a dealer's best interest to match the foreign currency asset and liability positions or to hold additional capital against this specific exposure.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	Yes.	JAM-DEX®, Jamaica's central bank digital currency (CBDC), was launched July 1, 2022, to the public and operates using a hybrid system within which BOJ issues currency to DTIs and authorized Payment Service Providers. These entities then distribute JAM-DEX to the retail market. The CBDC issued by BOJ is solely for domestic use. Amendment to Section 10 of principal act states that the currency of the island is notes, coins, and CBDC.
Retail	Yes.	Effective July 1, 2022, a domestic retail CBDC was launched as a part of a hybrid system. To use CBDC, retail consumers require a CBDC wallet, which is different from a regular bank account and much easier and simpler to obtain, with streamlined and simplified KYC requirements. While persons who already have bank accounts will be able to automatically obtain a CBDC account, authorized Payment Service Providers as well as DTI's will be able to on-board unbanked customers. Customers will be able to transfer and convert funds seamlessly between regular and CBDC wallets. To carry out CBDC transactions anywhere and at any time, consumers will be able to access, download and deploy a mobile wallet app on any smart phone, tablet or similar compatible device using the networks of both major telecom service providers. Customers will also be able to top-up their wallets with CBDC

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		through all authorized agents or smart ABMs and do business using CBDC phone-to-phone with merchants.
Wholesale	Yes.	Effective July 1, 2022, a domestic wholesale CBDC was launched as a part of a hybrid system JAM-DEX® is fully integrated with the existing large value financial market infrastructure – the RTGS and makes use of already available telecommunications infrastructures. Thus, JAM-DEX® does not utilize blockchain technology, but instead uses the traditional technology associated with the BOJ RTGS that allows for seamless interfacing and integration. The JAM-DEX® platform is based on a proprietary system developed by eCurrency Mint Inc. (eCurrency). Through a licensing arrangement, eCurrency retains the intellectual property rights and BOJ has the right of use of the JAM-DEX® solution. Supporting system components include the digital currency minting and issuance module; e-Wallets applications that are enabled for iOS and Android devices; and financial institutions' applications. eCurrency's solution supports a two-tier architecture and public-private partnership in which the BOJ is the sole issuer of CBDC, while private sector payment networks enable its distribution, storage, and transaction. BOJ's data is protected by a backup and recovery solution that allows for the effective recovery of data in the event of system loss/failure, which is tested as part of business continuity management. Wallet providers invest in this technology at their own cost.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	No.	
Use among residents	No.	Holding and transaction limits are dictated by the wallet providers based on their own risk assessment.
Between residents and nonresidents	No.	Nonresidents who can provide the requested KYC information to local wallet providers may use JAM-DEX®.
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Between nonresidents	No.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	

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Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	
Controls on unbacked tokens	No.	The BOJ does not regulate the use of unbacked tokens in Jamaica. The Bank has issued public notices cautioning the dangers associated with cryptocurrencies.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	

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Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Crawl-like arrangement	*07/05/2022*	Since July 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar, with one realignment in March 2023. Therefore, the de facto exchange rate arrangement was reclassified to “crawl-like” from “floating”.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase locally by nonresidents	*03/31/2023*	Companies are now expressly required to obtain and hold accurate and up to date information on their respective beneficial owners and to file such information with the Companies Office of Jamaica.
Bonds or other debt securities		
Purchase locally by nonresidents	*02/22/2022*	There was a ban on foreign exchange debt issuance in Jamaica.
	03/04/2022	The ban on foreign exchange debt issuance in Jamaica was lifted.
	03/05/2022	The Bank of Jamaica requires the issuer of foreign exchange debt in Jamaica to submit: (1) an attestation that the distribution strategy would not create a demand for foreign exchange; (2) a list of the intended sources of subscription across the dealers’ client buckets; and (3) following the closure of the transaction, verification of the sources of subscription.
Sale or issue locally by nonresidents	*02/22/2022*	There was a ban on foreign exchange debt issuance in Jamaica.
	03/04/2022	The ban on foreign exchange debt issuance in Jamaica was lifted.
	03/05/2022	The Bank of Jamaica requires the issuer of foreign exchange debt in Jamaica to submit: (1) an attestation that the distribution strategy would not create a demand for foreign exchange; (2) a list of the intended sources of subscription across the dealers’ client buckets; and (3) following the closure of the transaction, verification of the sources of subscription.
On money market instruments		
Purchase locally by nonresidents	*02/22/2022*	There was a ban on foreign exchange debt issuance in Jamaica.
	03/04/2022	The ban on foreign exchange debt issuance in Jamaica was lifted.
	03/05/2022	The Bank of Jamaica requires the issuer of foreign exchange debt in Jamaica to submit: (1) an attestation that the distribution strategy would not create a demand for foreign exchange; (2) a list of the intended sources of subscription across the dealers’ client buckets; and (3) following the closure of the transaction, verification of the sources of subscription.

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Sale or issue locally by nonresidents	*02/22/2022*	There was a ban on foreign exchange debt issuance in Jamaica.
	03/04/2022	The ban on foreign exchange debt issuance in Jamaica was lifted.
	03/05/2022	The Bank of Jamaica requires the issuer of foreign exchange debt in Jamaica to submit: (1) an attestation that the distribution strategy would not create a demand for foreign exchange; (2) a list of the intended sources of subscription across the dealers' client buckets; and (3) following the closure of the transaction, verification of the sources of subscription.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*04/01/2023*	The minimum cash reserve requirement for domestic-currency-denominated liabilities is 6% (before it was 5%). The requirement on foreign currency liabilities is 14% (before 13%).
Liquid asset requirements	*04/01/2022*	The liquid assets ratio for domestic currency and foreign liabilities of commercial banks, merchant banks, and building societies was reduced to 14% (previously 19%) and 22% (previously 29%), respectively. The non-cash portion of the liquid asset requirement in domestic and in foreign currency was reduced to 9% (previously 14%).
	07/01/2022	The liquid assets ratio for domestic currency and foreign liabilities was reduced to 9% (previously 14%) and 17% (previously 22%), respectively. The non-cash portion of the liquid asset requirement in domestic and in foreign currency was reduced to 4% (previously 9%).
	10/01/2022	The liquid assets ratio for domestic currency and foreign liabilities was reduced to 5% (previously 9%) and 13% (previously 17%), respectively. The non-cash portion of the liquid asset requirement in domestic and in foreign currency was eliminated (previously 9%).

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale		
Retail	*07/01/2022*	A domestic retail central bank digital currency was launched as a part of a hybrid system.
Wholesale	*07/01/2022*	A domestic wholesale central bank digital currency was launched as a part of a hybrid system.

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JAPAN

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		August 13, 1952.
Article VIII	Yes.	Date of acceptance: April 1, 1964.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	(1) A permission from the authorities is required for capital transactions and payments to the following individuals and entities: (a) Al-Qaida, the Taliban, and individuals, groups, and organizations associated with terrorism, in accordance with a UNSC Resolution (UNSCR); (b) individuals and entities who violated the arms embargo with regard to the Democratic Republic of the Congo, in accordance with a UNSCR; (c) individuals and entity whose acts undermined the peace of the Central African Republic, in accordance with a UNSCR; (d) individuals and entities responsible for the annexation of Crimea and destabilization of eastern Ukraine; (e) individuals impeding the peace process in Darfur, Sudan, in accordance with a UNSCR; (f) individuals and entities involved with the Democratic People's Republic of Korea's (DPRK's) nuclear-related, ballistic-missile-related, or weapons of mass destruction programs in accordance with UNSCRs; (g) individuals and entities who violated the arms embargo with regard to Somalia, in accordance with a UNSCR; (h) Syrian President Bashar al-Assad and individuals and entities affiliated with him; (i) individuals whose acts threaten the peace of Yemen, in accordance with a UNSCR; (j) individuals engaged in acts that threaten the peace of South Sudan, in accordance with UNSCR 2206, (k) individuals whose acts threaten the peace of Mali, in accordance with UNSCR 2374; (l) individuals and entities associated with Libyan leader Muammar Qadhafi, in accordance with a UNSCR; (m) individuals related to the "Donetsk People's Republic" (self-proclaimed) and the "Luhansk People's Republic" (self-proclaimed) as amended in the measures from August 2014; (n) individuals and entities of the Russian Federation (effective March 1, 2022); (o) individuals and entities of the Republic of Belarus (effective March 3, 2022); and (p) individuals whose acts threaten the peace of Haiti, in accordance with a UNSCR (effective November 11, 2022). (2) A permission from the authorities is required for capital transactions to (a) organizations, high officials, and persons affiliated with the former government of Iraq, in accordance with a UNSCR; (b) individuals and entities associated with former Yugoslav President Slobodan Milosevic and persons affiliated with him. (3) A permission from the authorities is required for capital transactions and payments regarding activities related to the DPRK's nuclear-related, ballistic-missile-related, or weapons of mass destruction-related programs, in accordance with a UNSCR. (4) A permission from the authorities is required for payments for

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		activities connected with Iran's development of nuclear weapons, in accordance with a UNSCR. (5) A permission from the authorities is required for the transfer of shares to Iran-related entities and individuals of companies in nuclear-related industries in which a UNSCR prohibits investment by Iran. (6) A permission from the authorities is required for the issuance of or offering for subscription of securities in Japan by designated Russian entities. (7) A permission from the authorities is required for the payment to the DPRK, except for the case in which the amount is ¥0.1 million or less with humanitarian purposes. (8) A permission from the authorities is required for capital transactions, pertaining to the accrual of claims based on a money loan contract or an obligation guarantee, of Russian crude oil (effective December 5, 2022) and Russian-origin petroleum products (effective February 6, 2023) above a certain price ("price cap") in connection with the maritime transport.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Japan is the Japanese yen.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The de jure and de facto exchange rate arrangements are free floating. The exchange rate of the yen is determined on the basis of supply and demand in the foreign exchange market. However, the authorities intervene when necessary to counter disorderly conditions in the market. The principal intervention currency is the US dollar. Interventions fall within the mandate of the MOF, which publishes daily purchases and sales amounts as well as intervention currencies on its website. The Bank of Japan (BOJ), acting as agent of the Minister of Finance, intervenes in the market through financial

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		institutions and/or brokers. The MOF intervened in the foreign exchange market in September 22, October 21, and October 24, 2022, to address excess volatility and disorderly exchange rate movement for the first time since 2011. The MOF publishes monthly data on foreign exchange interventions in its monthly press release.
Official exchange rate	No.	There are no officially set rates in the spot exchange market, and spot exchange transactions are based on free-market rates. Therefore, the authorities do not publish a reference rate.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	In 2013, the BOJ set the "price stability target" at 2% in terms of the year-on-year rate of change in the CPI and has made a commitment to achieving this target at the earliest possible time.
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee		
Central Bank Board	Yes.	In January 2013, the BOJ decided to set the "price stability target" under the framework for the conduct of monetary policy by majority vote. The "price stability target" is also stated in the joint statement of the government and the BOJ on Overcoming Deflation and Achieving Sustainable Economic Growth, released at the same time. The "price stability target" is set by the Board of the BOJ.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target	Yes.	The BOJ set the target at 2% in terms of the year-on-year rate of change in the CPI. In 2016, the BOJ introduced an inflation-overshooting commitment, under which it continues expanding the monetary base until the year-on-year rate of increase in the observed CPI (all items less fresh food) exceeds 2% and stays above the target in a stable manner.
Target with tolerance band		
Band/Range		
Target measure	Yes.	CPI headline inflation, year-on-year rate of change, is used for the target measure.
CPI	Yes.	The headline inflation is CPI-based.

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Core inflation		
Target horizon	Yes.	The BOJ aims to achieve the price stability target of 2% at the earliest possible time (Joint Statement of the Government and the BOJ on Overcoming Deflation and Achieving Sustainable Economic Growth of January 2013).
Operating target (policy rate)	Yes.	
Policy rate	Yes.	A negative interest rate of minus 0.1% to the policy rate balances in current accounts held by financial institutions at the BOJ is the short-term policy interest rate. The BOJ also targets the 10-year Japanese Government Bond (JGB) yield at around 0%. In 2018, with a view to persistently continuing with powerful monetary easing, the BOJ decided to strengthen its commitment to achieving the price stability target by introducing forward guidance for policy rates. The BOJ has lifted the quantitative target for the annual JGB purchases of ¥80 trillion and will purchase a necessary amount of JGBs without setting an upper limit on its guidance on JGB purchases to maintain 10-year JGB yields at around 0%.
Target corridor band	Yes.	Effective October 31, 2023, the BOJ decided to maintain the target level of 10-year Japanese government bond (JGB) yields at around 0% and conduct yield curve control with the upper bound of 1% for these yields as a reference. Previously, the band around the 10-year JGB yield target was +/- 25 bps, and "fixed-rate purchase operations for consecutive days" could be used to set an upper limit on interest rates when necessary.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	The BOJ prepares and submits the Semiannual Report on Currency and Monetary Control to the Diet, twice a year.
Other	No.	
Transparency	Yes.	The BOJ releases the Outlook for Economic Activity and Prices (Outlook Report) quarterly (usually January, April, July, and October). The Outlook Report presents the BOJ's outlook for developments in economic activity and prices, assesses upside and downside risks, and outlines its views on the future course of monetary policy. The Monetary Policy Meetings are held eight times a year, and the Statement on Monetary Policy is released immediately after the meeting. The Summary of Opinions is published about a week after the meeting.
Publication of votes	Yes.	Votes are published in the Statement on Monetary Policy.
Publication of minutes	Yes.	The minutes of each Monetary Policy Meeting are published after the following meeting. The transcript of each Monetary Policy Meeting is published ten years after the Monetary Policy Meeting (available only in Japanese).
Publication of inflation forecasts	Yes.	Each Board member's forecasts for the economy and prices are released in the Outlook Report quarterly.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Participation in the foreign exchange market in Japan does not

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		require a license. Dealers are allowed to freely determine their bid-ask spreads and foreign exchange commissions with their clients. The participants in the wholesale foreign exchange market must adhere to the Foreign Exchange Global Code and the Local Standards in Tokyo Foreign Exchange Market: Supplementary provisions to the Foreign Exchange Global Code (2021 edition).
Spot exchange market	Yes.	
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Participation in the foreign exchange market in Japan does not require a license, and there are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	Financial institutions also transact directly with each other.
Brokerage	Yes.	Brokers play a major role in the market.
Market making	Yes.	There are market makers in the market.
Forward exchange market	Yes.	There are no officially set rates in the forward exchange market, and forward exchange transactions are based on free-market rates. The BOJ does not participate in the foreign exchange derivatives market. To support the smooth functioning of US dollar funding markets, the BOJ, in coordination with the Bank of Canada, the Bank of England, the ECB, the Federal Reserve, and the Swiss National Bank enhance the provision of US dollar liquidity by lowering the pricing on the standing US dollar liquidity swap arrangements by 25 basis points and offering a one-week maturity. The CBs, including the BOJ, conduct 7-day operations once per week.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.

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Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The exchange and trade control system is administered mainly by the MOF, the Ministry of Economy, Trade and Industry (METI), and the BOJ, which acts as the government's agent.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Export and import of gold (not less than 90% purity) exceeding one kilogram in total weight must be declared to the MOF through the customs authorities. (1) A permission from the authorities is required for import from or export to the DPRK. (2) A permission from the authorities is required for imports or exports of gold that contribute to activities related to the DPRK's nuclear-related, ballistic-missile-related, or weapons of mass destruction-related programs, in accordance with a UNSCR. (3) A permission from the authorities is required for export to Russian Federation effective April 5, 2022. (4) A permission from the authorities is required for importing gold of Russian origin effective August 1, 2022.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Export of means of payment (including banknotes, checks, traveler's checks, and promissory notes) and securities in domestic currency exceeding the equivalent of ¥1 million must be declared to the MOF through the customs authorities. The declaration threshold regarding export of cash and other means of payment/cash courier to the DPRK is ¥0.1 million or its equivalent. (1) A permission from the authorities is required for exports of means of payment and securities that contribute to activities related to the DPRK's nuclear-related, ballistic-missile-related, or weapons of mass destruction-related programs, in accordance with a UNSCR. (2) A permission from the authorities is required for exports of means of payment to the Russian Federation, effective April 5, 2022, except for the case in which the amount is ¥0.1 million or less with humanitarian purposes.
Foreign currency	Yes.	Export of means of payment (including banknotes, checks, traveler's checks, and promissory notes) and securities in foreign currency exceeding the equivalent of ¥1 million must be declared to the MOF through the customs authorities. The declaration threshold regarding export of cash and other means of payment/cash courier to the DPRK is ¥0.1 million or its equivalent. (1) A permission from the authorities is required for imports of means of payment and securities that contribute to activities related to the DPRK's nuclear-related, ballistic-missile-related, or weapons of mass destruction-related

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		programs, in accordance with a UNSCR. (2) A permission from the authorities is required for exports of means of payment to the Russian Federation, effective April 5, 2022, except for the case in which the amount is ¥0.1 million or less with humanitarian purposes.
On imports	Yes.	
Domestic currency	Yes.	Import of means of payment (including banknotes, checks, traveler's checks, and promissory notes) and securities in domestic currency exceeding the equivalent of ¥1 million must be declared to the MOF through the customs authorities. A permission from the authorities is required for imports of means of payment and securities that contribute to activities related to the DPRK's nuclear-related, ballistic-missile-related, or weapons of mass destruction-related programs, in accordance with a UNSCR.
Foreign currency	Yes.	Import of means of payment (including banknotes, checks, traveler's checks, and promissory notes) and securities in foreign currency exceeding the equivalent of ¥1 million must be declared to the MOF through the customs authorities. A permission from the authorities is required for imports of means of payment and securities that contribute to activities related to the DPRK's nuclear-related, ballistic-missile-related, or weapons of mass destruction-related programs, in accordance with a UNSCR.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Approval required	No.
Held abroad	Yes.
Approval required	No.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	No.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Approval required	No.
Blocked accounts	No.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.

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Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Certain goods are subject to import restrictions under the Import Trade Control Order for reasons of national security, public health, and environmental and moral protection. Imports of these goods require METI approval. For the importation of restricted items, METI authorization and an import quota certificate are required. The importation of certain other goods from specific countries or shipping areas requires individual METI authorization. Import settlements effected under special methods require METI authorization.
Positive list	No.	
Negative list	Yes.	
Open general licenses	Yes.	
Licenses with quotas	Yes.	
Other nontariff measures	Yes.	Imports of certain illicit goods, including drugs, guns, and counterfeit goods, are prohibited under the Customs Law.
Import taxes and/or tariffs	Yes.	The Japanese tariff system is stipulated by the Customs Law, Customs Tariff Law, and Temporary Tariff Measures Law. The harmonized classification schedule annexed in the Customs Tariff Law sets out both the classification and the corresponding customs duty rate (called the general rate) of particular products. The rate actually applied, however, is not necessarily the general rate. The Temporary Tariff Measures Law sets out the temporary rate for certain products, which in these cases prevails over the general rate. In addition, when the customs duty rate in the WTO Concession Schedule (so-called WTO rate) is lower than the general rate (or the temporary rate, if applicable), the WTO rate is applied. For designated developing countries and areas, the Temporary Tariff Measures Law also provides a preferential rate, which is applicable to certain products and lower than the above rates. The Economic Partnership Agreement (EPA) rate is applicable to the originating goods of the party.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Certain goods are subject to export restrictions under the Export Trade Control Order for reasons of international security and environmental protection, etc. Exports of specified raw materials for foreign processing and reimportation require individual licenses. Weapons and dual-use products are subject to licensing requirements based on the Export Trade Control Order.
Without quotas	Yes.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Customers must present identification, such as a driver's license, health insurance certificate, or passport, at the teller counter of a financial institution to transfer funds in cash exceeding ¥0.1 million.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Customers must present identification, such as a driver's license, health insurance certificate, or passport, at the teller counter of a financial institution to transfer funds in cash exceeding ¥0.1 million.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	Yes.	Customers must present identification, such as a driver's license, health insurance certificate, or passport, at the teller counter of a financial institution to transfer funds in cash exceeding ¥0.1 million.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Customers must present identification, such as a driver's license, health insurance certificate, or passport, at the teller counter of a financial institution to transfer funds in cash exceeding ¥0.1 million.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Customers must present identification, such as a driver's license, health insurance certificate, or passport, at the teller counter of a financial institution to transfer funds in cash exceeding ¥0.1 million.
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Customers must present identification, such as a driver's license, health insurance certificate, or passport, at the teller counter of a financial institution to transfer funds in cash exceeding ¥0.1 million.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.

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Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the extent that the purchase of shares is affected by laws on inward direct investment. Pursuant to the Foreign Exchange and Foreign Trade Act (FEFTA) passed in November 2019 and its subsequent regulations, there is an exemption scheme for prior notification for stock purchases and the threshold for inward direct investment in designated industries that requires prior notification is 1%. The prior notification of stock purchases is exempted for investors that comply with the following conditions: (1) Investors or their closely related persons do not become board members of the investee company; (2) investors do not propose to the general shareholders' meeting transfer or disposition of investee company's business activities in the designated business sectors; and (3) investors do not access non-public information about the investee company's technology in relation to business activities in the designated business sectors. Foreign state-owned entities cannot be exempt. However, sovereign wealth funds may be exempt from "prior notification" requirements only if Ministry of Finance accredits them. Foreign financial institutions (banks, asset management companies, registered investment companies, etc.) are exempt with no threshold.
Sale or issue locally by nonresidents	Yes.	A permission from the authorities is required for the issuance or offering of new securities having a fixed maturity of, effective February 26, 2022, more than 30 days (previously more than 90 days since September 26, 2014) in Japan by specific banks of the Russian Federation. Under the Foreign Exchange and Foreign Trade Law (FEFTA), "securities" covers shares and other securities of participating nature.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	A permission from the authorities is required for the issuance or offering of new securities in Japan by the Government of the Russian Federation and other government agencies effective February 26, 2022.
Purchase abroad by residents	Yes.	A permission from the authorities is required for the acquisition from nonresidents or the transfer to nonresidents by residents of securities newly issued by the Government of the Russian Federation and other government agencies anywhere in the world effective February 26, 2022.
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment by residents in the following industries requires prior notification: (1) fisheries of gathering or catching aquatic animals and plants and (2) manufacture of (a) leather or leather products, (b) weapons, (c) equipment related to weapons manufacturing, and (d) narcotics. Effective May 12, 2022, controls apply to outward direct investment by residents which pertains to a business conducted in the Russian Federation or a business conducted in a foreign state by a corporation established based on the laws and regulations of the Russian Federation or a corporation beneficially controlled by the corporation.
Inward direct investment	Yes.	Inward direct investment by foreign investors in the following industries (which could be divided into the following four categories (1) to (4)) requires prior notification: (1) National security: aircraft, armaments, nuclear power, space technology, and explosives production, cyber security; (2) Maintenance of public order:

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		electricity, gas, heat supply, telecommunications, broadcasting, water, railroad, and passenger transport; (3) Protection of public safety: biological and security industries; (4) Smooth operation of the Japanese economy: oil, leather and leather products, agriculture, forestry and fisheries, air transport, and maritime industries; and (5) investment by investors from countries with which Japan does not have a treaty or other international agreement on inward direct investment, for reciprocity reasons. The amended FEFTA passed in November 2019 and its subsequent regulations introduced the exemption scheme for prior notification for stock purchases. The FEFTA threshold for inward direct investment in designated industries that requires prior notification is 1%. The following industries have been designated as industries that require prior notification in response to changing domestic and international circumstances: (1) manufacturing of medicine for communicable diseases and medical equipment since 2020; (2) business relating to critical minerals since 2021; and (3) some business sectors contributing to securing stable supply chains of critical goods, such as metals and mineral products refining and storage battery manufacturing effective May 24, 2023. Under the Act on Nippon Telegraph and Telephone Corporation, etc., direct and indirect foreign capital participation in the Nippon Telegraph and Telephone Corporation must be less than one-third. Under the Radio Act and Broadcasting Act, foreigners and foreign-controlled firms, etc., may not hold licenses to operate broadcasting stations nor be approved as broadcasters. Firms are considered foreign controlled if any of their executive directors are foreigners or if foreigners hold at least one-fifth (for territorial broadcasters, including indirect investment) or one-third (for facility-supplying broadcasters) of voting rights. Under the Civil Aeronautics Law, only firms with less than one-third of voting rights held by foreigners and in which none of the representatives and less than one-third of the board of directors are foreigners may hold a license to operate an air transport business.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	

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Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Borrowing abroad	No.
Maintenance of accounts abroad	No.
Lending to nonresidents (financial or commercial credits)	No.
Lending locally in foreign exchange	No.
Purchase of locally issued securities denominated in foreign exchange	No.
Differential treatment of deposit accounts in foreign exchange	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Differential treatment of deposit accounts held by nonresidents	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Investment regulations	No.
Abroad by banks	No.
In banks by nonresidents	No.
Open foreign exchange position limits	No.
On resident assets and liabilities	No.
On nonresident assets and liabilities	No.
Provisions specific to institutional investors	No.
Insurance companies	No.
Limits (max.) on securities issued by nonresidents	No.

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Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Pension funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.

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Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Crypto asset transactions are subject to payment regulations in the FEFTA, including those imposed for security reasons effective May 10, 2022.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Crypto asset transactions are subject to capital transactions and payment regulations in the FEFTA, including those imposed for security reasons effective May 10, 2022.
Transactions in derivatives and other instruments	Yes.	Crypto asset transactions are subject to capital transactions and payment regulations in the FEFTA, including those imposed for security reasons effective May 10, 2022.
Credit operations	Yes.	Crypto asset transactions are subject to capital transactions and payment regulations in the FEFTA, including those imposed for security reasons effective May 10, 2022.
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	Yes.	

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Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Electronic payment instruments are subject to payment regulations in the FEFTA, including those imposed for security reasons effective June 1, 2023.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Electronic payment instruments are subject to capital transactions and payment regulations in the FEFTA, including those imposed for security reasons effective June 1, 2023.
Transactions in derivatives and other instruments	Yes.	Electronic payment instruments are subject to capital transactions and payment regulations in the FEFTA, including those imposed for security reasons effective June 1, 2023.
Credit operations	Yes.	Electronic payment instruments are subject to capital transactions and payment regulations in the FEFTA, including those imposed for security reasons effective June 1, 2023.
Controls on crypto exchanges and trading platforms	Yes.	In May 2016, Japan amended the Payment Services Act(PSA) and the Act on Prevention of Transfer of Criminal Proceeds (APTCP) to regulate crypto asset exchange service providers(CEPS)s by (1) Establishing a registration system for service providers engaging in the business of selling and trading crypto assets; and (2) Introducing AML and Counter-Financing of Terrorism (CFT) protocols, including mandatory identity verification procedures for individuals opening accounts.
Domestic exchanges	Yes.	CEPSs must be registered with the Japan Financial Services Agency (FSA) to operate in Japan.
Access to crypto exchange/trading platform by residents	Yes.	Effective June 1, 2023, electronic payment instrument service providers, including effective May 10, 2022, CEPSs, may not carry out exchange transactions pertaining to payments with a customer unless they confirm that the customer's payment or transaction does not fall under any of the payment, transactions, or acts for which the obligation to obtain permission or approval, or to give notification is imposed in the FEFTA (including those imposed for security reasons).

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*03/01/2022*	A permission from the authorities is required for capital transactions and payments to individuals and entities of the Russian Federation.
	03/03/2022	A permission from the authorities is required for capital transactions and payments to individuals and entities of the Republic of Belarus.
	11/11/2022	A permission from the authorities is required for capital transactions and payments to individuals whose acts threaten the peace of Haiti, in accordance with a UNSCR.
	12/05/2022	A permission from the authorities is required for capital transactions, pertaining to the accrual of claims based on a money loan contract or an obligation guarantee, of Russian crude oil above a certain price ("price cap") in connection with the maritime transport.
	02/06/2023	A permission from the authorities is required for capital transactions, pertaining to the accrual of claims based on a money loan contract or

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		an obligation guarantee, of Russian-origin petroleum products above a certain price ("price cap") in connection with the maritime transport.

Exchange Arrangement

Monetary policy framework

Inflation-targeting framework

Operating target (policy rate)

Target corridor band	*10/31/2023*	The Bank of Japan decided to maintain the target level of 10-year Japanese government bond (JGB) yields at around 0% and conduct yield curve control with the upper bound of 1% for these yields as a reference. Previously, the band around the 10-year JGB yield target was +/- 25 bps, and "fixed-rate purchase operations for consecutive days" could be used to set an upper limit on interest rates when necessary.

Arrangements for Payments and Receipts

Controls on trade in gold (coins and/or bullion)

On external trade	*04/05/2022*	A permission from the authorities is required for export to Russian Federation.
	08/01/2022	A permission from the authorities is required for importing gold of Russian origin.

Controls on exports and imports of banknotes

On exports

Domestic currency	*04/05/2022*	A permission from the authorities is required for exports of means of payment to Russian Federation.
Foreign currency	*04/05/2022*	A permission from the authorities is required for exports of means of payment to Russian Federation.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Sale or issue locally by nonresidents	*02/26/2022*	A permission from the authorities is required for the issuance or offering of new securities having a fixed maturity of more than 30 days (previously more than 90 days since September 26, 2014) in Japan by specific banks of the Russian Federation.

Bonds or other debt securities

Sale or issue locally by nonresidents	*02/26/2022*	A permission from the authorities is required for the issuance or offering of new securities in Japan by the Government of the Russian Federation and other government agencies.
Purchase abroad by residents	*02/26/2022*	A permission from the authorities is required for the acquisition from nonresidents or the transfer to nonresidents by residents of securities newly issued by the Government of the Russian Federation and other government agencies anywhere in the world.

Controls on direct investment

Outward direct investment	*05/12/2022*	Controls apply to outward direct investment by residents which pertains to a business conducted in the Russian Federation or a business conducted in a foreign state by a corporation established

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		based on the laws and regulations of the Russian Federation or a corporation beneficially controlled by the corporation.
Inward direct investment	*05/24/2023*	Some business sectors contributing to securing stable supply chains of critical goods, such as metals and mineral products refining and storage battery manufacturing, were designated as industries that require prior notification.

Digital Currencies and Crypto Assets

Crypto assets

Controls on unbacked tokens

Between residents and nonresidents		
For current transaction	*05/10/2022*	Crypto asset transactions are subject to payment regulations in the Foreign Exchange and Foreign Trade Act, including those imposed for security reasons.
For capital transactions		
Transactions in capital and money market instruments	*05/10/2022*	Crypto asset transactions are subject to capital transactions and payment regulations in the Foreign Exchange and Foreign Trade Act, including those imposed for security reasons.
Transactions in derivatives and other instruments	*05/10/2022*	Crypto asset transactions are subject to capital transactions and payment regulations in the Foreign Exchange and Foreign Trade Act, including those imposed for security reasons.
Credit operations	*05/10/2022*	Crypto asset transactions are subject to capital transactions and payment regulations in the Foreign Exchange and Foreign Trade Act, including those imposed for security reasons.

Controls on stablecoins

Between residents and nonresidents		
For current transaction	*06/01/2023*	Electronic payment instruments are subject to payment regulations in the Foreign Exchange and Foreign Trade Act, including those imposed for security reasons
For capital transactions		
Transactions in capital and money market instruments	*06/01/2023*	Electronic payment instruments are subject to capital transactions and payment regulations in the Foreign Exchange and Foreign Trade Act, including those imposed for security reasons.
Transactions in derivatives and other instruments	*06/01/2023*	Electronic payment instruments are subject to capital transactions and payment regulations in the Foreign Exchange and Foreign Trade Act, including those imposed for security reasons.
Credit operations	*06/01/2023*	Electronic payment instruments are subject to capital transactions and payment regulations in the Foreign Exchange and Foreign Trade Act, including those imposed for security reasons.

Controls on crypto exchanges and trading platforms

Access to crypto exchange/trading platform by residents	*05/10/2022*	Crypto-asset Exchange Service Providers may not carry out exchange transactions pertaining to payments with a customer unless they confirm that the customer's payment or transaction does not fall under any of the payment, transactions, or acts for which the obligation to obtain permission or approval, or to give notification is imposed in the Foreign Exchange and Foreign Trade Act (including those imposed for security reasons).
	06/01/2023	Electronic payment instrument service providers may not carry out exchange transactions pertaining to payments with a customer unless they confirm that the customer's payment or transaction does not fall under any of the payment, transactions, or acts for which the obligation to obtain permission or approval, or to give notification is imposed in the Foreign Exchange and Foreign Trade Act (including those imposed for security reasons).

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JORDAN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 29, 1952.
Article VIII	Yes.	Date of acceptance: February 20, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	The Central Bank of Jordan (CBJ) has instructed banks to comply with all UNSC resolutions regarding the freezing of funds. Banks are required to inform the CBJ of financial transactions by natural or legal persons listed by the UN in accordance with UNSC resolutions.

Exchange Arrangement

Currency	Yes.	The currency of Jordan is the Jordanian dinar. The CBJ issues commemorative gold coins, which are legal tender but do not circulate and are available to residents and nonresidents.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement. The dinar is officially pegged to the SDR, but in practice, it has been pegged to the US dollar since late 1995. The CBJ is responsible for maintaining the stability of the dinar exchange rate.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The exchange rate is officially determined by the Jordanian dinar against the US dollar only. The selling and buying rates are US$1 a JD 0.710 and US$1 a JD 0.708, respectively.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		

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Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The rates on foreign currencies (especially the rates for the US dollar) are monitored by the CBJ on a daily basis, to ensure that they are within the range of buying and selling boundaries announced by the CBJ.
Spot exchange market	Yes.	Foreign currency exchange offices (including those jointly owned by Jordanians and foreigners) may operate in Jordan and must be licensed by the CBJ. As of December 31, 2022, the number of offices licensed and jointly owned by Jordanians and foreigners was 17. Pursuant to Article 16 of the Exchange Business Law No. 44 of 2015 and Article 5 of the Licensing Money Exchange Companies Bylaw and Amendments No. (39) of 2021, they may practice buying, selling, and exchanging foreign currency notes and coins. Of them, 8 companies are classified Category A and they may engage in: (1) buying and selling checks denominated in foreign currency, (2) sending and receiving financial transfers inside and outside Jordan, (3) providing electronic transfer of funds services as a main agent through a licensed or approved electronic payment system with the right to grant sub-agencies to other exchange companies, (4) providing electronic transfer of funds services as a sub-agent through a licensed or approved electronic payment system, (5) buying and selling precious metals, (6) importing and exporting foreign banknotes, coins, and precious metals, and (7) any other activities or services approved by the board. Five companies classified Category B and they may engage in (1) buying and selling checks denominated in foreign currency, (2) sending and receiving financial transfers inside and outside Jordan, (3) providing electronic transfer of funds services as a main agent through a licensed or approved electronic payment system without the right to grant sub-agencies to other exchange companies, (4) providing electronic transfer of funds services as a sub-agent through a licensed or approved electronic payment system, and (5) any other activities or services approved by the board, except for the activities stipulated in Paragraphs (b) and (c) of Article 16 of the Money Exchange Business Law. Four companies are classified Category C and they may engage in: (1) buying and selling checks denominated in foreign currency, (2) providing electronic transfer of funds services as a sub-agent through an approved electronic payment system, and (3) any other activities

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		or services approved by the board, except for the activities stipulated in Paragraphs (b) and (c) of Article 16 of the Money Exchange Business Law. Foreign exchange bureaus cannot make foreign exchange transactions directly with the CB.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The CBJ buys and sells foreign exchange at the official rate. The difference between the CBJ's buying and selling rates is JD 0.002.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Money changers operate according to supply and demand for foreign currency in the local market, and the buying and selling prices of foreign currency are quoted by the international market; therefore, money changers do not operate either as brokers or as market makers.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Licensed banks may buy an unlimited amount of foreign currency forward contracts against dinars from their customers, and they may sell foreign currency forward contracts against dinars to their customers to pay for imports into Jordan.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	No restrictions apply to transactions in domestic or foreign currency.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Residents may use foreign exchange for transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	There is an inoperative arrangement with Syria.
Regional arrangements	No.	
Clearing agreements	No.	

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Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	Payments arrears owed to bilateral creditors have been rescheduled under a Paris Club Agreement.
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	Inflows and outflows of local and foreign banknotes, coins, other payments, and gold are permitted without restriction.
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	Inflows and outflows of local and foreign banknotes, coins, other payments, and gold are permitted without restriction.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts are permitted without restriction.
Held domestically	Yes.	Inflows and outflows of local and foreign banknotes, coins, other payments, and gold are permitted without restriction.
Approval required	No.	
Held abroad	Yes.	Inflows and outflows of local and foreign banknotes, coins, other payments, and gold are permitted without restriction.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	The balances of domestic currency accounts held abroad may be transferred to the home country freely.
Accounts in domestic currency convertible into foreign currency	Yes.	The balances of domestic currency accounts in Jordan may be freely converted to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	For statistical purposes, proof of domicile is required when nonresident accounts are opened.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	The balances of domestic currency accounts may be freely converted to foreign currency and transferred abroad.
Approval required	No.	
Blocked accounts	No.	Funds in accounts of certain individuals associated with the former

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		government of Iraq have been transferred to the frozen deposits management fund.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The negative list includes certain goods that are prohibited for national security reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The maximum tariff rate is 30% in general; higher rates apply only to cigarettes and alcoholic beverages.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Five goods are subject to a government import monopoly.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	

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Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Licenses for exports are not required, except for wheat and barley products.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Nonresident investments are limited to less than 50% of the subscribed shares of the capital of a number of economic activities, most notably, retail and wholesale trade, construction services and related services, restaurants and cafes, commercial and insurance brokerage, and passengers transport services. Other economic activities are open to non-Jordanians with no restrictions on the percentage of ownership. In addition, any non-Jordanian investor is allowed to own a business with no restrictions on the percentage of ownership in any of the following cases: (1) the investor intends to own an existing Jordanian company, (2) the project is located outside the capital, or (3) the project is of special economic importance according to specific conditions.
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	There are no controls on these transactions, except exposure limits.
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Nonresident investments are limited to less than 50% of the subscribed shares of the capital of a number of economic activities, most notably, retail and wholesale trade, construction services and related services, restaurants and cafes, commercial and insurance brokerage, and passengers transport services. Other economic activities are open to non-Jordanians with no restrictions on the percentage of ownership. In addition, any non-Jordanian investor is allowed to own a business with no restrictions on the percentage of ownership – based on the cabinet of Jordan's decision – in any of the following cases: (1) the investor intends to own an existing Jordanian company, (2) the project is located outside the capital, or (3) the project is of special economic importance according to specific conditions. Under the Investment Law (Law No. 30 of 2014), the Jordan Investment Commission is the sole government agency responsible for attracting investments, supporting exports, and offering a safe and stable investment environment. The Investment Commission has the power and authority to grant licenses and centralize and expedite all investment-related procedures, including establishing and regulating special economic development zones. The law provides for tax incentives and enhanced investment guarantees. There is also an oversight body, the Investment Council. Implementing regulations will be issued.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	These transactions are allowed only with reciprocity and cabinet approval.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize	No.	Gambling is illegal in Jordan, but the transfer of prize earnings is not

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earnings		restricted.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	For payment companies licensed by the CBJ to issue and manage credit payment instruments, the provisions of Paragraph A of Article 16 of the bylaw of Electronic Payment and Money Transfer No. (111) of 2017 apply.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Licensed banks may lend to nonresidents who engage in business activities in Jordan. Licensed banks are not permitted to lend nonresidents who do not engage in business activities in Jordan.
Lending locally in foreign exchange	Yes.	Pursuant to Instructions No. 2/2021, the granting of direct facilities in foreign currencies is prohibited. However, there are exceptions allowing funding activities or services that can generate foreign currencies not less than the periodic prepayment plus interest, which includes export and reexport purposes, tourism, transportation, and hotels. Funding building construction in foreign currencies is prohibited in all cases. These instructions aim to put the determinants of granting direct credit facilities in foreign currency in addition to providing the determinants of granting credit facilities to persons who do not conduct an activity inside the Kingdom and/or finance activities outside the Kingdom.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	The reserve requirement is 7% for current and call accounts, 5% for saving accounts, notice accounts, term deposits, and certificates of deposit accounts (applicable to commercial banks), 6% for current and call accounts, and 4% for saving accounts, notice accounts, term deposits, and certificates of deposit (applicable to Islamic banks) in dinars and foreign exchange.
Liquid asset requirements	Yes.	According to CBJ Instructions for Legal Liquidity No. 37/2007 of 2007, banks must keep liquid assets equal to at least 100% of their weighted liabilities in all currencies (including dinars) and at least 70% of their weighted liabilities in dinars. LCR Regulations No. 5/2020 requires banks to have an adequate stock of unencumbered liquid assets that can be converted immediately to cash to meet its liquidity needs for the next 30 days under specific stress scenarios. At a minimum, these liquid assets should enable the bank to continue performing its activities until day 30 of the specified stress scenario, by which time it is assumed that the bank management had acted appropriately to solve the liquidity crisis. Banks must maintain at all times an LCR in the minimum of 100% of its weighted liabilities on both levels (consolidated and branches in Jordan). Limits stated in the instructions are the minimum limits for applying the LCR standard and become binding for banks.
Interest rate controls	No.	
Credit controls	Yes.	Pursuant to Instructions No. 2/2021, the granting of direct facilities in foreign currencies is prohibited. However, there are exceptions allowing funding activities or services that can generate foreign currencies not less than the periodic prepayment plus interest, which includes export and reexport purposes, tourism, transportation, and hotels. Funding building construction in foreign currencies is prohibited in all cases. These instructions aim to put the determinants

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		of granting direct credit facilities in foreign currency in addition to providing the determinants of granting credit facilities to persons who do not conduct an activity inside the Kingdom and/or finance activities outside the Kingdom.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	No controls apply, except foreign exchange exposure limits.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The open foreign exchange position in individual foreign currency (excluding US dollars) is limited to 5% of bank equity. The aggregate open position (and that in US dollars) is limited to 15% of bank capital.
On resident assets and liabilities	Yes.	The open foreign exchange position in individual foreign currency (excluding US dollars) is limited to 5% of bank equity. The aggregate open position (and that in US dollars) is limited to 15% of bank capital.
On nonresident assets and liabilities	Yes.	The open foreign exchange position in individual foreign currency (excluding US dollars) is limited to 5% of bank equity. The aggregate open position (and that in US dollars) is limited to 15% of bank capital.
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	No controls apply, except foreign exchange exposure limits.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The Social Security Corporation may not invest more than 10% of its assets abroad.
Limits (max.) on investment portfolio held abroad	Yes.	The Social Security Corporation may not invest more than 10% of its assets abroad.
Limits (min.) on investment portfolio held locally	Yes.	The Social Security Corporation must invest at least 90% of its assets locally.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Mutual funds and investment companies may not invest more than 5% of their assets in securities traded on foreign stock exchanges

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		issued by one entity.
Limits (max.) on investment portfolio held abroad	Yes.	The investment portfolio may not exceed 75% of its investments on all foreign stock exchanges.
Limits (min.) on investment portfolio held locally	Yes.	Investments may not exceed 10% of total investments held locally, except for investment in the securities guaranteed by the government, which may not exceed 50% of total assets.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.

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Crypto assets	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Controls on unbacked tokens	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Acquisition by residents	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Use among residents	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Transactions in derivatives and other instruments	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Credit operations	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Controls on utility and security tokens	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Acquisition by residents	Yes.	The Central Bank has banned financial institutions from dealing in

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		crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Use among residents	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Transactions in derivatives and other instruments	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Credit operations	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Controls on stablecoins	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Acquisition by residents	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Use among residents	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Between residents and nonresidents	Yes.	

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For current transaction	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Transactions in derivatives and other instruments	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Credit operations	Yes.	The Central Bank has banned financial institutions from dealing in crypto assets and there are controls applied on the financial institutions, but there is no regulation or legislation that allows or prohibits individuals from dealing with them. As a result, transactions with crypto assets cannot be freely undertaken according to the ban.
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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KAZAKHSTAN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 15, 1992.
Article VIII	Yes.	Date of acceptance: July 16, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	In accordance with paragraph 1-1 of Article 13 of the Law of the Republic of Kazakhstan dated August 28, 2009, No. 191-IV "On Combating the Legalization (Laundering) of Criminal Proceeds and Financing of Terrorism," the subjects of financial monitoring no later than one business day from the date of publication on the internet resource of the authorized body of the list of people involved in terrorist activities, information on the inclusion of an organization or individual in the list of organizations and individuals associated with the financing of terrorism and extremism as well as in the list of organizations and individuals associated with the financing of the distribution of weapons of mass destruction are obliged to immediately take the following measures to freeze transactions with money and (or) other property: - suspend debit transactions on the bank accounts of such an organization or an individual, as well as on the bank accounts of a client, the beneficial owner of which is such an individual (except for operations related to servicing bank accounts); - suspend the execution of instructions for the payment or transfer of money without using the bank account of such organizations and individuals, as well as instructions of the client, the beneficial owner of which is such an individual; - refuse to conduct other transactions with money and (or) other property, performed by such an organization or an individual, or in their favor, as well as by the client, the beneficial owner of which is such an individual, or in that individual's favor (except crediting money to that individual's bank account, depositing, transferring obligatory pension contributions to a unified accumulative pension fund (UAPF)).

Exchange Arrangement

Currency	Yes.	The currency of Kazakhstan is the Kazakhstani tenge.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	

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Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The National Bank of the Republic of Kazakhstan (NBK) publishes monthly data on foreign exchange interventions on a regular basis, with time series available beginning in January 1996. Data are usually published within two weeks of the end of the reporting period. The de facto exchange rate arrangement is classified as floating.
Free floating		
Official exchange rate	Yes.	The NBK sets the official exchange rate of the domestic currency with respect to foreign currencies on a daily basis on business days on which the stock exchange holds foreign currency trading. The weighted average market exchange rate of the domestic currency against the US dollar as of 3:30 p.m. Nur-Sultan time, based on the results of the stock exchange session, is set as the official exchange rate of the domestic currency against the US dollar for the business day following the trading day. For other foreign currencies, the market exchange rate of the domestic currency with respect to a foreign currency is calculated by the NBK using the cross-rate against the US dollar, arrived at in accordance with the demand quotes received through news agency channels as of 4:00 p.m. Nur-Sultan time on a stock exchange trading day, and it is set as the official exchange rate for the next business day. On nonbusiness days, the NBK exchange rates on the business day preceding the nonbusiness day are in effect. The NBK publishes daily exchange rates of certain currencies against the tenge for accounting and computation of customs and other mandatory payments to the budget.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		

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Monetary aggregate target		
Inflation-targeting framework	Yes.	The monetary policy is based on an inflation-targeting framework. The annual inflation rate at the end of the year is compared with the target inflation range. There are no provisions addressing the consequences of a failure to meet the inflation target. The consequences if inflation misses its target have not been specified.
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee	Yes.	The MPC of the NBK is a decision-making body on monetary policy issues. It (1) sets the base rate; (2) sets the interest rates on the main operations of monetary policy; and (3) makes decisions on other issues of monetary policy that are not within the exclusive purview of the NBK Board. The MPC issues decrees on matters within its purview.
Central Bank Board	Yes.	The inflation target is set by the NBK Executive Board, which consists of five representatives of the NBK, a representative from the Presidential Administration of the Republic of Kazakhstan, the first deputy prime minister of Kazakhstan, the minister of national economy, and the chair of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market. The NBK Executive Board approves the government's monetary policy, within whose framework targets are set. Decisions at meetings of the Executive Board are adopted by a majority vote of the Executive Board members present. In the event of a tie, the NBK chair casts the deciding vote. Meetings of the Executive Board are legally valid if the members present constitute a quorum, defined as at least two-thirds of Executive Board members, which must include the NBK chair or a person serving in the chair's place. There are no legal provisions regarding adjustment of the target; however, the NBK's position is that a target already set is not subject to change.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band		
Band/Range	Yes.	The NBK set a target band for inflation in 2021–2022 at 4%–6%. Beginning in 2023, there will be an intermediate target of 4%–5%, which will allow for a smoother slowdown in inflation. The 3%–4% target is expected to be achieved beginning in 2025.
Target measure	Yes.	Target inflation is expressed in terms of year-end inflation (December over December of the previous year).
CPI	Yes.	For the purposes of inflation targeting, the CPI is used. The CPI is calculated by the Bureau of National Statistics of the Agency for Strategic Planning and Reforms. The CPI describes the change over time in average prices for a fixed basket of goods and services purchased by the public for personal consumption.
Core inflation		

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Target horizon	Yes.	The horizon for reaching the inflation target is over the medium term.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The NBK targets the short-term money market rate TONIA (tenge overnight index average), which is the weighted average interest rate on overnight repo transactions on the Kazakhstan Stock Exchange (KASE) in the automatic repo sector. For the purpose of greater representativeness and to establish a money market interest rate benchmark, TONIA is calculated at the end of each working day as a weighted average value of the profitability of one-day repo operations with a cutoff of 5% of transactions with the lowest and highest profitability. The threshold volume of transactions for the calculation of TONIA is set at T 100 billion. If the threshold value of the volume of transactions per day is not reached, TONIA is defined as the sum of the value of the base rate set by the NBK effective that day and the average spread of TONIA to the base rate for the previous five days.
Target corridor band	Yes.	The NBK sets a base rate with a corridor of ±100 basis points. The NBK has standing deposit and liquidity provision facilities.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	No.	
Other	Yes.	Reporting takes place as part of a memorandum approved by the chief of the Republic of Kazakhstan Presidential Administration, as well as presentation of the annual report of the NBK.
Transparency	Yes.	
Publication of votes	No.	Votes are not published. There are press releases regarding the base rate.
Publication of minutes	No.	
Publication of inflation forecasts	Yes.	Inflation forecasts are published quarterly in “Inflation Forecast” press releases and in quarterly “Inflation Surveys.”
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The foreign exchange market includes the KASE, which conducts daily trading online using an electronic trading system; an OTC interbank market; and a network of exchange bureaus handling foreign exchange cash transactions.
Spot exchange market	Yes.	Authorized banks conduct spot transactions on the KASE and in the interbank market. Residents and nonresidents purchase and sell foreign currency in the Republic of Kazakhstan exclusively with banks authorized to engage in exchange operations with foreign currency, through foreign exchange bureaus of such authorized banks, and through foreign exchange bureaus of authorized institutions following the procedure established by the NBK. Licenses to conduct foreign exchange transactions (as part of a general banking license) are issued to authorized banks by the NBK.

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		Banks authorized to conduct transactions in foreign currency in accordance with their licenses or under the law may freely purchase and sell foreign currency both in the Republic of Kazakhstan and abroad. As of December 31, 2022, there were 26 institutions that held licenses to perform banking and other operations. The NBK issues licenses for exchange operations with foreign currency in cash, which authorizes the exclusive activity of foreign currency exchange operations in cash and the purchase and sale of refined gold bullion with individuals. Nonbank exchange bureaus do not have the right to conduct foreign exchange operations directly with the NBK. Nonbank exchange bureaus may not make payments and transfers in foreign currency on behalf of their customers. They may open accounts abroad and may purchase foreign currency from and sell foreign currency to authorized banks and the public. As of December 31, 2022, there were 2,247 bank and nonbank foreign exchange bureaus performing operations with foreign exchange cash. Banks, authorized institutions, and nonbank foreign exchange bureaus set their exchange rates independently. Pursuant to NBK Resolution No. 296 of November 29, 2018, the limits (T 6 and T 7 for the US dollar and the euro, respectively) on the margin between the buying and selling rates of cash in US dollars and euros for tenge cash transactions conducted with the public through exchange bureaus were eliminated. However, by Resolution No. 33 of March 19, 2020, the NBK reestablished the limits on the margin between the buying and selling rates on cash foreign exchange transactions against tenge conducted by individuals through exchange offices of authorized banks and authorized nonbanking organizations as follows: T 6 for the US dollar and T 7 for the euro. The resolution was adopted in the context of COVID-19. Given the lack of consensus with regard to the outlook for an end to the negative impact of external economic factors related to COVID-19 on the country's economy and the domestic foreign exchange market, under NBK Executive Board Resolution No. 86 of July 14, 2020, on the Establishment of Limits on the Margin between Buying and Selling Rates for Foreign Exchange Transactions against the Tenge Performed through Exchange Offices (taking into account the changes made on December 21, 2020), the decision was made to extend the margin limits of T 6 for US dollars and T 7 for euros until January 1, 2022. There are no provisions with regard to commissions on the sale and purchase of foreign exchange cash through exchange bureaus.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks conduct transactions in the KASE and in the OTC interbank market at freely negotiated rates. Daily online trading is carried out using an electronic trading system, through which participants submit their bids. The NBK monitors the trading sessions and if necessary participates in trading. The NBK participates in trading sessions via a remote terminal or sends a trader to the trading floor if the remote connection is not available. Internal regulations of the KASE govern trade execution and settlement. Banks set their own exchange rates. There are no limits on the commissions charged by market

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		participants. As of December 31, 2022, there were 26 banks licensed to perform banking and other operations and to operate in the securities market. The NBK intervenes directly with market participants at their quoted rates and proposes its own quotes.
Over the counter	Yes.	
Brokerage	Yes.	As of December 31, 2022, the number of organizations with a brokerage and (or) dealer license was 38 (including second-tier banks).
Market making	Yes.	As of December 31, 2022, 19 organizations were market makers for financial instruments.
Forward exchange market	Yes.	Foreign exchange futures are quoted in the KASE. Swap transactions are allowed in the KASE. The NBK participates in foreign exchange swap transactions in the KASE. Forward exchange operations are conducted in the interbank market. Forward transactions are not conducted in the KASE.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments and transfers between residents take place in domestic currency, except in cases specified by the Law on Foreign Exchange Regulation and Foreign Exchange Control. Payments and transfers of funds in transactions with nonresidents may be performed in any currency. A payment and/or transfer of funds in domestic currency between a resident and a nonresident is treated as a foreign exchange transaction.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Foreign exchange transactions among residents are prohibited, except (1) transactions in which one of the parties is the NBK, the Republic of Kazakhstan MOF, or institutions of the Republic of Kazakhstan abroad; (2) transactions in which one party is a resident authorized to perform foreign exchange transactions with residents pursuant to the laws of the Republic of Kazakhstan or acts of the president adopted before the law went into effect; (3) transactions with foreign exchange assets that are considered banking and other transactions, which authorized banks and authorized institutions may perform under a license issued to them by the NBK, the Republic of Kazakhstan Agency for the Regulation and Development of the Financial Market, or under the laws of the Republic of Kazakhstan; (4) payment for banking services involving foreign exchange transactions; (5) transactions involving the purchase, sale, payment of interest on, and/or redemption of securities whose nominal value is in foreign currency;

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	(6) transactions between brokers and consigners involving the provision of brokerage services related to the conclusion and execution of import or export contracts with nonresidents, including transactions involving the return of foreign exchange assets to a consigner; (7) transactions involving the purchase and/or sale of refined gold bullion for domestic currency; (8) transfers of bills of exchange denominated in foreign currency as fulfillment of monetary obligations; (9) settlement transactions for goods sold in duty-free shops or for goods sold and services provided to passengers traveling internationally; (10) transactions between branch offices (representative offices) of foreign organizations. The regulation applies only to branch offices (representative offices) of foreign organizations that constitute a permanent institution for tax purposes in the Republic of Kazakhstan; (11) transactions involving business travel expenses of individuals for travel abroad, including hospitality expenses, and transactions involving repayment of unused advances for business travel abroad; (12) gifts or donations of money or foreign exchange assets by individuals to individuals and to legal entities that are charitable organizations; (13) bank deposits by individuals in favor of other individuals; (14) transactions between securities market professionals who perform foreign exchange transactions on instructions from clients, and between individuals or legal entities, related to the transfer of money and financial instruments from (to) accounts for the recording and safekeeping of money and financial instruments belonging to clients within the context of the execution and termination of brokerage service agreements; (15) transactions involving the payment of taxes and other mandatory payments to the budget as provided by the tax code; (16) transactions of a party serving as a recipient of minerals on behalf of the government that are transferred to said party in accordance with the tax code for in-kind fulfillment by a mineral resources operator of its tax obligations related to the transport, storage, and sale of such minerals; and (17) payments by individuals for goods, work, and services under transactions concluded and executed within a special economic zone whose boundaries coincide fully or partially with sections of the customs border of the Eurasian Economic Union (EAEU)—set to be included on the list of permitted foreign exchange transactions on January 1, 2020. Branch offices (representative offices) of foreign organizations that constitute a permanent institution for tax purposes in the Republic of Kazakhstan are classified as residents and may not conduct transactions with other residents in foreign currency.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.
Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.
Barter agreements and open accounts	No.

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Administration of control	Yes.	Foreign exchange control is administered by the government, the NBK, and other foreign exchange control bodies and agents in accordance with the Law on Foreign Exchange Regulation and Foreign Exchange Control and legislation of the Republic of Kazakhstan. The NBK and other government bodies (the MOF, the Public Revenue Committee under the MOF) serve as foreign exchange control agents in accordance with the scope of authority established by legislation. Authorized banks, nonbank exchange bureaus, and professional participants in the securities market who perform foreign exchange transactions for their clients serve as foreign exchange control agents. The NBK monitors compliance by residents and nonresidents with the requirements of foreign exchange legislation and performance of the functions of foreign exchange control agents by authorized banks and nonbank exchange bureaus. The Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market licenses banks and financial institutions to engage in banking operations in foreign exchange and supervises the activities of banks and other financial institutions. The NBK also licenses nonbank exchange bureaus and supervises their activities. The MOF monitors and supervises government loans and government-guaranteed loans. Public revenue authorities (the Public Revenue Committee of the MOF) participate in foreign exchange control related to exports and imports. At the time of customs clearance of goods, an authorized official of a territorial subdivision of the public revenue body—when there is an export or import foreign exchange contract that requires the assignment of a record number in accordance with the Rules for Export-Import Foreign Exchange Control in the Republic of Kazakhstan—checks the record number of the export or import foreign exchange contract entered in the declaration of the goods against the information received regarding the export or import foreign exchange contract with a record number. If there is a discrepancy between the declaration and the actual information, the exporter or importer must make the relevant corrections to the declaration of goods following the procedure established by the customs legislation of Kazakhstan. Government agencies that issue export and import licenses also monitor compliance with eligibility criteria and licensing rules.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Public (trade) relations arising in the production of precious metals and the turnover of precious metals and precious stones, raw materials containing precious metals, and jewelry and other products made of precious metals and precious stones are regulated by currency legislation and the legislation of Kazakhstan on precious metals and by international treaties. In accordance with currency legislation, authorized banks and authorized organizations may carry out, through their exchange offices, transactions for the purchase and (or) sale of refined gold bullion, as issued by the NBK. Refined gold bullion is classified as a foreign exchange asset, and transactions with it for domestic currency are classified as foreign exchange transactions and are subject to the same regulation as other foreign exchange transactions.

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		Refined gold and gold for minting coins are classified as commodities subject to export restrictions under Decision No. 30 of the Board of the Eurasian Economic Commission (EAEC) of April 21, 2015, on Nontariff Regulatory Measures. (This restriction does not extend to the CBs of EAEU member states.)
On domestic ownership and/or trade	No.	According to the AML/CFT law, a transaction, purchase, or sale of precious metals and precious stones and jewelry, including in cash form, is subject to financial monitoring if the transaction amount is equal to or exceeds T 5 million or the equivalent in foreign currency. Data and information on transactions subject to financial monitoring are sent to the Agency of the Republic of Kazakhstan for Financial Monitoring.
On external trade	Yes.	The Ministry of Industry and Infrastructure Development administers government control of imports and exports of precious metals and commodities containing precious metals. EAEU member states apply identical controls on external trade in gold. Refined gold bullion is classified as a foreign exchange asset, and transactions with it are classified as foreign exchange transactions and are subject to the same regulation as other foreign exchange transactions. Refined gold and gold for minting coins are classified as commodities subject to export restrictions under Decision No. 30 of the Board of the EAEC of April 21, 2015, on Nontariff Regulatory Measures; specifically, a license is issued in accordance with the Instruction on the Preparation of an Application for a License to Export and/or Import Certain Types of Goods and on the Preparation of Such a License, approved by Decision No. 199 of the Board of the EAEC of November 6, 2014, along with a government control document. (This restriction does not extend to CBs of EAEU member states.) Exports of precious metals, including refined gold bullion, from the EAEU require a license from the pertinent EAEU government authority where the exporter is registered. Exports of precious metal coins from the EAEU require a government control document. Exports from the EAEU of precious metal coins that are the legal tender of an EAEU member are handled by that country's CB and commercial banks.
Controls on exports and imports of banknotes	No.	Within the EAEU, individuals may move cash and/or monetary instruments in an unlimited amount and without declaration. A declaration is required in the case of imports by individuals from third countries (countries that are not EAEU members) or exports by individuals to third countries of cash and/or traveler's checks exceeding the equivalent of US$10,000 and of monetary instruments denominated in domestic and foreign currency (for example, bills of exchange, bank checks, certified bearer securities). Banks are permitted to freely import and export domestic and foreign currency, provided they comply with the requirements of the customs legislation.
On exports	No.	
Domestic currency	No.	For individuals, cash and/or traveler's checks are subject to customs declaration if the total amount imported into or exported from the customs territory of the EAEU at one time exceeds the equivalent of US$10,000 at the exchange rate in effect on the day the passenger customs declaration is presented to a customs authority. For legal entities, domestic currency banknotes are subject to customs declaration as goods.
Foreign currency	No.	For individuals, cash and/or traveler's checks are subject to customs declaration if the total amount imported into or exported from the customs territory of the EAEU at one time exceeds the equivalent of

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		US$10,000 at the exchange rate in effect on the day the passenger customs declaration is presented to a customs authority. For legal entities, domestic currency banknotes are subject to customs declaration as goods.
On imports	No.	
Domestic currency	No.	For individuals, cash and/or traveler's checks are subject to customs declaration if the total amount imported into or exported from the customs territory of the EAEU at one time exceeds the equivalent of US$10,000 at the exchange rate in effect on the day the passenger customs declaration is presented to a customs authority. For legal entities, domestic currency banknotes are subject to customs declaration as goods.
Foreign currency	No.	For individuals, cash and/or traveler's checks are subject to customs declaration if the total amount imported into or exported from the customs territory of the EAEU at one time exceeds the equivalent of US$10,000 at the exchange rate in effect on the day the passenger customs declaration is presented to a customs authority. For legal entities, domestic currency banknotes are subject to customs declaration as goods.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open accounts in foreign currency with authorized banks without restriction. There are no restrictions on the use of funds from such accounts.
Approval required	No.	
Held abroad	Yes.	A resident legal entity (with the exception of banks and branch offices (representative offices) of a foreign organization, participants of the Astana International Financial Centre) must notify the NBK of accounts opened with a foreign bank by applying for a record number for the account before making transactions with the account. Resident individuals are not required to notify the NBK of accounts held at foreign banks. There are no restrictions on the use of funds from such accounts.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	The regulations are the same as those for accounts in foreign currency.
Accounts in domestic currency convertible into foreign currency	Yes.	All accounts in domestic currency are convertible. The purchase of noncash foreign currency by resident legal entities (other than banks) on the same business day through a single bank for purposes not related to the fulfillment of foreign currency obligations is limited to the equivalent of US$50,000 (previously US$100,000). The requirement to submit a foreign exchange contract and/or other documents concerning a foreign exchange operation does not extend to individuals purchasing foreign currency. Any document denominated in foreign currency may be used as a "foreign exchange contract." The amounts, types, and purpose for the purchase of foreign currency are not limited in any way.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open foreign exchange accounts with authorized banks without restriction. There are no restrictions on the use of funds from such accounts. Nonresidents may freely transfer balances on their accounts in

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		foreign currency abroad.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open domestic currency accounts with authorized banks without restriction. There are no restrictions on the use of funds from such accounts. Nonresidents may freely transfer balances on their accounts in foreign currency abroad.
Convertible into foreign currency	Yes.	All accounts in domestic currency are convertible.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Residents and nonresidents may purchase foreign currency in the domestic market. When requesting to purchase noncash foreign currency for domestic currency for purposes not related to the fulfillment of obligations—in amounts exceeding the equivalent of US$50,000 on the same day through a single bank (previously US $100,000)—resident legal entities must state the purpose and amount of the foreign currency being purchased by submission of a copy of the relevant foreign exchange contract.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	.
Import licenses and other nontariff measures	Yes.	EAEU member states apply uniform nontariff regulatory measures with respect to third countries. There is a Uniform List of Goods Subject to Nontariff Regulatory Measures in Trade with Third Countries, as established by EAEC Board Decision No. 134 of August 16, 2012, and No. 30 of April 21, 2015. In accordance with this list, there are prohibitions on imports and exports of goods into and from the EAEU customs territory. Exports of goods from the EAEU customs territory require an authorizing document. Licenses to import ozone-depleting substances and products containing ozone-depleting substances and hazardous waste are issued by the Ministry of Energy; licenses to import means of plant protection (pesticides), poisonous substances that are not precursors of narcotics and psychotropic substances, special technical devices, and encryption (cryptographic) means for secret information acquisition are issued by the Ministry of Industry and Infrastructure Development; licenses to import radioelectronic equipment and high-frequency devices for

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		civilian use, including those built into or part of other goods, are issued by the Ministry of Information and Communications; licenses to import human organs, tissue, blood, and blood components are issued by the Ministry of Health; licenses to import certain kinds of meat, raw unflavored cane sugar, and aromatic or dye additives are issued by the Ministry of Trade and Integration; licenses to import narcotics, psychotropic substances, and their precursors are issued by the Ministry of Internal Affairs.
Positive list	No.	
Negative list	Yes.	The Uniform List of Goods Subject to Nontariff Regulatory Measures, as established by EAEC Board Decision No. 134 of August 21, 2012, and No. 30 of April 21, 2015 (Section I of the Uniform List of Goods), applies within the framework of the EAEU.
Open general licenses	No.	
Licenses with quotas	Yes.	Licenses are issued for (lower) import customs duty rates on beef, poultry, and pork imported within tariff quotas. Licenses for imports of raw sugar are granted within the limits of tariff quotas with an import customs duty rate of 0.
Other nontariff measures	Yes.	
Import taxes and/or tariffs	Yes.	Imports of goods are subject to (1) VAT of 12% and customs duties (some exemptions); (2) excise taxes, where applicable; and (3) antidumping protective and compensatory duties, if applicable. Imports from EAEU member countries are exempt from customs duties. There is a uniform customs tariff within the EAEU, along with other uniform measures for regulating trade in goods with third countries, in accordance with the Treaty on the EAEU of May 29, 2014 (EAEC Council Decision No. 54 of July 16, 2012, on Approval of the Uniform Foreign Economic Activity Commodity Nomenclature of the EAEU and the Uniform Customs Tariff of the EAEU). To meet tariff obligations of Russia and the Republic of Kazakhstan with the WTO for 2018, in accordance with EAEC Council Decision No. 66 of July 13, 2018, and EAEC Board Decision No. 94 of June 5, 2018, import customs duty rates were lowered for 179 tariff subheadings beginning September 1, 2018. To meet the Republic of Kazakhstan's tariff obligations for 2017–2018 that differ from those of Russia, on December 1, 2017, Kazakhstan's import tariffs for 2,475 tariff lines were lowered by an average of 1.4 percentage points. Import duty rates are also in effect pursuant to Order No. 105 of the Republic of Kazakhstan Minister of the National Economy of December 19, 2018, on an Amendment to Order No. 58 of the Republic of Kazakhstan Minister of the National Economy of February 9, 2017, on Approval of a List of Goods Subject to Import Customs Duties, Their Rates, and Effective Dates.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Residents (with the exception of a branch office (representative office) of a foreign organization) must ensure that domestic and foreign currency received in payment for exports of goods (work, services) is credited to accounts at authorized banks within the time period stipulated by the terms of the contract.

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		The repatriation requirement is considered to have been met in full or in part if: (1) proceeds in domestic and/or foreign currency are credited to a resident's accounts at foreign banks in fulfillment of the resident's liabilities under the terms of a financial loan from a nonresident or for the use of the resident's overseas branches (representative offices); (2) foreign currency received by residents from holding exhibitions or sporting, cultural, and other similar events outside Kazakhstan is used to cover expenses during the time that the events are underway; (3) foreign exchange earnings are posted to accounts at foreign banks held by resident transportation organizations for the purpose of covering expenses related to the payment of port and other fees in foreign states and the servicing of transportation equipment owned by such transportation organizations and their passengers while they are located outside the Republic of Kazakhstan, and expenses to support the operations of branch offices (representative offices) of such transportation organizations located outside the Republic of Kazakhstan; (4) a nonresident's obligation is offset by a counterclaim under foreign exchange export or import contracts; (5) a nonresident's obligation is met by replacing the original obligation between a resident and nonresident with a different obligation between the same parties that provides for a different object or means of fulfillment; or (6) an insurance payment is received when an insured event occurs, under insurance contracts covering the risk of default on obligations by a nonresident. Transactions exceeding the equivalent of US$50,000 are subject to repatriation compliance monitoring.
Surrender requirements	Yes.	The Republic of Kazakhstan Government Resolution on the Surrender by Quasi-Public Sector Entities of a Portion of their Foreign Currency Proceeds in the domestic market was adopted. It requires the sale of 50% of the foreign currency export proceeds of the quasi-public sector entities in the domestic market. The resolution's validity was extended until January 1, 2022. This measure is temporary in nature and applies only to legal entities in which the government's stake exceeds 50%.
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	
Financing requirements	No.	
Documentation requirements	No.	When making payments and/or money transfers under foreign exchange contracts in an amount greater than the equivalent of US $50,000, exporters must submit an original or copy of a foreign exchange agreement for export or import.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	Deferrals of export payments and advance export payments are no longer classified as commercial credits.
Export licenses	Yes.	EAEU member states apply uniform nontariff regulatory measures with respect to third countries. There is a Uniform List of Goods

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		Subject to Nontariff Regulatory Measures in Trade with Third Countries, as established by EAEC Board Decision No. 134 of August 16, 2012, and No. 30 of April 21, 2015. In accordance with this list, imports and exports of goods into and from the customs territory of the EAEU require a license or authorizing document. Exports of ozone-depleting substances and products containing ozone-depleting substances and exports of hazardous waste are licensed by the Ministry of Energy. Exports of collectible mineralogy and paleontology materials and animal fossils are licensed by the Ministry of Education and Science. Exports of live wild animals, certain wild plants, and medicinal raw materials growing in the wild and of rare and endangered wild animal and wild plant species listed in the Red Book of the Republic of Kazakhstan, in accordance with Republic of Kazakhstan Government Resolution No. 1034 of October 31, 2006, are licensed by the Ministry of Agriculture. Exports of precious metals and raw materials containing precious metals, mineral raw materials, special technical devices intended for the secret acquisition of information, encryption (cryptographic) equipment, and information on mineral resources indicating areas and deposits of fuel and energy and mineral resources are licensed by the Ministry of Industry and Infrastructure Development.
Without quotas	Yes.	EAEU member states apply uniform nontariff regulatory measures with respect to third countries. There is a Uniform List of Goods Subject to Nontariff Regulatory Measures in Trade with Third Countries, approved by EAEC Board Decision No. 134 of August 16, 2012, and No. 30 of April 21, 2015. In accordance with this list, imports and exports of goods into and from the customs territory of the EAEU require a license or authorizing document.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Customs duties apply to exports of petroleum and petroleum products; scrap and waste of ferrous and nonferrous metals; ferrous metal products used for railway or streetcar tracks; aluminum and aluminum products; parts for railway locomotives, streetcars, and rolling stock; and skins and wool of domesticated animals.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Article 9 of the Law on Currency Regulation and Currency Control of March 30, 2019, requires a record number for contracts involving the export/import of work (services). When making payments and/or money transfers, residents of Kazakhstan must submit an original or copy of a foreign exchange agreement for exports or imports or other supporting documentation.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documentation is required if the amount of a foreign exchange contract for exports or imports is greater than the equivalent of US$50,000.
Investment-related payments	Yes.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documentation is required.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Resident legal entities must present supporting documentation for foreign exchange used by employees for expenses related to business travel outside the Republic of Kazakhstan.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Individuals without supporting documents for payments equivalent to more than US$10,000 (disbursement of funds to individuals) must show documentation confirming the personal nature of the payment and permission for the authorized bank to inform law enforcement authorities and the NBK about the transaction if requested.
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Resident legal entities paying more than the equivalent of US$10,000 must provide documents identifying the purpose of the expense.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documentation is required.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	A repatriation requirement applies to foreign exchange proceeds from exports of goods (services, work). The proceeds from exports of goods (work and services) must be repatriated during the time period stipulated by the terms of the contract. A contract whose value is in excess of the equivalent of US$50,000 is subject to monitoring of compliance with the repatriation requirement.
Surrender requirements	Yes.	The Republic of Kazakhstan Government Resolution on the Surrender by Quasi-Public Sector Entities of a Portion of their Foreign Currency Proceeds was adopted. It requires the sale of 50%

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		of the foreign currency export proceeds of quasi-public sector entities. The resolution's validity was extended until January 1, 2022. This measure is temporary in nature and applies only to legal entities in which the government's stake exceeds 50%.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	A unified procedure for registration of agreements on the movement of capital and accounts with foreign banks is in effect. When making payments and (or) transfers of money under an agreement requiring a registration number, or using an account in a foreign bank with a registration number, the authorized bank (or its branch) verifies the registration number. The registration procedure does not constitute a permitting process. A resident party to a foreign exchange agreement applies to the NBK for a registration number before commencement of fulfillment of obligations under the foreign exchange agreement by either of its parties. Authorized banks must submit to the NBK a report on all foreign exchange transactions, including on behalf of clients, equal to or exceeding US$50,000 indicating the account number, if any.
Repatriation requirements	No.	The repatriation requirement is applicable only to foreign trade activity of residents (exports and imports of goods, works, and services), not to capital transactions.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	There is a single procedure for the registration of contracts on the movement of capital and settlements at foreign banks. When a payment is made and/or money is transferred under a contract requiring an account number—or when an account at a foreign bank to which an account number has been assigned is used—an authorized bank (or its branch) checks for the presence of an account number and for details of the foreign exchange contract in the payment document. The registration requirement applies to agreements on the movement of capital, the parties to which are residents (other than authorized banks and branches (representative offices) of foreign organizations). The resident party to an agreement asks the NBK to assign an account number before obligations under the contract are fulfilled by any of the parties. The registration procedure does not constitute a permitting process. Authorized banks must present to the NBK a report on all foreign exchange operations, including those on behalf of customers, that are equal to or exceed the equivalent of US$50,000, indicating the account number, if any.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must

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		apply to the NBK for registration of agreements on the sale of equity securities exceeding US$500,000 or equivalent issued by residents or nonresidents to nonresidents before obligations under the contract may be fulfilled by any of the parties. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Sale or issue locally by nonresidents	Yes.	The issuance of securities locally by nonresidents must be registered with the Agency for the Regulation and Development of the Financial Market for trade in the organized securities market. The state registration of corporate issue-grade securities issues is performed by the authorized body as part of state regulation, oversight, and supervision of the activities of entities operating in the market for securities and other financial instruments. For statistical purposes, residents (with the exception of authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the acquisition of equity securities exceeding US$500,000 or equivalent from nonresidents issued by residents or nonresidents before obligations under the contract are fulfilled by any of the parties. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Purchase abroad by residents	Yes.	For statistical purposes, residents (with the exception of authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the acquisition of equity securities exceeding US$500,000 or equivalent from nonresidents issued by residents or nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including those on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Sale or issue abroad by residents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the sale of equity securities exceeding US$500,000 or equivalent to nonresidents issued by residents or nonresidents before obligations under the contract are fulfilled by any of the parties. If the contract does not specify an amount, it is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the sale of debt securities exceeding US$500,000 or equivalent to nonresidents issued by residents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the agreement is considered subject to registration.

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		Authorized banks must present to the NBK a report on all foreign exchange operations, including those on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Sale or issue locally by nonresidents	Yes.	The issuance of securities locally by nonresidents must be registered with the Agency for the Regulation and Development of the Financial Market for trade in the organized securities market. The state registration of a bond issue (bond program) of a nonresident issuer is conditional on the following requirements: (1) a minimum credit rating of at least B under the Standard & Poor's international scale or an equivalent rating assigned by one of the other rating agencies; (2) signature by a foreign supervisory body of the given legal entity's country of origin of the Multilateral MoU Concerning Consultation and Cooperation and the Exchange of Information of the International Organization of Securities Commissions; (3) meeting the requirements for the official listing of the debt securities of a nonresident issuer by a stock exchange and for trading on a stock exchange; (4) permission from the relevant foreign supervisory body for the issuance of bonds in accordance with the legislation of the Republic of Kazakhstan or a letter stating that such permission is not required under the laws of the nonresident issuer's country; (5) compliance with prudential ratios and other standards and limits of the relevant supervisory body for the three months before application for state registration of the bond issue (bond program) is filed (if the nonresident issuer is a financial institution). State registration of a nonresident issuer's bond issue, in which the bonds are denominated in foreign currency, is performed, provided the prospectus for the nonresident issuer's bonds has a mandatory provision that interest and principal will be paid in the currency in which the bonds are issued. For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the purchase of debt securities exceeding US$500,000 or equivalent from nonresidents issued by nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding US$50,000 or equivalent, indicating the account number, if any.
Purchase abroad by residents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the purchase of debt securities exceeding US$500,000 or equivalent from nonresidents issued by nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Sale or issue abroad by residents	Yes.	The state registration of corporate issue-grade securities issues is performed by the authorized body as part of the state regulation, oversight, and supervision of the activities of entities operating in the market for securities and other financial instruments.

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		A resident organization of the Republic of Kazakhstan has the right to perform the issue and/or placement of issue-grade securities within the territory of a foreign state only with the relevant permission from the authorized body. When shares are placed by a resident organization of the Republic of Kazakhstan, the following conditions must be met: (1) The issue-grade securities of one or more issues of issue-grade securities previously issued by the given resident organization of the Republic of Kazakhstan are listed on a stock exchange within the territory of the Republic of Kazakhstan. (2) In the placement of shares of a resident organization of the Republic of Kazakhstan, or depository receipts, the shares or depository receipts must be included in stock exchange listing categories or consent must be obtained from a stock exchange for their inclusion in stock exchange listing categories established by a regulatory legal act of the authorized body. (3) A decision by the authorized body of the issuer of the shares must contain a condition that at least 20% of the total number of shares must be offered for purchase through the organized securities market of the Republic of Kazakhstan. For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the sale of debt securities exceeding US$500,000 or equivalent to nonresidents issued by residents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or greater than the equivalent of US$50,000, indicating the account number, if any.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	For statistical purposes, residents (with the exception of authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the sale of money market instruments exceeding US$500,000 or equivalent to nonresidents issued by residents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Sale or issue locally by nonresidents	Yes.	The issuance of securities locally by nonresidents must be registered with the Agency for the Regulation and Development of the Financial Market for trade in the organized securities market. For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the purchase of money market instruments exceeding US$500,000 or equivalent from nonresidents issued by nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account

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		number, if any.
Purchase abroad by residents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the purchase of money market instruments exceeding US$500,000 or equivalent from nonresidents issued by nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the agreement is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Sale or issue abroad by residents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the sale of money market instruments exceeding US$500,000 or equivalent to nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the agreement is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the sale of securities exceeding US$500,000 or equivalent to nonresidents issued by residents or nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the agreement is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Sale or issue locally by nonresidents	Yes.	The issuance of shares in a mutual fund must be registered with the Agency for the Regulation and Development of the Financial Market. The state registration of corporate issue-grade securities issues is performed by the authorized body as part of the state regulation, oversight, and supervision of the activities of entities operating in the market for securities and other financial instruments. For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the acquisition of securities exceeding US$500,000 or equivalent from nonresidents issued by residents or nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the agreement is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Purchase abroad by residents	Yes.	For statistical purposes, residents (with the exception of authorized banks and branches (representative offices) of foreign organizations)

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		must apply to the NBK for registration of agreements on the acquisition of securities exceeding US$500,000 or equivalent from nonresidents issued by residents or nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the agreement is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Sale or issue abroad by residents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of agreements on the sale of securities exceeding US$500,000 or equivalent to nonresidents issued by residents or nonresidents before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the agreement is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of transactions with derivatives if the amount of contract exceeds US$500,000 or equivalent. If the agreement does not specify an amount, the contract is considered subject to registration, before obligations under the contract are fulfilled by any of the parties. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Sale or issue locally by nonresidents	Yes.	The issuance of securities locally by nonresidents must be registered with the Agency for Regulation and Development of the Financial Market for trade in the organized securities market. For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of transactions with derivatives exceeding US$500,000 or equivalent before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Purchase abroad by residents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of transactions with derivatives if the amount of the contract exceeds US$500,000 or equivalent before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.

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Sale or issue abroad by residents	Yes.	A resident organization of the Republic of Kazakhstan may issue and/or place derivative securities whose underlying asset is shares of the given resident organization, with permission from the authorized body. A decision by an authorized body of an issuer of shares that is a resident organization of the Republic of Kazakhstan, or by the relevant shareholder selling the shares of the given issuer that is performing the initial placement of derivative securities, must contain a condition that at least 20% of the total number of the given shares must be offered for purchase through the organized securities market of the Republic of Kazakhstan. For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for registration of transactions with derivatives if the amount of the agreement exceeds US$500,000 or equivalent before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	The registration requirements for capital flow agreements do not apply to commercial loans.
To residents from nonresidents	No.	The registration requirements for capital flow agreements do not apply to commercial loans.
Financial credits	Yes.	
By residents to nonresidents	Yes.	For statistical purposes, residents (with the exception of authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for the registration of financial credits (financial loans) exceeding US$500,000 or equivalent extended by residents to nonresidents, regardless of the term, before obligations under the contract are fulfilled by any of the parties. In cases where an amount is not specified, the agreement is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any.
To residents from nonresidents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices) of foreign organizations) must apply to the NBK for the registration of financial credits (financial loans) in amounts exceeding US$500,000 or equivalent, extended by nonresidents to residents, before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the account number, if any. Banks are required to submit reports on loans from nonresidents with a term of more than 180 days in amounts exceeding US$500,000 or equivalent.

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Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	For statistical purposes, direct investments of residents (except authorized banks and branches (representative offices) of foreign organizations) abroad exceeding US$500,000 must be registered with the NBK before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the registration number, if any.
Inward direct investment	Yes.	For statistical purposes, direct investments of nonresidents (except authorized banks and branches (representative offices) of foreign organizations) exceeding US$500,000 are subject to registration with the NBK before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration. Authorized banks must present to the NBK a report on all foreign exchange operations, including on behalf of customers, equal to or exceeding the equivalent of US$50,000, indicating the registration number, if any.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	There are no restrictions on the purchase of real estate outside the country by residents. For statistical purposes, resident legal entities (with the exception of authorized banks and branches (representative offices)) must apply to the NBK to register transactions, with residents and nonresidents in amounts exceeding US$500,000 that provide for the acquisition by residents of ownership of real estate abroad, before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration.
Purchase locally by nonresidents	Yes.	There are no restrictions on the purchase of real estate by nonresidents in the domestic real estate market. For statistical purposes, resident legal entities (except authorized banks and branches (representative offices)) must apply to the NBK to register transactions with nonresidents, in amounts exceeding US$500,000 that provide for the acquisition by nonresidents of real estate in the Republic of Kazakhstan before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration.
Sale locally by nonresidents	Yes.	There are no restrictions on transactions by nonresidents in the domestic real estate market. For statistical purposes, resident legal entities (except authorized banks and branches (representative offices)) must apply to the NBK to register transactions with nonresidents, in amounts exceeding

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		US$500,000 that provide for the sale by nonresidents of real estate in the Republic of Kazakhstan before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify the amount of the agreement, the contract is considered subject to registration.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	For statistical purposes financial loans extended by residents (except of authorized banks and branches (representative offices)) to nonresidents in amounts exceeding US$500,000 or equivalent are subject to registration with the NBK, regardless of the terms, before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration.
To residents from nonresidents	Yes.	A unified procedure for registration of agreements on the movement of capital and accounts with foreign banks is in effect. When making a payment and (or) transfer of money under an agreement for which it is necessary to obtain a registration number, or using an account in a foreign bank that has been assigned a registration number, the authorized bank (or its branch) checks for the presence of the registration number, and in the payment document for details of the currency agreement. The registration procedure does not constitute a permitting process. For statistical purposes financial loans extended by nonresidents (except authorized banks and branches (representative offices)) to residents in amounts exceeding US$500,000 are subject to registration with the NBK before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices)) must apply to the NBK for the registration of transactions on compensation-free transfers of money and other currency from residents to nonresidents in amounts exceeding US$500,000 or equivalent before obligations under the contract are fulfilled by any of the parties. If the agreement does not specify an amount, the contract is considered subject to registration.
To residents from nonresidents	Yes.	For statistical purposes, residents (except authorized banks and branches (representative offices)) must apply to the NBK for the registration of transactions on compensation-free transfers of money and other currency from nonresidents to residents in amounts exceeding US$500,000 or equivalent before obligations under the contract are fulfilled by any of the parties. If the contract does not specify an amount, the contract is considered subject to registration.
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize	No.	

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earnings

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Banks must comply with the following ratio of liabilities to nonresidents to equity capital: The ratio of total short-term liabilities to nonresidents to the bank's equity capital (coefficient k-7) may not exceed 1. Obligations to nonresidents include (1) demand liabilities to nonresidents, including liabilities for which no settlement period has been set; (2) term liabilities to nonresidents with initial maturity up to one year inclusive; and (3) term obligations to nonresidents with the unconditional right of the creditor to demand early repayment, including term and conditional deposits of banks, except term and conditional deposits of individuals and legal entities.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	Mortgage loans not related to entrepreneurial activity in foreign currency are prohibited to individuals who do not have income in this currency for six consecutive months preceding the date of the application.
Purchase of locally issued securities denominated in foreign exchange	Yes.	The securities banks may purchase are specified in paragraph 8 of Article 8 of the Law on Banks and Banking. Specifically, there is a requirement that banks be allowed to perform transactions with debt securities with a minimum required rating. The rating for bonds of foreign issuers and issuers of the Republic of Kazakhstan must be at least B (based on the classification of the Standard & Poor's and/or Fitch rating agencies) or at least B2 (based on the Moody's Investors Service classification). The rating for foreign government bonds must be at least BBB– (based on the Standard & Poor's and/or Fitch classification) or at least Baa3 (based on the Moody's Investors Service classification). There are no restrictions regarding the currency in which a debt security is issued.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Foreign exchange deposits are included in the liability base for banks' minimum reserve requirements (MRRs). For the purpose of calculating MRRs, liabilities in domestic and foreign currencies are differentiated according to maturity (short term and long term). The ratios for liabilities in foreign currency are 3% for short-term and 1% for long-term liabilities; in tenge, they are 2% for short-term and 0% for long-term liabilities.
Liquid asset requirements	Yes.	For monitoring liquidity of commercial banks, the relevant agency sets limits (minimum values) for coefficients of banks' current, quick, and quick foreign exchange liquidity. The liquidity coefficients are calculated as the ratio of the average monthly amount of a bank's assets to its average monthly liabilities, taking into account accrued fees, types of assets and liabilities, and other factors. The limit for the current liquidity ratio (k-4), calculated as the ratio of a bank's average monthly highly liquid assets to its average monthly demand liabilities, including accrued fees, is 0.3. The quick liquidity ratio k4-1, calculated as the ratio of a bank's average monthly highly liquid assets to average monthly term liabilities with remaining maturity up to and including seven days, may not be less than 1. Limits are set at 0.9 and 0.8, respectively, for quick liquidity ratios k4-2 and k4-3, which are calculated as the ratio

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		of a bank's average monthly liquid assets to average monthly term liabilities with remaining maturity up to one month (k4-2) and up to three months (k4-3). The foreign exchange liquidity ratio k4-4, calculated as the ratio of average monthly highly liquid foreign currency assets to average monthly term liabilities in the same foreign currency with remaining maturity up to and including seven days, may not be less than 1. When calculating the foreign exchange liquidity ratio k4-4, a bank's term liabilities with a remaining maturity up to seven days, multiplied by a conversion coefficient equal to 100%, are included in the amount of liabilities in foreign currency with a remaining maturity up to seven days. Accordingly, there are limits of 0.9 and 0.8 for foreign exchange liquidity ratios k4-5 and k4-6, which are calculated similarly for term liabilities with maturities up to one month and three months. When calculating the foreign exchange liquidity ratio k4-5, a bank's term liabilities with a remaining maturity up to one month, multiplied by a conversion coefficient equal to 90%, are included in the amount of liabilities in foreign currency with a remaining maturity up to one month; when calculating the foreign exchange liquidity ratio k4-6, a bank's term liabilities with a remaining maturity up to three months, multiplied by a conversion coefficient equal to 80%, are included in the amount of liabilities in foreign currency with a remaining maturity up to three months.
Interest rate controls	No.	The Kazakhstan Deposit Guarantee Fund (KDGF) determines the amount and procedure for the payment of banks' contributions, which are calculated through a methodology developed by the KDGF, taking into account the compliance of interest rates on new personal deposits with those recommended by the KDGF for deposits in foreign currency and deposits in domestic currency.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	Deposits in foreign currency are included in the liability base for which banks must comply with MRRs. For the purpose of calculating the MRRs, liabilities in domestic and foreign currencies are differentiated according to the principle of maturity (short term and long term). The ratios for liabilities in foreign currency are 3% for short-term liabilities and 1% for long-term liabilities, while the ratios for liabilities in domestic currency are 2% for short-term liabilities and 0% for long-term liabilities.
Liquid asset requirements	No.	The calculation of liquid assets includes all financial assets, including highly liquid assets, minus (1) specially formed provisions and (2) claims on nonresidents that are legal entities registered abroad or their citizens or legal entities registered in countries on the list of countries that have not accepted OECD information exchange obligations or their citizens or organizations that are subsidiaries of legal entities registered in the aforementioned countries. Loans are included on the redemption schedule in accordance with loan agreements. The following securities, which are not included in the calculation of highly liquid assets, are included in the calculation of liquid assets, provided the given securities are serving as collateral for liabilities that are included in the calculation of liabilities: (1) government securities of the Republic of Kazakhstan issued by the government and the NBK; (2) securities issued by the Samruk-Kazyna National Welfare Fund and the Baiterek Management Holding Company

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		Joint-Stock companies; (3) government securities of countries with a sovereign debt rating in foreign currency no lower than the level established by the NBK; and (4) bonds of foreign issuers with a minimum required rating assigned by one of the rating agencies and conforming to the requirements of the agency. When calculating liquid assets, the time remaining to maturity for securities is considered to be the time remaining to maturity for the liabilities for which the given securities are serving as collateral. There is no difference in the liquid asset requirement for deposits of/liabilities to nonresidents and residents.
Interest rate controls	No.	The KDGF determines the amount and procedure for the payment of banks' contributions, which are calculated through a methodology developed by the KDGF, taking into account the compliance of interest rates on new personal deposits with those recommended by the KDGF for deposits in foreign currency and deposits in domestic currency.
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Investments of resident banks abroad are restricted by limits on the placement of equity and borrowed funds in domestic assets. For commercial banks (with the exception of banks founded by the Republic of Kazakhstan Government), average monthly internal assets must be equal to at least the average monthly amount of equity capital, subordinated debt, perpetual financial instruments, debt securities issued by the bank—except securities issued by the bank in foreign currency—and internal liabilities. In addition to the average monthly indicator, banks must adhere to a daily limit, which is equal to 95% of internal assets for each day based on the average monthly volume of internal liabilities for the previous month. Relevant credit risk weights are established for banks' assets placed with nonresident institutions when calculating capital adequacy coefficients (k1, k1-2, and k-2), which are calculated as follows: k1 is calculated as the ratio of core capital to the sum of assets and contingent liabilities, weighted by the degree of credit risk, and assets and contingent claims and liabilities calculated taking into account market risk and operational risk. The minimum level is 0.055 . k1-2 is calculated as the ratio of Tier 1 capital to the sum of assets and contingent liabilities, weighted by the degree of credit risk, and assets and contingent claims and liabilities calculated taking into account market risk and operational risk. The minimum level is 0.065 . k-2 is calculated as the ratio of equity capital to assets and contingent liabilities, weighted by the degree of credit risk, and assets and contingent claims and liabilities calculated taking into account market risk and operational risk. The minimum level is 0.08.
In banks by nonresidents	Yes.	A nonresident bank from WTO member countries may apply to the authorized body to obtain permission to open a branch in the Republic of Kazakhstan if certain conditions are met. Previously, opening of branches of nonresident banks were not permitted. The conditions include the following: (1) The total assets of the nonresident bank must not be less than the equivalent of US$20 billion. (2) The nonresident bank's country of residence cooperates internationally in preventing and combating the legalization (laundering) of criminal proceeds and the financing of terrorism and cooperates with the FATF. (3) There is an agreement between the authorized body and the

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financial supervision body of the nonresident bank's home country.
(4) There is written notification from the financial supervisory authority of the nonresident bank's home country stating that it does not object to the opening of a branch in the Republic of Kazakhstan, or a statement from that country's financial supervisory authority that permission is not required.
(5) There is written confirmation from the financial supervisory authority of the nonresident bank's home country that it is licensed to carry out banking activities.
The founders and shareholders of the bank may be legal entities and individuals, residents, and nonresidents of the Republic of Kazakhstan.
Legal entities registered in offshore zones listed by the authorized body may not directly or indirectly own and (or) use and (or) dispose of voting shares of banks resident in the Republic of Kazakhstan.
A nonresident legal entity may obtain approval from the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market to be a bank holding company or major stakeholder in a bank if it has the minimum required rating from one of the major rating agencies. A nonresident bank with the required rating may be a parent bank of a subsidiary bank. A list of the major rating agencies and the minimum required rating are established by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market. Legal entities registered in offshore zones, or with affiliates registered in offshore zones, and participants in (founders or shareholders of) legal entities registered in offshore zones, listed by the authorized agency, may not directly or indirectly hold, use, and/or determine the disposition of voting shares in resident banks. This restriction does not apply to banks that are subsidiaries of nonresident banks with a minimum required rating from one of the rating agencies.
A minimum long-term credit rating in foreign currency of at least BBB on the Standard & Poor's international scale or equivalent ratings assigned by another established rating agency is established for the following nonresident legal entities:
legal entities that are acquiring (or have) the status of a bank holding company or holding company;
legal entities that are acquiring (or have) the status of a major stakeholder in a bank;
banks that are establishing (or that have) subsidiary banks in the Republic of Kazakhstan.
This requirement does not apply to:
(1) nonresident legal entities that meet all of the following conditions:
(a) It has a minimum long-term credit rating in foreign currency of at least BB– on the Standard & Poor's international scale or equivalent ratings assigned by another established rating agency.
(b) It is a resident of a foreign country with a minimum sovereign rating in foreign currency of at least BB– according to Standard & Poor's or equivalent ratings assigned by another established rating agency.
(c) There is an information-sharing agreement between the authorized body for the regulation, oversight, and supervision of the financial market and financial institutions and the authorized body for banking regulation of the legal entity's home country.
(2) Nonresident bank holding companies that acquired the relevant status before January 1, 2013, and that meet the following requirements as of the date indicated:
(a) It has a long-term credit rating in foreign currency of at least AAA on the national scale of the Japanese Credit Rating Agency or

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		an affiliate rating agency. (b) Its home country has a sovereign rating in foreign currency of at least BB– according to Standard & Poor's or equivalent ratings from another established rating agency. (c) There is an information-sharing agreement between the Republic of Kazakhstan authorized body for the regulation, oversight, and supervision of the financial market and financial institutions and the authorized body for banking regulation of the bank holding company's home country. A nonresident founder of a bank must have written notification from the authorized agency (for banks not located in the Republic of Kazakhstan, the banking supervision agency) of the relevant country indicating that the person may hold shares in a bank in the Republic of Kazakhstan, or must have a statement from the authorized agency (for nonresident banks, the banking supervision body) of the relevant country indicating that such permission is not required. A nonresident bank holding company that directly holds 25% or more of the bank's placed shares (excluding preferred shares and those repurchased by the bank) or that is able to directly cast votes based on 25% or more of the bank's voting shares may only be a nonresident financial institution that is subject to consolidated supervision in its home country.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The open foreign exchange position is calculated separately for each foreign currency and for each refined precious metal. The following limits apply: (1) The limit on the open foreign exchange position (long and short) for euros and currencies of countries whose sovereign rating is not below A from Standard & Poor's or an equivalent rating by one of the other rating agencies, and for bank metals, is not more than 12.5% of the bank's own capital. (2) The limit on the open foreign exchange position (long and short) for currencies of countries whose sovereign rating is below A from Standard & Poor's or an equivalent rating by one of the other rating agencies is 5% of the bank's own capital. (3) The limit for the overall net foreign exchange position is not more than 25% of the bank's own capital. (4) A bank's open long and/or short foreign exchange position for derivatives in the currency of an individual foreign state (or group of foreign states) opened on contingent claim accounts and contingent liability accounts may not exceed 50% of the bank's own capital. The same open foreign exchange position limits apply to resident and nonresident assets and liabilities.
On nonresident assets and liabilities	Yes.	The open foreign exchange position is calculated separately for each foreign currency and for each refined precious metal. The following limits apply: (1) The limit on the open foreign exchange position (long and short) for euros and currencies of countries whose sovereign rating is not below A from Standard & Poor's or an equivalent rating by one of the other rating agencies, and for bank metals, is not more than 12.5% of the bank's own capital. (2) The limit on the open foreign exchange position (long and short) for currencies of countries whose sovereign rating is below A from Standard & Poor's or an equivalent rating by one of the other rating agencies is 5% of the bank's own capital. (3) The limit for the overall net foreign exchange position is not more than 25% of the bank's own capital. (4) A bank's open long and/or short foreign exchange position for derivatives in the currency of an individual foreign state (or group of foreign states) opened on contingent claim accounts and contingent liability accounts may not exceed 50% of the bank's own capital.

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		The same open foreign exchange position limits apply to resident and nonresident assets and liabilities.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Nonresident insurance companies and brokers may not establish branches in Kazakhstan, with the exception of WTO members. Nonresident insurance companies and brokers from WTO member countries may open branches of an insurance (reinsurance) company and an insurance broker in the Republic of Kazakhstan within the framework of the Law of the Republic of Kazakhstan dated November 24, 2015, No. 422-V. Legal entities registered in offshore zones listed by the relevant agency may not directly or indirectly control, use, or dispose of the voting shares of resident insurance (reinsurance) companies. This restriction does not apply to insurance (reinsurance) companies that are subsidiaries of insurance (reinsurance) companies that are not residents of the Republic of Kazakhstan with a minimum required rating from one of the rating agencies. Only a nonresident financial institution under consolidated supervision in its home country may be a nonresident insurance holding company that directly controls 25% or more of the outstanding shares of an insurance (reinsurance) company (net of preferred shares and those repurchased by the insurance/reinsurance company) or with 25% or more of the voting shares.
Limits (max.) on securities issued by nonresidents	Yes.	An insurance (reinsurance) company may not acquire stakes in the authorized capital or shares of nonresident legal entities, with the exception of the acquisition of stakes or shares of nonresident legal entities that have the status of a bank, insurance (reinsurance) company, pension fund, or professional participant in the securities market, or shares of nonresident legal entities on a list established in accordance with a regulatory legal act of the authorized body. The acquisition by an insurance (reinsurance) company of stakes in the authorized capital or shares of legal entities must not exceed 10% of the insurance (reinsurance) company's equity capital for each legal entity. This restriction applies to an insurance (reinsurance) company's ownership of stakes in the authorized capital or shares of said legal entities, including cases in which they participate in the establishment of the legal entities. The aggregate value of an insurance (reinsurance) company's stakes in the authorized capital of legal entities or shares must not exceed 50% of the insurance (reinsurance) company's equity capital. Insurance (reinsurance) companies are prohibited from performing transactions with financial derivatives, with the exception of transactions performed for the purposes of hedging risks. Insurance (reinsurance) companies are permitted to acquire the following financial instruments issued by nonresidents of the Republic of Kazakhstan: (1) shares of legal entities that are nonresidents of the Republic of Kazakhstan, with price quotes on the active market that are necessary for measuring fair value, and depository receipts for which these shares serve as underlying assets; (2) shares of foreign issuers, included in the main stock indices, and depository receipts whose underlying asset is these shares: CAC 40 (Compagnie des Agents de Change 40 Index); DAX (Deutscher Aktienindex); DJIA (Dow Jones Industrial Average); EURO STOXX 50 (EURO STOXX 50 Price Index); FTSE 100 (Financial Times Stock Exchange 100 Index); HSI (Hang Seng Index); MSCI World Index (Morgan Stanley Capital International

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		World Index); MOEX Russia (Moscow Exchange Russia Index); NIKKEI 225 (Nikkei-225 Stock Average); S&P 500 (Standard and Poor's 500 Index); TOPIX 100 (Tokyo Stock Price 100 Index); NASDAQ-100 (Nasdaq-100 Index); (3) debt securities issued by the following international financial institutions (IFIs): Asian Development Bank, Inter-American Development Bank, African Development Bank, Eurasian Development Bank, EIB, EBRD, Council of Europe Development Bank, Islamic Corporation for the Development of the Private Sector, Islamic Development Bank, Multilateral Investment Guarantee Agency, Nordic Investment Bank, IMF, International Development Association, Bank for International Settlements, International Centre for Settlement of Investment Disputes, IBRD, International Finance Corporation; (4) government debt securities issued by the central governments of foreign countries that have a sovereign rating of at least B– on the international scale of Standard & Poor's or an equivalent rating from another rating agency; (5) nongovernment debt securities of foreign issuers with a rating of at least B– on the international scale of Standard & Poor's or an equivalent rating from another rating agency; (6) shares of exchange-traded funds (ETF), exchange-traded commodities (ETC), and exchange-traded notes (ETN) rated at least three stars by the Morningstar rating agency; (7) Islamic finance instruments with a security and/or issuer rating not lower than B– according to the international scale of Standard & Poor's or an equivalent rating from another rating agency.
Limits (max.) on investment portfolio held abroad	Yes.	An insurance (reinsurance) company must comply with the following standards for the diversification of its assets abroad: (1) the total book value of investments in securities (including reverse repo transactions), deposits, and money in one second-tier bank with a long-term credit rating of at least BB– according to the international scale of Standard & Poor's or an equivalent rating from another rating agency, or a subsidiary bank resident of the Republic of Kazakhstan, parent bank nonresident of the Republic of Kazakhstan with a long-term credit rating in foreign currency not lower than A– by Standard & Poor's or an equivalent rating from another rating agency, and affiliates of this bank—no more than 20% of the assets calculated in accordance with paragraph 34 of the regulations; (2) the total book value of investments in securities (including reverse repo transactions) having the status of government securities issued by the central government of a foreign country—no more than 10% of the assets calculated in accordance with paragraph 34 of the regulations; (3) the total book value of investments in securities (including reverse repo transactions) of an international financial organization on the list established by paragraph 39 of the regulations—no more than 10% of the assets calculated in accordance with paragraph 34 of the regulations; (4) the total book value of investments in shares that meet the requirements of subparagraphs (23) and (24) of paragraph 38 of the regulations, minus impairment allowance—no more than 10% of the assets calculated in accordance with paragraph 34 of the regulations.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	The only organization permitted to attract mandatory pension

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		contributions, mandatory professional pension contributions, and voluntary pension contributions operating in Kazakhstan is the UAPF Joint-Stock Company. In accordance with Article 35 of the Law of the Republic of Kazakhstan "On Pension Provision in the Republic of Kazakhstan," the NBK is one of the trustees of the UAPF's pension assets. The pension assets of the UAPF managed by the NBK are invested in instruments determined by the Council for the Management of the National Fund of the Republic of Kazakhstan. The NBK invests the UAPF's pension assets in accordance with the list of financial instruments approved by the Decree of the Government of the Republic of Kazakhstan, as well as the requirements and restrictions of the UAPF Investment Declaration, which was approved by the Decree of the NBK Board and drawn up taking into account this list.
Limits (max.) on securities issued by nonresidents	Yes.	With regard to investments in securities issued by nonresidents, the following provisions apply to the UAPF. Foreign issuers—not more than 50% of pension assets, including (1) government and agency securities and securities of IFIs—no more than 30%; (2) municipal securities within the framework of investment in government and agency securities—no more than 10% of pension assets; (3) corporate debt securities with a rating of the security and/or the issuer not lower than BB–, no more than 20% of pension assets; (4) mortgage-backed securities (MBS) and asset-backed securities (ABS) with a rating of the security and/or issuer not lower than BBB–, no more than 10% of pension assets; (5) convertible securities within the framework of investment in corporate securities with a rating of the security and/or the issuer not lower than BB–, no more than 10% of pension assets; (6) shares, depository receipts—no more than 20% of pension assets; (7) deposits in foreign banks with a rating of at least A–, no more than 20% of pension assets; (8) structured products issued by organizations with a rating of at least BBB–, no more than 5% of pension assets; (9) Islamic financing instruments with a rating of at least BB–, no more than 2% of pension assets. The share of debt securities of one issue of a nonresident issuer of the Republic of Kazakhstan should not exceed 25% of the total volume of this issue with a rating of at least BBB– and 10% of the total volume of this issue with a rating of at least BB–. The share of debt securities of one issue of a nonresident IFI issuer should not exceed the following values: (1) 50% for IFIs with a rating AAA; (2) 25% for IFIs with a rating from AA+ to BBB–; (3) 10% for IFIs with a rating from BB+ to BB–.
Limits (max.) on investment portfolio held abroad	Yes.	The aggregate share of investments of the UAPF's pension assets in financial instruments and currency denominated in foreign exchange represents no more than 50% of these pension assets, including (1) not more than 50% of pension assets in US dollars and euros; (2) not more than 10% of pension assets in other foreign currencies.
Limits (min.) on investment portfolio held locally	Yes.	The following restrictions apply to the UAPF's investment portfolio held locally: At least 20% but not more than 70% of the UAPF's pension assets must be invested in government securities of the Republic of Kazakhstan.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective	Yes.	

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investment funds		
Limits (max.) on securities issued by nonresidents	Yes.	The total amount of investments of an investment fund's assets in financial instruments (other than currency) issued (offered) by a single entity or affiliates thereof must not exceed. (1) 20% of the value of net assets for an open-end or interval mutual fund; (2) 30% of the value of net assets for a joint-stock investment fund and a closed-end mutual fund. These limits do not apply to Republic of Kazakhstan government securities or to financial instruments issued (offered) by entities with more than 50% of voting shares held by the state or a national management holding company, or a national holding company and its affiliates operating in the same sector of the national economy. These requirements do not apply to risk-based investment funds and real estate funds. The total amount of investments of an investment fund's assets in financial instruments issued (offered) by a single entity with more than 50% of voting shares held by the state or a national management holding company, or a national holding company and its affiliates operating in the same sector of the national economy, must not exceed. (1) 30% of the value of net assets for an open-end or interval mutual fund; (2) 50% of the value of net assets for a joint-stock investment fund and a closed-end mutual fund. The requirements under this item do not apply to risk-based investment funds and real estate funds.
Limits (max.) on investment portfolio held abroad	Yes.	The NBK has established a list of financial instruments that may be included in open-end and interval mutual funds, as well as in real estate funds. The assets of other joint-stock investment funds and of closed-end mutual funds may be invested as determined by the investment declaration of the investment fund. Open-end and interval mutual funds' investments in nongovernment securities of foreign organizations must be (1) debt securities with an international Standard & Poor's rating no lower than BB– or an equivalent rating from another rating agency and/or debt securities listed by a stock exchange in a foreign country and recognized by a stock exchange in the Republic of Kazakhstan; (2) shares issued by foreign organizations with an international Standard & Poor's rating no lower than BB– or an equivalent rating from another rating agency and/or shares listed by a stock exchange in a foreign country and recognized by a stock exchange in the Republic of Kazakhstan; (3) depository receipts whose underlying assets are instruments referred to under (1) and (2) or whose underlying assets are securities of issuers with an international Standard & Poor's rating in foreign currency no lower than B– or an equivalent rating from another rating agency; (4) government securities issued by central foreign governments with a sovereign rating no lower than BBB or an equivalent rating from another rating agency; (5) foreign currency of countries with a sovereign rating no lower than BBB or an equivalent rating from another rating agency; (6) principal-protected notes issued by organizations with an international Standard & Poor's rating no lower than A– or an equivalent rating from another rating agency that meets the conditions of regulatory legal acts; and (7) derivative financial instruments (futures, options, swaps, forwards) for hedging purposes whose underlying assets are financial instruments of open-end and interval mutual funds or foreign currency or performance ratios (indicators). Joint-stock real estate investment funds' investments in financial instruments issued by foreign organizations may be: (1) shares issued by foreign organizations with an international

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		Standard & Poor's rating no lower than AA– or an equivalent rating from another rating agency; (2) debt securities issued by foreign organizations with a rating no lower than AA– on the Standard & Poor's international scale or an equivalent rating from one of the other rating agencies; (3) debt securities issued by IFIs with an international Standard & Poor's rating no lower than BBB or an equivalent rating from another rating agency; (4) government securities issued by foreign central governments with a sovereign rating no lower than BBB or an equivalent rating from another rating agency; (5) foreign currency of countries with a sovereign rating no lower than BBB or an equivalent rating from another rating agency; and (6) derivative financial instruments for hedging purposes whose underlying assets are financial instruments permissible for acquisition with the assets of real estate funds in accordance with this list.
Limits (min.) on investment portfolio held locally	Yes.	Limits on minimum investments held locally have not been established. Instead, the NBK has established a list of financial instruments in which investment funds may place their assets, and requirements have been established for these assets. The given requirements do not apply to high-risk investment funds. The NBK has established a list of financial instruments that may be included in open-end and interval mutual funds, as well as in real estate funds. The assets of other joint-stock investment funds and of closed-end mutual funds may be invested as determined by the investment declaration of the investment fund. Open-end and interval mutual funds' investments in nongovernment securities of foreign organizations must be (1) debt securities with an international Standard & Poor's rating no lower than BB– or an equivalent rating from another rating agency and/or debt securities listed by a stock exchange in a foreign country and recognized by a stock exchange in the Republic of Kazakhstan; (2) shares issued by foreign organizations with an international Standard & Poor's rating no lower than BB– or an equivalent rating from another rating agency, and/or shares listed by a stock exchange in a foreign country and recognized by a stock exchange in the Republic of Kazakhstan; (3) depository receipts whose underlying assets are instruments referred to under (1) and (2) or whose underlying assets are securities of issuers with an international Standard & Poor's rating in foreign currency no lower than B– or an equivalent rating from another rating agency; (4) government securities issued by central foreign governments with a sovereign rating no lower than BBB or an equivalent rating from another rating agency; (5) foreign currency of countries with a sovereign rating no lower than BBB or an equivalent rating from another rating agency; (6) principal-protected notes issued by organizations with an international Standard & Poor's rating no lower than A– or an equivalent rating from another rating agency that meets the conditions of regulatory legal acts; and (7) derivative financial instruments (futures, options, swaps, forwards) for hedging purposes whose underlying assets are financial instruments of open-end and interval mutual funds or foreign currency or performance ratios (indicators). Joint-stock real estate investment funds' investments in financial instruments issued by foreign organizations may be (1) shares issued by foreign organizations with an international Standard & Poor's rating no lower than AA– or an equivalent rating from another rating agency; (2) debt securities issued by foreign organizations with a rating no lower than AA– on the Standard & Poor's international scale or an equivalent rating from another rating agency; (3) debt securities issued by IFIs with an international Standard & Poor's rating no lower than BBB or an equivalent rating from another rating

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	agency; (4) government securities issued by foreign central governments with a sovereign rating no lower than BBB or an equivalent rating from another rating agency; (5) foreign currency of countries with a sovereign rating no lower than BBB or an equivalent rating from another rating agency; and (6) derivative financial instruments for hedging purposes whose underlying assets are financial instruments permissible for acquisition with the assets of real estate funds in accordance with this list.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

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Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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KENYA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		February 3, 1964.
Article VIII	Yes.	Date of acceptance: June 30, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Kenya is the Kenyan shilling.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is free floating. Kenya pursues a floating exchange rate regime where the value of the Kenya shilling is determined by forces of demand and supply in the foreign exchange market. Intervention in the foreign exchange market by the Central Bank of Kenya (CBK) is only to moderate volatility and is meant to facilitate smooth functioning of the foreign exchange market. The CBK has no preferable path for the exchange rate and therefore CBK does not aim at influencing movements in the exchange rate. Foreign exchange market interventions therefore serve only to prevent undue fluctuations in the exchange rate. The Kenya Shilling depreciated by 24% since December 2021 to June

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		2023. The de facto exchange rate arrangement is classified as a crawl-like arrangement.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CBK publishes a daily indicative foreign exchange rate, which is the previous day's average market rate at closing.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	Forward-looking Monetary Policy Framework.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The Cabinet Secretary for the National Treasury specifies the price stability target at the beginning of every financial year. The MPC is responsible for the formulation of monetary policy.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band		
Band/Range	Yes.	In the FY 2022/23, inflation rate has remained above the 7.5% upper bound target set in the National Treasury's notification to the Central Bank of Kenya on Price Stability Target for FY 2022/2023, dated June 6, 2022. The inflation target for FY 2023/24 is set at 5.0%, with a flexible margin of 2.5% on either side in the event of adverse shocks.
Target measure	Yes.	
CPI	Yes.	The inflation target is measured by the 12-month change in the CPI

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		as published by the Kenya National Bureau of Statistics.
Core inflation		
Target horizon	No.	
Operating target (policy rate)	No.	
Policy rate	No.	
Target corridor band	No.	
Other	No.	
Accountability	Yes.	
Open letter	Yes.	The CBK is required to send a letter to the Cabinet Secretary when the inflation rate published by the Kenya National Bureau of Statistics breaches the target range.
Parliamentary hearings	No.	The MPC is required to send the Bi-Annual Monetary Policy Report to the Cabinet Secretary and National Assembly every 6 months. The Report is published publicly by the CBK. The MPC also sends the Monetary Policy Statement every 6 months, which is also published by the CBK.
Other	Yes.	The Cabinet Secretary for the National Treasury receives two reports from the MPC every 6 months.
Transparency	No.	
Publication of votes	No.	
Publication of minutes	No.	The CBK does not publish the minutes of the MPC meetings but publishes a press release, and holds press, banking sector and private sector briefings after every MPC meeting.
Publication of inflation forecasts	No.	
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized commercial and microfinance banks are licensed to buy, sell, borrow, and lend in foreign currency and transact any other business involving foreign currency. Foreign exchange bureaus licensed by CBK are authorized to engage in the following: -deal in spot foreign currency transactions involving cash and other instruments approved by CBK; -conduct money transfers as agents of mobile phone companies and as sub-agents of international money transfer agencies subject to prior approval of CBK (such money transfer business should be conducted through a bank licensed by CBK); -transact telegraphic transfers through a licensed bank in amounts not exceeding an equivalent of US$100,000 a customer a day subject to conditions that CBK may prescribe; -sell and purchase foreign currency drafts; purchases should not exceed US$1,000 or its equivalent in any other currency; -engage in any other business as may be approved by CBK. Market participants set their bid-ask spreads and foreign exchange commissions freely. Money remittance providers are also authorized to effect money

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		transfers within and outside Kenya.
Spot exchange market	Yes.	As of December 31, 2022, there were 38 commercial banks, 14 microfinance banks, 1 Mortgage Finance Company, 72 foreign exchange bureaus, and 19 money remittance providers licensed by CBK to deal in foreign exchange.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The interbank market is based on a market-making arrangement. Bid-ask spreads and foreign exchange commissions are set freely.
Over the counter	Yes.	Commercial banks and foreign exchange bureaus deal in foreign exchange with their customers on an OTC basis.
Brokerage	Yes.	ADs may carry out interbank transactions via approved brokers.
Market making	Yes.	The interbank market is based on a market-making arrangement.
Forward exchange market	Yes.	Commercial banks are permitted to transact forward foreign exchange with their customers at market-determined exchange rates.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Kenya is currently a member of the following regional payments and clearing initiatives: (1) The East African Payment System (EAPS) under the EAC regional integration initiative; (2) Regional Payment and Settlement System under the COMESA Clearing House; (3) The Payment System Integration Working Group (PSIWG) under the Association of African Central Banks.

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Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBK Act gives the CBK power to license and regulate foreign exchange dealers. With effect from August 2017, the Capital Markets Authority (CMA) has the mandate to license and regulate Non-dealing Online Foreign Exchange Brokers in Kenya for currencies other than the Kenyan shilling.
Payments arrears	No.	
Official	No.	
Private	No.	Private sector external obligations are always paid with foreign exchange reserves held by commercial banks, over which the CBK has no control.
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	For AML/CFT and statistical purposes, people leaving or entering Kenya must declare amounts exceeding US$10,000 in foreign currency or the equivalent amount in domestic currency. This is in line with FATF recommendations.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents and nonresidents may hold foreign exchange accounts domestically and may freely transfer funds abroad. Banks must document and report to the CBK the purpose of account inflows and outflows. This is in line with Know-Your-Customer (KYC) regulations.
Approval required	No.	
Held abroad	Yes.	Residents and nonresidents may hold foreign exchange accounts abroad and may freely transfer funds back to Kenya. Banks must document and report to the CBK the purpose of inflows and outflows. This is in line with KYC regulations.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Kenyan residents may open domestic currency accounts abroad particularly in the East African region.
Accounts in domestic currency convertible into foreign currency	Yes.	There are no limitations for residents to convert their balances in domestic currency accounts to foreign currency.

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Payments must be made through authorized commercial banks. Documentary evidence of imports is required for transfers by commercial banks in line with KYC regulations.
Domiciliation requirements	Yes.	
Preshipment inspection	Yes.	A preshipment inspection is required for all imports with an f.o.b. value of more than US$5,000 or its equivalent. These are subject to inspection for quality, quantity, and price.
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Documentary evidence of imports is required for transfers by commercial banks in line with KYC regulations.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The negative list comprises a few items prohibited for health, security, and environmental reasons similar to many countries.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	A CET applies to imports from countries outside the EAC.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Coffee, tea, and horticultural products may be exported only if a sales contract is registered with the Coffee Board, Tea Board, and Horticultural Crops Development Authority, respectively. Exports of certain foods and agricultural products require special licenses to ensure quality and adequate supplies in the domestic market. Exports of minerals, precious stones, and other essential strategic materials are also subject to special licensing.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Kenyans issuing instruments overseas require CMA approval.

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On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	East African investors are treated as local investors; domestic investors must hold 10% of the share capital of a listed company. The caps to foreign investors' shareholding of listed companies were removed in 2015 via amendments to the capital markets foreign investors' regulations. This allowed foreign investors to hold up to 100% equity in any listed company. However, from a policy point of view, some companies were deemed strategic or of public interest; hence, another provision was added (in the same amended regulations) indicating that the Cabinet Secretary for the National Treasury could at his discretion prescribe limits on foreign caps as deemed fit and the conditions were provided. More specifically, the Capital Markets (Foreign Investors) Regulations with 2015 Amendments stipulates that: 3(1) Any proportion of the voting shares of an issuer after an initial public offering shall be available for investment by foreign investors without any restrictions in the level of holdings except as provided under the Capital Markets (Takeovers and Mergers) Regulations, 2002. (2) Notwithstanding Regulation 3(1), the Cabinet Secretary may by notice in the gazette, prescribe a maximum foreign shareholding in an issuer or listed company. (3) The Cabinet Secretary may only exercise the power under Paragraph 3(2) where (a) in a privatization transaction, the government or its agency is divesting its shares to the public; (b) some level of local ownership in a strategic industry or sector in the country is to be maintained; or (c) it is in national interest.
Sale or issue locally by nonresidents	Yes.	No controls apply to the sale of securities locally by nonresidents. However, local issuance of securities by nonresidents requires CMA approval in accordance with the Capital Markets Act.
Purchase abroad by residents	Yes.	Pension funds may invest abroad up to 15% of the aggregate market value of their total assets or pooled funds.
Sale or issue abroad by residents	Yes.	The sale or issuance of securities abroad by residents requires CMA approval.
Bonds or other debt securities	Yes.	There are no restrictions on purchases and sales of securities by nonresidents. However, nonresidents must invest through nominee accounts.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The regulations governing securities of a participating nature apply.
Purchase abroad by residents	Yes.	Pension funds may invest abroad up to 15% of the aggregate market value of their total assets or pooled funds.
Sale or issue abroad by residents	Yes.	The sale or issuance of securities abroad by residents requires CMA approval.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	No controls apply to sales, but money market instruments may not be issued without CBK approval.
Purchase abroad by residents	Yes.	Pension funds may invest abroad up to 15% of the aggregate market value of their total assets or pooled funds.
Sale or issue abroad by residents	Yes.	The sale or issuance of money market instruments abroad by

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		residents requires CBK approval.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	CMA Collective Investment Schemes regulations apply.
Purchase abroad by residents	Yes.	Pension funds may invest abroad up to 15% of the aggregate market value of their total assets or pooled funds.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	CBK approval is required for these transactions.
Purchase abroad by residents	Yes.	Pension funds may invest abroad up to 15% of the aggregate market value of their total assets or pooled funds.
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	At least one-third of the paid-up capital of insurance companies must be owned by Kenyans.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	
Purchase locally by nonresidents	Yes.	Purchases of real estate locally by nonresidents are subject to government approval and are restricted to a 99-year leasehold.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	

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By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	Yes.	Only banks may open correspondent relations accounts abroad. Foreign exchange bureaus are prohibited from opening accounts abroad. The opening and maintenance of foreign bank accounts by civil servants and State Officers is subject to approval by the Government through the Ethics and Anti-Corruption Commission (EACC).
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents by banks and other credit institutions is allowed, subject to the applicable legal and regulatory framework in each financial sub-sector.
Lending locally in foreign exchange	Yes.	Lending locally in foreign exchange is allowed, subject to prudential lending regulations.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Banks are required to maintain a proportion of total deposit liabilities at CBK in cash reserve ratio (CRR). Currently, the CRR is 4.25% of the total of a bank's domestic and foreign currency deposit liabilities, with banks required to maintain their CRR based on a daily average level from the 15th of the previous month to the 14th of the current month, and not to fall below a CRR of 3% on any day.
Liquid asset requirements	No.	Under CBK's prudential guidelines, commercial and microfinance banks are required to maintain a minimum 20% of all their deposit liabilities, matured and short-term liabilities in liquid assets.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The limit on the foreign exchange exposure of banks is 10% of an institution's core capital. The foreign exchange risk exposure is computed using the shorthand method by: (1) adding separately all short positions on one side and all long positions on the other side; (2) comparing the two totals; and (3) taking the larger of the two totals as the open positions
On resident assets and liabilities	Yes.	The limit on the foreign exchange exposure of banks is 10% of an institution's core capital. The foreign exchange risk exposure is computed using the shorthand method by: (1) adding separately all short positions on one side and all long positions on the other side. (2) comparing the two totals; and (3) taking the larger of the two totals as the open positions
On nonresident assets and liabilities	Yes.	The limit on the foreign exchange exposure of banks is 10% of an institution's core capital. The foreign exchange risk exposure is computed using the shorthand method by: (1) adding separately all short positions on one side and all long positions on the other side. (2) comparing the two totals; and (3) taking the larger of the two totals as the open positions
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	At least one-third of the paid-up capital of insurance companies must be owned by Kenyans.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds may invest up to 70% of the aggregate market value of their total assets or pooled funds in securities listed on the stock exchanges in Kenya, Tanzania, and Uganda.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds may invest abroad up to 15% of the aggregate market value of their total assets or pooled funds.
Limits (min.) on investment portfolio held locally	Yes.	Local investments by pension funds are subject to the investment guidelines prescribed by the Retirement Benefits Authority.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Collective investment plans are subject to CMA regulations (CMA Collective Investment Schemes regulations).
Limits (max.) on securities issued by nonresidents	Yes.	The book value of offshore investments of a collective investment plan portfolio may not exceed 10%.

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Limits (max.) on investment portfolio held abroad	Yes.	The book value of offshore investments of a collective investment plan portfolio may not exceed 10%.
Limits (min.) on investment portfolio held locally	Yes.	Investment guidelines on domestic investments apply.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	In February 2022, CBK issued a Discussion Paper on Central Bank Digital Currency (CBDC) and sought views from the public on the potential applicability of a CBDC Kenya. The objective was to inform policy decision and public acceptance regarding the innovation. In June 2023, CBK issued a Discussion Paper on CBDC: Comments from the Public. The Paper summarizes the views that were received on the applicability of CBDC in Kenya. It concludes that in the context of the Kenyan payment ecosystem, a CBDC is not feasible priority in the short to medium term.
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Between nonresidents	No.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market	No.	

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instruments	
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.

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Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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KIRIBATI

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		June 3, 1986.
Article VIII	Yes.	Date of acceptance: August 22, 1986.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	n.a.	Information is not publicly available.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Kiribati is the Australian dollar (AUD).
Other legal tender	Yes.	A small number of Kiribati coins are also in circulation.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. There is no central monetary institution, and the authorities do not buy or sell foreign exchange. The Australia and New Zealand (ANZ) Bank (Kiribati) Limited, the only commercial bank, quotes daily rates for 15 currencies on the basis of their respective rates against the Australian dollar.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		

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Free floating		
Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite		
Other	Yes.	The Australian dollar is legal tender and circulates freely in Kiribati. In addition, a small number of Kiribati coins are in circulation.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		

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Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	There is no central monetary institution, and the authorities do not buy or sell foreign exchange. The ANZ Bank (Kiribati) Limited, the only commercial bank, quotes daily rates for 15 currencies on the basis of their respective rates against the Australian dollar.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The ANZ Bank (Kiribati) Limited provides forward contracts for maturities of up to three months.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Outward and inward payments may be settled in any currency. Only the ANZ Bank (Kiribati) Limited may purchase and sell foreign currency in exchange for Australian dollars.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other	No.	

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instruments		
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Kiribati participates in PACER and PICTA.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Only ADs are permitted to own or trade in gold.
On domestic ownership and/or trade	Yes.	Only ADs are permitted to own or trade in gold.
On external trade	Yes.	Only ADs are permitted to own or trade in gold.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents are allowed to hold foreign exchange accounts in Kiribati. These accounts are strictly monitored for genuine underlying flows by the ANZ.
Approval required	No.	Other than the ANZ account approval process, there is no additional approval requirement.
Held abroad	Yes.	Residents are allowed to hold foreign exchange accounts abroad. These accounts will have to be opened separately at banks in that jurisdiction.
Approval required	No.	

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Accounts in domestic currency held abroad	Yes.	Residents are allowed to hold Australian dollar accounts offshore. These accounts will have to be opened separately at banks in that jurisdiction.
Accounts in domestic currency convertible into foreign currency	n.r.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	These accounts are allowed for working permit holders.
Approval required	No.	Other than the ANZ account opening approval process, there is no additional requirement.
Domestic currency accounts	Yes.	
Convertible into foreign currency	n.r.	
Approval required	n.r.	
Blocked accounts	No.	Only in cases of anti-money laundering/combating the financing of terrorism would accounts be blocked.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	There is no requirement. Advance payment is usually contract dependent.
Advance import deposits	No.	There is no requirement. Advance import deposits are usually 20%–30% of the contract value.
Documentation requirements for release of foreign exchange for imports	n.r.	
Domiciliation requirements	n.r.	
Preshipment inspection	n.r.	
Letters of credit	n.r.	
Import licenses used as exchange licenses	No.	
Other	n.r.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of some goods are prohibited for health, safety, or environmental reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Tariffs ranging from 0% to 80% apply to most private imports. Specific duties apply to imports of rice, flour, petroleum products, alcoholic beverages, and tobacco products.
Taxes collected through the exchange	No.	

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system		
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	n.r.	
Letters of credit	n.r.	
Guarantees	n.r.	
Domiciliation	n.r.	
Preshipment inspection	n.r.	
Other	n.r.	
Export licenses	No.	Copra may be exported only through the Kiribati Coconut Development Limited.
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	

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Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	n.r.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	These transactions are covered by the provisions of the Exchange Control Act.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market	Yes.	

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instruments	
On capital market securities	Yes.
Shares or other securities of a participating nature	Yes.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
Bonds or other debt securities	Yes.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	Yes.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On collective investment securities	Yes.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
Controls on derivatives and other instruments	Yes.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
Controls on credit operations	Yes.
Commercial credits	Yes.
By residents to nonresidents	Yes.
To residents from nonresidents	Yes.
Financial credits	Yes.

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By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	
Inward direct investment	Yes.	Investment in the export-promotion and import-substitution sectors is encouraged. Applications for foreign investment up to the equivalent of $A 250,000 must be approved by the Foreign Investment Commission. Applications for a larger capital contribution require cabinet approval.
Controls on liquidation of direct investment	n.r.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Nonresidents are not permitted to purchase land or real estate.
Sale locally by nonresidents	Yes.	
Controls on personal capital transactions	n.r.	
Loans	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Gifts, endowments, inheritances, and legacies	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Settlement of debts abroad by immigrants	n.r.	
Transfer of assets	n.r.	
Transfer abroad by emigrants	n.r.	
Transfer into the country by immigrants	n.r.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	n.r.	
Borrowing abroad	n.r.	
Maintenance of accounts abroad	n.r.	

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Lending to nonresidents (financial or commercial credits)	n.r.
Lending locally in foreign exchange	n.r.
Purchase of locally issued securities denominated in foreign exchange	n.r.
Differential treatment of deposit accounts in foreign exchange	n.r.
Reserve requirements	n.r.
Liquid asset requirements	n.r.
Interest rate controls	n.r.
Credit controls	n.r.
Differential treatment of deposit accounts held by nonresidents	n.r.
Reserve requirements	n.r.
Liquid asset requirements	n.r.
Interest rate controls	n.r.
Credit controls	n.r.
Investment regulations	n.r.
Abroad by banks	n.r.
In banks by nonresidents	n.r.
Open foreign exchange position limits	n.r.
On resident assets and liabilities	n.r.
On nonresident assets and liabilities	n.r.
Provisions specific to institutional investors	n.a.
Insurance companies	n.r.
Limits (max.) on securities issued by nonresidents	n.r.
Limits (max.) on investment portfolio held abroad	n.r.
Limits (min.) on investment portfolio held locally	n.r.
Currency-matching regulations on assets/liabilities composition	n.r.
Pension funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

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Investment firms and collective investment funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.

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Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading	n.a.

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platform by residents

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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KOREA

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		August 26, 1955.
Article VIII	Yes.	Date of acceptance: November 1, 1988.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with UNSC resolutions, Korea maintains certain exchange restrictions against the following individuals and entities: certain individuals and entities associated with the Taliban, the Al-Qaida network, terrorists in general, and the former regime of Saddam Hussein; certain individuals and entities posing a threat to international peace and security in the Democratic Republic of the Congo, Côte d'Ivoire, and Sudan; certain individuals and entities threatening peace and security in Eritrea and Somalia; certain individuals and entities involved in Iranian nuclear and/or ballistic missile programs; certain individuals and entities involved in the Democratic People's Republic of Korea's nuclear, ballistic missile, or other weapons of mass destruction (WMD) and related programs; certain individuals and entities threatening peace and security in Liberia; certain individuals and entities associated with Muammar Qadhafi's regime; and certain individuals and entities threatening peace and security in Central African Republic, Republic of South Sudan, and Yemen. Korea maintains certain exchange restrictions against certain individuals named by the Guidance of the Ministry of Economy and Finance (MOEF). Also, certain individuals and entities related to the Islamic Republic of Iran (Iranian residents or groups located in Iran) were eliminated from certain exchange restrictions list because of the MOEF revised notice.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Korea is the Korean won.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		

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Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The exchange rate of the won is freely determined on the basis of supply and demand in the foreign exchange market. As such, the system is managed in accordance with the principles defined by the free floating system, and the government's role is very limited to remain within the range allowed by the free floating system. However, because of the lack of information on the authorities' interventions, the de facto exchange rate arrangement is classified as floating. The Bank of Korea (BOK) may intervene in the market with the funds of the BOK and the Foreign Exchange Equalization Fund when it is deemed necessary for the stability of the market. BOK publishes quarterly aggregate intervention data in net terms, no later than three months after the end of the respective quarter.
Free floating		
Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	Inflation targeting was officially adopted in accordance with the revised BOK Act, which came into effect April 1, 1998.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		

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Government and Central Bank	Yes.	The BOK sets the operational framework of the inflation targeting in consultation with the government (MOEF). The operational framework includes the numerical inflation target, the inflation target measure, and the target horizon.
Inflation target	Yes.	
Target number	Yes.	
Point target	Yes.	The inflation target for 2019 onward has been set at 2%. The BOK will review the inflation targeting framework in consultation with the government every two years and explain the review to the public. If adjustment of the inflation target becomes inevitable, due for instance to unexpected domestic or global economic shocks or to changes in economic conditions, the BOK will adjust the target in consultation with the government.
Target with tolerance band		
Band/Range		
Target measure	Yes.	
CPI	Yes.	The target measure is the monthly year-on-year (y-o-y) CPI inflation published by the Statistics Korea.
Core inflation		
Target horizon	Yes.	The BOK conducts monetary policy to maintain the annual rate of CPI inflation near the target over a midterm horizon.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The Monetary Policy Board of the BOK meets eight times a year to determine the base rate. As of June 30, 2023, the policy rate was 3.5%.
Target corridor band	Yes.	The BOK uses the base rate as a fixed bid rate for its sales of seven-day repurchase agreements and as the minimum bid rate for its purchases of seven-day repurchase agreements. The interest rates of liquidity adjustment deposits and loans are 100 basis points (bps) below and above the base rate, respectively, as of June 30, 2023. If the base rate falls below 1%, then the interest rate of liquidity adjustment loans is equal to two times the base rate, and the rate for liquidity adjustment deposit is 0%. Since July 31, 2023, the interest rates of liquidity adjustment deposits and loans were changed to “50 basis points (bps) below and above the base rate” from “100 basis points (bps) below and above the base rate.”
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	If there is a request from the national assembly, the governor will attend the meeting and answer questions.
Other	Yes.	The BOK publishes its “Monetary Policy Report” four times a year to explain how it is implementing the inflation target monetary policy. The BOK publishes twice a year an inflation assessment, which includes price developments, future inflation forecasts and risks, and the monetary policy stance for achieving price stability, and provides explanations of the assessment to the public through various means (or channels), such as by holding governor’s press conferences.

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Transparency	Yes.	
Publication of votes	Yes.	Right after a committee meeting, the governor holds a press conference to announce the policy decision. In the press conference, the governor also informs who were minor voters.
Publication of minutes	Yes.	The committee meeting minutes are published on the first Tuesday falling after two weeks from the meeting by posting it in the website of the BOK. The names of committee members are concealed in the minutes.
Publication of inflation forecasts	Yes.	The inflation forecast is published through a quarterly economic forecast (Economic Outlook) by the BOK with two-year horizon.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The Korean foreign exchange market consists of OTC markets and exchanges. The OTC markets comprise a customer market in which foreign exchange banks deal with customers, including importers, exporters, travelers, and nonresidents, and an interbank market, in which foreign exchange banks deal among themselves. Standardized products are traded on the exchanges. Residents may buy and sell currency futures and options on internationally recognized futures exchanges or on the domestic exchange, the Korea Exchange. Commercial banks may set exchange rates and commissions freely in transactions with their clients.
Spot exchange market	Yes.	Financial institutions trade foreign exchange either via brokers or directly among themselves. As of December 31, 2022, 55 institutions, including 42 foreign exchange banks, participated in the spot foreign exchange market through brokers. Financial institutions are required to register with the MOEF to deal in foreign exchange. Money exchangers, such as hotels, department stores, and travel agencies, need to register with Korea Customs Service. As of December 30, 2022, there were 1,497 money exchangers. They may not enter into foreign exchange transactions directly with the BOK and are limited to purchasing and selling banknotes denominated in foreign currency and purchasing traveler's checks issued in a foreign country. Money exchangers can pay by domestic payment means to buy foreign currency or traveler's check from residents or nonresidents. They are responsible for preparing exchange books, which contain exchange date, name of buyer (seller), personal information such as ID card number, exchange amount, applied exchange rate, and other transaction information and report the exchange books to Korea Customs Service. Spot foreign exchange transactions are allowed between security brokerages. The won–yuan spot foreign exchange market operates based on a market-making agreement with 11 designated market makers as of December 30, 2022.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Foreign exchange banks participate in the interbank market mainly to

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		dispose of open foreign exchange positions arising from transactions with nonfinancial customers such as companies and nonresidents. There are no limits on the bid-ask spreads and commissions of market participants. Financial institutions participating in the interbank foreign exchange market have formed an autonomous committee, the Seoul Foreign Exchange Market Committee. Foreign exchange brokers, the BOK, and the government also participate in this committee. Nine institutions have been licensed as foreign exchange brokers, with licenses granted by the MOEF. FX authorities intervene in the interbank market through an intermediary bank.
Over the counter	Yes.	Financial institutions transact directly among themselves.
Brokerage	Yes.	Most interbank transactions are handled through brokers who intervene between foreign exchange banks without holding a position. MOEF's authorization is required to operate a foreign exchange brokerage business.
Market making	Yes.	There are 11 designated market makers for the CNH/KRW spot foreign exchange market in Seoul.
Forward exchange market	Yes.	Foreign exchange banks may freely carry out forward transactions between foreign currencies, as well as between won and foreign currencies in the interbank and customer markets. The limits on banks' foreign exchange derivatives contracts were set at 50% of bank capital for domestic banks and 250% for foreign bank branches. The limits have been increased from 40% and 200%, respectively, since March 2020 as a part of the COVID-19 pandemic response to ease FX liquidity.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	All settlements with other countries may be made in any currency. Nonresidents may carry out current transactions and limited capital transactions denominated in won.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Nonresidents may effect won-denominated current transactions only through nonresident free won accounts.
For capital transactions	Yes.	Nonresidents may effect limited capital transactions denominated in won only through nonresident free won accounts.
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Residents may conduct transactions denominated in foreign currency, provided the payments are made through foreign exchange banks.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	

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Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The MOEF may require authorization for residents and nonresidents to make payments from Korea to a foreign country or to nonresidents or receive payments from nonresidents, if these payments are necessary to fulfill obligations under treaties concluded by Korea and generally recognized international laws and regulations or when necessary for international peace and security.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Exports of domestic banknotes in excess of the equivalent of US $10,000 by residents and nonresidents must be declared to customs.
Foreign currency	No.	Exports of foreign banknotes in excess of the equivalent of US $10,000 by residents and nonresidents must be declared to customs. Nonresidents may in addition export the amounts they hand-carried into Korea or exchanged during their stay.
On imports	No.	
Domestic currency	No.	Residents and nonresidents must make a declaration to customs if the amount of domestic currency they bring into Korea exceeds the equivalent of US$10,000.
Foreign currency	No.	Residents and nonresidents must make a declaration to customs if the amount of foreign currency they bring into Korea exceeds the equivalent of US$10,000.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	All residents may hold foreign exchange accounts and transfer balances freely.
Approval required	No.	
Held abroad	Yes.	Prior BOK notification is required for transfers abroad by individuals if the amount exceeds US$50,000 a person for each transfer. Balances in the foreign exchange accounts held abroad can be freely transferred to home country.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Remittances from these accounts and withdrawals in foreign currency may be made freely. The approval of the bank is not required when the account is held for remittances abroad or transfers to other foreign exchange accounts, for purchases and withdrawals of foreign means of payment, or for payments relating to approved transactions.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open three kinds of domestic currency accounts with domestic foreign exchange banks: (1) nonresident domestic currency accounts; (2) nonresident free won accounts; and (3) exclusive domestic currency accounts for investment. A nonresident domestic currency account is for domestic settlement, whereas a nonresident free won account is for international settlement. An exclusive domestic currency account, a special form of nonresident free won account, is for settlement of investments in shares, bonds, or money-market instruments.
Convertible into foreign currency	Yes.	Remittances from nonresident free won accounts and exclusive domestic currency accounts for investment may be made freely, but remittances abroad from nonresident domestic currency accounts require notification to BOK in advance of the transfer. (BOK does not have a right to stop remittance from nonresidents' won accounts, but remittance cannot be proceeded without such declaration.)
Approval required	No.	
Blocked accounts	No.	Transfers are blocked between nonresident domestic currency accounts and nonresident free won accounts, between nonresident domestic currency accounts and domestic currency accounts exclusively for investment, and between nonresident free won accounts. (See above for description of the types of nonresident accounts.)

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.
Letters of credit	No.
Import licenses used as exchange licenses	No.
Other	No.
Import licenses and other nontariff measures	Yes.

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Positive list	No.	
Negative list	Yes.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Effective June 22, 2022, adjustable-rate tariffs were imposed on 14 products (overall coverage decreased from 15 products in the past submission, resulting in easing of overall tariff measures). Effective October 25, 2022, antidumping duties were imposed on 20 products (increased from 17 products in the past submission, resulting in tightening of the antidumping duties).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	There are export bans for environmental reasons on 11 six-digit items from the Harmonized System.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.

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Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions are controlled through a negative list. Certain transactions must be reported to the MOEF, BOK, or a foreign exchange bank.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase shares issued by Korean companies freely, but purchases that are not made through an account exclusively for investment must be reported to a designated foreign exchange bank or BOK. In addition, purchases of shares of unlisted or unregistered corporations may be subject to laws on inward direct investment and establishment. Controls apply to purchases of listed shares issued by designated resident public sector utilities undergoing privatization if the investment would bring individual or aggregate holdings of foreign investors above the percentages allowed by law and to purchases of securities not quoted on a recognized securities market that may be subject to laws on inward direct investment and establishment.
Sale or issue locally by nonresidents	No.	Nonresidents are eligible to list their shares on the Korea Exchange in the form of depository receipts. However, the issuer must notify the MOEF.
Purchase abroad by residents	No.	Residents may freely purchase shares abroad, but purchases that are not made through an account exclusively for investment must be reported to BOK.
Sale or issue abroad by residents	No.	Sale or issuance of foreign-currency-denominated shares abroad by residents requires notification to a designated foreign exchange bank. Effective July 4, 2023, sale or issuance of foreign-currency-denominated shares exceeding the equivalent of US$50 (previously US$30) million or of won-denominated shares abroad by residents requires notification to the MOEF.
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	Nonresidents may freely purchase bonds and other debt securities issued by residents, but purchases that are not made through an account exclusively for investment must be reported to a designated foreign exchange bank or BOK.
Sale or issue locally by nonresidents	No.	Nonresidents may issue bonds in the domestic capital market; however, the issuer must notify the MOEF.
Purchase abroad by residents	No.	Residents may freely purchase bonds abroad, but purchases that are not made through an account exclusively for investment must be reported to BOK.
Sale or issue abroad by residents	No.	Sale or issuance of foreign-currency-denominated bonds abroad by residents requires notification to a designated foreign exchange bank.

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		Effective July 4, 2023, sale or issuance of foreign-currency-denominated bonds exceeding the equivalent of US$50 (previously US$30) million or of won-denominated bonds abroad by residents requires notification to the MOEF.
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	Nonresidents may issue money-market instruments in the domestic market; however, the issuer must notify the MOEF.
Purchase abroad by residents	No.	Residents may freely purchase money-market instruments abroad, but purchases that are not made through an account exclusively for investment must be reported to BOK.
Sale or issue abroad by residents	No.	Sale or issuance of foreign-currency-denominated money-market instruments abroad by residents requires notification to a designated foreign exchange bank. Effective July 4, 2023, sale or issuance of foreign-currency-denominated money-market instruments exceeding the equivalent of US$50 (previously US$30) million or of won-denominated money-market instruments abroad by residents requires notification to the MOEF.
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	Nonresidents may sell collective investment securities through a domestic distributor after MOEF notification, provided they register the relevant foreign fund with the Financial Supervisory Commission (FSC).
Purchase abroad by residents	No.	Residents may freely purchase collective investment securities abroad, but purchases that are not made through an account exclusively for investment must be reported to BOK.
Sale or issue abroad by residents	No.	Sale or issuance of foreign-currency-denominated collective investment securities abroad by residents requires notification to a designated foreign exchange bank. Effective July 4, 2023, sale or issuance of foreign-currency-denominated collective investment securities exceeding the equivalent of US$50 (previously US$30) million or of won-denominated collective investment securities abroad by residents requires notification to the MOEF.
Controls on derivatives and other instruments	Yes.	There are no controls on the trading of OTC-related derivatives if the transactions are made through domestic foreign exchange banks. However, direct transactions between residents or between residents and nonresidents require BOK notification. The maximum derivative trading limit, including forward transactions, for corporate clients is 100% of real transactions (imports and exports) hedged.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The limits on banks' foreign exchange derivatives contracts were set at 50% of bank capital for domestic banks and 250% for foreign bank branches. Previously, before March 19, 2020, the limits were 40% and 200%, respectively. The relaxation of the limit was part of the COVID-19 pandemic response to ease FX liquidity.
Sale or issue abroad by residents	Yes.	The limits on banks' foreign exchange derivatives contracts were set at 50% of bank capital for domestic banks and 250% for foreign bank branches. Previously, before March 19, 2020, the limits were 40% and 200%, respectively. The relaxation of the limit was part of the COVID-19 pandemic response to ease FX liquidity.
Controls on credit operations	No.	

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Commercial credits	No.	
By residents to nonresidents	No.	Commercial credits other than deferred receipts and advance payments in domestic currency and in foreign currency require BOK notification, except for credits in domestic currency up to W 1 billion or in foreign currency granted by authorized foreign exchange banks.
To residents from nonresidents	No.	Effective July 4, 2023, commercial credits other than trade credits (including deferred payments, installment payments, export advances, and export down payments) up to US$50 (previously US $30) million require notification to foreign exchange banks. Other credits exceeding US$50 (previously US$30) million require notification to the MOEF.
Financial credits	No.	
By residents to nonresidents	No.	Credits and loans denominated in domestic currency require BOK notification, except for credits and loans granted to authorized resident foreign exchange banks up to W 30 billion.
To residents from nonresidents	No.	Effective July 4, 2023, financial credits up to the equivalent of US $50 (previously US$30) million require notification to an authorized foreign exchange bank. Other credits exceeding US$50 (previously US$30) million require MOEF notification.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	Guarantees and sureties by residents to nonresidents require BOK or a foreign exchange bank notification.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	Residents are free to invest abroad on notification to designated foreign exchange banks. Overseas investment by financial institutions and insurance companies requires notification to and acceptance by the FSC. Certain examination requirements, such as financing and appropriateness, are applicable only for investments in the financial and insurance businesses.
Inward direct investment	Yes.	Nonresidents may invest in Korea as long as they meet the requirements specified by relevant laws. Controls apply to (1) investment in primary sectors, as follows: (a) rice and barley cultivation; (b) cattle husbandry and wholesale meat sales unless foreign investors hold less than 50% of the share capital; (c) fishing in internal waters, the territorial sea, and the Exclusive Economic Zone if foreign investors hold 50% or more of the share capital; and (d) nuclear power generation and electric power transmission, distribution, and supply via state enterprises if foreign investors hold 50% or more of the share capital or a foreign investor would become the single largest shareholder; (2) establishment of financial institutions, as follows: (a) branches of mutual savings and finance companies, short-term investment and finance companies, credit information companies, and merchant banks; (b) subsidiaries or joint ventures providing credit information services, if foreign investors other than foreign financial institutions own 50% or more of the shares, and acquisitions that cause foreign ownership by investors other than foreign financial institutions to reach or exceed 50% of the share capital; (3) investment in the transportation sector, as follows: (a) airline companies if foreign investors hold 50% or more of the share capital; (b) shipping companies engaged in cabotage, except those transporting passengers and/or cargo between Korea and the Democratic People's Republic of Korea if foreign investors hold less than 50% of the share capital; (4) investment in the communications

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		sector, as follows: (a) news agencies if foreign investors hold 25% or more of the share capital; (b) newspaper publishing if foreign investors hold 30% or more of the share capital; (c) periodicals publishing if foreign investors hold 50% or more of the share capital; (d) broadcasting, except if foreign investors hold 49% or less of the share capital of a satellite broadcasting operator and in a program provider not engaged in multigenre programming or news reporting; (e) a signal transmission network business operator, if foreign investors hold 20% or less in a program provider engaged in multigenre programming or a cable system operator and if foreign investors hold 10% or less in a news reporting program provider; and (f) facilities-based telecommunications, if foreign investors hold more than 49% of the share capital; and (5) investment in designated resident public sector utilities undergoing privatization, if the investment would bring individual or aggregate holdings of foreign investors above the respective percentages of a firm's outstanding shares allowed by the relevant laws. Certain examination requirements prior to direct investment, including financing and appropriateness, are applicable only in the case of investment in the banking and insurance businesses.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	Residents are free to purchase foreign real estate and its associated rights for any purpose since June 2008. Overseas purchases of real estate require notification to a foreign exchange bank. Amounts within 10% of the estimated acquisition amount of the property may be transferred in advance of a real estate settlement, provided documents are available as a preliminary report before the contract is submitted.
Purchase locally by nonresidents	No.	Nonresidents are free to purchase local real estate and its associated rights. The acquisition of real estate with imported funds requires notification to a designated foreign exchange bank. Otherwise, BOK notification is required.
Sale locally by nonresidents	No.	No controls apply if the real estate was acquired in compliance with foreign exchange regulations.
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	BOK notification is required for all lending by residents to nonresidents.
To residents from nonresidents	No.	BOK notification is required for borrowing from nonresidents by personal residents.
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	There is no limit, but effective July 4, 2023, residents intending to make endowments exceeding the equivalent of US$100,000 (previously US$50,000) a year must notify BOK and submit payment certificates to foreign exchange banks.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	

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Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	Foreign exchange banks are required to notify the MOEF of funding with maturities exceeding one year and amounts exceeding US$50 million.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Lending in foreign currency by a foreign exchange bank to nonresidents does not require notification. However, credits and loans in domestic currency of more than W 30 billion granted by foreign exchange banks require BOK notification.
Lending locally in foreign exchange	Yes.	Foreign-currency-denominated loans to residents are restricted to funding overseas transactions. An exception is applied to small and medium manufacturers for the purposes of purchasing domestic facilities.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Foreign exchange agencies are prohibited from investing in foreign-currency-denominated bonds issued domestically by residents with the intention of converting foreign currency to Korean won.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve requirements on foreign currency deposit accounts are (1) 1% for nonresident/emigrant accounts and resident accounts opened by foreign exchange banks; (2) 2% for time deposits for maturities of more than one month and effective April 1, 2023, installment savings deposits for maturities of more than one month (previously six months) and certificates of deposit for maturities of more than 30 days; and (3) 7% for foreign currency deposits, including demand deposits, except those indicated above.
Liquid asset requirements	Yes.	As part of the COVID-19 pandemic response, the ratio that foreign exchange banks must maintain of the stock of high-quality liquid assets denominated in foreign currency to total net cash outflows denominated in foreign currency over the next 30 calendar days was temporarily set at 70% for commercial banks and specialized banks (except Korea Development Bank). This temporary lowering of foreign currency LCR is expired effective June 30, 2022, turning back the ratio to 80%. The ratio for Korea Development Bank remained at 60%. In addition, foreign exchange banks must maintain a ratio of foreign currency funds borrowed with maturities of more than one year to foreign currency loans with maturities of one year or longer of 100/100 or more.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	There is no difference in treatment of deposit accounts (in either foreign currencies or domestic currency) held by nonresidents and those held by residents.
Reserve requirements	No.	The reserve requirement on nonresident foreign currency deposit accounts is 1%. The reserve requirements on nonresident domestic currency deposit accounts are (1) 0% for long-term savings for purchasing a house and worker's asset building savings; (2) 2% for

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		time deposits, installment savings deposits, mutual installments, housing installments, and certificates of deposit; and (3) 7% for other deposits, including demand deposits.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	No.	
In banks by nonresidents	Yes.	Nonfinancial business operators may acquire up to 4% of a bank's total stock that have voting rights without restriction; acquisitions exceeding 4% require FSC approval.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	A foreign exchange bank's overall net open position, sum of overall net short positions, or sum of overall net long positions in each currency is limited to 50% of its total equity capital at the end of the previous month. The limits on banks' foreign exchange derivatives contracts were set at 50% of bank capital for domestic banks and 250% for foreign bank branches. Previously, before March 2020, the limits were 40% and 200%, respectively. The relaxation of the limit was part of the COVID-19 pandemic response to ease FX liquidity.
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Controls apply to foreign-currency-denominated deposit accounts held (abroad and locally) by insurance companies whose assets denominated in foreign currency exceed 50% of total assets (increased from 30% since May 19, 2020).
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies can invest in securities issued by nonresidents that (1) received investment grade (BBB- or higher by S&P or equivalent ratings by other credit rating agency), (2) specified guarantee by financial institution with investment grade or nonfinancial institution with high credit rating (A- or above by S&P or equivalent ratings by other credit rating agency), and (3) received investment grade from eligible credit rating agency designated by financial supervisory authority of issuing country in accordance with Basel standard (or equivalent standard adopted by issuing country).
Limits (max.) on investment portfolio held abroad	Yes.	Controls apply to the purchase of stock, money-market fund, and collective investment securities issued in a foreign market or such securities issued in the domestic market but denominated in foreign currency that would cause the sum of its assets denominated in foreign currency to exceed 30% of its total assets. Controls also apply to acquisition of foreign real estate by an insurance company that would cause the sum of its assets denominated in foreign currency to exceed 30% of its total assets.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Insurance companies are required to observe both of the following rules: (1) An insurance company's assets denominated in foreign currency may not exceed 50% of its total assets (increased from 30% since May 19, 2020) and (2) their net position of foreign currency must be lower than 30% (increased from 20% since June 9, 2021) of

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		solvency margin at the end of previous quarter. Net position of foreign currency is the absolute value of difference between foreign-currency-denominated asset and liability.
Pension funds	No.	There are no restrictions imposed by the relevant laws on the composition of foreign currency assets. For example, according to the National Pension Fund Act, there are no restrictions on the composition of the National Pension Fund's foreign currency assets.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	According to the Financial Investment Services and Capital Markets Act, there are no restrictions on the investment composition of investment firms and collective investment funds.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	A CBDC has not been launched, and there are no regulations controlling its use.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	

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Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	No.	
Controls on unbacked tokens	No.	
Acquisition by residents	No.	In accordance with the FATF standards on virtual assets and anti-money laundering rules, virtual asset transactions can be made in domestic market only through virtual asset exchanges operated by virtual asset service providers (VASPs) who registered their businesses according to Act on Reporting and Using Specified Financial Transaction Information, and the acquisition of virtual asset can be made among only customers whose identities have been checked. (However, there is no rule that limits an act of acquiring virtual asset when it comes to P2P transaction using virtual asset wallet.)
Use among residents	No.	In accordance with the FATF standards on virtual assets and anti-money laundering rules, virtual asset transactions can be made in domestic market only through virtual asset exchanges operated by VASPs who registered their business according to Act on Reporting and Using Specified Financial Transaction Information, and virtual asset transactions can be made among only residents whose identities have been checked. (However, there is no rule that limits virtual asset transactions when it comes to P2P transaction using virtual asset wallet.)
Between residents and nonresidents	No.	In Korea, only VASPs who have registered their businesses in accordance with the FATF standards can operate virtual asset exchanges, and only residents whose identities have been checked are allowed to make transactions at the registered exchanges. In terms of nonresidents, domestic law limits their virtual asset transactions since it is hard to check their identities. With regard to cross-border transaction, not domestic one, in accordance with the Travel Rule under the FATF standards, which are applied to virtual asset transaction, a resident and a nonresident can make a transaction only when an originator (sender) and a beneficiary (recipient) can share the customers' identity information.
For current transaction	No.	In Korea, virtual asset, which is quite volatile, is not officially recognized as an electronic payment means for current transaction. However, there is no rule that limits using virtual asset as a personal payment means according to mutual agreement between individuals.
For capital transactions	No.	
Transactions in capital and money market instruments	No.	

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Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	Since there are no separate regulation on stablecoins yet, they are currently included in general crypto assets and regulated by Act on Reporting and Using Specified Financial Transaction Information.
Acquisition by residents	No.	In accordance with Act on Reporting and Using Specified Financial Transaction Information, which is the only law in Korea that defines virtual assets, there is no distinction between unbacked token and the so-called stablecoin, giving a broad explanation on what virtual asset is. Meanwhile, in accordance with the FATF standards on virtual assets and anti-money laundering rules, stablecoin transactions in domestic market can be made only through virtual asset exchanges operated by VASPs who registered their businesses according to Act on Reporting and Using Specified Financial Transaction Information, and the acquisition of virtual asset can be made among only customers whose identities have been checked. (However, there is no rule that limits an act of acquiring stablecoin when it comes to P2P transaction using virtual asset wallet.)
Use among residents	No.	In accordance with the FATF standards on virtual assets and anti-money laundering rules, stablecoin transactions can be made in domestic market only through virtual asset exchanges operated by VASPs who registered their businesses according to Act on Reporting and Using Specified Financial Transaction Information, and stablecoin transactions can be made among only residents whose identities have been checked. (However, there is no rule that limits P2P transaction using virtual asset wallet.)
Between residents and nonresidents	No.	In Korea, only VASPs who registered their business in accordance with the FATF standards on virtual assets can operate virtual asset exchanges (including stablecoins), and transactions can be made among only residents whose identities have been checked. In terms of nonresidents, domestic law limits their virtual asset transactions since it is hard to check their identities. With regard to cross-border stablecoin transaction, not domestic one, in accordance with the Travel Rule under the FATF standards, which are applied to virtual asset transaction, a resident and a nonresident can make a transaction only when an originator (sender) and a beneficiary (recipient) can share the customers' identity information.
For current transaction	No.	

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For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Those who aim to operate a virtual asset exchange for residents living in Korea can start their businesses only after filing registration requirements for businesses and being officially registered at Korea Financial Intelligence Unit (KoFIU). (Unreported operations are subject to criminal punishment.)
Access to crypto exchange/trading platform by residents	Yes.	To access to a crypto exchange/trading platform, residents are allowed to make virtual asset transactions only after completing customer due diligence, also known as Know Your Customer.

Changes during 2022 and 2023

Imports and Import Payments

Import taxes and/or tariffs	*06/22/2022*	Adjustable-rate tariffs were imposed on 14 products (overall coverage decreased from 15 products in the past submission, resulting in easing of overall tariff measures).
	10/25/2022	Antidumping duties were imposed on 20 products (increased from 17 products in the past submission, resulting in tightening of the antidumping duties).

Capital Transactions

Controls on capital transactions		
Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Sale or issue abroad by residents	*07/04/2023*	Sale or issuance of foreign-currency denominated shares abroad by residents exceeding the equivalent of US$50 million requires notification to the Ministry of Economy and Finance, from a previous notification threshold of US$30 million.
Bonds or other debt securities		
Sale or issue abroad by residents	*07/04/2023*	Sale or issuance of foreign-currency denominated shares abroad by residents exceeding the equivalent of US$50 million requires notification to the Ministry of Economy and Finance, from a previous notification threshold of US$30 million.
On money market instruments		
Sale or issue abroad by residents	*07/04/2023*	Sale or issuance of foreign-currency denominated shares abroad by residents exceeding the equivalent of US$50 million requires notification to the Ministry of Economy and Finance, from a previous notification threshold of US$30 million.
On collective investment securities		
Sale or issue abroad by residents	*07/04/2023*	Sale or issuance of foreign-currency denominated shares abroad by residents exceeding the equivalent of US$50 million requires notification to the Ministry of Economy and Finance, from a previous notification threshold of US$30 million.
Controls on credit operations		

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Commercial credits		
To residents from nonresidents	*07/04/2023*	Commercial credits other than trade credits (including deferred payments, installment payments, export advances, and export down payments) up to US$50 million require notification to foreign exchange banks, from a previous notification threshold of $30 million. Other credits exceeding US$50 million require notification to the Ministry of Economy and Finance, from a previous notification threshold of $30 million.
Financial credits		
To residents from nonresidents	*07/04/2023*	Financial credits up to the equivalent of US$50 million require notification to an authorized foreign exchange bank, from a previous notification threshold of $30 million. Other credits exceeding US$50 million require notification to the Ministry of Economy and Finance, from a previous notification threshold of $30 million.
Controls on personal capital transactions		
Gifts, endowments, inheritances, and legacies		
By residents to nonresidents	*07/04/2023*	Residents intending to make endowments exceeding the equivalent of US$100,000 a year must notify BOK and submit payment certificates to foreign exchange banks, from a previous requirement threshold of US$50,000 a year.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*04/01/2023*	Maturity for installment savings deposit, as part of reserve requirements on foreign currency deposit account, was reduced from six months to one month
Liquid asset requirements	*06/30/2022*	This temporary lowering of foreign currency LCR is expired turning back the ratio to 80%.

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KOSOVO

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		June 29, 2009.
Article VIII	Yes.	Date of acceptance: January 11, 2018.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	Kosovo implements certain restrictive measures, such as freezing of funds, other financial assets, and economic resources.
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Kosovo maintains restrictions in accordance with UNSC resolutions, sanctions issued by institutions of the EU and the Government of the USA. Those restrictions are imposed purely for the preservation of national and international security. The Government of Kosovo Decision No. 09/196 of September 17, 2014, endorsed sanctions issued by institutions of the EU and the Government of the USA against legal entities and the authorities of Russia. An Administrative Directive on Prevention and Detection of Terrorism Financing is in place. Article 4 of the Directive provides for lists of persons and entities suspected of terrorism as follows: Consolidated Lists of Individuals and Entities belonging to or associated with the Taliban and Al-Qaida Organization as established and maintained by the UNSC (UNSC Resolution No. 1267); the list established by the EU (EU Council Resolution No. 2580/2001); and the list established by the Secretary State of the USA (Section 219 of the Immigration and Nationality Act of the USA).
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The euro is legal tender in Kosovo.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. Since January 2002, when Kosovo unilaterally adopted the euro, this currency is a legal tender in the Territory and circulates freely. The United Nations Interim Administration Mission in Kosovo (UNMIK) Regulation No. 1999/4 of September 2, 1999, “On the

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		currency permitted to be used in Kosovo" specifies in Section 1 that "Parties to a contract or any voluntary transaction may denominate such transaction in any currency agreed on by the parties. Unless proven otherwise, such an agreement must be deemed to exist with regard to any foreign currency that is widely accepted in the Territory of Kosovo." Administrative Direction No. 1999/2 of October 4, 1999, "Implementing UNMIK Regulation No. 1999/4 of 2 September 1999, On the Currency Permitted to be used in Kosovo" designated Deutschmark (DEM) as the only currency to formulate accounts and to perform compulsory payments. Later, because of the changeover of DEM into euro, Administrative Direction No. 2001/24 of December 21, 2001, "Amending Administrative Direction No. 1999/2 implementing UNMIK Regulation No. 1999/4 on the currency permitted to be used in Kosovo" replaced DEM by euro (1 euro = 1.95583 DEM).
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The euro is legal tender and circulates freely.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		

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Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Banks and other financial institutions may trade in foreign exchange among themselves at freely determined exchange rates.
Spot exchange market	Yes.	Commercial banks and other financial institutions in Kosovo may purchase and sell euros for other currencies. There were 12 commercial banks and 60 foreign exchange bureaus participating in the foreign exchange market as of June 30, 2023. The foreign exchange market in Kosovo is limited because most international payments and transfers are done in euro. Foreign exchange bureaus must be licensed and operate under the Central Bank of the Republic of Kosovo (CBK) regulation. The number of authorized foreign exchange bureaus is not limited. Foreign exchange bureaus may not

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		do business directly with the CBK, and their operations are limited to the purchase and sale of foreign exchange banknotes.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There were 12 commercial banks participating in the foreign exchange market as of June 30, 2023. The euro foreign exchange market operates according to a market-making agreement. The volume of interbank market is low as Kosovo does not have its own currency, and the euro is treated as a local currency. The following regulations are in place: (1) Regulation on the Repurchase of Securities with the Central Bank. The purpose of this regulation is to determine the conditions and criteria to be met by a bank based on the request for assistance from collateral-backed lending of the Government of Kosovo securities through the execution of a repurchase agreement with the CBK. The purpose of this lending is to assist member banks in the efficient management of their liquidity in the short term. The General Master Repurchase Agreement authorizes CBK to perform credit operations with commercial banks operating in Kosovo through collateral-based lending; (2) Regulation on Intraday and Overnight Lending. The purpose of this Regulation is to determine the conditions and criteria according to which the CBK may provide collateralized intraday and overnight liquidity loans for eligible banks. The purpose of these two liquidity facilities is to enable CBK to perform operations with eligible banks and ensure a secure operation of the interbank payment settlement system.
Over the counter	Yes.	Foreign exchange transactions continue to take place over the counter.
Brokerage	No.	
Market making	Yes.	Banks are free to set their bid-ask rates in the interbank foreign exchange market. Twelve banks and 60 foreign exchange bureaus are market participants who continuously quote buy and sell prices.
Forward exchange market	No.	There is no forward exchange market in Kosovo, but there are no restrictions on forward deals by residents abroad. Some banks may offer a forward exchange rate contract, but there is no demand for such contracts.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	Controls are applied only for the prevention of money laundering based on Law No. 05/L-096 of the Republic of Kosovo of May 25, 2016, on the Prevention of Money Laundering and Combating Terrorism Financing.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market	No.	

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instruments		
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	There are no limits on the amount of euros or other foreign currency that may be exported. However, anyone leaving Kosovo and carrying cash worth €10,000 or more must declare it and its source in writing. The authorities record and report this information.
Domestic currency	No.	The euro is legal tender. Exports of cash worth €10,000 or more in any currency must be reported to customs authorities. Banks and other financial institutions are allowed to export banknotes. The rules are the same for individuals and any legal entity.
Foreign currency	No.	Exports of cash worth €10,000 or more in any currency must be reported to customs authorities. Banks and other financial institutions are allowed to export banknotes. The rules are the same for individuals and any legal entity.
On imports	No.	Imports of cash worth €10,000 or more in any currency must be reported to customs authorities.
Domestic currency	No.	The euro is legal tender. Imports of cash worth €10,000 or more must be reported to customs authorities. Banks and other financial institutions are allowed to export banknotes. The rules are the same for individuals and any legal entity.
Foreign currency	No.	Imports of cash exceeding €10,000 in any currency must be reported to customs authorities. Banks and other financial institutions are allowed to export banknotes. The rules are the same for individuals and any legal entity.

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Resident Accounts

Foreign exchange accounts permitted	Yes.	There is no restriction on any foreign exchange account.
Held domestically	Yes.	Residents may open and maintain foreign exchange accounts without restriction, on proof of identity. There are no restrictions on the amounts that can be transferred abroad.
Approval required	No.	
Held abroad	Yes.	Residents may open and maintain foreign exchange accounts abroad, but controls are applied for prudential reasons such as prevention of money laundering and terrorism financing. There are no restrictions on the amounts that can be transferred from abroad to home country.
Approval required	No.	Residents may open and maintain foreign exchange accounts abroad, and there is no approval requirement.
Accounts in domestic currency held abroad	Yes.	The euro is used as domestic currency, and residents may have accounts in euros abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Balances may be converted from euros to other foreign currency without restriction.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open and maintain foreign exchange accounts in Kosovo without restriction.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open and maintain euro accounts in Kosovo without restriction.
Convertible into foreign currency	Yes.	Nonresidents may open and maintain, without restriction, euro accounts. The balances of such accounts may be freely converted to foreign currency and transferred abroad.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	Companies wishing to engage in foreign trade must register with the relevant ministry. (However, this is not for the purpose for release of foreign exchange.) Commercial banks may require documents verifying the purpose of the transaction before payment.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	

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Other	No.	
Import licenses and other nontariff measures	Yes.	Imports are free of licensing requirements, except for certain products, consistent with international conventions (for example, arms, gold, diamonds, drugs, narcotics, and hazardous waste). Some products, such as pharmaceuticals, fuel, and some agricultural products, require licenses, which are issued on a case-by-case basis. Imports are not limited according to quantity or value. There are statistical and security reporting requirements for residents' external payments. Imports require only a commercial invoice, import customs declaration, and certificate of origin. From January 1, 2012, through December 31, 2015, Kosovo benefited from a preferential trade agreement with the EU. The Stabilisation and Association Agreement in force since April 1, 2016, extended the preferential trade agreement with the EU.
Positive list	Yes.	
Negative list	Yes.	The importation of narcotic drugs or raw materials for the production or processing of narcotic drugs is prohibited. The importation of weapons, ammunition, or explosive is also prohibited. The importation of certain chemicals and pharmaceuticals is restricted.
Open general licenses	No.	
Licenses with quotas	No.	Licenses for importation of goods are not issued with any value or volume quotas.
Other nontariff measures	Yes.	Rules apply to the quality of imported petroleum. Imported cars may be no more than 13 years old.
Import taxes and/or tariffs	Yes.	Commodity imports are subject to customs tariffs at 10% of the value of goods. Excise taxes are applied to certain products such as fuel, cars, alcoholic beverages, and tobacco; no customs tax is applied to a number of agricultural and food products. VAT is collected at customs clearance for many imported goods. Kosovo belongs to the Regional FTA known as CEFTA signed December 19, 2006, and applies tariffs on trade with members in accordance with the agreement. All products imported from Serbia and Bosnia and Herzegovina are subject to a 100% tariff.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	

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Preshipment inspection	No.	
Other	Yes.	During the arrangement of the export transaction's financing by a bank, the bank conducts the normal credit risk assessment of the exporter and the latter is required to submit the commercial invoice and customs declaration to the bank providing financing.
Export licenses	Yes.	Exports are free of restrictions, except for certain products that are licensed for security or health reasons in accordance with international conventions and codes. From January 1, 2012, through December 31, 2015, Kosovo benefited from a preferential agreement with the EU. The Stabilisation and Association Agreement in force since April 1, 2016, extended the preferential trade agreement with the EU. Preferential rates allow exportation of all goods without customs duties or quantity limits (except for wine and some foods). Kosovo is also a beneficiary country in the GSP, which means that selected products may be exported duty-free to the US market.
Without quotas	Yes.	Licenses for exportation of goods are not issued with any value or volume quotas.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	Documentation is required for transactions of €10,000 and above, including the reason for the transfer and the source of the funds based on Regulation on Balance of Payments Statistics and International Investment Position. This is also required for the purpose of preventing anti-money laundering/terrorism financing and is not a mean of control on these transfers. The bona fide test is mainly for Know-Your-Customer (KYC) test and not a test for transaction, so the documentation required is ID of the client.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	Transactions in government securities are governed by Regulation MOF-CBK No. 01/2014 on the Primary and Secondary Markets for Issuance and Trading of Government Securities.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	Controls on banks' purchase abroad of securities are applied for prudential regulation. There is only a quantitative limitation to a single counterparty exposure for the purpose of reducing credit risk concentration. There is no quantitative limitation on the overall amount of debt securities purchased abroad.
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	There is no control on international trade transactions or with the rendering of international services. The control in credit operation is limit on large exposures to bank capital. Large exposures include all on- and off-balance-sheet claims. There is also a quantitative limitation to a single counterparty exposure for the purpose of reducing credit risk concentration. There is no quantitative limitation on the overall amount of credit operations, including with nonresidents.
Commercial credits	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	Resident legal entities and entrepreneurs may obtain commercial credits from nonresidents without restriction.
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	Emigrants are allowed to sell their assets and transfer the money.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Law No. 04/L-093 on Banks, Microfinance Institution, and Nonbank Financial Institutions is the legal basis for the CBK rules regulating commercial banks and other financial institutions.

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Borrowing abroad	No.	Banks can borrow freely from abroad.
Maintenance of accounts abroad	No.	Maintenance of accounts abroad is allowed without restrictions.
Lending to nonresidents (financial or commercial credits)	No.	Lending to nonresident is not prohibited by law and regulation. It is up to bank credit policy.
Lending locally in foreign exchange	No.	Lending locally in foreign exchange by banks is not prohibited by law or regulation. It is up to bank credit policy.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	Banks may invest freely abroad. However, these investments are subject to the CBK regulations on large exposures and capital adequacy. There is no limitation on the overall amount that can be invested abroad. The limitation is only for reducing credit risk concentration on a single party. There is limitation for foreign branches as Article 17 of the Law on Banks requires branches of foreign banks to maintain claims on residents of Kosovo in excess of its liabilities to residents of Kosovo.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The CBK sets limits on foreign exchange (non-euro) positions of banks. Banks may not have a net open position in any one foreign currency exceeding 15% or an aggregate net open foreign currency position exceeding 30% of its Tier 1 capital. These limits are applied to both resident and nonresident assets and liabilities.
On nonresident assets and liabilities	Yes.	The CBK sets limits on foreign exchange (non-euro) positions of banks. Banks may not have a net open position in any one foreign currency exceeding 15% or an aggregate net open foreign currency position exceeding 30% of its Tier 1 capital. These limits are applied to both resident and nonresident assets and liabilities.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Insurance companies are regulated by Law No. 05/L-045 on Insurances, the Regulation of December 29, 2016, on Investment of Assets Covering Technical and Mathematical Provisions and Investment of Charter Capital for Insurers, and the Regulation on

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		calculation of the minimum solvency margins, capital adequacy and guarantee fund for non-life insurers.
Limits (max.) on securities issued by nonresidents	Yes.	The maximum limit is 20% of the total gross technical and mathematical provisions invested in assets issued and guaranteed by the CBs of governments of EU member states, which need to have a credit ranking not lower than BBB from Standard & Poor's or its equivalent of this category from Fitch and Moody's, or their equivalents ranked by other agencies of credit ranking recognized by the CBK.
Limits (max.) on investment portfolio held abroad	Yes.	There are no limits on maximum portfolio held abroad. There are limits applicable only for the credit rating of the issuer but not the country of the issuer. Limits on investment covering technical provisions apply: No more than 20% of gross technical and mathematical provisions may be invested in treasury bonds, securities, and other capital market financial instruments issued and guaranteed by the CBs of governments of EU member states, which need to have a credit ranking no lower than BBB from Standard & Poor's or its equivalent of this category from Fitch and Moody's, or their equivalents ranked by other credit ranking agencies recognized by the CBK. With prior approval from the CBK, insurers may invest in other securities, traded in a regulated market, where their issuers are ranked no lower than BBB by Standard & Poor's or its equivalent from Fitch and Moody's, or their equivalents ranked by other credit ranking agencies recognized by the CBK, no more than 20% in total and no more than 5% of technical and mathematical provision in single issuer.
Limits (min.) on investment portfolio held locally	Yes.	There are no minimum limits on investment portfolio held locally, except the insurer's guarantee fund and properties. Insurers operating in the Republic of Kosovo may, with a prior approval from CBK, invest their charter capital (guarantee fund) in the following investment categories: (1) Treasury bonds and other securities issued by the Government of Kosovo; (2) deposits in euro currency into escrow account with commercial banks licensed in Kosovo, no more than 30% of the deposited amount in a single bank; and (3) insurers are required to deposit and maintain at all time, 10% of their charter capital in cash in CBK. Investment in real estate is admissible if the property is equipped with necessary documentation, including registration in the cadaster records in the name of the insurer or evidence that the purchase contract (or a pre-contract) has been notarized and the property has construction permit from the competent authorities. There is a prior approval requirement for the investments of the insurer's guarantee fund.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	Pension funds are regulated by the Law No. 04/L-101 on Pension Funds of Kosovo, Amended and Supplemented by the Law No. 04/L-115, the Law No. 04/L-168, and the Law No. 05/L-116. There are limits on assets classes and credit rating. Pursuant to Article 9.8 of the Law on Pension Funds of Kosovo, the maximum proportion of the securities of any single issuer, including its affiliated entities, which may be held by the Kosovo Pensions Savings Trust, is 5% for stocks and 30% for bonds. No such limitation applies for Government Securities of Kosovo. Pursuant to Article 4 - 1. Article 9, paragraph 9.9. of the Basic Law, the maximum proportion of total pension funds, which may be invested in the assets of an issuer, including the calculation of affiliated persons assets, is 5% for shares, 30% in securities of the

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		Kosovo Government, 20% for AA- rated bonds or higher, 10% for "A-" rated bonds or higher, 5% for BBB- rated bonds or lower, and 1% for BB + rated bonds or lower. The maximum proportion of total pension funds that may be invested in bonds rated BB + or lower may not exceed 5% of total funds. Credit rating must be provided by an internationally known credit rating agency.
Limits (max.) on securities issued by nonresidents	No.	There are no limits on the purchase by pension funds of securities issued by nonresidents. There are limits on assets classes and credit rating, and these limits apply to the whole portfolio whether held abroad or domestically.
Limits (max.) on investment portfolio held abroad	No.	There are no limits on the investment portfolio held abroad by pension funds. There are limits on assets classes and credit rating, and these limits apply to the whole portfolio whether held abroad or domestically.
Limits (min.) on investment portfolio held locally	No.	There are no limits that specifically state the minimum to be invested locally. There are limits on the maximum to be invested in Government Securities of Kosovo. Pursuant to Article 9.9 of the Law on Pension Funds of Kosovo, the maximum proportion of total pension assets that may be invested in the assets of any single issuer, including in this calculation assets of affiliated entities, is 5% for stocks, 10% for AA and above rated bonds, and up to 30% of the total assets may be invested in Government Securities of Kosovo, and pursuant to Article 9.10 of the Law, the Kosovo Pensions Savings Trust may not, in any given calendar year, invest more than 50% of its gross contribution revenue from the preceding calendar year in securities issued by the Government of the Republic of Kosovo.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	There are no investment firms or collective investment funds operating in Kosovo.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	

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Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.

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For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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KUWAIT

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 13, 1962.
Article VIII	Yes.	Date of acceptance: April 5, 1963.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Measures have been taken to implement relevant UNSC resolutions against terrorism, with regard to AML operations through financial transfers involving charitable organizations, suspect accounts, and sanctioned countries.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Kuwait is the Kuwaiti dinar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is a conventional peg vis-à-vis a currency composite. According to the law of the Central Bank of Kuwait (CBK), the exchange rate arrangement is specified by an "amiri" decree in consultation with the governor of the CBK (see CBK Law, Chapter I, Article II). Because the composite weights

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		cannot be confirmed, the de facto exchange rate arrangement is classified as other managed. Intervention data are not disclosed to the public.
Floating		
Free floating		
Official exchange rate	Yes.	Since May 20, 2007, the de jure exchange rate arrangement of the dinar has been a peg against an undisclosed basket of currencies, composed of Kuwait's major trading and financial partner countries (Decree No. 147/2007), whereby the CBK declares on a daily basis the exchange rate of the dinar against the US dollar. The official exchange rate is used for accounting and valuation. The official exchange rate is disclosed to the market through the CBK website.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis a composite.
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		

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Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks are free to determine the exchange rate in transactions with their clients.
Spot exchange market	Yes.	The CBK provides foreign exchange to 22 authorized Islamic and conventional banking counterparties and 39 exchange companies. The local and foreign banks (Islamic and conventional) are subject to licensing by the CBK. All foreign exchange transactions must process through a bank or licensed exchange companies. The CBK does not normally disclose information concerning the volume of exchange transactions conducted with institutions at the declared rate. The exchange companies are subject to licensing by the CBK. They may make foreign exchange transactions directly with the CBK, maintain accounts abroad, purchase and sell banknotes, and make foreign currency payments and transfers on behalf of their clients.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The CBK provides foreign exchange to authorized counterparties at the declared US dollar–Kuwaiti dinar rate versus verification of the underlying transactions' bona fide nature. Dinars are quoted by the CBK against the US dollars on a total bid-ask spread of 10 basis points to authorized counterparties on the date of customer transactions. The CBK deals directly with the government and governmental entities.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Twenty-two institutions are licensed to operate in the market as ADs. There are no limits on the bid-ask spreads and market participant commissions.

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Over the counter	Yes.	There is a market for dinar foreign exchange between market makers.
Brokerage	Yes.	A number of specialized brokerage companies quote dinar foreign exchange rates.
Market making	Yes.	The foreign exchange market operates under a market-making arrangement.
Forward exchange market	Yes.	The CBK did not participate in the forward foreign exchange market during 2021.
Official cover of forward operations	Yes.	Official coverage is extended to forward contracts related to commercial transactions.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	There are no controls on the use of domestic currency in international transactions or on the use of foreign currencies between residents, with the exception of Israeli currency. Transactions may not take place with Israel.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Kuwait is a member of the GAFTA and the GCC Customs Union.
Clearing agreements	No.	
Barter agreements and open accounts	Yes.	
Administration of control	No.	There are no exchange controls, and both residents and nonresidents may freely purchase and sell foreign exchange. All trade with Israel is prohibited; payments may not be made to or received from Israel for any type of transaction.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Monetary authorities and merchants registered with the Ministry of Commerce and Industry (MCI) may import and export gold of at

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		least 18 karats in any form; gold jewelry may not be imported or sold unless it is properly hallmarked. Jewelry and precious metals in any form, manufactured or unmanufactured, are subject to an import duty of 5%.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Amounts in excess of Kuwaiti dinar 3,000 must be declared.
Foreign currency	No.	Amounts in excess of Kuwaiti dinar 3,000 must be declared.
On imports	No.	
Domestic currency	No.	Amounts in excess of Kuwaiti dinar 3,000 must be declared.
Foreign currency	No.	Amounts in excess of Kuwaiti dinar 3,000 must be declared.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances can be transferred freely abroad.
Approval required	No.	
Held abroad	Yes.	Balances can be transferred to home country freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents can maintain accounts in domestic currency abroad, and balances can be transferred abroad freely.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Balances can be transferred abroad freely.
Approval required	No.	
Domestic currency accounts	Yes.	Balances can be transferred abroad freely.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for	No.	

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release of foreign exchange for imports		
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Import licenses are required for all commercial imports other than fresh fruits and vegetables, wheat, and flour. Licenses are issued freely to registered Kuwaiti merchants and companies. To be registered, the importer must be either a Kuwaiti citizen, a firm in which all partners are Kuwaiti citizens, or a shareholding or limited liability company in which Kuwaiti citizens own at least 51% of the stock.
Positive list	Yes.	Individuals are allowed to import construction materials for personal use, provided (1) materials are consistent with the Gulf standards and (2) individuals have a building permit issued by the Kuwait Municipality.
Negative list	Yes.	MCI decisions apply.
Open general licenses	Yes.	Imports of industrial equipment and machinery and their spare parts require industrial licenses, which are valid for one-time use. Licenses are issued to registered and licensed industrial establishments with the approval of the Industrial Development Commission at the MCI. Private imports of personal objects may be permitted under individual or specific licenses. Registered importers handling a variety of commodities may obtain a general license valid for one year. Other importers must obtain specific licenses for individual commodities, which are also valid for one year.
Licenses with quotas	No.	
Other nontariff measures	Yes.	Government procurement policies give preference to Kuwaiti-produced goods up to a price margin of 5% over goods produced in other GCC countries and 10% over goods produced in non-GCC countries.
Import taxes and/or tariffs	Yes.	In accordance with the GCC Customs Union, a minimum tariff of 5% applies to non-GCC imports; there are no tariffs on imports from other GCC members with at least 40% local value added. Imports of foodstuffs and some machinery and equipment, spare parts, and raw materials are exempt from import duties. Kuwait applies higher tariffs in industries with domestic producers that supply at least 40% of the local market. Tariff rates differ depending on the domestic-value-added content of the products in question. If domestically produced goods contain at least 20%, 30%, or 40% of domestic value added, protective duties of 15%, 20%, and 25%, respectively, may be applied to competing imports. The degree of protection is reduced by 5% in the case of consumer goods. The maximum duty imposed on products that compete with locally manufactured goods is 100%. Duties on goods imported from GAFTA member countries are being gradually reduced.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	No.	
With quotas	Yes.	The Ministerial Resolution No. 35 of 2022 regarding the export controls of goods manufactured by subsidized kerosene was revoked effective April 2, 2023. Previously, pursuant to Ministerial Resolution No. 35 of 2022, effective March 28, 2022, export or re-export of locally manufactured goods and products of kerosene, such as dyes, detergents, organic solvents, and others outside the country, whenever the percentage of subsidized kerosene used in production exceeds 10% of its components, was prohibited. As an exception, it was permissible for institutions, commercial companies, and companies with industrial licenses that have obtained prior approval to export the final products of these goods under the following conditions: (1) The Kuwait Environment Public Authority examined the products to be exported, matched the result with the submitted documents, and issued a certificate including the amount of kerosene used by the exporter; (2) the General Administration of Customs imposed an export restriction on products manufactured from subsidized kerosene based on the lists approved by the Public Authority for Industry and prohibited the exporting of these products unless after obtaining the following: (a) the certificate specifying the percentage of subsidized kerosene required to recover the value of its subsidy and (b) a collection receipt from the competent authorities for the value of the subsidy required to be recovered after coordination between the General Administration of Customs, the Ministry of Oil, and the MOF to set the accounting mechanisms for settlement of the amount of subsidy refunded from these products. Effective May 31, 2022, Decision No. 35/2022 was suspended for three months. Export and re-export of all kinds of local and imported live sheep and goats were banned from effective March 1, 2022, to effective August 1, 2022. Export and re-export of all kinds of local and imported live sheep and goats were banned, from effective March 2, 2023, to

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	effective July 1, 2023. Export and re-export of iron scrap were banned from effective March 17, 2022, and extended effective June 17, 2022, to effective December 31, 2022. Export and re-export of iron scrap were banned effective May 4, 2023, pursuant to Ministerial Resolution No. 67 of 2023. Effective August 2, 2023, the following are excluded from the application of the provisions of Ministerial Resolution No. 67 of 2023: (1) Used pumps and machines (code 8708.99.00); (2) Iron pipes with a length exceeding 6 meters (code 7304.49.00); (3) Plates (code 7208.51.00); (4) Bricks (code 6810.11.00); (5) Iron used for bridges and beams with a length exceeding 6 meters (7308.10.00); (6) Flanges (code 7307.21.00) and (code 7307.91.00); (7) Screws (code 7318.15.00); (8) Car spare parts (code 8708.99.00). Export and re-export of vegetable oils were banned from effective April 1, 2022, and extended effective July 31, 2022, to effective October 31, 2022. Export and re-export of frozen whole chicken and frozen chicken parts were banned from effective April 1, 2022, and extended effective July 31, 2022, to effective October 31, 2022. Export of fresh eggs was banned from effective October 1, 2022, to effective May 31, 2023. Effective February 7, 2023, companies, commercial institutions, and individuals are prohibited from importing, displaying, selling, marketing, or circulating toxic methyl alcohol of all kinds except after obtaining the approval of the Ministry of Interior and the General Fire Force. Export and re-export of cardboard paper waste were banned for a period of six months effective May 25, 2023, pursuant to Resolution No. 79 of 2023. Effective July 25, 2023, the phrase “cardboard paper waste” mentioned in Article 1 of the Resolution No. 79 of 2023 includes all waste bearing the Harmonized System Code No. 47 07 10 00, with the exception of other derivatives, such as mix paper waste, white paper waste, duplex paper waste, magazines and books, tissue waste, and old newspapers.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to banks subject to CBK supervision. A resident or nonresident natural person or legal entity purchasing up to 5% of a Kuwaiti bank's shares is subject to CBK approval.
Sale or issue locally by nonresidents	Yes.	The listing of foreign stocks and bonds on the Boursa Kuwait is subject to the approval of the Capital Market Authority.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The listing of foreign stocks and bonds on the Boursa Kuwait is subject to the approval of the Capital Market Authority.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	Controls apply to banks and financial institutions subject to CBK supervision. Banks are subject to approval requirement set by CBK.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The listing of foreign stocks and bonds on the Boursa Kuwait is subject to the approval of the Exchange Committee.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	According to CBK's Capital Adequacy Framework: Islamic banks are not permitted to undertake derivative transactions for speculative purposes and should only use these to hedge their exposures. All positions by Islamic banks should also be compliant with Shariah principles and approved by the respective Shariah Supervisory Board (SSB). The CBK has discretion to impose additional capital charges on such positions on case-by-case basis.

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		Islamic banks to use the applicable market-accepted standard agreements such as the International Swaps and Derivatives Association, Inc. (ISDA)/International Islamic Financial Market (IIFM) Tahawwut Master Agreement (TMA).
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	Credit facilities local banks may extend in dinars to nonresidents must be limited to those that finance dinar-denominated contracts awarded by government entities in Kuwait, while observing the terms and controls included in the CB instructions of May 2, 1995. The following are relevant in this regard: (1) Credit must be extended on a sound basis, particularly regarding the purpose of the credit; the consistency of the credit type, size, and currency with the actual needs of the customer and within the limits of the financed contract; and use of the credit for the purpose for which it was extended. In general, an integrated credit study must be conducted on the feasibility of the requested credit, taking into account the soundness of the customer's financial position, the availability of repayment sources, the collateral submitted, and other considerations. (2) Banks should minimize their exposure to credit risk by distributing credit risk across a wide customer base, diversifying their credit facilities portfolio and distributing it across various sectors of the economy, and establishing maximum limits for risk associated with foreign credit, taking into account the nature of country risks. Banks must periodically review their credit policies and introduce appropriate amendments, particularly in regard to applied limits and delegated authority, all within the strategic direction of the bank and current developments.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Local banks are allowed to extend credit facilities in KD to nonresidents, without the need of seeking the CBK's prior consent, for financing contracts whose value may not exceed KD 40 million, provided such facilities do not exceed 70% of the total value of each contract. As for other contracts or credit facilities exceeding such limits, they must require the prior consent of the CBK. The following conditions must be satisfied in respect of all KD credit facilities extended by the local banks to their nonresident customers: (1) The credit facilities extended in KD to nonresidents must be limited to financing the contracts denominated in KD and awarded by government bodies in the State of Kuwait. The financing bank must verify that the contracts to be financed are in fact real contracts, and must retain copies thereof. (2) Finance extended for such cases must be limited for each separate contract and may not be concluded through general credit lines extended to the borrowing customers. (3) A Letter of Assignment over all the financed contract payments must be signed in favor of the lending bank. Such payments must be utilized for repayment of the granted credit facilities in compliance with such facilities' conditions.
To residents from nonresidents	No.	
Financial credits	Yes.	

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By residents to nonresidents	Yes.	Credit facilities that local banks may extend in dinars to nonresidents must be limited to those that finance dinar-denominated contracts awarded by government entities in Kuwait, while observing the terms and controls included in the CB instructions of May 2, 1995. The CBK must allow the coverage of forward foreign exchange contracts, as well as the conversion of KD cash facilities to foreign currencies, up to a maximum of 50% of the contract value, where the bank must be responsible for financing the remaining portion of the contract value from its own resources.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Foreigners may own up to 49% of Kuwaiti companies and may establish 100% owned subsidiaries subject to the Kuwait Foreign Investment Law (Foreign Investment Bureau) and the conditions determined by the council of ministers. The Companies Law No. 1 of 2016 maintained the requirement that a Kuwaiti national own at least 51% of all local companies, unless foreign investors apply through the Kuwait Direct Investment Promotion Authority. The Council of Ministers Decision No. 75 of 2015 directed Kuwait Direct Investment Promotion Authority to exclude foreign firms from investment in the following sectors: extraction of crude petroleum, extraction of natural gas, manufacture of coke oven products, manufacture of fertilizers and nitrogen compounds, manufacture of gas, distribution of gaseous fuels through mains, real estate (excluding privately operated building development projects), security and investigation activities, public administration and defense, compulsory social security, activities of membership organizations, and labor hiring activities including domestic labor.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Only GCC nationals may purchase real estate of up to 3,000 square meters for private residence purposes.
Sale locally by nonresidents	Yes.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Controls apply to the sale and issuance of bonds and other debt securities abroad. Banks are subject to approval requirements set by CBK for the sale and issuance of bonds and other debt securities abroad.
Maintenance of accounts abroad	Yes.	CBK AML requirement states that banks may not enter into a cross-border correspondent or business relationship with a shell bank or correspondent financial institution in foreign country that allows its accounts to be used by a "shell bank."
Lending to nonresidents (financial or commercial credits)	Yes.	Credit facilities local banks may extend in dinars to nonresidents are limited to those that finance dinar-denominated contracts awarded by government entities in Kuwait, in accordance with the terms and controls in the CBK instructions of May 2, 1995. When extending credit facilities to their resident and nonresident customers for work and projects outside Kuwait, local banks must comply with the minimum limits under CBK Instruction No. BSB/105/1993 concerning the Rationalization and Organization of Banks' Credit Policy and the relevant circulars. The following are relevant in this regard: (1) Credit must be extended on a sound basis, particularly regarding the purpose of the credit; the consistency of the credit type, size, and currency with the actual needs of the customer and within the limits of the financed contract; and use of the credit for the purpose for which it was extended. In general, an integrated credit study is required on the feasibility of the requested credit, taking into account the soundness of the customer's financial position, the availability of repayment sources, and the collateral submitted, among other considerations. (2) Banks should minimize their exposure to credit risk by distributing risk across a wide customer base, diversifying their credit facilities portfolio and distributing it across various sectors of the economy, and establishing limits for risk associated with foreign credit, taking into account the nature of country risks. Banks must periodically review their credit policies and introduce appropriate amendments, particularly in regard to applied limits and delegated authority, all within the strategic direction of the bank and current developments.
Lending locally in foreign exchange	Yes.	Banks are also required to follow up the customer's observance of the purpose for which these facilities were extended, whereby that review should encompass assessing the customer's need for the requested foreign currencies to finance his activities, and the real utilization of such currencies within the request for credit. Additionally, banks must verify the availability of sources of repayment in the same currencies.
Purchase of locally issued securities denominated in foreign exchange	No.	

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Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	CBK regulations concerning the organization of local banks' investment policy apply.
Abroad by banks	Yes.	CBK regulations concerning the organization of local banks' investment policy apply.
In banks by nonresidents	Yes.	CBK regulations concerning the organization of local banks' investment policy apply. Nonresident or resident natural person or legal entity purchasing up to 5% of a Kuwaiti bank's shares is subject to CBK approval.
Open foreign exchange position limits	Yes.	Banks are subject to limits concerning both single and overall foreign currency positions. These limits are based on the capital of each bank.
On resident assets and liabilities	Yes.	Banks are subject to limits concerning both single and overall foreign currency positions. These limits are based on the capital of each bank.
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	Pension funds are not supervised by any regulatory authority.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective	No.	

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investment funds	
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Crypto assets	Yes.	The CBK issued a Circular on July 17, 2023, directed to all local banks, financing companies, and exchange companies (but not individuals) with controls on virtual assets. Similar instructions have been issued on a national level, not just by the CBK, as an outcome of the study prepared by the National Committee for AML/CFT.
Controls on unbacked tokens	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Acquisition by residents	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Use among residents	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Transactions in derivatives and other instruments	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Credit operations	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Controls on utility and security tokens	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
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		State of Kuwait.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
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Credit operations	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Controls on stablecoins	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Acquisition by residents	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Use among residents	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Transactions in derivatives and other instruments	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.

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Credit operations	Yes.	Effective July 17, 2023, CBK issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment. Residents may acquire and transact with such assets via international intermediaries without the intervention of the regulated entities in the State of Kuwait.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Effective July 17, 2023, no natural or legal person in the State of Kuwait will be issued or granted a license to provide virtual asset services as a commercial work, whether for himself or on behalf of others (noting that no licenses have been previously issued in this regard).
Access to crypto exchange/trading platform by residents	No.	Individuals may access crypto exchange/trading platforms as long as the platform is not local.

Changes during 2022 and 2023

Exports and Export Proceeds

Export licenses

With quotas	*03/01/2022*	Export and re-export of domestic and imported live sheep and goats were banned.
	03/17/2022	Export and re-export of iron scrap were banned.
	03/28/2022	Export or re-export of locally manufactured goods and products of kerosene, such as dyes, detergents, organic solvents, and others outside the country, whenever the percentage of subsidized kerosene used in production exceeds 10% of its components, was prohibited. As an exception, it is permissible for institutions, commercial companies, and companies with industrial licenses that have obtained prior approval to export the final products of these goods under the following conditions: (1) The Kuwait Environment Public Authority examine the products to be exported, match the result with the submitted documents, and issue a certificate including the amount of kerosene used by the exporter; (2) The General Administration of Customs impose an export restriction on products manufactured from subsidized kerosene based on the lists approved by the Public Authority for Industry and prohibit the exporting of these products unless after obtaining the following: (a) the certificate specifying the percentage of subsidized kerosene required to recover the value of its subsidy and (b) a collection receipt from the competent authorities for the value of the subsidy required to be recovered after coordination between the General Administration of Customs, the Ministry of Oil, and the MOF to set the accounting mechanisms for settlement of the amount of subsidy refunded from these products.
	04/01/2022	Export and re-export of frozen chicken and chicken parts were banned.
	04/01/2022	Export and re-export of vegetable oils were banned.
	05/31/2022	Decision No. 35/2022 of the Ministry of Commerce and Industry, concerning the ban on exports or re-export of locally manufactured goods and products of kerosene whenever the percentage of subsidized kerosene used in production exceeds 10% of its components, was suspended for three months.
	06/17/2022	The ban on export and re-export of iron scrap was extended until December 31, 2022.
	07/31/2022	The ban on export and re-export of frozen chicken and chicken parts instituted on April 1, 2022, was extended until October 31, 2022.
	07/31/2022	The ban on export and re-export of vegetable oil instituted on April 1,

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	2022, was extended by 3 months.
08/01/2022	The ban on export and re-export of domestic and imported live sheep and goats instituted on March 1, 2022, was lifted.
10/01/2022	Export of fresh eggs was banned.
10/31/2022	The ban on export and re-export of frozen whole chicken and frozen chicken parts ended.
10/31/2022	The ban on export and re-export of vegetable oil ended.
12/31/2022	The ban on export and re-export of iron scrap ended.
02/07/2023	Companies, commercial institutions, and individuals are prohibited from importing, displaying, selling, marketing, or circulating toxic methyl alcohol of all kinds except after obtaining the approval of the Ministry of Interior and the General Fire Force.
03/02/2023	Export and re-export of all kinds of local and imported live sheep and goats were banned.
04/02/2023	The Ministerial Resolution No. 35 of 2022 regarding the export controls of goods manufactured by subsidized kerosene was revoked.
05/04/2023	The export and re-export of iron scrap were banned pursuant to Ministerial Resolution No. 67 of 2023.
05/25/2023	Export and re-export of cardboard paper waste were banned for a period of six months pursuant to Resolution No. 79 of 2023.
05/31/2023	The ban on the export of fresh eggs ended.
07/01/2023	The ban on the export and re-export of all kinds of local and imported live sheep and goats ended.
07/25/2023	The phrase “cardboard paper waste” mentioned in Article 1 of the Resolution No. 79 of 2023 includes all waste bearing the Harmonized System Code No. 47 07 10 00, with the exception of other derivatives, such as mix paper waste, white paper waste, duplex paper waste, magazines and books, tissue waste, and old newspapers.
08/02/2023	The following are excluded from the application of the provisions of Ministerial Resolution No. 67 of 2023: (1) Used pumps and machines (code 8708.99.00); (2) Iron pipes with a length exceeding 6 meters (code 7304.49.00); (3) Plates (code 7208.51.00); (4) Bricks (code 6810.11.00); (5) Iron used for bridges and beams with a length exceeding 6 meters (7308.10.00); (6) Flanges (code 7307.21.00) and (code 7307.91.00); (7) Screws (code 7318.15.00); (8) Car spare parts (code 8708.99.00).

Digital Currencies and Crypto Assets

Crypto assets

Controls on unbacked tokens	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Acquisition by residents	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Use among residents	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Between residents and nonresidents		
For current transaction	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
For capital transactions		
Transactions in capital and money market instruments	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Transactions in derivatives and other instruments	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Credit operations	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use

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		of crypto assets by regulated entities and as a means of payment.
Controls on utility and security tokens	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Acquisition by residents	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Use among residents	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Between residents and nonresidents		
For current transaction	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
For capital transactions		
Transactions in capital and money market instruments	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Transactions in derivatives and other instruments	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Credit operations	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Controls on stablecoins	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Acquisition by residents	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Use among residents	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Between residents and nonresidents		
For current transaction	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
For capital transactions		
Transactions in capital and money market instruments	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Transactions in derivatives and other instruments	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Credit operations	*07/17/2023*	The Central Bank of Kuwait issued a Circular which prohibits the use of crypto assets by regulated entities and as a means of payment.
Controls on crypto exchanges and trading platforms		
Domestic exchanges	*07/17/2023*	No natural or legal person in the State of Kuwait will be issued or granted a license to provide virtual asset services as a commercial work, whether for himself or on behalf of others (noting that no licenses have been previously issued in this regard).

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KYRGYZ REPUBLIC

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		May 8, 1992.
Article VIII	Yes.	Date of acceptance: March 29, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with the Kyrgyz Republic states that, as of May 18, 2021, the Kyrgyz Republic maintained a MCP arising from the use of the official exchange rate for government transactions. The official rate may differ by more than 2% from market rates because it is based on the average transaction weighted rate of the preceding day. (Country Report No. 21/174)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	The Kyrgyz Republic maintains certain exchange restrictions in accordance with UNSC resolutions to combat the financing of terrorism and for AML purposes.
Other security restrictions	Yes.	Measures have been adopted that restrict financial transactions and freeze the accounts of certain individuals and organizations associated with terrorism, pursuant to UNSC resolutions, the current FATF list of organizations associated with terrorism, and a list of individuals and entities involved in terrorism and/or extremist activities, or in the proliferation of weapons of mass destruction, compiled by the State Financial Intelligence Service under the Government of the Kyrgyz Republic (GKR).

Exchange Arrangement

Currency	Yes.	The currency of the Kyrgyz Republic is the Kyrgyz som.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual	Yes.	The exchange rate structure is dual, because the official rate may differ by more than 2% from market rates because it is based on the average transaction-weighted rate from 3:00 p.m. of the preceding trading day until 3:00 p.m. of the current trading day. In practice, the official and market rates have not differed by more than 2%, not including the period February 25–April 22, 2022. Since 2010, the official exchange rate of the US dollar against the som has been calculated daily as the weighted average of the exchange rates used in US dollar purchase and sale transactions carried out in the exchange market through the National Bank of the Kyrgyz Republic's (NBKR's) Automated Trading System (ATS) for the reporting period from 3:00 p.m. of the previous trading day until 3:00 p.m. of the current trading day. Since 2012, the official exchange rates of the euro, ruble, and tenge

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		have been determined daily. The official exchange rates of other foreign currencies are determined on a weekly basis, based on the cross-rates of quotes for these currencies against the US dollar in international financial markets.
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. The National Bank may participate in the interbank foreign exchange market only for the purpose of smoothing out sharp fluctuations in the exchange rate. Information on interventions is published on the NBKR's official website on the day an intervention is performed, after the close of the trading day. Data on the date of the intervention and the volume purchased or sold in U.S. dollars are published. In 2022, the country's foreign exchange market was formed primarily based on the situation in the foreign exchange markets of the countries that are the main trading partners of the Kyrgyz Republic and in foreign financial markets. Thus, with the beginning of the military operation by the Russian Federation against Ukraine and the further aggravation of the situation, from February 24 to March 3 on the Moscow Exchange the exchange rate of the US dollar against the ruble increased by 22.11%, from 80.4 to 103.3 rubles a US dollar. This situation has had a negative impact on the foreign exchange market of Kyrgyzstan. In this regard, at the initial stage, to smooth out sharp fluctuations in the exchange rate, on February 24, 2022, the National Bank carried out one intervention to sell US dollars in the amount of 13.05 million. With the negative development of the situation around the Russian Federation and Ukraine, the sanctions pressure on the economy of the Russian Federation increased, which was the main reason for the actual introduction of significant barriers to the export of capital from the Russian Federation, later similar measures were introduced in Kazakhstan. Restrictive measures on the export of foreign currency in cash in the Russian Federation and the Republic of Kazakhstan have led to large inflows of cash in the national currencies of these countries and an increase in the volume of remittances both in national currencies and in US dollars to the territory of Kyrgyzstan. In turn, the recipients of money transfers in most cases converted them to US dollars (if they were the currencies of the sender's country) or cashed (if the remittance was in US dollars) and exported cash US dollars outside the country. . In this regard, to ensure the economic security of the country and minimize the adverse consequences of the crisis, the NBKR has taken a number of anti-crisis measures, including the establishment of a ban on the export of cash US dollars outside the country by commercial banks, exchange bureaus and microfinance organizations. At the same time, from time to time, to smooth out sharp fluctuations in the exchange rate, as well as to stabilize the situation in the country's foreign exchange market, the National Bank continued to carry out foreign exchange interventions both for

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		the purchase and sale of US dollars. In total, in 2022, there were eight interventions to sell US dollars in the amount of 486.5 million US dollars and two purchase interventions in the amount of 190.74 million US dollars. In total, net sales for 2022 amounted to 295.76 million US dollars. Since February 2022, the exchange rate increased its flexibility while still being managed, and since October 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar with one realignment in February 2023. Accordingly, the de facto exchange rate was reclassified twice: (1) to other managed from stabilized effective February 25, 2022, and (2) to crawl-like from other managed effective October 21, 2022.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate of the US dollar against the som is calculated daily as the weighted average of the exchange rates used in noncash US dollar purchase and sale transactions carried out in the exchange market through the NBKR's ATS for the reporting period from 3:00 p.m. of the previous trading day until 3:00 p.m. of the current trading day. Thus, the calculation of the official exchange rate of the US dollar takes into account all spot exchange rates, and it also takes into consideration volatility in the interbank foreign exchange market. The official exchange rates of the euro, ruble, and tenge are determined daily. Effective March 14, 2022, the official exchange rate of the Russian ruble against the Kyrgyz som is calculated at a cross rate based on the average values between the maximum and minimum exchange rates of the US dollar against the ruble, recorded in the Bloomberg news agency/Reuters news agency in the period from 15:00 of the previous trading day until 15:00 of the current trading day Bishkek time. The official exchange rates of other foreign currencies are determined on a weekly basis, based on the cross-rates of quotes for these currencies against the US dollar in international financial markets. The NBKR determines and announces the official exchange rates of foreign currency against the som for accounting and settlement purposes, without any obligation to buy or sell foreign currency at these rates. According to the agreement between the NBKR and the Central Treasury of the Kyrgyz Republic Ministry of Finance, when performing operations involving the conversion/purchase and subsequent transfer of foreign currency, the Central Treasury uses (1) the official exchange rate for foreign currencies set by the National Bank and in effect on the date payment is made (in the event that the foreign currency is in the National Bank's currency portfolio and is included in the quotation list of the National Bank), or (2) the negotiated currency exchange rate with a commercial bank of the Kyrgyz Republic or a foreign correspondent bank of the National Bank (in the event that the NBKR does not hold the foreign currency), with compensation by the Central Treasury of exchange rate differences arising in the purchase of foreign currency not held by the NBKR and their transfer.
Monetary policy framework		

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Exchange rate anchor

U.S. dollar

Euro

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

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Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The NBKR's goal is to achieve and maintain price stability, as specified in Kyrgyz Republic Constitutional Law No. 92 of August 11, 2022, on the NBKR. In accordance with the Medium-Term Monetary Policy Guidelines (approved by Executive Board Resolution No. 2017-P-07/51-1-(DKP) of December 13, 2017), the intermediate target of monetary policy is an inflation forecast based on a comprehensive analysis of the macroeconomic situation in the Kyrgyz Republic and in the external environment. The National Bank's discount rate as the main monetary policy instrument is a benchmark for the cost of funds in the money market. Short-term money market interest rates serve as an operational monetary policy benchmark.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The National Bank defines the procedure and conditions for the performance of transactions in the interbank foreign exchange market, and it develops and implements a single foreign exchange policy and regulation in the Kyrgyz Republic. Transactions involving the purchase and sale (exchange) of cash and noncash domestic and/or foreign currency within the Kyrgyz Republic are not restricted and are performed at banks, specialized financial and financial and lending institutions, microfinance companies, microcredit companies, credit unions, and exchange bureaus with the relevant license from the National Bank.
Spot exchange market	Yes.	Transactions involving the purchase and sale (exchange) of cash and noncash domestic and/or foreign currency within the Kyrgyz Republic are not restricted and are performed only at banks, specialized financial and financial and lending institutions, microfinance companies, microcredit companies, credit unions, and exchange bureaus with the relevant license from the National Bank. The procedure and conditions for the performance of transactions involving the purchase and sale (exchange) of cash and noncash domestic and/or foreign currency, as well as requirements imposed on authorized persons, are determined by the National Bank (Article 26 of the Kyrgyz Republic Constitutional Law on the NBKR). As of December 31, 2020, there were 23 licensed commercial banks (including one branch of a foreign bank), 379 foreign currency exchange bureaus, 9 microfinance companies licensed to perform certain banking operations in foreign currency, and 2 microcredit companies licensed to perform the purchase and sale of foreign currency on their own behalf. In accordance with Article 11 of Kyrgyz Republic Law No. 206 of December 16, 2016, on the NBKR, Banks, and Banking, commission fees and rates for the performance of banking services are set independently by the persons performing the banking services, in accordance with the requirements of the banking legislation of the Kyrgyz Republic. In accordance with Article 35 of the same law, the official exchange rate is determined and announced by the National Bank on the basis of the market spot exchange rate and other market rates. The official exchange rate is determined and announced by the National Bank

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		with an obligation on the part of the National Bank to purchase and sell foreign currency at the announced exchange rates, and at the same time, pursuant to Paragraph 2 of the same article, the spot exchange rate and other market rates are freely determined between the seller and the buyer, unless otherwise established by the National Bank. In accordance with Article 2-1 of Kyrgyz Republic Law No. 116 of July 22, 2011, on Competition, anti-monopoly regulation in the banking services market is performed by the NBKR in accordance with regulatory legal acts, compliance with which is mandatory for commercial banks and other financial and lending institutions licensed and regulated by the NBKR. The sale and purchase of cash and noncash foreign exchange through clearing transactions, payment of traveler's checks, and payments in foreign currency are limited to NBKR-licensed banks. Licenses to perform the activity of a foreign currency exchange bureau are issued only to legal entities. The activities of foreign currency exchange bureaus are licensed and regulated by the NBKR. Foreign currency exchange bureaus may conduct only transactions specified in their licenses. They may not perform foreign exchange transactions directly with the CB. Legal entities that open exchange bureaus and have a license to perform exchange transactions with foreign exchange cash may without restriction purchase and sell using their own resources (within the limits of their reported working capital) and on their own behalf only foreign exchange cash, and only in exchange for cash domestic currency. Exchange bureaus must provide information on the sources of their working capital (NBKR Executive Board Resolution No. 53/10 of November 27, 2014). If a legal entity opens an account abroad, this does not mean that this is an account of the foreign currency exchange bureau. A foreign currency exchange bureau itself may not open an account abroad. To engage in the purchase and sale of foreign currency on its own behalf, credit union and microcredit company have to obtain an additional license from the NBKR. A microfinance company has to obtain a license to perform certain banking operations in foreign currency. A specialized financial and lending institution has to obtain licenses to perform exchange operations with foreign currency. To ensure the economic security of the Kyrgyz Republic and stabilize the situation in the domestic foreign exchange market, the National Bank adopted a set of measures. Effective March 18, 2022, the volume of transactions in tenge for financial institutions was temporarily limited. Effective March 19, 2022, the purchase rate of the tenge for financial institutions was temporarily reduced (except for exporters). Effective July 22, 2022, the volume of transactions with foreign currency in cash between exchange offices and commercial banks was limited. Effective July 27, 2022, the conversion of a money transfer must be made at the rate indicated in the information stand of the purchase and sales rates of foreign currencies.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The NBKR participates in the foreign exchange market for the purpose of smoothing out excessive fluctuations in the exchange rate. The NBKR deals directly with market participants. Foreign currency interventions have not been performed on an ongoing basis but have been isolated events.
Allocation	No.	
Auction	No.	

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Fixing	No.	
Interbank market	Yes.	The foreign exchange market operates within the framework of the ATS. Electronic trading is carried out daily from 10:00 a.m. to 5:00 p.m. except on weekends. To become a participant in the interbank foreign exchange market, a financial institution must obtain a license for foreign exchange transactions and sign the Agreement on Participation in ATS. The NBKR grants licenses for foreign exchange transactions. Twenty-three commercial banks (including one branch of a foreign bank) have been licensed and have signed agreements on participation in the ATS as of June 30, 2022. There are no limits on the bid-ask spreads, nor are there any commissions. The NBKR performs transactions directly with market participants at their quoted rates.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	Market participants continuously report buying and selling prices and volumes to other market participants. The minimum allowable volume of an ATS bid for US dollars is US$50,000. There are no limits on the bid-ask spreads, and no commission is charged by market participants. The foreign exchange market operates on the basis of market-making agreements.
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	Kyrgyz Republic Civil Code No. 15 of May 8, 1996, states that the som is legal tender throughout the entire territory of the Kyrgyz Republic, and it must be accepted at face value. Kyrgyz Republic Constitutional Law No. 92 of August 11, 2022, on the NBKR also stipulates that the som is the sole legal tender within the Kyrgyz Republic and legal entities and individuals are required to accept it without restriction.
For capital transactions	No.	The Civil Code of the Kyrgyz Republic states that the som is legal tender throughout the entire territory of the Kyrgyz Republic, and it must be accepted at face value. Kyrgyz Republic Constitutional Law No. 92 of August 11, 2022, on the NBKR also stipulates that the som is the sole legal tender within the Kyrgyz Republic and legal entities and individuals are required to accept it without restriction.
Transactions in capital and money market instruments	No.	In accordance with the Regulation on the Issue, Placement, Circulation, and Redemption of Government Securities of the Kyrgyz Republic, approved by Kyrgyz Republic Government Resolution No. 556 of October 2, 2008, the Kyrgyz Republic Government has the right to issue government treasury bonds in the domestic currency of the Kyrgyz Republic and in foreign currency. There are no restrictions on the use of domestic currency for settlements (cross-border and domestic) resulting from transactions in capital and money market instruments.
Transactions in derivatives and other instruments	No.	The Civil Code of the Kyrgyz Republic states that the som is legal tender throughout the entire territory of the Kyrgyz Republic, and it must be accepted at face value. Law No. 206 of December 16, 2016,

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		on the NBKR, Banks, and Banking also stipulates that the som is the sole legal tender within the Kyrgyz Republic and legal entities and individuals are required to accept it without restriction.
Credit operations	No.	The Civil Code of the Kyrgyz Republic states that the som is legal tender throughout the entire territory of the Kyrgyz Republic, and it must be accepted at face value. Kyrgyz Republic Constitutional Law No. 92 of August 11, 2022, on the NBKR also stipulates that the som is the sole legal tender within the Kyrgyz Republic and legal entities and individuals are required to accept it without restriction.
Use of foreign exchange among residents	Yes.	Legal tender is the domestic currency, but foreign currency may be used for deposit and loan operations. However, pursuant to National Bank Executive Board Resolution No. 7/3 of February 10, 2016, amendments and additions were made to regulatory legal acts of the NBKR, according to which financial and lending institutions are prohibited from providing consumer and mortgage loans in foreign currency to individual borrowers. Pursuant to Kyrgyz Republic Government Resolution No. 135 of March 18, 2016, monetary obligations on price tags and labels for goods (products), articles made of precious metals and precious stones, and price lists for services provided must be expressed in the domestic currency of the Kyrgyz Republic.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There are agreements on settlement procedures with China, Malaysia, and countries of the CIS.
Inoperative	No.	
Regional arrangements	Yes.	There are agreements with the Interstate Bank of the CIS to participate in the national gross settlement system.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The NBKR is the government body for foreign exchange regulation and exercises this function by issuing regulations on the conduct of foreign currency transactions; issuing and revoking licenses to exchange intermediaries, including banks; and exercising supervision over their activities pursuant to laws of the Kyrgyz Republic.
Payments arrears	No.	
Official	No.	According to the 2022–2024 Public Debt Management Strategy of the Kyrgyz Republic, approved by Resolution of the Cabinet of Ministers of the Kyrgyz Republic of July 1, 2022, No. 357, to maintain public debt sustainability, the size, structure, and usual risks of public debt are regularly monitored, the public debt of the Kyrgyz Republic is serviced timely and in full, and there are no unfulfilled obligations to international financial organizations.
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Legal entities and individuals may participate in the precious metals market in transactions in minted, standard, and nonstandard bullion. Pursuant to Article 4 of Kyrgyz Republic Law No. 87 of August 5, 2022, on Precious Metals and Precious Stones, government regulation of relations involving transactions with precious metals and precious stones is carried out by means of: (1) a priority right to purchase refined precious metals, as well as precious stones, granted to the Kyrgyz Republic State Fund of

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		Precious Metals and Precious Stones and the NBKR; (2) the establishment of requirements regarding the accounting and reporting of precious metals and precious stones, as well as the procedure for the performance of transactions with precious metals and precious stones; (3) regulatory-legal oversight of actions by legal entities and individual entrepreneurs performing transactions with precious metals and precious stones in domestic and foreign markets, their entry in a special register; (4) government oversight of transactions with precious metals and precious stones.
On domestic ownership and/or trade	Yes.	The legislation of the Kyrgyz Republic does not provide for restrictions on domestic ownership of gold or trading domestically in gold. The Department of Precious Metals within the MOF of the Kyrgyz Republic performs assay supervision to ensure compliance by legal entities and individuals with the requirements of the law and approved standards for the production, processing, and use of precious metals and precious stones, and for the manufacture of jewelry and other items thereof, regardless of the form of ownership. The NBKR limits commercial banks' open position in precious metals. The limits on open positions in precious metals are carried out similarly to the limits on open positions in foreign currency: The limit for each precious metal is 15% of the net total capital of commercial banks and the limit for all precious metals is 20% of the net total capital of commercial banks. Commercial banks submit balances daily to the NBKR for each type of precious metal as well as information on compliance with open foreign exchange position limits for precious metals as part of their reporting requirements. Pursuant to Article 11 of the Kyrgyz Republic Law on Precious Metals and Precious Stones, supervision of compliance by persons performing operations (transactions) with precious metals and precious stones and jewelry articles thereof (including scrap) with the requirements of the Kyrgyz Republic legislation on combating the financing of terrorism and money laundering is performed in accordance with the legislation of the Kyrgyz Republic (Kyrgyz Republic Law No. 87 of August 6, 2018, on Combating the Financing of Terrorist Activity and Money Laundering; Kyrgyz Republic Government Resolution No. 606 of December 25, 2018, on Measures to implement the Kyrgyz Republic Law on Combating the Financing of Terrorist Activity and Money Laundering).
On external trade	Yes.	In accordance with the regulation on the import and export of precious metals and raw materials containing precious metals into and from the customs territory of the Eurasian Economic Union (EAEU), approved by Decision No. 30 of the Eurasian Economic Commission (EAEC) Board of April 21, 2015, imports and exports of unprocessed gold or silver (only refined gold or silver in the form of ingots, plates, powder, and granules, as well as gold used for the minting of coins) into and from the customs territory of the EAEU are subject to licensing. The import and export of precious metals and precious stones in any form, with the exception of those subject to a state monopoly in accordance with Article 4 of the Kyrgyz Republic Law on Precious Metals and Precious Stones, into and from the territory of the Kyrgyz Republic, are performed by legal entities and individuals in accordance with decisions of the EAEC and the legislation of the Kyrgyz Republic, accompanied by mandatory declaration at customs control posts. Effective August 17, 2022, there is a temporary 6-month ban on the export of used catalytic converters, slag, ash, and precious metal

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		residues contained in catalytic converters from the territory of the Kyrgyz Republic. Effective August 20, 2022, there are temporary quantitative restrictions on the export of precious metals and raw materials containing precious metals from the territory of the Kyrgyz Republic for a period of 6 months.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	No.	The movement by individuals of cash (Article 2, Paragraph 1, subparagraph 23, of the Customs Code of the EAEU) and/or monetary instruments (Article 2, Paragraph 1, subparagraph 8, of the Customs Code of the EAEU) across the customs border of the EAEU is performed without restriction in accordance with the Customs Code of the EAEU. According to the Treaty on the Procedure for the Movement of Cash and/or Monetary Instruments by Individuals across the Customs Border of the Customs Union within the Framework of the EAEU of July 5, 2010, in the event of a one-time export of cash and/or traveler's checks in a total amount equal to or less than US$10,000 at the exchange rate of the currencies in effect on the date the passenger customs declaration is presented to the customs authority, such funds and/or traveler's checks are not subject to written customs declaration. In the event of the movement of cash and/or traveler's checks across the customs border of the EAEU in a total amount that is greater than the equivalent of US$10,000, they need to be declared in writing, indicating the entire amount of cash and/or traveler's checks being imported or exported. Monetary instruments, other than traveler's checks, transported across the customs border of the EAEU must be declared regardless of their amount. When individuals make a customs declaration of cash and/or monetary instruments, a passenger customs declaration is used, and the supplemental form "Declaration of cash and/or monetary instruments" should be completed following the procedure established by Decision No. 287 of the Customs Union Commission of July 18, 2010. No permits need to be submitted in this process. Pursuant to Decision No. 130 of the Executive Board of the EAEC of August 6, 2019, on the Presentation of Documents to Confirm the Origin of Cash and/or Monetary Instruments, a passenger customs declaration is accompanied by the presentation of documents to confirm the origin of cash or monetary instruments if the total amount of the cash and/or monetary instruments being imported at one time into the customs territory of the EAEU or being exported at one time from the customs territory of the EAEU is greater than the equivalent of US$100,000 at the exchange rate of the currencies in effect on the date the passenger customs declaration is presented to the customs authority. Thus, the declaration requirement has two separate limits: movement of over US$10,000 requires declaration, and over US$100,000 requires confirmation of origin.
Foreign currency	Yes.	The movement by individuals of cash (Article 2, Paragraph 1, subparagraph 23, of the Customs Code of the EAEU) and/or monetary instruments (Article 2, Paragraph 1, subparagraph 8, of the Customs Code of the EAEU) across the customs border of the EAEU is performed without restriction in accordance with the Customs Code of the EAEU. According to the Treaty on the Procedure for the Movement of Cash and/or Monetary Instruments by Individuals across the Customs Border of the Customs Union within the Framework of the EAEU of July 5, 2010, in the event of a one-time export of cash and/or traveler's checks in a total amount equal to or

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		less than US$10,000 at the exchange rate of the currencies in effect on the date the passenger customs declaration is presented to the customs authority, such funds and/or traveler's checks are not subject to written customs declaration. In the event of the movement of cash and/or traveler's checks across the customs border of the EAEU in a total amount that is greater than the equivalent of US$10,000, they need to be declared in writing, indicating the entire amount of cash and/or traveler's checks being imported or exported. Monetary instruments, other than traveler's checks, transported across the customs border of the EAEU must be declared regardless of their amount. When individuals make a customs declaration of cash and/or monetary instruments, a passenger customs declaration is used, and the supplemental form "Declaration of cash and/or monetary instruments" should be completed following the procedure established by Decision No. 287 of the Customs Union Commission of July 18, 2010. No permits need to be submitted in this process. Pursuant to Decision No. 130 of the Executive Board of the EAEC of August 6, 2019, on the Presentation of Documents to Confirm the Origin of Cash and/or Monetary Instruments, a passenger customs declaration is accompanied by the presentation of documents to confirm the origin of cash or monetary instruments if the total amount of the cash and/or monetary instruments being imported at one time into the customs territory of the EAEU or being exported at one time from the customs territory of the EAEU is greater than the equivalent of US$100,000 at the exchange rate of the currencies in effect the date the passenger customs declaration is presented to the customs authority. Thus, the declaration requirement has two separate limits: movement of over US$10,000 requires declaration, and over US$100,000 requires confirmation of origin. Effective March 11, 2022, from 5:30pm there is a ban on the export of US dollars for banks, foreign exchange bureaus, microfinance, and microcredit companies to ensure the economic security of the Kyrgyz Republic and stabilize the situation in the domestic foreign exchange market.
On imports	No.	
Domestic currency	No.	The movement by individuals of cash (Article 2, Paragraph 1, subparagraph 23, of the Customs Code of the EAEU) and/or monetary instruments (Article 2, Paragraph 1, subparagraph 8, of the Customs Code of the EAEU) across the customs border of the EAEU is performed without restriction in accordance with the Customs Code of the EAEU. According to the Treaty on the Procedure for the Movement of Cash and/or Monetary Instruments by Individuals across the Customs Border of the Customs Union within the Framework of the EAEU of July 5, 2010, in the event of a one-time export of cash and/or traveler's checks in a total amount equal to or less than US$10,000 at the exchange rate of the currencies in effect on the date the passenger customs declaration is presented to the customs authority, such funds and/or traveler's checks are not subject to written customs declaration. In the event of the movement of cash and/or traveler's checks across the customs border of the EAEU in a total amount that is greater than the equivalent of US$10,000, they need to be declared in writing, indicating the entire amount of cash and/or traveler's checks being imported or exported. Monetary instruments, other than traveler's checks, transported across the customs border of the EAEU must be declared regardless of their amount. When individuals make a customs declaration of cash and/or monetary instruments, a passenger customs declaration is used, and the supplemental form

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		"Declaration of cash and/or monetary instruments" should be completed following the procedure established by Decision No. 287 of the Customs Union Commission of July 18, 2010. No permits need to be submitted in this process. Pursuant to Decision No. 130 of the Executive Board of the EAEC of August 6, 2019, on the Presentation of Documents to Confirm the Origin of Cash and/or Monetary Instruments, a passenger customs declaration is accompanied by the presentation of documents to confirm the origin of cash or monetary instruments if the total amount of the cash and/or monetary instruments being imported at one time into the customs territory of the EAEU or being exported at one time from the customs territory of the EAEU is greater than the equivalent of US$100,000 at the exchange rate of the currencies in effect on the date the passenger customs declaration is presented to the customs authority. Thus, the declaration requirement has two separate limits: movement of over US$10,000 requires declaration, and over US$100,000 requires confirmation of origin.
Foreign currency	No.	The movement by individuals of cash (Article 2, Paragraph 1, subparagraph 23, of the Customs Code of the EAEU) and/or monetary instruments (Article 2, Paragraph 1, subparagraph 8, of the Customs Code of the EAEU) across the customs border of the EAEU is performed without restriction in accordance with the Customs Code of the EAEU. According to the Treaty on the Procedure for the Movement of Cash and/or Monetary Instruments by Individuals across the Customs Border of the Customs Union within the Framework of the EAEU of July 5, 2010, in the event of a one-time export of cash and/or traveler's checks in a total amount equal to or less than US$10,000 at the exchange rate of the currencies in effect on the date the passenger customs declaration is presented to the customs authority, such funds and/or traveler's checks are not subject to written customs declaration. In the event of the movement of cash and/or traveler's checks across the customs border of the EAEU in a total amount that is greater than the equivalent of US$10,000, they need to be declared in writing, indicating the entire amount of cash and/or traveler's checks being imported or exported. Monetary instruments, other than traveler's checks, transported across the customs border of the EAEU must be declared regardless of their amount. When individuals make a customs declaration of cash and/or monetary instruments, a passenger customs declaration is used, and the supplemental form "Declaration of cash and/or monetary instruments" should be completed following the procedure established by Decision No. 287 of the Customs Union Commission of July 18, 2010. No permits need to be submitted in this process. Pursuant to Decision No. 130 of the Executive Board of the EAEC of August 6, 2019, on the Presentation of Documents to Confirm the Origin of Cash and/or Monetary Instruments, a passenger customs declaration is accompanied by the presentation of documents to confirm the origin of cash or monetary instruments if the total amount of the cash and/or monetary instruments being imported at one time into the customs territory of the EAEU or being exported at one time from the customs territory of the EAEU is greater than the equivalent of US$100,000 at the exchange rate of the currencies in effect on the date the passenger customs declaration is presented to the customs authority. Thus, the declaration requirement has two separate limits: Movement of over US$10,000 requires declaration, and over US$100,000 requires confirmation of origin.

Resident Accounts

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Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	According to item 12 of the Instruction on the Operation of Bank Accounts and Bank Deposit Accounts, approved by NBKR Executive Board Resolution No. 41/12 of October 31, 2012, bank accounts and bank deposit accounts may be opened and maintained in both domestic currency and foreign currency. In accordance with the Instruction on the Operation of Bank Accounts and Bank Deposit Accounts, the procedures for the operation of accounts are the same regardless of the currency. Pursuant to Paragraph 52 of the Instruction, the balance of funds on an account is disbursed to a customer or on his written instructions transferred to another account within five business days. Thus, there are no restrictions, except in the event that an account has been frozen. Effective April 19, 2022, temporary requirements for the currency of receiving money transfers through international money transfer systems on the territory of the Kyrgyz Republic were introduced: (1) Money transfer may be received in the currency of the sending country. (2) Conversion of a money transfer into another currency is carried out in accordance with the legislation of the Kyrgyz Republic. With the consent of the recipient/sender located on the territory of the Kyrgyz Republic, the money transfer on receipt/sending may be converted in a cashless way.
Approval required	No.	
Held abroad	Yes.	Under current banking legislation, permission to open foreign currency accounts abroad is not required. Residents must register with the NBKR accounts and deposits opened abroad. There are no restrictions on resident accounts held abroad. To improve the information base for the compilation of the Kyrgyz Republic's balance of payments, residents of the Kyrgyz Republic who open accounts and deposits at foreign banks notify the NBKR for the purpose of their subsequent registration. There are no deadlines for such notification. Residents may freely transfer balances on accounts into the Kyrgyz Republic.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Balances in som accounts opened by resident banks at foreign banks are subject to statistical reporting.
Accounts in domestic currency convertible into foreign currency	Yes.	In accordance with the legislation of the Kyrgyz Republic, resident accounts in domestic currency are freely convertible to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Balances in foreign exchange accounts opened by nonresident banks are subject to statistical reporting. According to item 12 of the Instruction on the Operation of Bank Accounts and Bank Deposit Accounts, bank accounts and deposit accounts may be opened and maintained in both domestic currency and foreign currency. In accordance with item 20 of the Instruction, when opening and maintaining accounts, foreign individuals and legal entities have the same rights and responsibilities as individuals and legal entities of the Kyrgyz Republic, unless otherwise provided by legislation of the Kyrgyz Republic. Effective November 18, 2022, NBKR Executive Board Resolution No. 2020-P-12/25-6-(NPA) on Additional Interim Measures for

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		Regulating the Activities of Commercial Banks in the Kyrgyz Republic expired. The Resolution had a measure under which banks participating in programs to provide concessional unsecured loans to small- and medium-sized businesses as part of an effort to revive economic activity in the entrepreneurial sector were entitled not to require that legal entities and individual entrepreneurs (residents) present to the bank a certificate issued by a tax service office confirming the taxpayer's registration, at the time of opening an account for the purposes of obtaining a loan.
Approval required	No.	
Domestic currency accounts	Yes.	Balances in som accounts opened at Kyrgyz banks are subject to statistical reporting.
Convertible into foreign currency	Yes.	Nonresidents may convert the balances of their domestic currency accounts to foreign currency and transfer them abroad.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports of goods included in the Uniform List of Goods Subject to Nontariff Regulatory Measures in Trade with Third Countries are carried out in accordance with the legal framework of the EAEU (Appendix No. 7 to the EAEU Treaty), approved by EAEC Board Decision No. 30 of April 21, 2015. In addition to licensing, the export and import of goods included in the Unified List, there are bans on the import into the territory of the Union of certain goods and quantitative restrictions – quotas on imports of certain agricultural products. Import of goods subject to control, armaments and military equipment, as well as other military products, is regulated by the legislation of the Kyrgyz Republic.
Positive list	No.	
Negative list	Yes.	A list of goods the import and/or export of which to or from the customs territory of the EAEU is prohibited was approved by EAEC Board Decision No. 30 of April 21, 2015. The list is contained in Sections 1.1, 1.2, 1.3, 1.4, 1.6, 1.7, 1.8, and 1.9.

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Open general licenses	Yes.	In accordance with Kyrgyz Republic Law No. 195 of October 19, 2013, on the Licensing and Permitting System in the Kyrgyz Republic, and Annex No. 7 to the EAEU Treaty, authorized agencies issue the following types of licenses: one-time licenses; general licenses (Kyrgyz Republic Government Resolution No. 197 of April 2, 2014, on Approval of the Kyrgyz Republic National Control List of Controlled Products, the Uniform List of Goods Subject to Nontariff Regulatory Measures in Trade with Third Countries, and the Regulation on the procedure for the import and/or export of these goods, which are subject to nontariff regulatory measures in trade with third countries, approved by EAEC Board Decision No. 134 of August 16, 2012, and No. 30 of April 21, 2015; the Kyrgyz Republic Law on the Licensing and Permitting System).
Licenses with quotas	Yes.	The legal framework of the EAEU applies for licenses with quotas. For example, for the import of poultry, beef, and pork, licenses are issued based on quotas.
Other nontariff measures	Yes.	Pursuant to Article 334 of the Kyrgyz Republic Tax Code of January 18, 2022, No. 3, excise taxes apply to: (1) undenatured ethyl alcohol with alcohol concentration of 80% or more, denatured ethyl alcohol, and other denatured liquors of any concentration classified under position 2207 of the Foreign Economic Activity Commodity Nomenclature (TNVED); (2) malt beer; natural grape wines, including fortified wines; grape must, except for that classified under TNVED commodity position 2009; vermouth and other natural grape wines with added vegetable or aromatic substances; other fermented beverages (for example, cider, perry or pear cider, and mead); blended fermented beverages, and mixtures of fermented beverages and nonalcoholic beverages, and low-alcohol beverages not elsewhere named or included; undenatured ethyl alcohol with alcohol concentration less than 80% by volume; alcoholic tinctures, liqueurs, and other alcoholic beverages classified under TNVED commodity positions 2203, 2204, 2205, 2206, and 2208; (3) tonic (energy) soft drinks classified under TNVED commodity position 2202, effective January 1, 2022; (4) tobacco products such as cigars, cheroots, cigarillos (thin cigars), and cigarettes made of tobacco or tobacco substitutes classified under TNVED commodity position 2402; (5) other products containing tobacco such as other industrially manufactured tobacco and industrial tobacco substitutes; homogenized or reconstituted tobacco; tobacco extracts and essences classified under TNVED commodity position 2403; (6) heated tobacco and products containing heated tobacco classified under TNVED commodity position 2404; (7) nicotine-containing liquids for use in electronic cigarettes, disposable electronic nicotine delivery systems with nicotine liquid in the same package classified under TNVED commodity position 2404; (8) electronic cigarettes and similar personal electric vaporizing devices (electronic nicotine delivery systems) classified under TNVED commodity position 8543 40 000 0, effective January 1, 2022; (9) crude oil and crude petroleum products derived from bituminous rock; oil and other petroleum products, other than crude, derived from bituminous rock; products not elsewhere named or included containing 70% or more by mass of oil or petroleum products from bituminous rock, if these petroleum products are the products' main component; and spent petroleum products classified under TNVED commodity positions 2707, 2709, 2710, and 3811. Such goods may be marked by some means of identification or an

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		excise stamp. There are quantitative limits on exports of precious metals and raw materials containing precious metals from the Kyrgyz Republic. There is a ban on the export of shell limestone that is unprocessed or coarsely crushed, cut, or otherwise divided into blocks or rectangular or square slabs.
Import taxes and/or tariffs	Yes.	According to the EAEU Uniform Customs Tariff, approved by EAEC Decision No. 80 of September 14, 2021, import duties are applied at rates ranging from 0% to 80%. According to the Kyrgyz Republic Tax Code, the VAT on taxable imports is levied at a 12% rate. The excise tax is levied in an amount ranging from 0 to 10,000 soms, depending on the type of product, according to the Kyrgyz Republic Tax Code and Kyrgyz Republic Cabinet of Ministers Resolution No. 94 of February 22, 2022.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	Export contracts are not subject to registration.
Export licenses	Yes.	Imports of goods included in the Uniform List of Goods Subject to Nontariff Regulatory Measures in Trade with Third Countries are carried out in accordance with the legal framework of the EAEU (Appendix No. 7 to the EAEU Treaty), approved by EAEC Board Decision No. 30 of April 21, 2015. Exports of goods subject to export, armaments and military equipment, as well as other military products, are regulated by the legislation of the Kyrgyz Republic.
Without quotas	Yes.	Exports and imports of the following require licenses: (1) live animals; (2) plant-based raw materials for medicines; (3) encryption tools (including encryption equipment, parts for such equipment, and encryption software), standard technical documentation for encryption tools (including design and operating documentation); (4) weapons and military hardware, special components for their production, and work and services for military and technical cooperation; (5) means of protection from chemical warfare agents and their parts and accessories; (6) military uniforms, clothing, and paraphernalia; (7) standard technical documentation for products

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		intended for military use; (8) instruments for military combat and ammunition; (9) gunpowder, explosives, and explosive and pyrotechnic devices; (10) nuclear materials, technology, equipment and devices, special nonnuclear materials, and sources of radioactive radiation, including radioactive waste; (11) materials, equipment, and technologies intended for peaceful purposes that could be used to make weapons of mass destruction; (12) specific types of raw and other materials, equipment, technologies, and scientific and technical information that could be used to make weapons or military hardware; (13) precious metals, alloys, metals plated with precious metals, and ores; concentrates; and scrap and waste; (14) waste and scrap of nonferrous metals; (15) narcotic and psychotropic drugs, potent and intoxicating substances, and their precursors; (16) potent toxins; (17) hazardous waste; and (18) service and civilian weapons.
With quotas	Yes.	Quotas, set annually, apply to alcohol exports. Effective August 17, 2022, there is a temporary 6-month ban on the export of used catalytic converters, slag, ash, and precious metal residues contained in catalytic converters from the territory of the Kyrgyz Republic. Effective August 20, 2022, there are temporary quantitative restrictions on the export of precious metals and raw materials containing precious metals from the territory of the Kyrgyz Republic for a period of 6 months.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	There is in effect an export customs duty on recycled paper and cardboard (mixed paper and waste), classified under TNVED code 4707, of som 10 a kg. There are export customs duty rates for shell limestone that is unprocessed or coarsely crushed, cut, or otherwise divided into blocks or rectangular or square slabs. There are export customs duty rates for unprocessed cattle and equine hides. There are quantitative limits on exports of precious metals and raw materials containing precious metals from the Kyrgyz Republic. There are customs duties on the export of nonferrous and ferrous metal scrap and waste.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.

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Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	The Kyrgyz Republic Government's State Financial Market Regulation and Supervision Service (Gosfinnadzor) is the authorized government body implementing a unified government policy in the area of supervision and regulation of the securities market. Controls on securities are enforced by Gosfinnadzor, except for controls on the following securities: government securities, municipal securities, and securities of the NBKR (according to Article 1(2) of the Kyrgyz Republic Law on the Securities Market). Regulation of the market in government securities (government treasury bills, government treasury bonds) of the GKR is administered by the MOF of the Kyrgyz Republic pursuant to its legal regulatory acts. The NBKR acts as the agent for placement and servicing of issues of GKR securities. The parallel placement and trading of government securities are performed through the NBKR and the Kyrgyz Stock Exchange closed joint-stock company; the main depository of government securities is the NBKR, while the sub-depository, which is authorized to carry out functions related to the performance of depository activity of its depositors with respect to operations with government securities, executed through the Kyrgyz Stock Exchange closed joint-stock company, is the Central Depository closed joint-stock company. The process of placing and servicing issues of Kyrgyz Republic Government securities is connected with the holding of placement auctions, the maintenance of a depository account, the organization of secondary trading, and the performance of redemption, which are regulated by the following regulatory acts: Regulation No. 556 of October 2, 2008, on the Issue, Placement, Circulation, and Redemption of Kyrgyz Republic Government Securities; Regulation No. 20/1 of June 26, 2013, on the Procedures for the Placement, Reoffering, Additional Placement and Repurchase of and Performance of Settlements with Securities of the GKR through the NBKR; Regulation No. 10/9 of March 28, 2013, on the Depository Account of Government Securities placed through the NBKR.
Shares or other securities of a participating nature	Yes.	Gosfinnadzor is the authorized government body implementing a unified government policy on supervision and regulation of the securities market.
Purchase locally by nonresidents	Yes.	Nonresidents may purchase shares in accordance with current regulations on the same general terms as residents. No later than three business days from the date of disclosure of information about a material fact in the prescribed manner, issuers (residents and nonresidents) must send information about the material fact and its disclosure to the authorized government body for the regulation of the securities market. Material facts include an event (fact) that could have an impact on the issuer's financial and commercial activity and/or on the price of securities, including: - changes in the list of persons serving on the issuer's governing bodies (with the exception of a general shareholders' meeting); - changes in the amount of participation in the issuer's capital and that of its subsidiaries and dependent companies by persons who serve on the issuer's elected governing bodies; - changes in the list of persons who hold 5% or more of the securities (equity stakes), as well as changes in the percentage of those who own 5% or more of the securities (equity stakes); - changes in the list of legal entities in which the issuer holds 20% or more of the authorized capital; - the appearance in the issuer's registry of a person who holds more

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than 5% of its voting shares (equity stakes, equity interest);
- one-time transactions of the issuer the amount of which or the value of property of which constitutes 10% or more of the assets of the issuer on the date of the transaction;
- a fact (or facts) resulting in a one-time increase or decrease in the value of the issuer's assets by more than 10%;
- a fact (or facts) resulting in a one-time increase in the issuer's net profit or net loss by more than 10%;
- reorganization of the issuer, its subsidiaries or dependent companies;
- income accrued and/or payable (paid) on the issuer's securities;
- decisions of general meetings;
- redemption of the issuer's securities;
- other events (facts) provided for by regulatory legal acts of the Kyrgyz Republic (according to Article 31, Paragraphs 1 and 3, of the Kyrgyz Republic Law on the Securities Market).

Under Article 85 of the Kyrgyz Republic Law on the NBKR, Banks, and Banking (2017), any individual or legal entity is required to obtain written permission from the National Bank if intending, singly or jointly with other parties, regardless of the method of acquisition of ownership of shares, including inheritance or reinstatement of ownership, to acquire a threshold stake in the capital of a bank, including a significant stake and control, which may be achieved through an additional acquisition of shares. A threshold stake in a bank's capital refers to direct or indirect ownership or management, singly or jointly with other parties, of 10% or more, 20% or more, 33% or more, 50% or more, and 67% or more of a bank's voting shares.

Legal entities that are not engaged in banking or financial activity may not, singly or jointly with other persons: exercise direct or indirect ownership or management of more than 20% of the voting shares of any type of a bank; individuals and legal entities residing and/or registered in offshore zones or that have as stakeholders affiliated persons registered in offshore zones, a list of which is established by the National Bank, individuals and legal entities subject to international sanctions adopted by the UNSC, as well as individuals and legal entities registered in states subject to international sanctions adopted by the UNSC that prohibit legal relationships with said persons and are binding on the Kyrgyz Republic may not be bank shareholders.

Any individual or legal entity holding a threshold participation in the capital of a bank, intending to dispose of shares, alone or jointly with other persons, regardless of the method of alienation, in the amount that affects the change in the threshold value, is obliged to notify the National Bank in advance at least one month before the transaction, as well as to notify the potential acquirer of the need to obtain prior permission from the National Bank for the acquisition of a threshold participation in the bank's capital in accordance with the requirements of this Law.

In the event of a change in the stakeholders in microcredit companies and microcredit agencies, written approval from the NBKR is required for re-registration with the Ministry of Justice in connection with a change in participants.

Acquisition of more than 20% of the shares of microfinance companies, guarantee funds, and, 10% or more of the voting shares of housing-savings credit companies requires NBKR approval.

Pursuant to Article 22 of Kyrgyz Republic Law On Banks, and Banking: (1) A significant stake refers to direct or indirect ownership or management, singly or jointly with other persons, of 10% or more of the voting shares of a joint-stock company or 10% or more of the

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		authorized capital of a legal entity that is not a joint-stock company; (2) indirect ownership refers to the ability to exert a substantial influence, through a third party, on the adoption of decisions by a bank's management bodies, significant stakeholders of a bank, persons who exercise control over a bank, or participants in a banking group.
Sale or issue locally by nonresidents	Yes.	Securities of foreign issuers may be offered publicly in the Kyrgyz Republic following the procedure established under the Law on the Securities Market and other regulatory legal acts of the Kyrgyz Republic. In the event of a securities issue, a public offering of the securities is prohibited if the issuer has not registered the terms of the public offering and a prospectus. Nonresidents may buy and sell shares in accordance with current regulations. No later than three business days from the date of announcement, issuers must, in the prescribed manner, notify the authorized government body for the regulation of the securities market. Material facts include an event (fact) that could have an impact on the issuer's financial and commercial activity and/or on the price of securities, including: - changes in the list of persons serving on the issuer's governing bodies (with the exception of a general shareholders' meeting); - changes in the size of participation of persons serving on elected bodies for the management of the issuer in the capital of the issuer, as well as its subsidiary and dependent companies; - changes in the list of persons holding 5% or more of the securities (equity stakes), as well as changes in the equity stakes of persons holding 5% or more of the securities (equity stakes); - changes in the list of legal entities in which the issuer holds 20% or more of the authorized capital; - the appearance in the issuer's registry of a person who holds more than 5% of the issuer's voting shares (equity stakes, equity interest); - one-time transactions of the issuer the amount of which or the value of property of which constitutes 10% or more of the assets of the issuer on the date of the transaction; - a fact (or facts) resulting in a one-time increase or decrease in the value of the issuer's assets by more than 10%; - a fact (or facts) resulting in a one-time increase in the issuer's net profit or net loss by more than 10%; - reorganization of the issuer, its subsidiaries or dependent companies; - income accrued and/or payable (paid) on the issuer's securities; - decisions of general meetings; - redemption of the issuer's securities; - other events (facts) provided for by regulatory legal acts of the Kyrgyz Republic. These provisions of the Kyrgyz Republic legislation are mandatory for residents and nonresidents under the same general terms.
Purchase abroad by residents	Yes.	These transactions are governed by the law of the country on whose territory the securities issue is registered. Insurance companies may not invest abroad more than 20% of insurance reserves. For banks, no single investment, including any financial contributions and credits in each nonbank organization – and including during the establishment and/or acquisition of a subsidiary or affiliated company – may exceed 15% of the bank's equity (regulatory) capital; total investments may not exceed 60% of the bank's equity (regulatory) capital.
Sale or issue abroad by residents	No.	Shares to be offered by a resident for sale and/or circulation abroad must be registered in advance in accordance with legislation. Registration may be denied if the requirements of the Kyrgyz

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		Republic legislation on the securities market are not met. For the purpose of the state registration of the terms of a public offering and a prospectus, the following documents are submitted to the authorized government agency responsible for regulation of the securities market: an application; the terms of the public securities offering, which meet the requirements of the legislation on the securities market; a prospectus, which meets the requirements of the legislation on the securities market; a copy of a document confirming the registration of the issuer as a legal entity (unless the issuer has previously submitted the given documents); a copy of the legal entity's charter, including any amendments and additions to it (unless the issuer has previously submitted the given document); a copy of a document confirming the adoption of a decision by the issuer regarding the public securities offering; a document confirming payment of the fee for the registration of the terms of the public securities offering and prospectus. The authorized government agency responsible for regulation of the securities market makes a decision regarding the state registration of the terms of a public securities offering and prospectus within 15 business days of the date they are submitted to the authorized government agency responsible for regulation of the securities market.
Bonds or other debt securities	Yes.	The issuance and circulation of corporate bonds are regulated by Gosfinnadzor. The regulations governing shares or other securities of a participating nature also apply. Issuance, recording, and redemption of treasury bonds of the Kyrgyz Republic Government are carried out by the MOF of the Republic of Kazakhstan pursuant to its legal regulatory acts. Issuance through auction, recording, and redemption of Kyrgyz Republic Government treasury bills and bonds are carried out by the NBKR pursuant to Regulation No. 20/1 of June 26, 2013, on the Procedures for the Placement, Reoffering, Additional Placement and Repurchase of and Performance of Settlements with Government Securities of the Kyrgyz Republic Government through the NBKR. There is no minimum holding period for government securities. In accordance with Regulation No. 20/1 of June 26, 2013, government treasury bonds are long-term government securities (more than one year).
Purchase locally by nonresidents	No.	Purchases of bonds and other debt securities by nonresidents in the domestic market are carried out in accordance with general provisions stipulated in the legislation of the Kyrgyz Republic. The regulations governing shares or other securities of a participating nature also apply. Nonresidents may purchase government treasury bonds pursuant to Regulation No. 20/1 of June 26, 2013, on the Procedures for the Placement, Reoffering, Additional Placement and Repurchase of and Performance of Settlements with Government Securities of the Kyrgyz Republic Government through the NBKR. Purchases of government treasury bonds and government treasury bills by nonresidents in the domestic market are carried out under the same conditions as those applied to residents. There are no restrictions for nonresidents. The performance of transactions with securities that have not gone through state registration with the authorized government body responsible for regulation of the securities market is prohibited.
Sale or issue locally by nonresidents	Yes.	Securities of a foreign issuer may be offered publicly within the territory of the Kyrgyz Republic only following registration of the public offering of securities of the foreign issuer and the prospectus of the given public offering by the authorized government body

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		responsible for regulation of the securities market of the Kyrgyz Republic. Securities of a foreign issuer may be offered publicly within the territory of the Kyrgyz Republic if the foreign issuer meets the following conditions: - the issuer is registered as a legal entity in the country of which it is a resident and has, in accordance with the legislation of the country in which it is registered, legal status equivalent to an open joint-stock company according to the legislation of the Kyrgyz Republic; - the issuer meets the requirements established for listing on a stock exchange operating in the Kyrgyz Republic; - the issuer has concluded a contract with a professional participant in the securities market performing brokerage or dealer activities to represent its interests in the securities market of the Kyrgyz Republic; - the issuer has concluded a contract with a professional participant in the securities market performing activities involving the maintenance of a register of holders of securities for recording of the rights of holders of the issuer's securities publicly offered in the Kyrgyz Republic. In addition to the requirements referred to above, a public offering of securities of a foreign issuer is subject to the requirements established by the Kyrgyz Republic Law on the Securities Market and other regulatory legal acts of the Kyrgyz Republic for the public offering of securities of issuers registered in the Kyrgyz Republic.
Purchase abroad by residents	Yes.	Insurance companies may not invest abroad more than 20% of insurance reserves. A bank's total investments in securities of governments and CBs of countries with a long-term credit rating of at least A or A2 assigned by one of the rating agencies – Standard & Poor's, Fitch Ratings, or Moody's Investors Service – may not exceed 100% of the bank's net total capital. A bank's total investments in nongovernment debt securities may not exceed 50% of the bank's net total capital.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	Issuance, recording, and redemption of Kyrgyz Republic Government treasury bills and bonds are carried out by the MOF. Issuance through auction, recording, and redemption of Kyrgyz Republic Government treasury bills and bonds are carried out by the NBKR pursuant to Regulation No. 20/1 of June 26, 2013, on the Procedures for the Placement, Reoffering, Additional Placement and Repurchase of and Performance of Settlements with Government Securities of the Kyrgyz Republic Government through the NBKR. Regulation of the market in securities issued by the NBKR is performed by the NBKR pursuant to Regulation No. 10/6 of the NBKR of March 28, 2013, on the Issue, Placement, Circulation, and Redemption of Notes.
Purchase locally by nonresidents	No.	Nonresidents may purchase Kyrgyz Republic Government treasury bills and bonds and Kyrgyz Republic Government notes pursuant to Regulation No. 20/1 of June 26, 2013, on the Procedures for the Placement, Reoffering, Additional Placement and Repurchase of and Performance of Settlements with Government Securities of the Kyrgyz Republic Government through the NBKR, and Regulation No. 10/6 of March 28, 2013, on the Issue, Placement, Circulation, and Redemption of Notes of the NBKR, respectively. Purchases of government treasury bonds and government treasury bills by nonresidents in the domestic market are carried out under the same conditions as those applied to residents.
Sale or issue locally by nonresidents	Yes.	Securities of a foreign issuer may be publicly offered within the Kyrgyz Republic only after the registration of the public offering of

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		the foreign issuer's securities and the prospectus of the given public offering by the authorized government agency responsible for regulation of the securities market in the Kyrgyz Republic.
Purchase abroad by residents	Yes.	Insurance companies may not invest abroad more than 20% of insurance reserves. Inversion funds are not permitted to invest, locally or abroad, more than 15% of their net assets in the securities of a single issuer, with the exception of investment in government securities or securities guaranteed by the Kyrgyz Republic Government.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	Securities invested in joint-stock investment funds and mutual investment funds are regulated by the Law on Investment Funds.
Purchase locally by nonresidents	No.	The regulations governing shares or other securities of a participating nature apply. Nonresidents may buy securities in the domestic market in accordance with regulations in effect. The purchase of securities in the domestic market by nonresidents is carried out under the same conditions as those that are applicable to residents. The Kyrgyz Republic legislation on the securities market does not provide for restrictions on purchases by nonresidents in the domestic market.
Sale or issue locally by nonresidents	Yes.	Securities of a foreign issuer may be offered publicly within the territory of the Kyrgyz Republic only following registration of the public offering of securities of the foreign issuer and the prospectus of the given public offering by the authorized government body responsible for regulation of the securities market of the Kyrgyz Republic. The sale or issue of collective investment securities by nonresidents in the domestic market is carried out following the registration of a foreign issuer's public securities offering and the prospectus for the given public offering by the authorized government agency responsible for regulation of the Kyrgyz Republic securities market.
Purchase abroad by residents	Yes.	Insurance companies may not invest abroad more than 20% of insurance reserves. An investment fund does not have the right to invest more than 20% of the fund's total net assets in the securities of a single issuer, or in shares of a limited liability company, with the exception of investment funds for qualified investors and investments in government securities and securities guaranteed by the Kyrgyz Republic Government.
Sale or issue abroad by residents	No.	Prior to their sale or issuance abroad, these instruments must be registered with Gosfinnadzor. Registration may be denied if the requirements of the Kyrgyz Republic legislation on the securities market are not met.
Controls on derivatives and other instruments	Yes.	The main types of derivative securities and conditions for their issuance and circulation, as well as requirements for their underlying assets in the Kyrgyz Republic, are described in the Regulation on the Types of Derivative Securities and Conditions for their Issuance and Circulation, as well as Requirements for their Underlying Assets in the Kyrgyz Republic. Registration of transactions with derivative securities that are classified as issued securities and confirmation of rights associated with them are carried out in accordance with the Rules for the Performance of Transactions with Securities in the Kyrgyz Republic, No. 647 of October 17, 2011.
Purchase locally by nonresidents	Yes.	These transactions are not performed in connection with the lack of a regulatory legal framework.
Sale or issue locally by nonresidents	Yes.	These transactions are not performed in connection with the lack of a regulatory legal framework.

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Purchase abroad by residents	Yes.	These transactions are not performed in connection with the lack of a regulatory legal framework.
Sale or issue abroad by residents	Yes.	These transactions are not performed in connection with the lack of a regulatory legal framework.
Controls on credit operations	Yes.	
Commercial credits	No.	There are no controls on these transactions; however, all economic entities must report to statistical agencies commercial (trade) credits received and issued. The NBKR licenses and carries out prudential and non-prudential regulation of the lending activities of financial and lending institutions, depending on whether or not they have the right to attract deposits.
By residents to nonresidents	No.	
To residents from nonresidents	No.	There are no controls on these transactions; however, all economic entities must report to statistical agencies commercial (trade) credits received and issued.
Financial credits	Yes.	The MOF is responsible for managing the government debt.
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	The authorized government body is the sole agent of the Cabinet of Ministers in the management of government debt and the performance of external borrowing. Other government bodies, state-owned enterprises and institutions, local governments, and local self-governing bodies do not have the right to obtain external loans or to provide government guarantees, except in those cases established by law.
Guarantees, sureties, and financial backup facilities	Yes.	A government guarantee is provided in accordance with a contract under which the Cabinet of Ministers makes a commitment to creditors to pay debt that has not been paid by the party receiving the guarantee within the established deadlines as provided for by international agreements and on obligations within the context of membership in international and interstate organizations. The Kyrgyz Republic provides government guarantees following the procedure determined by the Cabinet of Ministers. The Cabinet of Ministers of the Kyrgyz Republic makes a decision on granting a guarantee to the subjects of the national economy. The authorized state body for economic forecasting initiates a draft decision of the Cabinet of Ministers of the Kyrgyz Republic on the provision of a guarantee. A State Budget Reserve is created as part of the national budget for the financing of unforeseen expenditures requiring urgent financing in the current budget year. The State Budget Reserve is used in cases of urgent and unforeseen need related to the following circumstances: an emergency situation arising from a natural or manmade disaster; an emergency situation of a political or military nature; the provision of humanitarian assistance to another country; a worsening of the epidemiological situation; compliance with the decisions of international (arbitration) courts regarding suits against the Kyrgyz Republic in accordance with the procedure established by the legislation of the Kyrgyz Republic. In the event that they are not used for the purposes referred to above, these funds are earmarked for reducing the budget deficit. A guarantee fund is a legal entity established in the form of a joint-stock company that has gone through the process of registration with the National Bank and whose operations are aimed at increasing access to financing by providing guarantees for entrepreneurial entities, which they use to develop their business, expand production,

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		acquire and modernize fixed capital, and start new businesses. Financing is understood to mean the provision of credits and their substitutes, as well as transactions/operations performed in accordance with Islamic principles of finance. Microfinance companies may perform the following banking operations, taking into account the restrictions established by the National Bank and provided such operations are specified in their license; specifically, granting of guarantees that do not exceed, together with the microcredit (leasing), the requirement on maximum credit per borrower.
By residents to nonresidents	Yes.	A government guarantee is provided in accordance with a contract under which the Cabinet of Ministers makes a commitment to creditors to pay debt that has not been paid by the party receiving the guarantee within the established deadlines as provided for by international agreements and on obligations within the context of membership in international and interstate organizations. The Kyrgyz Republic provides government guarantees following the procedure determined by the Cabinet of Ministers. The legislation does not provide for permission or restrictions with regard to the granting of private guarantees to nonresidents by private legal entities.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	All direct investment enterprises must be registered with the Ministry of Justice, statistical agencies, the social fund, and the tax inspectorate. Becoming a significant stakeholder in a bank is subject to NBKR approval. Legal entities not engaged in financial activity may not own more than 20% of a bank's voting shares.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Purchases are subject to approval by the Ministry of Justice.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants		

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	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The NBKR licenses and carries out prudential and non-prudential regulation of the lending activities of financial and lending institutions, depending on whether or not they have the right to attract deposits. Commercial banks operate under a license to perform banking operations in domestic and/or foreign currency. Commercial banks may operate on the basis of Islamic financing principles under licenses to perform banking operations based on Islamic financing principles in domestic and foreign currencies. Nonbank financial and lending institutions operate under a license/certificate of registration to perform banking operations in domestic and/or foreign currency. Nonbank financial and lending institutions may operate on the basis of Islamic financing principles under licenses to perform banking operations based on these principles in domestic and foreign currencies. Within the context of implementing the Kyrgyz Republic Government Affordable Housing Program for 2015–2020, amendments have been made to the Kyrgyz Republic Laws on the Licensing and Permitting System in the Kyrgyz Republic and on Collateral, to the Civil Code of the Kyrgyz Republic, and also to the Law on the Protection of Bank Deposits to set up a mechanism for contractual savings for housing. Thus, to ensure the functioning of this mechanism, the National Bank drafted and adopted the Regulation on the Licensing of Housing Savings Credit Companies and the Rules for Regulation of the Activities of Housing Savings Credit Companies, and amendments and additions have also been made to current regulatory legal acts of the National Bank with regard to regulating the activities of housing savings credit companies. These regulatory legal acts are posted on the official website of the National Bank. With a view to bringing regulatory legal acts of the National Bank into line with the Kyrgyz Republic Law on Guarantee Funds in the Kyrgyz Republic, the Kyrgyz Republic National Bank Executive Board adopted regulatory legal acts on licensing and on the regulation and supervision of activities of guarantee funds. These regulatory legal acts are posted on the official website of the National Bank. With the aim of providing support to businesses and promoting further development of their activities by increasing access to financial resources, given the need to mitigate the negative consequences of COVID-19, and bearing in mind the Fund's goals and objectives, the National Bank is providing for capitalization of the Fund in the amount of 1 billion soms. At a special general meeting of the Fund's shareholders, the shareholders adopted a decision to increase the Fund's capital by 1 billion soms at the expense of National Bank resources. At an extraordinary general meeting of the Fund's shareholders, the shareholders adopted a decision to increase the Fund's capital by 2 billion soms at the expense of National Bank resources. These resources will be used by the Fund to offer additional guarantees for the obligations of borrower businesses, and also for placement as deposits with commercial banks, which will provide banks with additional resources for lending. These resources were

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		also earmarked for easing the negative impact of COVID-19 on the macroeconomic situation in the country.
Borrowing abroad	No.	These transactions must be reported to the NBKR.
Maintenance of accounts abroad	No.	These transactions must be reported to the NBKR.
Lending to nonresidents (financial or commercial credits)	No.	These transactions must be reported to the NBKR.
Lending locally in foreign exchange	Yes.	Commercial banks operate under a license to perform banking operations in domestic and/or foreign currency. Commercial banks may operate on the basis of Islamic financing principles under licenses to perform banking operations based on Islamic financing principles in domestic and foreign currencies. For the purpose of minimizing indirect foreign exchange risks in lending in foreign currency, amendments and additions were made to certain regulatory legal acts of the NBKR. Thus, NBKR Executive Board Resolutions Nos. 22/6 and 22/7 of April 15, 2015, lowered the requirements for loan loss provisions in national currency to 0% and increased them for loans in foreign currency to 2.5%, or 5%, or 7.5% depending on the client's income structure in national and foreign currency. NBKR Executive Board Resolution No. 53/11 of September 16, 2015, introduced amendments concerning the requirement to (1) conduct an annual internal audit of the internal control system of credit risk because of foreign currency risk, including the classification of loans/assets; (2) include in the internal regulations of the bank policies, procedures, and a comprehensive system of permanent identification, assessment, monitoring, and control for the identification and measurement of credit risk, including the credit risk because of foreign exchange risk; (3) assess the ability of the customer to service the foreign currency loan during the following 12 months if revenues are mainly in the national currency, taking into account the credit risk because of adverse changes in the exchange rate; (4) analyze at least once a month (or immediately if the official exchange rate changes by 5% or more) the impact of exchange rate changes and identify possible losses from fluctuations in exchange rates and their impact on borrower solvency. NBKR Executive Board Resolution No. 78/23 of December 23, 2015, increased from 7.5% to 10% the loan loss provisions on foreign currency loans for borrowers whose income in foreign currency is less than 50%. National Bank Executive Board Resolution No. 7/3 of February 10, 2016, on Amendments and Additions to Certain Resolutions of the NBKR Executive Board, prohibited financial and lending institutions from providing consumer and mortgage loans in foreign currency to individual borrowers. Nonbank financial and lending institutions operate under a license/certificate of registration to perform banking operations in domestic and/or foreign currency. Nonbank financial and lending institutions may operate on the basis of Islamic financing principles under licenses/certificates of registration to perform banking operations based on these principles in domestic and foreign currencies. Resolution of the Board of the NBKR No. 2020-P-33/75-4-(NFKU) of December 28, 2020, establishes requirements for NBFOs to create reserves in the amount of 5% to 10% on loans in foreign currency for borrowers receiving less than 50% of their income in foreign currency.
Purchase of locally issued securities denominated in foreign exchange	No.	The State Service for Regulation and Supervision of the Securities Market under the Kyrgyz Republic Ministry of Economy and Finance (Gosfinnadzor) is the authorized government body responsible for implementing the overall government policy with

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		regard to supervision and regulation of the securities market. Gosfinnadzor implements controls on securities, with the exception of the following: government securities, municipal securities, and NBKR securities (pursuant to Article 1(2) of the Kyrgyz Republic Law on the Securities Market). The Kyrgyz Republic MOF is responsible for regulation of the government securities market (government treasury bills, government treasury bonds) in accordance with its regulatory legal acts. The NBKR serves as the agent for the placement and servicing of government securities issues. In accordance with the Regulation on the Issue, Placement, Circulation, and Redemption of Kyrgyz Republic Government Securities, approved by Kyrgyz Republic Government Resolution No. 556 of October 2, 2008, the Kyrgyz Republic Government has the right to issue government treasury bonds in the domestic currency of the Kyrgyz Republic and in foreign currency (rules for issuing government treasury bonds denominated in foreign exchange were added to the Regulation on the Issue, Placement, Circulation, and Redemption of Kyrgyz Republic Government Securities by Kyrgyz Republic Government Resolution No. 735 of October 27, 2015). The purpose of issuing government securities is to provide financing for the current national budget deficit and refinancing of government debt that is coming due. The specific terms and reasons for issuing government treasury bonds denominated in foreign exchange are not provided for in regulatory legal acts on government securities. Commercial banks that have entered into an agreement on participation in auctions with the NBKR have direct access to auctions for the placement of government securities, as do institutional investors. Other interested parties may participate in auctions for the placement of government securities through commercial banks or the Kyrgyz Stock Exchange closed joint-stock company. A joint-stock company is a legal entity doing business for the purpose of earning a profit and raising funds through the issue and placement of shares. It is required to issue shares whose value is expressed in the domestic currency of the Kyrgyz Republic regardless of the form in which a contribution is made. The legislation of the Kyrgyz Republic does not provide for any restrictions on the issue of bonds by nonresidents denominated in foreign exchange. In accordance with regulatory legal acts of the National Bank governing the activities of commercial banks (Regulation on Bank Operations with Securities), there are no restrictions on commercial banks with regard to the purchase of locally issued securities denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Differential reserve requirements for commercial banks apply. The NBKR Executive Board Resolution No. 78/7 of December 23, 2015, on establishing reserve requirements amounts for liabilities included in the calculation base: (1) for liabilities in the domestic currency at the level of 4% of total liabilities in domestic currency, included in the calculation base; (2) for liabilities in Armenian drams, Belarusian rubles, Kazakhstani tenge, Chinese renminbi, and Russian rubles at the level of 4% of liabilities in Armenian drams, Belarusian rubles, Kazakhstani tenge, Chinese renminbi, and Russian rubles, included in the calculation base; and (3) for liabilities in foreign currency (except for those specified in (2) above) at the level of, effective October 9, 2023, 15% (previously

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		14%) of total liabilities in the relevant foreign currencies, included in the calculation base. The list of liabilities included in the calculation base for required reserves includes all deposits of individuals and legal entities, as well as deposits of the Kyrgyz Republic Government and local government authorities. Commercial banks deposit required reserves in a correspondent account with the NBKR. The NBKR Executive Board Resolution No. 16/5 of April 23, 2014, specifies the procedure for compliance with reserve requirements, in accordance with which the base period for compliance with reserve requirements is four calendar weeks. The volume of required reserves is determined on the basis of the average daily calculation base for the previous base period, and the amount of required reserves is established by the NBKR Executive Board. The required reserve value that is established remains in effect throughout the four weeks of the base period. The som equivalent of foreign exchange liabilities included in the calculation base is calculated daily at the NBKR's official exchange rate. Monitoring of compliance with required reserves is carried out at the end of the four-week base period. Reserve requirements are deemed to have been met if for the base period as a whole the difference between the amount of funds in a commercial bank's correspondent account with the NBKR and the amount of required reserves is positive or equal to 0. The volume of funds on a commercial bank's correspondent account for compliance with the reserve requirements on a daily basis must not be below the minimum threshold level determined by the NBKR Executive Board. The minimum threshold level is 70% of a bank's required reserves for the relevant period. The amount of required reserves, the list of liabilities to be included in the calculation base, and the interest rate for meeting required reserve standards are set by the Executive Board of the NBKR. The interest rate for meeting required reserve standards is equal to 0%. In the event of a failure to meet the requirements regarding the daily minimum amount of required reserves, a commercial bank must pay an interest penalty equal to three times the National Bank's discount rate on the amount of the daily shortfall.
Liquid asset requirements	No.	No liquid asset requirements have been established.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	(1) Under the Regulation on Prudential Standards and Mandatory Requirements for Commercial Banks of the Kyrgyz Republic, approved by NBKR Executive Board Resolution No. 18/1 of July 27, 2004: (a) a bank's total investments in securities of governments and CBs of countries with a long-term credit rating of at least A or A2 assigned by one of the rating agencies – Standard & Poor's, Fitch

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		Ratings, or Moody's Investors Service – may not exceed 100% of the bank's net total capital; (b) a bank's total investments in nongovernment debt securities may not exceed 50% of the bank's net total capital. (2) Under the Rules on the Creation and/or Acquisition of Subsidiaries or Affiliated Companies by Commercial Banks of the Kyrgyz Republic, approved by NBKR Executive Board Resolution No. 26/3, June 10, 2009, no single investment, including any financial contributions and credits in each nonbank organization – and including during the establishment and/or acquisition of a subsidiary or affiliated company – may exceed 15% of the bank's equity (regulatory) capital; total investments may not exceed 60% of the bank's equity (regulatory) capital.
In banks by nonresidents	Yes.	Under Article 22 of the Kyrgyz Republic Law On Banks and Banking (2017), any individual or legal entity is required to obtain written permission from the National Bank if intending, singly or jointly with other parties, regardless of the method of acquisition of ownership of shares, including inheritance or reinstatement of ownership, to acquire a threshold stake in the capital of a bank, including a significant stake and control, which may be achieved through an additional acquisition of shares. A threshold stake in a bank's capital refers to direct or indirect ownership or management, singly or jointly with other parties, of 10% or more, 20% or more, 33% or more, 50% or more, and 67% or more of a bank's voting shares. To obtain permission from the National Bank, the indicated entities must submit a written request to the National Bank. Any individual or legal entity holding a threshold participation in the capital of a bank, intending to dispose of shares, alone or jointly with other persons, regardless of the method of alienation, in the amount that affects the change in the threshold value, is obliged to notify the National Bank in advance at least one month before the transaction, as well as to notify the potential acquirer of the need to obtain prior permission from the National Bank for the acquisition of a threshold participation in the bank's capital in accordance with the requirements of this Law. Pursuant to the Regulation on Bank Licensing, approved by NBKR Executive Board Resolution No. 2017-P-12/23-1-(NPA) of June 8, 2017, the National Bank has the right to require that shareholders provide documents for the purpose of identifying the ultimate beneficiary and verifying the source of the funds.
Open foreign exchange position limits	Yes.	According to the Instruction on the Procedure for Compliance by Commercial Banks in the Kyrgyz Republic with Open Foreign Exchange Position Limits and Limits on the Open Position in Precious Metals, approved by NBKR Executive Board Resolution No. 36/13 of December 29, 2004, the open long or short foreign exchange position for each foreign currency must not exceed 15%, and the overall foreign exchange position for all foreign currencies must not exceed 20% of a bank's net total capital. Pursuant to the Instruction, the maximum value of open foreign exchange position limits may be reduced by decision of the National Bank's Supervisory Committee for individual banks if they engage in unreliable and unsound transaction practices, or if there is a threat of violation of banking law. Pursuant to NBKR Executive Board Resolution No. 58/14 of December 24, 2014, to achieve NBKR objectives, the NBKR executive board may, in a separate resolution, change the values of the foreign exchange position limits in the Instruction for a limited time. For credit unions and microfinance companies, the open long or short

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		foreign exchange position for each foreign currency must not exceed 15%, and the overall foreign exchange position for all foreign currencies must not exceed 20% of total capital and equity capital, respectively.
On resident assets and liabilities	Yes.	According to the Instruction on the Procedure for Compliance by Commercial Banks in the Kyrgyz Republic with Open Foreign Exchange Position Limits and Limits on the Open Position in Precious Metals, approved by NBKR Executive Board Resolution No. 36/13 of December 29, 2004, the open long or short foreign exchange position for each foreign currency must not exceed 15%, and the overall foreign exchange position for all foreign currencies must not exceed 20% of a bank's net total capital.
On nonresident assets and liabilities	Yes.	According to the Instruction on the Procedure for Compliance by Commercial Banks in the Kyrgyz Republic with Open Foreign Exchange Position Limits and Limits on the Open Position in Precious Metals, approved by NBKR Executive Board Resolution No. 36/13 of December 29, 2004, the open long or short foreign exchange position for each foreign currency must not exceed 15%, and the overall foreign exchange position for all foreign currencies must not exceed 20% of a bank's net total capital.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Insurance entities are defined as legal entities established in the legal organizational form stipulated by the Kyrgyz Republic Law on the Organization of Insurance in the Kyrgyz Republic for the purpose of engaging in insurance activity and duly licensed to engage in insurance activity in the Kyrgyz Republic.
Limits (max.) on securities issued by nonresidents	No.	Gosfinnadzor regulates the issuance, circulation, and public offering of securities of the Kyrgyz Republic and securities of foreign issuers and prospectuses of such offerings in accordance with the requirements of the laws of the Kyrgyz Republic governing the nonbank financial market. The Kyrgyz Republic legislation on insurance does not establish maximum limits on the purchase by local insurance companies of securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies may not invest abroad more than 20% of insurance reserves.
Limits (min.) on investment portfolio held locally	Yes.	At least 80% of insurance entities' insurance (technical) reserves, minus a reinsurer's share, must be invested locally, unless stipulated otherwise by law or in international agreements to which the Kyrgyz Republic is a party and that have been ratified in accordance with legally established procedures.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Pension assets must be invested according to the principles of reliability, safekeeping, liquidity, and diversification. A pension savings fund (referred to hereinafter as a fund) is a legal entity engaged in activity to attract pension contributions and make pension payments on the basis of a license under Kyrgyz law: for the purpose of providing private pension security to the fund's participants under private pension agreements; as a participant in the mandatory pension insurance savings system pursuant to Kyrgyz laws on mandatory pension insurance; for the purpose of providing corporate pension security to the fund's participants under corporate pension security agreements; for the purpose of providing professional pension insurance to the fund's participants under professional pension insurance agreements (Kyrgyz Republic Law No. 101 of July 25, 2019, on Amendments to the Kyrgyz Republic Law on Pension Savings Funds in the Kyrgyz Republic).

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Limits (max.) on securities issued by nonresidents	No.	The State Financial Market Regulation and Supervision Service under the Kyrgyz Republic Government regulates the issue, trading, and public offering of securities of the Kyrgyz Republic and securities of foreign issuers, as well as the prospectuses of such offers, in accordance with the requirements of the given law and other laws of the Kyrgyz Republic governing the nonbank financial market. In accordance with the Kyrgyz Republic laws on Pension Savings Funds in the Kyrgyz Republic and on Investing Funds to Finance the Funded Part of the State Social Insurance Pension in the Kyrgyz Republic, there are no maximum limits on the purchase by domestic pension funds of securities issued by nonresidents. In the Kyrgyz Republic, a pension fund is not a joint-stock company and may not issue securities (Kyrgyz Republic Law No. 216 on Pension Savings Funds in the Kyrgyz Republic of December 11, 2013).
Limits (max.) on investment portfolio held abroad	Yes.	The rules for the investment of pension savings assets, approved by Kyrgyz Republic Government Resolution No. 590 of August 19, 2015, do not provide for the investment of pension savings assets abroad. Pension savings may be placed in the following investment assets: (1) government securities – at least 40% of the value of pension savings; (2) bonds secured by issuers of the Kyrgyz Republic traded on the stock exchanges of the Kyrgyz Republic – no more than 30% of the value of pension savings; (3) shares of issuers of the Kyrgyz Republic created in the form of open joint-stock companies listed on the stock exchanges of the Kyrgyz Republic – no more than 40% of the value of pension savings; (4) mortgage-backed securities and housing certificates issued in accordance with the legislation of the Kyrgyz Republic – no more than 15% of the value of pension savings (mortgage-backed securities refer to mortgage-backed bonds and housing certificates); (5) deposits in financial organizations – no more than 30% of the value of pension savings. It is allowed to invest in bonds with the security of one issuer of the Kyrgyz Republic, shares of one issuer of the Kyrgyz Republic, mortgage securities (housing certificates) of one issuer of the Kyrgyz Republic, deposits of one credit organization – no more than 10% of pension savings for each type. Pension savings may be placed or invested in corporate securities of issuers of the Kyrgyz Republic included in the quotation list of the stock exchange in the first (highest) and second (following the highest) categories.
Limits (min.) on investment portfolio held locally	Yes.	Article 24 of the Kyrgyz Republic Law on the Investment of Funds for the Financing of the Savings Portion of Pensions under State Social Insurance in the Kyrgyz Republic, and the Rules for the Investment of Pension Savings Assets, approved by Kyrgyz Republic Government Resolution No. 463 of August 29, 2016, apply. Pension savings may be placed in the following assets: (1) government securities, in an amount not to exceed 40% of the value of pension savings; (2) secured bonds of issuers of the Kyrgyz Republic that are traded in stock exchanges of the Kyrgyz Republic – in an amount not to exceed 30% of the value of pension savings; (3) stocks of issuers of the Kyrgyz Republic that were established in the form of open joint-stock companies and are listed on stock exchanges of the Kyrgyz Republic, in an amount not to exceed 40% of the value of pension savings; (4) mortgage securities and housing certificates issued in accordance with the laws of the Kyrgyz Republic, in an amount not to exceed 15% of the value of pension savings. For the purposes of these rules, mortgage securities are understood to mean mortgage-backed bonds and housing certificates; (5) deposits at financial and lending institutions – in an amount not to exceed 30% of the value of pension savings.

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		Furthermore, investments in secured bonds of a single issuer of the Kyrgyz Republic, in the stocks of a single issuer of the Kyrgyz Republic, in the mortgage-backed securities (housing certificates) of a single issuer of the Kyrgyz Republic, and in deposits at lending institutions are not to exceed 10% of the value of pension savings for each type of investment. Pension savings may be placed or invested in corporate securities of issuers of the Kyrgyz Republic included in the quotation list of the stock exchange in the first (highest) and second (following the highest) categories. Legal entities that are registered in offshore zones or whose stakeholders, stockholders, and affiliates include legal entities registered in offshore zones, or individuals residing in offshore zones, or who are stockholders (stakeholders) in legal entities registered in offshore zones, are not permitted to serve as management companies for pension savings assets.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	An investment fund does not have the right to invest more than 20% of the fund's total net assets in the securities of a single issuer, or in the shares of a limited liability company, with the exception of investment funds for qualified investors and investments in government securities and securities guaranteed by the Kyrgyz Republic Government.
Limits (max.) on investment portfolio held abroad	Yes.	Investment funds are permitted to invest in foreign corporate securities (shares and bonds), in the following cases: (1) the issuer has a credit rating determined by the Kyrgyz Republic Government to be acceptable for investment of an investment fund's resources, assigned by a rating agency authorized by the government agency responsible for the regulation of the securities market; (2) the securities must have an official quote (listing) rating determined by the government agency responsible for the regulation of the securities market to be acceptable for investment of an investment fund's resources, or by a securities exchange authorized by the government agency responsible for the regulation of the securities market. An investment fund does not have the right to invest more than 20% of the fund's total net assets in the securities of a single issuer or in the shares of a limited liability company, with the exception of investment funds for qualified investors and investments in government securities and securities guaranteed by the Kyrgyz Republic Government.
Limits (min.) on investment portfolio held locally	Yes.	The composition of an investment fund's portfolio must comply with the following requirements based on a percentage of the value of its net assets: (1) a minimum of 10% in deposits in highly liquid assets, such as cash, Kyrgyz Republic Government or NBKR securities, or deposits in commercial banks with maturity up to six months; (2) a maximum of 20% in commercial bank deposits; (3) a maximum of 15% in securities of the same issuer, except for government securities and securities guaranteed by the Kyrgyz Republic Government; (4) a maximum of 20% in a single real estate investment; and (5) a maximum of 15% in the authorized capital of limited liability companies. These requirements are the maximum limits on the portion of the investment portfolio held locally. An investment fund may not: (1) invest in assets not indicated in its investment statement; (2) invest resources in securities issued by

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		persons related to the investment fund, or by its depository, independent auditor, independent appraiser, or their affiliates; (3) conclude agreements on the sale of securities it does not possess and has no right to possess; (4) provide loans of cash or other property; (5) guarantee or promise the repurchase or buyback of shares issued by a joint-stock investment fund without an obligation to repurchase the shares; (6) acquire securities issued by other investment funds; (7) perform transactions with its affiliates; (8) establish subsidiaries; (9) guarantee or promise profit (income) or an increase in the value of securities it issues; or (10) solicit loan capital if the total amount subject to repayment would exceed 10% of the net asset value of the investment fund on the day the credit (loan) agreement is signed. The credit (loan) may be obtained for a period of not more than six months, without right of extension. A credit (loan) agreement may be concluded by a joint-stock investment fund or a mutual fund management company only to meet a short-term need for cash for the redemption of securities issued by the investment fund.
Currency-matching regulations on assets/liabilities composition	No.	There are no currency-matching regulations on the assets/liabilities composition in investments funds provided for under the legislation of the Kyrgyz Republic, that is, an investment fund may perform all operations in both the local currency and foreign currency. The value of the net assets of investments funds is determined in the domestic currency of the Kyrgyz Republic, however.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	Within the framework of the Digital Som Concept, a two-tier retail model has been defined. The relevant work is currently being carried out.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Between nonresidents	n.a.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	

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Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	n.a.	In accordance with the legislation of the Kyrgyz Republic in the area of virtual assets, the authorized state body is the Financial Market Regulation and Supervision Service under the Ministry of Economy and Commerce of the Kyrgyz Republic. The legislation of the Kyrgyz Republic in the area of virtual assets regulates fixed activities, namely virtual asset mining, virtual asset emission, and the activities of virtual asset service providers.
Controls on unbacked tokens	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on utility and security tokens	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on stablecoins	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	

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Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Crawl-like arrangement	*10/21/2022*	Since October 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar with one realignment in February 2023. Accordingly, the de facto exchange rate was reclassified to crawl-like from other managed.
Other managed arrangement	*02/25/2022*	Since February 2022, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate was reclassified to other managed from stabilized.
Official exchange rate	*03/14/2022*	The official exchange rate of the Russian ruble against the Kyrgyz som is calculated at a cross rate based on the average values between the maximum and minimum exchange rates of the US dollar against the ruble, recorded in the Bloomberg news agency/Reuters news agency in the period from 15:00 of the previous trading day until 15:00 of the current trading day Bishkek time.
Foreign exchange market		
Spot exchange market	*03/18/2022*	The volume of transactions in tenge for financial institutions was temporarily limited.
	03/19/2022	The purchase rate of the tenge for financial institutions was temporarily reduced (except for exporters).
	07/22/2022	The volume of transactions with foreign currency in cash between exchange offices and commercial banks was limited.
	07/27/2022	The conversion of a money transfer must be made at the rate indicated in the information stand of the purchase and sales rates of foreign currencies.

Arrangements for Payments and Receipts

Controls on trade in gold (coins and/or bullion)		
On external trade	*08/17/2022*	There is a temporary 6-month ban on the export of used catalytic converters, slag, ash, and precious metal residues contained in catalytic converters from the territory of the Kyrgyz Republic.
	08/20/2022	There are temporary quantitative restrictions on the export of precious metals and raw materials containing precious metals from the territory of the Kyrgyz Republic for a period of 6 months.
Controls on exports and		

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imports of banknotes
On exports

Foreign currency	*03/11/2022*	From 5:30pm on this date, there is a ban on the export of US dollars for banks, foreign exchange bureaus, microfinance, and microcredit companies to ensure the economic security of the Kyrgyz Republic and stabilize the situation in the domestic foreign exchange market.

Resident Accounts

Foreign exchange accounts permitted
Held domestically

	04/19/2022	Temporary requirements for the currency of receiving money transfers through international money transfer systems on the territory of the Kyrgyz Republic were introduced: (1) Money transfer may be received in the currency of the sending country rather than the currency of the transfer. (2) Conversion of a money transfer into another currency is carried out in accordance with the legislation of the Kyrgyz Republic. With the consent of the recipient/sender located on the territory of the Kyrgyz Republic, the money transfer on receipt/sending may be converted in a cashless way.

Nonresident Accounts

Foreign exchange accounts permitted

	11/18/2022	NBKR Executive Board Resolution No. 2020-P-12/25-6-(NPA) on Additional Interim Measures for Regulating the Activities of Commercial Banks in the Kyrgyz Republic expired. The Resolution had a measure under which banks participating in programs to provide concessional unsecured loans to small- and medium-sized businesses as part of an effort to revive economic activity in the entrepreneurial sector were entitled not to require that legal entities and individual entrepreneurs (residents) present to the bank a certificate issued by a tax service office confirming the taxpayer's registration, at the time of opening an account for the purposes of obtaining a loan.

Imports and Import Payments

Import licenses and other nontariff measures
Other nontariff measures

	01/01/2022	Excise taxes apply to tonic (energy) soft drinks classified under Foreign Economic Activity Commodity Nomenclature (TNVED) commodity position 2202, and to electronic cigarettes and similar personal electric vaporizing devices (electronic nicotine delivery systems) classified under TNVED commodity position 8543 40 000 0.

Exports and Export Proceeds

Export licenses

With quotas

	08/17/2022	There is a temporary 6-month ban on the export of used catalytic converters, slag, ash, and precious metal residues contained in catalytic converters from the territory of the Kyrgyz Republic.
	08/20/2022	There are temporary quantitative restrictions on the export of precious metals and raw materials containing precious metals from the territory of the Kyrgyz Republic for a period of 6 months.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions
Differential treatment of deposit accounts in foreign exchange

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Reserve requirements	*10/09/2023*	For liabilities in foreign currency (except for Armenian drams, Belarusian rubles, Kazakhstani tenge, Chinese renminbi, and Russian rubles), it is at the level of 15% (previously 14%) of total liabilities in the relevant foreign currencies, included in the calculation base.

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LAO P.D.R.

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		July 5, 1961.
Article VIII	Yes.	Date of Acceptance: May 28, 2010.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	n.a.	Information is not publicly available.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	There are frozen accounts, and restrictions have been imposed on financial transactions involving listed terrorist groups pursuant to the relevant UNSC resolutions and to the list of current terrorist organizations maintained by the US Secretary of State.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Lao P.D.R. is the Lao Kip.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is a managed float. Bank of the Lao P.D.R. (BOL) allows the exchange rate to be determined by foreign currency supply and demand. In 2022, the Lao economy faced several downside risks in its recovery from the pandemic, especially the pressure on exchange

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		rate because of a rise in interest rates in the United States, the conflict between Russia and Ukraine, and strong demand for foreign currencies in the Lao economy. Also, cash flow management in Lao currently is not efficient enough. An escalation of such risk contributed to the depreciation of the LAK (Lao Kip) against the US dollar. In 2023, the challenges from the uncertainty of the global economy still remain, including the geopolitical tensions and competitive political-economic environment of the major countries and persistently high inflation. To maintain national monetary and financial stability, BOL has implemented tightening monetary policy while also prioritizing the stability of the financial system, continued to conduct exchange rate policy, and monitored and evaluated the outcome of policy implementation in each period. Since March 2022, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate arrangement was reclassified from crawl-like to other managed, effective March 29, 2022. Data on interventions are not published.
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate is calculated by the BOL as the weighted average of the previous day's interbank rates and rates of commercial banks. This rate is used to set the daily reference rate. Since June 19, 2023, the BOL increased the flexibility of the reference exchange rate for Lao Kip against the US dollar. The band of commercial banks' exchange rate movement relative to the reference rate has been widen from ±4.50% to ±7.50%, and the margin of buying and selling rates was set at 2% for the US dollar, EUR, Thai Baht, Chinese Yuan, and other foreign currencies. The trend of the reference exchange rate movement has also been regular reviewed and adjusted to reflect the trend of the market exchange rate. In addition, the supervision of foreign exchange bureaus was shifted from the BOL to commercial banks. In other words, the BOL turned foreign exchange bureaus into foreign exchange service agents under the supervision of commercial banks on July 12, 2021, to facilitate foreign exchanges between foreign exchange bureaus and commercial banks and to limit their unfavorable roles in the foreign exchange market. However, on January 13, 2023, BOL issued an announcement on closing down foreign exchange service agents under commercial banks to comply with the new Decision on Foreign Exchange Services (No. 1026/BOL of December 28, 2022) that allows only commercial banks in Lao PDR to operate foreign exchange services.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		

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Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The monetary policy framework of BOL is classified as "other monetary framework" which is defined as a mixed regime of monetary targeting and an exchange rate anchor. BOL uses reserve money which is the main component of monetary base as an operational target to achieve the intermediate targets on managing money supply (M2) and the exchange rate in banking system. To

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		achieve these targets, BOL deploys the key policy instruments including reserve requirement ratio, policy rate, open market operations (BOL bills), and reference exchange rate. From mid-2022 onwards, BOL has furthered tightening monetary policy measures to reduce excess increase in money supply, inflation rate, and reduce exchange rate depreciation pressures. Between May 2022 and August 2023, BOL increased reserve requirement ratio three times from 3% to 5% (effective May 17, 2022) to 5.5% (effective February 13, 2023) to 8% (effective August 31, 2023) for Lao KIP and twice for foreign currencies from 5% to 8% (effective February 13, 2023) to 10% (effective August 31, 2023). Moreover, the new regulation has allowed commercial banks to now maintain a maximum of 70% (reduced from 90%) of LAK Kip reserve requirement ratio as eligible bonds. As for foreign currency reserve requirement ratio, commercial banks are allowed to maintain in a form of reserve balance holding at BOL only. Additionally, BOL also raised policy rate from 3% to 3.10% effective May 17, 2022, to 6.50% effective October 11, 2022, and further to 7.50% effective February 13, 2023. Apart from that, effective June 13, 2022, BOL announced the issuance of BOL bills to sell to the public; the additional amount of BOL bills was issued to individuals and legal entities (excluding commercial banks and financial institutions) and specifically to commercial banks and financial institutions between January and September 2023. Moreover, since late August 2023, BOL conducted a new monetary operation facility, called the seven-day fixed term deposits at BOL. With regards to exchange rate policy, between October 2022 and June 2023, BOL has widened the trading band of commercial banks' exchange rate movement relative to the reference rate for Lao KIP against USD from ±1.5% (since September 15, 2021) to ±4.5% (since October 11, 2022) to ±7.5% (since June 19, 2023), and the margin of buying and selling rates was increased for foreign currencies from 1% to 2%.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Effective October 11, 2022, the trading band of commercial banks' exchange rate movement relative to the reference rate for Lao Kip against USD was widened from ±1.5% to ±4.5%. Effective June 19, 2023, commercial banks must keep their buying and selling rates for kip against the US dollar within ±7.50% (previously ±4.5%) of the daily reference rate set by the BOL. The margin of buying and selling rates is set at 2% for the US dollar (previously 0.5%), EUR (previously 0.75%), Thai Baht (previously 0.75%), Chinese Yuan, and other foreign currencies. Commercial banks are required to report daily their rates and transaction volumes to the BOL. Decision No. 449/BOL was replaced by Decision No. 1026/BOL, which states that commercial banks are entrusted with the responsibility of providing currency exchange services to individuals, legal entities, and organizations, both domestic and international, who engage in business activities or conduct transactions within the Lao PDR according to the relevant regulations. Commercial banks may establish foreign exchange service units if they are not prepared to provide direct services under Article 8 of

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		Decision No. 1026/BOL. Commercial banks bear full responsibility for the operation of these units and retain the authority to terminate them at their judgment. Commercial banks have responsibility to monitor the foreign exchange cash flow of entities who has foreign currency earnings, monitor cash flow from trade, and investment; as well as engage in foreign exchange transactions with these entities according to the regulations. Commercial banks also have a responsibility to sell foreign exchange currency to individuals or entities whose purposes of foreign exchange purchase include making export (especially priority goods), services, and debt settlement. On July 12, 2021, the BOL turned foreign exchange bureaus into foreign exchange service agents under the supervision of commercial banks on July 12, 2021, to facilitate foreign exchanges between foreign exchange bureaus and commercial banks and to limit their unfavorable roles in the foreign exchange market. Effective June 14, 2022, as per Decision No. 449/BOL, commercial banks and foreign exchange agents must sell foreign exchange to the individuals within the limit of 15 million kip (approximately US$1,000) a person a day. However, effective January 13, 2023, BOL issued an announcement on closing down foreign exchange service agents under commercial banks to comply with the new Decision on Foreign Exchange Services (No. 1026/BOL of December 28, 2022) that allows only commercial banks in Lao PDR to operate foreign exchange services.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BOL acts as buyer and seller of last resort against foreign exchange supply and demand that cannot be executed during the regular market session.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Commercial banks may transact with other banks and ADs within the prescribed daily buying and selling rates. As of September 2023, there are 37 commercial banks that are registered as members of the interbank market, of which 15 are active participants. Products that can be transacted in the market are Spot, Swaps, Options, Forward, Bond, and Lending/placement. The minimum bid size is US$10,000 equivalent. The interbank market is open for market interaction from 09:00–15:30 on business days. To make the management of foreign currency trading in interbank more effective, Decision No. 652/BOL was issued to replace the Decision No. 1077/BOL with the purpose of clarifying some aspects such as the role of BOL in the interbank, the prohibition and penalty for violation, and the responsibilities of each relevant departments of BOL.
Over the counter	Yes.	Commercial banks operating under the BOL law may buy and sell foreign exchange in the interbank market through OTC operations.
Brokerage	No.	

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Market making	No.	
Forward exchange market	Yes.	Banks may enter into kip and foreign exchange forward contracts with maturities of 7 days, 14 days, 3 months, 6 months, and 1 year. Transactions between the BOL and commercial banks may be executed in US dollars or Thai Baht and must be made against kip. Transactions between commercial banks or between commercial banks and business units may be executed in various currencies (euros, Japanese yen, Chinese renminbi, Australian dollars, among others), but must always be made against kip. The exchange rate may be set according to forward contracts between the BOL and banks, between banks, or between banks and business units.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	There is no prescription of currency requirements for receipts or payments, but, in practice, the BOL provides and accepts only US dollars, euros, Japanese yen, pounds sterling, Swiss francs, and Thai Baht.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Domestic goods, services, rents, and fee payments, including wages and salaries, must be made in Lao kip. Other cases require BOL authorization.
For capital transactions	Yes.	The payment of registered business capital for investment in Lao P.D.R. in both general business and concession activities must be in Lao kip.
Transactions in capital and money market instruments	Yes.	Payment for transactions in the capital market must be in Lao kip. However, corporations may issue bonds in domestic or foreign currency, and payments may be in domestic or foreign currency as authorized by the Lao Securities Commission Office.
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Under the Law on Foreign Exchange Management, foreign exchange is used only for external payments. Domestic goods, services, rents, and fee payments, including wages and salaries, must be in Lao kip. Other cases require BOL authorization.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	Lao P.D.R. engaged in a bilateral settlement agreement with China. A bilateral payments agreement with Vietnam is in the process of being renewed.
Inoperative	No.	There is an inoperative bilateral payments agreement with Malaysia, which is in the process of being canceled.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	Yes.	Bilateral trading arrangements are maintained with China and Vietnam.
Administration of control	Yes.	The BOL is responsible for the management of the foreign exchange market, in which commercial banks are the primary participants. External public sector borrowing requires MOF approval; private sector borrowing requires BOL approval.

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Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	The BOL is responsible for qualifying gold bars in accordance with international standard.
On domestic ownership and/or trade	Yes.	The gold bar business establishment requires the BOL's approval for operating import-export of gold with international entities and trading with domestic gold jewelry entities.
On external trade	Yes.	Authorized import-export gold businesses importing or exporting gold bar must receive the approval from the BOL.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Residents and nonresidents may export no more than kip 100 million. Amounts exceeding kip 100 million must be approved by the BOL. If the amount exceeded the limit, it must be approved by the BOL. In case the exporter obtained cash in clearance document authorized, exporter must be able to declare the document to carry the cash out.
Foreign currency	Yes.	Residents and nonresidents may export no more than kip 100 million. Amounts exceeding kip 100 million must be approved by the BOL. If the amount exceeded the limit, it must be approved by the BOL. In case the exporter obtained cash in clearance document authorized, exporter must be able to declare the document to carry the cash out.
On imports	No.	
Domestic currency	No.	Residents and nonresidents may import no more than kip 100 million without the need for declaration to the customs checking point. Amount exceeding kip 100 million must be declared to the customs checking point. The customs officers will then report suspicions (if any) to the Anti-Money Laundering Intelligence Office (AMLIO) for further inspection.
Foreign currency	No.	Residents and nonresidents may import no more than kip 100 million without the need for declaration to the customs checking point. Amount exceeding kip 100 million must be declared to the customs checking point. The customs officers will then report suspicions (if any) to AMLIO for further inspection.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents of the Lao P.D.R. are able to open bank accounts, deposit, withdraw, and gain interest on their deposits in foreign currency from commercial bank in the Lao P.D.R.
Approval required	No.	
Held abroad	Yes.	Residents of the Lao P.D.R. can open nostro account in accordance with BOL approval for the following purposes: (1) cross-border transactions: transportation, insurance, tourism, migrant labor, and construction; (2) external debt, debt services, and trade credit; (3) establishment of branch or representative office abroad as approved by the organizations concerned; (4) investment abroad; and (5) other purposes in accordance with BOL regulation. Students, diplomats, officials, and personnel assigned overseas are exempted.
Approval required	Yes.	Residents of the Lao P.D.R. can open nostro account in accordance with BOL approval for the following purposes: (1) cross-border

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		transactions: transportation, insurance, tourism, migrant labor, and construction; (2) external debt, debt services, and trade credit; (3) establishment of branch or representative office abroad as approved by the organizations concerned; (4) investment abroad; and (5) other purposes in accordance with BOL regulation. Students, diplomats, officials, and personnel assigned overseas are exempted.
Accounts in domestic currency held abroad	Yes.	Residents of the Lao P.D.R. can open nostro account in accordance with BOL approval for the following purposes: (1) cross-border transactions: transportation, insurance, tourism, migrant labor, and construction; (2) external debt, debt services, and trade credit; (3) establishment of branch or representative office abroad as approved by the organizations concerned; (4) investment abroad; and (5) other purposes in accordance with BOL regulation. Students, diplomats, officials, and personnel assigned overseas are exempted.
Accounts in domestic currency convertible into foreign currency	Yes.	Residents of the Lao P.D.R. can open nostro account in accordance with BOL approval for the following purposes: (1) cross-border transactions: transportation, insurance, tourism, migrant labor, and construction; (2) external debt, debt services, and trade credit; (3) establishment of branch or representative office abroad as approved by the organizations concerned; (4) investment abroad; and (5) other purposes in accordance with BOL regulation. Students, diplomats, officials, and personnel assigned overseas are exempted.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents of the Lao P.D.R. are able to open bank accounts, deposit, withdraw, and gain interest on their deposits in foreign currency from commercial bank in the Lao P.D.R.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents of the Lao P.D.R. who have foreign currency are able to open bank account in Lao Kip through the foreign exchange at commercial bank, and withdraw and gain interest on their deposit in Lao Kip, and exchange that money into foreign currency.
Convertible into foreign currency	Yes.	Account holders may convert balances to foreign currency for transfer abroad. At conversion, the servicing bank must ensure that the funds were originally converted from foreign currency or obtained as kip from some other legal source.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	Yes.	Margin deposits are required against LCs; the requirement of margin deposits and the rates are set by commercial banks.
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	

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Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	Yes.	The proof of payment of import duties is required.
Import licenses and other nontariff measures	Yes.	Import licenses are required for 25 categories of goods: Most licenses are used for quality control, safety, or animal quarantine, but some (for example, for cement) are used to limit the overall level of imports.
Positive list	Yes.	
Negative list	Yes.	
Open general licenses	No.	
Licenses with quotas	Yes.	Quotas are imposed on imports of petroleum and gas.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The tariff structure is composed of six rates (5%, 10%, 15%, 20%, 30%, and 40%). The lowest rates (5%, 10%, 15%, and 20%) apply to imports of raw materials and certain inputs and essential consumer goods. The highest rates (30% and 40%) apply to imports of luxury consumer goods, certain beverages, and tobacco. Lao P.D.R. participates in the ASEAN Free Trade Agreement; imports from ASEAN countries are subject to AFTA common effective preferential tariff rates of 5%–30%. In addition to common effective preferential tariff rates, a rate of 40% applies to luxury consumer goods.
Taxes collected through the exchange system	Yes.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Effective July 24, 2023, exporters are required to receive payment of goods and services by wire transfer into their import-export bank accounts within date defined in their purchase agreement, but no longer than 180 days from the payment date. Previously, the repatriation requirement was within 120 days after the payment was made.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	

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Export licenses	Yes.	Exports of live animals, fish, paddy rice, and forestry products (such as resin) as well as of mining and processed and semi-processed wood products require export licenses. These licenses are issued by the trade department under the Vientiane prefecture and provincial government authorities.
Without quotas	No.	
With quotas	Yes.	Exports of logs and timber are prohibited.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Taxes are levied on selected products.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	Individuals and legal entities with investments in the Lao P.D.R. that want to transfer approved profits, dividends, capital, and interest from their business operations to their home country or another country must apply at a commercial bank.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Individuals are allowed to transfer internationally for personal purpose in an amount up to kip 100 million a person a day. More than that will require the approval from the BOL.
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	Remittances of wages and salaries of foreign personnel associated with FDI and non-FDI firms are permitted.
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Application for payments not explicitly mentioned in Article 10 of the Law on Foreign Exchange Management may be submitted with documents supporting the need for foreign exchange.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Effective July 24, 2023, exporters are required to receive payment of goods and services by wire transfer into their import-export bank accounts within date defined in their purchase agreement, but no longer than 180 days from the payment date. Previously, the repatriation requirement was within 120 days after the payment was made.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Residents of the Lao P.D.R. aiming to transfer capital abroad for investment purpose must be approved by the BOL based on the approval of government-related agency.
Repatriation requirements	Yes.	There is a notification requirement to the BOL for repatriation of proceeds from capital investments. Residents of the Lao P.D.R. operating business with foreigners and earning income in foreign currency must repatriate their income to the account at commercial banks in the Lao P.D.R within 120 days after the payment is made.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	Residents receiving income in foreign currency and keeping in the account at commercial banks in the Lao P.D.R. do not have to surrender foreign currency to authorized dealers. However, they must exchange foreign currency income when they need to make payment in domestic.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating	Yes.	

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nature		
Purchase locally by nonresidents	Yes.	There is a BOL notification and certification requirement for capital investment coming into the country. Foreign investors may buy shares of an issuing company or a listed company in accordance with the following priority: (1) as stipulated in relevant laws and regulations of the relevant sector; (2) resolutions of shareholders' meetings of an issuing company or a listed company; and (3) as stipulated by the Lao Securities Commission Office case by case.
Sale or issue locally by nonresidents	Yes.	The requirements for foreign investors to trade in shares in the Lao P.D.R. are described in the Decision No. 13/LSC of June 10, 2021, on the Management of Securities Trading of Foreign Investors in the Lao P.D.R. Issuance of securities by foreign investors requires Lao Securities Commission authorization.
Purchase abroad by residents	Yes.	Transfers of funds and investment abroad by residents are subject to Lao Securities Commission Office (LSCO) authorization based on consent of BOL and the relevant authorities.
Sale or issue abroad by residents	Yes.	Issuance of shares and listing abroad requires Lao Securities Commission authorization and is subject to host jurisdiction authorization.
Bonds or other debt securities	Yes.	Issuance of corporate bonds domestically requires Lao Securities Commission Office authorization. Issuance of corporate bonds abroad requires Lao Securities Commission Office authorization.
Purchase locally by nonresidents	Yes.	There is a BOL notification and certification required for capital investment coming into the country. Investors may purchase corporate bonds or other types of securities in compliance with shareholders' meeting of the issuers. The BOL for the first time issued the foreign currency saving bonds with the minimum face value of $1000 a bond. The purpose of issuance of these bonds was to execute monetary policy to maintain currency stability. The BOL engaged in direct selling through authorize commercial banks. Only residents with no relation to the authorized commercial banks are allowed to buy.
Sale or issue locally by nonresidents	Yes.	Issuance of corporate bonds by foreign investors requires Lao Securities Commission authorization.
Purchase abroad by residents	Yes.	Transfers of funds and investment abroad by residents are subject to LSCO authorization based on consent of BOL and the relevant authorities.
Sale or issue abroad by residents	Yes.	Issuance of corporate bonds and listing abroad require Lao Securities Commission authorization in compliance with Decision on Issuance of Corporate Bonds Abroad (Amended), and payment of related fees as well as host jurisdiction authorization.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	There is a BOL notification and certification requirement for capital investment coming into the country for the purpose of investment authorization.
Sale or issue locally by nonresidents	Yes.	There is a BOL notification and certification requirement for capital investment coming into the country for the purpose of investment authorization.
Purchase abroad by residents	Yes.	Transfers of funds and investment abroad by residents are subject to LSCO authorization based on consent of BOL and the relevant authorities.
Sale or issue abroad by residents	Yes.	Issuance of money market instruments abroad requires Lao Securities Commission authorization and payment of related fees as

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		well as host jurisdiction authorization. Decision on Issuance of Corporate Bonds Abroad (Amended) is a reference for a juristic person who aims to issue a corporate bond abroad.
On collective investment securities	Yes.	Capital market collective investment securities (investment funds) comprise mutual funds and private funds and where necessary may establish other investment funds as stipulated by the government. However, no investment funds are incorporated in the Lao P.D.R.
Purchase locally by nonresidents	Yes.	There is a BOL notification and certification requirement for capital investment coming into the country. Foreign investment in public funds must comply with Decision on Mutual Funds (Amended), No. 08/LSC of June 10, 2021. A foreign investor including its related persons or related juristic persons may hold fund units in aggregation of not more than 30% of the total outstanding fund units. Fund units of a mutual fund to be issued to foreign investors and a foreign mutual fund wishing to issue fund units in the Lao P.D.R. must obtain an authorization from the Lao Securities Commission Office.
Sale or issue locally by nonresidents	Yes.	Mutual funds may be established by fund management company and are subject to Lao Securities Commission authorization.
Purchase abroad by residents	Yes.	Transfers of funds and investment abroad by residents are subject to LSCO authorization based on consent of BOL and the relevant authorities.
Sale or issue abroad by residents	Yes.	Issuance of Collective Investment Securities abroad requires Lao Securities Commission authorization and is subject to host jurisdiction authorization. Decision on Issuance of Corporate Bonds Abroad (Amended) is a reference for a juristic person who aims to issue a corporate bond abroad.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	There is a BOL notification and certification requirement for capital investment coming into the country. Currently, there are no regulations governing foreign investment in derivatives and other instruments in the Lao P.D.R.
Purchase abroad by residents	Yes.	Residents of the Lao P.D.R. aiming to transfer capital abroad for investment purpose must be approved by the BOL based on the approval of a government-related agency.
Sale or issue abroad by residents	Yes.	Issuance of derivatives and other instruments abroad requires Lao Securities Commission authorization as well as host jurisdiction authorization.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Residents of the Lao P.D.R. may provide external loan subjected to BOL approval. Those transactions must operate through banking system and report to the BOL on a regular basis regarding debt service.
To residents from nonresidents	Yes.	Residents of the Lao P.D.R. may receive external loan subjected to BOL approval. Those transactions must operate through banking system and report to the BOL on a regular basis regarding trade credit.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Residents of the Lao P.D.R. may provide trade credit subjected to BOL approval. Those transactions must operate through banking

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		system and report to the BOL on a regular basis regarding debt service.
To residents from nonresidents	Yes.	Residents of the Lao P.D.R. may receive trade credit subjected to BOL approval. Those transactions must operate through banking system and report to the BOL on a regular basis regarding trade credit.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	Direct investment is subject to the Law on Investment Promotion.
Outward direct investment	Yes.	Oversea investment by residents abroad requires approval by the relevant authority; on the basis of this authorization, the BOL approves the exportation of capital. Abroad investment with funds borrowed from a domestic commercial bank is prohibited.
Inward direct investment	Yes.	Foreign investment is allowed in all sectors and zones of investment in the Lao P.D.R., except those detrimental to national security, the environment, public health, or the national culture. Foreign investment may be wholly foreign owned. Joint ventures require a minimum contribution of 10% of equity by a foreign investor. Business cooperation by contract is a business arrangement between domestic and foreign legal entities without establishment of a new legal entity in the Lao P.D.R. Foreign investors who wish to do so may establish security companies in the Lao P.D.R. These must be security companies only and must be approved by the Security Commission at their host countries. Foreign investors are required to have at least one local commercial bank as joint-venture partner and together hold shares of at least 30%. Individual and foreign legal entity investing in the Lao P.D.R. must transfer capital through the banking system and open account at commercial bank based in the Lao P.D.R. The import of capital in foreign currency and physical capital must be supported with documents to present to the BOL according to relevant regulation.
Controls on liquidation of direct investment	No.	Residents and nonresidents of the Lao P.D.R. can transfer unlimited amount of foreign exchange to the Lao P.D.R., while the transfer of foreign exchange abroad must comply with the regulations mentioned in Article 10 in the first paragraph of Law on Foreign Exchange Management. The Decision No. 454/BOL is issued to clarify the Law No. 55/NA.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Residents of the Lao P.D.R. aiming to transfer capital abroad for investment purpose must be approved by the BOL based on the approval of a government-related agency.
Purchase locally by nonresidents	Yes.	Foreign investors may receive benefits from the lease of or the concession of rights to land, including the right to (1) use or sell the assets associated with the leased land or concession; (2) issue securities based on such assets in favor of individuals or financial institutions or take such assets for the purpose of the joint venture; and (3) sublease the right to use the land, transfer the land lease or concession agreement in accordance with the terms of the lease, or use the land lease contract or concession in favor of other persons. The details of the rights, benefits, and obligations of foreign investors relating to the land lease or concession must comply with the land law and other relevant laws.
Sale locally by nonresidents	Yes.	Nonresidents are allowed to invest in real estate and have the right to

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		buy or sell such real estate.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Residents of the Lao P.D.R. may provide external loan subjected to BOL approval. Those transactions must operate through banking system and report to the BOL on a regular basis regarding debt service and trade credit.
To residents from nonresidents	Yes.	The BOL is responsible for approving, supervising, and monitoring the external borrowing of resident individuals and legal entities.
Gifts, endowments, inheritances, and legacies	No.	There are no restrictions on inheritance and legacies regarding transferring of shares. However, it must be complied with Article 8 of Decision on transfer of shares No. 09/LSC of June 10, 2021.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Individuals and legal entities invested in the Lao P.D.R. wishing to settle principal and interest on foreign borrowing must apply to a commercial bank.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Emigrants who need to transfer their assets (money) must comply with the objectives in Article 10 of Law on Foreign Exchange Management No. 55/NA of December 22, 2014.
Transfer into the country by immigrants	Yes.	Immigrants who need to transfer their assets (money) must comply with the Law on Foreign Exchange Management No. 55/NA of December 22, 2014.
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Residents of the Lao P.D.R. may provide or borrow external loan and trade credit subjected to BOL approval. Those transactions must operate through banking system and report to the BOL on a regular basis regarding debt service and trade credit.
Maintenance of accounts abroad	Yes.	Authorized commercial banks may open accounts abroad.
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents is subject to BOL approval. Those transactions must operate through banking system and report to the BOL on regular basis until the loan has been repaid.
Lending locally in foreign exchange	Yes.	Commercial banks may lend locally in foreign exchange to any borrowers. Loans in foreign currency are not allowed to be withdrawn in cash, and all transactions must be done through bank transfer. The use of loan in foreign currency must comply with the Law Foreign Exchange Management No. 55/NA of December 22, 2014.
Purchase of locally issued securities denominated in foreign exchange	Yes.	The characteristics of Cooperate Bonds must be in LAK currency or foreign currency based on Lao Securities Commission authorization.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The current reserve requirement is 8% on LAK and 10% on foreign currency deposits. The latest Decision No. 777/BOL of August 23, 2023, was issued to replace the Decision No. 113/BOL of February 10, 2023.

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		Between May 2022 and August 2023, BOL increased reserve requirement ratio twice from 5% to 5.5 to 8% for Lao KIP and from 5% to 8% (effective February 13, 2023) to 10% (effective August 31, 2023) for foreign currencies. Moreover, the new regulation has allowed commercial banks to now maintain a maximum of 70% (reduced from 90%) of LAK Kip reserve requirement ratio as eligible bonds. As for foreign currency reserve requirement ratio, commercial banks are allowed to maintain in a form of reserve balance holding at BOL only.
Liquid asset requirements	No.	Commercial banks and branches of foreign commercial banks must maintain cash reserve ratios at the end of each business day of at least 2% of total deposits (excluding deposits by commercial banks and other financial institutions).
Interest rate controls	Yes.	Decision No. 140/BOL was issued to replace Decision No. 1231/BOL of December 8, 2017, on Deposit and Lending Rate Margin of Commercial banks and Decision No. 529/BOL of July 21, 2015, on Setting the Interest Rate of Commercial Banks. The deposit and lending rates of accounts denominated in kip are allowed to be determined by market.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	If a bank's open foreign exchange position in any foreign currency exceeds 20% of its Tier 1 capital or its overall open foreign exchange position exceeds 25% of its Tier 1 capital at the end of business day, it must sell the surplus or purchase the deficit in each foreign currency in the interbank foreign exchange market on the following business day.
On nonresident assets and liabilities	Yes.	If a bank's open foreign exchange position in any foreign currency exceeds 20% of its Tier 1 capital or its overall open foreign exchange position exceeds 25% of its Tier 1 capital at the end of business day, it must sell the surplus or purchase the deficit in each foreign currency in the interbank foreign exchange market on the following business day.
Provisions specific to institutional investors	Yes.	Commercial banks and deposit-taking financial institutions are allowed to invest in security exchange no more than 15% of their Tier 1 capital.
Insurance companies	Yes.	Insurance companies may only use their idle capital to invest in Lao P.D.R. in prioritized sectors including the purchase of government bonds, corporate shares and bonds; invest in the real estate business; make capital contribution in other enterprises; and deposit with commercial banks or financial institutions. Now, they may invest

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		only in government bonds, corporate shares and bonds, deposit with commercial banks or financial institutions, and invest in other sectors permitted by MOF.
Limits (max.) on securities issued by nonresidents	Yes.	Currently, there is no specific regulation governing maximum limits on securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	Transfers of funds and investment abroad by residents are subject to BOL authorization based on consent of the relevant authorities. Currently, there is no specific regulation governing maximum limits on the proportion of investment portfolio held abroad.
Limits (min.) on investment portfolio held locally	Yes.	Currently, there is no specific regulation governing maximum limits on the portion of investment portfolio that is held locally.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Law No. 54/NA was issued to replace the Law No. 34/NA. Now, social security fund may invest in infrastructure and development of social security-related task. As for other forms of investment, they are subjected to approval by the government.
Limits (max.) on securities issued by nonresidents	Yes.	Currently, there is no specific regulation governing maximum limits on the purchase of security issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	Transfers of funds and investment abroad by residents are subject to BOL authorization based on consent of the relevant authorities. Currently there is no specific regulation governing maximum limits on the proportion of investment portfolio held abroad.
Limits (min.) on investment portfolio held locally	Yes.	Currently, there is no specific regulation governing maximum limits on the portion of investment portfolio that is held locally.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Capital market collective investment funds comprise mutual funds and private funds. However, such funds do not exist yet in the Lao P.D.R. Mutual funds may be established by fund management company and are subject to Lao Securities Commission authorization.
Limits (max.) on securities issued by nonresidents	Yes.	Currently, there is no specific regulation governing maximum limits on securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	Transfers of funds and investment abroad by residents are subject to LSCO authorization based on consent of BOL and the relevant authorities. Mutual funds may be established by fund management company and are subject to Lao Securities Commission authorization.
Limits (min.) on investment portfolio held locally	Yes.	Currently, there is no specific regulation governing maximum limits on the portion of investment portfolio that is held locally.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.

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Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.

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Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Other managed arrangement	*03/29/2022*	Since March 2022, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate arrangement was reclassified from crawl-like to other managed.

Monetary policy framework

Other monetary framework	*05/17/2022*	Bank of the Lao P.D.R. raised policy rate from 3% to 3.1%.
	05/17/2022	Bank of the Lao P.D.R. increased reserve requirement ratio from 3% to 5% for the Lao Kip.
	06/13/2022	Bank of the Lao P.D.R. (BOL) announced the issuance of BOL bills to sell to the public; the additional amount of BOL bills was issued to individuals and legal entities (excluding commercial banks and financial institutions) and specifically to commercial banks and financial institutions between January and September 2023.
	10/11/2022	Bank of the Lao P.D.R. raised policy rate from 3.1% to 6.5%.
	02/13/2023	Bank of the Lao P.D.R. increased reserve requirement ratio from 5% to 5.5% for the Lao Kip.

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	02/13/2023	Bank of the Lao P.D.R. raised policy rate from 6.5% to 7.5%.
	02/13/2023	Bank of the Lao P.D.R. increased reserve requirement ratio from 5% to 8% for foreign currencies.
	08/31/2023	Bank of the Lao P.D.R. increased reserve requirement ratio from 8% to 10% for foreign currencies.
	08/31/2023	Bank of the Lao P.D.R. increased reserve requirement ratio from 5.5% to 8% for the Lao Kip.
Foreign exchange market		
Spot exchange market	*06/14/2022*	Commercial banks and foreign exchange agents must sell foreign exchange to individuals within the limit of 15 million kip (approximately US$1,000) a person a day.
	10/11/2022	The trading band of commercial banks' exchange rate movement relative to the reference rate for Lao Kip against USD was widened from ±1.5% to ±4.5%.
	01/13/2023	Bank of the Lao P.D.R. issued an announcement on closing down foreign exchange service agents under commercial banks to comply with the new Decision on Foreign Exchange Services (No. 1026/BOL of December 28, 2022) that allows only commercial banks in Lao PDR to operate foreign exchange services.
	06/19/2023	Commercial banks must keep their buying and selling rates for kip against the US dollar within ±7.50% (previously ±4.5%) of the daily reference rate set by the BOL.
	06/19/2023	The margin of buying and selling rates is set at 2% for the US dollar (previously 0.5%), EUR (previously 0.75%), Thai Baht (previously 0.75%), Chinese Yuan, and other foreign currencies.

Exports and Export Proceeds

Repatriation requirements	*07/24/2023*	Exporters are required to receive payment of goods and services by wire transfer into their import-export bank accounts within date defined in their purchase agreement, but no longer than 180 days from the payment date. Previously, the repatriation requirement was within 120 days after the payment was made.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	*07/24/2023*	Exporters are required to receive payment of goods and services by wire transfer into their import-export bank accounts within date defined in their purchase agreement, but no longer than 180 days from the payment date. Previously, the repatriation requirement was within 120 days after the payment was made.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*02/13/2023*	Bank of the Lao P.D.R. increased reserve requirement ratio from 5% to 8% for foreign currencies.
	08/31/2023	Bank of the Lao P.D.R. increased reserve requirement ratio from 8% to 10% for foreign currencies.

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LATVIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		May 19, 1992.
Article VIII	Yes.	Date of acceptance: June 10, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	All UNSC sanctions are directly applicable and enforced in Latvia and are transposed by the EU. Moreover, to prevent the particular endangerments of peace and stability, the EU has adopted separate set of sanctions binding on its Member States, all of which are reflected as follows: restrictive measures directed against certain individuals, groups, enterprises, and entities in view of the situation in Afghanistan; restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine; restrictive measures in view of the situation in Bosnia and Herzegovina; restrictive measures in view of the situation in Burundi; restrictive measures in view of the situation in the Central African Republic; restrictive measures against the proliferation and use of chemical weapons; restrictive measures against cyber-attacks threatening the Union or its Member States; restrictive measures against the Democratic People's Republic of Korea; restrictive measures in view of the situation in the Democratic Republic of the Congo; restrictive measures in view of the situation in Guinea; restrictive measures in view of the situation in Guinea-Bissau; prohibiting the satisfying of claims by the Haitian authorities with regard to contracts and transactions the performance of which was affected by the measures imposed by or pursuant to UNSC Resolutions 917 (1994), 841 (1993), 873 (1993), and 875 (1993); restrictive measures in view of the situation in Haiti (effective October 21, 2022, pursuant to Regulation (EU) No. 2022/2309); restrictive measures against serious human rights violations and abuses; restrictive measures directed against certain persons, entities, and bodies in view of the situation in Iran; concerning restrictive measures against Iran; restrictive measures in view of Iran's military support of Russia's war of aggression against Ukraine; certain specific restrictions on economic and financial relations with Iraq; restrictions prohibiting the satisfying of Iraqi claims with regard to contracts and transactions the performance of which was affected by UNSC Resolution 661 (1990) and related resolutions; restrictive measures in view of the situation in Lebanon; certain restrictive measures in respect of Lebanon; restrictive measures against certain persons suspected of involvement in the assassination of former Lebanese prime minister Rafiq Hariri; restrictive measures in view of the situation in Libya; restrictive measures in view of the situation in Mali; restrictive measures in view of actions destabilizing the Republic of Moldova; restrictive measures prohibiting the satisfying

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		of claims with regard to contracts and transactions the performance of which was affected by the UNSC Resolution 757(1992) and related resolutions; restrictive measures in view of the situation in Myanmar/Burma; restrictive measures in view of the situation in the Republic of Nicaragua; restrictive measures in view of Russia's actions destabilizing the situation in Ukraine; restrictive measures directed against certain natural or legal persons, entities, or bodies, in view of the situation in Somalia; restrictive measures in respect of the situation in South Sudan; restrictive measures in view of the situation in Sudan; restrictive measures in view of the situation in Syria; restrictive measures directed against the Islamic State of Iraq and the Levant (Da'esh) and Al-Qaida and natural and legal persons, entities, or bodies associated with them; restrictive measures directed against certain persons and entities with a view to combating terrorism; restrictive measures directed against certain persons, entities, and bodies in view of the situation in Tunisia; restrictive measures in view of Turkey's unauthorized drilling activities in the Eastern Mediterranean; restrictive measures in response to the illegal recognition, occupation, or annexation by the Russian Federation of certain non-government controlled areas of Ukraine; restrictive measures directed against certain persons, entities, and bodies in view of the situation in Ukraine; restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine; restrictive measures in response to the illegal annexation of Crimea and Sevastopol (Crimea) (Ukraine); restrictive measures protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom; restrictive measures in view of the situation in Venezuela; restrictive measures in view of the situation in Yemen; restrictive measures in view of the situation in Zimbabwe. There are legal frameworks for UNSC resolutions to be implemented without delay, and to for Latvia propose international sanctions (UNSC and EU) without having to impose national sanctions. All persons must comply with and execute international and national sanctions. All persons (legal and natural) in accordance with their competence have the obligation to immediately and without a prior notice to freeze for an indefinite period all financial resources and financial instruments, which are directly or indirectly, completely or partially, under the ownership, possession, holding, or control of the subject of sanctions, including those financial resources and financial instruments that have been transferred to third persons. Similar provisions are provided regarding financial services and other material and immaterial assets, such as immovable property, ships, and airships. There is a Sanctions Coordination Council, which is tasked with creating unified informative materials about sanctions for all interested parties, discussing possible cooperative solutions to complicated cases, and sharing information about potential issues and risks. Failure to comply with the requirements for the internal control system of sanctions may result in fines for natural persons and legal persons of up €UR 1 million.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Latvia is the euro.
Other legal tender	No.	

Exchange rate structure

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Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Latvia participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks. The euro foreign exchange reference rates are determined by the ECB daily at around, effective April 3, 2023, 14:10 Central European Time (CET) (previously 14:15 CET), and are published at around 16:00 CET. The reference rate against the euro is the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		

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Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	

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Foreign exchange market	Yes.	As of December 31, 2022, all commercial banks (10) and foreign bank subsidiaries (4) registered in Latvia have general banking licenses issued by the Financial and Capital Market Commission (FCMC) that authorize dealing in foreign exchange with the public. There are also 35 foreign exchange bureaus licensed by the Bank of Latvia (BOL). Banks and foreign bank branches may engage in all types of transactions; foreign exchange bureaus may only purchase and sell banknotes.
Spot exchange market	Yes.	Foreign exchange bureaus may operate in Latvia under a BOL license. Their operations are limited to the purchase and sale of banknotes. There were 35 foreign exchange bureaus licensed by the BOL as of December 31, 2022.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There were 10 licensed commercial banks and 4 licensed foreign bank subsidiaries as of December 31, 2022. Banks may conduct foreign exchange operations freely.
Over the counter	Yes.	
Brokerage	No.	
Market making	Yes.	The interbank market operates on the basis of a market-making agreement.
Forward exchange market	Yes.	All forward exchange and swap transactions may be conducted in the interbank market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	There are no controls in place on the use of the euro in current international or capital transactions and on the use of foreign currency for payments between residents.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	

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Inoperative	No.	
Regional arrangements	Yes.	Latvia is a member of the EU.
Clearing agreements	Yes.	The BOL participates in the real-time euro gross settlement system under Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2).
Barter agreements and open accounts	No.	
Administration of control	Yes.	Government decisions adopted by the cabinet of ministers and approved by parliament prevail in foreign exchange and trade matters, but regulations governing foreign exchange transactions must be issued by the BOL. Foreign exchange transactions must be carried out through authorized banks and enterprises licensed by the FCMC and the BOL, respectively.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Gold articles (except coins and bullion) for the domestic market are subject to compulsory hallmarking. Market surveillance control on domestic trade in gold articles is also in place.
On domestic ownership and/or trade	Yes.	Business activity must be registered with the Assay Office of Latvia.
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EC) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying cash of value of €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EC regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EC regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EC regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purpose of the EC regulation; the EC regulation only harmonizes the system for the EU's external borders.
On exports	No.	
Domestic currency	No.	Travelers leaving the EU and carrying cash of value of €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they leave the EU.

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Foreign currency	No.	Travelers leaving the EU and carrying cash equivalent to €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they leave the EU.
On imports	No.	
Domestic currency	No.	Travelers entering the EU and carrying cash of value of €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they enter the EU.
Foreign currency	No.	Travelers entering the EU and carrying cash equivalent to €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they enter the EU.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	A foreign exchange account may be opened with and operated by any licensed commercial bank or foreign bank branch according to its general rules and policies. There are no restrictions regarding transfers of balances abroad.
Approval required	No.	
Held abroad	Yes.	An investment fund (UCITS) may invest in deposits that are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided the credit institution has received a license for the operation of a credit institution in a EU Member State or in a country which is an OECD member and which according to Regulation No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 is considered as a country applying supervisory and regulatory arrangements to credit institutions equivalent to those applied in the EU.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	The Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (AML/CFT) limits the engagement of Latvian financial institutions with certain types of shell entities. Customers from higher risk jurisdictions are subject to enhanced customer due diligence (EDD) (obligatory requirement). The FCMC manual on client due diligence and AML/CFT internal control system was adopted (recommendations for the credit institutions and financial institutions). The recommendations give insight into the practical aspects of conducting and managing client risks, including determining the country of residence of the client, conducting due diligence, and the specifics of enhanced due diligence. The FCMC Regulations No. 5 “Client due diligence and risk scoring system and information technology regulations” (KYC Regulations) stipulates the risk-based approach, requires the assessment of risk in line with European Banking Authority (EBA) Guidelines on risk factors, and simplifies and enhances customer due diligence. The Guidelines require to assess the nonresident risk factor and to

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		understand the need to receive financial services abroad. The amendments to the AML/CFT Law remove the prohibition of remote identification for certain risk profile clients. Remote identification rules are stipulated in the Rules of the Cabinet of Ministers No. 392 "Procedures by which the Subject of the Law on the Prevention of Money Laundering and Terrorism Financing Performs the Remote Identification of a Customer" from July 3, 2018 (Remote identification rules). The FCMC remote identification guidelines were adopted effective February 15, 2022.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	Accounts may be blocked in cases specified by the AML/CFT Law, for example, if account holders are suspected of engaging in money laundering. These provisions apply equally to resident and nonresident accounts, irrespective of the currency.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The negative list comprises the following groups of goods, which are subject to licensing: (1) military and dual-use goods; (2) arms and ammunition; (3) sources of ionizing radiation and radioactive goods; (4) substances that deplete the ozone layer; (5) chemicals; (6) shipments of waste; (7) narcotic and psychotropic substances and their precursors; (8) certain goods that could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment; (9) plants and animals protected by CITES; (10) cat and dog fur and products containing such fur; (11) skins of certain seal pups and products derived therefrom; (12) products containing the biocide dimethyl fumarate; (13) goods that are subject to the rules on product

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		safety; (14) goods for veterinary checks; (15) agricultural goods under the agricultural imports (AGRIM) import license; (16) steel; (17) some categories of textiles; (18) certain iron and steel products; (19) certain types of scrap metal; (20) pelts and manufactured goods of certain wild animals from countries that use leghold traps or trapping methods; and (21) mercury or mercury compounds or products. Licensing is automatic, except for pyrotechnic products, arms and ammunition, combat vehicles, and prepared explosives. Applications for licenses are processed within 10 business days, and license fees reflect only processing costs.
Open general licenses	No.	
Licenses with quotas	Yes.	Quotas apply in accordance with EU regulations.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The EU Common Customs Tariff, EU FTAs, and EU antidumping and countervailing duty trade measures apply.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	The following groups of goods are subject to licensing: (1) military and dual-use goods; (2) arms and ammunition; (3) sources of ionizing radiation and radioactive goods; (4) substances that deplete the ozone layer; (5) chemicals; (6) shipments of waste; (7) narcotic and psychotropic substances and their precursors; (8) objects of artistic or historical value; (9) certain goods that could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment; (10) plants and animals protected by CITES; (11) medicines; (12) cat and dog fur and products made from such fur; and (13) metallic mercury and certain mercury compounds and mixtures.
With quotas	No.	

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Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	The share of foreign members or stockholders in the share capital of companies providing gambling services cannot exceed 49%. This requirement does not apply to investors from the Member States of the EU, the states of the EEA and the Member States of the OECD (residents), and also in cases in which different regulations for foreign investments are provided for by international agreements ratified by the parliament. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Non-EU residents may not acquire in ownership: (1) land in the border zone of the State; (2) land in nature preserves

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		and other protected nature areas in zones of nature reserves; (3) land in the protection zone of coastal dunes of the Baltic Sea and the Gulf of Riga; (4) land in the protection zones of public reservoirs and water courses, except for sections in which a group of constructions is intended in conformity with the territorial planning of local government; (5) the agricultural and forest land, except for sections in which construction is intended in conformity with the territorial planning of local government; and (6) land in mineral deposits of national significance. These restrictions do not apply to the acquisition of land in ownership by means of inheriting. One natural or legal person may acquire up to 2000 hectares of agricultural land into ownership. On the basis of long-term development vision and priorities, strategic objectives, and spatial development perspective of a local government, the municipality local government may determine, in the binding regulations, the maximum area of agricultural land in the ownership of one natural or legal person in its administrative territory, without exceeding the aforementioned area of agricultural land. Nonresidents who wish to acquire land in ownership must submit the application to the relevant municipality council indicating their objective of further use of the land. If the objective is not in contradiction with the spatial plan or detailed plan of the municipality local government and the aforementioned restrictions are conformed to, the municipality council gives a consent to the acquisition of land into ownership within 20 days.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Prudential regulations that are harmonized with EU directives apply. Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (AML/CFT Law) stipulates the AML/CFT rules applicable also to banks and other financial institutions.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	

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Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents is included in a set of credit risk indicators within the Supervisory Review and Evaluation Process. High share of nonresidents lending could impact the overall credit risk Supervisory Review and Evaluation Process score and the respective Pillar 2 capital requirements (P2R level).
Lending locally in foreign exchange	Yes.	Banks are subject to capital requirements for indirect foreign exchange risk arising from lending to unhedged resident retail borrowers if such loans exceed 10% of the loan portfolio (Regulations on Establishment of the Capital and Liquidity Adequacy Assessment Process).
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	No.	
Liquid asset requirements	No.	The LCR requirement is 100%.
Interest rate controls	No.	
Credit controls	Yes.	When calculating the capital requirement for sectoral concentration risk, banks must include all exposures with nonresidents – enterprises, and financial institutions – in the calculation in the form of a separate sector (Regulations on Establishment of the Capital and Liquidity Adequacy Assessment Process).
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The open foreign exchange position is limited to 10% of capital for any single foreign currency and 20% for all foreign currencies. Banks are subject to capital requirements for indirect foreign exchange risk arising from lending to unhedged resident retail borrowers if such loans exceed 10% of the loan portfolio (Regulations on Establishment of the Capital and Liquidity Adequacy Assessment Process). Net open position in a single currency and overall foreign exchange position are calculated according to Articles 352–354 of Regulation No. 575/2013, that is, using the methodology used to calculate capital requirements for foreign exchange risk (both residents and nonresidents).
On nonresident assets and liabilities	Yes.	The open foreign exchange position is limited to 10% of capital for any single foreign currency and 20% for all foreign currencies. Banks are subject to capital requirements for indirect foreign exchange risk arising from lending to unhedged resident retail

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		borrowers if such loans exceed 10% of the loan portfolio (Regulations on Establishment of the Capital and Liquidity Adequacy Assessment Process). Net open position in a single currency and overall foreign exchange position are calculated according to Articles 352–354 of Regulation No. 575/2013, that is, using the methodology used to calculate capital requirements for foreign exchange risk (both residents and nonresidents).
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	Risk-based prudential framework Solvency II set by the EU regulations and national laws that are harmonized with EU directives apply in the insurance sector.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	For defined benefit private pension funds, the maximum permitted currency mismatch between the pension plan's technical provisions and assets covering these provisions is 30%. The open foreign currency position of a defined contribution private pension plan may not exceed (1) 10% of the plan's assets in a single foreign currency and (2) 20% of the plan's assets in all foreign currencies. For state-funded pension scheme, the open foreign currency position of an investment plan may not exceed (1) 10% of the plan's assets in a single foreign currency and (2) 20% of the plan's assets in all foreign currencies.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	An investment fund (UCITS) may invest in deposits that are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided the credit institution has received a license for the operation of a credit institution in an EU Member State or in a country which is an OECD member and which according to Regulation No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 is considered as a country applying supervisory and regulatory arrangements to credit institutions equivalent to those applied in the EU for credit institutions and investment firms and amending Regulation (EU) No. 648/2012.
Limits (min.) on investment portfolio held locally	No.	

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Currency-matching regulations on assets/liabilities composition	No.	A risk-based prudential framework set by the EU regulations and national laws that are harmonized with EU directives apply for investment firms.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	Virtual asset service providers (VASPs) became subjects of AML/CFT Law in 2019 and have been under the supervision of the State Revenue Service of Republic of Latvia (SRS) since 2021. SRS registers theses service providers, but the licensing mechanism has not yet been implemented. VASPs operating in Latvia without registration are subject to administrative, pecuniary, or criminal

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		sanctions. SRS does not publish the list of registered VASPs. SRS is able to share information about specific report entities bilaterally with overseas supervisors on a case-by-case basis subject to obtaining required undertakings as to confidentiality, privacy, and appropriate use.
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	VASPs became subjects of AML/CFT Law in 2019 and have been under the supervision of the SRS since 2021. SRS registers theses service providers, but the licensing mechanism has not yet been

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		implemented. VASPs operating in Latvia without registration are subject to administrative, pecuniary, or criminal sanctions. SRS does not publish the list of registered VASPs. SRS is able to share information about specific report entities bilaterally with overseas supervisors on a case-by-case basis subject to obtaining required undertakings as to confidentiality, privacy, and appropriate use.
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*10/21/2022*	Restrictive measures in view of the situation in Haiti were adopted.

Exchange Arrangement

Official exchange rate	*04/03/2023*	The euro foreign exchange reference rates are determined by the ECB daily at around 14:10 Central European Time (CET) (previously 14:15 CET).

Nonresident Accounts

Foreign exchange accounts permitted	*02/15/2022*	The Financial and Capital Market Commission remote identification guidelines were adopted.

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LEBANON

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		April 14, 1947.
Article VIII	Yes.	Date of acceptance: July 1, 1993.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Lebanon is the Lebanese pound.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate regime is free floating. In practice, the exchange rate remains within a very narrow band vis-à-vis the US dollar (LL 1,501–1,514/US dollar). Therefore, the de facto exchange rate arrangement is classified as a stabilized arrangement. The Banque Du Liban (BDL) does not publish intervention data.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		

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Free floating		
Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar. The BDL manages the exchange rate of the Lebanese pound vis-à-vis the US dollar with the goal of maintaining social and economic stability through sustainable economic growth, a stable inflation rate, and stable purchasing power.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		

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Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	Yes.	Exchange subsidy rates are: (1) the “Sayrafa” platform rate for oil derivative imports (gasoline, diesel gas). This subsidy was canceled effective September 15, 2022. (2) since September 2019, (LL 1,501–1,514/US dollar) for the imports of wheat, medicines, medical supplies, infant milk up to one year of age, and medical materials that are included in the pharmaceutical industry. (3) (LL 3,900/US dollar) for basic foodstuffs, raw materials that are included in food industries, and products intended for sale to farmers. This subsidy was canceled on May 27, 2021.
Foreign exchange market	Yes.	Banks may engage in foreign exchange transactions in any currency except new Israeli shekels. Banks carry out cash exchange operations to provide commercial and personal needs of their customers through the "Sayrafa" platform. Foreign exchange bureaus carry out cash exchange operations through the “Sayrafa” platform. Insurance companies may engage in foreign exchange transactions in any currency except new Israeli shekels. Such dealings are restricted to the extent that insurers must match their assets with their liabilities with regard to currency.
Spot exchange market	Yes.	Foreign exchange bureaus are allowed to operate and are subject to licensing by the BDL. As of December 31, 2022, the number of authorized foreign exchange bureaus was 304 (both Categories A and B). Foreign exchange bureaus (money dealers) may conduct foreign exchange transactions with commercial banks, but not directly with the BDL. Category A money dealers must have a minimum capital of LL 10 billion, effective May 17, 2023. Only the 48 Category A money dealers may perform transfers and they are prohibited from making any transfer in excess of US$1,500 that does not result from an exchange operation or a cross-border transport operation, when the transfer consists of receiving cash amounts from customers and then transferring them to third persons whether in Lebanon or abroad through the institution’s bank accounts. Only Category A money dealers with a minimum capital of LL 50 billion, may conduct cross-border transport of cash banknotes and precious metals. Category B money dealers must have a minimum capital of LL 5 billion. Category B money dealers may deal in cash and traveler’s checks up to the equivalent of US$10,000 in uncollected traveler’s checks and gold bars not exceeding 1,000 grams.

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		Category A money dealers are the only institutions entitled to perform hawala cash transfers, whether for their own account or on behalf of a third party. These institutions are also prohibited from performing transactions, such as commercial financing, lending, and the management of funds, which do not fall within the scope of exchange business. The value of an incoming or outgoing hawala transaction must not exceed US$20,000 or its equivalent in any other currency, provided the total amount of hawala transactions in a single year does not exceed, at any time, tenfold the capital of the exchange institution. Exchange institutions, when making any purchase or sale of US dollars, must immediately enter all the required information about the transaction and install it through the "Sayrafa" platform. As of April 16, 2020, nonbank financial institutions allowed to conduct electronic transfers must settle incoming transfers in Lebanese pound at market rate. As of August 6, 2020, nonbank financial institutions allowed to conduct electronic transfers must settle any incoming transfers in US dollars.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BDL sets its bid-ask rates at the opening hour on Reuters (page BDL O1), and the rates do not change during the day. The closing rates are determined and published at the end of each trading day. The bid-ask rates were LL 14,935/US dollar and LL 15,065/US dollar, respectively, effective February 1, 2023. The BDL deals directly with the government and other public entities.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is an active interbank foreign exchange market, and all commercial banks operating in Lebanon may trade among themselves at freely determined rates. There were 59 banks operating in Lebanon as of December 31, 2022, including 40 commercial banks, 15 investment and specialized banks, and 4 Islamic banks. Two banks not counted above are under liquidation. The BDL grants licenses and intervenes directly with market participants at their quoted rates.
Over the counter	Yes.	The market operates over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Banks are permitted to engage in forward operations on their own behalf for hedging purposes only. Forward operations and spot operations on behalf of clients are allowed with a minimum cash margin deposit equivalent to 20% of credit facilities. The total shortage in margin for all operations may not exceed 8% of a bank's capital. The BDL does not participate in the foreign exchange derivatives market. Insurance companies may engage in forward transactions; nevertheless, no such transactions are recorded in practice because of restrictions on the admissibility of financial derivatives.
Official cover of forward operations	Yes.	A minimum cash margin equivalent to 20% of credit facilities must be provided by the client for spot or forward foreign exchange operations for speculative purposes.

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Banks and financial institutions are prohibited from opening debit or credit accounts in Lebanese pounds for nonresident financial entities.
Controls on the use of domestic currency	Yes.	Domestic currency may be used to settle foreign trade or capital transactions. Banks and financial institutions are prohibited from opening debit or credit accounts in Lebanese pounds for nonresident financial entities.
For current transactions and payments	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	Banks may not engage in these transactions on their own behalf, except for hedging purposes.
Credit operations	Yes.	Banks and financial institutions are prohibited from opening debit or credit accounts in Lebanese pounds for nonresident financial entities.
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	Lebanon has a formal association agreement with the EU.
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Lebanon is a member of the GAFTA and has signed bilateral FTAs with Egypt, Iraq, Jordan, Kuwait, Saudi Arabia, Syria, Turkey, and the United Arab Emirates. A FTA with Turkey was signed in November 2010, but is awaiting parliamentary ratification.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	

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Domestic currency	No.	
Foreign currency	No.	Law No. 42 of November 24, 2015, on Cross-Border Transfer of Money limited the amount of undeclared cash at borders to US $15,000.

Resident Accounts

Foreign exchange accounts permitted	Yes.	All accounts are subject to the Law on Combating Money Laundering (which also deals with terrorism financing and corruption) and the relevant circulars issued by the BDL. Accounts are subject to the Law No. 55 related to the exchange of information for tax purposes in the case of request of foreign authorities.
Held domestically	Yes.	These are subject to the limits and regulations set by the Law on Combating Money Laundering. Balances may be transferred abroad freely. Exceptionally, because of the financial crisis, depositors are allowed to withdraw banknotes from their foreign-currency-denominated accounts in Lebanese pounds using an exchange rate of USD/LBP 2,600 as of April 21, 2020. This rate then changed to 3,000 on May 10, 2020, 3,900 on July 20, 2020, 8,000 on December 10, 2021 and 15,000 effective February 1, 2023. Banks have to sell back these purchased foreign currencies to the BDL. This measure was introduced on April 21, 2020, and was to remain in effect until December 31, 2023. However, effective July 27, 2022, banks are no longer obligated to sell back the purchased foreign currencies to the BDL. The obligation to banks to sell back the purchased foreign currency to the BDL applied just the currency that banks purchased from depositors that withdrew banknotes from their foreign-currency-denominated accounts. As of July 1, 2021, banks should take the necessary measures to pay back part of a depositor's total foreign currency accounts opened before October 31, 2019, in all banks operating in Lebanon as follows: • Maximum amount to be paid back is around US$9,600 a year and US$50,000 over 5 years. • 50% of the eligible amount (that is, US$4,800 a year) is allowed to be paid in USD banknotes or transferred abroad or used through banking cards on the basis of US$400 a month. The remaining 50% will be converted to LBP using an exchange rate USD/LBP 12,000. This rate then changed to 15,000 effective February 1, 2023.The amount allowed to be withdrawn in LBP banknotes is limited to half the converted amount. • USD-denominated withdrawals will be financed through banks' own liquidity (50% of the withdrawn amount) and through the freed mandatory placements with the BDL (the remaining 50% of the withdrawn amount). In case the minimum "net placements abroad ratio" (as per BDL Basic Circular No. 154) drops to below 3% because of only the above withdrawals, banks will have till end-2023 to re-comply with the minimum requirement mentioned above. • Depositors benefitting from the above scheme in one bank are still eligible to benefit from BDL Basic Circular No. 151 in other banks.
Approval required	No.	
Held abroad	Yes.	These are subject to the limits and regulations set by the Law on Combating Money Laundering. Balances may be transferred to the home country freely.
Approval required	No.	

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Accounts in domestic currency held abroad	Yes.	Nonfinancial entities are permitted to hold these accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	All accounts are subject to the Law on Combating Money Laundering (which also deals with terrorism financing and corruption) and the relevant circulars issued by the BDL. Accounts are subject to the Law No. 55 related to the exchange of information for tax purposes in the case of request of foreign authorities. Exceptionally, because of the financial crisis, depositors are allowed to withdraw banknotes from their foreign-currency-denominated accounts in Lebanese pounds using an exchange rate of USD/LBP 2,600 as of April 21, 2020. This rate was changed to 3,000 on May 10, 2020, 3,900 on July 20, 2020, 8,000 as of December 10, 2021, and 15,000 effective February 1, 2023. Banks have to sell back these purchased foreign currencies to the BDL. This measure was introduced on April 21, 2020, and was to remain until December 31, 2023. However, effective July 27, 2022, banks are no longer obligated to sell back the purchased foreign currencies to the BDL. The obligation to banks to sell back the purchased foreign currency to the BDL applied just the currency that banks purchased from depositors that withdrew banknotes from their foreign-currency-denominated accounts. As of July 1, 2021, banks should take the necessary measures to pay back part of a depositor's total foreign currency accounts opened before October 31, 2019, in all banks operating in Lebanon as follows: • Maximum amount to be paid back is around US$9,600 a year and US$50,000 over 5 years. • 50% of the eligible amount (that is, US$4,800 a year) is allowed to be paid in USD banknotes or transferred abroad or used through banking cards on the basis of US$400 a month. The remaining 50% will be converted to LBP using an exchange rate USD/LBP 12,000. This rate then changed to 15,000 effective February 1, 2023. The amount allowed to be withdrawn in LBP banknotes is limited to half the converted amount. • USD-denominated withdrawals will be financed through banks' own liquidity (50% of the withdrawn amount) and through the freed mandatory placements with the BDL (the remaining 50% of the withdrawn amount). In case the minimum "net placements abroad ratio" (as per BDL Basic Circular No. 154) drops to below 3% because of only the above withdrawals, banks will have till end-2023 to re-comply with the minimum requirement mentioned above. • Depositors benefitting from the above scheme in one bank are still eligible to benefit from BDL Basic Circular No. 151 in other banks.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident individuals, nonbanks, and nonfinancial entities may freely maintain onshore accounts in Lebanese pounds. As of December 16, 2021, banks must pay banknotes in US dollars to their customers at the "Sayrafa" platform rate instead of paying them in Lebanese pounds the amounts resulting from making withdrawals from domestic currency accounts. Effective April 30, 2023, this platform was discontinued. Nonresident banks and financial entities are not allowed to have

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		debit or credit accounts (including fiduciary accounts) in Lebanese pounds with resident banks and financial institutions, except for the following purposes: (1) purchase of treasury bills and BDL CDs in Lebanese pounds, with BDL approval and provided the funds used for this purpose were originally foreign currency deposits converted to Lebanese pounds specifically for this purpose and (2) guarantees issued by nonresident banks against loans in Lebanese pounds for commercial or investment activities in Lebanon. All accounts are subject to the Law on Combating Money Laundering and Terrorism Financing.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	Yes.	Importers are required to deposit with a bank an amount equivalent to 15% of an LC's value in the same currency as the LC.
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	In general, import licenses are issued mainly for health, security, and fraud prevention and apply to about 3% (in value terms) of all goods imported into Lebanon (except petroleum derivatives). Licenses generally apply to imports of certain animal and plant products, medical substances, arms, ammunition, explosive materials, and certain telecommunications equipment and petroleum and industrial products.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Import prohibitions apply to a list of products for the protection of health and the environment, safety, and security. Imports from Israel are prohibited. In addition, certain commercial entities listed under the Arab Boycott List are barred from trading with Lebanon.
Import taxes and/or tariffs	Yes.	Under the Harmonized Tariff System, customs valuation is based on

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		c.i.f. or c.f.r. values; customs duties are generally ad valorem. The WTO valuation principle is also applied. Ad valorem rates vary between 0% and 75%. There are preferential duty rates for goods imported for industrial, agricultural, or public use. In addition to ad valorem duties, which apply to about 93% of products, the following rates apply: (1) The bracket-based calculation applies to cars. The value of a car is divided into two brackets, and the total duty is the sum of the duty applied at each bracket's rate. (2) Duty may be calculated on the basis of units of measure, such as weight or volume (for example, for gasoline). (3) Combined duty may be calculated on an ad valorem and specific basis, and the higher amount collected (for example, for tropical fruits and chickens). Excise duty is collected on tobacco and alcoholic and nonalcoholic beverages, cars, cement, and fuels. Lebanon applies the GAFTA convention and has signed bilateral FTAs with Egypt, Iraq, Jordan, Kuwait, Saudi Arabia, Syria, Turkey (the latter was signed in November 2010 but awaits parliamentary ratification), and the United Arab Emirates. Lebanon signed an interim agreement with the EU and the EFTA countries on trade and commercial issues in 2003, which formally triggered the 12-year transition to free trade. A VAT of 11% is levied on all goods and services, whether imported or produced domestically, except for some exempt goods and services. A tax of 3% on imported products subject to VAT, excluding gasoline, is in place.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Imports of some goods, including weapons of war and ammunition and wheat and tobacco products, are reserved for the government.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Exports of a limited number of products are prohibited for purposes of biodiversity conservation, forest conservation, ecology, security, health, and preserving the national cultural heritage.
Without quotas	Yes.	
With quotas	No.	
Export taxes	No.	

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Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	All accounts are subject to the Law on Combating Money Laundering and Terrorism Financing (which also deals with terrorism financing and corruption). There are quantitative limits for nonbank financial institutions, financial intermediation institutions, and Category A money dealers. The above institutions may not transfer, internally or abroad, for their clients to a third party an amount exceeding US$1,500. Only Category A money dealers may conduct hawala transactions. The maximum amount of each hawala transaction (inward or outward) is US$20,000. Total hawala transactions may not exceed 10 times the capital of the money dealer each year. As of April 16, 2020, nonbank financial institutions allowed to conduct electronic transfers must settle incoming transfers in Lebanese pounds at the market rate. As of August 6, 2020, nonbank financial institutions allowed to conduct electronic transfers must settle any incoming transfers in US dollars.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	Law No. 161 of August 17, 2011, established the Capital Markets Authority (CMA). The CMA's regulatory and supervisory authority includes (1) shares or other securities of a participating nature in commercial companies, (2) bonds or other debt securities, (3) money market instruments, (4) collective investment vehicles, and (5) derivatives and other instruments. The CMA began to exercise its functions toward the end of 2013. Three new financial expert board members of the CMA were appointed by Decree No. 6473 of June 10, 2020.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Shares or other securities of a participating nature of a single nonfinancial issuer may not exceed 10% of the equity of a bank or financial institution. Moreover, no shares, stocks, or other kind of capital participation may generate unlimited liability or responsibility for a bank or financial institution.
Purchase locally by nonresidents	Yes.	Limits are imposed on the acquisition of shares in real estate companies. Acquisition of shares in nonbank financial institutions and financial intermediation institutions is subject to BDL Central Council approval for the former and the CMA board of directors for the latter (CMA Regulation (Series 2000)) if (1) it leads directly or

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		indirectly to the acquisition by the purchaser of more than 10% of the institution's total shares; (2) the purchaser already holds 10% or more of the institution's shares; or (3) the purchaser or seller is a member or an elected member of the board of directors, irrespective of the number of shares to be sold. The 10% limit applies to spouses, minors, and any economic group. Approval of BDL Central Council is required for acquisition of shares in a bank if (1) it leads directly or indirectly to the acquisition by the purchaser more than 5% of total shares or voting rights; (2) the purchaser already holds more than 5% or more of total shares or voting rights; (3) the purchaser or seller of the shares is a member or an elected member of the board of directors of the bank involved; (4) the purchaser or seller of the shares is a member of the senior management or an employee of the bank involved and holds 1% or more of the total shares if such shares are listed; or (5) the purchase of shares by an employee leads directly or indirectly to his or her acquisition of more than 1% of the total shares if such shares are listed. Authorization and regulations also apply to ascendants, spouses, and descendants of sellers and purchasers. When purchasers of shares in banks and financial institutions are companies or mutual funds, their respective by-laws or Articles of Association must explicitly include that all their shares are in registered form, and are fully and continuously owned, whether directly or indirectly, by natural persons or companies whose shares are in registered form (BDL Intermediate Circular No. 411). Any legal entity, resident or nonresident, that acquires directly or indirectly a share in an issuing company or public company equal to or exceeding 5% of the shares or units of a fund with a voting right in the said company must submit a report to the CMA in this respect (Law No. 161).
Sale or issue locally by nonresidents	Yes.	Financial instrument transactions must be authorized by the CMA. Principal or secondary professional activity that involves solicitation of clients for subscription, purchase, swap, or sale of securities or financial instruments also requires CMA authorization. Legal entities may not undertake a public subscription without CMA approval. Issuance, sale, or offers to sell financial instruments for public subscription are also prohibited prior to obtaining the CMA's authorization. Invitations to potential investors for such financial instruments require CMA approval (Law No. 161). No person, resident or not, may issue or invite the public to subscribe to or market or make any statement, announcement, or communication that has the effect of selling, issuing, or offering the following products without authorization from the CMA: (1) shares, debt securities, or units issued by a public or private company or entity or a collective investment fund; (2) bonds, notes, CDs, depositary receipts, and treasury bills and bonds; (3) financial rights, options, futures, and any other derivatives or structured financial products; and (4) any other financial instrument authorized by the CMA or its regulations, except an instrument specifically excluded by the law. An exempt offer of securities (as defined in CMA Regulation (Series 6000)) must be notified to the CMA within a time limit of 14 days from the closing date for subscription, as of February 15, 2021. The offer of foreign securities in Lebanon (whether public or exempt) must be made through an approved institution licensed by the CMA. The offer of securities issued by a foreign government or by a supranational authority recognized by the CMA is exempted from the above requirements (CMA Regulation (Series 6000)).

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Purchase abroad by residents	Yes.	BDL approval is required for Lebanese banks and financial institutions to participate, directly or indirectly, and within the limits set by Article 153 of the Code of Money and Credit, in any foreign financial entity (bank, financial institution, brokerage house, mutual fund, insurance company). BDL approval is not required (1) if a resident bank participates indirectly through foreign banks and financial institutions in which the resident bank has a stake greater than 20% and if the participation of these foreign banks or financial institutions in the foreign financial sector is less than 20% of their assets or (2) if the stake of a resident bank is less than 20%. Approval for Lebanese bank participation depends on specific BDL conditions regarding ethical and technical qualifications. Banks, nonbank financial institutions, foreign exchange bureaus, and leasing companies are not allowed, directly or indirectly, to conduct any transactions with bearer shares companies and mutual funds or companies and mutual funds owned by other companies and mutual funds with bearer shares (BDL Intermediate Circular No. 411).
Sale or issue abroad by residents	Yes.	Banks and financial institutions require BDL approval to issue shares locally or abroad.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresident financial entities must obtain BDL approval when purchasing treasury securities issued in Lebanese pounds or BDL CDs denominated in Lebanese pounds, US dollars, or euros. Funds used to purchase treasury securities or CDs in Lebanese pounds must originally have been deposited in foreign currency and converted specifically for the purchase.
Sale or issue locally by nonresidents	Yes.	Financial instrument transactions must be authorized by the CMA. Principal or secondary professional activity that involves solicitation of clients for subscription, purchase, swap, or sale of securities or financial instruments also requires CMA authorization. Legal entities may not undertake a public subscription without CMA approval. Issuance, sale, or offers to sell financial instruments for public subscription are also prohibited prior to obtaining the CMA's authorization. Invitations to potential investors for such financial instruments require CMA approval (Law No. 161). No person, resident or not, may issue or invite the public to subscribe to or market or make any statement, announcement, or communication that has the effect of selling, issuing, or offering the following products without authorization from the CMA: (1) shares, debt securities, or units issued by a public or private company or entity or a collective investment fund; (2) bonds, notes, CDs, depositary receipts, and treasury bills and bonds; (3) financial rights, options, futures, and any other derivatives or structured financial products; and (4) any other financial instrument authorized by the CMA or its regulations, except an instrument specifically excluded by the law. An exempt offer of securities (as defined in CMA Regulation (Series 6000)) must be notified to the CMA within a time limit of 14 days from the closing date for subscription, as of February 15, 2021. The offer of foreign securities in Lebanon (whether public or exempt) must be made through an approved institution licensed by the CMA. The offer of securities issued by a foreign government or by a supranational authority recognized by the CMA is exempted from the above requirements (CMA Regulation (Series 6000)).
Purchase abroad by residents	Yes.	The following apply to banks' and financial institutions' holdings, including by their foreign branches and subsidiaries: (1) A 25%

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		equity limit applies to the nominal value of structured financial products held and purchased abroad, provided (a) they are issued or guaranteed by an issuer or a guarantor rated at least A and (b) their capital is unconditionally and totally guaranteed. (2) A 10% equity limit applies to credit-linked notes (CLNs) related to Lebanese Eurobonds and BDL CDs in foreign currencies and purchased from abroad, provided (a) their capital is unconditionally and totally guaranteed; (b) they are issued or guaranteed by an issuer or guarantor rated at least A; and (c) they include mandatory physical settlement in the case of a credit event—such as default on Eurobonds or BDL CDs—whereby changes in the price of credit default swaps on Lebanese treasury bills not induced by an internationally recognized credit event are not categorized under a credit event and consequently do not call for mandatory physical settlement. (3) A 50% equity limit applies to non-Group of Ten (G10) sovereign bonds rated at least BBB and corporate bonds rated at least BBB; if guaranteed, the guarantor must be rated at least BBB. The applicable rating is the lowest of Standard & Poor's (S&P's) or another internationally recognized rating agency, provided it is BBB or higher. The 50% limit includes the 25% structured financial products' equity limit and the 10% CLNs related to Lebanese Eurobonds and BDL CDs in foreign currencies equity limit and deposits abroad with a maturity of one year or more. (4) A 10% equity limit applies to the total value of sovereign (except G10 countries) and other bonds, structured financial products, and CLNs of a single issuer. (5) A 10% equity limit applies to placements with banks abroad with maturity of one year or longer. (6) A 50% equity limit applies to the total value of sovereign (except G10 countries) and corporate bonds, structured financial products, CLNs, and interbank deposits. (7) Investments by Lebanese affiliates abroad in sovereign bonds issued in the currency of the host country may not exceed deposits in the same currency. With respect to Item (3), the BDL may authorize banks and financial institutions to exceed the 50% limit, if they have a high capital adequacy ratio and they abide by BCC and BDL circulars, particularly on ethical and technical qualifications of specific functions in the banking and financial sector. In the calculation of ratios, the investments of banks' and financial institutions' branches abroad are included in the portfolio of bonds, structured financial products, and CLNs and deposits abroad with a maturity of one year or more. When placing bids, banks and financial institutions must also abide by the limits. Banks, nonbank financial institutions, foreign exchange bureaus, and leasing companies are not allowed, directly or indirectly, to conduct any transactions with bearer shares companies and mutual funds or companies and mutual funds owned by other companies and mutual funds with bearer shares (BDL Intermediate Circular No. 411).
Sale or issue abroad by residents	Yes.	BDL approval is required for banks and financial institutions to issue bonds locally or abroad.
On money market instruments	Yes.	The regulations governing bonds or other debt securities apply.
Purchase locally by nonresidents	Yes.	Nonresident financial entities must obtain BDL approval when purchasing treasury securities issued in Lebanese pounds or BDL CDs denominated in Lebanese pounds, US dollars, or euros. Funds used to purchase treasury securities or CDs in Lebanese pounds must originally have been deposited in foreign currencies and converted specifically for the purchase.
Sale or issue locally by nonresidents	Yes.	CMA approval is required. However, foreign sovereign bonds and short-term instruments are exempted from the CMA approval pursuant to Article 37 of Law No. 161.

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Purchase abroad by residents	Yes.	The purchase of sovereign bonds, including treasury bonds—(except from G10 countries) with an S&P rating of at least BBB or an equivalent rating from another internationally recognized rating agency—and the purchase of corporate bonds rated BBB and issued by corporations rated at least BBB are limited to 50% of banks' and financial institutions' equity. The total value of corporate bonds and structured financial products from a single issuer may not exceed 10% of Tier 1 capital.
Sale or issue abroad by residents	Yes.	BDL approval is required for banks and financial institutions to issue money market instruments locally or abroad.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Any legal entity, resident or nonresident, that acquires directly or indirectly a share in an issuing company or public company equal to or exceeding 5% of the shares or units of a fund with a voting right in the said company must submit a report to the CMA in this respect.
Sale or issue locally by nonresidents	Yes.	The promotion of and trading in foreign collective investment securities are subject to CMA approval. Public offer of units in a foreign investment fund in Lebanon is not permitted unless that fund is approved by the regulator in its jurisdiction for public offer and is approved by the CMA as offering equivalent protection to Lebanese investors. The offer in Lebanon of units in a foreign fund that is not an approved fund is only permitted if it is an exempt offer (that is, offered to professional clients and the minimum subscription amount is US$50,000). The offer of units of foreign collective investment funds in Lebanon (whether public or exempt) must be undertaken by an approved institution licensed by the CMA.
Purchase abroad by residents	Yes.	The limit for banks' purchases of collective investment securities is set by Article 153 of the Code of Money and Credit. According to this limit, the total of a bank's initial capital and holdings of fixed assets, real estate, equity investments, and credit to connected persons may not exceed its own funds. Banks, nonbank financial institutions, foreign exchange bureaus, and leasing companies are not allowed, directly or indirectly, to conduct any transactions with bearer shares companies and mutual funds or companies and mutual funds owned by other companies and mutual funds with bearer shares (BDL Intermediate Circular No. 411). The manager of a collective investment fund may not acquire units in another collective investment fund unless the latter is an approved fund or a publicly offered fund that is subject to similar regulation and oversight in a jurisdiction judged by the CMA to provide equivalent investor protection to applicable Lebanese laws and regulations (CMA Regulation (Series 8000)).
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Operations with financial instruments must be authorized by the CMA. Principal or secondary professional activity that involves solicitation of clients for subscription, purchase, swap, or sale of securities or financial instruments also requires CMA authorization. Legal entities may not undertake a public subscription without CMA approval. Issuance, sale, or offer to sell financial instruments for public subscription is also prohibited prior to obtaining the CMA's authorization. Invitations to potential investors concerning such

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		financial instruments are prohibited without CMA approval (Law No. 161). No person, resident or not, may issue or invite the public to subscribe to or market or make any statement, announcement, or communication that has the effect of selling, issuing, or offering the following products without authorization from the CMA: (1) shares, debt securities, or units issued by a public or private company or entity or a collective investment fund; (2) bonds, notes, CDs, depositary receipts, and treasury bills and bonds; (3) financial rights, options, futures, and any other derivatives or structured financial products; and (4) any other financial instrument authorized by the CMA or its regulations, except an instrument specifically excluded by the law. An exempt offer of securities (as defined in CMA Regulation (Series 6000)) does not require the approval of CMA but must be notified to the CMA within a time limit of 14 days from the closing date for subscription, as of February 15, 2021. The CMA has the right to object to the proposed offer or to prohibit it if it deems that the offer is not in the public interest or may result in a breach of CMA laws and regulations. The offer of foreign securities in Lebanon (whether public or exempt) must be made through an approved institution licensed by the CMA (CMA Regulation (Series 6000)).
Purchase abroad by residents	Yes.	Financial intermediaries (that is, banks, financial institutions, financial intermediation companies) may not perform on their own behalf, or on behalf of their clients, a transaction in financial derivatives or an off-exchange retail foreign exchange transaction with a nonresident party except with (1) a party that operates in the United States, provided it is a member of the National Futures Association and licensed by the Commodity Futures Trading Commission, and (2) a party that operates outside the United States or is not a resident of the United States, provided it has an investment grade rating and is licensed to trade in financial derivatives by the relevant regulatory authorities in countries with investment grade (Article 3602 of the CMA Regulation (Series 3000)). Banks, unlike other financial institutions and brokerage firms, may engage, on their own behalf, in derivatives transactions locally or abroad for hedging purposes only. Banks and financial institutions may not deal on their own behalf with nonresident sectors nor in any currency in structured financial products, except for unconditional capital-guaranteed structured financial products issued or guaranteed by an issuer or a guarantor rated at least A, provided their total nominal value does not exceed 25% of Tier 1 capital. The total value of corporate bonds and structured financial products of a single issuer may not exceed 10% of equity, and banks and financial institutions may not deal, on their own behalf with nonresident entities, in CLNs related to Lebanese Eurobonds and BDL CDs denominated in foreign currency, except (1) notes that are capital guaranteed in the case of a credit event, such as default on Eurobonds or BDL CDs, and (2) notes issued or guaranteed by an at least A-rated issuer or guarantor, on condition of mandatory payment and delivery of the Eurobonds and BDL CDs when the credit event occurs, whereby changes in the price of credit default swaps on Lebanese treasury bills not induced by an internationally recognized credit event are not categorized under a credit event and consequently do not call for mandatory physical settlement. The nominal value of these CLNs may not exceed 10% of the capital of the bank or financial institution.
Sale or issue abroad by residents	Yes.	Financial intermediaries (that is, banks, financial institutions, financial intermediation companies) may not perform on their own

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		behalf, or on behalf of their clients, a transaction in financial derivatives or an off-exchange retail foreign exchange transaction with a nonresident party except with (1) a party that operates in the United States, provided it is a member of the National Futures Association and licensed by the Commodity Futures Trading Commission, and (2) a party that operates outside the United States or is not a resident of the United States, provided it is rated an investment grade rating and is licensed to trade in financial derivatives by the relevant regulatory authorities in countries with investment grade rating (Article 3602 of the CMA Regulation (Series 3000)). Banks, unlike other financial institutions and brokerage firms, may engage, on their own behalf, in derivatives transactions locally or abroad for hedging purposes only.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	The following limits apply to banks' credit facilities for borrowers: (1) For credit used in Lebanon and abroad, credit by a bank in Lebanon and its branches and subsidiaries abroad to a single borrower (or group of related borrowers) may not exceed 20% of Tier 1 capital. (2) For credit used only abroad, credit by a bank in Lebanon and its branches abroad to a single borrower (or group of related borrowers) may not exceed 10% of Tier 1 capital. (3) Total credit by a bank in Lebanon and its foreign branches for use abroad may not exceed four times Tier 1 capital. (4) Total for large exposure credits (that each one exceeds 10% of the bank's consolidated Tier 1 capital) used in Lebanon and abroad may not exceed four times Tier 1 capital on a consolidated basis. The limits per country are as follows: (1) Total credit by a bank and its foreign branches for use in a country rated at least BBB may not exceed 50% of Tier 1 capital. (2) Total credit by a bank and its foreign branches for use in a country rated below BBB or unrated may not exceed 25% of Tier 1 capital. Total credit by a bank in Lebanon and its branches abroad for use in countries rated below BBB or unrated may not exceed 100% of Tier 1 capital. Car or housing loans in domestic and foreign currencies to residents and nonresidents may not exceed 75% of the price of the car or the house (except housing loans by the housing bank and housing corporation and through the military housing plan and the Ministry of Displaced and Protocols for Judges and the Internal Security Forces and Public Security). The total monthly payment for all loans may not exceed 35% of a family's income (family consists of husband and wife). The maximum is 45% if the family benefits from a housing loan, provided the monthly payments of the housing loan do not exceed 35% of the family income. Banks and financial institutions may not extend credit in Lebanese pounds to nonresident financial entities. Banks may not extend credit to clients in domestic currency for the purpose of constituting deposits in foreign currency other than for commercial purposes. Banks and financial institutions may not extend credit in domestic currency for the purpose of settling a loan already originated in foreign currency by the bank itself or the financial institution itself or by another bank or another financial institution (BDL Basic Circular No. 46). As of December 9, 2020, the law that banks are required to maintain an LTD ratio in Lebanese pounds (LBP) of no more than 25% was removed (BDL Intermediate Circular No. 577). Credit counters are not allowed to grant loans for one individual borrower or group of borrowers more than 5% of their equity or the equivalent of US$0.1 million whichever is less, provided the monthly

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		payments for all loans granted by any credit institution do not exceed 35% of the family income (BDL Basic Circular to credit counters No. 2).
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	The net debtor interbank position between Lebanese banks and affiliates (subsidiaries and sister companies) abroad may not exceed 25% of Tier 1 capital. This restriction applies to credit by banks in Lebanon to affiliated nonfinancial entities abroad. Banks and financial institutions may not extend credit in Lebanese pounds to nonresident financial entities. Banks and financial institutions may not make treasury placements abroad other than for operating accounts, except with correspondents rated at least BBB or nonrated correspondents affiliated to banking groups rated BBB and above, provided these correspondents are based in countries rated BBB and above. (Placements with Lebanese bank affiliates abroad are exempt.) Total net credit exposure with each correspondent abroad may not exceed 25% of the bank's (financial institution's) Tier 1 capital. Net credit exposure includes all on-balance- and off-balance-sheet exposures. To prevent short-selling operations on Lebanese Eurobonds, CLNs, and BDL CDs, banks and nonbank financial institutions were directed to amend contracts with their correspondents and custodians abroad to prevent transactions on such instruments pledged or placed in custody. Banks and financial institutions must be fully informed of the laws and regulations governing their correspondents abroad and must ensure compliance with the laws, regulations, procedures, sanctions, and restrictions of international legal organizations and sovereign authorities in the correspondents' home country. Banks, nonbank financial institutions, foreign exchange bureaus, and leasing companies are not allowed, directly or indirectly, to conduct any transactions with bearer shares companies and mutual funds or companies and mutual funds owned by other companies and mutual funds with bearer shares (BDL Intermediate Circular No. 411). Banks are not allowed to grant loans to credit counters (BDL Intermediate Circular No. 410).
To residents from nonresidents	Yes.	Nonresidents may not extend credit in Lebanese pounds to residents. Lebanese banks and nonbank financial institutions may borrow from the nonresident financial sector against Lebanese sovereign bonds in foreign currencies (including CDs issued by the BDL) and foreign sovereign and non-sovereign bonds up to 50% of Tier 1 equity of the bank or nonbank financial institution. Borrowing against Lebanese sovereign bonds and BDL CDs in foreign currencies is limited to 60% of the value of the pledged portfolio. Borrowing against foreign sovereign bonds is limited to 60% of the pledged portfolio. Borrowing against foreign corporate bonds is limited to 50% of the pledged portfolio.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	The regulations governing commercial credits apply regarding banks and financial institutions.
To residents from nonresidents	Yes.	Nonresident financial entities may issue guarantees against loans made in Lebanese pounds if the loans are related to investment or commercial activities in Lebanon.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Direct investments by banks in the financial sector abroad require

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		BDL approval and are subject to the limit set by Article 153 of the Code of Money and Credit. According to this limit, the total of a bank's initial capital and holdings of fixed assets real estate, equity investments, and credit to connected persons may not exceed its own funds.
Inward direct investment	Yes.	Foreign investments in the real estate sector are subject to specific ceilings. All foreigners must obtain a license from the council of ministers to acquire real estate exceeding a certain threshold. Real estate acquisition by a branch of a foreign bank must be funded in foreign currency by its headquarters and is subject to the limit set by Article 153 of the Code of Money and Credit.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	The limit for banks locally and abroad is set by Article 153 of the Code of Money and Credit.
Purchase locally by nonresidents	Yes.	All foreigners must obtain a license from the council of ministers to acquire real estate in Lebanon. However, subject to the conditions in Decree No. 11614 of January 4, 1969, foreigners may acquire real estate without a license if the acquisition does not exceed a certain percentage in a specific surface area. There is a maximum total surface area that may be acquired in the capital and in each Lebanese district. Real estate acquisition by a branch of a foreign bank must be funded in foreign currency by its head office and is subject to the limits in Article 153 of the Code of Money and Credit.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	These transactions are permitted without limitation, provided anti-money-laundering and antiterrorism regulations are followed.
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Car or housing loans in domestic and foreign currencies to residents and nonresidents may not exceed 75% of the price of the car or the house (except housing loans by the housing bank and housing corporation, and through the military housing plan and the Ministry of Displaced and Protocols for Judges and the Internal Security

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		Forces and Public Security). The total monthly payment for all loans may not exceed 35% of the income of the family (family consists of husband and wife). The maximum is 45% if the family benefits from a housing loan, provided the monthly payment of the housing loan does not exceed 35% of the family income. Banks and financial institutions operating in Lebanon should not downgrade the debts of customers negatively affected by the spread of COVID-19, in the event of delays in repaying their debts (origin and interest) and/or they exceed the ceilings of the facilities approved and granted to them, and not to consider this as an indicator of a significant increase in credit risks. Or as an indicator of a decline in the credit value of these customers or as evidence of default, from January 2, 2020, to December 31, 2021. In this case, the outstanding amounts arising solely from this situation can be rescheduled without arranging for a reclassification of the debt. As of December 9, 2020, the law that banks are required to maintain an LTD ratio in Lebanese pounds (LBP) of no more than 25% was removed (BDL Intermediate Circular No. 577).
Borrowing abroad	Yes.	BDL approval is required for resident banks and financial institutions to issue bonds locally or abroad. CDs issued by a bank are limited to six times its own funds. Lebanese banks and nonbank financial institutions may borrow from the nonresident financial sector against Lebanese sovereign bonds in foreign currencies (including CDs issued by the BDL) and foreign sovereign and non-sovereign bonds up to 50% of Tier 1 equity of the bank or nonbank financial institution. Borrowing against Lebanese sovereign bonds and BDL CDs in foreign currencies is limited to 60% of the value of the pledged portfolio. Borrowing against foreign sovereign bonds is limited to 60% of the pledged portfolio. Borrowing against foreign corporate bonds is limited to 50% of the pledged portfolio.
Maintenance of accounts abroad	Yes.	Financial entities are prohibited from maintaining accounts abroad in Lebanese pounds. Banks, nonbank financial institutions, foreign exchange bureaus, and leasing companies are not allowed, directly or indirectly, to conduct any transactions with bearer shares companies and mutual funds or companies and mutual funds owned by other companies and mutual funds with bearer shares (BDL Intermediate Circular No. 411).
Lending to nonresidents (financial or commercial credits)	Yes.	The following limits apply to banks' credit facilities for borrowers: (1) For credit used in Lebanon and abroad, credit by a bank in Lebanon and its branches and subsidiaries abroad to a single borrower (or group of related borrowers) may not exceed 20% of Tier 1 capital. (2) For credit used only abroad, credit by a bank in Lebanon and its branches abroad to a single borrower (or group of related borrowers) may not exceed 10% of Tier 1 capital. (3) Total credit by a bank in Lebanon and its foreign branches for use abroad may not exceed four times Tier 1 capital. (4) Total for large exposure credits (that each one exceeds 10% of the bank's consolidated Tier 1 capital) used in Lebanon and abroad may not exceed four times Tier 1 capital on a consolidated basis. The limits per country are as follows: (1) Total credit by a bank and its foreign branches for use in a country rated at least BBB may not exceed 50% of Tier 1 capital. (2) Total credit by a bank and its foreign branches for use in a country rated below BBB or unrated may not exceed 25% of Tier 1 capital. Total credit by a bank in Lebanon and its branches abroad for use in countries rated below BBB or unrated may not exceed 100% of Tier 1 capital. Car or housing loans in domestic and foreign currencies to residents and nonresidents may not exceed 75% of the price of the car or the house (except housing loans by the housing

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		bank and housing corporation and through the military housing plan and the Ministry of Displaced and Protocols for Judges and the Internal Security Forces and Public Security). The total monthly payment for all loans may not exceed 35% of the income of the family (family consists of husband and wife). The maximum is 45% if the family benefits from a housing loan, provided the monthly payments of the housing loan do not exceed 35% of the family income. As of December 9, 2020, the law that banks are required to maintain an LTD ratio in Lebanese pounds (LBP) of no more than 25% was removed (BDL Intermediate Circular No. 577). Banks and financial institutions may not make treasury placements abroad other than for operating accounts, except with correspondents rated at least BBB or nonrated correspondents affiliated to banking groups rated BBB and above, provided these correspondents are based in countries rated BBB and above. (Placements with Lebanese bank affiliates abroad are exempt.) The total net credit exposure with each correspondent abroad may not exceed 25% of the bank's (financial institution's) Tier 1 capital. Net credit exposure includes all on-balance- and off-balance-sheet exposures. To prevent short-selling operations on Lebanese Eurobonds, CLNs, and BDL CDs, banks and nonbank financial institutions were directed to amend contracts with their correspondents and custodians abroad to prevent transactions on such instruments pledged or placed in custody. Banks and financial institutions must be fully informed of the laws and regulations governing their correspondents abroad and must ensure compliance with the laws, regulations, procedures, sanctions, and restrictions of international legal organizations and sovereign authorities in the correspondents' home country. The net debtor interbank position between a Lebanese bank and its subsidiaries and sister companies abroad may not exceed 25% of Tier 1 capital. This limit also applies to credit from banks in Lebanon to affiliated nonfinancial entities abroad. Banks and financial institutions may not extend credit in Lebanese pounds to nonresident financial entities. Banks, nonbank financial institutions, foreign exchange bureaus, and leasing companies are not allowed, directly or indirectly, to conduct any transactions with bearer shares companies and mutual funds or companies and mutual funds owned by other companies and mutual funds with bearer shares (BDL Intermediate Circular No. 411).
Lending locally in foreign exchange	Yes.	The following limits apply to banks' credit facilities for borrowers: (1) For credit used in Lebanon and abroad, credit by a bank in Lebanon and its branches and subsidiaries abroad to a single borrower (or group of related borrowers) may not exceed 20% of Tier 1 capital. (2) For credit used only abroad, credit by a bank in Lebanon and its branches abroad to a single borrower (or group of related borrowers) may not exceed 10% of Tier 1 capital. (3) Total credit by a bank in Lebanon and its foreign branches for use abroad may not exceed four times Tier 1 capital. (4) Total for large exposure credits (that each one exceeds 10% of the bank's consolidated Tier 1 capital) used in Lebanon and abroad may not exceed four times Tier 1 capital on a consolidated basis. The limits per country are as follows: (1) Total credit by a bank and its foreign branches for use in a country rated at least BBB may not exceed 50% of Tier 1 capital. (2) Total credit by a bank and its foreign branches for use in a country rated below BBB or unrated may not exceed 25% of Tier 1 capital. Total credit by a bank in Lebanon and its branches abroad for use in countries rated below BBB or unrated may not exceed 100%

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		of Tier 1 capital. Car or housing loans in domestic and foreign currencies to residents and nonresidents may not exceed 75% of the price of the car or the house (except housing loans by the housing bank and housing corporation and through the military housing plan and the Ministry of Displaced and Protocols for Judges and the Internal Security Forces and Public Security). The total monthly payment for all loans may not exceed 35% of the income of the family (family consists of husband and wife). The maximum is 45% if the family benefits from a housing loan, provided the monthly payments of the housing loan do not exceed 35% of the family income. The net debtor interbank position between a Lebanese bank and its subsidiaries and sister companies abroad may not exceed 25% of Tier 1 capital. This limit also applies to credit from banks in Lebanon to affiliated nonfinancial entities abroad. Commercial banks may not lend to specialized or Islamic banks of the same group. Credit counters are not allowed to grant loans for one individual borrower or group of borrowers more than 5% of their equity or the equivalent of US$0.1 million whichever is less, provided the monthly payments for all loans granted by any credit institution do not exceed 35% of the family income (BDL Basic Circular to credit counters No. 2). Banks are not allowed to grant loans to credit counters (BDL Intermediate Circular No. 410).
Purchase of locally issued securities denominated in foreign exchange	Yes.	Banks are allowed to purchase shares and securities of a participating nature irrespective of currency, within the limits set by Article 153 of the Code of Money and Credit. They may purchase up to 20% of Tier 1 capital in corporate bonds issued locally. Banks may repurchase their own securities and global depositary receipts issued against their shares within the limit of 5% of their total shares and with BDL approval. The total amount purchased by Banks of global depositary receipts issued against their shares and of its shares traded in the financial markets is limited to 10% of its total shares. Purchase of bank CDs or bonds issued by banks or nonbank financial institutions is limited to 100% of the issuer's own funds. Shares or other securities of a participating nature in any nonfinancial company may not exceed 10% of a bank's or financial institution's equity. Shares, stocks, and other capital participation may not lead to a bank's or financial institution's unlimited liability or responsibility.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve requirement on Lebanese pound deposits is 25% for demand and 15% for term deposits. As of June 4, 2021, banks are subject to a mandatory placement (remunerated) at the BDL of 14% (previously 15%) of their foreign currency deposits, bonds, and CDs issued by banks in foreign currency, in addition to loans from financial sector entities with a maturity of one year or less. As of April 9, 2020, no differential reserve requirement applies to foreign currency deposits except mandatory placement. However, fresh funds representing cash transactions in foreign currencies and incoming transfers from abroad are not subject to the foreign currency mandatory placement requirement provided the following: (1) The depositor has the freedom to use these funds and to benefit from all banking services, including transfers abroad, cash withdrawals, and bank card services in Lebanon and abroad. (2) The use of these funds is fully tracked by banks (through the opening of a new special account or a dedicated sub-account, etc.). As of February 25, 2021, banks must deposit what is equivalent to

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		100% of the value of the fresh funds, in cash with it or with its correspondents abroad in a free account. Banks do not have to deposit 100% of the value with the BDL if it does not keep it with its correspondents abroad. Reserve requirements on Lebanese pounds are lower than statutory requirements because the BDL introduced subsidy plans that allow banks to deduct qualifying loans from required reserves on customer deposits, up to 90% of the reserve requirement. Deduction is no longer applicable against loans granted after October 20, 2017 (Intermediate Circular No. 475).
Liquid asset requirements	Yes.	Net liquid assets must not be less than 10% of all foreign-exchange-denominated deposits, CDs, bonds, and loans from the financial sector with a remaining maturity of one year or less. In addition to the above requirement, banks should abide by the Basel III LCR per significant currency which requires banks to hold liquid assets covering more than 100% of net cash outflows. Banks are required to have a minimum of "net free liquidity abroad" (that is, net placements with foreign correspondents maturing within one year after deducting other foreign liabilities and off-balance-sheet commitments) no less than 3% of the non-financial sector deposit base in foreign currencies as of end-July 2020.The measure was introduced as of August 27, 2020.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	There is no differential treatment for nonresident deposits. The reserve requirement on Lebanese pound deposits is 25% for demand and 15% for term deposits. Banks are subject to a mandatory placement (remunerated) at the BDL of 14% (since June 4, 2021; previously 15%) of their foreign currency deposits, bonds, and CDs issued by banks in foreign currency, in addition to loans from financial sector entities with a maturity of one year or less. No differential reserve requirement applies to foreign currency deposits except mandatory placement as mentioned above in XII.A.6.a. However, effective reserve requirements on Lebanese pounds are lower than statutory requirements because the BDL introduced subsidy plans that allow banks to deduct qualifying loans from required reserves on customer deposits, up to 90% of the reserve requirement. Deduction is no longer applicable against loans granted after October 20, 2017 (Intermediate Circular No. 475).
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	BDL approval is required for investments by banks and financial institutions in mutual funds in Lebanon.
Abroad by banks	Yes.	BDL approval is required for banks to acquire shares in financial entities abroad within the limits set by Article 153 of the Code of Money and Credit. The following limits and terms apply to banks' and financial institutions' holdings of financial instruments, including by their foreign branches and subsidiaries abroad: (1) A 25% equity limit applies to the nominal value of structured financial products held and purchased abroad, provided (a) they are issued or guaranteed by an issuer or a guarantor rated at least A and (b) their

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		capital is unconditionally and totally guaranteed. (2) A 10% equity limit applies to CLNs related to Lebanese Eurobonds and BDL CDs denominated in foreign currencies and purchased from abroad, provided (a) their capital is unconditionally and totally guaranteed, (b) they are issued or guaranteed by an issuer or guarantor rated at least A, and (c) they provide for mandatory physical settlement in the case of a credit event, such as default on Eurobonds or BDL CDs, whereby changes in prices of credit default swaps on Lebanese treasury bills not induced by an internationally recognized credit event are not categorized as a credit event and do not call for mandatory physical settlement. (3) A 50% equity limit on non-G10 sovereign bonds rated at least BBB and bonds issued by an issuer rated at least BBB; if guaranteed, the guarantor must be rated at least BBB by S&P or an equivalent rating agency. The 50% limit includes the 25% structured financial products' equity limit and the 10% CLNs related to Lebanese Eurobonds and BDL CDs in foreign currencies equity limit and deposits abroad with a maturity of one year or more. (4) A 10% equity limit applies to the total value of sovereign (except from G10 countries) and other bonds, structured financial products, and CLN operations with one issuer. (5) A 10% limit applies to deposits abroad with maturity of one year or longer. (6) A 50% equity limit applies to the total value of sovereign (except from G10 countries) and corporate bonds, structured financial products, CLNs, and interbank deposits. (7) Investments by Lebanese affiliates abroad in sovereign bonds in the currency of the host country may not exceed deposits in the same currency at the affiliate. With respect to Item (3), the BDL may authorize banks and financial institutions to exceed the 50% limit, if they have a high capital adequacy ratio and if they abide by BCC and BDL circulars, particularly related to the fulfillment of ethical and technical qualifications required to practice specific functions in the banking and financial sector. In the calculation of all ratios mentioned, the investments of banks' and financial institutions' branches and subsidiaries abroad are included in the portfolio of bonds, structured financial products, CLNs, and deposits abroad with a maturity of one year or more. When placing bids, banks and financial institutions must also abide by the statutory limits. Banks are not allowed, directly or indirectly, to conduct any transactions with bearer shares companies and mutual funds or companies and mutual funds owned by other companies and mutual funds with bearer shares (BDL Intermediate Circular No. 411).
In banks by nonresidents	Yes.	Approval is required for acquisition of shares in a bank if (1) it leads directly or indirectly to the acquisition by the purchaser more than 5% of total shares or voting rights; (2) the purchaser already holds more than 5% or more of total shares or voting rights; (3) the purchaser or seller of the shares is a member or an elected member of the board of directors of the bank involved; (4) the purchaser or seller of the shares is a member of the senior management or an employee of the bank involved and holds 1% or more of the total shares if such shares are listed; or (5) the purchase of shares by an employee leads directly or indirectly to his or her acquisition of more than 1% of the total shares if such shares are listed. Authorization and regulations also apply to ascendants, spouses, and descendants of sellers and purchasers. Foreign banks may establish wholly owned branches, subject to BDL approval. Banks and financial institutions require BDL approval to issue shares locally or abroad. When purchasers of shares in banks are companies or mutual funds, their respective by-laws or Articles of Association must explicitly include that all their shares are in registered form, and are fully and continuously owned, whether directly or indirectly, by natural

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		persons or companies whose shares are in registered form (BDL Intermediate Circular No. 411).
Open foreign exchange position limits	Yes.	For banks, the net trading foreign exchange position is limited to 1% of net Tier 1 capital, and the global position is limited to 40% of net Tier 1 capital. Banks may hold a fixed position in foreign currencies up to 60% of their Tier 1 equity after deduction of assets subject to Article 153 of the Law of Money and Credit and Equity instruments in foreign currencies. Other structural positions are subject to BDL approval (BDL Intermediate Circular No. 474 of October 5, 2017). Nonbank financial institutions may hold (1) a long net trading position up to 100% of their free equity in Lebanese pounds, which includes positions held for hedging their capital in Lebanese pounds, and (2) a short net trading position up to 5% of Tier 1 equity.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Decree No. 2441 of June 29, 2009, imposes a number of limitations on the invested assets of insurance companies for the sake of measuring admissible assets in comparison with insurance liabilities. Companies need to observe strict currency matching in respect of the written liabilities.
Limits (max.) on securities issued by nonresidents	Yes.	There are no absolute limits for investing in nonresident securities for insurance companies. However, a maximum of 50% of assets backing life insurance liabilities relating to polices denominated in foreign currencies (whether for life or composite insurance companies) may be invested in securities issued by nonresidents. No securities issued by nonresidents are considered in the computation of admitted assets for non-life companies (or for the non-life operations in composite insurance companies). These investments to be admitted must be quoted and approved by Insurance Control Commission.
Limits (max.) on investment portfolio held abroad	Yes.	There are no absolute limits for investing in these securities for insurance companies. However, a maximum of 50% of assets backing life insurance liabilities relating to polices denominated in foreign currencies (whether for life or composite insurance companies) may be invested in portfolios held abroad. No portfolios held abroad are considered in the computation of admitted assets for non-life companies (or for the non-life operations in composite insurance companies). These investments to be admitted must be quoted and approved by Insurance Control Commission.
Limits (min.) on investment portfolio held locally	Yes.	For life insurance companies (or for the life operations of composite insurance companies), a minimum limit for cash investments and investments in treasury bills and bonds held locally is set at 10% of the company's life insurance obligations, of which no less than 5% should be in cash deposits only. For non-life-insurance companies (or for the non-life operations in composite insurance companies), these minimums are, respectively, 20% and 10%.
Currency-matching regulations on assets/liabilities composition	Yes.	For life insurance companies, the 50% limit on admissible foreign investments is applied to the insurance liabilities relating to policies issued in foreign currencies.
Pension funds	No.	

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Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	The CMA is the authority responsible for regulating the establishment, sale, and distribution of local and foreign collective investment schemes.
Limits (max.) on securities issued by nonresidents	Yes.	In general, no limits are imposed, but CMA approval is required for promotion and sale of foreign collective investment securities.
Limits (max.) on investment portfolio held abroad	Yes.	Collective investment fund managers may not own more than 15% of the securities of a single issuer. Provisions regarding portfolio investment abroad by investment firms and collective investment funds include: A feeder fund may invest up to 100% of the NAV of the fund into a designated master fund or sub-fund which holds a diversified portfolio of investments. A feeder fund investing in a master fund or sub-fund is exempted from the below-mentioned 15% limit on investment in one issuer. Not more than 100% of the NAV of a fund may be hedged. The manager must not borrow on behalf of an open-ended scheme or interval scheme by any method except for borrowing of a maximum of 10% of the total asset value of the fund for a maximum of 8 days by way of overdraft. Such borrowing must not be rolled over, must only be used to meet redemptions, and must not be used for investment or to finance payment of investment returns to unit holders. The manager must not borrow on behalf of a closed-ended fund more than 20% of the total asset value of the fund. In the case of a closed-ended fund investing in real estate, the manager must ensure that no more than 60% of the value of any one piece of real estate is secured by mortgage. Not more than 15% of the NAV of a collective investment fund is permitted to be invested in a specific class of securities of any one issuer or to be deposited with one bank except that: (1) up to 35% of its NAV may be invested in one issue of Lebanese government securities or government securities issued by G10 countries; (2) a fund may only invest up to 15% of its NAV in one other scheme, provided fund is not a sub-fund within the same umbrella fund as the investing fund; (3) a fund is permitted to have an aggregate exposure of not more than 20% of its NAV to the securities issued by any one issuer and its associates and deposits of the same body corporate and its associates; and (4) a fund is permitted to invest up to 100% of its NAV in government securities, provided it does not invest more than 35% of its NAV in any one issue of such securities. A collective investment fund is permitted to invest up to 100% of its NAV in foreign government securities subject to the following: (1) the sovereign foreign government securities are rated investment grade BBB or equivalent and (2) at no time such fund invests more than 35% of its NAV in any one issue of such securities. Not more than 15% of the NAV of a collective investment fund must be invested in any one real estate investment. The collective investment fund manager of an open-ended fund or an interval fund may invest not more than 10% of the NAV of that fund in shares that are not listed or traded on a securities exchange.
Limits (min.) on investment portfolio	Yes.	Collective investment funds that acquire shares in a Lebanese bank

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held locally		must include in their by-laws the following provisions: (1) Their shares must be owned by individuals, banks, or financial institutions and may not be sold, except to individuals, banks, or financial institutions. (2) If their participation and beneficiary rights equal or exceed 5% of the common shares of the Lebanese bank, they must send the BDL and BCC all the requested information related to their balance sheet and shareholders. (3) BDL approval is required to modify the above provisions and in the case of the following: (a) acquisition of more than 5% of common shares, directly or indirectly, by the beneficiary, purchaser, assignee or assignee's spouse or children, or any related economic group; (b) acquisition of more than 5% of the bank's common shares by the purchaser, assignee or assignee's spouse or children, or any related economic group; or (c) the assignor or the assignee or any beneficiary is a current or elected board member or partner of the collective investment fund, regardless of the number of transferred shares. BDL approval is not required if shares are transferred when shareholders exercise their preemptive right in the event of a capital increase. Provisions related to locally held investment portfolio of investment firms and collective investment funds include that a collective investment fund manager must insure that at least 50% of the real estate constituting fund property is occupied and income-producing. A collective investment fund manager must invest a substantial proportion of its assets in a representative sampling of securities constituting a specified index or must replicate a specified index. The manager of a money market fund must not invest its capital in any instrument with a maturity or remaining maturity at acquisition of more than one year and not less than 50% of the value of the fund must be invested in instruments with a maturity or remaining maturity at acquisition of 90 days or less. The manager of a fund of funds must invest at least 90% of the NAV of the fund in other collective investment funds that are eligible for investment and up to 10% of the value of the fund in cash, deposits, and money market instruments.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	It is prohibited to issue electronic money from anyone and deal with it in any way.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	

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For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other	n.r.

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instruments	
Credit operations	n.r.
Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

Exchange Arrangement

Exchange subsidy	*09/15/2022*	The "Sayrafa" platform rate for of oil derivative imports (gasoline, diesel gas) was canceled.
Foreign exchange market		
Spot exchange market	*05/17/2023*	Category A dealers must meet the minimum capital requirement of LL 10 billion one year from the effective date.
Operated by the central bank		
Foreign exchange standing facility	*02/01/2023*	The bid-ask rate were LL 14,935/US dollar and LL 15,065/US dollar, respectively.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*07/27/2022*	Banks no longer obligated to sell back the purchased foreign currencies to the Banque Du Liban.
	02/01/2023	Because of the financial crisis, depositors are allowed to withdraw banknotes from their foreign currency denominated accounts in Lebanese Pounds using an exchange rate of USD/LBP 15,000 (previously USD/LBP 8000).
	02/01/2023	For banks paying back part of a depositor's total foreign currency, the 50% of the eligible amount to be paid back in LBP has an exchange rate of USD/LBP 15,000 (previously, USD/LBP 12,000).

Nonresident Accounts

Foreign exchange accounts permitted	*07/27/2022*	Banks no longer obligated to sell back the purchased foreign currencies to the Banque Du Liban.
	02/01/2023	Because of the financial crisis, depositors are allowed to withdraw banknotes from their foreign currency denominated accounts in

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		Lebanese Pounds using an exchange rate of USD/LBP 15,000 (previously USD/LBP 8000).
	02/01/2023	For banks paying back part of a depositor's total foreign currency, the 50% of the eligible amount to be paid back in LBP has an exchange rate of USD/LBP 15,000 (previously, USD/LBP 12,000).
Domestic currency accounts	*04/30/2023*	The system where banks pay banknotes in US dollars to their customers at the "Sayrafa" platform rate instead of paying them in Lebanese pounds the amounts resulting from making withdrawals from domestic currency accounts ended.

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LESOTHO

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 25, 1968.
Article VIII	Yes.	Date of acceptance: March 5, 1997.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation with Lesotho, states that, as of May 16, 2022, Lesotho maintains one exchange restriction arising from single discretionary allowances of LSL 1 million an individual a calendar year, for residents over 18, and of LSL 200,000 on the same basis for residents under 18. Foreign exchange transactions beyond these limits need CBL approval. (Country Report No. 22/161)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Lesotho is the Lesotho loti.
Other legal tender	Yes.	The South African rand is also legal tender.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement. The loti is pegged one-to-one the South African rand. To maintain the peg, the CB keeps what is deemed as an optimal reserves level and as at end of June 2023, the level of net international reserves (NIR) as a percentage of M1 was 149%, which is above the floor of 120% as determined by the MPC.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		

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Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The loti is pegged to the South African rand at M 1 per rand, under Article 2 of the Bilateral Monetary Agreement between Lesotho and South Africa. The official exchange rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite		
Other	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the South African rand.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		

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Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may set the exchange rate in transactions with their clients freely.
Spot exchange market	Yes.	Four ADs participate in the spot exchange market. Foreign exchange bureaus, referred to as ADs with limited authority (ADLAs), which operate under Exchange Controls laws since April 30, 2020, also participate in foreign exchange market. There are four ADLAs, and their operations are limited to spot purchases and sales of foreign currency and traveler's checks from travelers for rand and maloti, and remittances for individuals on discretionary allowance for domestic purposes (such as donations, maintenance, monetary gifts and loans, travel allowance, study allowance, alimony and child support, wedding, and other special occasion expenses). Other transactions may be approved by the commissioner. ADLAs may also make transfers on behalf of clients. Currently, ADLAs may not make import payments and other transfers. In total, there are eight participants in the spot foreign exchange market as of December 31, 2022.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The Central Bank of Lesotho (CBL) buys and sells maloti for rand at the official rate plus a commission. Excess rand are repatriated; excess maloti are collected from a designated bank in South Africa.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	
Over the counter	No.	
Brokerage	No.	
Market making	No.	

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Forward exchange market	Yes.	ADs are permitted to conduct forward exchange operations through their correspondent banks abroad at rates quoted by the latter. The CBL does not participate in the foreign exchange derivatives market.
Official cover of forward operations	Yes.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements by or with residents of the CMA member countries and with all countries outside the CMA may be made to and from a nonresident account in rand or in any other foreign currency.
Controls on the use of domestic currency	Yes.	Payments in local currency between CMA residents and nonresidents are prohibited without prior approval from the MOF, except when payments are made through a nonresident Maloti account held in Lesotho. Payments in local currency from an onshore Maloti account held by a nonresident individual or entity are allowed.
For current transactions and payments	Yes.	Payments in local currency between CMA residents and nonresidents are prohibited without prior approval from the MOF, except when payments are made through a nonresident Maloti account held in Lesotho. Payments in local currency from an onshore Maloti account held by a nonresident individual or entity are allowed.
For capital transactions	Yes.	Payments in local currency between CMA residents and nonresidents are prohibited without prior approval from the MOF, except when payments are made through a nonresident Maloti account held in Lesotho. Payments in local currency from an onshore Maloti account held by a nonresident individual or entity are allowed.
Transactions in capital and money market instruments	Yes.	Payments in local currency between CMA residents and nonresidents are prohibited without prior approval from the MOF, except when payments are made through a nonresident Maloti account held in Lesotho. Payments in local currency from an onshore Maloti account held by a nonresident individual or entity are allowed.
Transactions in derivatives and other instruments	Yes.	Payments in local currency between CMA residents and nonresidents are prohibited without prior approval from the MOF, except when payments are made through a nonresident Maloti account held in Lesotho. Payments in local currency from an onshore Maloti account held by a nonresident individual or entity are allowed.
Credit operations	Yes.	Payments in local currency between CMA residents and nonresidents are prohibited without prior approval from the MOF, except when payments are made through a nonresident Maloti account held in Lesotho. Payments in local currency from an onshore Maloti account held by a nonresident individual or entity are allowed.
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Lesotho is a member of the CMA, within which payments are unrestricted, except that transactions must be reported for statistical and customs purposes. In its relations with countries outside the CMA, Lesotho applies exchange controls that are largely similar to those applied by Eswatini, Namibia, and South Africa.
Clearing agreements	No.	

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Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBL exercises foreign exchange control and authorizes commercial banks to approve certain current payments up to established limits (particularly, the discretionary allowance, which still has indicative limits). The Department of Customs and Excise issues permits based on recommendations by the Department of Trade and Industry. Licenses for financial institutions accepting deposits, insurance companies, brokers, and agents are issued by the CBL.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Only ADs may trade in gold, and gold may not be held by everyone.
On external trade	Yes.	Exports of gold from the CMA by individuals are subject to controls. The responsibility lies with the Ministry of Mining.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports of domestic currency from Lesotho are subject to a maximum of M 25,000.
Foreign currency	Yes.	Exports of foreign currency from the CMA by residents are subject to controls. Up to M 1 million an individual a year is permitted.
On imports	Yes.	
Domestic currency	Yes.	Visitors to Lesotho from countries outside the CMA may on arrival bring in banknotes of CMA countries up to M 25,000 a person to cover initial expenses.
Foreign currency	Yes.	Proof of legitimate ownership is required.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Resident and nonresident individuals and Lesotho entities may maintain onshore accounts denominated in foreign currency with ADs in Lesotho without prior approval. Resident and nonresident individuals may maintain foreign currency account, while customer foreign currency account is opened for Lesotho entities only.
Approval required	No.	
Held abroad	Yes.	
Approval required	Yes.	Resident individuals may maintain foreign bank accounts up to M 4 million.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts may be opened for private individual

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		residents and nonresidents.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	Yes.	Funds in emigrants' blocked loti accounts may be invested in securities and other CBL-approved investments. Free transfer of income from emigrants' blocked assets is limited to M 4 million an individual and M 8 million a family a year. However, in cases where the aforementioned amounts exceed the mentioned amounts, an application together with a copy of written confirmation from the Revenue Authority confirming that tax commitments have been met should be submitted to the CBL for approval. It should also be noted that the above amounts exclude household and personal effects, caravans, motor vehicles, motorcycles, and trailers to be exported.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Foreign exchange may be provided for advance payment for up to 100% of the ex-factory cost of capital goods to be imported not exceeding a total value of M 10 million. Advance payment for capital goods in excess of M 10 million may be provided up to 100% of the ex-factory cost. The CBL will approve requests for the purchase of foreign exchange in respect of advance payment for capital goods up to 100% of the ex-factory cost of goods to be imported, when the total payments exceed M 10 million, subject to the verification of the bona fide nature of the transaction for which the foreign exchange is being requested.
Advance import deposits	Yes.	These deposits are subject to approval.
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	The following documents are needed to meet the domiciliation requirements: (1) commercial invoices, (2) transport documents prescribed by UCP 600 (Uniform Customs and Practice for Documentary Credits), (3) Freight Forwarder's Certificate of Receipt, and (4) consignee's copy of the electronic SAD 500 Customs Declaration Form.
Preshipment inspection	No.	
Letters of credit	Yes.	The documents needed for the issuance or securing the LCs are (1) commercial invoice and (2) transport documents.
Import licenses used as exchange licenses	Yes.	Import permits are required as determined by the Ministry of Trade and Industry.
Other	No.	
Import licenses and other nontariff measures	Yes.	Lesotho is a member of the SACU. Imports originating in any country of the SACU are unrestricted, except certain food items. Imports from countries outside the SACU are usually licensed in conformity with SACU import regulations. Lesotho reserves the right

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		to restrict certain imports. Import permits are valid for all countries and entitle the holder to buy the foreign exchange required to make payments for imports from outside the SACU.
Positive list	No.	
Negative list	Yes.	With certain exceptions, imports from outside the SACU must be licensed and may not appear on the negative list (for example, ammunition, flora and fauna, and illegal drugs).
Open general licenses	No.	
Licenses with quotas	Yes.	Some food imports from countries within the SACU are subject to import licensing.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Lesotho applies the external customs tariffs of the SACU.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds must be repatriated to ADs within 180 days of shipment. Resident companies may retain their export proceeds in a foreign currency account with an AD and are not required to convert them to maloti.
Surrender requirements	No.	
Surrender to the central bank	No.	Export proceeds are not subject to surrender requirements.
Surrender to authorized dealers	No.	
Financing requirements	Yes.	A state-supported export credit and guarantee program provides credit guarantees, pre- and post-shipment credit, and insurance against commercial and political risks.
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	A bill of entry/invoice from the supplier is required.
Preshipment inspection	Yes.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Certain exports are subject to licensing for revenue purposes; this requirement, in practice, is limited to the exportation of diamonds. Most exports are shipped without licenses to or through South Africa.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	Profit and dividend transfers are not restricted, provided the investment funds were not obtained through excessive use of local borrowing facilities.
Prior approval	No.	
Quantitative limits	Yes.	Emigrants on application to AD may transfer up to the equivalent of M 3,00,000 of earnings on blocked assets, provided the tax commitments are settled.
Indicative limits/bona fide test	Yes.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The single discretionary allowance for a resident adult's travel is the equivalent of M 1 million a year. Residents under the age of 18 are not eligible for a single discretionary allowance; however, they may have a travel allowance of M 2,00,000 a year. Over and above the single discretionary allowance of M 1 million, residents temporarily abroad are also accorded M 4 million foreign capital allowance.
Indicative limits/bona fide test	Yes.	Larger allowances may be obtained for business travel.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The single discretionary allowance for resident adults for the purpose of donations, monetary gifts and loans, maintenance transfers, travel allowance, study allowance, alimony, and child support payments is M 1 million an applicant in a year. Over and above the single discretionary allowance of M 1 million, residents temporarily abroad are also accorded M 4 million foreign capital allowance.
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	Credit card abroad may be used up to the authorized amount.
Prior approval	No.	
Quantitative limits	Yes.	The limit for credit card use abroad may not exceed the discretionary allowance.
Indicative limits/bona fide test	Yes.	

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Other payments	Yes.	Payments for imports, services, and subscriptions are subject to controls.
Prior approval	No.	
Quantitative limits	Yes.	Credit/debit card payments are limited to M 50,000 a transaction an individual.
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	All export proceeds from invisible transactions (proceeds from export of services by residents) and current transfers (proceeds in the form of gifts and other remittances) need to be repatriated. However, there is no deadline by when repatriation should take place.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds must be sold within 30 days of the date of accrual, unless an exemption is obtained.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	All export proceeds from capital transactions (income earned abroad by residents temporarily abroad, income earned by residents' investments abroad, and foreign capital introduced into Lesotho by emigrants) need to be repatriated. However, there is no deadline by when repatriation should take place.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds must be surrendered within 30 days of accrual if no exemption is granted.
Controls on capital and money market instruments	Yes.	Nonresidents may invest freely in the Lesotho treasury bill market, which offers maturities of up to 364 days. However, CBL approval is required for nonresidents to acquire securities of any kind, regardless of maturity. Withholding tax for nonresidents is higher than that for residents.
On capital market securities	Yes.	The Maseru Securities Market was launched in January 2016, while government bonds were introduced in October 2010.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Prior approval is required from the CB.
Sale or issue abroad by residents	Yes.	These are permitted up to M 4 million a person a year.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	No prior approval is required from the CB. There are no limits on the amount. Nonresidents may purchase without approval from the CB.

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Sale or issue locally by nonresidents	Yes.	Prior approval is required from the CB. There is no limit on the amount.
Purchase abroad by residents	Yes.	These are permitted up to M 4 million a person a year.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may invest freely in the Lesotho treasury bill market, which offers maturities of up to 364 days. The withholding tax for nonresidents is higher than that for residents.
Sale or issue locally by nonresidents	Yes.	Prior approval is required by the CB. There is no limit on the amount of sale or issue of money market instruments locally by nonresidents.
Purchase abroad by residents	Yes.	These are permitted up to M 4 million a person a year.
Sale or issue abroad by residents	Yes.	These are permitted up to M 4 million a person a year.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Prior approval is required from the CB.
Sale or issue locally by nonresidents	Yes.	Prior approval is required from the CB.
Purchase abroad by residents	Yes.	Prior approval is required from the CB.
Sale or issue abroad by residents	Yes.	Prior approval is required from the CB.
Controls on derivatives and other instruments	Yes.	Prior approval is required from the CB.
Purchase locally by nonresidents	Yes.	Prior approval is required from the CB to purchase locally derivatives instruments, options, and futures by nonresidents.
Sale or issue locally by nonresidents	Yes.	Prior approval is required from the CB.
Purchase abroad by residents	Yes.	Prior approval is required from the CB.
Sale or issue abroad by residents	Yes.	Prior approval is required from the CB.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Export credits are available for up to six months; occasionally, maturity may be extended by six months. Longer-term credits require exchange control approval.
To residents from nonresidents	Yes.	These credits require exchange control approval by the CB.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These credits require prior approval. However, wholly nonresident-owned subsidiaries may borrow locally up to 100% of the total shareholders' investment.
To residents from nonresidents	Yes.	Prior approval is required from the CB to ensure that repayments and servicing of the loans do not disrupt the balance of payments and that the interest rate paid is reasonable in terms of prevailing international rates.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Controls on direct investment	Yes.	The rulings on applications for inward and outward capital transfers depend on whether the applicant is a resident, a foreign national who is a temporary resident, or a nonresident.
Outward direct investment	Yes.	Residents may invest abroad through domestic banks up to the equivalent of M 4 million a person a year. AD may approve requests by resident corporations and businesses to invest outside the CMA up to the equivalent of M 500 million a company a calendar year.
Inward direct investment	Yes.	Nonresidents may invest freely in Lesotho if the maturity of the investment exceeds 365 days. However, CBL approval is required for nonresidents to acquire securities of any kind, regardless of maturity.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Prior approval is required from the CB.
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	Prior approval is required from the CB for any amount above the discretionary allowance of M 1 million a person a year.
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	The single discretionary allowance for resident adults for the purpose of donations, gifts, and maintenance is M 1 million a calendar year. Residents temporarily abroad are also accorded M 4 million foreign capital allowance.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Emigrants may transfer abroad up to the equivalent of M 4 million a year.
Transfer into the country by immigrants	No.	Proper documentation is required to prevent money laundering.
Transfer of gambling and prize earnings	Yes.	Prior approval is required by the CB.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	

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Purchase of locally issued securities denominated in foreign exchange	No.	No securities denominated in foreign currency are available in Lesotho.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	All banks are required to maintain reserve balance amounting to not less than 3% at all times of the aggregate of (1) deposit liabilities; (2) balances because of banks abroad; and (3) other liabilities for borrowed money (excluding the CB and government borrowings). The minimum reserve balance must be maintained by way of deposits with the CB.
Liquid asset requirements	Yes.	All banks are required to maintain liquid assets amounting to not less than 25% of the aggregate of (1) deposit liabilities; (2) balances because of banks abroad; and (3) other liabilities for borrowed money (excluding the CB and government borrowings).
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	A bank must maintain, as at the close of any business day, its foreign exchange exposures, irrespective of short or long positions, at not more than 15% of the total qualifying capital for any single foreign currency exposure and 25% of the total qualifying capital for overall foreign exchange exposure.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	The limit is 30% of assets under management.
Limits (min.) on investment portfolio held locally	Yes.	The limits are 40% of gross premiums for general insurance companies and 30% of actuarial valuation of liabilities for life insurance companies.
Currency-matching regulations on assets/liabilities composition	Yes.	Assets must exceed liabilities by M 30,000 (life insurance). Assets must exceed liabilities by M 50,000 or one-tenth of premium income in the preceding year (general insurance).
Pension funds	Yes.	
Limits (max.) on securities issued by		

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nonresidents	No.	There are no limits on securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	The limit on investment portfolio held abroad is 30% of total retail assets.
Limits (min.) on investment portfolio held locally	No.	There are no limits.
Currency-matching regulations on assets/liabilities composition	No.	There are no limits.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	The limit on investment portfolio held abroad is 40% of total retail assets under management.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	Because the Lesotho's Loti is pegged to the South African Rand, should South Africa launch central bank digital currency, it will circulate legally in Lesotho. However, we do not know the effective date for such will be.
Wholesale	No.	Because the Lesotho's Loti is pegged to the South African Rand, should South Africa launch central bank digital currency, it will circulate legally in Lesotho. However, we do not know the effective date for such will be.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	

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Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.

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For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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LIBERIA

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		March 28, 1962.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Liberia is the Liberian dollar.
Other legal tender	Yes.	The US dollar is also legal tender and circulates freely.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is managed floating. The Central Bank of Liberia (CBL) allows the exchange rate to be determined in the foreign exchange market and may intervene to smooth volatility. When it intervenes, it does so through the foreign exchange auction, and its results (volume, price, etc.) are published

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		on the CBL website with hard copy given to the Commercial Banks. From January 2022, the CBL did not intervene in the foreign exchange market. Accordingly, the de facto exchange rate arrangement was reclassified to floating from other managed, effective January 1, 2022.
Free floating		
Official exchange rate	Yes.	There is no official or reference exchange rate. The prevailing market rate published by the CBL is used for customs and valuation. The CBL bases the buying and selling exchange rates of the Liberian dollar vis-à-vis the US dollar on a daily survey of the major commercial centers and selected cities in the 15 counties. These rates are published in the local newspapers and the CBL website. They are also submitted based on request.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The monetary policy framework of Liberia is monetary targeting since November 2019. Under this framework, the Bank manages monetary aggregates (mainly reserve money) as operating and/or intermediate target to influence the ultimate objective of price stability. The reserve money is the operating target by which the CBL influences monetary conditions in the economy to stabilize exchange rate, inflation and guide inflation expectations. The revised Act (An Amendment and Restatement of the CBL Act of 2020) calls for the establishment of a MPC. The main responsibility of the MPC will be to formulate monetary policy and exchange rate policies to achieve and maintain domestic price stability. Pursuant to its powers in Part IV, Section 9 of the CBL Act of 1999, the Board of Governors established the Monetary Policy Advisory Committee (MPAC) as a statutory committee in the CBL pending the full establishment of an MPC of the Bank. The principal mandate of the MPAC will be to define and advise on the monetary policy rate (MPR) and other monetary policy instruments of the CBL aimed at maintaining price stability. The MPAC will also prescribe the rules and internal guidelines for the decision-making process. The full establishment of the MPAC is still pending.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		

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Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Market participants are free to negotiate foreign exchange commissions with their clients. They are also free to negotiate their foreign exchange buying and selling rates based on their demand and supply of foreign exchange without intervention from the Central Bank.
Spot exchange market	Yes.	Foreign exchange dealers, including banks, may buy and sell currency, including US dollars, at market-determined exchange rates. Licensed commercial banks and foreign exchange bureaus may deal in foreign exchange with the public. Foreign exchange bureaus are not allowed to maintain accounts abroad. As of December 31, 2022, there were 204 registered authorized foreign exchange bureaus (129 are classified as category A, while the remaining 75 as category B) and 9 licensed commercial banks were operational. Licenses to deal

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		in foreign exchange are granted by the CBL. Foreign exchange bureaus do not engage in transactions with the CBL. They do not have accounts with the CBL, nor do they make foreign currency payments or transfers on behalf of their clients. In line with the Amended Foreign Exchange Auction Rules and Regulations No. CBL/FMD/09/2019, all licensed foreign exchange bureaus can participate in the foreign exchange auction through commercial banks.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The interbank market is developing gradually, and it is regulated by the framework for the Administration of the Interbank Market. As of December 31, 2021, eight commercial banks participated in the interbank market.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	With the US dollar as legal tender, residents are allowed to use it freely. Transactions with foreign currencies other than the US dollar are not restricted but are uncommon among residents.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	

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Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Regulations on export and import licenses are administered by the Ministry of Commerce and Industry.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Domestic trade in gold and all other minerals is licensed by the Ministry of Lands, Mines and Energy. Individual persons and private institutions may not own gold bullion and/or coins without a license.
On external trade	Yes.	Imports and exports of gold in any form are subject to licenses issued by the Ministry of Lands, Mines and Energy; import licenses are issued freely, but export licenses are subject to restrictions.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Under Section 1 of the CBL Regulation Concerning Transfer of Foreign Currency, it is legal to transfer foreign currency. Nothing in the regulation authorizes, or should be construed as introducing or exercising, exchange control; neither the implementation nor the enforcement of the regulation may limit or prejudice the free movement of foreign currency. Requests are made by clients to a bank and executed in line with due process.
Approval required	No.	
Held abroad	Yes.	Under Section 1 of the CBL Regulation Concerning Transfer of Foreign Currency, it is legal to transfer foreign currency. Nothing in the regulation authorizes, or should be construed as introducing or exercising, exchange control; neither the implementation nor the enforcement of the regulation may limit or prejudice the free movement of foreign currency. Requests are made by clients to a bank and executed in line with due process.
Approval required	No.	
Accounts in domestic currency held abroad	No.	Accounts in domestic currency may not be held abroad.
Accounts in domestic currency	Yes.	Domestic currency accounts are convertible to foreign currency.

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convertible into foreign currency

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There is no distinction between resident and nonresident accounts. The rules apply to all accounts, and balances may be transferred abroad freely if the accounts meet the requirement in the Regulation Concerning Transfer of Foreign Currency. Sections 1 and 2 of the regulation specify adherence to free movement of foreign currency and the transfer mode.
Approval required	No.	
Domestic currency accounts	Yes.	There is no distinction between resident and nonresident accounts. The rules apply to all accounts, and balances may be transferred abroad freely if the accounts meet the requirement in the Regulation Concerning Transfer of Foreign Currency. Sections 1 and 2 of the regulation specify adherence to free movement of foreign currency and the transfer mode.
Convertible into foreign currency	Yes.	Domestic currency accounts are convertible to foreign currency.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	Pre-shipment inspection (PSI) had been replaced with destination inspection (DI).
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	There is no general system of import controls, but the importation of many items, including safety matches, electrode welding rods, and liquefied petroleum gas, is subject to quantitative restrictions. Licenses to import inexpensive, widely consumed varieties of rice are issued to private distributors by the Ministry of Commerce and Industry. The importation of more expensive rice is not subject to official controls. By law, import declaration is required only for items on the negative

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		list—that is, fuel and selected chemicals, explosives, hazardous waste, cultural artifacts, obscene materials, military vehicles, and aircraft. In practice, customs officials also require declaration of items not included on the negative list.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	In January 2017, Liberia migrated to the 2017 version of the Harmonized System, and Customs commenced a phase (migration plan) implementation of the ECOWAS CET. The CET has five tariff bands including Basic Social Goods, Basic Goods, Intermediate Goods, Finished Products, and Selected Finished Products. In addition to the import duty, a Goods and Services Tax is also paid on all imported goods. The Goods and Services Tax rate over the last three years including the current year is 10%. Excise tax is also paid on a limited number of products, such as alcoholic and nonalcoholic beverages, tobacco products, and jewelries. Because of the phase approach to implementing the ECOWAS CET, Liberia's current duty rates vary from that of the ECOWAS CET. The average import duty rate for all 5899 tariff lines of the ECOWAS CET is 11.7%, whereas the average duty rate for Liberia over the last three years is 4.5%. In September 2019, the import duty rates for beverages and tobacco were adjusted from the ECOWAS ad valorem rates to specific rates based on liters for beverages and number of sticks for cigarettes. This makes Liberia's current import duty rate on beverages and tobacco about 200% higher than the ECOWAS CET. The combination of excessive duty and excise rates on imported beverages and tobacco has resulted in a reduction in importation through formal channels and has increased smuggling of alcoholic beverages and tobacco products by seacoast and unofficial land border crossing points, thereby reducing revenue. This is expected to remain the case until the rates on alcoholic and tobacco products are harmonized with those in neighboring countries. The import tariff on rice in packing of more than 5 kg or in bulk was suspended as of May 3, 2021, under the Revenue Code of Liberia Act of 2000.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	LCs are not required.

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Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Export permit declaration is required.
Other	No.	
Export licenses	Yes.	Export licenses, including export declarations, generally are issued to exporters to ensure certification of quality and origin. These licenses are not issued freely. A permit, license, or certificate is required for cocoa beans, other edible products, logs, camwood, iron ore, and scrap metal.
Without quotas	Yes.	Export licenses do not include quotas.
With quotas	No.	
Export taxes	Yes.	Export taxes are imposed on processed and unprocessed goods at rates of 0% and 2.5%, respectively; on diamonds at a rate of 3%; and on iron ore at a rate of 4.5%.
Collected through the exchange system	No.	There are no export taxes collected through the exchange system.
Other export taxes	Yes.	Export taxes are imposed on processed and unprocessed goods at rates of 0% and 2.5%, respectively; on diamonds at a rate of 3%; and on iron ore at a rate of 4.5%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Payments to recipients of inbound money transfers through licensed financial institutions engaged in money transfer services (Western Union, MoneyGram, and RIA) are paid 25% in Liberian dollars and 75% in US dollars. However, this payment requirement has been suspended by the CBL as part of its monetary policy implementation and as a way to manage the urgent liquidity issues of the financial system.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	No.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on derivatives and other instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on credit operations	No.
Commercial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Financial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Guarantees, sureties, and financial backup facilities	No.
By residents to nonresidents	No.
To residents from nonresidents	No.

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Controls on direct investment	No.
Outward direct investment	No.
Inward direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Purchase abroad by residents	No.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.
Controls on personal capital transactions	No.
Loans	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	Yes.	Under the Guidelines Concerning the Management of Foreign Exchange Risk Exposure and Placements Abroad by Commercial Banks, banks may not place aggregate liquid assets abroad in an amount exceeding 40% of their foreign currency deposits, except with the CBL executive governor's approval. Banks may place funds with foreign banks with a minimum rating of A from an internationally recognized rating agency. Funds placed abroad must, at all times, be available to meet banks' liquidity needs abroad and at home.
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities	No.	

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denominated in foreign exchange		
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The requirement ratios are 25% for Liberian dollar deposits and 10% for US dollar deposits. Effective July 27, 2023, the MPC may update the requirements on a quarterly basis.
Liquid asset requirements	No.	The minimum liquidity requirement for licensed commercial banks is 15%, measured as the percentage of liquid assets to deposit and other designated liabilities. It applies to both domestic and foreign currency deposits.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	Nonresidents' deposit accounts are included in the calculation of the reserve requirement.
Liquid asset requirements	No.	The minimum liquidity requirement for licensed commercial banks is 15%, measured as the percentage of liquid assets to deposit liabilities.
Interest rate controls	No.	
Credit controls	No.	There are no credit controls that differentiate the treatment of deposit accounts held by nonresidents from those held by residents.
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks may invest in short-term financial instruments issued by foreign banks with a minimum rating of A or fiscal authorities of countries with a minimum rating of AA from an internationally recognized rating agency. These instruments must be readily convertible to cash, without undue loss to banks, and must be available to meet banks' liquidity needs abroad and at home.
In banks by nonresidents	No.	There are no restrictions on investments in banks by nonresidents.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The limit on the overall open foreign exchange position of banks is 40% of regulatory capital; the limit on single currency exposure is 20% of regulatory capital. These limits apply to the bank as a single entity or as a consolidated entity.
On nonresident assets and liabilities	Yes.	The limit on the overall open foreign exchange position of banks is 40% of regulatory capital; the limit on single currency exposure is 20% of regulatory capital. These limits apply to the bank as a single entity or as a consolidated entity.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Section 6.13(2)(c) and Sections 14.15–14.19 of the Insurance Act of 2013 and Regulation Concerning Prudential Requirement of Insurance Companies specify the requirements and restrictions in relation to investments.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Section 20.04.19 of the Regulation Concerning Prudential Requirements for Insurance Companies states that only surplus assets may be invested outside Liberia, with CBL approval. Surplus assets are assets that are not required to satisfy the Level 0 capital adequacy control level. At this level, the capital adequacy ratio is greater than

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		150%.
Limits (min.) on investment portfolio held locally	No.	There is no restriction on investment locally.
Currency-matching regulations on assets/liabilities composition	No.	There are no such provisions under the Insurance Act.
Pension funds	No.	Issues of pension funds and management are regulated by the National Social Security and Welfare Corporation.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	All transactions take place in US dollars.
Investment firms and collective investment funds	No.	There are no provisions under the Insurance Act in relation to investment firms and collective investment funds.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.

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Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.

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For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Floating	*01/01/2022*	From January 2022, the CBL did not intervene in the foreign exchange market. Accordingly, the de facto exchange rate arrangement was reclassified to floating from other managed.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*07/27/2023*	The MPC may update the requirements on a quarterly basis.

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LIBYA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 17, 1958.
Article VIII	Yes.	Date of Acceptance: June 21, 2003.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Libya maintains exchange restrictions imposed solely for the preservation of national and international security based on UNSC resolutions, including sanctions imposed against Afghanistan and the Islamic Republic of Iran.
Other security restrictions	Yes.	Libya maintains exchange restrictions imposed solely for the preservation of national and international security based on UNSC resolutions, including sanctions imposed against Israel.

Exchange Arrangement

Currency	Yes.	The currency of Libya is the Libyan dinar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The de jure and de facto exchange rate arrangements are a conventional peg vis-à-vis the SDR.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		

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Free floating		
Official exchange rate	Yes.	The dinar is pegged to the SDR at LD 1 per SDR 0.1555. The US dollar is the intervention currency. The official exchange rate is used for accounting and valuation purposes. In addition, the conversion to Libyan dinars of oil export proceeds is conducted at the official rate on the transaction day.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis a currency composite (the SDR).
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		

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Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set the exchange rate in transactions with their clients within the range decided by the Central Bank of Libya (CBL). The conversion to Libyan dinars of oil export proceeds is conducted at the official rate of about LD 4.48 per US dollar.
Spot exchange market	Yes.	As of December 31, 2023, there were 20 institutions licensed to deal in foreign exchange with the public. The CBL is the only institution that grants licenses. Recently, a number of foreign exchange bureaus and companies were licensed to conduct foreign currency transactions. These bureaus and companies have not started operations yet.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The CBL buys and sells foreign exchange for dinars at the official rate with a margin of 0.5% on sales. For foreign exchange cash sales, the CBL adds 0.5% to the noncash selling rate to account for cash transportation and insurance costs. The margin on selling rates applicable to money orders and drafts is 1.0%. Commercial banks and government-owned banks may access the CBL's foreign exchange facility.
Allocation	Yes.	Allocation is handled in accordance with foreign exchange market needs.
Auction	No.	There are no auctions in the foreign exchange market.
Fixing	No.	
Interbank market	No.	There is no foreign exchange interbank market.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

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Prescription of currency requirements	Yes.	Transactions with Israel are prohibited. Transactions with other countries take place in convertible currencies.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Except under an arrangement with Tunisia, no more than LD 50 may be exported or imported. Under the agreement between the CBL and the Central Bank of Tunisia, the Libyan dinar, and the Tunisian dinar are convertible for personal use through banks and exchange bureaus up to LD 4,000 or TD 4,000 a transaction for each resident of the two countries annually.
For capital transactions	Yes.	According to the Banking Law of 2005 Chapter one, Section Six "Banking Supervision," as modified, capital transactions are considered case by case.
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	Transactions may be executed through the use of the Libyan dinars as a middle currency in determining exchange rates.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	Transactions with Israel are prohibited. Transactions with other countries take place in convertible currencies.
Operative	Yes.	Agreements are maintained with Algeria, Morocco, and Tunisia. Outstanding balances are settled in convertible currencies 15 days after the end of each month. These arrangements became optional January 1, 2007.
Inoperative	Yes.	There is an inoperative payments arrangement with Malta.
Regional arrangements	Yes.	Libya is a signatory to the GAFTA.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBL administers exchange controls and has delegated some powers to authorized banks. The government regulates policy on imports and exports, which is executed by the Ministry of Economy and Trade.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may freely purchase, hold, and sell gold in any form other than bars.
On external trade	Yes.	Imports of unworked gold are duty-free. Effective February 22, 2023, companies may import manufacturing gold through banks with an annual ceiling of $15 million, with a ceiling for each transfer of $2 million.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	

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Domestic currency	Yes.	Residents and nonresidents are only allowed to export up to LD 50 (nonconvertible).
Foreign currency	Yes.	Residents and nonresidents may export any amount of foreign exchange for personal noncommercial purposes through authorized banks. To control money laundering, there are ceilings equivalent to US$10,000 in cash and US$10,000 in prepaid debit cards. However, all bona fide requests above these limits are satisfied without approval from the CBL. Foreign exchange converted to dinars by visiting tourists may be reconverted on departure.
On imports	Yes.	
Domestic currency	Yes.	Residents and nonresidents are allowed to import up to LD 50 (nonconvertible).
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may keep foreign currency in domestic bank accounts and transfer balances abroad up to US$20,000. Exporters may retain foreign exchange earnings in a special account used to finance imports of raw materials, spare parts, and machinery needed for production of exports. The National Oil Company (NOC) is required to keep its foreign exchange account at the CBL. Private companies are required to keep their foreign exchange export proceeds at domestic commercial banks.
Approval required	No.	
Held abroad	Yes.	There are no regulations regarding foreign exchange accounts held abroad.
Approval required	No.	
Accounts in domestic currency held abroad	No.	Residents are not allowed to maintain domestic currency accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Transfers from resident dinar accounts to a foreign exchange account require submission of a pro forma invoice for business and for medical treatment and education purposes.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident accounts are permitted based on the account holder's length of residence in accordance with the IMF's Balance of Payments Manual. Nonresidents working in Libya may open these accounts for deposit of legitimate earnings. Other credits to nonresident accounts require the CBL approval. Funds brought in by nonresidents working under contracts in their own name must be kept with an authorized bank. Payments received under contracts may also be credited to these accounts, but, in general, remittances may not exceed the net-of-tax amount in the contract. Funds brought in by nonresidents may be reexported if not used, with documentation. Accounts of foreign contractors licensed under Law No. 5 (1997) for the promotion of foreign capital investment are exempt from restrictions. Remittances from nonresident accounts are not restricted and do not require the CBL approval.
Convertible into foreign currency	Yes.	These accounts may be converted, but approval from the CBL is

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		required.
Approval required	Yes.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	The authorities are approving LCs for imports on a case-by-case basis, and in line with some form of positive list of approved goods, and possibly subject to a dollar-figure cap. The LCs ceilings are set at: up to US$3 million for services LCs, US$5 million for commercial LCs, and US$10 million for industrial LCs, while LCs for commercial medicines, and food and medical supplies are approved on a case-by-case basis. Effective February 22, 2023, companies and small-scale merchants and craftsmen (individual licenses) are allowed to use Visa or Master electronic cards with a maximum of $100,000 for the purpose of financing imports of materials, equipment, and services for industrial and servicing purposes.
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	There is no advanced payment requirement.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Residents are required to make their import transactions through domestic banks.
Preshipment inspection	Yes.	Imports are subject to preshipment inspection.
Letters of credit	Yes.	Authorized banks may open LCs without approval from the CBL. Before an LC is established, a marine insurance policy from a local insurance company must be submitted.
Import licenses used as exchange licenses	No.	Exchange permits required for imports are readily granted by authorized banks, provided a firm contract exists.
Other	Yes.	Authorized banks may use bank transfers up to US$500,000 a transfer to finance imports for commercial purposes for each importing firm twice a year.
Import licenses and other nontariff measures	Yes.	Import licenses are not required. However, importers may import only the types of products that relate to their business specialty. The state monopoly on imports is limited to petroleum products and weapons.
Positive list	No.	
Negative list	Yes.	Import bans for religious, health, and ecological reasons are limited to four products.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports from Israel are prohibited. Importers are required to deal directly with producers abroad and not through intermediaries.
Import taxes and/or tariffs	Yes.	The tariff rate is 0% for all imported goods, except for some tobacco products that are subject to a 10% rate. A consumption tax of 15%–25% applies to a list of 81 imported goods that are also produced locally. A general service fee of 4%–10% is imposed on all imported

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		goods. All products from Arab countries are exempt from customs duties, provided domestic value added is at least 40%. A customs tax is imposed at 30%, 40%, and 50% on some imported goods.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	All proceeds must be repatriated within three months of shipment.
Surrender requirements	Yes.	Exporters are allowed to retain up to 100% of nonhydrocarbon earnings.
Surrender to the central bank	Yes.	Proceeds from hydrocarbon exports must be surrendered to the Central bank within 48 hours.
Surrender to authorized dealers	No.	Residents are free to sell their foreign exchange receipts to commercial banks.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	Exports require the opening of LCs.
Guarantees	No.	Export guarantees are not required.
Domiciliation	Yes.	Residents are required to make their export transactions through domestic commercial banks.
Preshipment inspection	Yes.	Exports are subject to preshipment inspection.
Other	No.	
Export licenses	Yes.	In general, exporters do not need export licenses, but they must register with the Ministry of Economy and Trade and supply on a regular basis the relevant documentation on their exports. Exports of electricity, hides, nonmonetary gold (other than for processing abroad), paper products, school supplies, scrap metal, and telecommunication services are prohibited. Exports or reexports of vegetable oils, wheat, wheat flour, crushed wheat, barley, rice, coffee, tea, sugar, and semolina are prohibited. Exports to Israel are prohibited.
Without quotas	Yes.	Export licenses are required for raw wool, hides and skins, and agricultural products.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	Payments for invisible transactions related to authorized imports are not restricted.
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	Profits generated by foreign capital invested in projects deemed to contribute to the economic development of Libya may be freely transferred to the country of origin. Profits generated by foreign capital invested in projects set up within the context of Law No. 5 and approved by the Foreign Investment Board may also be transferred without restriction. A jihad tax of 4% applies to profits and dividends of nonresidents and residents.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Effective January 3, 2022, the household allowances were eliminated in accordance with the CBL Board of Directors Resolution No. 1 (2020) and foreign exchange is available to residents at the official exchange rate up to a limit. Previously, households could purchase foreign exchange from authorized banks “according to their family members” at US$500 a person, and were permitted either to be issued a credit card with the full amount of the purchased US$, or transfer it up to US$10,000 through authorized banks. Residents may purchase foreign exchange for tourism from authorized banks up to the equivalent of, US$20,000 in prepaid debit cards, and may transfer up to the equivalent of US$20,000 via Western Union or Money Gram.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	Residents may transfer foreign exchange from authorized banks for education for the invoiced amount and up to US$20,000 for medical treatment a year.
Foreign workers' wages	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	A monthly limit of US$1,375 for foreign workers in the private health sector is in place. Limits for foreign worker in the public sector depend on the terms and conditions of the signed contract between the foreign worker and the public institution, and those for foreign workers in other sectors depend on their contracts’ terms and conditions.
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Effective January 3, 2022, the household allowances were eliminated in accordance with the CBL Board of Directors Resolution No. 1 (2020) and foreign exchange is available to residents at the official

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		exchange rate up to a limit. Previously, households could purchase foreign exchange from authorized banks "according to their family members" at US$500 a person, and were permitted either to be issued a credit card with the full amount of the purchased US$, or transfer it up to US$10,000 through authorized banks. Residents may purchase foreign exchange for tourism from authorized banks up to the equivalent of US$20,000 in prepaid debit cards, and may transfer up to the equivalent of US$20,000 via Western Union or Money Gram. To control money laundering, there is a ceiling equivalent to US$10,000 in prepaid debit cards for use abroad, and requests for higher amount cannot be made.
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	Yes.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	There is no time frame for repatriation.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	The purchase abroad of these instruments by residents requires approval.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may not buy shares or other securities of a participating nature in banks.
Sale or issue locally by nonresidents	Yes.	Nonresidents may not sell shares or other securities of a participating nature in banks.
Purchase abroad by residents	No.	These transactions are not controlled.
Sale or issue abroad by residents	No.	These transactions are not controlled.
Bonds or other debt securities	Yes.	

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Purchase locally by nonresidents	Yes.	Nonresidents may not purchase bonds or other debt securities locally.
Sale or issue locally by nonresidents	Yes.	Nonresidents may not sell bonds or other debt securities locally.
Purchase abroad by residents	No.	Residents may purchase bonds or other debt securities abroad.
Sale or issue abroad by residents	No.	Residents may sell bonds or other debt securities abroad.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may not purchase money market instruments locally.
Sale or issue locally by nonresidents	Yes.	Nonresidents may not sell money market instruments locally.
Purchase abroad by residents	No.	Residents may purchase money market instruments abroad.
Sale or issue abroad by residents	No.	Residents may sell money market instruments abroad.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	These transactions are controlled.
Sale or issue locally by nonresidents	Yes.	These transactions are controlled.
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	No.	Residents may purchase any asset abroad.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	Public enterprises are allowed to sell any amount of foreign exchange they earn to open or settle credit through the banking system, provided they report the sources and uses of the foreign exchange.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	

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Outward direct investment	Yes.	For prudential reasons, the CBL prohibits purchases of foreign exchange by commercial banks for investment abroad.
Inward direct investment	Yes.	Full foreign ownership is permitted in ventures established in the context of Law No. 5 and approved by the Foreign Investment Board. Approval is granted for projects that lead to domestic job creation or training, use of local raw materials, transfers of technology, and inflows of foreign currency.
Controls on liquidation of direct investment	Yes.	Foreign capital invested in projects deemed to contribute to the economic development of Libya may be freely transferred to the country of origin. Capital invested in projects set up in the context of Law No. 9, for the year 2010, on Encouraging Investment, and approved by the Foreign Investment Board may also be freely transferred to the country of origin. There is no FDI minimum in the non-oil sector. It depends on the size and needs of the respective business.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	
Sale locally by nonresidents	Yes.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Settlement of debts abroad by immigrants	Yes.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	Yes.	
Transfer of gambling and prize earnings	Yes.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	Yes.	
Lending locally in foreign exchange	Yes.	Article 53 of Law No. 1 of 2005 (Banking Law) allows commercial banks to extend loans in foreign currency, provided sufficient collateral is presented. Banks may also borrow from each other

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		through interbank lending.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These transactions are not allowed.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Foreign currency deposits are subject to the same reserve requirements as domestic currency.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	
In banks by nonresidents	Yes.	Nonresident individuals may not buy shares or other securities of a participating nature in banks. Nonresident institutions may buy shares in banks up to 49% of the outstanding shares.
Open foreign exchange position limits	Yes.	There are limits on the open foreign exchange positions. There are no differences in the treatment of resident and nonresident assets and liabilities.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	The Libyan capital market is in the early stages of development. There are no limits on investments by institutional investors. Institutional investors may not purchase more than 10% of the total capital of another institution without the consent of the respective regulatory authority.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	The limit is 200% of capital.
Limits (min.) on investment portfolio held locally	Yes.	The limit is 70% of deposit liabilities.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	The limit is 200% of capital.
Limits (min.) on investment portfolio	Yes.	The limit is 70% of deposit liabilities.

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held locally		
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	The limit is 200% of capital.
Limits (min.) on investment portfolio held locally	Yes.	The limit is 70% of deposit liabilities.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market	n.a.

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instruments	
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.

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Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Arrangements for Payments and Receipts

Controls on trade in gold (coins and/or bullion)

On external trade	*02/22/2023*	Companies may import manufacturing gold through banks with an annual ceiling of $15 million, with a ceiling for each transfer of $2 million.

Imports and Import Payments

Foreign exchange budget	*02/22/2023*	Companies and small-scale merchants and craftsmen (individual licenses) are allowed to use Visa or Master electronic cards with a maximum of $100,000 for the purpose of financing imports of materials, equipment, and services for industrial and servicing purposes.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Payments for travel

Indicative limits/bona fide test	*01/03/2022*	The household allowances were eliminated in accordance with the Central Bank of Libya Board of Directors Resolution No. 1 (2020) and foreign exchange is available to residents at the official exchange rate up to a limit. Previously, households could purchase foreign exchange from authorized banks “according to their family members” at US$500 a person, and were permitted either to be issued a credit card with the full amount of the purchased US$, or transfer it up to US$10,000 through authorized banks.

Credit card use abroad

Quantitative limits	*01/03/2022*	The household allowances were eliminated in accordance with the Central Bank of Libya Board of Directors Resolution No. 1 (2020) and foreign exchange is available to residents at the official exchange rate up to a limit. Previously, households could purchase foreign exchange from authorized banks “according to their family members” at US$500 a person, and were permitted either to be issued a credit card with the full amount of the purchased US$, or transfer it up to US$10,000 through authorized banks.

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LITHUANIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		April 29, 1992.
Article VIII	Yes.	Date of acceptance: May 3, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Lithuania maintains certain exchange restrictions in accordance with the relevant EU regulations. These include restrictive measures in respect of the Russian invasion and situation in Ukraine; the freezing of funds and economic resources of persons who are responsible for violations of international electoral standards in the presidential elections in Belarus and the crackdown on civil society and democratic opposition and natural or legal persons, entities, and bodies associated with those who are responsible; certain persons indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY) in Bosnia and Herzegovina; restrictive measures in view of the situation in the Central African Republic (as amended); the Democratic Republic of the Congo; certain persons who constitute a threat to the peace and national reconciliation process in Côte d'Ivoire; certain persons indicted by the ICTY in Croatia; the Islamic Republic of Iran; certain persons and entities in Iraq; the Democratic People's Republic of Korea; certain persons suspected of involvement in the assassination of former Lebanese prime minister Rafik Hariri in Lebanon; certain persons and entities associated with former President Charles Taylor in Liberia (as amended); Myanmar; former President Slobodan Milosevic and natural persons associated with him and certain persons indicted by the ICTY in Serbia and Montenegro; Sudan, Syria (as amended); Tunisia and Zimbabwe (as amended); persons and entities associated with Osama bin Laden, Al-Qaida, and the Taliban; certain persons, entities, and bodies in view of the situation in Burundi, Libya, and Yemen; and certain other persons, groups, and entities, with a view to combating terrorism.
Other security restrictions	Yes.	In accordance with UN resolutions, sanctions have been imposed against individuals, groups, and organizations associated with terrorism for security reasons. The Law on the Implementation of Economic and Other International Sanctions provides for the procedure for implementing the nonmilitary international sanctions imposed by the UN and other international organizations, as well as by the EU. These include restrictive measures in response to the illegal annexation of Crimea and Sevastopol; Corrigendum to Council Regulation (EU) No. 1351/2014 of December 18, 2014, amending Regulation (EU) No. 692/2014 (32014R1351R(01)).

Exchange Arrangement

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Currency	Yes.	The currency of Lithuania is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Lithuania participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks. The euro foreign exchange reference rates are determined by the ECB daily at around, effective April 3, 2023, 14:10 Central European Time (CET) (previously 14:15 CET), and are published at around 16:00 CET. The reference rate against the euro is the average of the buying and selling rates. The Bank of Lithuania (BOL) republishes daily the euro foreign exchange rates published by the ECB and publishes monthly non-ECB euro foreign exchange reference rates published by the BOL.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		

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Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the

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		Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Any natural or legal person may enter into a spot exchange contract with a bank or currency exchange operator operating in Lithuania or in a foreign country without limitation.
Spot exchange market	Yes.	The BOL issues licenses for institutions to provide financial services. Currency exchange is one of the financial services listed in the Law on Financial Institutions. As of December 31, 2021, 6 commercial banks, 6 specialized banks, 6 local branches of foreign banks, 62 credit unions (including 2 Central Credit Unions), 87 electronic money institutions (EMI), and 54 payment institutions (PI) were licensed to deal in foreign exchange with the public, and 24 currency exchange operators were added to the list by the BOL. There are no limits on exchanging euros for other foreign currencies. Any legal person may engage in foreign exchange operations with the BOL permission.
Operated by the central bank	No.	The BOL as part of the Eurosystem conducts foreign exchange operations in accordance with Articles 127 and 219 of the Treaty on the Functioning of the EU. Foreign exchange operations include (1) foreign exchange interventions and (2) operations such as the sale of interest income derived from foreign reserve assets and commercial transactions.
Foreign exchange standing facility	No.	The BOL implements the Rules of the Eurosystem Monetary Policy Operations. The following apply: The Resolution No. 03-324, December 9, 2014 (Adjustment of General Documentation on Eurosystem Monetary Policy Operations to be carried out by the BOL in line with the ECB guidelines ECB/2016/31, ECB/2016/32, and ECB/2016/33), as amended by the Resolution No. 03-59, April 10, 2018 (Adjustment of General Documentation on Eurosystem Monetary Policy Operations to be carried out by the BOL in line with the ECB guidelines: ECB/2018/3, ECB/2018/4, and ECB/2018/5), and the Resolution No. 03-64, May 14, 2020 (Adjustment of General Documentation on Eurosystem Monetary Policy Operations to be carried out by the BOL in line with the ECB guideline (EU) No. 2020/634 (ECB/2020/29)), the Resolution No. 03 -102, June 17, 2021; (Adjustment of General Documentation on Eurosystem Monetary Policy Operations to be carried by the BOL in line with the ECB guidelines (EU) No. 2021/889 (ECB/2021/23) and (EU) No. 2021/975 (ECB/2021/26)); effective June 30, 2022, Resolution No. 03-90 of June 16, 2022 (Adjustment of General Documentation on Eurosystem Monetary Policy Operations to be carried by the BOL in line with the ECB guidelines (EU) 2022/987 (ECB/2022/17), (EU) 2022/988 (ECB/2022/18), (EU) 2022/989 (ECB/2022/19)); effective June 29, 2023, Resolution No. 03-77 of April 21, 2023; effective June 29, 2023, Adjustment of General Documentation of Eurosystem Monetary Policy Operations to be carried by the BOL in the line with the ECB guidelines (EU) 2023/831 (ECB/2022/48), (EU) 2023/832 (ECB/2022/49), (EU) 2023/833 (ECB/2022/50).
Allocation	No.	
Auction	No.	

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Fixing	No.	
Interbank market	Yes.	All domestic monetary and financial institutions may participate in the interbank market, and trading is executed at freely determined rates. As of December 31, 2021, six local commercial banks and six local branches of foreign banks participate in the euro interbank market.
Over the counter	Yes.	The market operates over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Natural and legal persons may freely enter into forward exchange contracts with credit institutions or brokerage companies for the purpose of provision of investment or other services in Lithuania or in a foreign country. The BOL does not intervene in the forward foreign exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Lithuania is a member of the EU and has introduced Single Euro Payments Area Regulation (EU) No. 260/2012 requirements for diligence in executing payments in euros. Law on Payments has been amended by the Law No. XII-303, of May 14, 2013, to implement the Regulation. In accordance with the amended version of the Law on Payments and Article 47 of the Law on the BOL, the BOL is competent to hear claims by customers and to impose sanctions for nonperformance of relevant obligations.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	According to the Law on the Introduction of the Euro, the euro is the legal tender in Lithuania. Authorized banks may transact among themselves and with residents and nonresidents. The BOL, in

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		accordance with enforcement measures under Article 72 of the Law on Banks, may limit the types of permissible transactions.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EC) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EC regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EC regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EC regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered “cross-border” for the purposes of the EC regulation; the EC regulation only harmonizes the system for the EU’s external borders subject to Council Regulation (EEC) No. 2913/92 (Community Customs Code). The Act of Accession to the EU included Lithuania in the Community Customs Area (12003TN02/19/A1). Transactions exceeding the equivalent of €15,000 or more must be reported to the Financial Crime Investigation Service.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

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Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Credit institutions must report to the tax authorities the opening and closing of accounts by Lithuanian and foreign legal entities (branches and representative offices) and natural persons. Financial market participants are also obligated to provide the tax authority the amount of the annual turnover of the accounts if the total annual turnover of all accounts that the same person has in the same financial market participant comprises at least €15,000, the account balances at the end of the year if the account balance at the end of the year of all accounts that the same person has in the same financial market participant comprises at least €5,000, information on interest, debt obligations, securities, insurance premiums, pension contributions, and other information necessary for the tax administrator to perform its functions. The requirement to provide the State Tax Inspectorate with information on the safe-deposit box is in force, as well as requirement to provide information on representatives and beneficial owners of the safe-deposit boxes and accounts if this information is not to be provided in accordance with the Law on the Prevention of Money Laundering and Terrorist Financing.
Approval required	No.	
Held abroad	Yes.	Natural persons and legal entities must report the opening and closing of these accounts to the tax authorities.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Supervised financial market participants, as defined in the Law of the Republic of Lithuania on the BOL, as well as other entities, if they are defined as data providing financial institutions in the legal acts of the EU and in international treaties or agreements of Lithuania regarding automatic exchange of information on financial accounts, are obligated to collect and submit to the tax administrator information on the accounts of persons of foreign states that is used to implement international cooperation commitments according to the aforementioned legal acts.
Approval required	Yes.	Approval is necessary if required by legislation of the other country.
Domestic currency accounts	Yes.	Supervised financial market participants, as defined in the Law of the Republic of Lithuania on the BOL, as well as other entities, if they are defined as data providing financial institutions in the legal acts of the EU and in international treaties or agreements of Lithuania regarding automatic exchange of information on financial accounts, are obligated to collect and submit to the tax administrator information on the accounts of persons of foreign states that is used to implement international cooperation commitments according to the aforementioned legal acts.
Convertible into foreign currency	Yes.	There is no distinction between resident and nonresident accounts in this regard.
Approval required	No.	
Blocked accounts	Yes.	Certain accounts are blocked by government resolutions in accordance with UNSC resolutions.

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	There are no quantitative restrictions or licensing requirements on imports, except for health and national security reasons and as noted below. Certain food products, such as semi-processed meat products, poultry, and fish, are subject to licensing.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Certain agricultural goods and alcoholic beverages are subject to duties, and certain quantitative restrictions are used to protect Lithuania's cultural heritage. Alcoholic beverages and tobacco may be imported only by traders registered with the government, but import quantities are unrestricted. There are licensing requirements governing trade in strategic goods and technology and certain oil products.
Import taxes and/or tariffs	Yes.	The EU Common Customs Tariff applies. The standard VAT on domestic and imported goods is 21%. Excise duty applies to the following products: ethyl alcohol and alcoholic beverages, manufactured tobacco, raw tobacco, heated tobacco products, electronic cigarette liquid, energy products, electricity, coal, coke, and lignite.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	There are licensing requirements governing trade in strategic goods and exports of certain oil products, but without quotas.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	In line with provisions of Article 132 of the Directive 2009/138/EC (Solvency II), assets held to cover the technical provisions must be

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		invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. With respect to the whole portfolio of assets, insurance and reinsurance companies may only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. These provisions are transposed into Article 42 of the Law on Insurance. Only the funds representing the assets of a branch of non-EEA insurer established in Lithuania and covering the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR) must comply with the localization requirements (respectively, in Lithuania and EEA), according to the Article 166 of the Directive 2009/138/EC (Solvency II) transposed into Article 86 of the Law on Insurance.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	In line with provisions of Article 132 of the Directive 2009/138/EC (Solvency II), assets held to cover the technical provisions must be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. With respect to the whole portfolio of assets, insurance and reinsurance companies may only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. These provisions are transposed into Article 42 of the Law on Insurance. Only the funds representing the assets of a branch of non-EEA insurer established in Lithuania and covering the MCR and the SCR must comply with the localization requirements (respectively, in Lithuania and EEA), according to the Article 166 of the Directive 2009/138/EC (Solvency II) transposed into Article 86 of the Law on Insurance.
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	In line with provisions of Article 132 of the Directive 2009/138/EC (Solvency II), assets held to cover the technical provisions must be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. With respect to the whole portfolio of assets, insurance and reinsurance companies may only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. These provisions are transposed into Article 42 of the Law on Insurance. Only the funds representing the assets of a branch of non-EEA insurer established in Lithuania and covering the MCR and the SCR must comply with the localization requirements (respectively in

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		Lithuania and EEA), according to the Article 166 of the Directive 2009/138/EC (Solvency II) transposed into Article 86 of the Law on Insurance.
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	In line with provisions of Article 132 of the Directive 2009/138/EC (Solvency II), assets held to cover the technical provisions must be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. With respect to the whole portfolio of assets, insurance and reinsurance companies may only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. These provisions are transposed into Article 42 of the Law on Insurance. Only the funds representing the assets of a branch of non-EEA insurer established in Lithuania and covering the MCR and the SCR must comply with the localization requirements (respectively, in Lithuania and EEA), according to the Article 166 of the Directive 2009/138/EC (Solvency II) transposed into Article 86 of the Law on Insurance.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	In line with provisions of Article 132 of the Directive 2009/138/EC (Solvency II), assets held to cover the technical provisions must be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. With respect to the whole portfolio of assets, insurance and reinsurance companies may only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. These provisions are transposed into Article 42 of the Law on Insurance. Only the funds representing the assets of a branch of non-EEA insurer established in Lithuania and covering the MCR and the SCR must comply with the localization requirements (respectively, in Lithuania and EEA), according to the Article 166 of the Directive 2009/138/EC (Solvency II) transposed into Article 86 of the Law on Insurance.
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Financial credits	No.	
By residents to nonresidents	No.	Loans by legal entities or firms to foreign economic entities must be registered with the BOL.
To residents from nonresidents	No.	Foreign loans received by legal entities or firms without a Lithuanian government guarantee must be registered with the BOL.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Foreign investment in national security and defense is prohibited, except investment by foreign entities that meet the criteria for European and transatlantic integration, provided they are approved by the State Defense Council. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	In line with provisions of Article 132 of the Directive 2009/138/EC (Solvency II), assets held to cover the technical provisions must be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. With respect to the whole portfolio of assets, insurance and reinsurance companies may only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. These provisions are transposed into Article 42 of the Law on Insurance. Only the funds representing the assets of a branch of non-EEA insurer established in Lithuania and covering the MCR and the SCR must comply with the localization requirements (respectively in Lithuania and EEA), according to the Article 166 of the Directive 2009/138/EC (Solvency II) transposed into Article 86 of the Law on Insurance. There are also requirements for the assets covering liabilities of life insurance, linked to investment funds, where investment risk is borne by a policyholder – a natural person, that are based on Article 133 of the Solvency II Directive, and are transposed into Article 42 of the Law on Insurance and are defined in the Resolution No. 03-180 issued on November 30, 2015, by the BOL. The requirements consist of composition and diversification requirements for unit-linked insurance assets. There is no general restriction on investments abroad, but investments in precious metals or real estate are not allowed as not suitable investments for retail investors.
Purchase locally by nonresidents	Yes.	Foreign firms and individuals may acquire agricultural and nonagricultural land, subject to provisions in the constitution.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	

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Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	These transactions must be registered with the BOL.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	These transactions must be registered with the BOL.
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	ECB minimum reserve regime is in effect with the introduction of the euro. According to the Regulation (EU) No. 2021/378 of the ECB, on the application of minimum reserves (recast) (ECB/2021/1), the institutions subject to the minimum reserve requirements should comply with the reserve requirements and are to hold required reserves on the accounts of the BOL. The minimum reserve requirement is the same for deposits in euro and in foreign currencies. The reserve base consists of deposits and issued debt securities. If an institution has liabilities in relation to a branch of the same entity, or in relation to the head office or registered office of the same entity, which are located outside participating Member States, it must include such liabilities in the reserve base. Liabilities which are owed to the ECB, to the participating national CB, or to credit institutions which are subject to reserve requirements, are excluded from the reserve base. The amount of required reserves for a particular maintenance period should be calculated by applying the reserve ratios defined by the ECB. A reserve ratio of 0% is applied to the deposits with agreed maturity over two years, deposits redeemable at notice over two years, repos, and debt securities issued with an original maturity over two years. A reserve ratio of 1% applies to all other liabilities included in the reserve base.
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Regulation (EU) No. 575/2013 on Prudential Requirements for Credit Institutions and Investment Firms CRR applies. In particular, CRR Article 351 states, "De minimis and weighting for foreign exchange risk – If the sum of an institution's overall net foreign exchange position and its net gold position, calculated in accordance with the procedure set out in Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. The own funds requirement for foreign exchange risk must be the sum of its overall net foreign exchange position and its net gold position in the reporting currency, multiplied by 8%."
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	In line with provisions of Article 132 of the Directive 2009/138/EC (Solvency II), assets held to cover the technical provisions must be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. With respect to the whole portfolio of assets, insurance and reinsurance companies may only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. These provisions are transposed into Article 42 of the Law on Insurance.
Limits (max.) on securities issued by nonresidents	No.	Only the funds representing the assets of a branch of non-EEA insurer established in Lithuania and covering the MCR and the SCR must comply with the localization requirements (respectively, in Lithuania and EEA), according to the Article 166 of the Directive 2009/138/EC (Solvency II), which are transposed into Article 86 of the Law on Insurance.
Limits (max.) on investment portfolio held abroad	No.	Only the funds representing the assets of a branch of non-EEA insurer established in Lithuania and covering the MCR and the SCR must comply with the localization requirements (respectively in Lithuania and EEA), according to the Article 166 of the Directive

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		2009/138/EC (Solvency II) transposed into Article 86 of the Law on Insurance. There are also requirements for the assets covering liabilities of life insurance, linked to investment funds, where investment risk is borne by a policyholder – a natural person, that are based on Article 133 of the Solvency II Directive, and are transposed into Article 42 of the Law on Insurance and are defined in the Resolution No. 03-180 issued on November 30, 2015, by the BOL. The requirements consist of composition and diversification requirements for unit-linked insurance assets. There is no general restriction on investments abroad, but investments in precious metals or real estate are not allowed as not suitable investments for retail investors.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	According to a general principle, assets held to cover technical provisions must be invested in a manner appropriate to the nature and duration of insurance and reinsurance liabilities; also, asset–liability management policy of insurer has to cover the information on different natures of mismatches between assets and liabilities with regard to term and currency and a description of mitigation techniques used and expected effect on asset–liability management.
Pension funds	No.	The BOL is authorized to supervise pension funds managed by life insurance companies and other pension funds managed by management companies of UCITS.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	The BOL is authorized to supervise investment firms and collective investment funds.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.

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Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	Pursuant to Money Laundering and Terrorist Financing Prevention Law (ML/TF prevention law) Article 251, virtual asset service providers (VASP) may conduct initial coin offerings (ICO), in which an offer to buy its cryptocurrency is made for the first time through

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		the VASP. Under an ICO, the VASP company is only allowed to issue utility tokens. Article 251 states that the persons carrying out the ICO must verify the identity of the person receiving the virtual currency and its beneficial owner in accordance with the procedure established in Articles 9–15 of the ML/TF prevention law before performing one-time or several related monetary transactions or transactions that acquire virtual currency or conclude a transaction equal to or exceeding 3,000 euros or an equivalent amount in virtual currency (values of the virtual currency are determined at the time of execution of the transaction or conclusion of the transaction), regardless of whether the transaction involves one or more sample transactions, as well as to determine the source of the necessary means and funds required for business relations or the transaction.
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	Pursuant to ML/TF prevention law, Virtual currency exchange services are required to: (1) have a registered share capital of at least 125 000 EUR (Article 25, Paragraph 6); (2) appoint exclusive senior employee, who is a permanent tax resident of Lithuania (Article 25, Paragraph 5); (3) take into account the local market and organize essential activities through Lithuania (Article 25, Paragraph 8); (4) comply with reputational requirements, such as absence of valid criminal record for senior management, shareholders and beneficial owners (Article 25, Paragraph 31); (5) comply with prohibition for opening anonymous accounts as well transaction limits (€700) for clients identification (Article 9,

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		Paragraph 1). Other requirements arising from the ML/TF prevention law as obliged entities include obligation to have in place policies aimed to prevention of money laundering and terrorism financing; obligation to fulfill international sanctions regimes; obligation to identify customers and store their data; obligation to implement risk-based approach in the course of its activity; obligation to report suspicious transactions and certain operations. In January 2020, the Financial Crime Investigation Service updated the criteria for identification of money laundering and suspicious monetary operations or transactions to include criteria related to crypto assets. In December 2021, the Financial Crime Investigation Service updated its order for Selection for Inspections. The aim of the order is to apply risk-based approach and manage money laundering and/or terrorism financing risks specifying the list of sectors and economic operators proposed for inspection.
Access to crypto exchange/trading platform by residents	No.	According to ML/TF law, if residents seek to open an account in exchange platform, their identities have to be identified – it is prohibited to open anonymous accounts (Article 9, Paragraph 211). In addition, it is necessary to take measures to determine and verify the identity of the client and the beneficial owner, when performing several virtual currency exchange operations or transactions in virtual currency with funds equal to or exceeding 700 euros or an equivalent amount in foreign or virtual currency per day, or performing several virtual transactions per day, the amount of which is equal to or exceeds 700 euros or the equivalent amount in foreign or virtual currency (Article 9, Paragraph 1).

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*04/03/2023*	The euro foreign exchange reference rates are determined by the ECB daily at around 14:10 Central European Time (CET) (previously 14:15 CET).
Foreign exchange market		
Spot exchange market		
Operated by the central bank		
Foreign exchange standing facility	*06/30/2022*	The Bank of Lithuania (BOL) implements the Rules of the Eurosystem Monetary Policy Operations. Resolution No. 03-102 of June 16, 2022 (Adjustment of General Documentation on Eurosystem Monetary Policy Operations to be carried by the BOL in line with the ECB guidelines (EU) 2022/987 (ECB/2022/17), (EU) 2022/988 (ECB/2022/18), (EU) 2022/989 (ECB/2022/19)) applies.
	06/29/2023	The Bank of Lithuania implements the Rules of the Eurosystem Monetary Policy Operations; Resolution No. 03-77 of April 21, 2023, applies.
	06/29/2023	The Bank of Lithuania (BOL) implements the Rules of the Eurosystem Monetary Policy Operations; Adjustment of General Documentation of Eurosystem Monetary Policy Operations to be carried by the BOL in the line with the ECB guidelines (EU) 2023/831 (ECB/2022/48), (EU) 2023/832 (ECB/2022/49), (EU) 2023/833 (ECB/2022/50) applies.

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LUXEMBOURG

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Pursuant to the law of December 19, 2020, on implementation of financial restrictive measures, as amended, Luxembourg applies restrictive measures in financial matters adopted against certain states, natural and legal persons, entities, and groups by: (1) the provisions of resolutions adopted by the United Nations Security Council under Chapter VII of the Charter of the United Nations; (2) the following acts of the EU: (a) common positions adopted before December 1, 2009, pursuant to Articles 12 and 15 of the Treaty on EU and for the cases referred to in Articles 60(1), 301, and 308 of the Treaty establishing the European Community; (b) decisions adopted since December 1, 2009, pursuant to Articles 25 and 29 of the Treaty on EU and for the cases referred to in Articles 75, 215, and 352 of the Treaty on the Functioning of the EU; (c) regulations adopted before December 1, 2009, pursuant to Article 249 of the Treaty establishing the European Community or decisions taken pursuant to such regulations and for the cases referred to in Articles 60(1), 301, and 308 of the Treaty establishing the European Community; (d) regulations adopted since December 1, 2009, pursuant to Article 288 of the Treaty on the Functioning of the EU or regulations or decisions adopted pursuant to those regulations and for the cases referred to in Articles 75, 215, and 352 of the Treaty on the Functioning of the EU. The prohibitions and restrictive measures with respect to the fight against terrorism financing adopted by the EU are as follows: Council Regulation (EU) No. 2016/1686 of September 20, 2016, imposing additional restrictive measures directed against ISIL and Al-Qaida and natural and legal persons, entities, or bodies associated with them; Council Regulation (EC) No. 881/2002 of May 27, 2002, imposing certain specific restrictive measures directed against certain persons and entities associated with Osama bin Laden, the Al-Qaida network, and the Taliban; Council Regulation (EC) No. 2580/2001 of December 27, 2001, on specific restrictive measures directed against certain persons and entities with a view to combating terrorism; Council Common Position 2001/931/Common Foreign and Security Policy (CFSP) of December 27, 2001, on the application of specific measures to combat terrorism; Council Regulation (EU) No. 753/2011 of August 1, 2011,

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concerning restrictive measures directed against certain individuals, groups, companies, and entities in view of the situation in Afghanistan.

Additional financial restrictive measures in line with EU regulations are in place with respect to the following countries:
Belarus: (EU) No. 765/2006;
Burma/Myanmar: (EU) No. 401/2013;
Burundi: (EU) No. 2015/1755;
Central African Republic: (EU) No. 224/2014;
Democratic Republic of the Congo: (EU) No. 1183/2005;
Guinea: (EU) No. 1284/2009;
Guinea-Bissau: (EU) No. 377/2012;
Haiti: (EU) No. 2022/2319 (effective November 25, 2022);
Iran: (EU) Nos. 267/2012 and 359/2011;
Iraq: (EU) No. 1210/2003;
Lebanon: (EU) Nos. 305/2006, 1412/2006, and 2021/1275;
Libya: (EU) No. 2016/44;
Mali: (EU) No. 2017/1770;
Moldova (Republic of): (EU) No. 2023/888 (effective April 29, 2023;
Nicaragua: (EU) No. 2019/1716;
North Korea: (EU) No. 2017/1509;
Somalia: (EU) Nos. 147/2003 and 356/2010;
South Sudan: (EU) No. 2015/735;
Sudan: (EU) No. 747/2014;
Syria: (EU) No. 36/2012;
Tunisia: (EU) No. 101/2011;
Turkey: (EU) No. 2019/1890;
Ukraine/Russia: (EU) Nos. 208/2014, 269/2014, 692/2014, 833/2014 and 2022/263;
Venezuela: (EU) No. 2017/2063;
Yemen: (EU) No. 1352/2014;
Zimbabwe: (EU) No. 314/2004.

Furthermore, the EU has adopted the following legal texts:
Council Regulation (EU) No. 2018/1542 of October 15, 2018, and Council Decision (CFSP) No. 2018/1544 of October 15, 2018, concerning restrictive measures against the proliferation and use of chemical weapons.
Council Decision (CFSP) No. 2019/797 of May 17, 2019, and Council Regulation (EU) No. 2019/796 of May 17, 2019, concerning restrictive measures against cyberattacks threatening the Union or its Member States.
Council Decision (CFSP) No. 2020/1999 of December 7, 2020, and Council Regulation (EU) No. 2020/1998 of December 7, 2020, concerning restrictive measures against serious human rights violations and abuses.

Other security restrictions — No.

Exchange Arrangement

Currency — Yes. The currency of Luxembourg is the euro.

Other legal tender — No.

Exchange rate structure

Unitary — Yes.

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Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Luxembourg participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information on its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks, which normally takes place at, effective April 3, 2023, 14:10 Central European Time (previously 14:15 Central European Time). The reference rate against the euro is the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		

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Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and commissions in transactions with their clients.

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Spot exchange market	Yes.	In accordance with Council Regulation (EU) No. 1024/2013, no entity may engage in the business of a credit institution without having been granted authorization by the ECB. As of December 31, 2022, there were 121 licensed credit institutions in Luxembourg. Foreign exchange bureaus are authorized by Article 28-2 of the Law of April 5, 1993, and must be licensed by the Commission de Surveillance du Secteur Financier (CSSF). They may not enter into foreign exchange transactions directly with the CB. However, Article 28-2 of the Law of April 5, 1993, states that "persons carrying out foreign exchange cash operations are professionals who carry out operations involving the purchase or sale of foreign currencies in cash. Such persons must be required to display the rates applied to the various currencies dealt in and to issue to clients, with respect to each operation, a statement indicating the name of the foreign exchange office, the amounts in the currencies dealt in, the rates applied, and the date of the operation. Authorization to perform cash-exchange transactions is conditional on the production of evidence showing the existence of a capital base of not less than €50,000." As of December 31, 2022, there are no foreign exchange bureaus in operation in Luxembourg.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	The foreign exchange market operates over the counter.
Brokerage	No.	
Market making	No.	There are no market-making agreements in Luxembourg.
Forward exchange market	Yes.	The CB does not participate in the forward foreign exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	In principle, Luxembourg may not impose any kind of restriction on capital movement and payment within the EU and with third countries. Luxembourg is, however, allowed to implement relevant tax provisions creating a distinction between taxpayers in different tax situations based on their residence or the location of their investment. Measures may also be adopted with a view to avoid breaches of national tax law and prudential supervision over financial institutions, organize declaration on movement of capital for the sake of administrative or statistical information, or take measures intended to protect public security. Under exceptional circumstances, movements of capital coming from or going to third countries may also be restricted if they may cause or threaten to cause serious difficulties for the functioning of the economic and monetary union.
Controls on the use of domestic currency	No.	

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For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Travelers carrying cash of €10,000 or more must declare it to the competent authorities of the Member State through which they are entering or leaving the Union. In case of infringement (failure to declare, false or uncompleted information) or suspicion that cash is related to criminal activity, cash may be detained by customs for a period of 30 days, which may be extended to 90 days. There are provisions for exchange of information between Member States. Statistics and infringements must be reported to the European Commission via Customs Information System (CIS). The definition of cash includes gold and prepaid cards, in addition to banknotes, coins, and bearer-negotiable instruments (for example, traveler's checks). Distinction is made between accompanied and unaccompanied cash. The regulation does not include the obligation to declare cash between Member States. This obligation is covered by national legislation.
Foreign currency	No.	Travelers carrying cash of €10,000 or more must declare it to the competent authorities of the Member State through which they are

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		entering or leaving the Union. In case of infringement (failure to declare, false or uncompleted information) or suspicion that cash is related to criminal activity, cash may be detained by customs for a period of 30 days, which may be extended to 90 days. There are provisions for exchange of information between Member States. Statistics and infringements must be reported to the European Commission via CIS. The definition of cash includes gold and prepaid cards, in addition to banknotes, coins, and bearer-negotiable instruments (for example, traveler's checks). Distinction is made between accompanied and unaccompanied cash. The regulation does not include the obligation to declare cash between Member States. This obligation is covered by national legislation.
On imports	No.	
Domestic currency	No.	Travelers carrying cash of €10,000 or more must declare it to the competent authorities of the Member State through which they are entering or leaving the Union. In case of infringement (failure to declare, false or uncompleted information) or suspicion that cash is related to criminal activity, cash may be detained by customs for a period of 30 days, which may be extended to 90 days. There are provisions for exchange of information between Member States. Statistics and infringements must be reported to the European Commission via CIS. The definition of cash includes gold and prepaid cards, in addition to banknotes, coins, and bearer-negotiable instruments (for example, traveler's checks). Distinction is made between accompanied and unaccompanied cash. The regulation does not include the obligation to declare cash between Member States. This obligation is covered by national legislation.
Foreign currency	No.	Travelers carrying cash of €10,000 or more must declare it to the competent authorities of the Member State through which they are entering or leaving the Union. In case of infringement (failure to declare, false or uncompleted information) or suspicion that cash is related to criminal activity, cash may be detained by customs for a period of 30 days, which may be extended to 90 days. There are provisions for exchange of information between Member States. Statistics and infringements must be reported to the European Commission via CIS. The definition of cash includes gold and prepaid cards, in addition to banknotes, coins, and bearer-negotiable instruments (for example, traveler's checks). Distinction is made between accompanied and unaccompanied cash. The regulation does not include the obligation to declare cash between Member States. This obligation is covered by national legislation.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be freely transferred abroad.
Approval required	No.	
Held abroad	Yes.	Luxembourg insurance companies and occupational pension funds under Commissariat Aux Assurances (CAA) or CSSF supervision must deposit transferable securities matching technical provisions with a credit institution having its registered office in the EEA, being authorized in accordance with Directive (EU) No. 2013/36 and accepted by the CAA or the CSSF. On a reasoned request from the insurance undertaking concerned, the CAA may authorize the deposit with credit institutions having their registered office outside the EEA.

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Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Luxembourg insurance companies and occupational pension funds under CAA or CSSF supervision must deposit transferable securities matching technical provisions with a credit institution having its registered office in the EEA, being authorized in accordance with Directive (EU) No. 2013/36 and accepted by the CAA or the CSSF. On a reasoned request from the insurance undertaking or from an occupational pension fund under CAA supervision, the CAA may authorize the deposit with credit institutions having their registered office outside the EEA (Article 55 Règlement du CAA 15/3), respectively, Circular Letter CAA 09/07, paragraph B. For CSSF supervised pension funds, Article 19 of the amended Law of July 13, 2005, stipulates that (1) the depositary must be established in Luxembourg or in another EU Member State and duly authorized in accordance with Directive 2013/36/EU or Directive 2014/65/EU, or accepted as a depositary for the purposes of Directive 2009/65/EC or Directive 2011/61/EU and (2) the CSSF must give its consent for the appointment or dismissal of a depositary. It assesses the depositary's ability to assume its task on the basis of its size, its financial capacity, its organization, and, more generally, the compatibility of its business with the pension savings companies with variable capital's (SEPCAV's) object (Law of December 15, 2019).
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	Accounts affected by international security restrictions are blocked.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	

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Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	No.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Luxembourg applies the EU common import regime.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Some goods, products, or items require an export license, and these goods, products, or items are mainly of a sensitive and strategic nature. The goods, products, and items covered by the Law of June 27, 2018, on export control eligible for export licenses are goods of a strictly civilian nature, defense-related products, goods that could be used for capital punishment, torture or other cruel, inhuman, or degrading treatment or punishment or dual-use items. An export license may also be required when restrictive measures are adopted in commercial matters by the UNSC or the EU.
With quotas	No.	
Export taxes	No.	

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Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance and reinsurance companies must invest all their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of Insurance Law). The CAA has not imposed any restrictions. For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b) provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed. The CSSF supervised pension funds must invest their assets in accordance with the “prudent person” rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and pension savings associations (ASSEPs) and may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance and reinsurance companies must invest all their assets in

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		accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of Insurance Law). The CAA has not imposed any restrictions. For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b) provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed. The CSSF supervised pension funds must invest their assets in accordance with the "prudent person" rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and ASSEPs and may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance and reinsurance companies must invest all their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of Insurance Law). The CAA has not imposed any restrictions. For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b) provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed. The CSSF supervised pension funds must invest their assets in accordance with the "prudent person" rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and ASSEPs and may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance and reinsurance companies must invest all their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of Insurance Law). The CAA has not imposed any restrictions. For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b) provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed. The CSSF supervised pension funds must invest their assets in accordance with the "prudent person" rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and ASSEPs and may

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		invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance and reinsurance companies must invest all their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of Insurance Law). The CAA has not imposed any restrictions. For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b) provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed; The CSSF supervised pension funds must invest their assets in accordance with the "prudent person" rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and ASSEPs and may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	The Law of December 15, 2019, transposed Directive (EU) 2016/2341 (IORP II), modifying inter alia the Law of December 7, 2015, and the Law of July 13, 2005. The Law of December 7, 2015, transposed Directive 2009/138/EC (Solvency II). With the entry into force of these laws: Insurance and reinsurance companies must invest their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of Insurance Law). The CAA has not imposed any restrictions. For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b) provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed. The CSSF supervised pension funds must invest their assets in accordance with the "prudent person" rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and ASSEPs, and may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).

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To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls may apply to (1) the extent that according to the provisions applicable to UCITS under the Law of December 17, 2010, relating to undertakings for collective investment as amended, access to the UCITS depositary function is limited to credit institutions, within the meaning of the 1993 Law on the financial sector, having their registered office in Luxembourg or Luxembourg branches of credit institutions having their registered office in another EU Member State and (2) airlines established in the country that must be majority-owned and effectively controlled by EU countries and/or nationals of EU countries, unless otherwise provided for through an international agreement to which the EU is a signatory. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Insurance and reinsurance companies must invest all their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of Insurance Law). The CAA has not imposed any restrictions. For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b) provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed. The CSSF supervised pension funds must invest their assets in accordance with the “prudent person” rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and ASSEPs and may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	In accordance with Article 325 counterparty credit risk (CRR), credit institutions are required to calculate the own funds requirements for market risk of all trading book positions and non-trading book positions that are subject to foreign exchange risk or commodity risk in accordance with either the standardized approach or the internal model approach. The prudential capital requirement for foreign

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		exchange risk under Article 351 of the CRR applies.
On resident assets and liabilities	Yes.	CRR Articles 325 and 351 apply.
On nonresident assets and liabilities	Yes.	CRR Articles 325 and 351 apply.
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	For insurance and reinsurance companies, only the prudent person principle applies, and the CAA has not imposed any restrictions.
Limits (max.) on securities issued by nonresidents	No.	Insurance and reinsurance companies must invest all their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of the Insurance Law).
Limits (max.) on investment portfolio held abroad	No.	Insurance and reinsurance companies must invest all their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of the Insurance Law).
Limits (min.) on investment portfolio held locally	No.	Insurance and reinsurance companies must invest all their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of the Insurance Law).
Currency-matching regulations on assets/liabilities composition	No.	Insurance and reinsurance companies must invest all their assets in accordance with the prudent person principle, according to the requirements to be determined by a CAA regulation (Article 114 of the Insurance Law).
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds must invest all their assets in accordance with the prudent person principle. For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b) provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed. The CSSF supervised pension funds must invest their assets in accordance with the "prudent person" rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and ASSEPs and may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds must invest all their assets in accordance with the prudent person principle. For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b) provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed. The CSSF supervised pension funds must invest their assets in accordance with the "prudent person" rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and ASSEPs and may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	For pension funds under CAA supervision, Article 256-19 of the Insurance Law applies. Article 256-19, paragraph (1), letter (b)

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		provides that pension funds may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed. The CSSF supervised pension funds must invest their assets in accordance with the "prudent person" rule according to Article 78 of the amended Law of July 13, 2005, on institutions for occupational retirement provision in the form of SEPCAVs and ASSEPs, and may invest up to 30% of the assets matching technical provisions in assets denominated in currencies other than those in which the commitments are expressed (Article 81).
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investment firms, to the extent that they are subject to K-CON K-Factor requirement as per Part Four on concentration risk of Regulation (EU) No 2019/2033 (that is, the "IFR"), must limit their exposures with regard to an individual client or group of connected clients to 25% of their own funds. Investment firms applying the CRR (that is, the "EI CRR") are subject to the Part Four on large exposure framework of Regulation (EU) No 575/2013 (that is, the "CRR"), where an investment firm may not incur an exposure to a client or group of connected clients that exceeds a percentage of its Tier 1 capital (Article 395 CRR). For UCITS investment funds, purchases of securities issued by nonresidents are subject to the same limits as securities issued by residents, namely (1) diversification ratios (5/10/40—that is, no more than 10% of the fund's assets may be invested in transferable securities or money market instruments of the same issuer, and none of the fund's holdings in single issuers that exceed 5% of the fund's assets may cumulatively exceed 40%) and (2) borrowing ratio (maximum of 10% of the fund's assets).
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Investment firms, to the extent that they are subject to RtM K-Factor requirement pursuant to Article 21 of Regulation (EU) No. 2019/2033, (that is, the "IFR"), must calculate either the K-NPR (Article 22 IFR) or the K-CMG (Article 23 IFR) K factors. If an investment firm applies the K-NPR, the investment firm has the choice to apply either: (1) the standardized approach set out in Chapters 2, 3, and 4 of Title IV of Part Three of Regulation (EU) No. 575/2013 (CRR), or (2) the alternative standardized approach set out in Chapter 1a of Title IV of Part Three of the CRR, or (3) the alternative internal model approach set out in Chapter 1b of Title IV of Part Three of the CRR. However, until June 26, 2026 (transitional provisions set out in Article 57 of IFR), investment firms must apply the requirements set out in Title IV of Part Three of the CRR for the purpose of calculating K-NPR (that is, the standardized approach). In the standardized approach, investment firms must calculate own funds requirement for foreign exchange risk pursuant to Chapter 3 of CRR and must calculate an overall net foreign exchange position pursuant to Article 352 of CRR. The institution's overall net foreign exchange position serves as a basis for the calculation of own funds requirement for foreign exchange risk as specified in Article 351 of CRR (sum of its overall net foreign exchange position and net gold position in the reporting currency, multiplied by 8%). Institutions' own funds requirements against positions in relevant closely correlated currencies may be lower. Two currencies are deemed

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		closely correlated if the likelihood of a loss—based on daily exchange rate data for the preceding three or five years—of 4% or less of the value of the matched position in question (in terms of the reporting currency) on equal and opposite positions in such currencies over the following 10 working days has a probability of at least 99% for a three-year observation period and of 95% for a five-year observation period. The own funds requirement on the matched position in two closely correlated currencies is 4% of the value of the matched position (Article 354 CRR).

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	There was a short trial of central bank digital currency (CBDC) on a DLT: Venus issuance with the Banque de France.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	

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Crypto assets	No.	There is no regulation for crypto assets yet.
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	There is no regulation for crypto assets yet. Security tokens are treated as securities, and the standard regulations apply to them.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

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Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons In accordance with IMF Executive Board Decision No. 144-(52/51)	*11/25/2022*	Financial restrictive measures in line with EU Regulations with respect to Haiti were introduced.
	04/29/2023	Financial restrictive measures in line with EU Regulations with respect to Moldova were introduced.

Exchange Arrangement

Official exchange rate	*04/03/2023*	The euro foreign exchange reference rates are determined by the ECB daily at around 14:10 Central European Time (CET) (previously 14:15 CET).

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MACAO SAR

(Position as of November 30, 2023)

Status under IMF Articles of Agreement

Date of membership		Macao SAR shares the same membership date as China, December 27, 1945.
Article VIII	Yes.	Macao SAR shares the same Article VIII acceptance date as China, December 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	The Macao SAR implements certain UNSC sanctions to freeze the accounts and assets of listed individuals, groups, and organizations associated with terrorism, at the instruction of the Central Government of the People's Republic of China.

Exchange Arrangement

Currency	Yes.	The currency of Macao SAR is the pataca (MOP).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The exchange rate arrangement is a currency board. The pataca has been tied to the Hong Kong dollar (HKD) at a rate of MOP1.03 to HKD1. Banknotes are issued by two note-issuing banks, which deliver an equivalent amount of HKDs to the Monetary Authority of Macao (AMCM) in return for noninterest-bearing certificates of indebtedness, which serve as the backing for the banknote issue. The HKDs are part of the official foreign exchange reserves held by the AMCM. Under the currency board arrangement, the pataca is 100% backed by reserve assets. The legal documents that establish the currency board include the Basic Law (Chapter V, Articles 107 and 108). In accordance with the provisions of Decree-Law No. 14/96/M which governs its Charter, the AMCM is vested with the authority and responsibility to monitor internal stability and external solvency of

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		the local currency so as to ensure its full convertibility. The AMCM does not initiate market intervention but would conduct foreign exchange transactions involving the pataca on local banks' demand.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate is set at the middle rate of MOP1.03 per HKD. The two note-issuing banks deliver HKDs to the AMCM in return for noninterest-bearing certificates of indebtedness, which serve as the backing for banknotes issued at the above-mentioned exchange rate. Bilateral exchange rate data are published on the AMCM's website on a daily basis.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite		
Other	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the HKD.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		

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Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely determine their foreign exchange rates and commission fees in transactions with their clients. Besides, licensed money changers and the six gaming concessionaires in Macao SAR are authorized to provide foreign exchange services in their business premises.
Spot exchange market	Yes.	Commercial banks are not required to obtain a separate license to engage in spot foreign exchange transactions. As of September 30, 2023, there were 10 authorized money changers operating in Macao SAR. In addition, there were 6 gaming concessionaires in Macao SAR authorized to operate exchange counters to provide money exchange services in their business premises. Money changers and exchange counters are subject to licensing requirements as stipulated in the relevant laws and regulations. They can only conduct foreign exchange transactions within their business scope as prescribed by law, mainly including

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		the buying and selling of foreign banknotes and coins in circulation. They cannot make foreign currency payments and transfers on behalf of their clients. Only local banks can conduct foreign exchange transactions directly with the AMCM, while money changers and exchange counters cannot.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The AMCM buys or sells foreign exchange on local banks' demand on an OTC basis. The transactions include foreign exchange spot, foreign exchange forwards, and foreign exchange swaps between major foreign currencies and the pataca.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	As of September 30, 2023, there were 33 licensed banks in Macao SAR participating in the interbank market through the real-time gross settlement system for the pataca (MOP RTGS). No separate licenses are required for banks to engage in the foreign exchange market. The interbank foreign exchange market operates on an OTC basis. There is no official limit on the bid-ask spreads or commissions of market participants, and there is no broker system or any market maker agreement. The AMCM conducts foreign exchange transactions involving the pataca with local banks on their demands, which is on an OTC basis. For foreign exchange spot transactions between the HKD and the pataca, the bid-ask is at 1.029/1.031, while the rates for transactions of the pataca against major foreign currencies are based on market conditions, in line with the exchange rates of the anchor currency.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The AMCM conducts forward foreign exchange transactions with licensed banks.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other	No.

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instruments	
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.
Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.
Barter agreements and open accounts	No.
Administration of control	No.
Payments arrears	No.
Official	No.
Private	No.
Controls on trade in gold (coins and/or bullion)	No.
On domestic ownership and/or trade	No.
On external trade	No.
Controls on exports and imports of banknotes	No.
On exports	No.
Domestic currency	No.
Foreign currency	No.
On imports	No.
Domestic currency	No.
Foreign currency	No.

Resident Accounts

Foreign exchange accounts permitted	Yes.	There is no exchange control in Macao SAR. Foreign exchange accounts are permitted for both residents and nonresidents, irrespective of whether the accounts are held domestically or abroad.
Held domestically	Yes.	There is no exchange control in Macao SAR. Balances can be transferred abroad freely, subject to exchange controls (if any) in relevant overseas jurisdictions.
Approval required	No.	
Held abroad	Yes.	Balances can be transferred to Macao SAR freely, subject to exchange controls (if any) in relevant overseas jurisdictions.
Approval required	No.	

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Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There is no exchange control in Macao SAR. Foreign exchange accounts are permitted for both residents and nonresidents.
Approval required	No.	
Domestic currency accounts	Yes.	Domestic currency accounts are permitted for both residents and nonresidents.
Convertible into foreign currency	Yes.	There is no exchange control in Macao SAR.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	The import of several categories of goods on the import list (Table B) of Chief Executive Decision No. 209/2021 with updates in Chief Executive Decision Nos. 188/2022, 208/2022, and 110/2023 as well as goods which are regulated by specific legislations (such as CITES and The Kimberley Process) is subject to licensing by various government agencies, primarily on grounds of public health, safety, public security, environmental protection, intellectual property rights enforcement, and consumption tax collection. The goods concerned include: live animals, plants listed under CITES, certain foods, pharmaceuticals, narcotic drugs and psychotropic substances, proprietary Chinese medicines, certain chemicals, certain dangerous substances, goods subject to excise duty, equipment and materials for the production of compact disks, radiocommunication equipment, rough diamonds, petroleum

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		products, motor vehicles, arms and ammunition, etc.
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	Yes.	In accordance with the Montreal Protocol, imports of ozone-depleting substances (hydrofluorocarbons (HFCs) and hydrochlorofluorocarbons (HCFCs)) are subject to licenses and quotas.
Other nontariff measures	No.	
Import taxes and/or tariffs	No.	Imported products are exempt from duties, although excise duties are imposed on certain products: imported and domestically produced tobacco products and alcoholic beverages over a certain alcoholic content are subject to consumption tax.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	The export of several categories of goods on the export list (Table A) of Chief Executive Decision No. 209/2021 with updates in Chief Executive Decisions Nos. 188/2022 and 110/2023 as well as goods which are regulated by specific legislations under obligations of international agreements (such as CITES and The Kimberley Process) is subject to licensing by various government agencies, primarily on grounds of public health, safety, and public security. Relevant goods include arms and ammunition, plants listed under CITES, rough diamonds, chemicals, etc.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	There are no controls on the purchase and sale of capital and money market instruments by residents or nonresidents.
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents		

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	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	In general, there are no special legal, regulatory, or administrative guidelines governing foreign investment in Macao SAR. Licensing requirements apply to domestic and foreign investment in finance, insurance, and banking. Investment in gaming and public services (electricity, water, and gas) by domestic and foreign companies requires a concession from the government.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	From October 30, 2012, buyers of residential properties in Macao SAR who are legal persons, individual entrepreneurs, or nonresidents are subject to Buyer Stamp Duty at a flat rate of 10%, on top of existing stamp duties. From February 10, 2018, non-first-time buyers (both residents and nonresidents) are subject to additional stamp duty for the acquisition of residential properties in Macao SAR, at a flat rate of 5% and 10% for acquiring the second residential property and beyond, respectively.

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		In summary, nonresidents may purchase residential properties in Macao SAR subject to the above-mentioned stamp duties, if applicable.
Sale locally by nonresidents	Yes.	From June 14, 2011, sellers (both residents and nonresidents) of residential properties are subject to Special Stamp Duty (SSD) at 20% and 10% if the property is resold within one year and two years, respectively, from the settlement date of stamp duty on purchase of the property. From October 30, 2012, SSD also applies to sellers (residents and nonresidents) of commercial properties, office, parking space, or properties under construction/planning. In other words, nonresidents may sell residential properties in Macao SAR subject to the SSD, if applicable.
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Credit institutions including banks should comply with the limits and restrictions stipulated in the Financial System Act ("FSA", Law No. 13/2023 of August 14) and other relevant guidelines issued by the AMCM for prudential purposes.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Credit institutions can extend loans and other credit facilities to nonresidents subject to the limits stipulated in the FSA. According to Article 73 of the FSA, effective November 1, 2023, credit institutions may not incur an exposure to a customer or a group of connected customers, which exceeds 25% (previously 30%) of their Tier 1 capital. In addition, they may not incur large exposures (that is, exposures that are not less than 10% (previously 15%) of their Tier 1 capital) which exceed 800% of their Tier 1 capital. Articles 74 and 75 of the FSA also stipulate the specific limits on

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		exposures to qualifying shareholders and other related parties of credit institutions, etc. The provisions are general exposure limits which are not designed as special restrictions for lending to nonresidents.
Lending locally in foreign exchange	Yes.	Credit institutions can extend loans and other credit facilities to customers, irrespective of the currency, subject to the limits stipulated in the FSA. According to Article 73 of the FSA, effective November 1, 2023, credit institutions may not incur an exposure to a customer or a group of connected customers, which exceeds 25% (previously 30%) of their Tier 1 capital. In addition, they may not incur large exposures (that is, exposures that are not less than 10% (previously 15%) of their Tier 1 capital) which exceed 800% of their Tier 1 capital. Articles 74 and 75 of the FSA also stipulate the specific limits on exposures to qualifying shareholders and other related parties of credit institutions, etc. The provisions are general exposure limits which are not designed as special restrictions for lending locally in foreign exchange.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Credit institutions can purchase locally issued securities irrespective of the currency, subject to the limits stipulated in the FSA. According to Article 73 of the FSA, effective November 1, 2023, credit institutions may not incur an exposure to a customer or a group of connected customers, which exceeds 25% (previously 30%) of their Tier 1 capital. In addition, they may not incur large exposures (that is, exposures that are not less than 10% (previously 15%) of their Tier 1 capital) which exceed 800% of their Tier 1 capital. Articles 74 and 75 of the FSA also stipulate the specific limits on exposures to qualifying shareholders and other related parties of credit institutions, etc. The above limits also govern financial holdings and securities issued by the customer or group of customers held by credit institutions. These are general exposure limits which are not designed as special restrictions on purchase of locally issued securities denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	

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Investment regulations	Yes.	Credit institutions may have a shareholding in another company, in the form of either financial holdings or investment in shares, subject to the limits stipulated in the FSA.
Abroad by banks	Yes.	Credit institutions may have a shareholding in local or overseas companies, subject to the limits stipulated in the FSA. According to Article 77 of the FSA, under normal circumstances, credit institutions should not have shareholding in another company which exceeds, either directly or indirectly, 15% of their own funds. The aggregate amount of such holdings should not exceed 60% of their own funds. These provisions do not apply to holdings in financial institutions subject to supervision deemed adequate by the AMCM. According to Article 78 of the FSA, credit institutions should not, directly or indirectly, have a holding of more than 25% of voting rights attributed to the share capital of the relevant company. The provision does not apply to the holdings in financial institutions subject to supervision deemed adequate by the AMCM, insurance companies, pension fund management companies, and companies whose activities are complementary to the activities of the credit institution when prior authorization from the AMCM has been granted. According to Article 75 of the FSA, investments in shares which are not for financial holdings must observe the following rules: (1) shares issued by companies incorporated overseas should be listed in a stock exchange and (2) the holding of shares issued by the same company should not exceed 5% of the credit institution's own funds nor represent more than 5% of the capital of the issuing company.
In banks by nonresidents	Yes.	According to Article 49 of the FSA, no individual or corporate may acquire, either directly or indirectly, a qualifying holding of a credit institution incorporated in Macao or increase the same by over 5% of the share capital or voting rights, in one or more stages, without prior approval from the AMCM. A qualifying holding is that, either directly or indirectly, represents 10% or more of the share capital or voting rights, or in any other form which confers the possibility to exercise a significant influence over the management of the institution. According to Article 50 of the FSA, if the AMCM is not satisfied that the shareholders can ensure the sound and prudent management of the institution, it may oppose the acquisition of or increase in the qualifying shareholding. These are general requirements which are not designed as special restrictions on investments in banks by nonresidents.
Open foreign exchange position limits	No.	No regulatory foreign exchange position limits have been set by the AMCM. However, according to paragraph 26 of "Guideline on Management of Liquidity Risk" issued by the AMCM, banks are required to set internal limits on individual foreign currencies and conduct reviews on such limits, for the measurement of liquidity position.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	

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Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	Insurers are required to guarantee their technical reserve on the last day of each quarter with equivalent and congruent assets located in Macao SAR. The admissible assets can be in the form of bank deposits, landed properties, or securities, including those in foreign countries. Besides, at least 5% of the insurer's general account reserves must be deposited at authorized credit institutions in Macao SAR.
Currency-matching regulations on assets/liabilities composition	Yes.	Insurers carrying on life insurance business are required to have their assets matched with the insurance liabilities in terms of currency denomination. Where there is currency mismatch in assets and liabilities, life insurers are required to set aside prudent provisions against the effects of changes in exchange rates on the adequacy of assets.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	The net currency exposure (including the exposure relating to derivatives) in currencies outside the "pataca–HKD–US dollar" block may not exceed 70% of the total assets of each pension fund.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	According to Decree-Law No. 83/99/M, investment funds established in Macao SAR are not allowed to acquire securities issued by any single company at more than 10% of the total value of the investment fund. In addition, an investment fund cannot acquire securities issued or held by any individuals or entities who hold 10% or more of the capital of the fund management company. These are general concentration limits for investment funds and are not designed to place limits on their investments on securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	

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CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	As central bank digital currency is a very new form of currency, banks in Macao have yet to have transactions in relation to central bank digital currency launched by another jurisdiction.
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	According to the risks associated with virtual assets (VAs), the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Controls on unbacked tokens	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.

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Acquisition by residents	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Use among residents	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Between residents and nonresidents	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
For current transaction	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
For capital transactions	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Transactions in capital and money market instruments	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Transactions in derivatives and other instruments	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Credit operations	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services

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		institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Controls on utility and security tokens	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Acquisition by residents	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Use among residents	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Between residents and nonresidents	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
For current transaction	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
For capital transactions	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Transactions in capital and money market instruments	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities.

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		The definition of VAs here is in accordance with the FATF Recommendations.
Transactions in derivatives and other instruments	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities.
		The definition of VAs here is in accordance with the FATF Recommendations.
Credit operations	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities.
		The definition of VAs here is in accordance with the FATF Recommendations.
Controls on stablecoins	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities.
		The definition of VAs here is in accordance with the FATF Recommendations.
Acquisition by residents	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities.
		The definition of VAs here is in accordance with the FATF Recommendations.
Use among residents	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities.
		The definition of VAs here is in accordance with the FATF Recommendations.
Between residents and nonresidents	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities.
		The definition of VAs here is in accordance with the FATF Recommendations.
For current transaction	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities.
		The definition of VAs here is in accordance with the FATF Recommendations.
For capital transactions	Yes.	According to the risks associated with VAs, the AMCM has

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		published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Transactions in capital and money market instruments	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Transactions in derivatives and other instruments	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Credit operations	Yes.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Controls on crypto exchanges and trading platforms	n.a.	According to the risks associated with VAs, the AMCM has published press release to reiterate that virtual currencies are not legal tender and has required all banks and payment services institutions in Macao not to participate in or provide, directly or indirectly, any financial services for VA activities. The definition of VAs here is in accordance with the FATF Recommendations.
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending to nonresidents (financial or commercial credits)	*11/01/2023*	Credit institutions may not incur an exposure to a customer or a group of connected customers, which exceeds 25% (previously 30%) of their Tier 1 capital. In addition, they may not incur large exposures (that is, exposures that are not less than 10% (previously 15%) of their Tier 1 capital) which exceed 800% of their Tier 1 capital.
Lending locally in foreign exchange	*11/01/2023*	Credit institutions may not incur an exposure to a customer or a group of connected customers, which exceeds 25% (previously 30%) of their Tier 1 capital. In addition, they may not incur large exposures (that is, exposures that are not less than 10% (previously 15%) of

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		their Tier 1 capital) which exceed 800% of their Tier 1 capital.
Purchase of locally issued securities denominated in foreign exchange	*11/01/2023*	Credit institutions may not incur an exposure to a customer or a group of connected customers, which exceeds 25% (previously 30%) of their Tier 1 capital. In addition, they may not incur large exposures (that is, exposures that are not less than 10% (previously 15%) of their Tier 1 capital) which exceed 800% of their Tier 1 capital.

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MADAGASCAR

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 25, 1963.
Article VIII	Yes.	Date of acceptance: September 18, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Madagascar is the Malagasy ariary (MGA).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are floating. The exchange rate is determined in the official interbank market. Banky Foiben'i Madagasikara (the Central Bank of Madagascar – CBM) intervenes in the interbank market to smooth excessive exchange rate fluctuations and meet foreign exchange reserve targets.

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		The CBM publishes a daily and weekly list of its interventions concerning the volume of interventions in the interbank foreign exchange market for participating banks, the reference exchange rate, and the lowest and highest rates. This information is submitted by courier to the MOF and Budget as well as to the Office of the President. In 2022, the interbank foreign exchange market felt the consequences of the global turmoil through soaring prices. The exchange rate fell 4.29% relative to the euro and 1.09% relative to the dollar between end-December 2022 and end-June 2023.
Free floating		
Official exchange rate	Yes.	The official exchange rate is the reference rate published at 2:45 p.m., which is computed daily in the interbank market and is used for government transactions. This rate is also used for customs valuation but not on an instantaneous basis. (In practice, customs duties paid by importers are set using an average of the previous week's interbank exchange rates.)
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	As part of the transitional flexible monetary aggregate targeting framework currently being implemented by the CBM, the quantitative monetary objectives are the performance criteria to be met under the Extended Credit Facility (ECF) program with the IMF. These criteria are the ceiling on net domestic assets and the floor on net foreign assets of the CBM. They aim, respectively, to limit the effects of domestic money creation on demand and to maintain the stock of official foreign exchange reserves to secure foreign payments. Furthermore, the new operational interest rate-based monetary policy framework, to take effect in 2024, will focus on controlling the volatility of short-term rates on the market. The operational target corresponds to the middle of the interest rate corridor in effect – it will be the weighted average rate of overnight interbank exchanges. A publication of a press release, together with a note on the economic situation explaining the recent developments and the outlook for the indicators taken into account in the decision-making, is published after each monetary policy decision. Added to this is the publication of quarterly bulletins and annual reports, quarterly meeting with banks, etc.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		

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Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The euro and the US dollar are the only currencies quoted on this market. The exchange rates of other currencies are determined on the basis of the rates of these currencies against the US dollar in the international market. Commercial banks may freely set the exchange rate and commissions for transactions with their clients. The foreign exchange market handles spot and forward operations on a continuous basis.

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Spot exchange market	Yes.	Authorized intermediaries—namely primary banks and post offices—may conduct all authorized foreign exchange transactions (Article 1 of the Foreign Exchange Code). Territorial banks hold a banking license that allows them to conduct all bank transactions, including foreign currency transactions, and deal in foreign exchange with the public. Exchange bureaus are authorized to carry out OTC exchange transactions, provided they obtain licenses issued by the Banking and Financial Supervision Commission (CSBF). Such institutions may buy and sell foreign currency cash and traveler's checks, accept foreign currency checks drawn on bank accounts and bank checks, and buy and sell foreign currency held in foreign exchange accounts in Malagasy banks. Because they do not have the status of authorized intermediaries, exchange bureaus may not engage in foreign exchange transactions directly with the CB, maintain accounts abroad, or make foreign currency payments and transfers on behalf of their clients. As of December 31, 2021, 11 banks were licensed to deal in foreign exchange with the public, and there were 22 exchange bureaus.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Authorized intermediaries and the CBM participate in an electronic platform that allows them to continuously quote ariary for US dollars and euros. As at February 19, 2021, 11 of the 12 banks (previously 10 out of 11) are authorized by the CBM to participate in the interbank foreign exchange market. The CBM intervenes directly with market participants. Each participant proposes its quotes. There are no limits on the bid-ask spread or commission to market operators (no change). The interbank market is developing gradually. Eleven authorized territorial banks can participate in the interbank foreign exchange market, with five to nine banks participating regularly, including the CBM.
Over the counter	Yes.	The foreign exchange market operates over the counter. There are no limits on the bid-ask spreads or commissions of market participants.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The CBM may participate in the forward foreign exchange market. Importers may buy foreign currency from their banks 120 days before settlement. There is a 120-day maximum for documentary credits for spot exchange cover (Article 28) and a 30-day maximum for documentary collections (remises documentaires), as well as a 360-day maximum for documentary credits for hedging delayed purchases or "couverture de change au comptant différée" (Article 33) with foreign exchange. Foreign exchange swap transactions are used as a CBM monetary policy instrument pursuant to Instruction No. 0002-DOM/17. Banks may not use foreign exchange swaps with another bank or their clients.
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Domestic currency may not be used for the settlement of international current or capital transactions.
For current transactions and payments	Yes.	Domestic currency may not be used for the settlement of international current transactions.
For capital transactions	Yes.	Domestic currency may not be used for the settlement of international capital transactions.
Transactions in capital and money market instruments	Yes.	Domestic currency may not be used for the settlement of international capital transactions.
Transactions in derivatives and other instruments	Yes.	Domestic currency may not be used for the settlement of international capital transactions.
Credit operations	Yes.	Domestic currency may not be used for the settlement of international capital transactions.
Use of foreign exchange among residents	Yes.	The use of foreign exchange among residents, including transfers between accounts and foreign exchange transactions conducted outside of authorized intermediaries (change illicite), is prohibited by the foreign exchange regulations, which require that prices be posted, leases and invoices prepared, and payments made in ariary, except in the following cases: (1) prices posted for cross-border air and sea services; (2) residential and commercial leases prepared for industrial free zone and free trade zone enterprises; (3) invoices issued for exporters of goods and services intended for foreign countries or free trade zone enterprises; and (4) prices of goods and services posted and paid for in accordance with laws and regulations.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	There are currently no operative bilateral payments.
Inoperative	Yes.	There was an arrangement with Mauritius that has been inoperative for some time.
Regional arrangements	Yes.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	Regulations prohibit barter trade.
Administration of control	Yes.	Exchange control is administered by the External Finance Unit of the General Directorate of the Treasury, which also supervises borrowing and lending abroad by residents; foreign exchange lending and borrowing to and for the profit of nonresidents; and the issuance, sale, and introduction of foreign securities in Madagascar. Approval for current transactions has been delegated to authorized intermediaries, except for capital operations, which require approval from the Ministry of Economy and Finance. All exchange transactions must be effected through such intermediaries.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Approved collectors acting in their own name and on their own

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		behalf may purchase gold within the country from holders of valid gold-mining titles, authorized holders of Gold Board gold-washing rights, and agencies for approved collectors.
On external trade	Yes.	Imports and exports of gold require authorization from the Ministry of Mines. Exempt from this requirement are (1) imports and exports by or on behalf of the CBM, and (2) imports and exports of manufactured articles containing only a small quantity of gold (such as gold-filled or gold-plated articles). Residents may take abroad 250 grams of hallmarked gold jewelry a person without declaration; declaration is mandatory for quantities above 250 grams. Tourists may take abroad 1 kilogram of hallmarked gold jewelry on submission of an exchange declaration corresponding to the jewelry's value. Imports of gold, whether licensed or exempt from the licensing requirement, are subject to customs declaration. Holders of a valid gold-mining title or a gold-washing permit or rights thereto may sell gold to any approved collector. However, Malagasy authorities and their agents have first rights to purchase gold produced in the country. The Gold Board and agencies authorized by the Ministry of Mines may export gold in all its forms. Jewelers, goldsmiths, and private sector professionals who use gold may export it only in worked form, with the approval of the minister of mining.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Residents and nonresidents may take abroad up to MGA 400,000. There are no exceptions to this rule.
Foreign currency	Yes.	The previous provisions on customs declarations for amounts exceeding €7,500 are no longer in force. Residents and nonresidents may take abroad up to €10,000 or its equivalent in other currencies. Each traveler is free to bring up to €1,000 or its equivalent in other currencies, without the need to show proof of allowance. However, if the amount carried exceeds €1,000, the traveler must submit a certificate of exchange issued by an exchange bureau or an authorized intermediary to customs at the border. The obligation to provide the certificate of exchange to Customs therefore applies to amounts between €1,000 and €10,000 or their equivalent in other currencies. A risk-based approach to prevent, detect, and suppress money laundering is in place pursuant to Law No. 2018-043.
On imports	Yes.	
Domestic currency	Yes.	Residents and nonresidents may bring in up to MGA 400,000. There are no exceptions to this rule.
Foreign currency	Yes.	Residents and nonresidents may bring in any amount of foreign currency. Nonresident travelers planning to reexport unused currency must file a declaration with Customs on arrival. The declaration must be retained and presented to Customs on exit. The amount to be reexported must not exceed the threshold of €10,000 or its equivalent in other currencies. A risk-based approach to prevent, detect, and suppress money laundering is in place pursuant to Law No. 2018-043. The foreign exchange code requires all conversions of foreign banknotes to take place at accredited institutions (either a bank or an exchange bureau).

Resident Accounts

Foreign exchange accounts permitted	Yes.	

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Held domestically	Yes.	Exporters of goods and services, financial institutions, and exchange bureaus are authorized to freely open foreign exchange accounts with local commercial banks. Foreign exchange accounts opened by non-professionals must be justified. Only transfers from abroad, foreign banknotes, traveler's checks, and bank checks may be deposited in these accounts without documentation. These accounts may be debited for conversion to domestic currency on the interbank market. Balances may not be transferred abroad freely. Foreign currency accounts may not be credited in ariary. Conversion to foreign banknotes is allowed only within the limits stipulated in the foreign exchange control regulations and requires approval from the MOF. According to Article 20, foreign currency may not be purchased on the interbank foreign exchange market for deposit to such accounts, nor may they be credited in ariary; all account holders are authorized to conduct foreign exchange operations, settlements, transfers or arbitrage or withdrawals in the form of traveler's checks or bank checks for current transactions in the context of delegations to authorized intermediaries (Articles 19 (new) and 20 (new) of Decree No. 2022-1183 of August 10, 2022). Transfers from one resident's foreign exchange account to another's are not permitted, except (1) transfers between free trade areas, (2) payments by free trade zone enterprises within the national customs territory, (3) payments by international institutions or embassies to foreign consultants with resident status, and (4) transfers governed by special conventions signed by the government (Article 22 (new) of Decree No. 2022-1183 of August 10, 2022). Cash deposits must comply with prevailing laws and regulations and may be withdrawn for travel expenses under the applicable rules. Transfers between accounts of residents and nonresidents are permitted for current transactions.
Approval required	No.	
Held abroad	Yes.	
Approval required	Yes.	Approval from the Ministry of Economy and Finance is required to open a foreign exchange account in a foreign bank for enterprises governed by ordinary law. Balances may be repatriated. Free trade zones may open bank accounts abroad under Law No. 2007-037. Residents may hold payment instruments abroad.
Accounts in domestic currency held abroad	No.	Residents may not open accounts in domestic currency abroad.
Accounts in domestic currency convertible into foreign currency	No.	These accounts are governed by Circular No. 23-133 of August 6, 1973, with respect to nonresident ariary accounts and foreign securities portfolios. Residents may not convert the balances of their domestic currency accounts to foreign currency and transfer the proceeds abroad.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents are treated as residents for the purpose of these accounts.
Approval required	No.	
Domestic currency accounts	Yes.	Transactions between residents and nonresident enterprises in the free trade zone take place either through the enterprises' special accounts in domestic currency or through their foreign exchange accounts. Transactions between free trade zone enterprises and residents through special domestic currency accounts are limited to settlement of domestic costs and charges, servicing of domestic loans, and payments to the government and to resident shareholders.

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		According to Article 2 of Order No. 1215/91 of February 28, 1991, export processing zone and free trade zone enterprises may ask their banks to transfer abroad up to the amount of foreign currency in their accounts. Pursuant to Decree No. 2015-1096 of July 7, 2015, on the application of Law No. 2007-037 of January 14, 2008, on free trade zones and enterprises in Madagascar (Article 28), any free trade zone or businesses wishing to purchase foreign exchange in the interbank foreign exchange market must apply for authorization from the External Finance Unit and must domicile its import operations. Payments of the latter may be made only on presentation of the Single Administrative Document (DAU) to the domiciling bank in cases of nondocumentary collections.
Convertible into foreign currency	No.	Balances of domestic currency accounts held by nonresidents who are not export processing zone or free trade zone enterprises may be converted to foreign currency and transferred abroad only at accredited banking institutions.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Imports must be domiciled, except for amounts below €1,000.
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	There is a short list of imports subject to administrative control, primarily for public health and security reasons (Annex to Decree No. 92-424 regulating merchandise imports from abroad and merchandise exports abroad).
Import taxes and/or tariffs	Yes.	Customs duty and VAT are levied on imports. Customs duties are divided into four tariff bands: 0%, 5%, 10%, and 20%; the VAT rate

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		is 20%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Merchandise export proceeds must be repatriated within 90 days of shipment in the case of resident enterprises. All free trade zones and enterprises are required to domicile all export operations with local banks and to repatriate export proceeds within a maximum 190 days from the date of loading. The repatriation deadline is one month from the invoice date for provisions of services.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	All merchandise exporters and all service export providers must surrender 70% of export proceeds within 30 days. Foreign exchange receipts from tourism activities must be surrendered in the foreign exchange market. The proceeds must be sold in the interbank foreign exchange market. Banks are authorized to provide short-term loans and advances in foreign currency to exporters operating in Madagascar.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	Exports require either the opening of a documentary credit, settlement on delivery of documentation, or simplified remittance (remise libre) at a paying bank.
Guarantees	No.	
Domiciliation	Yes.	Domiciliation is mandatory for exports of amounts exceeding MGA 3 million.
Preshipment inspection	No.	There are no preshipment inspection requirements related to exports and export proceeds.
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For current transactions, there is a daily limit depending on the type of card.
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds for services must be repatriated within 30 days of the invoice date.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	All merchandise exporters and all service export providers must surrender 70% of export proceeds within 30 days. Foreign exchange receipts from tourism activities must be surrendered in the foreign

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		exchange market. The proceeds must be sold in the interbank foreign exchange market. Banks are authorized to provide short-term loans and advances in foreign currency to exporters operating in Madagascar.
Restrictions on use of funds	No.	No restrictions beyond the surrender requirement apply.

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions between Madagascar and foreign countries and between residents and nonresidents are subject to authorization from the Ministry of Economy and Finance. There are no capital market regulations because there is no capital market.
Repatriation requirements	Yes.	Repatriation of the proceeds of investments abroad is mandatory. There is no statutory deadline for the repatriation.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Approval is required. The acquisition of 20% of equity capital by an individual and of amounts above 33%, 50%, and 66% is subject to CSBF approval. The acquisition of 10% of equity capital by one or several persons acting together must be reported to the CSBF (Article 2 of Instruction No. 003/97 – CSBF of June 2, 1997, on Changes in the Equity of Credit Institutions).
Sale or issue locally by nonresidents	Yes.	Approval is required.
Purchase abroad by residents	Yes.	Approval is required.
Sale or issue abroad by residents	Yes.	Approval is required.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Approval is required. There is no minimum holding period.
Sale or issue locally by nonresidents	Yes.	Approval is required.
Purchase abroad by residents	Yes.	Approval is required.
Sale or issue abroad by residents	Yes.	Approval is required.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Approval is required.
Sale or issue locally by nonresidents	Yes.	Approval is required.
Purchase abroad by residents	Yes.	Approval is required.
Sale or issue abroad by residents	Yes.	Approval is required.
On collective investment securities	Yes.	

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Purchase locally by nonresidents	Yes.	Approval is required.
Sale or issue locally by nonresidents	Yes.	Approval is required.
Purchase abroad by residents	Yes.	Approval is required.
Sale or issue abroad by residents	Yes.	Approval is required.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Approval is required.
Sale or issue locally by nonresidents	Yes.	Approval is required.
Purchase abroad by residents	Yes.	Approval is required.
Sale or issue abroad by residents	Yes.	Approval is required.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	These operations do not currently take place in Madagascar.
To residents from nonresidents	No.	Credit for export prefinancing is permitted. Prefinancing and advances for exports must be reported to the MOF pursuant to pertinent credit notices. Off-site control of the supporting documentation provided for repatriation is required to ensure that the same credit notices are not submitted more than once.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Approval is required.
To residents from nonresidents	Yes.	Borrowing abroad by natural or juridical persons, public or private – except by authorized banks or credit institutions with special legal status – requires approval from the Ministry of Economy and Finance. Enterprises in the free trade zone may contract and service foreign loans; interest and amortization payments on foreign loans contracted directly by these companies are not restricted on presentation of MOF authorization.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Approval is required.
To residents from nonresidents	Yes.	Approval is required.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Investment abroad by Malagasy nationals, including by resident-owned foreign companies and their overseas branches and subsidiaries, is subject to approval from the Ministry of Economy and Finance.
Inward direct investment	No.	Investment by nonresidents and nonresident-owned companies in Madagascar and their Malagasy branches and subsidiaries, as well as corresponding transfers, may be made freely within Madagascar without authorization or any conditions of authorization.
Controls on liquidation of direct investment	No.	Total or partial liquidation of these investments, whether Malagasy investments abroad or foreign investments in Madagascar, must be reported to the Ministry of Economy and Finance. Supporting documents are required. Proceeds from the liquidation of foreign

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		investments (disposal of shares, stocks, goodwill or assets; shares in liquidation dividends – boni de liquidation – and expropriation compensation) may be repatriated freely but must be reported to the Ministry of Economy and Finance.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Approval is required.
Purchase locally by nonresidents	Yes.	Approval is required.
Sale locally by nonresidents	Yes.	The transfer of proceeds of sales requires approval from the Ministry of Economy and Finance.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Approval is required.
To residents from nonresidents	Yes.	Approval is required.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Approval is required.
To residents from nonresidents	Yes.	Approval is required.
Settlement of debts abroad by immigrants	Yes.	Approval is required.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Approval is required.
Transfer into the country by immigrants	Yes.	Approval is required.
Transfer of gambling and prize earnings	Yes.	Approval is required.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The banking law regulates the conditions for the provision of banking services and the supervision of banking service providers.
Borrowing abroad	Yes.	Credit institutions may borrow abroad with the authorization of the Minister of Economy and Finance. Authorized banks or credit institutions with special legal status do not require approval from the Ministry of Economy and Finance.
Maintenance of accounts abroad	Yes.	Accounts abroad of resident individuals and legal entities require approval from the Ministry of Economy and Finance.
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents (financial or commercial credits or loans) requires approval from the Ministry of Economy and Finance.
Lending locally in foreign exchange	Yes.	Foreign exchange lending to residents (1) for capital account transactions requires approval from the Ministry of Economy and Finance and (2) is allowed in the case of short-term operating requirements of regular and free zone enterprises operating in Madagascar, but may not exceed one year. Medium- and long-term loans are not allowed (Order No. 11508/97 of December 12, 1997).
Purchase of locally issued securities denominated in foreign exchange	No.	Locally issued securities are exclusively denominated in local currency.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The reserve requirement, which applies to deposits in ariary and

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		foreign currency, is 9.00%.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Investment in banking activities is allowed with authorization from CSBF and the Ministry of Economy and Finance. Investment in nonbank activities is allowed up to 10% of net banking income. Equity investment (1) may not exceed 15% of a bank's available equity funds and 15% of the capital in which the bank invests and (2) may not exceed 60% of a bank's available equity funds for the total investment.
In banks by nonresidents	Yes.	The acquisition of 20% of equity capital by an individual and of amounts above 33%, 50%, and 66% of equity capital is subject to CSBF approval (Article 56 of Law No. 95-030 of February 1996 on the Activities and Control of Credit Institutions). The acquisition of 10% of equity capital by one or several persons acting together must be reported to the CSBF (Article 2 of Instruction No. 003/97 – CSBF of June 2, 1997, on Changes in the Equity of Credit Institutions).
Open foreign exchange position limits	Yes.	Commercial banks are subject to a foreign exchange exposure limit of 20% of their capital.
On resident assets and liabilities	Yes.	Commercial banks are subject to a foreign exchange exposure limit of 20% of their capital.
On nonresident assets and liabilities	Yes.	Commercial banks are subject to a foreign exchange exposure limit of 20% of their capital.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	On January 15, 2021, following the enactment of Insurance Law No. 2020-005 of September 1, 2020, this new law governs insurance and reinsurance activity in Madagascar. The rules governing these investments will be established by CSBF instruction (currently being drafted).
Limits (max.) on investment portfolio held abroad	Yes.	On January 15, 2021, following the enactment of Insurance Law No. 2020-005 of September 1, 2020, this new law governs insurance and reinsurance activity in Madagascar. The rules governing these investments will be established by CSBF instruction (currently being drafted).
Limits (min.) on investment portfolio held locally	Yes.	On January 15, 2021, following the enactment of Insurance Law No. 2020-005 of September 1, 2020, this new law governs insurance and reinsurance activity in Madagascar. The rules governing these investments will be established by CSBF instruction (currently being drafted).
Currency-matching regulations on	Yes.	Insurance Law No. 2020-005 of September 1, 2020 governs

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assets/liabilities composition		insurance and reinsurance activity in Madagascar. Any foreign exchange transfer made by a Malagasy insurance company to a reinsurance company headquartered abroad is carried out in accordance with the foreign exchange regulations in force in Madagascar.
Pension funds	n.a.	In Madagascar, there is only one pension fund in operation: FUNRECO S.A.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.

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Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.

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For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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MALAWI

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 19, 1965.
Article VIII	Yes.	Date of acceptance: December 7, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Malawi is the Malawian kwacha.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is floating. Official intervention focuses on building foreign reserves and limiting exchange rate volatility while taking into account seasonal fluctuations. The de facto exchange rate arrangement is classified as a stabilized arrangement. The Reserve Bank of Malawi (RBM) does not publish its intervention data.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		

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Free floating		
Official exchange rate	Yes.	The RBM calculates daily indicative exchange rates at the beginning of each business day as simple averages of rates established by commercial banks at the opening of business. The RBM rates are used for all official foreign exchange obligations.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		

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Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The RBM uses an interest rate-based monetary policy framework. Under this framework, a change in the policy stance is communicated by changing the policy rate. The MPC of the RBM meets quarterly to review global and domestic financial and economic developments and set the policy stance. The MPC decisions are published on the RBM website. However, monetary aggregates are still discussed and agreed in the context of the Extended Credit Facility (ECF) program.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	There are 8 authorized banking institutions as of December 31, 2022, licensed by the RBM to deal in foreign exchange with the public. As of December 31, 2023, there were 26 foreign exchange bureaus. ADs are allowed to determine freely their commissions with their clients. Maximum spreads between buying and selling exchange rates are set at 2% for Telegraphic Transfer (TT) and 3% for cash. The limit on spread applies to only banks, and bureaus have never been subjected to price restrictions.
Spot exchange market	Yes.	
Operated by the central bank	No.	The RBM does not operate or organize any foreign exchange spot market.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are 8 banks authorized to trade in the foreign exchange interbank market as of December 31, 2022. The foreign exchange interbank market is very thin with very small volume of trades conducted within the confines of AD's bid and offer rates. The CB intervenes at its own discretion. Foreign exchange trading among ADs or between ADs and RBM is conducted via Reuters. Where not possible, it is conducted on a recordable phone or any ordinary phone with evidence provided via e-mail. The minimum traded amount by RBM to AD banks is US$500,000. To grow the interbank market, all commercial banks must for each purchase of foreign exchange amounting to US$170,000 (or equivalent), cumulative per trading, offload 30% of the same to the interbank market. The minimum traded amount is US$50,000 (as

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		stimulated in Guidelines for foreign exchange trading as of September 2019). This supersedes the previous explanation.
Over the counter	Yes.	
Brokerage	No.	
Market making	Yes.	The foreign exchange interbank market operates under a market-making arrangement.
Forward exchange market	Yes.	Authorized banks may quote bid-ask prices on demand. Forward exchange rates are not set by the RBM. Banks are free to set their own rates based on the forward variables as they see fit. There are only sporadic forward and swap transactions. The RBM does not do forwards per se but swaps. Under swap arrangement, there is always a forward leg. The forward market is still in its infancy with negligible trade volumes.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments to and receipts from nonresidents may be made in any convertible currency traded in Malawi or in kwacha through nonresident accounts.
Controls on the use of domestic currency	Yes.	Restrictions apply on amounts one can carry when traveling out of Malawi.
For current transactions and payments	Yes.	Current transactions between residents and nonresidents must be settled in foreign exchange, except transactions through nonresident kwacha accounts. Tourists may settle their local bills in any convertible foreign currency or in kwacha after converting their foreign currency in the market.
For capital transactions	Yes.	Payments to and receipts from nonresidents for capital transactions cannot be paid in domestic currency, except for transactions through nonresident kwacha accounts.
Transactions in capital and money market instruments	Yes.	Payments to and receipts from nonresidents for capital transactions cannot be paid in domestic currency, except for transactions through nonresident kwacha accounts.
Transactions in derivatives and other instruments	Yes.	Payments to and receipts from nonresidents for capital transactions cannot be paid in domestic currency, except for transactions through nonresident kwacha accounts.
Credit operations	Yes.	Payments to and receipts from nonresidents for capital transactions cannot be paid in domestic currency, except for transactions through nonresident kwacha accounts.
Use of foreign exchange among residents	Yes.	Residents are not allowed to transact in foreign currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Malawi is a member of the RIFF.
Clearing agreements	Yes.	Malawi is a member of the COMESA Regional Payment and Settlement System since 2013 and SADC Integrated Regional Settlement System since 2014.
Barter agreements and open accounts	Yes.	Direct exchange of exports for imports (barter or countertrade) is subject to approval from the Ministry of Trade.

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Administration of control	Yes.	Foreign flows monitoring is administered by the RBM under the authority of and on behalf of the MOF.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may purchase, hold, and sell gold coins for numismatic purposes. Only the monetary authorities may acquire or hold gold at home or abroad in any form other than numismatic coins and jewelry.
On external trade	Yes.	Only the monetary authorities may conduct external trade in gold. Imports of gold in any form other than jewelry require licenses issued by the Ministry of Industry in consultation with the MOF; such licenses are not usually granted, except for imports by or on behalf of the monetary authorities and industrial users.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Up to the equivalent of US$5,000 may be exported. Larger amounts may be exported with justified causes and RBM approval.
Foreign currency	Yes.	Residents may export foreign currency up to the equivalent of US $10,000, subject to applicable indicative limits on travel allowances. Nonresidents may export foreign currency up to the amount they imported.
On imports	Yes.	
Domestic currency	Yes.	Importation of Malawi Kwacha is allowed without any limit provided the importation complies with AML/CFT requirements. However, purchase of newly issued Malawi Kwacha notes can only be done by monetary authorities (RBM).
Foreign currency	No.	There are no restrictions on the amount imported only that they are required to declare amount greater than US$5,000 or equivalent for customs purposes. Furthermore, because the legal tender in Malawi is Malawi kwacha, they are not allowed to make any transactions in foreign currency within Malawi but to convert it to Malawi kwacha at an Authorized Foreign Exchange Dealer.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may have foreign-currency-denominated accounts (FCDAs) under the terms and conditions of the bank involved, subject to the same rules that apply when one is buying and exporting foreign currency notes.
Approval required	No.	
Held abroad	Yes.	Residents are in general not allowed to maintain accounts abroad. However, offshore accounts may be approved for investment projects in Malawi that are financed from offshore, as a requirement by project lenders.
Approval required	Yes.	Residents in general are not allowed to maintain accounts abroad. The only exception is when offshore accounts are required for financing investment projects from offshore. These offshore accounts

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		for purposes of satisfying project lenders requirements are subject to RBM approval.
Accounts in domestic currency held abroad	No.	Residents and nonresidents may not hold offshore accounts denominated in kwacha.
Accounts in domestic currency convertible into foreign currency	No.	Resident kwacha accounts are not convertible to foreign currency. Only nonresident kwacha accounts are convertible as the funds held in such accounts are freely remittable.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresident FCDAs are permitted and not subject to Exchange Controls.
Approval required	No.	AD banks have delegated authority to open and operate such accounts subject to know-your-customer (KYC) and AML requirements.
Domestic currency accounts	Yes.	Nonresident kwacha accounts may only be credited with funds that are remittable. This applies where nonresidents have received payment in kwacha for goods and services they have provided in Malawi.
Convertible into foreign currency	Yes.	Balances in these accounts can be remitted subject to guidelines.
Approval required	No.	AD banks have delegated authority for such transactions.
Blocked accounts	Yes.	Credits to and debits from these accounts require authorization, which is usually given, to be invested in an approved manner. Interest earned on balances may be transferred to the account holder's country of residence.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	Importers may choose any method of payment, and imports may be paid for in kwacha to an appropriate local nonresident account or in any convertible currency. When imports arrive in Malawi and payment is due, importers must submit to an AD bank relevant importation and customs clearing documents for payment.
Minimum financing requirements	No.	There is no limit.
Advance payment requirements	Yes.	Advance payments for imports of goods and services require AD bank approval, which is granted subject to documentation requirements. Specifically, AD banks approve advance payment for imports of goods and services provided the importer submits the importation documentation when services are rendered and/or goods are received and cleared by Malawi Revenue Authority. AD banks cannot allow a customer who has previously failed to submit import documents within 90 days to make future advance payments for imports.
Advance import deposits	No.	Advance import deposits are not required by law; however, AD banks may require them as a banking practice, depending on the mode of payment (for example, LCs).
Documentation requirements for release of foreign exchange for imports	Yes.	AD banks process payments based on invoices and other import documents including customs clearing documents.
Domiciliation requirements	No.	
Preshipment inspection	No.	This is optional and conditional on buyer/seller terms of trade. It is not a government requirement.
Letters of credit	No.	
Import licenses used as exchange	No.	Import licenses are not used to restrict the availability of foreign

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licenses		exchange, but rather in keeping with the provisions of the Control of Goods Act. The Minister of Trade may designate certain goods requiring importation license for several reasons including national security and food security.
Other	Yes.	Importers may choose any method of payment, and imports may be paid for in kwacha to an appropriate local nonresident account or in any convertible currency. When payment for imports is due, importers must submit to an AD bank relevant importation and customs clearing documents in the case of an open account.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The importation of all meats (with a few exceptions) is prohibited without prior permission in writing from the Minister of Industry and Trade.
Open general licenses	Yes.	Most imports are subject to OGLs, including imports from Commonwealth and WTO member countries.
Licenses with quotas	Yes.	Imports of clothing and uniforms designed for military or police use; radioactive substances; mist nets for the capture of wild birds, wild animals, and live fish; compound products suitable only for use as animal fodder; eggs of domestic or wild birds; live poultry (including day-old chicks); meat; dieldrin and aldrin; and table salt require specific licenses from the Ministry of Industry and Trade. Specific import licenses are usually issued within one week of application and are generally valid for six months.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Customs tariffs are ad valorem and range up to 30% of c.i.f. value, with a weighted average of about 15%. Customs tariffs on all items with MFN status range from 0% to 25%. There are no tariffs on items from the COMESA region. Selected government imports are exempt from customs tariffs. Imports are also subject to a surtax of up to 17.5%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Exporters must repatriate their export proceeds within 120 days of the date the goods or services were exported.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Effective May 27 2022, mandatory conversion rate to the central bank of 30% applicable on exporters after repatriation of export proceeds within 2 days from the receipt of the export proceeds. Previously, the surrender was to AD.
Surrender to authorized dealers	No.	Effective May 27, 2022, the surrender requirement of 30% of export proceeds to authorized dealers was changed to the central bank.
Financing requirements	Yes.	Export financing is available from all commercial banks in Malawi and the Export Development Fund. The Export Development Fund was established to cater for export financing, equity participation, or credit guaranteed and provide advisory services for the setup of agricultural commodities exports.
Documentation requirements	Yes.	
Letters of credit	No.	

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Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Effective May 17, 2023, exporters must complete an electronic customs declaration form (CD1 form) for exports worth more than US$2,000.
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are required for selected goods as determined by the Ministry of Industry and Trade.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	AD banks may freely provide foreign exchange for all current invisible transactions subject to the guidelines detailed in the Cross-border Foreign Exchange Transactions (Operational Manual) January 2015.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	These payments are allowed, provided the investment is registered with the RBM.
Prior approval	No.	AD banks are required to submit to RBM draft loan agreements for approval, but once the loan has been approved, loan-related payments do not need prior approval. The same applies with equity investment.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	AD banks have delegated authority to process these transactions in accordance with the Operational Manual.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The limit is an equivalent of US$500 a day up to the maximum of equivalent of US$10,000 a trip. Higher amounts are granted on proof of need. Additional foreign exchange to the same individual for private or business travel is granted on proof of need.
Personal payments	Yes.	AD banks process such transactions in accordance with the Operational Manual.
Prior approval	No.	AD banks have delegated authority to process these transactions in accordance with the Operational Manual.

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Quantitative limits	No.	There are no quantitative limits for personal payments. The amount of foreign exchange provided depends on invoice value.
Indicative limits/bona fide test	Yes.	ADs may approve foreign exchange for family maintenance and alimony payments. There are no indicative limits, but proof is required.
Foreign workers' wages	No.	AD banks approve remittances based on contracts of employment and pay slips.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	
Prior approval	Yes.	AD banks must obtain prior approval from the RBM to issue credit cards.
Quantitative limits	Yes.	An individual is allowed a maximum of one card against each account.
Indicative limits/bona fide test	Yes.	There is a US$5,000 monthly limit, but excess amounts can be accessed on approval from RBM depending on need.
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Exporters must repatriate their export proceeds within 120 days of the date the goods or services were exported.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Effective May 27 2022, mandatory conversion rate to the central bank of 30% applicable on exporters after repatriation of export proceeds within 2 days from the receipt of the export proceeds. Previously, the surrender was to AD.
Surrender to authorized dealers	No.	Effective May 27, 2022, the surrender requirement of 30% of export proceeds to authorized dealers was changed to the central bank.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Nonresidents must register their transactions with the RBM through their bank to enable them to repatriate proceeds from their investment (that is, dividends and disinvestment).
Repatriation requirements	Yes.	Proceeds from all bona fide economic activities must be repatriated to Malawi. There is no deadline for repatriation.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	Payments to and receipts from nonresidents for capital transactions may be made through the banking system, and foreign exchange receipts from nonresidents for capital transactions do not need to be converted to kwacha.

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Controls on capital and money market instruments	Yes.	Inward transfers of capital and money markets instruments are not restricted. Outward transfers of capital are subject to approval of RBM mainly for residents.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Nonresidents may purchase shares or securities in a registered local company subject to registration of the capital they have brought in Malawi.
Purchase locally by nonresidents	No.	Nonresidents may purchase local shares. The RBM requires that any inflows in the form of investment should be registered with the RBM for purposes of repatriation of dividends or capital when disinvesting. The RBM does not deny registration.
Sale or issue locally by nonresidents	No.	The RBM requires that such transactions be registered with the RBM. The RBM does not deny registration.
Purchase abroad by residents	Yes.	RBM approval is required.
Sale or issue abroad by residents	Yes.	RBM approval is required.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	Ex ante registration with the RBM is required. The RBM does not deny such registration. There is no minimum holding period for these transactions.
Sale or issue locally by nonresidents	No.	Ex ante registration with the RBM is required. The RBM does not deny registration.
Purchase abroad by residents	Yes.	RBM approval is required.
Sale or issue abroad by residents	Yes.	RBM approval is required.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	Registration with the RBM is required. The RBM does not deny registration.
Sale or issue locally by nonresidents	No.	Registration with the RBM is required. The RBM does not prohibit such sales or issues.
Purchase abroad by residents	Yes.	RBM approval is required.
Sale or issue abroad by residents	No.	Registration with the RBM is required. The RBM does not deny registration.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	Registration with the RBM is required. The RBM does not deny registration.
Sale or issue locally by nonresidents	No.	Registration with the RBM is required. The RBM does not deny registration.
Purchase abroad by residents	Yes.	RBM approval is required.
Sale or issue abroad by residents	Yes.	RBM approval is required.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	RBM approval is required.
Sale or issue abroad by residents	Yes.	RBM approval is required.

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Controls on credit operations	Yes.	Borrowing abroad by residents requires RBM approval, which is normally granted, provided the terms of repayment, including the servicing costs, are acceptable.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	RBM approval is required.
To residents from nonresidents	No.	Registration with the RBM is required. The RBM does not deny registration.
Financial credits	Yes.	
By residents to nonresidents	Yes.	RBM approval is required.
To residents from nonresidents	No.	Registration with the RBM is required. The RBM does not deny registration.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	RBM approval is required.
To residents from nonresidents	Yes.	RBM approval is required.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	RBM approval is required.
Inward direct investment	No.	Registration with the RBM is required. The RBM does not deny registration.
Controls on liquidation of direct investment	No.	Repatriation of liquidation proceeds is permitted if the initial investment was registered with the RBM. AD banks are mandated to process such transactions under delegated responsibility.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	RBM approval is required.
Purchase locally by nonresidents	No.	Registration with the RBM is required. The RBM does not deny registration.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	RBM approval is required.
To residents from nonresidents	Yes.	Borrowing abroad by residents requires RBM approval, which is usually granted, provided the terms of repayment, including the servicing costs, are acceptable.
Gifts, endowments, inheritances, and legacies	Yes.	AD banks process such transactions under delegated responsibility.
By residents to nonresidents	Yes.	AD banks authorize payments on the basis of guidelines issued by the RBM. There is a limit of an equivalent of US1000 a year for gifts and no limit on the others provided appropriate documentation has been provided confirming that they are bonafide transactions.
To residents from nonresidents	No.	There are no restrictions.
Settlement of debts abroad by immigrants	Yes.	These transactions require approval from the RBM.
Transfer of assets	No.	
Transfer abroad by emigrants	No.	No controls apply to the transfer of legitimately acquired assets.

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Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	This is allowed subject to AML requirements.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Exchange Control approval is required.
Maintenance of accounts abroad	No.	Banks are allowed to maintain offshore accounts (nostro accounts) for such purposes as settlement of their foreign transactions as well as for correspondent banking purposes.
Lending to nonresidents (financial or commercial credits)	Yes.	Approval is not required for lending to nonresidents who conduct business in Malawi. However, lending to nonresidents requires Exchange Control approval.
Lending locally in foreign exchange	Yes.	These are subject to prudential regulations. The aggregate of a bank's foreign exchange risk exposure (short and long currency positions) both on-book and off-balance sheet, as measured using spot buying rates, may not exceed 35% of the bank's core capital.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Locally issued securities are not denominated in foreign currency.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The reserve requirement on both domestic and foreign currency deposits is 7.5%; both are maintained in local currency.
Liquid asset requirements	No.	Certain liquid asset ratios must be met; they are the same for all currencies.
Interest rate controls	No.	
Credit controls	No.	A credit concentration may not exceed 25% of a bank's core capital. The aggregate of a bank's large exposure and credit concentrations may not exceed 400% of its core capital. The requirement applies to all credit facilities, whether granted in domestic currency or foreign currency
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	RBM approval is required.
In banks by nonresidents	Yes.	RBM approval is required.
Open foreign exchange position limits	No.	The open foreign exchange position limit was 35% of core capital. The Directive was phased out on September 5, 2017; however, a clause on exposure limits was maintained in the Guidelines on FX Trading Activities. The RBM, however, has not been enforcing/monitoring these limits.
On resident assets and liabilities	Yes.	The open foreign exchange position limit is 35% of core capital. It is measured as the aggregate of a bank's foreign exchange risk

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		exposure (short and long currency positions) both on-book and off-balance sheet, using spot buying rates.
On nonresident assets and liabilities	Yes.	The open foreign exchange position limit is 35% of core capital. It is measured as the aggregate of a bank's foreign exchange risk exposure (short and long currency positions) both on-book and off-balance sheet, using spot buying rates.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	For life insurance companies, offshore investments are limited to 10% exposure to life fund assets and 5% maximum exposure an issuer. Issuers are limited to deposits with financial institutions as approved by the RBM, securities issued by government or issued on the stock exchange. All must be in the COMESA, SADC, and OECD countries.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Pension funds are currently not permitted to invest offshore.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds are currently not permitted to invest offshore. The specific provision is contained in Section 56 of the Act. However, in 2014, it was amended to include that the Registrar may issue a directive to set limits for such investments. The Registrar is currently working toward publishing such a directive which has recommended that such investments be limited to 10% of the pension fund's assets. The directive also places restrictions on the permissible types of investments.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	

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CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.

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Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on crypto exchanges and trading platforms	n.r.
Domestic exchanges	n.r.
Access to crypto exchange/trading platform by residents	n.r.

Changes during 2022 and 2023

Exports and Export Proceeds

Repatriation requirements

Surrender requirements

Surrender to the central bank	*05/27/2022*	There is a mandatory conversion rate to the central bank of 30% applicable on exporters after repatriation of export proceeds within 2 days from the receipt of the export proceeds. Previously, the surrender was to AD.
Surrender to authorized dealers	*05/27/2022*	The surrender requirement of 30% of export proceeds to authorized dealers was changed to the central bank.

Documentation requirements

Other	*05/17/2023*	A requirement for exporters to complete an electronic customs declaration form (CD1 form) for exports worth more than US$2,000 was established.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to the central bank	*05/27/2022*	Mandatory conversion rate to the central bank of 30% applicable on exporters after repatriation of export proceeds within 2 days from the receipt of the export proceeds. Previously, the surrender was to AD.
Surrender to authorized dealers	*05/27/2022*	The surrender requirement of 30% of export proceeds to authorized dealers was changed to the central bank.

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MALAYSIA

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		March 7, 1958.
Article VIII	Yes.	Date of acceptance: November 11, 1968.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with UNSC resolutions, Malaysia maintains targeted financial sanction restrictions with respect to the following: (1) Terrorism financing: Freezing of funds, financial assets, and economic resources related to the ISIL (Da'esh) and Al-Qaida (UNSCRs 1267, 1989, and 2253); Taliban (UNSCR 1988); and designated entities/individuals listed in domestic list (UNSCR 1373). (2) Proliferation financing: Freezing of funds, financial assets, and economic resources and prevention of the provision of financial services related to the designated entities/individuals (UNSCRs 1718 and 2231). (3) Other financial sanctions: Implementation of the measures decided by the UNSC pursuant to Article 41 of the Charter of the United Nations to give effect to the freezing of funds, financial assets, and economic resources on designated person relating to the Central African Republic, Democratic Republic of the Congo, Eritrea, Iraq, Libya, Somalia, South Sudan, Sudan, and Yemen. The above restrictions apply to all authorized persons under the Financial Services Act (FSA) 2013 and the Islamic Financial Services Act (IFSA) 2013, licensed money service business (MSB) under the MSB Act 2011, and prescribed development financial institutions under the Development Financial Institutions Act 2002.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Malaysia is the Malaysian ringgit.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		

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Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are floating. On September 26, 2016, Bank Negara Malaysia (BNM – Central Bank of Malaysia) affirmed that market forces determine the direction and level of the exchange rate. BNM does not publish foreign exchange intervention data. In 2022, the movement of the ringgit exchange rate reflected mostly the strength of the US dollar following the aggressive policy rate hikes by the US Federal Reserve. The weakening of the Chinese renminbi also exerted some pressure on the ringgit. Notwithstanding these factors, pressures on the ringgit from broad US dollar strength and weaker Chinese renminbi were partly mitigated by positive impetus from higher commodity prices. For the year as a whole, the ringgit depreciated by 5.4% to end the year at RM4.4130 against the US dollar. Overall, the domestic bond market experienced nonresident outflows amounting to RM9.8 billion amid the narrowing interest rate differentials between Malaysia and AEs. In contrast, the domestic equity market experienced nonresident portfolio inflows amounting to RM4.4 billion during the year. Net exports amounted to RM256.2 billion in 2022. For 2023, the ringgit's movement continued to be primarily influenced by developments in the global financial markets including uncertainties surrounding the US debt ceiling, combined with strong US economic and labor market data, and evolving market expectations of higher terminal interest rates by the Fed. Despite being a highly diversified economy with diversified trade partners, weaker-than-expected growth in China also led to a renewed weakness in the ringgit against the US dollar, consistent with movements of other regional currencies. The ringgit has depreciated by 7.3% against the US dollar as of October 13, 2023. In terms of flows, the domestic bond market experienced nonresident inflows amounting to RM22.5 billion, while the equity market experienced nonresident outflows amounting to RM3.1 billion during the same period. Net exports amounted to RM152.9 billion as of August 2023.
Free floating		
Official exchange rate	Yes.	The official exchange rate is determined by supply and demand in the foreign exchange market. The exchange rate serves as a reference value for all international transactions.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		

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Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

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Other monetary framework	Yes.	A framework for maintaining price stability with sustainable growth without an explicit anchor. BNM's monetary policy assesses the balance of risks to the outlook for domestic inflation and growth.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Licensed onshore banks may freely determine their bid-ask spreads and foreign exchange commissions with their clients.
Spot exchange market	Yes.	As of October 2023, licensed onshore banks consisted of (1) 26 licensed commercial banks, (2) 16 licensed Islamic banks, (3) 11 licensed investment banks, and (4) 1 licensed international Islamic bank (IIB). In addition, there are 268 licensed MSB. Licensed onshore banks and MSB licensees conducting remittance, retail currency exchange, and wholesale currency businesses may undertake spot transactions with residents and nonresidents.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Trading activities in the onshore foreign exchange market are undertaken through a broker system or market-making arrangements between interbank participants. All licensed onshore banks can participate in the interbank foreign exchange market. There are no limits imposed by BNM on the bid-ask spreads and commissions of market participants. When the need for intervention arises, operations are conducted at market rates with market participants.
Over the counter	Yes.	Licensed onshore banks may participate in the interbank foreign exchange market and trade among themselves at market-determined rates.
Brokerage	Yes.	There are currently five money brokers which include two electronic brokers approved by BNM to operate in the foreign exchange market.
Market making	Yes.	All licensed onshore banks are authorized to be market makers in the foreign exchange market.
Forward exchange market	Yes.	(1) Forward exchange transactions by residents: Residents may hedge current account and financial account transactions, such as foreign currency loan obligations, up to the underlying tenure, based on firm commitment or anticipatory basis with licensed onshore banks. Residents are free to cancel or unwind their forward positions, except hedges on portfolio investment on firm commitment basis. Resident institutional investors registered with BNM under dynamic hedging framework may (1) enter into forward contracts to buy ringgit up to 100% of their invested underlying foreign-currency-denominated assets as specified by BNM and (2) unwind the forward contracts as described in (1), without documentary evidence with licensed onshore banks.

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		Resident entities may hedge on behalf of their resident or nonresident group of entities (other than financial institutions) with licensed onshore banks for any permitted underlying transactions, subject to compliance with Foreign Exchange Policy (FEP) Notice 1. (2) Forward exchange transactions by nonresidents: Effective June 1, 2022, nonresidents may hedge their current account based on firm commitment and anticipatory basis and financial account transactions based on firm commitment with licensed onshore banks or appointed overseas offices of licensed onshore banks. Nonresidents are free to cancel or unwind their forward positions, except hedges on portfolio investment on firm commitment basis. Nonresident institutional investors may register under the existing dynamic hedging framework to cancel or unwind their hedges on portfolio investment. Nonresident institutional investors registered with BNM may (a) enter into forward contracts to sell ringgit up to 100% of their invested underlying ringgit-denominated assets as specified by BNM under dynamic hedging framework; (b) enter into forward contracts to buy ringgit up to 25% of their invested underlying ringgit-denominated asset; or (c) unwind the forward contracts as described in (a) and (b), without documentary evidence with licensed onshore banks or an appointed overseas office. Nonresident entities may hedge on behalf of their resident or nonresident group of entities (other than financial institutions) with licensed onshore banks or an appointed overseas office for any permitted underlying transactions. The capacity of the financial institutions to undertake forward positions is subject to their respective risk appetite. The Bank's role is to ensure that the development of the forward market is unimpeded but without introducing stability risk.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Transactions with or in the currency of Israel require approval from BNM.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Ringgit may be used for international trade settlement between residents and nonresidents with licensed onshore banks including via nonresident financial institutions (using their ringgit accounts maintained with licensed onshore banks). Ringgit may be used for payment of income earned and expenses incurred in Malaysia between residents and nonresidents via licensed onshore banks. Physical settlements in ringgit for current transactions may be undertaken only in Malaysia.
For capital transactions	Yes.	Ringgit may be used for settlement of ringgit assets with licensed

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		onshore banks including via an appointed overseas office of a licensed onshore bank. Physical settlements in ringgit for eligible transactions may be undertaken only in Malaysia.
Transactions in capital and money market instruments	Yes.	Ringgit may be used for settlement of ringgit assets with licensed onshore banks including via an appointed overseas office of a licensed onshore bank. Physical settlements in ringgit for eligible transactions may be undertaken only in Malaysia.
Transactions in derivatives and other instruments	Yes.	Ringgit may be used for settlement of ringgit assets with licensed onshore banks including via an appointed overseas office of a licensed onshore bank. Physical settlements in ringgit for eligible transactions may be undertaken only in Malaysia.
Credit operations	Yes.	Ringgit may be used for settlement of ringgit assets with licensed onshore banks including via an appointed overseas office of a licensed onshore bank. Physical settlements in ringgit for eligible transactions may be undertaken only in Malaysia. Borrowing and lending in ringgit by residents and nonresidents are subject to compliance with FEP Notice 2.
Use of foreign exchange among residents	Yes.	Settlements of domestic trade in goods and services between residents generally must be made in ringgit. Flexibility is given to resident exporters to settle domestic trade in goods and services in foreign currency with other resident entities involved in the global supply chain. Resident may pay another resident in foreign currency for a miscellaneous expense incurred outside Malaysia between a resident individual residing in Malaysia and a resident individual residing outside Malaysia.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	As of August 9, 2022, there are three existing bilateral payment agreements currently in force.
Operative	Yes.	There is one operative agreement as of December 31, 2022.
Inoperative	Yes.	There are two inoperative agreements as of December 31, 2022.
Regional arrangements	Yes.	Malaysia is a member of the ASEAN Swap Arrangement under ASEAN, Chiang Mai Initiative Multilateralization under ASEAN+3, and Executives' Meeting of East Asia Pacific (EMEAP) Repurchase Agreement. The ASEAN Swap Arrangement and Chiang Mai Initiative Multilateralization are regional financial arrangements.
Clearing agreements	Yes.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The FEP is administered by BNM.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	Residents and nonresidents are free to undertake dealing in physical gold (coins and/or bullion). Settlements for such dealings are subject to compliance with FEP Notice 1 and FEP Notice 4.

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On external trade	No.	Residents are free to import or export physical gold (coins and/or bullion) subject to compliance with FEP Notice 1 and Notice 7.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Resident and nonresident travelers may export ringgit notes not exceeding the aggregate amount of US$10,000 or its equivalent. Larger amount may be exported with approval from BNM.
Foreign currency	No.	
On imports	Yes.	
Domestic currency	Yes.	Resident and nonresident travelers may import ringgit notes not exceeding the aggregate amount of US$10,000 or its equivalent. Larger amount may be exported with approval from BNM.
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Effective June 1, 2022, residents may open foreign currency accounts (FCAs) with licensed onshore banks either in the form of Trade FCA and/or Investment FCA individually or jointly with a Resident Individual or another Resident.
Approval required	No.	.
Held abroad	Yes.	Residents may open FCAs with nonresident financial institutions. Funds from such accounts may be freely transferred to Malaysia subject to the prevailing FEP rules. Funds into such accounts sourced from Malaysia are subject to the FEP Notice 3 and FEP Notice 4.
Approval required	No.	
Accounts in domestic currency held abroad	No.	Residents may not hold ringgit accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Residents may convert ringgit to foreign currency with licensed onshore banks on spot and forward basis. Resident may also convert ringgit funds to foreign currency to fulfill foreign currency obligations such as import payment, foreign currency loan repayment, and other current international transactions by residents up to underlying tenure or value of the foreign currency obligations. The sale of ringgit on spot basis by residents for placement into Trade FCA is freely allowed for any amount with a licensed onshore bank (excluding IIBs). Previously, the sale of ringgit on spot basis for retention in Trade FCA remained free up to 6 months' value of foreign currency obligations. The conversion of ringgit funds to foreign currency for investment in foreign currency assets by residents without domestic ringgit borrowing is not restricted; for residents with domestic ringgit borrowing, it is subject to the following limits: (1) RM 50 million or its equivalent in aggregate a calendar year on a corporate group basis for entities or (2) RM 1 million or its equivalent in aggregate a calendar year for individuals.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open FCAs with licensed onshore banks, individually or jointly with a resident individual or another nonresident. Funds from these accounts may be freely transferred

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		abroad.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open ringgit accounts (external accounts) with licensed onshore banks, except licensed IIBs. Funds from the account may be freely transferred abroad on conversion to foreign currency. Nonresidents may open ringgit accounts with appointed overseas offices of licensed onshore banks, as approved by BNM.
Convertible into foreign currency	Yes.	Nonresidents may convert ringgit to foreign currency with licensed onshore banks or appointed overseas offices of licensed onshore banks.
Approval required	Yes.	Prior approval from BNM is required for appointed overseas offices of licensed onshore banks to offer ringgit accounts to nonresidents.
Blocked accounts	No.	There are no rules on blocked accounts.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	There are no specific import financing requirements. Residents may obtain any amount of foreign currency supplier credit from nonresident suppliers and any amount of foreign currency borrowing from related nonresidents, other than nonresident financial institutions. Borrowing from other nonresidents is subject to compliance with FEP Notice 2.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Requirements are determined by the paying banks.
Domiciliation requirements	No.	
Preshipment inspection	Yes.	Preshipment inspections are made by independent surveyors for rice imports.
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Other documents required are an invoice, a bill of lading, a sanitary or phytosanitary certificate, and a certificate of origin.
Import licenses and other nontariff measures	Yes.	Import licensing is administered by 44 Government Agencies or Permit Issuing Agencies (PIAs), including the Royal Malaysian Customs Department, the Ministry of Investment, Trade and Industry (MITI), the Ministry of Plantation and Commodities, the Malaysian Timber Industry Board, the Ministry of Agriculture and Food Security and its agencies, including the Department of Agriculture, the Department of Veterinary Services (DVSM), the Federal Agricultural Marketing Authority, the Department of Fisheries, and the Fisheries Development Authority of Malaysia.
Positive list	No.	
Negative list	Yes.	A negative list is established by Malaysian Customs (Prohibition of Imports) Order 2017, Gazette No. P.U. (A) 103/2017 and Customs (Prohibition of Exports) Order 2017, Gazette No. P.U. (A) 102/2017.
Open general licenses	Yes.	Import licenses are obtained from the MITI, the Ministry of

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		Plantation Industries and Commodities and its agencies, and the Ministry of Agriculture and Agro-Based Industry and its agencies.
Licenses with quotas	Yes.	Certain licenses are subject to the tariff rate quota, per Appendix B of Malaysian Customs Duties Order 2012, Gazette No. P.U. (A) 275/2012 (August 30, 2012). Tariff rate quota is a trade policy tool or mechanism that is used to control or protect a locally produced commodity or product. Tariff rate quotas are as per Malaysian Customs Duties Order 2017, Gazette No. P.U. (A) 5/2017 (January 3, 2017).
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Antidumping duty is currently imposed on imports of: (1) Cold rolled products of alloy or non-alloy steel of a width less than 1,300mm (cold-reduced) not clad, not plated, or not coated (in coil, sheet, strip, hoop or any other forms) originating or exported from Japan. (2) Cold rolled stainless steel in coils, sheets, or any other form with the thickness of between 0.3 millimeters to 6.5 millimeters and width of not more than 1,600 millimeters, excluding; (a) cold rolled stainless steel with Bright Annealed, No. 8 (Mirror Finish), embossed, rigidized, etched, or colored finishes; or (b) cold rolled stainless steel with hardness value of more than 250HV; originating in or exported from The People's Republic of China, The Republic of Korea, Chinese Taipei, and The Kingdom of Thailand. (3) Cellulose fiber-reinforced cement flat and pattern sheets and specifically excluding external roofing; originating in or exported from The Kingdom of Thailand. (4) Cold rolled coils of iron or non-alloy steel, of width more than 1300mm excluding tin mill black plate and subject merchandise imported for the purpose of automotive and finwall for transformer end usage; originating in or exported from The People's Republic of China and Japan, effective June 27, 2023, the anti-dumping duties imposed on The Republic of Korea and The Socialist Republic of Vietnam has been terminated. (5) Stranded steel wires for prestressing concrete originating in or exported from The People's Republic of China. (6) Pre-painted, painted, or color-coated steel coils originating in or exported from The People's Republic of China and The Socialist Republic of Vietnam. (7) Cold rolled coils of alloy and non-alloy steel of a thickness between 0.20 millimeters to 2.60 millimeters and width between 700 millimeters to 1300 millimeters excluding tin mill black plate and subject merchandise imported for the purpose of automotive and-usage of all grades and specifications; originating in or exported from The People's Republic of China. Effective June 27, 2023, the anti-dumping duties imposed on The Republic of Korea and The Socialist Republic of Vietnam has been terminated. (8) Cold rolled stainless steel in coils, sheets, or any other form with the thickness of not more than 6.5 millimeters excluding; (a) cold rolled stainless steel with Bright Annealed, No. 8 (Mirror Finish), embossed, rigidized, etched, or colored finishes; or (b) cold rolled stainless steel with hardness value of more than 250HV; originating

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		in or exported from The Republic of Indonesia and The Socialist Republic of Vietnam. (9) Flat rolled product of non-alloy steel plated or coated with aluminum and zinc; originating in or exported from The People's Republic of China, The Republic of Korea, and The Socialist Republic of Vietnam. (10) Cellulose fiber-reinforced cement flat and pattern sheet and specifically excluding external roofing; originating in or export from The Republic of Indonesia. (11) Steel concrete reinforcing bar products that are hot rolled steel bar containing indentations, ribs, grooves, or other deformation; originating in or exported from The Republic of Singapore and The Republic of Turkey. (12) Flat rolled product of iron alloy or non-alloy steel, plated or coated with zinc, using hot dip process (galvanized iron coils/sheets or galvanized steel coils/sheets); originating in or exported from The People's Republic of China and The Socialist Republic of Vietnam.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Under a privatization agreement, Padiberas Nasional Berhad (BERNAS) had been granted the sole right to import rice into Malaysia for 15 years beginning in 1996; the agreement was extended for an additional 10 years in 2011.

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds must be repatriated to Malaysia in full value by resident exporters into their ringgit account or Trade FCA according to the sales contract within 6 months from the date of shipment, or within 24 months from the date of shipment where extenuating circumstances apply (see Appendix C of FEP Notice 7 on Export on Goods). While the 6-month rule has been in place previously, the new arrangement eliminates the need for exporters to seek BNM's approval in repatriating their export proceeds beyond the 6-month period for reasons beyond the exporters' control. For other purposes, approval from BNM is still required. The refinement in FEP adopts the shift from approval-based to notification-based for low-risk transactions in line with better capability to monitor such transactions. Resident exporters are allowed to offset or write-off export proceeds against permitted transactions or purposes. (See Appendix B of FEP Notice 7).
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	There is no requirement to convert export proceeds.
Financing requirements	No.	There are no specific export financing requirements. Resident exporters may obtain any amount of foreign currency trade financing facilities from licensed onshore banks and related nonresidents. Borrowing from other nonresidents is subject to compliance with FEP Notice 2.

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Documentation requirements	Yes.	Requirements are determined by the receiving banks.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Exports of live fish are subject to preshipment inspection. If requested, a certificate of health, sanitation, or origin may be issued by the Department of Fisheries. Veterinary examination, laboratory testing, and animal quarantine procedures – as well as accreditation of establishments and premises for exports of animals and animal products – are carried out by the DVSM in accordance with import requirements of importing countries. Plants and plant products, including rice, and raw commodities may be subject to preshipment inspection, depending on the requirements of the importing country.
Other	Yes.	Exports of rubber from Peninsular Malaysia require a certificate issued by the Malaysian Rubber Exchange and Licensing Board.
Export licenses	Yes.	
Without quotas	Yes.	Certain exportable products are monitored to avoid shortages in the domestic market. Export licenses for fish and fishery products are issued by the Fisheries Development Authority of Malaysia. The shipment of live fish (including among Peninsular Malaysia, Sabah, and Sarawak) also requires a permit issued by the Department of Fisheries. In accordance with CITES, a permit from the Department of Wildlife and National Parks is required for exports of endangered species. The Certificate of Conformity issued by the Federal Agricultural Marketing Authority acts on behalf of the Royal Malaysian Customs Department to endorse exports and reexports of all types of vegetables, especially to Brunei Darussalam, Indonesia, Singapore, and Thailand. Exports of plants, seeds, and shoots for propagation require export permits issued by the Department of Agriculture. Exports of endangered species of plants require a CITES permit from the Department of Agriculture. Export permits and veterinary health certification from the DVSM are required for exports of animals and animal products. Export licenses (issued by the Malaysian Pineapple Industry Board) are required for fresh pineapple and canned pineapple products. Exportation of strategic items requires a permit under the STA 2010. Application for export of strategic items must be made through the e-Permit STA system. Export licenses or permits from the MITI are required for exports of scrap and waste metals; cement, clinker, under Ministry of Domestic Trade and Consumer Affairs, toxic chemicals and their precursors under the Chemical Weapons Convention and for strategic items under the STA 2010. Applications for export and import permits under the MITI may be made through an Internet-based system, the ePermit system and for strategic item through the ePermit STA system. Importers and exporters that meet the requirements may get online approval through these systems. Applications for live fish import and export permits must be made through an Internet-based system, e-permit. Importers and exporters may get online approval through e-permit, provided the requirements are met.
With quotas	No.	

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Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Export taxes are levied on selected commodities as indicated in the Customs Duty Order 2022. Effective September 29, 2023, there are 123 tariff lines, from a previous 217 tariff lines, with tariff duty rates out of 11,442 lines in the Customs Duty Order 2017. Ad valorem export duty rates are found in Chapters 1, 12, 15, 26, 27, 40, 44, 68, 71, 72, 74, 75, 76, 78, and 79. Specific export duty rates are found in Chapters 6, 12, and 14.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Interest income of nonresident individuals and companies from the following is not subject to withholding of taxes: (1) ringgit-denominated securities and debentures other than convertible loan stocks approved by the Securities Commission (SC); (2) securities issued by the government of Malaysia; and (3) foreign-currency-denominated sukuk (the Islamic equivalent of bonds) originating in Malaysia.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase securities listed on Bursa Malaysia. Based on BNM's FEP rules, nonresidents are free to invest in any form of ringgit assets in Malaysia. Residents are free to issue ringgit-denominated redeemable preference shares (RPS) to any nonresident for use in Malaysia. Nonresidents are thus free to undertake any type of investment in shares or securities of a participating nature without any restriction.
Sale or issue locally by nonresidents	Yes.	The issuance or offering of shares for sale locally by nonresidents requires SC approval under Section 212 of the Capital Markets and Services Act (CMSA) 2007. Certain categories of transactions as set out in Schedule 5 of the CMSA 2007 are exempted from SC's approval. Approval from BNM is also required for issuance of ringgit-denominated securities by nonresidents.
Purchase abroad by residents	Yes.	These transactions are not restricted for resident entities without domestic ringgit borrowing and for individuals without domestic

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		ringgit borrowing. Resident entities with domestic ringgit borrowing may invest in foreign currency assets up to RM 50 million or its equivalent in aggregate on a corporate group basis a calendar year. This limit applies only to those funding investment abroad through conversion of ringgit, transfer from Trade FCA, foreign currency borrowing from licensed onshore banks for purposes other than direct investment abroad, and swapping of financial assets. Resident individuals with domestic ringgit borrowing may invest in foreign currency assets up to (1) RM 1 million equivalent per calendar year using funds sourced from ringgit conversion, Trade FCA, and swapping of financial assets or (2) up to any amount for funds sourced from abroad, approved borrowing or for purchase of real estate outside Malaysia for the purpose of education, employment, or migration.
Sale or issue abroad by residents	Yes.	The issuance or offering of shares abroad by resident, which is a public listed company or corporation whose shares are listed in Malaysia, requires SC's approval under subsection 212(4) of CMSA 2007 if the shares are being offered by way of an IPO or cross-listing.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	There is no minimum holding period requirement.
Sale or issue locally by nonresidents	Yes.	Nonresidents may issue foreign-currency-denominated securities. Prior approval from BNM is required only for issuance of ringgit-denominated securities by nonresidents.
Purchase abroad by residents	Yes.	These transactions are not restricted for resident entities without domestic ringgit borrowing and for individuals without domestic ringgit borrowing. Resident entities with domestic ringgit borrowing may invest in foreign currency assets up to RM 50 million or its equivalent in aggregate on a corporate group basis a calendar year. This limit applies only to those funding investment abroad through conversion of ringgit, transfer from Trade FCA, foreign currency borrowing from licensed onshore banks for purposes other than direct investment abroad, and swapping of financial assets. Resident individuals with domestic ringgit borrowing may invest in foreign currency assets up to (1) RM 1 million equivalent per calendar year using funds sourced from ringgit conversion, Trade FCA, and swapping of financial assets or (2) up to any amount for funds sourced from abroad, approved borrowing or for purchase of real estate outside Malaysia for the purpose of education, employment, or migration.
Sale or issue abroad by residents	Yes.	Resident entities may issue foreign currency bonds or sukuk abroad, subject to compliance with FEP Notice 2.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Nonresidents may issue foreign-currency-denominated securities.

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		Approval is required only for issuance of ringgit-denominated securities by nonresidents.
Purchase abroad by residents	Yes.	These transactions are not restricted for resident entities without domestic ringgit borrowing and for individuals without domestic ringgit borrowing. Resident entities with domestic ringgit borrowing may invest in foreign currency assets up to RM 50 million or its equivalent in aggregate on a corporate group basis a calendar year. This limit applies only to those funding investment abroad through conversion of ringgit, transfer from Trade FCA, foreign currency borrowing from licensed onshore banks for purposes other than direct investment abroad, and swapping of financial assets. Resident entities with domestic ringgit borrowing are no longer subject to the prudential limit of up to the ringgit amount sourced from proceeds of an IPO on the Main Market of Bursa Malaysia. Resident individuals with domestic ringgit borrowing may invest in foreign currency assets up to (1) RM 1 million equivalent per calendar year using funds sourced from ringgit conversion, Trade FCA, and swapping of financial assets or (2) up to any amount for funds sourced from abroad, approved borrowing or for purchase of real estate outside Malaysia for the purpose of education, employment, or migration.
Sale or issue abroad by residents	Yes.	Resident entities may issue foreign currency money market instruments abroad, subject to compliance with FEP Notice 2. Prior approval from BNM is required for issuance or sale of ringgit money market instruments by residents outside Malaysia.
On collective investment securities	Yes.	Foreign collective investment schemes (CISs) may be offered and marketed in Malaysia to resident and nonresident investors (which include retail investors and investors defined in Schedule 6 and Schedule 7 of the CMSA 2007); these plans do not have to be managed and administered by a company licensed by the SC. However, foreign CISs must comply with Chapter 3.0 of the SC's Guidelines on Offering, Marketing, and Distribution of Foreign Funds (OMD – of March 3, 2008, as revised August 29, 2023). Since June 15, 2015, (1) a foreign fund is no longer required to be primarily regulated by a securities regulator that has satisfactorily implemented the International Organization of Securities Commissions (IOSCO) principles and objectives of securities regulation; (2) an operator of foreign fund is no longer required to be primarily regulated by a securities regulator that has satisfactorily implemented the IOSCO principles and objectives of securities regulation; (3) offering of a foreign fund to sophisticated investors is required to lodge relevant offering document in accordance with the requirements under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch framework; (4) offering of a foreign fund to sophisticated investors is required to be in accordance with the requirements in relation to the Lodge and Launch framework; (5) clarifications regarding the reporting requirements in relation to foreign funds were provided. The CIS must meet the requirements of the OMD. Specific requirements for ASEAN CISs are given in the Handbook for ASEAN CIS and Their Operators. The ASEAN CIS Framework is a streamlined process for cross-border offering of CISs in signatory countries. From May 4, 2017, (1) a foreign fund offered by a permitted entity that complies with the requirements under paragraph 4.03 and Appendix 3 of the OMD is permitted to be offered in

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		Malaysia and (2) a foreign fund that invests or proposes to invest primarily in income-generating real estate – provided the units are listed on an exchange as specified by the SC and are located in a jurisdiction where the securities regulator for such fund is a full signatory of the IOSCO Multilateral MoU as listed in its Appendix A; the offering of units is made by a holder of a Capital Markets Services License (CMSL) who carries on the business of dealing in securities; and the offering of units is limited to a one-off offering only to sophisticated investors and is not offered to the sophisticated investors on a continuous basis. Effective August 29, 2023, (1) fund management companies in Malaysia or their related corporations are permitted to offer their foreign funds to certain accredited investors and high-net worth entities, and (2) foreign exchange-traded fund (ETF) operators are permitted to list up to 5 non-plain vanilla ETFs (that is, leveraged ETF, inverse ETF, and synthetic ETF) on Bursa's Main Market.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Nonresidents may offer their CISs to investors in Malaysia if they have: (1) For unlisted CIS to retail investors, obtained SC's recognition under s. 212(5) of the CMSA 2007; (2) For listed CIS, obtained SC's approval under s. 212(2) of the CMSA 2007; or (3) Unlisted CIS to non-retail investors, lodged with SC under the Lodge and Launch Framework. Only CIS that complies with the requirements under the SC OMD Guidelines would be considered for SC's recognition/approval, or be permitted to be lodged with the SC. The CISs may be offered in any foreign currency. Ringgit CISs under the ASEAN CIS Framework may be offered only in Malaysia. Proceeds from ringgit CISs must be settled and managed with licensed onshore banks. This includes currency conversion. The proceeds of ringgit CISs may be fully invested abroad if at least two-thirds of the foreign offering of the CIS are raised outside Malaysia in two other countries.
Purchase abroad by residents	Yes.	These transactions are not restricted for resident entities without domestic ringgit borrowing and for individuals without domestic ringgit borrowing. Resident entities with domestic ringgit borrowing may invest in foreign currency assets up to RM 50 million or its equivalent in aggregate on a corporate group basis a calendar year. This limit applies only to those funding investment abroad through conversion of ringgit, transfer from Trade FCA, foreign currency borrowing from licensed onshore banks for purposes other than direct investment abroad, and swapping of financial assets. Resident individuals with domestic ringgit borrowing may invest in foreign currency assets up to (1) RM 1 million equivalent per calendar year using funds sourced from ringgit conversion, Trade FCA, and swapping of financial assets or (2) up to any amount for funds sourced from abroad, approved borrowing or for purchase of real estate outside Malaysia for the purpose of education, employment, or migration.
Sale or issue abroad by residents	Yes.	Residents may establish foreign currency-based currency CISs abroad. Establishment of ringgit-based currency CIS or classes of units denominated in ringgit abroad requires approval from BNM. A CIS established in Malaysia may be offered abroad through the

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		Mutual Recognition Agreements or under the ASEAN CIS Framework.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase derivatives or other instruments offered on the Bursa Malaysia or by licensed onshore banks, subject to compliance with relevant FEP Notices. Purchase of exchange rate derivatives is subject to compliance with FEP Notice 1 on Dealings in Currency, Gold, and Other Precious Metals by nonresidents, including underlying requirements. Pursuant to FEP Notice 5 on Securities and Financial Instruments, there are no approval requirements for nonresident banking institutions (BIs) to enter into ringgit-denominated interest rate derivatives with no underlying commitment with licensed onshore banks or via appointed overseas offices of licensed onshore banks.
Sale or issue locally by nonresidents	Yes.	Sale or issue of derivatives locally by a nonresident requires SC approval under Section 212 of the CMSA 2007. Certain categories of transactions, as set out in Schedule 5 of the CMSA 2007, are exempted from SC's approval. Prior approval from BNM is required for nonresidents to issue derivatives or other instruments in Malaysia.
Purchase abroad by residents	Yes.	Residents may purchase derivatives and other instruments (other than exchange rate derivatives) from specified overseas exchanges via a resident futures broker for (1) hedging purposes and (2) investment purposes, subject to compliance with FEP Notice 3. Prior approval from BNM is required for purchase of exchange rate derivatives and other derivatives referenced to ringgit. Resident individuals may purchase foreign-currency derivatives (other than exchange rate derivatives) directly from nonresident counterparties, subject to FEP Notice 3 if undertaken without firm commitment. The liberalization of purchase of foreign-currency derivatives (other than exchange rate derivatives) directly from nonresident counterparties is accessible to all residents (that is, both individuals and entities).
Sale or issue abroad by residents	Yes.	Licensed onshore banks (other than licensed IIB) are allowed to issue or offer financial instruments denominated in ringgit or foreign currency, in Malaysia to any person. The issuances of financial instruments involving or with reference to exchange rate are subject to compliance with FEP Notice 1. Ringgit-denominated interest rate derivatives can be offered directly by licensed onshore banks or via appointed overseas offices of licensed onshore banks to nonresidents. The issuances of such derivatives embedded with features referenced to exchange rate are subject to compliance with FEP Notice 1. Ringgit-denominated interest rate derivatives may be transacted with nonresidents BI with or without firm commitment basis. Licensed IIB is allowed to issue or offer financial instrument or Islamic financial instruments denominated in foreign currency to any person. The issuances of financial instruments involving or with reference to exchange rate are subject to compliance with FEP Notice 1.

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Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Export credit terms extended to nonresidents may not exceed six months from the date of export.
To residents from nonresidents	Yes.	These transactions are not restricted for residents to obtain foreign currency supplier credit from nonresident suppliers and foreign currency borrowing from their related nonresidents, other than nonresident financial institutions. Borrowing from other nonresidents is subject to compliance with FEP Notice 2.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These transactions are not restricted for resident entities without domestic ringgit borrowing. Resident entities with domestic ringgit borrowing may invest in foreign currency assets up to RM 50 million or its equivalent in aggregate on a corporate group basis a calendar year. (These limits applied only to those funding investment abroad through conversion of ringgit, transfer from Trade FCA, foreign currency borrowing from licensed onshore banks for purposes other than direct investment abroad, and swapping of financial assets). Lending in ringgit by residents to nonresidents other than nonresident financial institutions is allowed to finance real sector activities in Malaysia.
To residents from nonresidents	Yes.	Resident entities may obtain any amount of foreign currency borrowing from their related nonresidents, other than nonresident financial institutions, and nonresident. Borrowing from other nonresidents is subject to compliance with FEP Notice 2.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Residents are free to issue financial guarantee to nonresidents with some exceptions. Exceptions to the free issuance of financial guarantees include: (1) financial guarantee that is issued to secure foreign currency borrowing obtained by a nonresident special purpose vehicle (SPV) from any person who is not related to the resident guarantor will be subject to the residents' external borrowing limits detailed in FEP Notice 2; or (2) financial guarantee that is issued to secure foreign currency borrowing obtained by a nonresident where the borrowing will be repaid by a resident (other than when the financial guarantee is called on in the event of default) will be subject to the residents' investment in foreign currency asset limit detailed in FEP Notice 3.
To residents from nonresidents	Yes.	Residents are free to obtain financial guarantees from nonresidents with an approved underlying borrowing in ringgit or foreign currency.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	These transactions are not restricted for resident entities without domestic ringgit borrowing. Resident entities with domestic ringgit borrowing may invest in foreign currency assets up to RM 50 million or its equivalent in aggregate on a corporate group basis a calendar year. (These limits applied only to those funding investment abroad through conversion

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		of ringgit, transfer from Trade FCA, foreign currency borrowing from licensed onshore banks for purposes other than direct investment abroad, and swapping of financial assets.) No limit is imposed for resident entities with domestic ringgit borrowing using proceeds from foreign currency borrowing obtained from licensed onshore banks for direct investment abroad. Resident entities with domestic ringgit borrowing are no longer subject to the prudential limit of up to the ringgit amount sourced from proceeds of an IPO on the Main Market of Bursa Malaysia.
Inward direct investment	Yes.	Controls are imposed on equity shares in accordance with national economic policy; however, no foreign exchange restrictions apply. The following inward investments require approval under the Ministry of Economy (MOE) guidelines: acquisition of property (such as undeveloped or developed land) by foreigners, valued at RM20 million and above, resulting in the dilution in the ownership of property (exclude residential) held by Bumiputera interest and/or government agency. Applications requiring SC approval under the securities and futures laws are centralized at the SC. Certain exemptions or relaxation of the foreign equity limits (for example, exemption from the 12.5% Bumiputera equity requirement) are granted to companies with Multimedia Super Corridor and BioNexus status; companies with major foreign-based operations seeking listing on the Bursa Malaysia; and intermediaries licensed by the SC, including investment banks, local and foreign fund managers, investment advisers, and exempt dealers. In relation to a "company" being taken over includes a corporation listed on a stock exchange, listed real estate investment trusts in Malaysia, listed business trusts in Malaysia, and unlisted public companies with more than 50 shareholders and net assets of RM 15 million or more, any acquisition of more than 33% of voting shares or of more than 2% in any six-month period for a holder of more than 33% but less than 50% requires compliance with Part VI, Division 2, of the CMSA 2007, the Malaysian Code on Takeovers and Mergers 2016, and the Rules on Takeovers, Mergers, and Compulsory Acquisitions. Nonresidents may participate in the equity of Malaysian BIs if they meet the shareholder suitability requirements in Schedule 6 of FSA 2013 and IFSA 2013. These requirements take into account, among other things, prudential considerations and potential contributions of investors in the best interest of Malaysia. The minimum value for acquisition of residential property by foreigners is RM 1 million, as stipulated under the Guideline on The Acquisition of Properties by the MOE. While the acquisition does not require an approval from the MOE, the acquisition is subject to the State Authority's jurisdiction. The state governments have full control in considering and approving foreign ownership of properties including threshold values in their respective states. Therefore, the threshold prices would vary from one state to another.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These transactions are not restricted for resident entities without domestic ringgit borrowing. Resident entities with domestic ringgit borrowing may invest in foreign currency assets up to RM 50 million or its equivalent in aggregate on a corporate group basis a calendar year. (These limits applied only to those funding investment abroad through conversion of ringgit, transfer from Trade FCA, foreign currency borrowing from licensed onshore banks for purposes other than direct

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		investment abroad, and swapping of financial assets.)
		Resident individuals are free to purchase real estate outside Malaysia for the purpose of education, employment, or migration abroad.
Purchase locally by nonresidents	Yes.	Purchases of residential, commercial, and office property by nonresidents may be made freely, provided the purchase price is below RM20 million, as stipulated under the Guideline on The Acquisition of Properties by the MOE. While the acquisition does not require an approval from the MOE, the acquisition is subject to the State Authority's jurisdiction. The state governments have full control in considering and approving foreign ownership of properties including threshold values in their respective states. Therefore, the threshold prices would vary from one state to another.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Resident individuals may lend to their immediate family members. This transaction is not restricted for resident individuals without domestic ringgit borrowing. Resident individuals with domestic ringgit borrowing may invest in foreign currency assets up to (1) RM 1 million equivalent per calendar year using funds sourced from ringgit conversion, Trade FCA, and swapping of financial assets or (2) up to any amount for funds sourced from abroad, approved borrowing or for purchase of real estate outside Malaysia for the purpose of education, employment, or migration.
To residents from nonresidents	Yes.	Resident individuals may borrow from their immediate family members. Borrowing in foreign currency from other than immediate family members is allowed up to RM 10 million in aggregate. Borrowing in ringgit from nonresidents other than nonresident financial institutions is allowed up to RM 1 million in aggregate for use in Malaysia.
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	

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Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Licensed onshore banks may lend in foreign currency to nonresidents. Lending in ringgit by licensed onshore banks, except licensed IIBs, to nonresidents must be used to finance real sector activities in Malaysia (including refinancing of existing ringgit borrowing that was used for real sector activities in Malaysia and on lending to resident entities within the same group of entities or immediate family members that will be ultimately used for real sector activities in Malaysia). All licensed BIs are subject to the following prudential limits, which are applied to credit exposures to both residents and nonresidents: (1) Exposures to a single counterparty or a group of connected counterparties may not exceed 25% of a BI's total capital (that is, the sum of Tier 1 and Tier 2 capital). For exposures to BI's related banking entities (whether operating in- or outside Malaysia), a limit as may be approved by the BNM which may not exceed 50% of the BI's total capital and subject to clear criteria. This is applicable in aggregate to ringgit and foreign-currency-denominated exposures, including all claims, commitments, and contingent liabilities arising from on- and off-balance-sheet transactions (in both banking and trading books). From March 24, 2020, until December 31, 2021, in response to the COVID-19 outbreak and to support lending activities by BIs, BNM temporarily increased the single counterparty exposure limit from 25% to 35% of a BI's total capital for exposures to counterparties that are connected to selected large companies based on economic dependence factors. Effective January 1, 2022, BIs must pare down any exposures in excess of 25% of total capital by December 31, 2022. (2) Total outstanding credit exposure to all connected parties may not exceed 100% of a BI's total capital or 25% of total outstanding credit exposures, whichever is lower.
Lending locally in foreign exchange	Yes.	Licensed onshore banks may lend in foreign currency any amount to resident entities and nonresidents. Lending to resident individuals is subject to RM 10 million in aggregate. All licensed BIs are subject to the following prudential limits, which are applied to credit exposure to both residents and nonresidents: (1) Exposures to a single counterparty or a group of connected counterparties may not exceed 25% of a BI's total capital (that is, the sum of Tier 1 and Tier 2 capital). For exposures to BI's related banking entities (whether operating in- or outside Malaysia), a limit as may be approved by the BNM which may not exceed 50% of the BI's total capital and subject to clear criteria. This is applicable in aggregate to ringgit and foreign-currency-denominated exposures, including all claims, commitments, and contingent liabilities arising from on- and off-balance-sheet transactions (in both banking and trading books). From March 24, 2020, until December 31, 2021, in response to the COVID-19 outbreak and to support lending activities by BIs, BNM temporarily increased the single counterparty exposure limit from 25% to 35% of a BI's total capital for exposures to counterparties that are connected to selected large companies based on economic dependence factors. Effective January 1, 2022, BIs must pare down any exposures in excess of 25% of total capital by December 31,

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		2022.
		(2) Total outstanding credit exposure to all connected parties may not exceed 100% of a BI's total capital or 25% of total outstanding credit exposures, whichever is lower. Residents may enter into a transaction with (a) a licensed onshore bank to convert an existing ringgit debt obligation to a foreign currency debt obligation, provided there is no actual delivery of foreign currency at the inception of the transaction and (b) a licensed onshore bank, an IIB, or a nonresident to convert an existing foreign currency debt obligation to another foreign currency debt obligation.
Purchase of locally issued securities denominated in foreign exchange	Yes.	All licensed BIs are subject to the following prudential limits, which are applied to credit exposures to both residents and nonresidents: (1) Exposures to a single counterparty or a group of connected counterparties may not exceed 25% of a BI's total capital (that is, the sum of Tier 1 and Tier 2 capital). For exposures to BI's related banking entities (whether operating in- or outside Malaysia), a limit as may be approved by the BNM which may not exceed 50% of the BI's total capital and subject to clear criteria. This is applicable in aggregate to ringgit and foreign-currency-denominated exposures, including all claims, commitments, and contingent liabilities arising from on- and off-balance-sheet transactions (in both banking and trading books). From March 24, 2020, until December 31, 2021, in response to the COVID-19 outbreak and to support lending activities by BIs, BNM temporarily increased the single counterparty exposure limit from 25% to 35% of a BI's total capital for exposures to counterparties that are connected to selected large companies based on economic dependence factors. Effective January 1, 2022, BIs must pare down any exposures in excess of 25% of total capital by December 31, 2022. (2) Total outstanding credit exposure to all connected parties may not exceed 100% of a BI's total capital or 25% of total outstanding credit exposures, whichever is lower.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The BNM statutory reserve requirement (SRR) rate of 2% is applied on BIs' eligible liabilities, which consist of ringgit-denominated deposits and non-deposit liabilities, net of interbank assets, and placements with the CB. Foreign-currency-deposit liabilities are not subject to reserve requirements. On May 16, 2020, in response to the COVID-19 outbreak and to support lending activities by BIs, BNM temporarily allowed all BIs to recognize holdings of Malaysian Government Securities (MGS) and Malaysian Government Investment Issues (MGII) as part of their SRR compliance (that is, Statutory Reserve Accounts balances). Such securities used in this manner may be deducted from BIs' eligible liability base calculations and must continue to be recognized as High-Quality Liquid Assets. This temporary flexibility was made available initially until May 31, 2021. As of March 16, 2021, this temporary flexibility was extended until December 31, 2022, and expired effective January 1, 2023.
Liquid asset requirements	Yes.	The LCR and NSFR requirement is set at 100% in line with Basel

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		requirements.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	FSA and IFSA: BIs may not establish or acquire a subsidiary in- or outside Malaysia, or acquire or hold any material interest in any corporation without the prior approval of BNM. Material interest is defined as 20% or more of the voting shares or voting power in a corporation. In addition, BNM's approval is also required for any direct or indirect acquisition or holding of 33% or more of the voting shares or voting power in a corporation. The BI must also notify BNM of any subsequent direct or indirect acquisition where it results in an increase in shareholding at any multiple of 5% above the material interest threshold, at least one month before the proposed acquisition. Nevertheless, BNM may require a BI to obtain its prior written approval if any subsequent increase impacts the BI's safety and soundness. Investments by BIs, both locally and abroad, are subject to the following prudential limits: (1) Aggregate direct and indirect acquisition or holding of interest in non-financial corporations by BIs, including those held below the material interest threshold (that is, 20% or more of the voting shares/power), must not exceed 10% of a BI's Tier 1 capital. (2) BIs may not acquire, hold, or rent immovable properties, except to: (a) conduct their business; (b) provide housing or other amenities for their staff; or (c) satisfy debts (that is, foreclosed properties). Approval from the BNM is required if a BI intends to acquire, hold, or rent immovable properties for purposes other than (a), (b), and (c). BIs total holdings of immovable properties acquired in satisfaction of debts may not exceed 1% of its Total Capital. In the case of Islamic finance, Islamic BIs are allowed to undertake property development and property investment activities subject to conditions such as allowable structures, governance, risk management, limits, and disclosure requirements. These investments are subject to prudential safeguards, including limiting each exposure to 25% of the Islamic BI's capital base. Islamic BIs and their subsidiaries are prohibited from direct property development activities but may participate in such activities through a joint venture or equity participation with reputable property development

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		companies that are not subsidiaries of Islamic BIs. (3) Exposures to a single counterparty or a group of connected counterparties may not exceed 25% of a BI's total capital (that is, the sum of Tier 1 and Tier 2 capital). For exposures to BI's related banking entities (whether operating in- or outside Malaysia), a limit as may be approved by the BNM may not exceed 50% of the BI's total capital and subject to clear criteria. This is applicable in aggregate to ringgit and foreign-currency-denominated exposures, including all claims, commitments, and contingent liabilities arising from on- and off-balance-sheet transactions (in both banking and trading books). From March 24, 2020, until December 31, 2021, in response to the COVID-19 outbreak and to support lending activities by BIs, BNM temporarily increased the single counterparty exposure limit from 25% to 35% of a BI's total capital for exposures to counterparties that are connected to selected large companies based on economic dependence factors. Effective January 1, 2022, BIs must pare down any exposures in excess of 25% of total capital by December 31, 2022. (4) Total outstanding credit exposure to all connected parties may not exceed 100% of a BI's total capital or 25% of total outstanding credit exposure whichever is lower.
In banks by nonresidents	Yes.	Nonresidents may participate in the equity of Malaysian BIs. However, nonresidents may not hold 5% or more interest-in-shares, unless they have obtained the approval of the BNM or the Minister of Finance pursuant to Section 87 of the FSA 2013 and Section 99 of the IFSA 2013. These requirements take into account prudential considerations and potential contributions of investors in the best interest of Malaysia.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Licensed insurers may invest abroad up to 10% of their total assets of individual insurance funds or shareholders' working funds. Licensed takaful operators may invest abroad up to 10% of their total assets of each family takaful, general takaful, and shareholder fund individually.
Limits (max.) on investment portfolio held abroad	Yes.	Licensed insurers may invest abroad up to 10% of their total assets of individual insurance funds or shareholders' working funds. Licensed takaful operators may invest abroad up to 10% of their total assets of each family takaful, general takaful, and shareholder fund individually. For investment-linked funds, the limit on investment abroad by insurers of 50% of the total NAV applies to funds marketed to residents with domestic ringgit borrowing.
Limits (min.) on investment portfolio held locally	Yes.	Licensed insurers and licensed takaful operators must invest a minimum of 10% of the total assets of their general insurance funds and general takaful funds in liquid assets.
Currency-matching regulations on	No.	There are no regulations on currency matching. However, licensed

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assets/liabilities composition		insurers and takaful operators are required to hold 8% of capital on mismatched currency positions as prescribed in the capital adequacy framework for insurers and takaful operators.
Pension funds	Yes.	Pension funds approved by SC-designated private retirement schemes (PRS), like other CISs, may be invested abroad. The PRS comprise of core funds and non-core funds. Core funds will be selected automatically for a member who does not specify their fund option. Core funds comprise of three categories – conservative, moderate, and growth funds.
Limits (max.) on securities issued by nonresidents	Yes.	PRS Guidelines do not stipulate a limit on securities issued by nonresident in relation to PRS. No more than 50% of total funds may be invested in non-Shariah-compliant assets for funds of resident clients with domestic ringgit borrowing.
Limits (max.) on investment portfolio held abroad	Yes.	The SC has liberalized the asset allocation for the core funds including allowing conservative core funds to invest in foreign markets. While the specific asset allocation requirements have been liberalized in favor of broad principles, the general investment limits such as single issue exposure, etc., that are applicable to all funds would continue to apply to PRS funds.
Limits (min.) on investment portfolio held locally	No.	There is no minimum limit on local portfolio investment.
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	Yes.	Nonresident offering of CISs in Malaysia takes place through an MRA or the ASEAN CIS Framework and must comply with the requirements in the MRA, Standards of Qualifying CIS for ASEAN CISs, Handbook for Operators of ASEAN CISs, and SC OMD Guidelines. No limits are imposed on offerings. Proceeds of CIS offerings in Malaysia under the ASEAN CIS Framework may be fully invested abroad, subject to the requirements in the Handbook for Operators of ASEAN CISs. For other funds, there is a limit of 50% of NAV in non-Shariah-compliant funds for resident unit trusts' investment abroad or 50% of total funds managed by fund management companies for funds of residents with domestic ringgit borrowing.
Limits (max.) on securities issued by nonresidents	Yes.	No more than 50% of NAV of resident unit trusts and no more than 50% of total funds managed by fund management companies may be invested in non-Shariah-compliant funds abroad for funds of residents with domestic ringgit borrowing.
Limits (max.) on investment portfolio held abroad	Yes.	No more than 50% of NAV of resident unit trusts and no more than 50% of total funds managed by fund management companies may be invested in non-Shariah-compliant funds abroad for funds of residents with domestic ringgit borrowing.
Limits (min.) on investment portfolio held locally	No.	There are no minimum limits.
Currency-matching regulations on assets/liabilities composition	No.	There are no regulations on currency matching or composition of assets and liabilities.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.r.	At this juncture, BNM is in the midst of conducting proof of concepts to build our internal understanding on CBDC. In this respect, there are no regulations and controls on wholesale CBDC and retail CBDC in both the cross border and domestic context.
Retail	n.r.	
Wholesale	n.r.	

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CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	At this juncture, BNM is in the midst of conducting proof of concepts to build our internal understanding on CBDC. In this respect, there are no regulations and controls on wholesale CBDC and retail CBDC in both the cross border and domestic context.
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Only unbacked tokens that fulfill the criteria in the Capital Markets and Services (Prescription of Securities) (Digital Currency and Digital Token) Order 2019 (“DA PO”) are regulated by the SC. Tokens that do not fall within the DA PO are not within SC’s regulatory ambit. Currently, the SC Malaysia requires the concurrence of the SC before allowing any tokens/DA to be offered on its Digital Asset Exchange (DAX) to be traded pursuant to the recognized market operator (RMO) Guidelines.
Acquisition by residents	Yes.	(1) Regulated DAXs must onboard their customers and obtain the necessary customer due diligence (CDD) information and to conduct ongoing due diligence for any customers (regardless of residency).

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		To exchange for FIAT MYR (Malaysian Ringgit), the investors must have a FIAT MYR account to his name. (2) Residents with domestic borrowing are subjected to foreign exchange policies of Malaysia. It is noted that unbacked tokens are not recognized as legal tender in Malaysia ("MY") and thus may not be used for payment in transaction.
Use among residents	Yes.	DAXs facilitate the trade between its investors (regardless of residency). Use is limited as a form of securities and not payment instrument. Any other uses of tokens (other than for trading or for underlying securities with existing securities laws obligations) are not within the regulatory purview of the SC Malaysia.
Between residents and nonresidents	No.	DAXs facilitate the trade between its investors. Use is limited as a form of securities and not payment instrument.
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	Yes.	Only utility and security tokens that fulfill the criteria in the Capital Markets and Services (Prescription of Securities) (Digital Currency and Digital Token) Order 2019 ("DA PO") are regulated by the SC. Tokens that do not fall within the DA PO are not within SC's regulatory ambit.
Acquisition by residents	Yes.	For Fundraising/Issuance: Where tokens (regardless if utility or security) are issued pursuant to a fundraising exercise, such issuance must be done in accordance to the Digital Asset Guidelines through an Initial Exchange Offering (IEO) Operator. For Trading: Currently, the SC Malaysia requires the concurrence of the SC before allowing any tokens/DA to be offered on its DAX to be traded pursuant to the RMO Guidelines. For Fundraising/Issuance: Where tokens (regardless if utility or security) are issued pursuant to a fundraising exercise, such issuance must be done in accordance to the Digital Asset Guidelines through an IEO Operator. For Trading: Currently, the SC Malaysia requires the concurrence of the SC before allowing any tokens/DA to be offered on its DAX to be traded pursuant to the RMO Guidelines.
Use among residents	Yes.	For Trading: Currently, the SC Malaysia requires the concurrence of the SC before allowing any tokens/DA to be offered on its DAX to be traded pursuant to the RMO Guidelines. Any other uses of tokens (other than for trading or for underlying securities with existing securities laws obligations) are not controlled by the SC Malaysia.

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		It is noted that unbacked tokens are not recognized as legal tender in MY and thus may not be used for payment in transaction.
Between residents and nonresidents	Yes.	DAXs facilitate the trade between its investors. Use is limited as a form of securities and not payment instrument.
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	Yes.	Only stablecoins that fulfill the criteria in the Capital Markets and Services (Prescription of Securities) (Digital Currency and Digital Token) Order 2019 (“DA PO”) are regulated by the SC. Stablecoins that do not fall within the DA PO are not within SC’s regulatory ambit. For Fundraising/Issuance: Where tokens are issued pursuant to a fundraising exercise, such issuance must be done in accordance to the Digital Asset Guidelines through an IEO Operator. For Trading: Currently, the SC Malaysia requires the concurrence of the SC before allowing any tokens/DA to be offered on its DAX to be traded pursuant to the RMO Guidelines. However, SC Malaysia has yet to allow any issuance and/or trading of stablecoin at present. Usage of any crypto assets (including stablecoins) as payments is under the purview of BNM.
Acquisition by residents	Yes.	For Fundraising/Issuance: Where tokens are issued pursuant to a fundraising exercise, such issuance must be done in accordance to the Digital Asset Guidelines through an IEO Operator. For Trading: Currently, the SC Malaysia requires the concurrence of the SC before allowing any tokens/DA to be offered on its DAX to be traded pursuant to the RMO Guidelines. However, SC Malaysia has yet to allow any issuance and/or trading of stablecoin at present. Usage of any crypto assets (including stablecoins) as payments is under the purview of BNM.
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	DAXs that offer a platform to facilitate the trading of digital assets are required to be registered as a RMO, DAX pursuant to the Capital

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		Market Services Act 2007. Registered RMO-DAXs are obliged to comply with the requirements under the Guidelines on Recognized Markets and the SC's Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market.
Domestic exchanges	Yes.	DAXs that offer a platform to facilitate the trading of digital assets are required to be registered as a RMO, DAX pursuant to the Capital Market Services Act 2007. Registered RMO-DAXs are obliged to comply with the requirements under the Guidelines on Recognized Markets and the SC's Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market.
Access to crypto exchange/trading platform by residents	Yes.	DAXs are deemed as Reporting Institutions and accordingly are required to onboard their customers and obtain the necessary CDD information and to conduct ongoing due diligence for any customers (regardless of residency). Customers which are onboarded (according to the risk appetite of the DAXs) are free to access into the platform but are subjected to ongoing due diligence requirements.

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Forward exchange market	*06/01/2022*	Nonresidents may hedge their current account based on firm commitment and anticipatory basis and financial account transactions based on firm commitment with licensed onshore banks or appointed overseas offices of licensed onshore banks.

Resident Accounts

Foreign exchange accounts permitted

Held domestically	*06/01/2022*	Residents may open FCAs with licensed onshore banks either in the form of Trade FCA and/or Investment FCA individually or jointly with a Resident Individual or another Resident. Approval is no longer required for the opening of FCAs.

Imports and Import Payments

Import taxes and/or tariffs	*06/27/2023*	The anti-dumping duties imposed on The Republic of Korea and The Socialist Republic of Vietnam has been terminated.

Exports and Export Proceeds

Export taxes

Other export taxes	*09/29/2023*	Tariff lines reduced from 217 to 123

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On collective investment securities	*08/29/2023*	Fund management companies in Malaysia or their related corporations are permitted to offer their foreign funds to certain accredited investors and high-net worth entities, and foreign exchange-traded fund (ETF) operators are permitted to list up to 5 non-plain vanilla ETFs (that is, leveraged ETF, inverse ETF, and

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synthetic ETF) on Bursa's Main Market.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending to nonresidents (financial or commercial credits)	*01/01/2022*	The COVID-19 era measure to support lending activities by BIs expired, and BIs must pare down any exposure in excess of 25% of total capital. .
Lending locally in foreign exchange	*01/01/2022*	The COVID-19 era measure to support lending activities by BIs expired, and BIs must pare down any exposure in excess of 25% of total capital.
Purchase of locally issued securities denominated in foreign exchange	*01/01/2022*	The COVID-19 era measure to support lending activities by r BIs expired, and BIs must tpare down any exposure in excess of 25% of total capital.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*01/01/2023*	The COVID-19 era measure related to temporary flexibility of securities being deducted from BIs' eligible liability base calculations recognized as High-Quality Liquid Assets ended.
Investment regulations		
Abroad by banks	*01/01/2022*	The COVID-19 era measure to support lending by BIs expired, and BIs must pare down any exposure in excess of 25% of total capital.

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MALDIVES

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		January 13, 1978.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation with Maldives, states that, as of November 23, 2022, Maldives has previously been found to maintain a multiple currency practice (MCP) resulting from the deviation by more than 2 percent between the prevailing market exchange rates and the parallel market exchange rates, and an exchange restriction relating to the additional cost for market participants to obtain foreign exchange from the parallel market. Under the Fund's revised MCP policy adopted on July 1, 2022, MCPs resulting from the exchange rate spreads arising in illegal parallel markets are considered eliminated as of the approval date of the policy since these markets are legally prohibited and thus not the result of official action. Information received by staff recently confirmed that the parallel market in the Maldives is illegal under the national law, and therefore, the MCP arising from a spread between the parallel market and prevailing market exchange rates in the Maldives has been eliminated effective July 1, 2022. Further, the exchange restriction in connection with the additional cost for obtaining foreign exchange in the parallel market due to this spread has also been eliminated effective July 1, 2022. At the same time, the Maldives continues to maintain an exchange restriction arising from the Maldives Monetary Authority's rationing of its supply of foreign exchange to commercial banks, which also resulted in a channeling of foreign exchange for current international transactions to the illegal parallel market. In that regard, the authorities should continue undertaking reasonable efforts to eliminate the spread with the parallel market. In addition, the Maldives continues to maintain an MCP resulting from the lack of a mechanism to prevent the spread between the official exchange rate used by the MMA for government transactions and the prevailing market exchange rate from deviating by more than 2 percent. (Country Report No. 23/366)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Maldives is the Maldivian rufiyaa.

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Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual	Yes.	The exchange rate structure is classified as dual because the spread between the parallel market rate and the official exchange rate exceeds 2%.
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	Since 2011, the de jure exchange rate arrangement is classified as a pegged exchange rate within horizontal bands. This regime allows the rufiyaa to float within a 20% band around a central parity of Rf 12.85 a US dollar. However, the rufiyaa remained stabilized in a narrow band against the US dollar near the ceiling of the band (Rf 15.42 a US dollar). Accordingly, the de facto exchange rate arrangement is classified as a stabilized arrangement. Under the MMA Act, the President shall determine the exchange rate regime in accordance with the advice of the Authority; and the Authority shall determine and implement the exchange rate and exchange rate related policies to implement the exchange rate regime.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The MMA quotes buying, selling, and midrates each day. The midrate (reference exchange rate) is calculated each day as the midpoint of the weighted average of the buying and selling rates of commercial banks' transactions with their clients conducted two days before. This rate is used when the MMA sells foreign exchange to the government. It buys foreign exchange from the government at the buying exchange rate. The MMA sells foreign exchange to the banks at its selling rate and to state-owned enterprises at the upper limit of the band.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		

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Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

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Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The buying and selling rates of the US dollar in the official market are limited by the MMA within the bounds of the 20% exchange rate band around the central parity rate of Rf 12.85 a US dollar. Both commercial banks and money changers should also make transactions within the bounds of the 20% exchange rate band. Commercial banks may freely exchange other currencies with their clients.
Spot exchange market	Yes.	There are 8 commercial banks (of which 3 are locally incorporated, 4 are branches of foreign banks, and 1 is fully owned subsidiary of a foreign bank) and 248 licensed money changers as of December 31, 2022. Money changers are licensed by the MMA and may buy and sell foreign exchange. There are no restrictions on money changers opening and maintaining accounts abroad.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The MMA exchanges rufiyaa for US dollars at the official buying and selling rates. However, a dollar shortage led to supplying limited amount of foreign exchange to market participants. The MMA intervenes in the foreign exchange market by allocating foreign exchange to banks and selling US dollars to state-owned enterprises. Commercial banks may deal with the MMA, the central government, state-owned enterprises, and the private sector at the official exchange rate (within the bounds of the 20% exchange rate band).
Allocation	Yes.	The MMA sells foreign exchange to the commercial banks on a weekly basis. The allocation includes a fixed and a variable component. The fixed amount sold to the banks takes into consideration the bank's net open positions and its share of total banking sector assets. An additional allocation (variable component) is sold to the banks to meet the travel, educational, and medical requirements of the general public and to the growing demand of small and medium enterprises (SMEs), specifically for their LC payments and telegraphic transfers. This allocation is sold based on the seasonal requirements and utilization of the funds.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks may deal in foreign exchange among themselves, but because of a lack of depth, the market is limited to a few banks. There is no active interbank trading of foreign exchange in Maldives.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.

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Controls on the use of domestic currency	No.	There are no controls on the use of domestic currency for current and capital transactions.
For current transactions and payments	No.	
For capital transactions	No.	There are no controls on the use of domestic currency for capital transactions.
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	The use of foreign currency for domestic payments is prohibited, except for payment of taxes and rents, for goods and services, and of fines to be paid to the government. Conversion between domestic and foreign currency is limited to licensed entities.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	Yes.	The MMA is a member of the ACU.
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	There are no controls on gold ownership and trade.
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Obligation to report transportation of cash or bearer negotiable instruments in and out of the Maldives. Pursuant to Law No. 10/2014 on prevention of money laundering and financing of terrorism, anyone who imports or exports an amount of cash or negotiable instrument set by the MMA has to report to the Maldives Customs Service. (As per Regulation No. 2015/R-11, this amount is currently set at US$10,000 or more, or its equivalent in rufiyaa or foreign currency.) In an unreported event, the Maldives Customs Service has the power to seize the whole amount of cash or bearer negotiable instruments if that case is suspected to be related to an activity of money laundering or financing of terrorism.
Foreign currency	No.	Obligation to report transportation of cash or bearer negotiable instruments in and out of the Maldives.

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		Pursuant to Law No. 10/2014 on prevention of money laundering and financing of terrorism, anyone who imports or exports an amount of cash or negotiable instrument set by the MMA has to report to the Maldives Customs Service. (As per Regulation No. 2015/R-11, this amount is currently set at US$10,000 or more, or its equivalent in rufiyaa or foreign currency.) In an unreported event, the Maldives Customs Service has the power to seize the whole amount of cash or bearer negotiable instruments if that case is suspected to be related to an activity of money laundering or financing of terrorism.
On imports	No.	
Domestic currency	No.	Obligation to report transportation of cash or bearer negotiable instruments in and out of the Maldives. Pursuant to Law No. 10/2014 on prevention of money laundering and financing of terrorism, anyone who imports or exports an amount of cash or negotiable instrument set by the MMA has to report to the Maldives Customs Service. (As per Regulation No. 2015/R-11, this amount is currently set at US$10,000 or more, or its equivalent in rufiyaa or foreign currency.) In an unreported event, the Maldives Customs Service has the power to seize the whole amount of cash or bearer negotiable instruments if that case is suspected to be related to an activity of money laundering or financing of terrorism.
Foreign currency	No.	Obligation to report transportation of cash or bearer negotiable instruments in and out of the Maldives. Pursuant to Law No. 10/2014 on prevention of money laundering and financing of terrorism, anyone who imports or exports an amount of cash or negotiable instrument set by the MMA has to report to the Maldives Customs Service. (As per Regulation No. 2015/R-11, this amount is currently set at US$10,000 or more, or its equivalent in rufiyaa or foreign currency.) In an unreported event, the Maldives Customs Service has the power to seize the whole amount of cash or bearer negotiable instruments if that case is suspected to be related to an activity of money laundering or financing of terrorism.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	There are no restrictions on the opening of rufiyaa accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	No differentiation is made between accounts held by residents and those held by nonresidents.
Approval required	No.	
Domestic currency accounts	Yes.	

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Convertible into foreign currency	Yes.
Approval required	No.
Blocked accounts	No.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Import operations may be conducted after registering with the Ministry of Economic Development and Maldives Customs Service, which requires a valid business registration.
Positive list	No.	
Negative list	Yes.	Prohibited and restricted items are listed in Law No. 4/75.
Open general licenses	No.	Import operations may be conducted after registering with the Ministry of Economic Development and Maldives Customs Service, which requires a valid business registration.
Licenses with quotas	Yes.	On environmental grounds, Maldives imposes a quota on the import of substances that deplete the ozone layers, such as hydrochlorofluorocarbon (HCFC) gas.
Other nontariff measures	Yes.	Prohibitions are imposed on imports under national laws, such as R-34/2012. Pork and liquor products are restricted, and special permit needs to be obtained from the Ministry of Economic Development.
Import taxes and/or tariffs	Yes.	With the amendments (in force since August 1, 2020) to the Export and Import Act, tariffs are levied at 19 different rates (13 ad valorem, 3 specific duty, and 3 composite duty) using the 2022 version of World Customs Organization's Harmonized System (HS-2022). Under the current tariff structure, Maldives national tariff lines have 8520 items at the ten-digit level. Except for the specific and composite duty on cigarette, soft drinks, energy drinks and alcoholic products, all tariff lines are ad valorem, levied on the free on board (FOB) value of imports. More than 42.5% of the tariff lines are subject to a zero rate, which is applied to essential goods, such as food, medicine, construction goods including steel, cement, sand and wood, fertilizers, garments, domestic electric appliances, environment-friendly goods, machineries, and vehicles which run on electric or renewable energy. 6.5% of the tariff lines are subject to a

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		duty rate equal to or higher than 35%. The highest rate of duty currently imposed is 400%, levied on non-biodegradable single use plastic bags and plastic drinking straws.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	No.	The private sector may export all products.
With quotas	Yes.	A quota issued by the Ministry of Fisheries and Agriculture for aquarium fish export is in place.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	A 50% tax is levied on the exportation of ambergris based on the free on board value, and a 5% reexport royalty applies to commercial reexports since the 17th amendment to Export and Import Act No. 31/79.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	The remittance tax was abolished in 2020.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Securities except government securities can be issued with prior approval from Capital Market Development Authority (CMDA) and stock exchange.
Repatriation requirements	No.	Effective January 16, 2022, the requirement has been removed from

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		the new relevant regulation (Reg. No. 2022/R-15). Previously, dealing companies, where a foreigner holds shares in the applicant company, had to obtain permission from the CMDA for profit repatriation.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Public offerings are approved by the Registrar of Companies under the Companies Act (Law No. 10/96) Companies Act [Consolidated up to 4th Amendment] and Companies General Regulations and the CMDA under the Maldives Securities Act (Law No. 2/2006) and Regulation on Issuance of Securities (2021/R-126). Private offerings are approved by CMDA and are issued as per Regulation on Issuance of Securities. This offering is done electronically via Viyana Platform developed by Maldives Stock Exchange.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Under the Foreign Investment Act, investments by noncitizens require government approval. The governing articles of the Maldives Transport and Contracting Company and the Maldives Tourism Development Corporation prevent noncitizens from acquiring shares of those companies. The land law prohibits noncitizens from acquiring shares of a company that owns land.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	No specific restrictions are imposed. There is no active market.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	There are no specific restrictions directly linked to international trade transactions.
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Direct investment requires approval from the Ministry of Economic Development. Foreign investors are required to ensure compliance to any conditions stipulated in the Foreign Investment Agreement; this is applied for non-tourism activities. The objectives of the 2020 FDI policy are to increase transparency, predictability, certainty, and consistency in the foreign investment approval process, provide for increased efficiencies in the approval process, and determine areas closed for FDIs, requiring joint venture partnership with Maldivians for FDI approvals and areas open for 100% FDIs.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	Land law and regulations thereunder.
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	This is prohibited under the constitution.
Sale locally by nonresidents	Yes.	This is prohibited under the constitution.
Controls on personal capital transactions	Yes.	
Loans	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	There have been controls on transfers of securities as gifts or inheritance from residents to nonresidents under Off-market Securities Transfer Rules of Listed Shares (R-1049/2019) since August 25, 2019. Off-market transfers are allowed in the following cases only: (1) Where the transferor and transferee have either of the following relations between them: spouse, mother, father, grandmother, grandfather, children (including grandchildren and stepchildren), children under legal guardianship, siblings; (2) Court-approved transfer(s); (3) A gift or donation to a charity or not-for-profit organization registered in Maldives; (4) Transfers by consequence of a company restructuring or reorganization scheme; (5) Where the proposed transfer may not be considered a hidden sale/purchase transaction under the circumstances and relationships between transferor and transferee. Approval of the Authority must be sought for transfers mentioned from 3 to 5 above.
To residents from nonresidents	Yes.	There have been controls on transfers of securities as gifts or inheritance to residents from nonresidents under Off-market Securities Transfer Rules of Listed Shares (R-1049/2019) since August 25, 2019. Off-market transfers are allowed in the following cases only: (1) Where the transferor and transferee have either of the following relations between them: spouse, mother, father, grandmother, grandfather, children (including grandchildren and stepchildren), children under legal guardianship, siblings; (2) Court-approved transfer(s); (3) A gift or donation to a charity or not-for-profit organization registered in Maldives; (4) Transfers by consequence of a company restructuring or reorganization scheme; (5) Where the proposed transfer may not be considered a hidden sale/purchase transaction under the circumstances and relationships between transferor and transferee. Approval of the Authority must be sought for transfers mentioned from 3 to 5 above.
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Gambling is not permitted in Maldives.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The minimum reserve requirement (MRR) for commercial banks is 10% of their total demand and time deposits for both local and foreign currency. The MRR for Malé-based and atoll-based branches is 10% of deposits. In response to the COVID-19 pandemic, on April 23, 2020, the MRR ratio was temporarily lowered from 10% to 7.5% for local and foreign currency average deposits, excluding interbank deposits of other banks in the Maldives and L/C margin deposits. In addition, on July 16, 2020, the MRR ratio for foreign currency deposits was further lowered temporarily from 7.5% to 5%. On June 3, 2021, the MRR ratio for local currency deposits was increased back to 10% from 7.5%. Furthermore, on October 20, 2022, the MRR ratio for foreign currency deposits was reverted to 10% from 5%.
Liquid asset requirements	No.	
Interest rate controls	Yes.	There are interest rate controls only with respect to local currency, for which the annual rate of interest chargeable on loans and advances may not exceed 20%.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Banks are required to adhere to the following limits on foreign currency exposure: (1) the overall foreign currency exposure may not exceed 40% of a bank's capital base and (2) the foreign exchange risk exposure in any single currency may not exceed 25% of a bank's capital base for a long position and 15% of a bank's capital base for a short position. This regulation does not differentiate between resident

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		and nonresident assets and liabilities.
On resident assets and liabilities	Yes.	Banks are required to adhere to the following limits on foreign currency exposure: (1) the overall foreign currency exposure may not exceed 40% of a bank's capital base and (2) the foreign exchange risk exposure in any single currency may not exceed 25% of a bank's capital base for a long position and 15% of a bank's capital base for a short position. This regulation does not differentiate between resident and nonresident assets and liabilities.
On nonresident assets and liabilities	Yes.	Banks are required to adhere to the following limits on foreign currency exposure: (1) the overall foreign currency exposure may not exceed 40% of a bank's capital base and (2) the foreign exchange risk exposure in any single currency may not exceed 25% of a bank's capital base for a long position and 15% of a bank's capital base for a short position. This regulation does not differentiate between resident and nonresident assets and liabilities.
Provisions specific to institutional investors	n.a.	
Insurance companies	No.	There are no limits prescribed on investments of insurance companies. Insurance companies are free of restrictions in placing investments.
Limits (max.) on securities issued by nonresidents	No.	There are no limits prescribed on securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	No.	There are no limits prescribed on investment portfolios held abroad.
Limits (min.) on investment portfolio held locally	No.	There are no limits prescribed on investment portfolios held locally.
Currency-matching regulations on assets/liabilities composition	No.	There are no currency-matching regulations on assets/liabilities composition.
Pension funds	No.	Pension assets can only be invested in the asset classes specified in the Maldives Pension Act. Currently, Maldives Retirement Pension Scheme is the only pension fund in Maldives. This scheme is administered by the Maldives Pension Administration Office (MPAO). Investments must adhere to the framework of the Statement of Investment Principles and the Investment Strategy and Strategic Asset Allocation adopted by the Board of the MPAO.
Limits (max.) on securities issued by nonresidents	No.	There are no limits regarding purchase of securities based on issuer type (for example, nonresidents). However, MPAO has Target Allocations specified in its Strategic Asset Allocation.
Limits (max.) on investment portfolio held abroad	No.	There are no limits regarding purchase of securities based on issuer type (that is, no specific limits regarding investments held abroad). However, MPAO has Target Allocations specified in its Strategic Asset Allocation.
Limits (min.) on investment portfolio held locally	No.	No specific limits regarding the investing jurisdiction (that is, no specific limits regarding investments held locally). However, MPAO has Target Allocations specified in its Strategic Asset Allocation.
Currency-matching regulations on assets/liabilities composition	No.	No restrictions are imposed.
Investment firms and collective investment funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	

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Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.

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Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

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Capital Transactions

Controls on capital transactions

Repatriation requirements	*01/16/2022*	The repatriation requirement has been removed from the new relevant regulation (Reg. No. 2022/R-15). Previously, dealing companies, where a foreigner holds shares in the applicant company, had to obtain permission from the Capital Market Development Authority for profit repatriation.

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MALI

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 27, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	A regional framework to fight money laundering (AML) and the financing of terrorism (AFT) exists at the regional level through two WAEMU Directives from 2002 (AML) and 2007 (AFT) as amended. This comprehensive framework facilitates the implementation of UNSC resolutions based on a list of persons and entities prepared by the committee. Effective March 31, 2023, the regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Asset Service Providers (VASPs); (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons (PEPs).

Exchange Arrangement

Currency	Yes.	The currency of Mali is the CFA franc (XOF).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the WAEMU is a conventional peg. Mali participates in a currency union with seven other members of the WAEMU and has no separate legal tender. A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, to replace the agreement dated December 4, 1973. The Monetary Cooperation Agreement is based on three pillars: (1) a common issuing institution, (2) fixed parity with the euro, and (3) a guarantee of unlimited convertibility.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the anchor currency, at the fixed rate of CFAF 655.957 an euro. Exchange rates for other currencies are cross-rates derived from the rate for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. The official rate is used for accounting and valuation. The Conference of Heads of State and Government may decide to amend the Monetary Cooperation Agreement between the WAMU member countries and France. Effective September 2, 2022, Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The operational target of price stability is defined as an annual inflation rate in the WAEMU that falls within a band of ±1% around a central rate of 2%. The harmonized CPI is the benchmark rate to measure inflation.
Composite		
Other		

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Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax Yes. The commission rate charged by registered intermediaries on

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		transfers outside the WAEMU that are authorized by their clientele is 0.6%. This commission is paid back in full to the National Treasury and is a portion of its tax revenue.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries (authorized intermediary banks and authorized non-electronic exchange dealers) freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which must be traded at the official fixed rate of CFAF 655.957 an euro. The commission on foreign exchange transactions may not exceed 2%. Instruction No. 013-11-2015 on the terms and conditions for conducting rapid money transfers as a subagent within the WAEMU applies.
Spot exchange market	Yes.	Authorized intermediaries must comply with the provisions in effect on the financial conditions for executing banknote foreign exchange transactions that involve foreign currencies and issue a transaction slip for all transactions with a client. Moreover, to provide satisfactory information to clients, they are required to (1) permanently post at their windows the rates actually charged for the different currencies and (2) post notification that a transaction slip must be issued for all foreign exchange transactions on presentation of the requestor's identity document. Banks and registered banknote exchange houses are intermediaries authorized by the Ministry of Economy and Finance (MEF) to conduct foreign exchange transactions with the public. Exchange houses may conduct transactions in foreign currencies (except euros) with the BCEAO. Registered banknote exchange houses may not make transfers or payments in foreign currencies with other countries or maintain accounts abroad. As of December 31, 2022, there were 195 authorized OTC exchange dealers and 14 authorized intermediary banks. The entities authorized to conduct non-electronic foreign currency transactions are authorized intermediary banks and individuals or companies authorized to conduct non-electronic transactions by decision of the Minister of Finance with the consent of the BCEAO. In their operations with customers, authorized intermediaries (authorized intermediary banks and authorized OTC dealers) freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which is traded at the official fixed rate of CFAF 655.957 and may be subject to a maximum commission of 2.0%.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BCEAO exchanges foreign currency for CFA francs at the rates published on the international markets, with the exception of the euro, which is traded at the official fixed rate of 655.957 an euro. The non-electronic currency exchange windows are open to owners of accounts on the BCEAO books and to the general public. A commission of 0.5%, for purchases or sales, is charged on all transactions. However, no commission is charged for the following operations: (1) OTC foreign banknote exchanges conducted by state entities, government employees of WAEMU member states on mission abroad, and officials of the CB and their beneficiaries and (2) payments made by banks and financial institutions.
Allocation	No.	
Auction	No.	
Fixing	No.	

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Interbank market	Yes.	Transactions in CFA francs between authorized intermediaries are allowed. As of December 31, 2022, 14 banks conducted business. There is no regulated foreign currency interbank market in the WAEMU. Banks are not authorized to carry out interbank foreign exchange transactions in exchange for local currency. The CB is the only counterparty to which banks are authorized to sell foreign currencies for CFAF.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Residents of the WAEMU zone may contract forward exchange cover using exchange derivatives backed by the related commercial or financial operations for (1) imports and exports of goods and services by a resident, (2) foreign borrowing operations by a resident (drawings and repayments), and (3) FDI in a resident enterprise. Residents of the WAEMU zone are permitted to conduct the following transactions in the foreign exchange derivatives market with authorized intermediary banks established in the WAMU or with foreign banks: outright forward foreign exchange contracts (over the counter), foreign exchange options, foreign exchange swaps, and cross-currency swaps. Transactions in foreign exchange options are limited to the following two types of transactions: options to purchase foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign bank, or options to sell foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign credit institution. Authorized intermediary banks are required to simultaneously cover the exchange risk they incur in respect of derivative instruments traded with their customers. All legitimate foreign currency needs are ultimately met by the BCEAO.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments with countries outside the WAEMU are made in foreign currencies. Trade with other WAEMU countries is settled in CFA francs.
Controls on the use of domestic currency	Yes.	The CFA franc may not be used as payment for current international transactions and as capital with non-WAEMU countries.
For current transactions and payments	Yes.	CFA francs may not be used for settlement of international transactions outside the WAEMU.
For capital transactions	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Investments by residents of the WAEMU zone outside the WAEMU are subject to prior authorization by the Minister of Finance, and at least 75% of the investment must be financed through foreign borrowing.
Transactions in capital and money market instruments	Yes.	The CFA franc may not be used for the settlement of transactions in capital and money market instruments with non-WAEMU countries. Foreign investment by residents of the WAEMU zone is subject to authorization by the MOF. At least 75% of the investment must be

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		financed through foreign borrowing. The interested party must request authorization through a letter designating the authorized intermediary to settle the payment. Purchases of foreign negotiable securities authorized by the regional capital markets authority to be issued or sold in WAEMU members do not require MEF authorization.
Transactions in derivatives and other instruments	Yes.	Residents of WAEMU member countries may engage in the following operations on derivatives and other instruments with accredited banks established in the WAEMU or foreign banks: (1) forward contract, foreign exchange swaps, and options. Operations on derivatives with foreign banks outside the WAEMU can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Credit operations	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted by authorized intermediaries to nonresidents of the WAEMU zone are subject to prior authorization by the Directorate of External Financial Relations of the MOF, after BCEAO approval.
Use of foreign exchange among residents	Yes.	The CFA franc is the only legal tender, and residents of the WAEMU zone may not use foreign exchange for domestic transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, replacing the previous agreement dated December 4, 1973. This monetary cooperation agreement is based on three pillars: (1) a common bank of issue; (2) a fixed exchange rate parity with the euro; and (3) an unlimited convertibility guarantee.
Clearing agreements	Yes.	There is a multilateral netting agreement between the WAEMU countries and the other ECOWAS member countries (Cabo Verde, the Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra Leone) as part of the WAMA. All payments for current transactions between countries whose CBs are WAMA members may be made under the netting agreement. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS members and payments for exports from one member country to another member country of finished products originating in countries whose CB or monetary authority is not a WAMA member.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The institutional reform of the WAMU and the BCEAO includes the following basic instruments: (1) the WAMU Treaty, (2) the BCEAO Charter, (3) the Bank Regulation Act, and (4) the Convention governing the WAMU Banking Commission. All WAEMU residents are treated as residents of Mali for the purpose of preparing the external position of banks, domiciliation and repatriation of export revenue, issuance and sales of securities, gold imports and exports, investment and lending transactions, and physical exports of means of payment and securities by postal package or ordinary mail. However, for statistical purposes with regard to the balance of payments, all countries other than Mali are considered foreign countries. Moreover, all transfers with other countries must be made through registered intermediary banks, the postal service, or the BCEAO.

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Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Only Malians and licensed nationals of countries with which Mali has a reciprocal agreement and who hold professional identity cards may engage in domestic trade in gold, precious materials, and fossils. There are no controls on holding gold for non-commercial purposes.
On external trade	Yes.	Gold imports and exports require MOF authorization, except (1) imports and exports by the Public Treasury and the BCEAO; (2) imports and exports of items with a low gold content (lined or plated objects); and (3) imports and exports, by travelers, of objects made of gold limited to a total weight of 500 grams. Imports and exports of gold within the WAEMU area are not subject to any restrictions.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may freely export CFA franc (XOF) banknotes from one WAEMU member country to another. Resident individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving CFA franc banknotes issued by the BCEAO.
Foreign currency	Yes.	The reexportation of foreign banknotes by nonresident travelers is permitted up to the equivalent of CFAF 5,00,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks. Residents of the WAEMU zone traveling to countries that are not WAEMU members are required to declare foreign currency on their person in excess the equivalent of CFAF 1 million. They may carry up to the equivalent of CFAF 2 million a person in banknotes not issued by the BCEAO. Larger amounts may be exported in the form of traveler's checks, prepaid debit and payment cards, conventional debit and payment cards, or other means of payment. Foreign exchange allowances issued by authorized intermediaries in the form of traveler's checks or prepaid debit and payment cards must be based on the need to cover customary, personal travel expenses, if they exceed the equivalent of CFAF 2 million a person. The issuance of foreign currency to resident travelers is subject to the presentation of travel documents and a valid passport or national identification card.
On imports	Yes.	
Domestic currency	Yes.	Residents of the WAEMU zone and nonresidents of the WAEMU zone may freely import domestic currency (CFA franc – XOF) banknotes. However, individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving banknotes in domestic currency. BCEAO redemption of banknotes exported outside its area of issuance has been suspended. Pursuant to this measure, registered intermediary banks are not authorized to receive shipments of CFA franc (XOF) banknotes from their correspondents located outside the WAEMU area.

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Foreign currency	No.	Residents of the WAEMU zone and nonresidents of the WAEMU zone may freely import means of payment denominated in foreign currencies. Such means of payment in excess of the equivalent of CFAF 5 million must be declared to customs. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 5 million on entry and exit.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	Yes.	Foreign exchange accounts in currencies other than the euro may be opened domestically with MOF authorization after non-objection from the BCEAO. The authorization specifies the operations that may be credited or debited on each such an account. These accounts are valid for a renewable term of up to one year. They cannot be credited with deposits of CFA banknotes or by debiting a CFA franc account. On expiration of the term set in the authorization, accounts are closed unless a new authorization is obtained.
Held abroad	Yes.	
Approval required	Yes.	Individuals who are residents of the WAEMU temporarily staying or traveling outside of WAEMU may open bank accounts outside the WAEMU to deposit foreign currency legally exported and any income acquired outside of the WAEMU during their travel or temporary stay outside of the WAEMU. These individuals are required to repatriate balances on such accounts within 30 days of return to the WAEMU. In any circumstance other than the foregoing, opening of foreign accounts by WAEMU residents is subject to MOF authorization by after non-objection from the BCEAO. The MOF authorization specifies the operations that may be credited or debited on such accounts. In the event of a failure to obtain a new MOF authorization, the accredited intermediary must request that the account be closed by the end of the term authorized and that any balance be repatriated to a WAEMU member country within eight days.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	Intermediaries authorized in the WAEMU are authorized to open accounts in euros for the benefit of nonresidents, subject to proof of their status and actual residence. Nonresident accounts denominated in foreign currency other than euros are subject to BCEAO authorization. Nonresident foreign currency accounts are valid for a renewable period of two years. In the event of a failure to obtain renewal (through a new BCEAO authorization for foreign exchange other than the euro), these accounts must be closed. The balances of these accounts may be freely transferred abroad after verification.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Authorized intermediaries may open nonresident accounts in CFA francs and in euros, under their own responsibility, depending on the status and actual residence of the applicant. These accounts may be

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		debited for spot purchases of foreign exchange.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the payment date specified in the contract.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirements	Yes.	Import transactions from outside the CFA franc area exceeding CFAF 10 million must be made through an authorized bank.
Preshipment inspection	Yes.	An inspection for quality and price is required.
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	Yes.	There are no import licensing requirements, but imports must be registered and permits are issued automatically.
Positive list	No.	
Negative list	Yes.	Imports of certain goods are prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Quantitative restrictions may be applied to products for public health and security reasons.
Import taxes and/or tariffs	Yes.	The WAEMU CET consists of four tariff brackets: 0%, 5%, 10%, and 20%. Imports from countries other than WAEMU area countries are also subject to a 1% statistical tax and a 0.8% community solidarity levy. Moreover, a cyclical import tax (taxe conjoncturelle à l'importation) and a degressive protection tax (taxe dégressive de protection) may at certain times be charged on some products. Neither of these two taxes had been applied as at end-2018. Imports from non-ECOWAS members are subject to a 0.5% community levy (CL/ECOWAS).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	Yes.	Resident economic operators are required to collect and repatriate within one month of the payment due date the entire amount of sales of goods abroad in the country of origin with the bank with which the transaction is domiciled. The payment due date is specified in the trade agreement and normally falls within a period of 120 days after the goods are dispatched.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds must be surrendered by ADs to the BCEAO within 30 days of the payment due date, which may not exceed 120 days after shipment of the goods. To cover its current foreign exchange needs, the domiciling bank may hold up to 20% of its export proceeds as own foreign exchange resources. However, it must ensure that its total foreign exchange resources to cover its requirements do not exceed 5% of total customer demand deposits; otherwise, the surplus must be surrendered to the BCEAO.
Surrender to authorized dealers	Yes.	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Export revenue may be surrendered to intermediaries other than banks with which the transaction is domiciled if authorized by the BCEAO. Sales of foreign exchange by exporters to ADs other than the domiciling bank are permitted, provided they furnish the domiciling bank with the documents required for the domiciliation file to be closed.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Export transactions of more than CFAF 10 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Preshipment inspection	No.	
Other	Yes.	A health certificate is required for exports of food products, including live animals.
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments and transfers for current transactions with WAEMU and non-WAEMU countries may be made freely through authorized intermediaries. Transfers exceeding CFAF 5,00,000 are subject to

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		documentary requirements. Payments and receipts of foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to freight and insurance (including transfers of insurance not related to commercial transactions), unloading and warehousing costs, administrative costs, commissions, and customs duties and fees are permitted in general, subject to the presentation of supporting documentation to the authorized intermediary.
Investment-related payments	Yes.	
Prior approval	Yes.	Payments for depreciation of direct investments require MOF authorization, because this type of depreciation is not specifically mentioned in the regulations.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Outward transfers of profits, interest, and proceeds from the liquidation of investments may be made by authorized banks, subject to the presentation of supporting documents.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	Residents of the WAEMU zone traveling for tourism or business purposes to non-WAEMU countries may take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person a trip; larger amounts may be taken out in the form of traveler's checks, certified checks, or other means of payment and with supporting documentation for customary travel expenses.
Indicative limits/bona fide test	Yes.	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required for payment of family maintenance expenses abroad.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All personal payments may be made through an authorized bank, subject to the presentation of supporting documents. Payments abroad related to pensions and benefits resulting from an employment contract, education costs, family maintenance, and alimony may be executed freely on presentation of documentation.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	Yes.	The use of credit cards is allowed when issued by specialized institutions which, where applicable, must report such transactions

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		on a quarterly basis to the BCEAO.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For travelers, allocations of foreign currency in the form of debit and payment card must be justified by requirements related to travel and personal expenses if they exceed the equivalent of CFAF 2 million.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	As a general rule, payments abroad in amounts greater than CFAF 5,00,000 are subject to the presentation of supporting documentation.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from invisible transactions with non-WAEMU countries must be repatriated. Residents of the WAEMU zone are required to surrender to an authorized intermediary all revenues and income in foreign currency collected abroad or received from a nonresident within one month after the payment due date.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month. Resident travelers must surrender to an authorized intermediary, within eight days of their arrival in Mali, foreign banknotes and other means of payment denominated in foreign currency worth more than the equivalent of CFAF 5,00,000.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except (1) amortization of debts and repayment of short-term loans to finance industrial and commercial operations, (2) payments required on foreign exchange derivatives transactions or raw material or commodity derivatives transactions, and (3) transfers of the proceeds of liquidated investments or the sale of foreign securities by nonresidents of the WAEMU zone. Capital receipts from non-WAEMU countries are generally permitted.
Repatriation requirements	Yes.	Proceeds from the sale or liquidation of investments of a resident abroad must be repatriated, if the resident has no reinvestment authorization, within one month through a registered intermediary.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold

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		net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	Proceeds from the sale or liquidation of residents of the WAEMU zone's investments abroad must be repatriated and surrendered within one month to a registered intermediary, if the resident does not have a reinvestment authorization. The surrender requirement applies to proceeds from all capital transactions.
Controls on capital and money market instruments	Yes.	RCPSFM authorization is required for the following operations: (1) issuance or marketing of securities and real assets of foreign entities, (2) canvassing, and (3) publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a WAEMU member country may not be listed on a regional securities exchange. A nonresident entity that solicits the public of the WAEMU must obtain authorization from the BCEAO as the entity in charge of regulating the external financial relations of WAEMU countries. The Code of the Inter-African Conference on Insurance Markets (CIMA Code) requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
On capital market securities	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are unrestricted. However, these purchases must be declared to the MOF and the BCEAO for statistical purposes prior to the transaction.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation (Article 8, Regulation No. 09/10/CM/UEMOA).
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors must make a prior declaration to the MOF. The sale of securities for liquidation of an investment abroad

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		must be declared to the MOF for statistical purposes. Residents of the WAEMU zone may also issue securities abroad, except those constituting a loan. Issuance of the latter to nonresidents of the WAEMU zone must be made through an authorized bank and must be reported to the MOF for statistical purposes.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. There is no minimum holding period.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization of the MOF based on supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries is authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. Residents of the WAEMU zone may also issue securities abroad, except for those constituting a loan. Issuance of the latter to nonresidents of the WAEMU zone must be made through an authorized bank and must be reported to the MOF for statistical purposes.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	These purchases must be declared to the MOF for statistical purposes prior to the transaction.
Sale or issue locally by nonresidents	Yes.	The issuance and sale of money market instruments by nonresidents of the WAEMU zone are subject to RCPSFM authorization, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of money market instruments resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of money market instrument transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation (Article 8, Rule No. 09/10/CM/UEMOA).
Purchase abroad by residents	Yes.	The purchase of foreign money market instruments by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign money market instruments whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The

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		CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local money market instruments abroad. The sale of money market instruments to liquidate an investment abroad is subject to declaration to the MEF for statistical purposes. Residents of the WAEMU zone may also issue money market instruments abroad, unless they constitute a loan.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	These purchases must be declared to the MOF for statistical purposes prior to the transaction.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. Residents of the WAEMU zone may also issue securities abroad, except for those constituting a loan. Issuance of the latter to nonresidents of the WAEMU zone must be made through an authorized bank and must be reported to the MOF for statistical purposes.
Controls on derivatives and other instruments	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Residents of the WAEMU zone may hedge risk using derivatives. They must be backed by the residents of the WAEMU zone's imports or exports of raw materials and commodities. Residents of the WAEMU zone are not authorized to purchase raw materials or commodities on foreign markets for delivery within the framework of a derivatives transaction in raw materials or commodities.
Purchase locally by nonresidents	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the

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		Franc Zone.
		The use of exchange risk hedging derivatives on the domestic market is reserved exclusively for Union residents. Purchase of derivatives locally by nonresidents is not permitted.
Sale or issue locally by nonresidents	Yes.	Residents are authorized to carry out transactions on approved foreign exchange derivative instruments on foreign exchange derivatives markets with nonresident banks.
Purchase abroad by residents	Yes.	These instruments are subject to general regulations that apply to securities and investments. Residents of the WAEMU zone may freely purchase abroad or from nonresidents of the WAEMU zone call or put options on primary commodities or securities transactions. Residents of the WAEMU zone may not purchase commodities or securities in foreign markets to be delivered in complying with a put option contract. Put options must be placed on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract. Residents of the WAEMU zone are permitted to purchase foreign currency purchase options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign credit institution.
Sale or issue abroad by residents	Yes.	Residents of the WAEMU zone are permitted to purchase foreign currency sell options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign (that is, nonresident of WAEMU) credit institution.
Controls on credit operations	Yes.	Borrowing by residents of the WAEMU zone from nonresidents of the WAEMU zone must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	There are no controls on credits related to exports of goods. The date on which payment falls due is specified in the contract (in principle not more than 120 days after the date of shipment).
To residents from nonresidents	No.	There are no controls, and repayments of commercial credits are generally conducted without prior authorization, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date, to the licensed intermediary bank responsible for handling the repayment.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These credits require MOF approval. Outward transfers to service such facilities require an exchange authorization, subject to the approval of the MEF and substantiated by documentation.
To residents from nonresidents	No.	There are no controls on these credits, but they must be reported for statistical purposes to the MOF and the BCEAO when granted and when repaid, except for the following credits: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayment of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction. Borrowing abroad is unrestricted.
Guarantees, sureties, and financial	Yes.	

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backup facilities		
By residents to nonresidents	Yes.	The granting of guarantees and sureties is subject to MOF approval. Transfers abroad of funds to service these facilities require an exchange authorization, subject to MOF approval, and submission of supporting documentation.
To residents from nonresidents	No.	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require prior declaration to the MEF and the BCEAO for statistical purposes.
Controls on direct investment	Yes.	Direct investment implies control of a company or enterprise. Mere participation is not considered direct investment, unless it exceeds 10% of the capital of a company whose shares are quoted on a stock exchange. Direct investment implies control of a company or enterprise. All investment outside of WAEMU by residents of the WAEMU, including investment through foreign companies under the direct or indirect control of WAEMU residents and investment by foreign branches or subsidiaries of companies established in a WAEMU member country, requires MEF authorization.
Outward direct investment	Yes.	All investment abroad by residents of the WAEMU zone is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Yes.	FDI, including by resident companies that are directly or indirectly under foreign control and by branches or subsidiaries of foreign companies, must be reported to the MOF for statistical purposes. An investment is not considered a direct investment, unless it exceeds 10% of the capital of the company.
Controls on liquidation of direct investment	No.	The liquidation of investments abroad must be reported to the MOF for statistical purposes. Reinvestment of the proceeds of liquidation is subject to MOF authorization. If reinvestment is not authorized, the liquidation proceeds must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents of the WAEMU zone is unrestricted but must be reported to the MOF for statistical purposes.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These purchases require MOF authorization.
Purchase locally by nonresidents	No.	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require declaration to the MOF for statistical purposes.
Sale locally by nonresidents	No.	Sales by nonresidents of the WAEMU zone to residents of the WAEMU zone require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MOF and the BCEAO for statistical purposes.
Controls on personal capital transactions	Yes.	Personal capital transactions between residents of the WAEMU zone and nonresidents of the WAEMU zone must be made through the BCEAO, the postal service, or an authorized intermediary bank, unless authorization is obtained from the MOF.
Loans	Yes.	The regulations governing securities and investments apply.
By residents to nonresidents	Yes.	These transactions require MOF authorization. The individuals concerned may not engage in such operations as a professional occupation, unless they are licensed and included on the list of financial institutions.

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To residents from nonresidents	No.	These transactions may be made freely, but are subject to declaration for statistical purposes to the MOF when granted and when repaid.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Inheritances and dowries are generally allowed. Gifts and endowments, however, are subject to MOF and BCEAO authorization. These transactions must be conducted through an authorized intermediary and comply with the relevant AML and terrorism financing provisions.
To residents from nonresidents	No.	These transactions do not require authorization but are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Settlement of debts abroad by immigrants	Yes.	Immigrants with resident status must obtain MOF authorization to settle debts contracted abroad while they were nonresidents of the WAEMU zone.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These transactions are subject to MOF authorization if the value exceeds CFAF 5,00,000 a person. There are no restrictions on transfers of amounts below this threshold.
Transfer into the country by immigrants	Yes.	Foreign accounts (in foreign currencies or CFA francs) of nonresidents of the WAEMU zone who become residents of the WAEMU zone must be closed. However, these individuals may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents of the WAEMU zone. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.	These transfers are conducted freely through authorized intermediaries, subject to the presentation of supporting documents and compliance with the relevant provisions on combating money laundering and financing of terrorism.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The Uniform Law on the Treatment of Dormant Accounts on the Books of Financial Agencies of the Member States of the WAMU by the Council of Ministers of the Union took effect September 28, 2012. Decision No. CM/UMOA/023/2012 sets the deadline (December 31, 2013) for including this law in the domestic legislation of the WAMU members. It was incorporated into Mali's domestic legal framework with the enactment of Law No. 2014/032, on July 17, 2014.
Borrowing abroad	No.	Foreign borrowing is unrestricted. For statistical purposes, these transactions must be declared to the MEF and the BCEAO when granted and when repaid.
Maintenance of accounts abroad	Yes.	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements. In accordance with Regulation No. 09/2010/CM/UEMOA on the External Financial Relations of the WAEMU Member States, to cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency. The total amount of these assets may not exceed 5% of the clients'

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		outstanding demand deposits. Assets in excess of foreign currency requirements must be surrendered to the BCEAO.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial lending is allowed. Financial credits are subject to MOF authorization following BCEAO approval.
Lending locally in foreign exchange	Yes.	There are no explicit regulations regarding these transactions, but MOF authorization is required with BCEAO approval.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These purchases require MOF authorization if their issuance was not approved by the RCPSFM.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	A reserve requirement of 3% has been applicable to banks in the WAEMU zone since March 16, 2017. Demand deposits, other debit deposit accounts, and loan accounts are included in the calculation of required reserves. The following four elements are taken into account in calculating the required reserves to be established in the CB: (i) demand deposits; (ii) short-term loans; (iii) gross claims abroad, including customer deposits in foreign currency; (iv) medium- and long-term loans. Required reserves are therefore established on a standard, settlement, or securities account based on eligibility for calculation of reserves allocated by the MPC.
Liquid asset requirements	No.	In accordance with the prudential framework applicable to banks and financial institutions carrying out banking operations in the WAEMU, the minimum liquid asset requirement is 75%. A 50% transformation ratio is also required to ensure that banks continually have more stable financing sources to finance their long-term uses.
Interest rate controls	No.	The maximum for all lending rates is set at 15%.
Credit controls	Yes.	Loans of any kind, CFA franc overdrafts, and in general, any advances granted to nonresidents of the WAEMU zone are subject to MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Yes.	Banking regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	Purchases for purposes other than direct investment in a business, branch, or company do not require prior authorization. They require declaration to the MOF and the BCEAO for statistical purposes.
Interest rate controls	No.	
Credit controls	Yes.	Any overdraft or advance granted to a nonresident requires MOF authorization with BCEAO approval.
Investment regulations	Yes.	The regulations governing direct investment apply.
Abroad by banks	Yes.	All investment abroad by residents of the WAEMU zone is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM.
In banks by nonresidents	Yes.	These transactions may, depending on their volume, be subject to authorization by the minister of finance. The banking law stipulates that investment by any person in a bank that would have the effect of changing the minority and/or majority voting rights requires authorization by the minister of finance.
Open foreign exchange position limits	Yes.	No prudential ratios apply. Because of the surrender requirement,

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		banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments, up to the equivalent of 5% of total customer demand deposits. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency.
On resident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency.
On nonresident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks are not allowed to maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Controls are imposed by the CIMA Code.
Limits (max.) on securities issued by nonresidents	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest in other CIMA member countries a maximum of 50% of resources collected locally.
Limits (max.) on investment portfolio held abroad	Yes.	The CIMA Code allows insurance companies of each CIMA member country to invest in other CIMA member countries a maximum of 50% of resources collected locally.
Limits (min.) on investment portfolio held locally	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Currency-matching regulations on assets/liabilities composition	Yes.	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind by foreign governments, local authorities, foreign companies, or

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		international institutions are subject to authorization by the RCPSFM.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold with RCPSFM authorization in WAEMU member countries, all investment abroad by residents of the WAEMU zone is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to RCPSFM authorization.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold in WAEMU member countries with RCPSFM authorization, all investment abroad by WAEMU residents is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CB does not yet have a digital currency.
Retail	No.	The CB does not yet have a digital currency.
Wholesale	No.	The CB does not yet have a digital currency.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	

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Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on unbacked tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on utility and security tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member

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		countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on stablecoins	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.

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Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on crypto exchanges and trading platforms	n.a.	
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*03/31/2023*	The regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions, and Virtual Asset Service Providers; (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons.

Exchange Arrangement

Official exchange rate	*09/02/2022*	Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.

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MALTA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 11, 1968.
Article VIII	Yes.	Date of acceptance: November 30, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Malta implements all UN and EU sanctions which are directly applicable under Maltese law as per the National Interest (Enabling Powers) Act, cap 365 of the Laws of Malta. Malta therefore maintains restrictive measures on the following countries or specified related persons and entities: Afghanistan, Belarus, Bosnia and Herzegovina, Burundi, Central African Republic, China, the Democratic Republic of the Congo, Guinea, Guinea-Bissau, Haiti, the Islamic Republic of Iran, Iraq, the Democratic People's Republic of Korea, Lebanon, Libya, Mali, Moldova, Montenegro, Myanmar, Nicaragua, Russia, Serbia, Somalia, Sudan, South Sudan, Syria, Tunisia, Turkey, Ukraine, Venezuela, Yemen, and Zimbabwe. Malta also implements the horizontal sanctions regimes consisting of the following: Terrorism (2001), Chemical Weapons (2018), Cyber Attacks (2019), and Human Rights (2021). The Blocking Statute (1996) as amended in 2018. This measure provides for the extra-territorial application of certain legislation adopted by the US. On November 22, 1996, the EU Council decided to respond to the extra-territorial measures taken by the US which purport to affect EU Member States on natural or legal persons, their activities and interests. Through this measure, Member States are to take necessary measures to protect the interest of the natural or legal persons affected by the extra-territorial application of a third country's laws.
Other security restrictions	Yes.	Malta's framework legislation, the National Interest (Enabling Powers) Act provides for the possibility to enact national restrictive measures. Although no persons have yet been designated, Malta enacted a subsidiary legislation entitled "Measures in support of actions addressing smuggling activities in the Central Mediterranean Regulations" to provide a prior authorization procedure for boats going to Libya and which are not covered by EU restrictive measures.

Exchange Arrangement

Currency	Yes.	The currency of Malta is the euro. The Central Bank of Malta (CBM) issued the following €2 commemorative coins: (1) Hal Saflieni Hypogeum, the seventh and last coin of a series of seven coins depicting Maltese prehistoric sites, (2) United Nations Security

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		Council Resolution on Women Peace and Security, and (3) 35th Anniversary of the Erasmus Exchange Programme.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Malta participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks. Effective April 3, 2023, the ECB changed its time for the calculation of the reference rate from 14:15 CET to 14:10 CET. The reference rate against the euro is the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		

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Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." From July 7, 2021, price stability is defined as a symmetric 2% inflation

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		target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Twenty-one credit institutions, including two branches from non-EU countries, are licensed under the Banking Act 1994. In addition, one branch established in Malta under the EU freedom of establishment rules may also undertake such activities. Moreover, 51 financial institutions are licensed to operate under the Financial Institutions Act (FIA) 1994. A number of these institutions are licensed by the Malta Financial Services Authority (MFSA) to deal in foreign exchange. Financial institutions may, in addition to the activities cited above, carry out other operations under the FIA, in accordance with their specific licenses (refer to Schedule of Activities under the FIA). They may maintain accounts with foreign counterparties and, in addition to dealing in foreign currency notes, may make foreign exchange payments and payment transfers on behalf of their customers. All institutions licensed under the FIA may deal directly with the CBM.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is no limit on the spread between the buying and selling rates that credit and financial institutions may quote in the interbank foreign exchange market. All credit institutions licensed by the MFSA may engage in foreign exchange activities. As of end-2022, five institutions were active in the interbank market with banks resident outside of Malta.
Over the counter	Yes.	The foreign exchange market operates over the counter.
Brokerage	No.	The foreign exchange market does not operate via a brokerage system; operators handle their transactions directly.
Market making	No.	The foreign exchange market does not operate on the basis of a market-making arrangement.
Forward exchange market	Yes.	The CBM participates in the foreign exchange derivatives market largely to hedge its foreign exchange exposure for risk management purposes.
Official cover of forward operations	Yes.	The CBM may provide forward cover directly to government departments and public sector agencies. Forward rates are based on money market rate and interest rate differentials.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	

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For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Minister for Finance and Financial Services has appointed the CBM as its agent in terms of Article 2(2) of the External Transactions Act for one or more of the purposes of this Act. Although external transactions have been completely liberalized, agents may be asked to report information on these transactions for statistical purposes in accordance with Article 8 of the above-mentioned Act.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	There are no limits on the amount of foreign and local currencies that may be exported and imported. There is currently a declaration requirement for cash exceeding €10,000.
On exports	No.	
Domestic currency	No.	In accordance with Article 3(1) of Regulation (EU) No. 2018/1672, however, travelers entering or leaving the EU and carrying cash amounting to €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. In the national context, pursuant to Article 3 of the Cash Control Regulations, any person entering, leaving, or transiting through Malta and carrying a sum of a value of €10,000 or more in cash is obliged to declare such sum to the Commissioner for Revenue. Moreover, pursuant to Article 3(3) of the Cash Control Regulations, unaccompanied cash, that is, cash making part of a consignment without a carrier, is also regulated.
Foreign currency	No.	In accordance with Article 3(1) of Regulation (EU) No. 2018/1672, however, travelers entering or leaving the EU and carrying cash

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		amounting to €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. In the national context, pursuant to Article 3 of the Cash Control Regulations, any person entering, leaving, or transiting through Malta and carrying a sum of a value of €10,000 or more in cash is obliged to declare such sum to the Commissioner for Revenue. Moreover, pursuant to Article 3(3) of the Cash Control Regulations, unaccompanied cash, that is, cash making part of a consignment without a carrier, is also regulated.
On imports	No.	
Domestic currency	No.	In accordance with Article 3(1) of Regulation (EU) No. 2018/1672, however, travelers entering or leaving the EU and carrying cash amounting to €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. In the national context, pursuant to Article 3 of the Cash Control Regulations, any person entering, leaving, or transiting through Malta and carrying a sum of a value of €10,000 or more in cash is obliged to declare such sum to the Commissioner for Revenue. Moreover, pursuant to Article 3(3) of the Cash Control Regulations, unaccompanied cash, that is, cash making part of a consignment without a carrier, is also regulated.
Foreign currency	No.	In accordance with Article 3(1) of Regulation (EU) No. 2018/1672, however, travelers entering or leaving the EU and carrying cash amounting to €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. In the national context, pursuant to Article 3 of the Cash Control Regulations, any person entering, leaving, or transiting through Malta and carrying a sum of a value of €10,000 or more in cash is obliged to declare such sum to the Commissioner for Revenue. Moreover, pursuant to Article 3(3) of the Cash Control Regulations, unaccompanied cash, that is, cash making part of a consignment without a carrier, is also regulated.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Balances may be repatriated freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	

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Approval required	No.	
Blocked accounts	Yes.	Accounts may be frozen in accordance with sanctions applicable in terms of relevant EU regulations.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	The Ministry for the Economy, European Funds and Lands administers certain import controls in accordance with the Import Control Regulations.
Positive list	No.	
Negative list	Yes.	A transfer authorization or import license is required for the process of importing from both EU and non-EU countries of certain items listed in the schedules of the Import Control Regulations. These items include meat and fish products, fruits and vegetables, beverages, toxic chemicals, petroleum products, rough diamonds, explosives, and weapons. Textile and steel products imported from certain countries also require an import license.
Open general licenses	No.	Products not listed in the schedules of the Import Control Regulations may be imported without a license.
Licenses with quotas	Yes.	The only existing quotas relate to steel and certain textile imports not originating from within the EU.
Other nontariff measures	No.	
Import taxes and/or tariffs	No.	
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports of articles of historical value, antiques, Malta stone, and objects made from Malta stone, carts, cabs and landaus, rough diamonds, and petroleum products require an export license, in accordance with the Export Control Regulations. Dual-use items (goods, software, and technology that can be used for both civilian and military applications) and military equipment are also subject to an export authorization process.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	In accordance with the External Transactions Act (Cap. 233), all restrictions imposed on external transactions have been lifted, except those on transactions in real estate with residents of third countries (that is, non-EU countries).
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	In the case of transactions in securities in companies registered in

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		Malta but not listed on the Malta Stock Exchange, the Commissioner for Tax and Customs requires the submission of the below-mentioned Schedules that need to be accompanied by a report prepared by a certified auditor and payment of provisional tax on capital gains and/or duty (where applicable): Income Tax on Capital Gains - Schedule C for transfers of a controlling interest; - Schedule D for transfers of a non-controlling interest; - Schedule E for transfers exempt under the provisions of the Income Tax Act. The provisions in the Capital Gains Rules requiring the submission of Schedules C, D, and E were introduced with effect from February 24, 2006. Duty on Documents and Transfers - Sixth Schedule Approval from the Commissioner for Tax and Customs is required in the case of transfers which are exempt from duty under the provisions of the Duty on Documents and Transfers Act. The provisions in the Duty on Documents and Transfers Rules requiring the submission of the sixth Schedule were introduced as of May 25, 2010. In reference to the requirements from an Income Tax and Duty on Documents perspective, the relevant schedules are required with respect to all transactions in securities of companies registered in Malta (but not listed on the Malta Stock Exchange) and this has been the case since the introduction of the relevant provisions in the Capital Gains Rules and Duty on Documents and Transfers Rules.
Purchase locally by nonresidents	Yes.	In case of transactions in securities in companies registered in Malta but not listed on the Malta Stock Exchange, transferors/transferees are required to submit relevant schedules accompanied by a report prepared by a certified auditor and payment of provisional tax on capital gains and/or duty (where applicable). In cases where transfers of shares are exempt from duty, approval from the Commissioner for Tax and Customs is required. If a nonresident person as defined per Article 2 of Cap. 246 acquires shares in a company which holds immovable property, an Acquisition of Immovable Property permit would be required.
Sale or issue locally by nonresidents	Yes.	In case of transactions in securities in companies registered in Malta but not listed on the Malta Stock Exchange, transferors/transferees are required to submit relevant schedules accompanied by a report prepared by a certified auditor and payment of provisional tax on capital gains and/or duty (where applicable). In cases where transfers of shares are exempt from duty, approval from the Commissioner for Tax and Customs is required.
Purchase abroad by residents	Yes.	In case of transactions in securities in companies registered in Malta but not listed on the Malta Stock Exchange, transferors/transferees are required to submit relevant schedules accompanied by a report prepared by a certified auditor and payment of provisional tax on capital gains and/or duty (where applicable). In cases where transfers of shares are exempt from duty, approval from the Commissioner for Tax and Customs is required.
Sale or issue abroad by residents	Yes.	In case of transactions in securities in companies registered in Malta

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		but not listed on the Malta Stock Exchange, transferors/transferees are required to submit relevant schedules accompanied by a report prepared by a certified auditor and payment of provisional tax on capital gains and/or duty (where applicable). In cases where transfers of shares are exempt from duty, approval from the Commissioner for Tax and Customs is required.
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Applications for the acquisition of real estate by nonresidents from outside the EU require the Ministry for Finance and Employment (MFE) approval. Nonresidents from the EU, including Maltese citizens, may acquire one piece of real estate to be used as their primary residence but may not acquire a second residence without MFE approval unless they have resided in Malta at least five years. Nonresidents from the EU may acquire property freely in specially designated areas of the country.
Sale locally by nonresidents	Yes.	Nonresidents may not engage in real estate transactions, except for the sale of properties acquired with MFE approval.
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	Primarily, the Payment Accounts Directive (PAD) seeks to ensure access to basic payment accounts with credit institutions to enable all

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		consumers legally resident in the EU to have access to basic banking service, independently of their financial situation or place of residence. In particular, the PAD applies to consumers who intend to open and use a payment account on a cross-border basis. The PAD facilitates the opening of accounts on a cross-border level by allowing the consumer to ask the new payment service provider to set up on the new payment account all or part of standing orders for credit transfers, accept direct debits from the date specified by the consumer, and provide the consumer with information on the new payment account. The PAD also aims to enhance transparency and comparability of fee information about payment accounts to make customers more aware of the fees and charges by payment services providers. Additionally, the PAD provides for more efficient switching of cross-border payment accounts by establishing minimum standards. The provisions of the PAD have been transposed into Maltese legislation by means of the Credit Institutions and Financial Institutions (Payment Accounts) Regulations.
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The CRR requires credit institutions to allocate capital against foreign exchange risk. Pursuant to Article 351 of the Regulation, “If the sum of an institution’s overall net foreign exchange position, calculated in accordance with the procedure set out in Article 352, including for any foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risks. The own funds requirement for foreign exchange risk must be the sum of its overall net foreign

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		exchange position in the reporting currency, multiplied by 8%." Therefore, a credit institution's total net open foreign exchange position is subject to a prudential capital requirement of 8% of its own funds. Financial institutions licensed under local legislation may also be required to comply with this requirement. Foreign exchange risk requirements apply to the net foreign exchange position for all business activities of an institution (that is, trading and banking books). Thus, calculation of the net spot position in a particular currency includes all assets minus all liabilities, including accrued interest, in the currency in question. These requirements are not based on the principle of the residence of assets and liabilities but on the foreign exchange risk of currencies against the base currency of the assets and liabilities. The provisions of the CRR have been transposed into the national regulatory framework by means of amendments to the Banking Act, subsidiary legislation, and several Banking Rules.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	In terms of Directive 2009/138/EC (Solvency II Directive), insurance companies must only invest in assets and instruments the risks of which they can properly identify, measure, monitor, manage, control, report, and appropriately take into account in the assessment of its overall solvency needs. In addition, insurance companies must ensure that assets held to cover technical provisions are invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities, and in the best interest of all policyholders and insureds taking into account any disclosed policy objectives. The provisions of the Solvency II Directive have been transposed into national legislation through amendments to the Insurance Business Act as well as new and amended subsidiary legislation.
Limits (max.) on investment portfolio held abroad	No.	In terms of the Solvency II Directive, insurance companies must only invest in assets and instruments the risks of which they can properly identify, measure, monitor, manage, control and report, and appropriately take into account in the assessment of its overall solvency needs. In addition, insurance companies must ensure that assets held to cover technical provisions are invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities, and in the best interest of all policyholders and insureds taking into account any disclosed policy objectives. The provisions of the Solvency II Directive have been transposed into national legislation through amendments to the Insurance Business Act as well as new and amended subsidiary legislation.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	In terms of Directive 2009/138/EC (Solvency II Directive), insurance companies must only invest in assets and instruments the risks of which they can properly identify, measure, monitor, manage, control, report, and appropriately take into account in the assessment of its overall solvency needs. In addition, insurance companies must ensure that assets held to cover technical provisions are invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities, and in the best interest of all policyholders and insureds taking into account any disclosed policy objectives.

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		The provisions of the Solvency II Directive have been transposed into national legislation through amendments to the Insurance Business Act as well as new and amended subsidiary legislation.
Pension funds	No.	In accordance with prudential regulations, pension funds (that is, occupational pension funds, personal pension funds, and related investment vehicles) are required to comply with prudential investment restrictions to ensure diversification and minimize exposure to single entities or issuers. Certain borrowing restrictions also apply.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	On June 26, 2021, a new prudential regime was introduced for investment firms – the Investment Firm Regulation and Directive. Investment firms are subject to newly introduced K-Factors, which will be used to determine own funds requirements. The K-Factors are quantitative indicators to accurately reflect the risks which investment firms face. There are three groups of K-Factors: risk to customers, risk to market access, and risk to the firm itself. Class 2 Firms will be required to calculate their K-Factors when assessing their own funds requirements. Class 1 Firms are to calculate their own funds requirements as per the CRR, whereas Class 3 Firms are to apply either the Fixed Overheads Requirement or the Permanent Minimum Capital Requirement. Moreover, certain collective investment funds are subject to investment and borrowing restrictions. Retail collective investment funds are subject to restrictions on investments in securities, such as exposure limits to credit institutions, other collective investment funds, and financial derivative instruments. Retail collective investment funds may borrow up to 10% of their assets for investment purposes and are allowed to have a global exposure of up to 100% of NAV (calculated according to the Value-at-Risk or Commitment Method). Experienced professional investor funds may borrow up to 100% of the NAV of their funds. AIFs are subject to leverage requirements as stipulated in the AIFMD 2011/61/EU (calculated according to the Gross and Commitment Methods and using the conversion methodologies stipulated in the Directive). In terms of the loan fund rules, a number of investment restrictions are also present for such funds investing through loans including the restriction relating to short selling, reuse collateral, and the use of leverage of not more than 200% of the NAV. From a local perspective, the MFSA enacted changes to the “Part BI: Rules Applicable to Investment Services License Holders which Qualify as Market in Financial Instruments Directive Firms” (the MFSA Rulebook). This, to reflect the relevant provisions introduced by the Investment Firm Regulation and Directive package. The MFSA Rulebook distinguishes between the three classes of investment firms namely Class 1 and Class 1 Minus, Class 2 and Class 3 under Part 2 and Part 3 of the Rulebook, respectively. These three classes of firms are differentiated based on their size, such that Class 1 and Class 1 Minus firms are investment firms of considerable size. On the other hand, Class 2 and Class 3 are both firms which are

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		not considered systematic nor of significant size. More specifically, Class 2 firms are small but interconnected firms, whereas Class 3 are generally small and non-interconnected firms. Moreover, K-factors under the Rulebook are divided into three risk groups as follows: Risk-to-client: Assets under management; Client Money Held; Assets safeguarded and administered; Client orders handled; Risk-to-market: Net position risk; Clearing margin given; and Risk-to-firm group: Trading Counterparty Default; Daily Trading Flow. Concentration.
Limits (max.) on securities issued by nonresidents	No.	The regulatory requirements do not impose restrictions on the source and location of assets.
Limits (max.) on investment portfolio held abroad	No.	The regulatory requirements do not impose restrictions on the source and location of assets unless this is self-imposed in the Prospectus.
Limits (min.) on investment portfolio held locally	No.	The regulatory requirements do not impose restrictions on the source and location of assets.
Currency-matching regulations on assets/liabilities composition	No.	The regulatory requirements in the Rules for Investment Services Providers and related Guidance Notes do not impose restrictions on the source and location of assets relating to currency matching. Although the Rules for Investment Services Providers and related Guidance do not make specific reference to currency matching, the license holders are required to employ a risk management process which enables them to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile, including currency/exchange risk. In addition, UCITS and Alternative Investment Fund Managers are required to establish and maintain a permanent risk management function.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CBM is currently following the progress of the ECB initiative regarding the introduction of the Digital Euro.
Retail	No.	The CBM is currently following the progress of the ECB initiative regarding the introduction of the Digital Euro.
Wholesale	No.	The CBM is currently following the progress of the ECB initiative regarding the introduction of the Digital Euro.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	

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Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	n.a.	Markets in Crypto Assets has been adopted in April 2023, and the MFSA is the designated competent authority under this Regulation. Markets in Crypto Assets covers issuers and service providers of Asset Reference Tokens, E-money Tokens , and crypto assets other than Asset Reference Tokens and E-money Tokens such as utility tokens. The main aim of this Regulation is to protect consumers and investors, while ensuring financial stability and supporting innovation.
Controls on unbacked tokens	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on utility and security tokens	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	

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Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*04/03/2023*	The ECB changed its time for the calculation of the reference rate from 14:15 CET to 14:10 CET.

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MARSHALL ISLANDS

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		May 21, 1992.
Article VIII	Yes.	Date of acceptance: May 21, 1992.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the Marshall Islands is the US dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. The authorities do not buy or sell foreign exchange.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The US dollar is legal tender and circulates freely in the Marshall Islands.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		

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Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Foreign exchange transactions are handled by two commercial banks that are authorized foreign exchange dealers and are regulated by a statutory banking commissioner. The banks buy and sell foreign exchange at the rates quoted in international markets.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	There is no interbank foreign exchange market.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Forward transactions may be conducted through commercial banks without restriction.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Outward and inward payments may be settled in US dollars or in any other convertible currency.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	

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Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	The Marshall Islands participates in PACER.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	There are no exchange control regulations.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	n.a.	
On domestic ownership and/or trade	n.a.	
On external trade	n.a.	
Controls on exports and imports of banknotes	n.a.	
On exports	n.a.	
Domestic currency	n.a.	
Foreign currency	n.a.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	n.a.	
Held abroad	Yes.	Commercial banks are not permitted to transfer abroad more than 30% of deposits received from residents. In practice, this regulation is not strictly enforced.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	The US dollar is used as domestic currency, and no distinction is made between accounts in US dollars held domestically and those held abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	The US dollar is used as domestic currency, and balances may be converted to foreign currency without restriction.

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	n.a.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports are not subject to licensing requirements, but importers must obtain a business license.
Positive list	No.	
Negative list	Yes.	Imports of some products are prohibited for environmental, health, safety, or social reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Specific and ad valorem duties are levied on imports. Ad valorem duties range from 5% to 150%. Most items are subject to an 8% tariff rate; higher rates apply to motor vehicles (15%), gasoline (20%), and alcoholic beverages (25%). Specific duties apply to motor vehicles whose value cannot be determined; cigarettes and other tobacco products (excluding cigars, which have a tariff rate of 150%); soft drinks; beer; wine; and spirits.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	The exportation of copra and its by-products is conducted solely by the government-owned Tobolar Copra Processing Plant, Inc.
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	n.a.
On capital market securities	n.a.

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Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	n.a.
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
On money market instruments	n.a.
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
On collective investment securities	n.a.
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
Controls on derivatives and other instruments	n.a.
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
Controls on credit operations	n.a.
Commercial credits	n.a.
By residents to nonresidents	n.a.
To residents from nonresidents	n.a.
Financial credits	n.a.
By residents to nonresidents	n.a.
To residents from nonresidents	n.a.

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Guarantees, sureties, and financial backup facilities	n.a.	
By residents to nonresidents	n.a.	
To residents from nonresidents	n.a.	
Controls on direct investment	Yes.	
Outward direct investment	n.a.	
Inward direct investment	Yes.	Foreign investors must submit applications to the registrar of corporations and obtain licenses to engage in business or to acquire an interest in a business in the Marshall Islands. The following sectors are restricted to Marshallese investors: (1) small-scale agriculture for local markets; (2) small-scale mariculture for local markets; (3) bakeries and pastry shops; (4) motor garages and fuel filling stations; (5) land taxi operations, not including airport taxis used by hotels; (6) rental of all types of motor vehicles; (7) businesses with a quarterly turnover of less than US$10,000; (8) laundromat and dry cleaning, other than service provided by hotels/motels; (9) tailor/sewing shop; (10) video rental; and (11) delicatessen of deli shops or food take-outs.
Controls on liquidation of direct investment	n.a.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	n.a.	
Purchase locally by nonresidents	Yes.	Foreigners are prohibited from owning land, but investors may obtain long-term leases for up to 50 years with an option to renew on land needed for their business activities.
Sale locally by nonresidents	n.a.	
Controls on personal capital transactions	n.a.	
Loans	n.a.	
By residents to nonresidents	n.a.	
To residents from nonresidents	n.a.	
Gifts, endowments, inheritances, and legacies	n.a.	
By residents to nonresidents	n.a.	
To residents from nonresidents	n.a.	
Settlement of debts abroad by immigrants	n.a.	
Transfer of assets	n.a.	
Transfer abroad by emigrants	n.a.	
Transfer into the country by immigrants	n.a.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial	n.a.	

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banks and other credit institutions		
Borrowing abroad	n.a.	
Maintenance of accounts abroad	n.a.	
Lending to nonresidents (financial or commercial credits)	n.a.	
Lending locally in foreign exchange	n.a.	
Purchase of locally issued securities denominated in foreign exchange	n.a.	
Differential treatment of deposit accounts in foreign exchange	n.a.	
Reserve requirements	n.a.	
Liquid asset requirements	n.a.	
Interest rate controls	n.a.	
Credit controls	n.a.	
Differential treatment of deposit accounts held by nonresidents	n.a.	
Reserve requirements	n.a.	
Liquid asset requirements	n.a.	
Interest rate controls	n.a.	
Credit controls	n.a.	
Investment regulations	n.a.	
Abroad by banks	n.a.	
In banks by nonresidents	n.a.	
Open foreign exchange position limits	n.a.	
On resident assets and liabilities	n.a.	
On nonresident assets and liabilities	n.a.	
Provisions specific to institutional investors	Yes.	Some sectors are restricted to Marshallese investors.
Insurance companies	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Pension funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio	n.a.	

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held abroad	
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Investment firms and collective investment funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.

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Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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MAURITANIA

(Position as of November 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 10, 1963.
Article VIII	Yes.	Date of acceptance: July 19, 1999.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	n.a.	Information is not publicly available.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Mauritania is the Mauritanian ouguiya (MRU).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. The Central Bank of Mauritania (BCM) intervenes to regulate the exchange market according to its exchange rate policy objectives (smoothing the exchange rate and the projected level of official reserves). Total bids and asks as well as the amounts settled with the fixing rate are published daily on the BCM website. A summary statement of market turnover data is updated daily on the BCM website. The de facto exchange rate arrangement is classified as a crawl-like arrangement.
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	Effective November 6, 2023, the reference exchange rate for the US dollar against the ouguiya on the interbank foreign exchange market is the average of the average rates observed on that market. It is calculated based on the quotes (bid and ask rates) in US dollars of banks with market maker status collected within a 20-minute time slot in the middle of the day (Circular No. 10/GR/2023). Previously, the reference exchange rate for the US dollar was determined as the arithmetic average of the weighted average rates of purchases on the exchange market and that of sales on the same market (Instruction No. 02/GR/2020).
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		

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Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The monetary framework pursues multiple targets. The first is to ensure price stability. In addition, without prejudice to the objective of price stability, the BCM pursues the stability of the financial system and contributes to the implementation of the general economic policies defined by the Government.
Exchange tax	Yes.	Effective November 6, 2023, a commission of 0.2% is applied to all foreign exchange operations carried out in the banking system.
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	ADs may freely determine their bid-ask spreads and commissions on foreign exchange transactions with their clients, effective November 3, 2023, within the band defined by the new exchange arrangement (Instruction No. 15/GR/2023, Circular No. 10/GR/2023). As of November 30, 2023, 17 commercial banks and 23 exchange bureaus were licensed by the BCM to deal in foreign exchange with their clients. The BCM is the only institution authorized to grant licenses to banks and exchange bureaus. Banks must offset their clients' purchase and sale orders in US dollars and euro and present a single purchase or sale order by currency to the organized foreign exchange market, depending on whether the net balance after offset is positive or negative. Exchange bureaus may not engage in exchange operations directly with the BCM. They engage in currency exchange by buying and selling banknotes and receive and transfer funds in foreign exchange on behalf of their clients in accordance with the exchange regulations. However, they are not authorized to open customer accounts. Nonetheless, they may have accounts abroad and make payments and transfers in foreign exchange on behalf of their clients.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	

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Auction	Yes.	Effective October 17, 2023, the BCM may intervene in the foreign exchange market through auctions. The US dollar is the only currency that may be subject to a tender procedure. The auctions are conducted according to the multiple exchange rate or single exchange rate method at BCM's initiative. Only market makers may participate.
Fixing	No.	
Interbank market	Yes.	Banks may trade foreign currencies among themselves. The operational implementation of the interbank foreign exchange market is planned for December 14, 2023.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Banks may trade among themselves (Instruction No. 001/GR/2007). However, this market segment is at the inception stage.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	An inoperative arrangement exists within the framework of the Arab Maghreb Union.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BCM is responsible for drafting, implementing, and monitoring the foreign exchange regulations.
Payments arrears	No.	
Official	No.	
Private	No.	

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Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Imports and exports of gold, except manufactured articles containing small quantities of gold, require BCM authorization.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers are not allowed to take out domestic banknotes and coins.
Foreign currency	Yes.	BCM permission is required for residents to export foreign currency exceeding the equivalent of MRU 300,000. In such cases, documentary evidence of the source of the funds must be presented. Any additional requests (for amounts exceeding that ceiling) to buy foreign exchange for travel, submitted to the BCM through an AD, are fulfilled based on the supporting documentation. Banks and exchange bureaus may automatically sell foreign currency up to the equivalent of MRU 6,000 to nonresidents who prove their legal entry into Mauritania (appropriately stamped passport). In excess of this amount, purchases of foreign exchange (surrender) are authorized after deducting MRU 2,000 for each day of stay in Mauritania and on presentation of the required documents. Resident and nonresident holders of accounts in foreign currency maintained with a licensed banking intermediary may export any amount of foreign banknotes withdrawn from foreign exchange accounts in accordance with the existing exchange regulations.
On imports	Yes.	
Domestic currency	Yes.	Travelers are not allowed to import domestic banknotes and coins.
Foreign currency	No.	Imports of foreign banknotes exceeding the equivalent of US$3,000 must be declared.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Licensed intermediary banks may freely open accounts in foreign currency on behalf of residents. These accounts may be credited with: (1) foreign currency transfers from abroad; (2) transfers by debit to another account in the same currency belonging to the same account holder; (3) dividends and real net proceeds from capital transactions and the sale or liquidation of investments by imports of foreign currency; (4) the amounts of checks denominated in foreign currency drawn on foreign banks to the order of the holder; (5) interest on the accounts concerned; and (6) payments of foreign banknotes. (Amounts in excess of MRU 100,000 must be declared to the BCM.) These accounts may be debited for: (1) withdrawals of foreign currency notes by the account holder, exclusively for the account holder's travel needs and in accordance with the existing exchange regulations; (2) foreign transfers ordered by the account holder, in compliance with the existing exchange regulations; (3) checks and transfers issued by the account holder, for foreign exchange payments authorized under the existing exchange regulations; (4) foreign exchange sold; and (5) bank commissions charged on these accounts. Accounts opened by exchange bureaus with primary banks may be

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		credited by deposits of foreign currency banknotes in the context of their business activities. Foreign currency cash withdrawals by the account holder are limited to MRU 300,000 for the account holder's travel needs. The limit of MRU 300,000 is applicable to each trip. The balances of these accounts may be transferred abroad in keeping with the prevailing regulations. Transfers abroad to finance trade transactions are authorized in accordance with the exchange regulations.
Approval required	No.	
Held abroad	No.	Licensed banks and foreign exchange bureaus may freely open accounts with banks abroad to accommodate foreign exchange transactions. Foreign exchange investment operations abroad of natural or legal persons residing in Mauritania must be carried out through Mauritanian banks, in accordance with the terms established by foreign exchange regulations. Pursuant to Article 10 of Law No. 2004-042 of July 25, 2004, any natural or legal person of Mauritanian nationality who has a residence in Mauritania is required to declare their assets and liabilities abroad to the BCM.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	New accounts in domestic currency convertible to foreign exchange may not be opened. Those opened before 2000 are permitted in accordance with the provisions of Circular No. GR/005/2000 of which certain provisions were amended by Instruction No. 004/GR/05.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Licensed intermediary banks may freely open foreign exchange accounts on behalf of nonresidents. These accounts may be credited with: (1) foreign currency transfers from abroad; (2) transfers by debit to another account in the same currency belonging to the same account holder; (3) dividends and real net proceeds from capital transactions and the sale or liquidation of investments made by imports of foreign currency; (4) the proceeds of cashed checks in foreign currency drawn on foreign banks to the order of the holder; (5) interest on the accounts; and (6) payments of foreign banknotes. (Amounts in excess of MRU 100,000 must be declared to the BCM.) These accounts may be debited for: (1) withdrawals of foreign currency notes by the account holder, exclusively for the account holder's travel needs and in accordance with the existing exchange regulations; (2) foreign transfers ordered by the account holder, in compliance with the existing exchange regulations; (3) checks and transfers issued by the account holder, for foreign exchange payments authorized under the existing exchange regulations; (4) foreign exchange sold; and (5) bank commissions charged on these accounts.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open domestic currency accounts. Balances on these accounts are freely transferable in accordance with the provisions of the foreign exchange regulations. Existing convertible ouguiya accounts may be credited in the same manner as foreign exchange accounts.
Convertible into foreign currency	No.	Existing nonresident accounts in convertible ouguiyas may be converted, but new convertible accounts may not be opened.

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Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	Yes.	All documentary credits require a minimum deposit of 10% of the overall value of the credit for essential goods (foodstuffs, pharmaceuticals, and clinker), 20% for hydrocarbons, and 40% for other products. Other types of foreign commitments (document remittances and free transfers) are subject to 100% coverage through an effective contribution before the transfer is carried out.
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Any import resulting in the transfer of currency must be domiciled with an authorized Mauritanian intermediary (Intermédiaires agréés en Mauritanie—IAM).
Preshipment inspection	Yes.	
Letters of credit	Yes.	All documentary credits require a minimum deposit of 10% of the overall value of the credit for essential goods (foodstuffs, pharmaceuticals, and clinker), 20% for hydrocarbons, and 40% for other products. Other types of foreign commitments (document remittances and free transfers) are subject to 100% coverage through an effective contribution before the transfer is carried out. However, in response to COVID-19, the requirements for deposits were suspended for essential goods and for hydrocarbons.
Import licenses used as exchange licenses	No.	No legal document has replaced the advance import declaration, and there are no import licenses used as exchange licenses.
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of a few goods, including arms, alcoholic beverages, and toxic waste, are prohibited for reasons of health or public policy, as are imports of species protected under the Washington Convention.
Open general licenses	Yes.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Pursuant to Law No. 2021-001, establishing the 2021 Budget Law, goods imported by some public enterprises or financed abroad are exempt from import duties and nonexempt imports are subject to duties and taxes of between 1.5% and 39.5%. However, Law No. 2020-006, establishing the 2020 Supplementary Budget Law, extended the list of exempt goods to many products, including

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		essential goods.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Foreign exchange receipts derived from the export of goods and services are subject to the repatriation requirement, except in the cases of enterprises operating under a special regime (Article 12 of Law No. 2004-042 of July 25, 2004). The repatriation of export earnings of fishery products produced by the Mauritanian Fish Marketing Company (Société Mauritanienne de Commercialisation de Poissons—SMCP) must be performed exclusively through the BCM as described in Instruction No. 003/GR/2012 of January 17, 2012.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	LCs are not compulsory for export purposes.
Guarantees	No.	
Domiciliation	Yes.	Any export of a good resulting in the repatriation of revenues must be domiciled with an IAM.
Preshipment inspection	Yes.	Some export products, in particular fishery products, are subject to preshipment inspection.
Other	Yes.	Export certificates specifying the quantity, value, and destination of all goods are approved by the customs office; the BCM receives a copy for information purposes.
Export licenses	Yes.	Exports of goods require only a certificate approved by the customs office.
Without quotas	Yes.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	The 2007 Budget Law extended the statistical tax to all exports (except oil and mining exports) and reduced the rate to 1%. In response to COVID-19, some products were exempted from the 1% tax.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	There are no restrictions on payments for invisible transactions.
Trade-related payments	Yes.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	No indicative limits apply, but supporting documents are required to prove that the transactions are bona fide.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Full or partial repayments of foreign capital invested in Mauritania, and capital gains on those investments, are permitted.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The maximum amount allowed for a trip is the equivalent of MRU 300,000.
Indicative limits/bona fide test	Yes.	An additional allowance, requested via a licensed intermediary, may be granted by the BCM.
Personal payments	Yes.	Restrictions apply to payments of family maintenance and alimony.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The amount of the allowance may not exceed a reasonable level commensurate with the monthly income of the resident Mauritanian requesting the transfer. Supporting documents justifying the transaction must be submitted to prove that the transaction is bona fide.
Foreign workers' wages	Yes.	Foreign workers’ wages may be transferred freely, usually through foreign exchange accounts.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The amount to be transferred in the form of savings from foreign workers’ wages must correspond to a reasonable proportion of the wages actually received. This amount may in no case exceed 60% of the wages.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The purchase of foreign currency (banknotes or other) and the cumulative ceilings for withdrawals and payments using international cards may not exceed the threshold set in the regulations for travel allowances.
Indicative limits/bona fide test	Yes.	Obtaining these cards requires opening a foreign currency account dedicated exclusively to card operations.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Transfers must be verified by submission of supporting documents.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Export proceeds must be repatriated to Mauritania. The regulation does not specify a deadline for repatriation.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Repatriation of foreign claims arising from the exportation of goods, remuneration of services, loans, and generally from all foreign revenue and proceeds is required. Waivers may be granted by the BCM.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Exports of capital are subject to BCM approval, but transfers of foreign investments in Mauritania through banks may be made without restriction.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Purchases of securities of private enterprises are permitted. The regulation does not specify the concept of residence and does not include either quantitative limits or sector-specific requirements.
Sale or issue locally by nonresidents	No.	There is as yet no market for brokerage services.
Purchase abroad by residents	Yes.	Purchases are subject to BCM authorization.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Local purchases are subject to the same provisions as for residents. The regulation does not specify the concept of residence and does not include either quantitative limits or sector-specific requirements.
Sale or issue locally by nonresidents	No.	Local sales are subject to the same provisions as for residents. The regulation does not specify the concept of residence and does not include either quantitative limits or sector-specific requirements.
Purchase abroad by residents	Yes.	Residents' purchases of bonds abroad require BCM authorization.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Local purchases are subject to the same provisions as for residents. The regulation does not specify the concept of residence and does not include either quantitative limits or sector-specific requirements.
Sale or issue locally by nonresidents	No.	Securities brokerage operations are permitted only for residents

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		licensed by the BCM. Local sales are subject to the same provisions as for residents. The regulation does not specify the concept of residence and does not include either quantitative limits or sector-specific requirements.
Purchase abroad by residents	Yes.	According to regulations, all exports of capital are subject to BCM authorization.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	There are no such securities in Mauritania, but they are not explicitly restricted.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Transactions involving these products, like all other capital transactions, require prior authorization from the CB.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	n.r.	There are no forward transactions in the domestic market.
Purchase locally by nonresidents	n.r.	
Sale or issue locally by nonresidents	n.r.	
Purchase abroad by residents	n.r.	
Sale or issue abroad by residents	n.r.	
Controls on credit operations	Yes.	Some credit transactions, guarantees, sureties, and pledges by residents to nonresidents are subject to BCM authorization.
Commercial credits	No.	
By residents to nonresidents	No.	There are no restrictions on these transactions.
To residents from nonresidents	No.	There are no restrictions on these transactions.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These transactions are subject to BCM authorization.
To residents from nonresidents	Yes.	These transactions are subject to BCM authorization.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Total guarantees, sureties, and pledges (after weighting) to a single beneficiary may not exceed 25% of the institution's net equity.
To residents from nonresidents	Yes.	These transactions are subject to BCM authorization.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment is subject to BCM authorization.
Inward direct investment	Yes.	The Investment Code (Law No. 2012-052, as amended by Law No. 2016-012 of April 13, 2016) governs direct investment and all associated incentives and benefits. For purposes of investing in authorized activities, nonresidents may make inward transfers to Mauritania through IAM banks without restriction.
Controls on liquidation of direct investment	No.	There are no controls on the liquidation of direct investments, and the repatriation of funds is guaranteed by law.
Controls on real estate transactions	Yes.	

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Purchase abroad by residents	Yes.	These transactions are subject to BCM authorization.
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	These transactions are subject to BCM authorization.
To residents from nonresidents	Yes.	These transactions are subject to BCM authorization.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	These transactions are subject to BCM authorization.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	These transactions are subject to BCM authorization.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These transactions are subject to BCM authorization.
Transfer into the country by immigrants	No.	There are no restrictions on these transactions.
Transfer of gambling and prize earnings	Yes.	Gambling is prohibited in Mauritania.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Borrowing abroad by banks is subject to BCM authorization.
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	Yes.	These transactions are subject to BCM authorization.
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	Yes.	Foreign currency transactions between residents are subject to BCM authorization.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Banks must hold required reserves in their current accounts at the CB for domestic and foreign currency deposits of residents and nonresidents pursuant to Instruction Nos. 3/GR/2006, 18/GR/2008, and 7/GR/2017. The required reserve base in ouguiya is the average of customer deposits. It is calculated over a period of four consecutive weeks based on total ouguiya deposits at the end of each week. The amount of the required reserve is calculated by applying the required reserve ratio in effect to the reserve base. The reserve holding period is four weeks beginning one week after the calculation period. During this period, the average daily balance of banks' ordinary current accounts in ouguiya at the CB must be greater than or equal to the reserve requirement. The required reserve ratio is 6%. Any deficiency of required reserves in ouguiya results in a penalty assessed on the

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		deficiency during the holding period. The rate applied corresponds to the BCM policy rate plus 8 percentage points. The base for required reserves in foreign currency is the daily average of foreign currency demand deposits, term deposits, and other amounts due foreign currency, less the special accounts of projects financed from external resources. The daily average of the end-of-day balances of the current accounts in foreign currencies of each bank over the maintenance period must be at least equal to 7% of the daily average of the base. The holding period is 2 weeks. Any deficiency gives rise to a penalty a working day, applied on the amount of the insufficiency converted in ouguiya at the sale price of the BCM. The rate applied corresponds to the BCM policy rate plus 8 percentage points.
Liquid asset requirements	No.	Liquid asset requirements apply for both domestic and foreign currencies. The liquid asset requirement is set at a minimum of 100%, which is the ratio between the high-quality liquid asset and the net cash outflows over a one-month horizon. The calculation of the new ratio complies with Basel III rules.
Interest rate controls	Yes.	Current accounts in foreign currency opened by primary banks with the CB do not earn interest.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	Banks must hold required reserves on resident and nonresident foreign currency deposits in their current accounts with the BCM. Resident and nonresident accounts are subject to the same treatment with regard to the reserve requirement (currency of denomination, remuneration, and penalty).
Liquid asset requirements	No.	Liquid asset requirements apply for both domestic and foreign currencies. The liquid asset requirement is set at a minimum of 100%, which is the ratio between the high-quality liquid asset and the net cash outflows over a one-month horizon. The calculation of the new ratio complies with Basel III rules.
Interest rate controls	No.	Only savings accounts (resident and nonresident) earn interest.
Credit controls	No.	The loan agreement must be linked to the borrower's repayment capacity, which is a ratio between the monthly payment and the stable income. Debt capacity takes account not only of the monthly payment of the loan repayments but also of all other commitments. The duration of the loan allocated may not exceed the duration of the statutory depreciation of the property or equipment concerned: 3 years for a personal loan, 1 year renewable for revolving credit, and 15 years for mortgage. The credit institution must ensure that the client's income is not domiciled with another institution (Instruction No. 2/GR/2014).
Investment regulations	Yes.	
Abroad by banks	Yes.	These transactions are subject to BCM authorization.
In banks by nonresidents	No.	These transactions are not restricted.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The commercial banks' net open positions in foreign exchange are ±10% of net capital for each currency and ±20% of net capital for all currencies. This requirement is applicable to all resident and nonresident assets and liabilities.
On nonresident assets and liabilities	Yes.	The commercial banks' net open positions in foreign exchange are

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		±10% of net capital for each currency and ±20% of net capital for all currencies. This requirement is applicable to all resident and nonresident assets and liabilities.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pursuant to Law No. 2004-042, any export of capital is subject to BCM authorization. However, current and capital transactions with proceeds net of sale or liquidation of investments made by importing foreign currency are free. Institutional investors do not derogate from these provisions.
Limits (max.) on investment portfolio held abroad	Yes.	Pursuant to Law No. 2004-042, any export of capital is subject to BCM authorization. However, current and capital transactions with proceeds net of sale or liquidation of investments made by importing foreign currency are free. Institutional investors do not derogate from these provisions.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pursuant to Law No. 2004-042, any export of capital is subject to BCM authorization. However, current and capital transactions with proceeds net of sale or liquidation of investments made by importing foreign currency are free. Institutional investors do not derogate from these provisions.
Limits (max.) on investment portfolio held abroad	Yes.	Pursuant to Law No. 2004-042, any export of capital is subject to BCM authorization. However, current and capital transactions with proceeds net of sale or liquidation of investments made by importing foreign currency are free. Institutional investors do not derogate from these provisions.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pursuant to Law No. 2004-042, any export of capital is subject to BCM authorization. However, current and capital transactions with proceeds net of sale or liquidation of investments made by importing foreign currency are free. Institutional investors do not derogate from these provisions.
Limits (max.) on investment portfolio held abroad	Yes.	Pursuant to Law No. 2004-042, any export of capital is subject to BCM authorization. However, current and capital transactions with proceeds net of sale or liquidation of investments made by importing foreign currency are free. Institutional investors do not derogate from these provisions.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.

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Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market	n.a.

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instruments	
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*11/06/2023*	The reference exchange rate for the US dollar against the ouguiya on the interbank foreign exchange market is the average of the average rates observed on that market. It is calculated based on the quotes (bid and ask rates) in US dollars of banks with market maker status collected within a 20-minute time slot in the middle of the day (Circular No. 10/GR/2023). Previously, the reference exchange rate for the US dollar was determined as the arithmetic average of the weighted average rates of purchases on the exchange market and that of sales on the same market (Instruction No. 02/GR/2020).
Exchange tax	*11/06/2023*	A commission of 0.2% is applied to all foreign exchange operations

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		carried out in the banking system.
Foreign exchange market		
Spot exchange market	*11/03/2023*	ADs may freely determine their bid-ask spreads and commissions on foreign exchange transactions with their clients within the band defined by the new exchange arrangement.
Operated by the central bank		
Auction	*10/17/2023*	The Central Bank of Mauritania (BCM) may intervene in the foreign exchange market through auctions. The US dollar is the only currency that may be subject to a tender procedure. The auctions are conducted according to the multiple exchange rate or single exchange rate method at BCM's initiative. Only market makers may participate.

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MAURITIUS

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 23, 1968.
Article VIII	Yes.	Date of acceptance: September 29, 1993.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Since May 29, 2019, financial institutions are prohibited from dealing with persons and entities mentioned in the UNSC Consolidated list as well as any party who may have been designated under the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019 and who are subject to targeted financial sanctions under the said Act. The Guidelines on the Implementation of Targeted Financial Sanctions under the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019 assist reporting persons with the implementation of restrictive measures, in particular the financial prohibitions prescribed under the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019.

Exchange Arrangement

Currency	Yes.	The currency of Mauritius is the Mauritian rupee. Commemorative coins are also legal tender.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		

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Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is floating. The exchange rate of the rupee follows movements on the international foreign exchange market as well as domestic demand and supply conditions. Interventions by the Bank of Mauritius (BOM) in the foreign exchange market are limited to situations of excessive exchange rate volatility, shortages of foreign exchange on the market, and accumulation of foreign exchange reserves. The BOM publishes the amount bought or sold and the rate of intervention by close of business on the day the intervention takes place. Information on foreign exchange intervention is also disseminated in the Monthly Statistical Bulletin and Annual Report of the Bank. Since March 2022, the exchange rate regime showed more flexibility. Accordingly, the de facto exchange rate arrangement was reclassified to floating from crawl-like effective March 29, 2022.
Free floating		
Official exchange rate	Yes.	The official exchange rate (referred to as the central rate of the BOM) is used for the valuation and recording of BOM assets and liabilities. Effective November 22, 2022, the methodology for the computation of the central rate has been reviewed. This is in line with the recommendations of the IMF Technical Assistance mission on Foreign Exchange Intervention Strategy and Market Development, as of September 2022. The central rate on a particular day is now the closing mid-dealt rate of the previous day where the dealt rate refers to the weighted average rate of market deals of US$20,000 and above as reported by banks and foreign exchange dealers. The central rate is adjusted by a margin for conducting government transactions. The margin varies according to the currency being transacted against the Mauritian rupee and represents costs incurred by the BOM for conducting the transaction, that is, SWIFT, negative interest, etc. Using the SWIFT network involves fees which the BOM passes through to the government in the margin. The official rate is not published.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	Effective January 16, 2023, the BOM rolled out a new monetary

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		policy framework to promote greater transparency while adopting a forward-looking approach. The framework featured much strengthened monetary policy operations, supporting more effective monetary policy transmission mechanism. The BOM's strategy was designed to focus on a number of key operational and strategic elements, namely a well-defined and flexible inflation target; prominent role for inflation forecasts as intermediate target within a redefined policy interest rate; greater clarity on the nature, scale, and magnitude of foreign exchange interventions; and appropriate institutional design for different aspects of the monetary policy decision-making process. It also embedded stronger communication. The BOM adopted explicitly an inflation target, providing a benchmark against which members of the public can gauge inflationary pressures and assess the Bank's success in keeping inflation under control.
Target setting body	Yes.	
Government		
Central Bank	Yes.	Section 5(2) of the BOM Act 2004 stipulates that the Bank will determine, with the concurrence of the Minister of Finance, the accepted range of the rate of inflation during a given period consistent with the pursuit of price stability. However, the provisions of this section are yet to be implemented.
Monetary Policy Committee	Yes.	The MPC was established on April 23, 2007, pursuant to Sections 54 and 55 of the BOM Act 2004 to formulate and determine the monetary policy to be conducted by the Bank and to maintain price stability, taking into account the orderly and balanced economic development of Mauritius. The MPC of the BOM normally meets on a quarterly basis to formulate and determine the monetary policy to be conducted by the BOM to maintain price stability, taking into account Mauritius' orderly and balanced economic development. The MPC determines the policy rate, after reviewing international and domestic economic and financial developments while also assessing the balance of risks to the growth and inflation outlook.
Central Bank Board		
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	An inflation target ranging between 2 to 5%, with the aim of achieving the mid-point of 3.5%.
Band/Range		
Target measure	Yes.	
CPI	Yes.	Headline inflation.
Core inflation		
Target horizon	Yes.	An inflation target ranging between 2 to 5%, with the aim of achieving the mid-point of 3.5% over the medium term.

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Operating target (policy rate)	Yes.	Overnight interbank rate.
Policy rate	Yes.	The key rate is the policy rate determined by the MPC.
Target corridor band	Yes.	Effective January 16, 2023, the BOM maintains a symmetric interest rate corridor of 200 basis points around the "key rate" through standing facilities (overnight deposit facility and overnight lending facility). Effective July 7, 2023, the BOM reviewed the issuance of 7-day BOM Bill from full allotment to a tender basis. The width of the interest rate corridor was also increased from 200 bps to 300 bps. Bids over and above the tender amount are absorbed in the deposit standing facility. Overnight lending facility made available to banks at their discretion at the key rate plus 150 basis points; and Overnight deposit facility offered to banks at their discretion at the key rate minus 150 basis points.
Other	n.a.	
Accountability	No.	
Open letter	No.	
Parliamentary hearings	No.	
Other	No.	
Transparency	Yes.	
Publication of votes	Yes.	
Publication of minutes	Yes.	The minutes of the MPC meeting are released two weeks after the MPC meeting.
Publication of inflation forecasts	Yes.	The projection of inflation rate is communicated by the Governor during the press release and is also published in the Governor press statement and in the MPC minutes.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Banks, foreign exchange dealers, and money-changers are free to set their exchange rates.
Spot exchange market	Yes.	As of end-December 2022, 19 banks, 6 foreign exchange dealers, and 6 money-changers (bureaux de change) were licensed by the BOM. Foreign exchange dealers buy and sell foreign currency and engage in both spot and forward foreign exchange transactions. Foreign exchange dealers may carry out money and value transfer services, maintain accounts abroad, and make payments and transfers in foreign currency on behalf of their clients. Money-changers carry same-day transactions and deal only in banknotes. As of November 18, 2021, the daily foreign exchange exposure limit of foreign exchange dealers was revised upward to 75% of their specific net owned funds for six months and effective May 18, 2022, this limit was extended for another six months. This limit remained until May 17, 2023. Effective May 18, 2023, the Bank lowered the daily foreign

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		exchange exposure limit of foreign exchange dealers to 60% from 75% for a period of six months.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	Effective June 30, 2022, the BOM discontinued bilateral sales to the State Trading Corporation. Previously, since March 2020, the BOM had serviced the foreign exchange requirements of the State Trading Corporation, which is the sole importer of petroleum products and a major importer of basic commodities.
Auction	Yes.	The BOM conducts a single price foreign exchange auction at its initiative. The foreign exchange auction is conducted with banks. The bids received normally reflect participants' demand, and the allotment is made on a pro-rata basis depending on the amount the BOM would buy or sell. Counteroffers are made to all bidders (including outliers) at the price determined by the BOM. The auction/counteroffer price is determined by the BOM based on banks' bid prices, the prevailing USDMUR market rate, and international movements in EURUSD. The rate of intervention is set within the minimum and maximum rates bid by participants. There is no set frequency of foreign exchange auctions.
Fixing	No.	
Interbank market	Yes.	Banks and foreign exchange dealers trade among themselves at freely determined exchange rates. The BOM is the sole institution that grants licenses to banks, foreign exchange dealers, and money-changers. As of end-December 2022, 19 banks and 6 foreign exchange dealers were permitted to carry out transactions in the interbank foreign exchange market.
Over the counter	Yes.	Banks, foreign exchange dealers, and money-changers transact in foreign exchange with clients over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Banks and foreign exchange dealers may engage in forward transactions.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	There are no restrictions in the use of the domestic currency for current and capital transactions and payments, except that, for anti-money laundering/combating the financing of terrorism (AML/CFT) purposes, cash transactions in excess of MUR 500,000 are prohibited, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money Laundering Act.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	There are no restrictions in the use of the domestic currency for current transactions and payments, except that, for AML/CFT purposes, cash transactions in excess of MUR 500,000 are prohibited, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money-Laundering Act.
For capital transactions	Yes.	
Transactions in capital and money market	Yes.	There are no restrictions in the use of the domestic currency for

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instruments		transactions in capital and money market instruments, except that, for AML/CFT purposes, cash transactions in excess of MUR 500,000 are prohibited, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money-Laundering Act.
Transactions in derivatives and other instruments	Yes.	There are no restrictions in the use of the domestic currency for transactions in derivatives and other instruments, except that, for AML/CFT purposes, cash transactions in excess of MUR 500,000 are prohibited, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money-Laundering Act.
Credit operations	Yes.	There are no restrictions in the use of the domestic currency for credit operations, except that, for AML/CFT purposes, cash transactions in excess of MUR 500,000 are prohibited, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money-Laundering Act.
Use of foreign exchange among residents	Yes.	Foreign exchange can be freely used in transactions between residents, except for transactions in cash above MUR 500,000 or an equivalent amount in foreign currency, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money-Laundering Act.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Mauritius is a member of COMESA and SADC regional payment systems.
Clearing agreements	Yes.	The BOM is both a participant and the settlement bank for the COMESA Regional Payment and Settlement System (REPSS). Clearing is undertaken by the COMESA Clearing House. The clearing of the SADC-Real-Time Gross Settlement Payment System is carried out by the SADC-Real-Time Gross Settlement Operator.
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	Residents may hold gold for numismatic purposes or as personal jewelry and ornaments.
On external trade	Yes.	A permit is required to import gold.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Pursuant to Section 131A of the Customs Act (physical cross-border transportation), any person making a physical cross-border transportation of currency or bearer negotiable instruments of an amount of more than MUR 500,000 or such other amount as may be prescribed or its equivalent in any foreign currency must make a

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		declaration to the proper officer (an officer of the Mauritius Revenue Authority), in such manner as may be prescribed, of the amount of the currency or bearer negotiable instruments in his possession, their origin and intended use. However, cash transactions in excess of MUR 500,000 are prohibited, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money-Laundering Act.
Foreign currency	Yes.	Pursuant to Section 131A of the Customs Act (physical cross-border transportation), any person making a physical cross-border transportation of currency or bearer negotiable instruments of an amount of more than MUR 500,000 or such other amount as may be prescribed or its equivalent in any foreign currency must make a declaration to the proper officer (an officer of the Mauritius Revenue Authority), in such manner as may be prescribed, of the amount of the currency or bearer negotiable instruments in his possession, their origin and intended use. However, cash transactions in excess of MUR 500,000 are prohibited, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money-Laundering Act.
On imports	Yes.	
Domestic currency	Yes.	Pursuant to Section 131A of the Customs Act (physical cross-border transportation), any person making a physical cross-border transportation of currency or bearer negotiable instruments of an amount of more than MUR 500,000 or such other amount as may be prescribed or its equivalent in any foreign currency must make a declaration to the proper officer (an officer of the Mauritius Revenue Authority), in such manner as may be prescribed, of the amount of the currency or bearer negotiable instruments in his possession, their origin and intended use. However, cash transactions in excess of MUR 500,000 are prohibited, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money-Laundering Act.
Foreign currency	Yes.	Pursuant to Section 131A of the Customs Act (physical cross-border transportation), any person making a physical cross-border transportation of currency or bearer negotiable instruments of an amount of more than MUR 500,000 or such other amount as may be prescribed or its equivalent in any foreign currency must make a declaration to the proper officer (an officer of the Mauritius Revenue Authority), in such manner as may be prescribed, of the amount of the currency or bearer negotiable instruments in his possession, their origin and intended use. However, cash transactions in excess of MUR 500,000 are prohibited, other than certain exempt transactions as defined in the Financial Intelligence and Anti-Money-Laundering Act.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Both residents and nonresidents are allowed to maintain an account with banks in Mauritius. Resident natural and juridical persons may hold accounts in foreign currencies with commercial banks.
Held domestically	Yes.	Balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Balances may be transferred to the home country freely.
Approval required	No.	
Accounts in domestic currency held	Yes.	Residents may maintain accounts in domestic currency held abroad.

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abroad		
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Companies and individuals may maintain accounts denominated in foreign currencies with commercial banks.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident natural and juridical persons may maintain accounts denominated in rupees with commercial banks.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	A negative list exists for prohibited goods.
Open general licenses	Yes.	Most goods are imported under OGLs.
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports of agricultural, horticultural, and livestock products require phytosanitary inspection.
Import taxes and/or tariffs	Yes.	The upper end of the range for tariff rates is 15%. Certain items are subject to excise duties in the form of (1) ad valorem rates ranging from 15% to 100% and (2) specific duties.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	The following imports are under state monopoly: (1) 100% of

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		petroleum products, including liquefied petroleum gas, and (2) 50% of flour.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	An export permit is required for exports of textiles and textile-articles to Canada and the United States. An export permit is also required for exports of the following six products: rice, flour, sand, limestone, cement, and rough diamonds to any country of destination.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.

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Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	There are no controls on the purchase locally by nonresidents of shares listed on the Stock Exchange of Mauritius (SEM), except that noncitizens may not hold more than 15% of shares in listed sugar companies. However, under the Non-Citizens (Property Restriction) Act, authorization from the Prime Minister's Office, Home Affairs, and External Communications is required for nonresidents to purchase shares that are not listed on the SEM. In addition, such purchases must be financed by funds transferred from banks abroad. Authorization from the Prime Minister's Office, Home Affairs, and External Communications is required for investments in banks that are not listed on the SEM and which hold immovable property in Mauritius. Equity holdings in excess of 10% of a bank's capital by residents or nonresidents require BOM approval.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance companies may invest up to 50% of their technical provisions abroad.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance companies may invest up to 50% of their technical provisions abroad.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance companies may invest up to 50% of their technical provisions abroad.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance companies may invest up to 50% of their technical provisions abroad.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	An insurer may not invest in derivatives other than – (1) derivatives designated as an asset in respect of a linked long-term policy; (2) for the purpose of reducing investment risk or for efficient portfolio management; or

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		(3) in such manner as the insurer will, or reasonably expects to, have the asset at the settlement date of the derivative instrument which matches its obligations under that instrument and from which it can discharge those obligations.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	An insurer may not, without the approval of the Financial Services Commission ("FSC"), given generally or in a particular case, and on such conditions as the FSC may determine – (1) mortgage, charge, or otherwise encumber its assets; (2) directly or indirectly borrow any asset; (3) by means of any surety, give any security in relation to obligations between other persons except where the security is provided under a guarantee policy which the insurer is authorized to issue under its license.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	As per the Insurance (Long-Term Insurance Business Solvency) Rules 2007 and Insurance (General Insurance Business Solvency) Rules 2007, insurers' investment concentration limits may be as follows: (1) The aggregate value of investments as reported on the balance sheet by an insurer in any corporation, commodity or group of related corporations, except property, whose shares are listed on a licensed exchange in Mauritius or listed on such exchanges as are specified in the Second Schedule, may not exceed 10% of the assets of the insurer. (2) The aggregate value of investments as reported on the balance sheet by an insurer in any corporation, commodity or group of related corporations, except property, whose shares are other than shares described in paragraph (2) above, may not exceed 5% of the assets of the insurer. (3) An insurer may invest up to 10% of its assets in any property. (4) When an insurer and its related company, other than a long-term insurance company, make an investment in any corporation or commodity, the aggregate value of that investment in that corporation or commodity may not exceed:

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		In the case of listed shares described in paragraph (2), 10% of the assets of the insurer; and in the case of shares described in paragraph (3), 5% of the assets of the insurer. (5) The aggregate value of investments of an insurer in one or more of its related companies may not exceed 10% of the assets of the insurer. (6) When an insurer is a branch of a foreign company: the aggregate value of investments reported in its balance sheet in any corporation, commodity or group of related corporations, except property, whose shares are listed on a licensed exchange in Mauritius or listed on such exchanges as are specified in the Second Schedule, may not exceed 10% of the assets of the insurer; the aggregate value of investments reported in its balance sheet in any corporation, commodity or group of related corporations, except property, whose shares are other than shares described in sub-paragraph (1), may not exceed 5% of the assets of the insurer. (7) The branch of a foreign company may not invest more than 10% of its assets in any property. Property includes direct investment in Investment Properties, mortgages, and Land and Building for insurer's own use. It is worth noting that insurers may invest beyond the above prescribed investments limit provided they are solvent as per the Insurance (Long-Term Insurance Business Solvency) Rules 2007 and Insurance (General Insurance Business Solvency) Rules 2007 (as appropriate).
Inward direct investment	Yes.	Noncitizens may not hold more than 15% of shares in listed sugar companies. Authorization from the Prime Minister's Office, Home Affairs, and External Communications is required for investments in banks that are not listed on the SEM and which hold immovable property in Mauritius. Equity holdings in excess of 10% of a bank's capital by residents or nonresidents require BOM approval.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Authorization from the Prime Minister's Office, Home Affairs, and External Communications is required for noncitizens to acquire property in Mauritius, and these purchases must be financed with funds transferred from abroad through the banking system.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	

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Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	As per the Guideline on Credit Concentration Risks (2019) issued by BOM, the same limits apply to credit exposures to both single customers or group of connected counterparties, irrespective of whether a credit facility is extended in Mauritius or provided to a counterparty based outside Mauritius. The Bank issued a 2020 Guideline on Cross-Border Exposure which supplements the existing Guidelines issued by BOM and provides a set of additional minimum standards that would need to be adhered to by banks in respect of their cross-border exposures, that is, exposures to a counterparty or group of connected counterparties based outside Mauritius or whose majority of operational cash flows is derived from operations in a jurisdiction other than Mauritius. The guideline requires banks to have a board-approved policy on cross-border exposure and inter alia sets out, in respect of cross-border exposure: (1) clearly defined roles and responsibilities of the board of directors, control functions, and external auditors in respect of cross-border exposures; (2) specific due diligence to be conducted on counterparties, jurisdictions, and third parties involved in such exposures; (3) guidance on the risk appetite framework, risk identification and assessment and risk monitoring; (4) requirements for specialized lending and silent guarantees; (5) requirements for credit risk management and risk monitoring in addition to those prescribed in the Guideline on Credit Risk Management and Guideline on Country Risk Management.
Lending locally in foreign exchange	Yes.	Subject to compliance with additional criteria set out in the Guideline on Credit Concentration Risk (2019), subsidiaries and branches of foreign banks may apply different thresholds for exposures denominated in currencies other than Mauritian rupee, applicable to both credit extended in Mauritius or provided to counterparties based outside Mauritius. For banks other than subsidiaries and branches of foreign banks, the credit exposure, denominated in currencies other than the Mauritian rupee, must be within the following limits: (1) aggregate credit exposure to any single customer may not exceed 25% of the bank's Tier 1 capital; (2) aggregate credit exposure to any group of connected counterparties may not exceed 40% of the bank's Tier 1 capital; and (3) aggregate large credit exposures to all customers and groups of connected counterparties may not exceed 800% of the bank's Tier 1 capital. The aggregate credit exposure, in currencies other than the Mauritian

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		rupee, of a subsidiary of a foreign bank must be within the following limits: (1) aggregate credit exposure to any single customer may not exceed 50% of the bank's Tier 1 capital; (2) aggregate credit exposure to any group of connected counterparties may not exceed 75% of the bank's Tier 1 capital; and (3) aggregate large credit exposures to all customers and groups of connected counterparties may not exceed 1200% of the bank's Tier 1 capital. This limit is exclusive of the limit of 800% imposed in Mauritian rupee denominated credit. For credit exposure of a branch of a foreign bank in currencies other than the Mauritian rupee, there is no limit vis-à-vis the Tier 1 capital of the branch.
Purchase of locally issued securities denominated in foreign exchange	Yes.	The acquisition of these securities falls under the Guideline on Credit Concentration Risk, in which "credit exposure/facility" means a commitment by a financial institution to provide funds or substitute of funds, including investment in fixed dated securities/debentures and off-balance-sheet funds to a customer or group of connected counterparties on a secured or unsecured basis. For banks other than subsidiaries and branches of foreign banks, the credit exposure, denominated in currencies other than the Mauritian rupee, must be within the following limits: (1) aggregate credit exposure to any single customer may not exceed 25% of the bank's Tier 1 capital; (2) aggregate credit exposure to any group of connected counterparties may not exceed 40% of the bank's Tier 1 capital; and (3) aggregate large credit exposures to all customers and groups of connected counterparties may not exceed 800% of the bank's Tier 1 capital. The aggregate credit exposure, in currencies other than the Mauritian rupee, of a subsidiary of a foreign bank must be within the following limits: (1) aggregate credit exposure to any single customer may not exceed 50% of the bank's Tier 1 capital; (2) aggregate credit exposure to any group of connected counterparties may not exceed 75% of the bank's Tier 1 capital; and (3) aggregate large credit exposures to all customers and groups of connected counterparties may not exceed 1200% of the bank's Tier 1 capital. This limit is exclusive of the limit of 800%imposed in Mauritian rupee denominated credit. For credit exposure of a branch of a foreign bank in currencies other than the Mauritian rupee, there is no limit vis-à-vis the Tier 1 capital of the branch.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Effective October 5, 2023, as from when the maintenance period ended, the Cash Reserve Requirement (CRR) is based on the new guideline wherein the eligible deposit liabilities of banks must be based on sectoral balance sheet reporting.
Liquid asset requirements	Yes.	As of January 11, 2021, the Guideline on Liquidity Risk Management has been amended. Banks are required to maintain an LCR of 100% in MUR, 100% in material foreign currencies, and 100% on a consolidated basis. The guideline includes a section on the treatment for large foreign

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		currency transitory deposits which may be excluded from outflows for the purpose of computing the LCR subject to the following conditions: (1) The value of the deposit from the distinct depositor should amount to at least MUR12 billion, or equivalent amount in other currencies, and should be kept at the bank for a maximum period of 7 days; (2) Such deposits should be fully covered by the same amount of balances held with other banks in the same currency; (3) The balances held with other banks covering the deposits should be excluded from inflows for the purpose of computing LCR; (4) Firm instructions should be obtained from the depositors confirming that the deposit would be kept for a maximum period of 7 days; (5) The bank should have policies and limits in place to ensure that its balances with other banks are duly diversified; and (6) The details of such deposits and the corresponding balances held with other banks which have been excluded from the computation of the LCR should be submitted in the format provided by the BOM together with the returns on LCR.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	Effective October 5, 2023, there was a change in Guideline for the CRR wherein foreign currency deposits of nonresidents, Global Business Corporations, and Authorized Companies is not subject to the CRR.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Investment in shares requires BOM approval.
In banks by nonresidents	Yes.	Nonresidents may freely invest in shares of banks that are listed on the SEM. Authorization of the Prime Minister's Office, Home Affairs, and External Communications is required for investment in banks that are not listed on the SEM and which hold immovable property in Mauritius. Equity holdings in excess of 10% of a bank's capital by residents or nonresidents require BOM approval.
Open foreign exchange position limits	Yes.	There is a daily overall foreign exchange exposure limit of 15% of Tier I capital for banks' exchange market.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	An insurer may not invest in derivatives other than – (1) derivatives designated as an asset in respect of a linked long-term policy; (2) for the purpose of reducing investment risk or for efficient portfolio management; or (3) in such manner as the insurer will, or reasonably expects to, have

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		the asset at the settlement date of the derivative instrument which matches its obligations under that instrument and from which it can discharge those obligations. An insurer may not, without the approval of the FSC, given generally or in a particular case, and on such conditions as the FSC may determine – (1) mortgage, charge, or otherwise encumber its assets; (2) directly or indirectly borrow any asset; (3) by means of any surety, give any security in relation to obligations between other persons except where the security is provided under a guarantee policy which the insurer is authorized to issue under its license. As per the Insurance (Long-Term Insurance Business Solvency) Rules 2007 and Insurance (General Insurance Business Solvency) Rules 2007, insurers' investment concentration limits must be as follows: (1) The aggregate value of investments as reported on the balance sheet by an insurer in any corporation, commodity or group of related corporations, except property, whose shares are listed on a licensed exchange in Mauritius or listed on such exchanges as are specified in the Second Schedule, may not exceed 10% of the assets of the insurer. (2) The aggregate value of investments as reported on the balance sheet by an insurer in any corporation, commodity or group of related corporations, except property, whose shares are other than shares described in paragraph (2) above, may not exceed 5% of the assets of the insurer. (3) An insurer may invest up to 10% of its assets in any property. (4) When an insurer and its related company, other than a long-term insurance company, make an investment in any corporation or commodity, the aggregate value of that investment in that corporation or commodity may not exceed: In the case of listed shares described in paragraph (2), 10% of the assets of the insurer; and in the case of shares described in paragraph (3), 5% of the assets of the insurer. (5) The aggregate value of investments of an insurer in one or more of its related companies may not exceed 10% of the assets of the insurer. (6) When an insurer is a branch of a foreign company: the aggregate value of investments reported in its balance sheet in any corporation, commodity or group of related corporations, except property, whose shares are listed on a licensed exchange in Mauritius or listed on such exchanges as are specified in the Second Schedule, may not exceed 10% of the assets of the insurer; the aggregate value of investments reported in its balance sheet in any corporation, commodity or group of related corporations, except property, whose shares are other than shares described in sub-paragraph (1), may not exceed 5% of the assets of the insurer. (7) The branch of a foreign company may not invest more than 10% of its assets in any property. Property includes direct investment in Investment Properties, mortgages, and Land and Building for insurer's own use. It is worth noting that insurers may invest beyond the above prescribed investments limit provided they are solvent as per the Insurance (Long-Term Insurance Business Solvency) Rules 2007 and Insurance (General Insurance Business Solvency) Rules 2007 (as appropriate).
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio	Yes.	Insurance companies may invest up to 50% of their technical

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held abroad		provisions abroad.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	Limits on pension funds are governed by internal guidelines set by the fund's management or investment committee.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.

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Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	As of July 6, 2022, the FSC Mauritius issued a communiqué (under the title – Warning on potential scams and frauds associated with unregulated Virtual Asset Service Providers and Unregistered Issuers of Initial Token Offerings) – to urge the public to be cautious while investing and trading in virtual assets (Vas) or virtual tokens, because of the risk of being scammed or defrauded by virtual asset service providers (VASPs) or issuers of initial token offerings which are not licensed or registered as per the Virtual Asset and Initial Token Offerings Services (VAITOS) Act 2021. Concurrently, a guide on the VAITOS Act 2021 was issued which, inter alia, provides information and guidance for investors and consumers on how to identify scams, frauds, and on the steps to be taken to avoid being a victim of such scams/frauds.
Acquisition by residents	Yes.	
Use among residents	Yes.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The Commission regulates the capital markets sector under an existing capital markets framework which includes the Securities Act as the main legislation. Securities tokens are treated as securities and are within the scope of the regulatory framework.
Transactions in derivatives and other instruments	Yes.	Contract for differences on crypto assets is treated as securities.
Credit operations	No.	Currently, there is no provision for credit operations in VAs. However, the FSC issued the Financial Services (Custodian services (digital asset)) Rules 2019 (Custodian rules) which restricts the ability to pledge or lend VAs without the express consent of the owner of the VAs.
Controls on utility and security tokens	Yes.	Utility tokens are excluded from the definition of VAs. However, security tokens are treated as securities and existing controls in the securities sector apply.
Acquisition by residents	Yes.	Utility tokens are excluded from the definition of VAs. However, security tokens are treated as securities and existing controls in the

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		securities sector apply. There is no restriction on residents to acquire VAs, although any person purporting to offer VAs by way of business must hold a VASP license from the Commission.
Use among residents	Yes.	Utility tokens are excluded from the definition of VAs. However, security tokens are treated as securities and existing controls in the securities sector apply. There is no restriction on residents to acquire VAs, although any person purporting to offer VAs by way of business must hold a VASP license from the Commission.
Between residents and nonresidents	Yes.	Utility tokens are excluded from the definition of VAs. However, security tokens are treated as securities and existing controls in the securities sector apply. There is no restriction on residents to acquire VAs or securities tokens, although any person purporting to offer VAs by way of business must hold a license from the Commission.
For current transaction	No.	Same as above (XIII.D.2.c.). It is assumed current transactions here relate to utility tokens (as opposed to capital markets or money market instruments.)
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Same as above (XIII.D.2.c.). It is assumed capital transactions here relate to securities tokens (as opposed to utility tokens.)
Transactions in derivatives and other instruments	Yes.	Derivatives fall under the definition of securities and are regulated by the Commission under the Securities Act.
Credit operations	No.	Currently, there is no provision for credit operations in VAs. However, Custodian rules do restrict the ability to pledge or lend VAs without the express consent of the owner of the VAs.
Controls on stablecoins	Yes.	Stablecoins fall under the definition of VAs under the VAITOS Act. Following the enactment of the VAITOS Act 2021, on July 24, 2023, the Commission issued a draft guidance note for public consultation, to inform industry stakeholders about its regulatory policy on stablecoins.
Acquisition by residents	Yes.	There is no restriction on residents to acquire VAs, although any person purporting to offer VAs by way of business must hold a VASP license from the Commission.
Use among residents	Yes.	There is no restriction on residents to acquire VAs, although any person purporting to offer VAs by way of business must hold a VASP license from the Commission.
Between residents and nonresidents	Yes.	There is no restriction on residents to acquire VAs or securities tokens, although any person purporting to offer VAs by way of business must hold a license from the Commission.
For current transaction	Yes.	Stablecoins fall under the definition of VAs under the VAITOS Act.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Stablecoins fall under the definition of VAs under the VAITOS Act, and hence, the provisions of same are applicable.
Transactions in derivatives and other instruments	Yes.	Contract for differences on crypto assets is treated as securities. Derivatives would fall under the securities act and are regulated by the Commission.
Credit operations	No.	Currently, there is no provision for credit operations in VAs. However, Custodian rules do restrict the ability to pledge or lend VAs without the express consent of the owner of the VAs.
Controls on crypto exchanges and trading platforms	Yes.	Through various initiatives, Mauritius has demonstrated its unflinching commitment to combat money laundering and the financing of terrorism and proliferation associated with VA/VASPs. To also comply with global standards, including the Recommendation 15 of the Financial Action Task Force, the FSC

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		Mauritius has inter alia: Issued a series of rules under the VAITOS Act 2021 to not only serve to regulate how VASPs manage their business but also provide distinct boundaries within which the VASPs are to carry their business; Published an AML/CFT Guidance notes for VASP and issuer of initial token offerings, which depict the salient ML/TF red flag indicators which are associated with VA/VASPs; The FSC Mauritius in collaboration with other regulatory institutions has conducted various outreach sessions to raise awareness and knowledge of reporting persons on different aspects of the VAITOS Act 2021, the subsidiary rules, and on AML/CFT compliance element program such as suspicious transaction monitoring, targeted financial sanctions, risk assessment and the obligations of Compliance Officers, Money Laundering Reporting Officers, and Deputy Money Laundering Reporting Officers; In addition, the FSC Mauritius has acquired a Blockchain Analytics tool/software, namely the Chain analysis software which will enhance our supervisory and enforcement capabilities and ensure the sound and stable conduct of business activities of VASPs and Initial Token Offering Services, in or from Mauritius. The FSC Mauritius has implemented a web scrapping tool using an open-source intelligence (OSINT) with dark web integration for the purpose of supporting in the investigation and/or identification of unlicensed VASPs in Mauritius. The tool automates the open-source intelligence scan (both from clear and dark web) of a given target along with scraping information from target websites.
Domestic exchanges	Yes.	
Access to crypto exchange/trading platform by residents	Yes.	

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Floating	*03/29/2022*	The de facto exchange rate arrangement was reclassified to floating from crawl-like.
Official exchange rate	*11/22/2022*	The methodology for the computation of the central rate has been reviewed. This is in line with the recommendations of the IMF Technical Assistance mission on Foreign Exchange Intervention Strategy and Market Development as of September 2022. The central rate on a particular day is now the closing mid-dealt rate of the previous day where the dealt rate refers to the weighted average rate of market deals of US$20,000 and above as reported by banks and foreign exchange dealers.
Monetary policy framework		
Inflation-targeting framework	*01/16/2023*	The Bank of Mauritius (BOM) rolled out a new monetary policy framework to promote greater transparency while adopting a forward-looking approach. The framework featured much strengthened monetary policy operations, supporting more effective

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		monetary policy transmission mechanism. The BOM's strategy was designed to focus on a number of key operational and strategic elements, namely a well-defined and flexible inflation target; prominent role for inflation forecasts as intermediate target within a redefined policy interest rate; greater clarity on the nature, scale and magnitude of foreign exchange interventions; and appropriate institutional design for different aspects of the monetary policy decision-making process. It also embedded stronger communication. The BOM adopted explicitly an inflation target, providing a benchmark against which members of the public can gauge inflationary pressures and assess the Bank's success in keeping inflation under control.
Operating target (policy rate)		
Target corridor band	*01/16/2023*	The Bank of Mauritius maintains a symmetric interest rate corridor of 200 basis points around the "key rate" through standing facilities (overnight deposit facility and overnight lending facility).
	07/07/2023	The Bank of Mauritius (BOM) reviewed the issuance of 7-day BOM Bill from full allotment to a tender basis. The width of the interest rate corridor was also increased from 200 bps to 300 bps. Bids over and above the tender amount are absorbed in the deposit standing facility. Overnight lending facility made available to banks at their discretion at the key rate plus 150 basis points; and Overnight deposit facility offered to banks at their discretion at the key rate minus 150 basis points.
Foreign exchange market		
Spot exchange market	*05/18/2022*	The daily foreign exchange exposure limit of foreign exchange dealers equal to 75% of their specific net owned funds was maintained for another six months.
	05/18/2023	The Bank of Mauritius lowered the daily foreign exchange exposure limit of foreign exchange dealers to 60% from 75% for a period of six months.
Operated by the central bank		
Allocation	*06/30/2022*	The Bank of Mauritius (BOM) discontinued bilateral sales to the State Trading Corporation (STC). Previously, since March 2020, the BOM had serviced the foreign exchange requirements of the STC, which is the sole importer of petroleum products and a major importer of basic commodities.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange *Reserve requirements*	*10/05/2023*	Since the maintenance period ended, the Cash Reserve Requirement is based on the new guideline wherein the eligible deposit liabilities of banks must be based on sectoral balance sheet reporting.
Differential treatment of deposit accounts held by nonresidents *Reserve requirements*	*10/05/2023*	Foreign currency deposits of nonresidents, Global Business Corporations, and Authorized Companies is not subject to the Cash Reserve Requirement.

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MEXICO

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 31, 1945.
Article VIII	Yes.	Date of acceptance: November 12, 1946.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	Since December 1994, Mexico has not imposed any exchange restrictions for security reasons.
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Mexico is the Mexican peso.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The de jure and de facto exchange rate arrangements are free floating; the exchange rate of the peso is determined in the foreign exchange market. The Foreign Exchange Commission (FEC),

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		comprised of members of Banco de México (Mexico's Central Bank, BM, acronym in Spanish) and the MOF, determines the foreign exchange rate policy. The FEC does not target or defend any exchange rate level. In February 2017, the FEC announced an intervention mechanism through a foreign exchange hedging program. The foreign exchange hedging is auctioned through NDFs. When applicable, detailed data on the received bids and results of the US dollar loan auctions are published on the BM website. In particular, the BM discloses received and allocated bids, including the forward points, as well as the total amount demanded. No US dollar loan auctions were carried out in 2022 or 2023.
Official exchange rate	Yes.	The exchange rate (FIX) is calculated by the BM as an average of quotes in the wholesale foreign exchange market for operations payable in two banking days following the quote date of any of the exchange transaction platforms or of some other similar electronic means that BM considers indicative of prevailing conditions in the wholesale foreign exchange market. The BM releases the FIX at noon each banking day after receiving all quotes and performing the corresponding calculations. The FIX is published in the Official Journal of the Federation ("Diario Oficial de la Federación"—DOF) one banking day after its calculation and is used to settle liabilities in US dollars payable in Mexico on the day following its publication. The FIX serves only as a reference; therefore, its use in foreign exchange transactions by market participants is not mandatory.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	To fulfill BM's constitutional mandate, in accordance with Article 28 of the Political Constitution of the United Mexican States, Paragraphs 6 and 7, of pursuing stability of the purchasing power of the national currency, the BM adopted inflation targeting as the framework for implementing monetary policy.
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee		
Central Bank Board	Yes.	The decisions regarding monetary policy and those related to the responsibilities of BM are made by the members of its Board of Governors, which is composed of five members: The Governor presides and the others are called Deputy Governors. The Governor, or at least two of the Deputy Governors, may call for a meeting of the Board of Governors. For a session to be convened, at least three of its members must be present.

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		The Minister of Finance and the Deputy Minister of Finance may attend the Board of Governor's meetings with voice but without vote for which purpose they must be previously called and informed of the corresponding agenda. The said officials may call a Board of Governor´s meeting and suggest issues to be addressed during the meeting. To be valid, resolutions require the majority of the votes of the present members; in case of a tie, the presiding member has the casting vote case.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	BM's permanent target is annual inflation equivalent to the National CPI of 3% with a variability interval of 1 percentage point (pp). The definition of this interval is simply a practical way of considering the inherent uncertainty as to the exact realization of the 3% permanent target, because of the existence of diverse disturbances, such as relative price variations, that may affect inflation in the short run and place it above or below its target.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The National CPI is an economic indicator designated to measure over time the fluctuation of prices of a defined basket of goods and services representing household consumption. It constitutes the statistical instrument used to measure inflation.
Core inflation		
Target horizon	No.	
Operating target (policy rate)	Yes.	
Policy rate	Yes.	In 2022, the Board of Governors of the BM decided to change the overnight interbank interest rate, based on the target set for the overnight interbank interest rate, as follows: - increase by 50 basis points to 6.0% effective February 10, 2022. - increase by 50 basis points to 6.5% effective March 24, 2022. - increase by 50 basis points to 7.0% effective May 12, 2022 - increase by 75 basis points to 7.75% effective June 23, 2022. - increase by 75 basis points to 8.5% effective August 11, 2022. - increase by 75 basis points to 9.25% effective September 30, 2022. - increase by 75 basis points to 10.00% effective November 11, 2022. - increase by 50 basis points to 10.50% effective December 16, 2022. In 2023, the Board of Governors of the BM decided to change the overnight interbank interest rate, based on the target set for the overnight interbank interest rate, as follow: - increase by 50 basis points to 11.00% effective February 10, 2023. - increase by 25 basis points to 11.25% effective March 31, 2023.

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		Subsequently, the Board of Governors of the BM has decided to maintain the overnight interbank interest rate, as follows: -preservation of the target for the overnight interbank interest rate at 11.25%, as of May 18, 2023. - preservation of the target for the overnight interbank interest rate at 11.25%, as of June 22 2023. - preservation of the target for the overnight interbank interest rate at 11.25%, as of August 10, 2023. -preservation of the target for the overnight interbank interest rate at 11.25%, as of September 28, 2023.
Target corridor band	No.	
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	No.	
Other	Yes.	The BM is accountable to the Congress of the Union and the Federal Executive Branch. As established in the BM Law, the BM must send quarterly reports (within the next 45 working days after each quarter) to the Congress and the President of the Republic of Mexico, regarding several topics, including the registered inflation over the said period. Likewise, in January of each year, the BM must submit a statement to the latter parties on the monetary policy to be adopted by the BM in the respective fiscal year, among others. Any of the Chambers of the Congress of the Union may summon the Governor of the BM to report on the policies and activities of the Institution.
Transparency	Yes.	
Publication of votes	Yes.	The BM can disclose its monetary policy through the following mechanisms: (1) Monetary Policy Announcements: public communications through which the Governing Board announces the decision regarding the objective for the overnight interbank interest rate; (2) Minutes of the meetings of the Board of Governors, which describe decisions taken by the majority the members of the Board of Governors and, if applicable, the dissenting vote where the corresponding member of the Board of Governors is identified; and (3) Quarterly reports: These reports are presented at a public session presided over by the Governor and in the presence of the other members of the Board of Governors.
Publication of minutes	Yes.	Ten business days after each announcement regarding monetary policy decisions, the minutes of the session in which the Board of Governors deliberated and decided about it are published, thereby allowing access to the data on which the monetary policy was based as well as the arguments that led to such decision. On May 17, 2018, BM modified some elements of its monetary policy communication strategy: (1) The minutes on the monetary policy decision include the voter's identity. If there are dissenting opinions in the voting, the reasons for such dissents are included as well;

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		(2) The transcripts of the Board of Governors' meetings involving monetary policy decisions are available to the public three years after the corresponding meeting took place; (3) The monetary policy decision press release (Monetary Policy Statement) and the corresponding minutes are published simultaneously in both Spanish and English; (4) The speeches and public presentations of the members of the Board of Governors are also published. These materials are available to the public on BM's official webpage no later than two days after the event. On February 10, 2020, BM modified some elements of its monetary policy communication strategy: (1) General communication criteria for the Board was updated according to international standards; (2) Monetary policy statements and the corresponding minutes of the Board of Governors will be more concise and clearer; (3) The monetary policy decision statement will include how many members of the Board attended the meeting. On August 5, 2021, BM modified some elements of its monetary policy communication strategy: (1) In each Monetary Policy Statement, the BM will publish its update on its inflation and core inflation expectations for the next eight quarters; and (2) The decision will include each voter's identity and how they voted.
Publication of inflation forecasts	Yes.	In every quarterly report, BM updates the forecasts and projections about inflation, the GDP, and other relevant factors that led to monetary policy decisions. Since August 12, 2021, inflation forecasts are also published in each Monetary Policy Statement. Prior to this change, they were only published in quarterly reports.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized operators may freely set their exchange rates and commissions in transactions with their clients.
Spot exchange market	Yes.	Commercial banks, development banks, securities firms, foreign exchange firms, and foreign exchange centers must be authorized to engage in foreign exchange operations with the general public. As of December 31, 2022, there were 49 commercial banks, 6 development banks, 36 securities firms, 7 foreign exchange firms, 731 foreign exchange centers and 32 representative offices of foreign financial entities. Foreign exchange firms must be authorized by the MOF to purchase, sell, and exchange foreign exchange currency, including funds transfers. Foreign exchange firms may not perform exchange

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transactions directly with BM.

Corporations registered as foreign exchange centers at the National Banking and Securities Commission (NBSC) do not require an authorization by the MOF and may perform the following transactions: purchase and sell foreign currencies through bank account funds transfers; purchase and sell bills, minted pieces, and common metals with legal tender in the issuer country, traveler's checks in foreign currency, and coin blanks; and purchase documents on demand denominated and payable in foreign currency, payable by financial entities, up to the equivalent of US$10,000 in domestic currency for each client on the same day. Foreign exchange centers must only sell these documents to credit institutions or brokerage houses.

In addition to the operations of foreign exchange centers, foreign exchange firms may purchase and charge documents on demand denominated and payable in foreign currency or payable by financial entities, without a limit per document; sell documents on demand and payable in foreign currency issued by foreign exchange firms on behalf of credit institutions, Mexican credit institutions, branches, and agencies abroad and foreign banks; and perform other operations authorized by BM, such as shipping and receiving services of funds transfers in domestic and foreign currency, within Mexico or abroad; receiving service payments on behalf of third parties, in domestic or foreign currency, without assuming direct or contingent obligations with those who perform the payments; and acquiring liabilities from funding received from shareholders, national and foreign financial institutions, traveler's check suppliers, and furniture and equipment suppliers necessary for their business.

Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The FEC operates an intervention mechanism through a foreign exchange hedging program. The foreign exchange hedging is auctioned through NDFs. On August 31, 2023, citing favorable market conditions, as well as a markedly reduction in intraday volatility levels, the FEC announced a gradual unwinding of the program. From September 2023 onward, the maturities of the hedges will be renewed only once, and for only 50% of their current amount. For operations with an original term of six months, a reduction of the term to one-month will be announced on their renewal date, and the rule of offering only 50% of the current amount will apply. Finally, transactions with an original term of nine- and twelve-months will be allowed to expire in full on their respective maturity dates. It's expected that the amount outstanding will reach zero during the first quarter of 2024. The data on interventions are published on the Bank's website immediately after the auctions. In particular, BM discloses received and allocated bids, including the forward points, as well as the total amount demanded. The FEC has the possibility of selling NDFs settled by differences in

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		US dollars with international counterparties, to be traded during hours when Mexican markets are closed. When applicable, detailed data on the received bids and results of the US dollar loan auctions are published on the BM website. No US dollar loan auctions were carried out in 2022 or 2023.
Fixing	No.	
Interbank market	Yes.	There are no restrictions on participation in the interbank market: All commercial banking institutions and development banking institutions may participate. There are no limits on the bid-ask spreads and commissions of market participants. In the exchange interventions, the BM operates directly with commercial banks. Participants present the market rates to buy US dollars, and BM decides whether to make the transactions, which must be in line with prevailing market rates. As of December 31, 2022, there are 49 commercial banks and 6 development banks that participate in the interbank market.
Over the counter	Yes.	Some operations may take place in the OTC market.
Brokerage	Yes.	About 86% of spot operations in the local exchange market are handled through an electronic brokerage system and 9% through voice brokers according to the last triennial survey of the Bank for International Settlements from 2022.
Market making	No.	
Forward exchange market	Yes.	Securities firms and commercial and development banks may enter into exchange rate, stock exchange, and other derivatives transactions. To act as an intermediary with respect to the latter transactions, BM authorization is required, which is granted on the basis of certain legal and risk-management requirements. The BM does not participate in the forward market with delivery of the underlying
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	Yes.
Bilateral payments arrangements	No.
Operative	No.

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Inoperative	No.	
Regional arrangements	Yes.	Under the Reciprocal Payment and Credit Agreement entered into by BM and the CBs of the other LAIA member countries and the Dominican Republic, payments to these countries may be made through BM and the CBs of the country concerned within the framework of the LAIA multilateral clearing system. This agreement was entered into August 25, 1982.
Clearing agreements	Yes.	There are clearing agreements in accordance with the payment agreements referred to above.
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	The Customs Law requires that anyone leaving the country with cash, domestic or international checks, payment orders, any other receivables, or a combination of these in domestic currency exceeding the equivalent of US$10,000 declare it to the customs authorities. Those who fail to declare are subject to penalties.
Foreign currency	Yes.	The Customs Law requires that anyone leaving the country with cash, domestic or international checks, payment orders, any other receivables, or a combination of these in foreign currency exceeding the equivalent of US$10,000 declare it to the customs authorities. Those who fail to declare are subject to penalties.
On imports	Yes.	
Domestic currency	Yes.	The Customs Law requires that anyone entering the country with cash, domestic or international checks, payment orders, any other receivables, or a combination of these in domestic currency exceeding the equivalent of US$10,000 declare it to the customs authorities. Those who fail to declare are subject to penalties.
Foreign currency	Yes.	The Customs Law requires that anyone entering the country with cash, domestic or international checks, payment orders, any other receivables, or a combination of these in foreign currency exceeding the equivalent of US$10,000 declare it to the customs authorities. Those who fail to declare are subject to penalties.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Regulation No. 3/2012 issued by BM establishes that credit institutions can receive demand deposits with or without checkbook in foreign currency in payable accounts in Mexico, provided the

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		holders of such accounts are: (1) natural persons domiciled in populations located among the 20 km zone parallel to the northern international dividing line, or in the states of Baja California and Baja California Sur; (2) legal entities domiciled within national territory; and (3) official representations of foreign governments, international organizations, and similar institutions; foreign citizens who provide their services in such agencies, organizations and institutions, as well as foreign correspondents which must be accredited in Mexico before the competent authorities. Commercial banks are authorized to maintain term deposits in foreign currency, of companies domiciled in Mexico, payable abroad. Under the general provisions referred to in Article 115 of the Credit Institutions Law (CIL), issued by the MOF, there are limits on the following transactions: (1) purchases; (2) reception of deposits; (3) reception of payment for credits or services; or (4) cash transfers or positions of funds in US dollars by credit institutions. These provisions aim to establish controls with respect to cash transactions in US dollars in credit institutions, to avoid introducing into the banking system resources whose origin may be related to illegal activities and the economic resources of organized crime. The BM's interbank payment system in US dollars (SPID, acronym in Spanish) aims to provide to the participants with means to process interbank electronic transfers between money deposit accounts in US dollars of the legal entities and domiciled in the national territory that are clients of the participants. The SPID is regulated by the Regulations 13/2017 and 4/2016, both issued by the BM.
Approval required	No.	
Held abroad	Yes.	
Approval required	Yes.	Authorization from the MOF is required, with the opinion of the National Insurance and Bonding Commission (NIBC) and the BM, for insurance institutions and mutual insurance companies make term deposits, titles, or securities in foreign currency in foreign financial entities that are not subject to the rules for the investment of technical reserves of mutual insurance institutions and companies.
Accounts in domestic currency held abroad	Yes.	Domestic regulations do not prohibit residents from opening accounts abroad in Mexican pesos.
Accounts in domestic currency convertible into foreign currency	Yes.	There are no limitations on the convertibility to foreign currency from domestic currency accounts.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Credit institutions may receive deposits in foreign currency with or without a checkbook in accounts payable in Mexico from official representations of foreign governments, international organizations, and similar institutions, foreign citizens who provide their services in such agencies, organizations and institutions, as well as foreign correspondents accredited by Mexico through the relevant Ministry of State.
Approval required	No.	
Domestic currency accounts	Yes.	Credit institutions may open deposit accounts in local currency for individuals and corporations. The special savings accounts and

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		accounts of levels 1 and 2 of deposits may only be opened for natural persons. Development banks may open accounts to natural persons if their organic laws permit it.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Import licenses from the Ministry of Economy (MOE) are required for 1,107 out of the 7,895 tariff items subject to general import duties, including 25 tariff lines related to special operations (Eighth Rule). Under this Rule, registered manufacturing industries may import (zero duty but under the corresponding license) machinery and equipment, materials, supplies, parts and components to allow them to fulfill their contracts and comply with manufacturing programs in which they are registered. With the implementation of the Seventh amendment of the Harmonized System, the number increases of lines for which licenses are required, going from 19 to 34, certain imports under the trade agreement that require a license to receive tariff preference, and industrial raw diamonds imported under the Kimberley Process Certification Scheme. The Agreement by which the MOE issued rules and general criteria on foreign trade subject certain goods to automatic import permit: footwear products, steel, slot machines, and textile and clothing products. Once the requirements have been met, the corresponding permit is issued. Import licenses are generally valid for one year, but for certain sensitive products and used clothing, they are valid only for three months. The license may be renewed, depending on the importer's performance. Import licenses are not required for used vehicles imported by the diplomatic or consular missions, or by personnel of the Mexican Foreign Service, motor home-type housing vehicles, family-type vehicles or "station wagons" prepared for specialized transportation of corpses, called "hearse" or "hearses; c) Amphibious

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vehicle for tourist activity or exploration of natural resources, except with characteristics for military and/or naval use; Unimog type vehicle; For the transportation of valuables; Vehicles for exclusive use at airports with specialized equipment for transporting people; Go-Kart; Competition vehicle designed and manufactured to participate in automobile sporting events; Multipurpose vehicle, intended for the transportation of people or goods, whose use is off-road, such as in industrial plants, agricultural work areas, recreation and leisure areas; Self-concrete mixer, which are different from concrete mixer trucks; Low profile vehicle designed for use exclusively inside mines; ambulances. Imports of other used cars require MOE approval. Only special-purpose vehicles not made locally are allowed for import.

In February 2019, the agreement that establishes the classification and codification of hydrocarbons and petroleum products whose import and export are subject to prior permission by the MOE was modified, to adjust the requirements to get a prior permission for the import or export of these products.

The Agreement that establishes the classification and codification of merchandise and products whose import, export, entry, or exit is subject to sanitary regulation by the Ministry of Health subjects various fish and crustaceans, mollusks and other aquatic invertebrates, as well as organic chemicals to regulation.

The Agreement that establishes the classification and codification of merchandise and products whose import and export are subject to regulation by the agencies that conform to the Inter-ministerial Commission for the Use and Process Control of Pesticides, Fertilizers, and Toxic Substances subject to diverse organic chemical products and products of the chemical industries to regulation.

The Agreement by which the MOE issues general rules and criteria on foreign trade was modified on several occasions. Among other things to add tariff lines that will be subject to automatic import permits related to various footwear, textile, and clothing products and make the corresponding adjustments to Annex 2.4.1 of the Agreement with respect to what is applicable to merchandise subject to compliance with Official Mexican Standards of the textile and clothing sectors, and footwear; to modify Annexes 2.2.1 and 2.2.2 of the aforementioned Agreement to update the list of tariff items subject to the Automatic Import Notice of Steel Products scheme; to add the reduction of response times, in some cases elimination of requirements, as well as the implementation of electronic means for their processing; to incorporate Sections VII and VIII of Numeral 10 of Annex 2.4.1 of, to guarantee compliance with the purposes of the Official Mexican Standards in terms of Article 40 of the Federal Law on Metrology and Standardization, and thereby ensure that imported products comply with the minimum safety requirements and standards and thus provide full protection to consumers; to extend the term of the agreement that made the export of iron ore subject to prior permission to inhibit the illegal exploitation and commercialization of said merchandise¸ update and strengthen the requirements of the prior export permit for said good; to add the official Mexican standards concerning specifications that must be met to import petroleum products, terminals connected or interconnected through wired access to a public telecommunications network; and radio communication equipment with digital interface, respectively, as well as to submit some steel products to the

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		submission of an automatic import notification. On May 9, 2022, the new Agreement by which the MOE issues general rules and criteria on foreign trade matters was published in the Official Gazette of the Federation, which aims to standardize the criteria, offices, notes, and instruments of foreign trade. Chapter 2.4 deals with the Mexican Official Standards that are enforceable at the point of entry, as well as the alternatives for compliance, previously located in Annex 2.4.1. The new agreement adds to NOM-222-SCFI/SAGARPA-2018 for compliance at point of entry. On November 25, 2022, the ”Agreement by which the MOE issues general rules and criteria on foreign trade and its amendments” was updated to homologate the tariff items with the Seventh amendment of the Harmonized System. On January 13, 2023, Annex 2.4.1, Numeral 3, Paragraph I of the ”Agreement by which the MOE issues general rules and criteria on foreign trade and its amendments” was updated. The reason for the update is because NOM-004-SCFI-2006 was replaced by NOM-004-SE-2021.
Negative list	Yes.	The imports of some endangered species, stickers known as “Garbage Pail Kids,” certain types of pesticides and insecticides, and some narcotic drugs and psychotropic substances are prohibited, as well as weapons and other goods from countries that are under sanctions by the UNSC and electronic cigarettes and vaporization devices with similar uses, as well as their cartridges and accessories. In November 2019, the General Import and Export Taxes Law was modified, creating 19 tariff items identified as pesticides, of which 17 are forbidden because they have been identified as high hazardous chemicals under the Stockholm Convention on Persistent Organic Pollutants and by the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. In February 2020, the General Import and Export Taxes Law was modified, which prohibits the import and export of electronic cigarettes and vaporizing devices with similar uses, as well as their cartridges and accessories. Furthermore, Eritrea was eliminated from the embargoed countries by the Resolution issued by the UNSC.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Other nontariff measures are required, such as: previous licenses for oil products; those related to national security (weapons and ammunition); also, some related to human health, ecological and environmental regulations; animal and plant health certifications; restrictions on drugs, narcotic substances, and their inputs; nuclear energy and toxic and hazardous materials, apply to about 3,304 tariff codes out of the 12,597 tariff items under the general import tariff. About 3,598 tariff codes must comply with the standards specified in selected norms for consumer protection and/or information. The Agreement, which establishes the classification and codification

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of oil and oil-based products, is set whose import and export are subject to prior approval by the Ministry of Energy.

Once the sixth amendment of the World Customs Organization's Harmonized System applied on July 1, 2020, the MOE's General Rules on Foreign Trade as well as several agreements on Non-Tariff Regulation and Restriction Agreements were modified, impacting merchandise whose import and export is subject to authorization or regulation by the following authorities: Ministry of Energy, Ministry of Health, Ministry of the Environment and Natural Resources, Ministry of Agriculture and Rural Development, the agencies that integrate the Inter-secretarial Commission for the Control of the Process and Use of Pesticides, Fertilizers and Toxic Substances, Ministry of Culture, Ministry of National Defense.

In the Agreement that establishes the goods whose importation is subject to regulation by the Secretariat of Agriculture and Rural Development, as well as the issuance of the certificate of origin for the exportation of coffee, the classification of tariff Item 0713.10. 99 located in Item (e) and adding and eliminating tariff items in Items (e) and (f) derived from the amendment the Law of General Import and Export Taxes (LGIET) in which 51 tariff items were created and 15 were eliminated in various Chapters of the LGIET to specifically identify goods with Designation of Origin, resulting in the inclusion or elimination from the Agreements on Non-Tariff Regulations and Restrictions, of the tariff items that were created or eliminated from the LGIET.

Paragraph (c) of the Agreement that establishes the goods whose import and export is subject to regulation by the Ministry of Health is amended, derived from the publication in the Official Gazette of the Federation on May 13, 2021, the Agreement by which the substances N-Phenyl-4-piperidinamine (4-AP), N-phenyl-4-piperidinamine dichlorhydrate (4-AP), propionic anhydride and propionyl chloride, to the list of the classification referred to in Section I, Article 4, of the Federal Law for the Control of Chemical Precursors, Essential Chemical Products and Machines for the Manufacture of Capsules, Tablets and/or Tablets.

In the Agreement that establishes the goods whose importation and exportation is subject to regulation by the Ministry of Environment and Natural Resources, tariff items are added and eliminated in Paragraphs (c) and(d) derived from the amendment to the LGIET in which 51 tariff items were created and 15 were eliminated in various Chapters of the LGIET to specifically identify the goods with Designation of Origin, resulting in the inclusion or elimination from the Agreements on Non-Tariff Regulations and Restrictions, of the tariff items that were created or eliminated from the LGIET.

On October 11, 2022, the tariff items of the "Agreement establishing an embargo on goods for import or export to various countries, entities and persons" were updated according to the 7th amendment of the Harmonized System.

On December 5, 2022, the tariff items of the "Agreement that establishes the goods whose import and export is subject to regulation by the agencies that make up the Inter-Ministerial Commission for the control of the Process and Use of Pesticides, Fertilizers and Toxic Substances" were homologated with the 7th amendment of the Harmonized System.

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		On September 1, 2022, the "Agreement establishing the goods whose import is subject to regulation by the Ministry of Agriculture and Rural Development, as well as the issuance of the certificate of origin for the export of coffee" was published in the DOF to update the tariff fractions with the 7th amendment of the Harmonized System. On November 1, 2022, the "Agreement establishing the goods whose import or export is subject to regulation by the Ministry of National Defense" was published in the DOF to bring the tariff items in line with the 7th amendment of the Harmonized System. On September 1, 2022, the update of tariff items subject to export permit compliance of the "Agreement that amends the one that establishes the goods whose import and export is subject to regulation by the Ministry of Health" was published. On December 6, 2022, the update of tariff items subject to compliance with export permits of the "Agreement that amends the Agreement that establishes the goods whose import and export is subject to regulation by the Ministry of Environment and Natural Resources" was published. On November 22, 2022, the update of tariff fractions subject to compliance with export permits of the "Agreement that amends the one that establishes the goods whose import and export is subject to regulation by the Ministry of Energy" was published.
Import taxes and/or tariffs	Yes.	On July 1, 2020, the new General Import and Export Taxes Law was published, implementing the sixth amendment to the World Customs Organization's Harmonized System. Mexico has 7,859 tariff items in the General Import and Export Taxes Law: 97% have ad valorem taxes of between 0% and 20%, and 58% are exempt from import duties. The largest import tax is 75% and applies to a few products, such as poultry meat and edible offal and fructose. A 50% tariff applies to imports of used cars from countries without a trade agreement. Imports from USMCA (Agreement between the United States of America, the United Mexican States, and Canada), ALADI (LAIA), and EFTA member countries, Australia, Chile, Colombia, Costa Rica, El Salvador, the EU, Guatemala, Honduras, Israel, Japan, Nicaragua, New Zealand, Peru, Singapore, Uruguay, and Vietnam receive preferential treatment. There is a preferential tariff of 0% to 10% for imports within the framework of the Sectorial Promotion Programs only for the inputs used in the elaboration of specific products. At 2021, the number of tariff items included in the Sectorial Promotion Programs amounted to 895, with the automotive, electrical, and electronic products being the most benefited sectors. No tariffs are applied to goods imported temporarily for repair or transformation purposes and which will then be returned abroad. Mexico applies antidumping and anti-subsidy duties to the following products: bond paper and rebar from Brazil; atomizers, chemical products, steel products, mushrooms, bicycles, coaxial cable "guidewire," pencils, ceramic tiles, cookware, polyester, ceramic

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dinnerware and ceramic parts, metallic balloons, cooking pots, and aluminum foil, hydraulic cylinder jacks, wind towers, metal zippers, zamak and steel pull handles and aluminum disks from China; steel pipe from the UK; epoxidized soybean oil, rubber, chemical products, steel products, and chicken leg and thigh from the USA; rubber and steel products from Japan; rubber, polyester, and steel products from Korea; steel products from Italy, France, Germany, Kazakhstan, Portugal, Romania, Russia, Spain, Taiwan Province of China, and Ukraine; metoprolol, steel products, and antibiotics from India; and epoxidized soybean oil from Argentina.

New electric motor vehicles for the transport of ten or more people, new light electric motor vehicles, new electric motor vehicles for the transport of goods, and new trolleybuses are temporarily exempted from the import duty, the modification was published on September 3, 2020. These measures will be in force until October 1, 2024.

Since February 23, 2021, the import duty was temporarily waived for vaccines against the SARS-CoV-2 virus and aluminum tanks for oxygen for medicinal use. The measure will be in force until the contingency situation derived from the disease epidemic generated by the SARS-CoV-2 virus (COVID-19) has ended in Mexico. Derived from the publication effective May 9, 2023, by the Ministry of Health where the extraordinary action in matters of general health that had the purpose of preventing, controlling and mitigating the disease caused by the SARS-CoV-2 virus (COVID-19) was declared terminated, the decree where the import tariff of the tariff item related to the vaccine against the SARS-CoV-2 virus is exempted is repealed.

The imposition of import duties of 15% was extended for 180 days for 186 tariff items in the steel sector, dating from June 5, 2019.

In the same sense, a six-year reduction plan was established for the steel sector. This means the creation of 82 tariff items, the modification of 25, and the elimination of 21. Thus, for 228 tariff items, an import tariff of 15% is established until 2021, later it will go to levels of 10% until 2023 and, finally at 3% levels and Exempt until 2024.

A 180-day import tariff was established for three tariff items related to the steel sector.

A temporary import tariff was established for 180 days on various tariff items in the textile-clothing and footwear sector.

A tariff reduction program was established for the clothing and footwear sector, which means temporarily establishing the import tariff of 317 tariff items at levels of 25% and 30% until 2024, the year in which they will return to their MFN level.

Effective June 7, 2022, the General Import and Export Taxes Law was published, implementing the seventh amendment to the World Customs Organization’s Harmonized System. Mexico has 8,177 tariff items in the General Import and Export Taxes Law: 46% have ad valorem taxes of between 0% and 20%, and 46% are exempt from import duties. The duties are applicable to all MFN countries.

Temporary exemption of import duties was granted to products classified under 67 tariff headings that are part of the basic basket

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	and inputs, as well as 6 tariff headings that belong to live animals, effective May 16, 2022. The duties are applicable to all MFN countries. The tariff reduction schedule previously established was adjusted to maintain the temporary 15% tariff for various steel products until May 31, 2023, and subsequently, to continue with the tariff reduction scheme as established in the Agreement published on November 22, 2021. The duties are applicable to all MFN countries. Effective January 6, 2023, the temporary exemption of import tariffs was granted to various products classified under 135 tariff subheadings that are part of the basic and essential consumption basket for Mexican families, abolish the previous publications of the Package Against Inflation and Scarcity. The duties are applicable to all MFN countries. Effective January 16, 2023, ad valorem taxes of temporary 50% apply to the import of white corn (flour corn). The duties are applicable to all MFN countries. The tariff subheading classifying Tilapia, which is part of Package Against Inflation and Scarcity, is added, and the exemption for wheat and spelt, as well as wheat or spelt flour, is removed, effective May 18, 2023. The duties are applicable to all MFN countries. The import tariff for white maize (for flour), which is part of the "Agreement exempting the payment of import tariffs and granting administrative facilities to various goods in the basic consumption basket for families," has been temporarily modified. This decree is in effect until December 31, 2023. The duties are applicable to all MFN countries. In August 2023, the General Import and Export Taxes Law were temporarily modified for 392 tariff lines, ranging from 5% to 25%, for goods related to steel, aluminum, bamboo, rubber, chemicals, oils, soap, paper, cardboard, ceramic products, glass, electrical materials, musical instruments, and furniture, among others. The purpose of this modification is to provide certainty and fair market conditions to all sectors facing vulnerability, promote the recovery of the domestic industry, foster its development, and support the domestic market. The duties are applicable to all MFN countries.
Taxes collected through the exchange system	No.
State import monopoly	No.

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.

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Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Most exports do not need a license. Exports of a few items related to drugs, narcotic substances, endangered species, archeological objects, and electronic cigarettes and vaporizing devices with similar uses, as well as their cartridges and accessories, are forbidden. Exports of arms and other products destined for countries sanctioned by the UNSC are also forbidden. Exports of petroleum products and their derivatives and rough industrial diamonds, some iron ores, conventional, nuclear and chemical weapons, their parts and components, dual-use goods, as well as software and related technologies require an export license. Tomato exports are subject to an automatic Notice (only when they are definitive exports). In the Agreement that establishes the goods whose importation is subject to regulation by the Secretariat of Agriculture and Rural Development, as well as the issuance of the certificate of origin for the exportation of coffee, tariff items are added and eliminated in item g) derived from the amendment the LGIET in which 51 tariff items were created and 15 were eliminated in various Chapters of the Tariff to specifically identify goods with Designation of Origin, resulting in the inclusion or elimination from the Agreements on Non-Tariff Regulations and Restrictions, of the tariff items that were created or eliminated from the LGIET. Paragraph (j) of the Agreement that establishes the goods whose importation and exportation is subject to regulation by the Secretariat of Health is amended, derived from the publication in the Official Gazette of the Federation on May 13, 2021, the Agreement by which the substances N-Phenyl-4-piperidinamine (4-AP), propionic anhydride and propionyl chloride are added to the list of the classification referred to in Section 4.1.1 of the Agreement, N-phenyl-4-piperidinamine dichlorhydrate (4-AP), propionic anhydride and propionyl chloride, to the list of the classification referred to in Section I, article 4, of the Federal Law for the Control of Chemical Precursors, Essential Chemical Products and Machines for the Manufacture of Capsules, Tablets and/or Tablets. On December 5, 2022, the update of tariff items subject to compliance with export permits of the “Agreement that establishes the goods whose import and export is subject to regulation by the agencies that make up the Inter-Ministerial Commission for the Control of the Process and Use of Pesticides, Fertilizers and Toxic Substances” was published. On September 1, 2022, the update of tariff items subject to export permit compliance of the “Agreement that amends the one that establishes the goods whose export is subject to regulation by the Ministry of Culture” was published. On September 1, 2022, the update of tariff items subject to export permit compliance of the “Agreement that amends the one that

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		establishes the goods whose import and export is subject to regulation by the Ministry of Health" was published. On December 6, 2022, the update of tariff items subject to compliance with export permits of the "Agreement that amends the Agreement that establishes the goods whose import and export is subject to regulation by the Ministry of Environment and Natural Resources" was published. On November 22, 2022, the update of tariff items subject to compliance with export permits of the "Agreement that amends the one that establishes the goods whose import and export is subject to regulation by the Ministry of Energy" was published. The Agreement of the Ministry of National Defense published on November 1, 2022, replaces the Agreement establishing the goods whose import and export is subject to regulation by the Ministry of National Defense, published in the DOF on 27 December 2020. On September 1, 2022, the "Agreement establishing the goods whose import is subject to regulation by the Ministry of Agriculture and Rural Development, as well as the issuance of the certificate of origin for the export of coffee" was published in the DOF to update the tariff items with the 7th amendment of the Harmonized system. On December 24, 2022, the tariff items of the "Agreement amending the one that establishes the dual-use goods, software and technologies whose export is subject to regulation by the MOE" were homologated with the 7th amendment of the Harmonized system.
Without quotas	Yes.	Exports of petroleum products and their derivatives (gasoline, kerosene, propane, butane, etc.), wild species, hazardous substances and waste, nuclear material and drugs, narcotic substances and their inputs ("precursors") considered high risk require a license. Industrial rough diamonds require a license under the Kimberley Process Certification Scheme. The export of certain iron minerals, conventional, nuclear and chemical weapons, their parts and components, dual-use goods, as well as software and related technology used in the manufacture and proliferation of conventional weapons and weapons of mass destruction also requires prior license, under the Wassenaar Arrangement, the Australia Group, and the Nuclear Suppliers Group. Tomato exports are subject to an automatic Notice (only when they are definitive exports). In February 2019, the agreement that establishes the classification and codification of hydrocarbons and petroleum products whose import and export are subject to prior permission by the Ministry of Energy was modified, to adjust the requirements to get a prior permission for the import or export of these products. The Agreement that establishes the classification and codification of merchandise and products whose import, export, entry, or exit is subject to sanitary regulation by the Ministry of Health was modified in 2020 to add further merchandise to those already regulated. The modification did not imply qualitative changes in the regulation. The Agreement that establishes the classification and codification of merchandise and products whose import and export are subject to regulation by the agencies that conform to the Inter-ministerial Commission for the Use and Process Control of Pesticides, Fertilizers, and Toxic Substances was modified in 2020. Derived

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		from the creation and modification of tariff lines for chemical products, goods were added for better identification, and those already regulated, which underwent changes, were updated. The modification did not imply qualitative changes in the regulation. The agreement that establishes the classification and codification of petroleum and petroleum by-products determines imports and exports are subject to prior approval by the Ministry of Energy. In December 2019, the Agreement by which the MOE issues general rules and criteria in Foreign Trade matters was modified, to publicize the modifications applicable to prior import and export permissions and the procedure to request tomato export notice. Once the sixth amendment of the World Customs Organization's Harmonized System applied on July 1, 2020, the MOE's General Rules on Foreign Trade as well as several agreements on Non-Tariff Regulation and Restriction Agreements were modified, impacting merchandise whose import and export is subject to authorization or regulation by the following authorities: Ministry of Energy, Ministry of Health, Ministry of the Environment and Natural Resources, Ministry of Agriculture and Rural Development, the agencies that integrate the Inter-secretarial Commission for the Control of the Process and Use of Pesticides, Fertilizers and Toxic Substances, Ministry of Culture, Ministry of National Defense. On August 28, 2020, the agreement by which the exports of various steel goods were temporally subject to prior license was published. This was done to ensure statistical monitoring of the trade of these goods and comply with the commitments established in the Joint Declaration between the United States and Mexico on Section 232 tariffs on aluminum and steel. The regulation concluded June 30, 2021. The seven amendment of the World Customs Organization's Harmonized System applied on June 7, 2022, several agreements on Non-Tariff Regulation and Restriction Agreements were modified, impacting merchandise whose import and export is subject to authorization or regulation by the following authorities: Ministry of Energy, Ministry of Health, Ministry of the Environment and Natural Resources, Ministry of Agriculture and Rural Development, the agencies that integrate the Inter-secretarial Commission for the Control of the Process and Use of Pesticides, Fertilizers and Toxic Substances, Ministry of Culture, Ministry of National Defense. The duties are applicable to all MFN countries.
With quotas	Yes.	Sugar exports must receive prior export authorization, and when the destination is the USA, a maximum export quota is set, as well as a minimum price. The agreement that allows the export of sugar was published in the DOF on October 5, 2017, by means of an Agreement by which the export of sugar is subject to prior permission and a maximum quota for its export is established.
Export taxes	Yes.	Ad valorem taxes of 25% apply to the export of bituminous mixtures based on natural asphalt, natural bitumen, petroleum bitumen, mineral tar, or mineral tar pitch (for example, bituminous mastic, liquid bitumen), except for fluidized bitumen, and asphalt bituminous mixtures for retail sale in containers of no more than 200 liters. Effective January 16, 2023, ad valorem temporary taxes of 50% apply to the export of white corn (flour corn), with the purpose of guarantee a sufficient supply, it was necessary to maintain domestic production in our country and to ensure market conditions that

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	allowed stabilizing its price. The duties are applicable to all MFN countries.
Collected through the exchange system	No.
Other export taxes	Yes.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Purchases of shares and other equities may be affected by the inward direct investment laws. These laws determine which activities are reserved for the Mexican government and Mexican investors. With prior authorization of the MOE and, when applicable, by the NBSC, investment trusts may be established by Mexican banks acting as trustees. These trusts issue neutral investment instruments that may be acquired by foreign investors, which may only grant to their holder's economic rights and, in some cases, limited corporate rights, without granting voting rights in Ordinary General Meetings.
Sale or issue locally by nonresidents	Yes.	Foreign institutions must be authorized by the MOE to engage, regularly, in commercial activities. Foreign securities publicly offered in the domestic market could be registered in the National Registry of Securities (NRS). Foreign securities may be listed in the international stock listing system through securities firms, or credit institutions or else, by the issuer.
Purchase abroad by residents	Yes.	Credit institutions and securities firms may purchase shares of foreign financial entities with the prior authorization of the NBSC. Insurance institutions or mutual insurance institutions may only acquire equity shares denominated in foreign currency, with prior authorization of the MOF, considering the opinion of the NIBC and BM. Retirement fund management companies may invest up to 60% of

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		their equity in shares of the investment companies that they manage. Investment companies are prohibited from acquiring foreign securities other than those authorized by the National Commission of the Retirement Savings System (NCRSS) under the investment regime. These securities must not exceed 20% of the investment company's total assets.
Sale or issue abroad by residents	Yes.	Public offerings abroad of securities issued in Mexico must be notified to the NBSC. Additionally, the information related to such offerings must be registered at the NRS.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Purchase of debt instruments may only be made through securities firms or credit institutions.
Sale or issue locally by nonresidents	Yes.	Foreign institutions must be authorized by the MOE before performing commercial activities. The public offering of securities in the national territory requires NBSC authorization. Foreign securities publicly offered in the domestic market could be registered in the NRS. In the International Quotation System, foreign securities may be listed through securities firms or credit institutions.
Purchase abroad by residents	Yes.	Commercial banks' foreign exchange risk position may not exceed 15% of their core capital at the close of operations each day. Insurance institutions or mutual insurance institutions may only acquire equity securities denominated in foreign currency issued by the Federal Government and registered in the NRS. Retirement fund management companies must invest 60% of their equity in shares of the investment companies that they manage. These investment companies may invest up to 20% of the total assets managed in foreign securities in compliance with the investment regime established by the NCRSS.
Sale or issue abroad by residents	Yes.	Public offerings abroad of securities issued in Mexico must be notified to the NBSC. National securities offered publicly in foreign markets may be registered in the NRS.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Foreign commercial institutions must be authorized by the MOE before performing commercial activities. Retirement fund management companies must invest 60% of their equity in shares of the investment companies that they manage, and these investment companies may invest up to 20% of the total assets managed in foreign securities in compliance with the regime established by the NCRSS.
Sale or issue locally by nonresidents	Yes.	Foreign commercial institutions must be authorized by the MOE before engaging, regularly, in commercial activities. The public offering of securities in the national territory requires prior NBSC authorization. Foreign securities publicly offered in the domestic market must be registered in the NRS.
Purchase abroad by residents	Yes.	Commercial bank's foreign exchange positions may not exceed 15% of their core capital at the close of operations each day. Insurance institutions may only acquire equity securities denominated in foreign currency issued by the Federal Government and registered in the NRS. Retirement fund management companies must invest 60% of their equity in shares of the investment companies that they manage. These investment companies may invest up to 20% of the total assets managed in foreign securities in compliance with the regime established by the NCRSS.
Sale or issue abroad by residents	Yes.	Public offerings abroad of securities issued in Mexico must be notified to the NBSC. National securities offered publicly in foreign markets must be registered in the NRS.

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On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Foreign commercial institutions must be authorized by the MOE before performing commercial activities. The Board of Directors of each investment fund operating company must establish holding limits per shareholder, regardless of the holder's nationality or residence.
Sale or issue locally by nonresidents	Yes.	To operate as an investment fund, NBSC authorization is required. The information prospectus for the public markets as well as its modifications requires the authorization by the NBSC. The investment fund's prospectus mentioned may not be used, in any other language, by any other entity other than an investment fund. Foreign securities publicly offered in the domestic market must be registered in the NRS.
Purchase abroad by residents	Yes.	Commercial bank's foreign exchange positions may not exceed 15% of their core capital at the close of operations each day. Insurance companies or mutual insurance institutions may only acquire equity securities denominated in foreign currency issued by the Federal Government and registered in the NRS. Retirement fund management companies must invest 60% of their equity in shares of the investment companies that they manage. These investment companies may invest up to 20% of the total assets managed in foreign securities in compliance with the investment regime established by the NCRSS. The Board of Directors of each operating company must establish maximum holding limits for individual stocks of the shareholders, regardless of holder's nationality or residence.
Sale or issue abroad by residents	Yes.	Public offerings abroad of securities issued in Mexico must be notified to the NBSC. National securities offered publicly in foreign markets must be registered in the NRS.
Controls on derivatives and other instruments	Yes.	Regulation 9/2020 stipulates that credit institutions, regulated multiple purpose financial companies and the National Agricultural, Rural, Forestry, and Fisheries Financial Institution, which have failed or fail to comply with their obligations to report periodic information to the BM during the period between March 16 and May 31, 2020, as set forth in the provisions and authorizations issued by the BM, will not be subject to the administrative procedures for imposition of sanctions by the BM resulting from such non-compliance in accordance with the respective provisions. Regulation 10/2020 stipulates general deposit warehouses, securities firms, and investment funds, which have failed or fail to comply with their obligations to report periodic information to the BM during the period between March 16 and May 31, 2020, as set forth in the provisions and authorizations issued by the BM, will not be subject to the administrative procedures for imposition of sanctions by the BM resulting from such non-compliance in accordance with the respective provisions. Under the regulations governing derivatives transactions: (1) A simplified BM authorization procedure applies to commercial banks and securities firms for conducting derivatives transactions. (2) Multiple-scope financial companies (Sofomes) may engage in derivatives operations over underlying assets to cover their own risks without BM authorization. (3) Credit derivatives operations may only be carried out by commercial banks and securities firms, the latter only on behalf of third parties. (4) Commercial banks, securities

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		firms, investment funds, Sofomes, and general deposit warehouses, prior to entering into any derivatives operation with any of the following counterparties, must collect the counterparty's currently valid Legal Entity Identifier Code: (1) commercial banks, (2) securities firms, (3) investment funds, (4) Sofomes, (5) general deposit warehouses, (6) insurance institutions, (7) investment funds management companies, (8) retirement funds specialized investment companies, (9) credit unions, (10) development support organizations, and (11) foreign financial entities. Insurance institutions may enter into derivatives operations solely for risk hedging, in accordance with general regulations issued by the NIBC. Retirement funds specialized investment companies may only enter into derivatives operations with prior authorization from BM, as proposed by the NCRSS.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Regulation 4/2012, which contains the Rules for Derivative Transactions, does not establish restrictions or controls regarding the purchase of derivative instruments abroad. With respect to derivatives transactions, Regulation 4/2012 states that entities (credit institutions, securities firms, and the National Agricultural, Rural, Forestry, and Fisheries Financial Institution, jointly or separately, hereinafter "Entities"), investment funds, general deposit warehouses, and multiple-purpose financial companies (Sofomes) may only carry out derivative transactions regulated by Regulation 4/2012. However, securities firms may only carry out credit derivatives transactions on behalf of third parties in terms of the provisions of Paragraph 8 of Regulation 4/2012. Investment funds, general warehouses, and Sofomes may only carry out derivative operations with underlying companies included in Paragraph 2.1 of Circular 4/2012 that, in accordance with their corporate purpose and, where appropriate, investment regime, are authorized to operate. Entities must obtain authorization from the BM to enter into derivative transactions on their own account. Investment funds may only carry out derivative operations, subject to the general provisions issued by the NBSC and without requiring authorization from the BM. These operations can be carried out in any market. Additionally, to enter into derivative transactions, investment funds must have the respective Legal Entity Identifier Codes issued in their name, which must be in force at the time of entering into the respective derivative transactions. The Sofomes and general deposit warehouses must have the respective LEI Codes issued in their name, which must be in force at the time of the execution of the respective derivative transactions. Sofomes and general deposit warehouses may carry out derivative transactions without the need for the BM's authorization. Furthermore, in accordance with international standards, entities must include the respective Unique Product Identifier (UPI) on their information reports regarding OTC derivative transactions, as well as include the respective Unique Transaction Identifier in the confirmation of OTC derivative transactions. Both identifiers must be included in information reports regarding OTC derivative transactions. Unique Transaction Identifier requirements are effective December 1, 2023, while UPI requirements will be effective a year after a UPI service provider is recognized by the BM, as established in Regulation 19/2022.

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Sale or issue abroad by residents	Yes.	Entities that have authorization from the BM to carry out one or more derivative transactions, without the need to obtain a new authorization or comply with the communication or notice indicated in Regulation 4/2012, the same type of such derivative transactions on the indexed trust certificates referred to in Article 63 Bis 1, Section III of the Securities Market Law (SML), registered in the NSR, as well as securities issued abroad with similar characteristics to these, listed in the International Quotations System, as long as said certificates and securities from abroad comply with the following characteristics: (1) they seek to replicate the behavior of the same underlying assets as those corresponding to the operations with derivatives object of said authorization, (2) they do not entail the taking of short positions in any of the assets subject to investment to which they refer, except for those resulting from securities lending, (3) they do not seek to replicate mathematically or statistically, in an inverse or exponential manner, the behavior of indexes, financial assets or benchmarks, or that the indexes, financial assets or benchmarks whose behavior they seek to replicate do not replicate, in turn, mathematically or statistically, in an inverse or exponential manner, the behavior of other indexes, financial assets or benchmarks. Furthermore, the Entities may only carry out derivatives operations in OTC markets to hedge their own risks, with Entities authorized to execute derivatives operations for their own account by the BM and with foreign financial institutions. Likewise, in the case of derivatives transactions in recognized markets, the counterparty of the derivatives transaction must be the clearing house or, as the case may be, the foreign institution acting as central counterparty, recognized by the BM. On the contrary, Entities, investment funds, general deposit warehouses, and Sofomes that enter into derivatives operations in OTC markets, whose clearing and settlement is not carried out through clearing houses or institutions abroad that act as central counterparties, must provide for this type of derivative operations, among others, the requirements established by Regulation 4/2012.
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Commercial bank's credit operations with related persons may not exceed 35% of the basic part of their net capital. Any commercial bank granting a credit to a person or group of individuals considered to be a unique entity by reason of a common risk must meet the limit established by the NBSC according to their capitalization level. In addition, there are controls on credits and loans granted by insurance institutions or mutual insurance companies in foreign currency.
To residents from nonresidents	Yes.	There are limits on credits denominated in foreign currency granted to Mexican credit institutions and on open foreign exchange positions.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	No.	

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To residents from nonresidents	Yes.	It is forbidden to enter into any agreement with foreign bonding companies to guarantee actions of individuals or companies bound to fulfill obligations in Mexico, except for re-bonding operations or when they are received by national bonding companies as countersecurity.
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	On May 12, 2016, General Resolution No. 17 was published in the DOF, which determines to update the total value of the assets referred to in Article 9 of the Foreign Investment Law (FIL). Therefore, for the purposes of the provisions of Article 9 of the FIL, the National Foreign Investment Commission determined as the new amount of the total value of the assets of the Mexican companies in question to be four billion five million one hundred sixty-seven thousand eight hundred thirty-nine pesos and thirty-one cents ($4,005,167,839.31). Controls apply to (1) acquisition of more than 49% of the capital stock of a Mexican company and are subject to review if the total assets of that company exceed MEX $24,979,862,979.30 (twenty-four billion nine hundred and seventy-nine million eight hundred and sixty-two thousand nine hundred and seventy-nine Mexican pesos and thirty cents); (2) acquisition of agricultural, livestock, and forestry land; up to 49% of the “class T” shares of the companies owning the land may be acquired; (3) investment in (a) provision of fuel and lubricants for ships, aircraft, and railroad equipment exceeding 49% of the capital stock; (4) investment exceeding 49% of capital stock in fishing in coastal and fresh waters or in the exclusive economic zone, not including aquaculture; (5) investment in air, maritime, and ground transportation and related services, including cabotage and port services, except (a) participation up to 25% in the capital stock of national air transportation, specialized air transportation, and aero taxis transportation; up to 49% in air terminal management and 49%, or above, if an authorization is granted (b) participation of up to 49% of the capital stock in shipping companies engaged in the commercial exploitation of vessels for inland navigation and cabotage, except for tourist cruises and the exploitation of dredges and naval devices for the construction, conservation and operation of ports; in integral port administration and port services for pilotage of vessels for inland navigation operations; and in companies engaged solely in the exportation of high-speed vessels and port services for inland navigation (total ownership may be authorized); and (c) participation in the capital stock of a company engaged in domestic land transportation of passengers, tourism and cargo, not including courier and parcel services; (6) investment of more than 49% of the capital stock in radio broadcasting, and in printing and publication of newspapers for exclusive circulation in Mexican territory; (7) investment by a foreign government or state enterprise in commercial banking institutions, holding companies of financial groups, securities firms, insurance companies and mutual insurance companies, bonding institutions and mutual fund operating companies; (8) in the restricted zone, acquisition of real estate is available only for Mexicans and Mexican companies and investment in residential real estate by firms with foreign participation incorporated in the country; (9) investment in aircraft building, assembly, or repair; shipbuilding

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		and ship repairs; or any activity requiring a concession, other than railways, except through a company incorporated in Mexico; and (10) investments by foreigners in legal services and private services of preschool, primary, secondary, middle, high school, higher and combined education exceeding 49% of the capital stock, except when a favorable resolution is granted by the National Commission on Foreign Investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Commercial banks may acquire only real estate necessary for the accomplishment of their purposes.
Purchase locally by nonresidents	Yes.	Controls apply to the direct acquisition by foreign nonresidents of real estate inside the restricted zone (a 100-kilometer strip along the Mexican land border and a 50-kilometer strip along the Mexican coast). Foreign nonresidents may acquire real estate inside the restricted zone through a real estate trust. To purchase real estate outside the restricted zone, foreign nonresidents must agree to consider themselves Mexican and to refrain from invoking the protection of their governments regarding the property acquired. Such acquisitions may take place through the acquisition of shares of Mexican institutions dedicated to nonresidential activities, notifying it to the Ministry of Foreign Affairs; or through a real estate trust for residential activities within the restricted zone, with Ministry of Foreign Affairs approval.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	These transactions are subject to local civil provisions. In some countries, foreign inheritances from a Mexican resident are subject to international reciprocity.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	On December 29, 2021, a resolution was published in the Official Gazette of the Federation amending Regulation No. 3/2012, with the purpose of amending Annex 21, or the classification of Foreign

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		Currency demand deposit accounts. On March 23, 2022, a resolution was published in the Official Gazette of the Federation amending Regulation No. 3/2012, with the purpose of strengthening the regulations surrounding electronic funds transfers. The said resolution came into effect March 24, 2022, except for the modifications to Article 122 Bis, which came effective May 4, 2022; Article 17, which came effective May 12, 2022; and Articles 17 Bis and 17 Ter which came effective June 23, 2022. On June 18, 2021, a resolution that modifies the General Provisions applicable to credit institutions was published in the DOF to incorporate the international total loss-absorbing capacity standard at a national level, effective March 1, 2022. On July 20, 2021, a resolution was published in the DOF amending the General Provisions applicable to credit institutions to amend the section referring to Group VI of transactions subject to credit risk, in accordance with international prudential standards issued by the Basel Committee on Banking Supervision. On December 15, 2021, a resolution was published in the DOF amending the General Provisions applicable to credit institutions in connection with the conversion of the statement of cash flows of a foreign operation to the reporting currency. Effective October 19, 2022, a resolution was published in the DOF amending the General Provisions applicable to credit institutions to update the previous accounting criteria to make them consistent with the IFRS April 17, 2023. A resolution was published in the DOF amending the General Provisions applicable to credit institutions to strengthen the dispositions that limit the maximum loses in relation to interconnected parties. On March 1, 2022, a resolution was published in the DOF amending the General Provisions on Liquidity Requirements for Commercial Banks, to repeal the previous Liquidity Provisions and to update the previous accounting criteria to make them consistent with the IFRS, effective March 1, 2022. On December 15, 2021, a resolution was published in the DOF amending the General Provisions applicable to investment funds and the individuals who provide services to them, in connection with the preparation of financial statements and the exchange rate to be used to establish the equivalence of the national currency with the US dollar.
Borrowing abroad	Yes.	Borrowing abroad is permitted. Foreign exchange risk positions of commercial banks, as a whole as well as for each currency, may not exceed 15% of their core. Commercial banks' foreign exchange liabilities must not exceed 1.83 times their core capital. However, the BM can authorize higher positions in foreign currency for a maximum period of 5 days within a 12-month period for each limit.
Maintenance of accounts abroad	Yes.	Foreign exchange risk positions of commercial banks, as a whole as well as for each currency, may not exceed 15% of their core capital. However, BM can authorize higher positions in foreign currency for a maximum period of 5 days within a 12-month period for each limit.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial banks must diversify their risks to keep performing their operations. There are maximum limits on the amounts commercial

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		banks may lend resulting from the integral risk management and a specific regime regarding related persons, regardless of the borrower's residence. If a commercial bank extends credit to an individual or a group of individuals considered as a single individual because of common risk, it must comply with the limit established by the NBSC in accordance with the institution's capitalization.
Lending locally in foreign exchange	Yes.	There are maximum limits on the amount commercial banks may lend, regardless of the borrower's nationality or residence, and on their net open foreign exchange position. Open foreign exchange positions may not exceed 15% of core capital. If a commercial bank grants a credit to a person or to a group of individuals who are considered to constitute a single person because of a common risk, the commercial bank will have to comply with the limits established by the NBSC, in accordance with the institution's capitalization.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Credit institutions may deal on their own behalf or throughout an agency agreement with securities, commercial debt instruments not registered in the NRS, capital instruments, whether or not registered in the NRS, and government securities.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	
Liquid asset requirements	No.	.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Controls apply to the types and amounts of transactions commercial banks carry out abroad. Open foreign exchange positions may not exceed the daily limit of 15% of core capital. NBSC authorization is required for commercial banks to invest, directly or indirectly, in shares representing the corporate capital stock of foreign financial entities. The total amount of investments in the stock of foreign financial entities may not exceed the lowest of the following: The equivalent to 50% of the basic share of net capital of the institution, or the surplus of the basic share of net capital of the institution over the minimum capital.
In banks by nonresidents	Yes.	Certain requirements apply to shareholder investment, regardless of the nationality or residence. If the acquisition exceeds 5% of the shares representing the capital stock of a commercial bank, NBSC approval, with BM opinion, is required.

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		Buyers purchasing 20% or more shares of class "O" require NBSC authorization and BM favorable opinion. To acquire said authorization, the buyers must file a request, which must contain a list of directors and officers; a general operating plan; a strategic program for organization, administration, and internal control of the institution and other documents that the NBSC requires. For subsidiaries, to be able to be considered as such, at least 51% of the capital should be held by a subsidiary controller society or, directly or indirectly, by a foreign financial institution.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Regardless of the counterparty's residence, the total liabilities of commercial banks denominated in or referred to foreign currency may not exceed 1.83 times the bank's core capital, and open foreign exchange positions may not exceed the daily limit of 15% of the commercial bank's core capital.
On nonresident assets and liabilities	Yes.	The same regulations governing resident assets and liabilities apply. This means that, regardless of the counterparty's residence, the total liabilities of commercial banks denominated in or referred to foreign currency may not exceed 1.83 times the bank's core capital, and open foreign exchange positions may not exceed the daily limit of 15% of the commercial bank's core capital.
Provisions specific to institutional investors	Yes.	The Investment Funds Law (IFL), Insurance and Bonding Institutions Law (IBIL), and SML apply.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Insurance institutions may invest in equity of other insurance institutions; insurance entities, reinsurance or foreign re-bonding institutions; investment societies or societies, which operate for them; administrators of retirement funds and retirement funds specialized investment companies. Said investments may only be done with the surplus of the minimal paid equity, with prior authorization of the NIBC, and the amount cannot be part of the Own Admissible Funds, which support the requirement of solvency equity.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance institutions can only acquire risks through investment of technical reserves in foreign currency, as also the risks taken in national currency, which offer assured sums referend to the exchange rates' behavior. This must be carried out through securities issued in foreign currency, supported by the Federal Government and registered in the National Securities Registry and the other securities pointed out in the correspondent regulations.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Retirement fund management companies may invest up to 40% of their capital in real estate, furniture, and equipment and the remaining 60% of such capital in shares of the investment companies they manage, regardless of their nationality.
Limits (max.) on investment portfolio held abroad	Yes.	Retirement funds specialized investment companies may invest up to 20% of their total assets in foreign securities authorized by the NCRSS.
Limits (min.) on investment portfolio held locally	Yes.	Retirement fund management companies may invest up to 40% of their capital in real estate, furniture, and equipment, and the remaining 60% of such capital in shares of the investment companies

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		they manage.
Currency-matching regulations on assets/liabilities composition	Yes.	Retirement funds specialized investment companies may invest up to 20% of their total assets in foreign securities authorized by the NCRSS.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Regardless of the issuer's residence, controls apply to the purchase of national or foreign securities by investment funds in variable-income and in debt instruments, whether on their own or on behalf of their clients. Investment funds of variable-income and the debt instruments may invest in assets that must be registered in the National Securities Registry or in the International Quotation System, foreign assets that have been registered, authorized, or regulated, for their public sell in general, by the Securities Commissions or equivalent organism of the States; assets issued by BM or by a recognized international organism; in demand deposit in national or foreign financial entities, in national or foreign currency; or in derivative financial instruments. The investment funds in variable-income and debt instruments may invest in structured products, stock fiduciary certificates, and asset-backed securities, as long as the securities are considered under their investment regime. Structured products must contain the obligation of paying down the principal and a determined minimum rate. Investment funds in variable-income and debt instruments must comply with their investment regime prospect. Investment funds may not obtain or dispose assets that are property or administered by institutions from the same financial group, that may imply any type of conflict of interest.
Limits (max.) on investment portfolio held abroad	Yes.	Regardless of the issuer's residence, controls apply to the purchase of national or foreign securities by investment funds in variable-income and in debt instruments, whether on their own or on behalf of their clients. Investment funds of variable-income and the debt instruments may invest in assets that must be registered in the National Securities Registry or in the International Quotation System, foreign assets that have been registered, authorized, or regulated, for their public sell in general, by the Securities Commissions or equivalent organism of the States; assets issued by BM or by a recognized international organism; in demand deposit in national or foreign financial entities, in national or foreign currency; or in derivative financial instruments. If the foreign securities are registered, authorized, or regulated, for their public sell in general, in Member States of the Pacific Alliance, the transactions must be made with agreements that enable the access to the negotiation systems. Investment funds in variable-income and the debt instruments may invest in structured products, stock fiduciary certificates, and asset-backed securities, as long as the securities are considered under their investment regime. The structured products must contain the obligation of paying down the principal and a determined minimum rate. Investment funds in variable-income and debt instruments must comply with their investment regime prospect. Investment funds may not obtain or dispose assets that are property

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		or administered by institutions from the same financial group, that may imply any type of conflict of interest.
Limits (min.) on investment portfolio held locally	Yes.	Regardless of the issuer's residence, controls apply to the purchase of national or foreign securities by investment funds in variable-income and in debt instruments, whether on their own or on behalf of their clients. The investment in securities and derivative financial instruments related to the same financial institution may not exceed 40% of the NAV of the investment fund. The amount of investments in financial institutions that individually constitute more than 15% of the NAV of the investment fund may not exceed, jointly, the 60% of the NAV. Both percentages are subject to the exceptions outlined in the respective articles. Investment funds must maintain at all times a minimum percentage of easily collectible securities and values with term up to three months, according to the objective, investment prospect, and stock trading policies outlined in their information disclosure to the investment markets. The percentage must be noted in the information disclosure. For the purposes of this disposition, easily collectible securities are those that represent up to 50% of the volume of daily operation in the market under consideration, by issuer, type of security, or series, corresponding to the average of the last 60 labor days of operation. This requirement is equally applicable to the investments in derivative financial instruments quoted at the stock market.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	As of today, the BM has not launched or issued any retail or wholesale domestic central bank digital currency (CBDC), nor does it have the legal framework to do so. Current legislation grants exclusive powers to BM regarding banknote issuance and ordering coin minting. These currency formats are the only ones considered legal tender and thus, that have a discharging effect. So, any other instrument, such as a CBDC, would be subject to a different legal treatment than the banknotes issued or coins ordered to be minted by BM under Banco de México ´s Law and Mexico's Monetary Law. Nevertheless, from a contractual perspective, parties may agree an operation with a CBDC issued by another jurisdiction, as a means of payment, as they can with any foreign currency in Mexico, under the Civil Code. The latter should not be interpreted as a possibility for financial institutions to carry out operations in foreign CBDC, considering that the current legal framework expressly establishes the characteristics of the transactions that each financial institution can carry out, according to its unique legal nature. Currently the legal framework does not envisage foreign CBDC transactions by a financial institution.
Retail	No.	

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Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	.
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	.
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	Yes.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	Yes.	
For current transaction	n.r.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	n.r.	Controls apply to the types and amounts of transactions commercial banks carry out abroad. Currently, regulation does not impose controls on the use of CBDC launched by another jurisdiction between residents and nonresidents for settlement of capital and money market transactions, however it does not foresee the use of CBDC issued by another jurisdiction.
Transactions in derivatives and other instruments	Yes.	Although there are no specific controls on the use of CBDC launched or issued by another jurisdiction between residents and nonresidents for settlement of derivatives and other instruments, financial entities must comply with Regulation 4/2012 issued by the Central Bank, on their derivative transactions. Those entities may only carry out Derivative Transactions with Underlying Assets included in Section 2.1 of those Rules that, in accordance with its corporate purpose and, as applicable, investment regime, are authorized to operate.
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Mexican law defines crypto-assets, referred to as virtual assets, as any electronically stored representation of value, other than fiat domestic or foreign currency or any asset denominated in such currency, used by the public as a means of payment for all kind of

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		actions, provided their transfer can only be carried out by electronic means. Under no circumstance shall the national legal tender currency, other currencies, or any other asset given in legal tender currency, be considered virtual assets. The law makes no explicit distinction between backed or unbacked tokens, however if the crypto-assets are denominated in foreign currency, they may not be considered virtual assets. Under the Mexican regulation of crypto-assets, businesses that provide certain crypto-assets services are subject to AML legal provisions, mainly the customary and professional offering to exchange crypto-assets by non-financial businesses through electronic platforms which facilitate or carry out sales and purchases of or supply any means to store, hold, or transfer such assets, provided they are not specifically designated by the central bank with which only certain financial institutions are allowed to carry out transactions. The said business must be registered with the Tax authority (SAT) to operate. As of today, the Central Bank has only determined that certain financial institutions may carry out internal transactions with them, that is, transactions for their internal operation, as long as they are not involved in transactions offered to the public. However, it has not specifically designated any crypto-asset in that regard. The framework of crypto-assets in Mexico is divided between regulated entities (financial entities referred to in the Law to Regulate Financial Technology Institutions) and non-regulated entities. Non-regulated entities (parties different from financial entities), may carry activities with virtual assets such as issuing; placing, distributing, and marketing; wallet provisioning; providing custody, facilitating transactions on a decentralized trading platform; provisioning of decentralized lending and operating investment vehicles in a free manner. However, they must comply with AML/CFT provisions, issued under the Federal Law to Prevent and Identify Operations with Resources of Illicit Provenance regarding Vulnerable Activities. The current approach is based on prudential regulation. Rules issued by the Central Bank allow regulated entities (that is, e-money issuers (electronic payment funds institutions) and banks) to carry out only internal transactions with crypto-currencies specifically designated by the central bank. Such prudential perspective is aimed to limit entry points to the financial system and propagation of risks.
Acquisition by residents	Yes.	Mexican law defines crypto-assets, referred to as virtual assets, as any electronically stored representation of value, other than fiat domestic or foreign currency or any asset denominated in such currency, used by the public as a means of payment for all kind of actions, provided their transfer can only be carried out by electronic means. Under no circumstance shall the national legal tender currency, other currencies, or any other asset given in legal tender currency, be considered virtual assets. The law makes no explicit distinction between backed or unbacked tokens, however if the crypto-assets are denominated in foreign currency, they may not be considered virtual assets. Under the Mexican regulation of crypto-assets, businesses that provide certain crypto-assets services are subject to AML legal

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		provisions, mainly the customary and professional offering to exchange crypto-assets by non-financial businesses through electronic platforms which facilitate or carry out sales and purchases of or supply any means to store, hold or transfer such assets, provided they are not specifically designated by the central bank with which only certain financial institutions are allowed to carry out transactions. The said business must be registered with the Tax authority (SAT) to operate. As of today, the Central Bank has only determined that certain financial institutions may carry out internal transactions with them, that is, transactions for their internal operation, as long as they are not involved in transactions offered to the public. However, it has not specifically designated any crypto-asset in that regard. The framework of crypto-assets in Mexico is divided between regulated entities (financial entities referred to in the Law to Regulate Financial Technology Institutions) and non-regulated entities Non-regulated entities (parties different from financial entities), may carry activities with virtual assets such as issuing; placing, distributing, and marketing; wallet provisioning; providing custody, facilitating transactions on a decentralized trading platform; provisioning of decentralized lending and operating investment vehicles in a free manner. However, they must comply with AML/TF provisions, issued under the Federal Law to Prevent and Identify Operations with Resources of Illicit Provenance regarding Vulnerable Activities. The current approach is based on prudential regulation. Rules issued by the Central Bank allow regulated entities (that is, e-money issuers (electronic payment funds institutions) and banks) to carry out only internal transactions with crypto-currencies specifically designated by the central bank. Such prudential perspective is aimed to limit entry points to the financial system and propagation of risks.
Use among residents	Yes.	Mexican law defines crypto-assets, referred to as virtual assets, as any electronically stored representation of value, other than fiat domestic or foreign currency or any asset denominated in such currency, used by the public as a means of payment for all kind of actions, provided their transfer can only be carried out by electronic means. Under no circumstance shall the national legal tender currency, other currencies, or any other asset given in legal tender currency, be considered virtual assets. The law makes no explicit distinction between backed or unbacked tokens, however if the crypto-assets are denominated in foreign currency, they may not be considered virtual assets. Under the Mexican regulation of crypto-assets, businesses that provide certain crypto-assets services are subject to AML legal provisions, mainly the customary and professional offering to exchange crypto-assets by non-financial businesses through electronic platforms which facilitate or carry out sales and purchases of or supply any means to store, hold, or transfer such assets, provided they are not specifically designated by the central bank with which only certain financial institutions are allowed to carry out transactions. The said business must be registered with the Tax authority (SAT) to operate. As of today, the Central Bank has only determined that certain

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		financial institutions may carry out internal transactions with them, that is, transactions for their internal operation, as long as they are not involved in transactions offered to the public. However, it has not specifically designated any crypto-asset in that regard. The framework of crypto-assets in Mexico is divided between regulated entities (financial entities referred to in the Law to Regulate Financial Technology Institutions) and non-regulated entities. Non-regulated entities (parties different from financial entities), may carry activities with virtual assets such as issuing; placing, distributing, and marketing; wallet provisioning; providing custody, facilitating transactions on a decentralized trading platform; provisioning of decentralized lending and operating investment vehicles in a free manner. However, they must comply with AML/TF provisions, issued under the Federal Law to Prevent and Identify Operations with Resources of Illicit Provenance regarding Vulnerable Activities. The current approach is based on prudential regulation. Rules issued by the Central Bank allow regulated entities (that is, e-money issuers (electronic payment funds institutions) and banks) to carry out only internal transactions with crypto-currencies specifically designated by the central bank. Such prudential perspective is aimed to limit entry points to the financial system and propagation of risks.
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	n.r.	Controls apply to the types and amounts of transactions commercial banks carry out abroad. Currently, regulation does not impose controls on the use of unbacked tokens between residents and nonresidents for settlement of capital and money market transactions, however it does not foresee the use of unbacked tokens.
Transactions in derivatives and other instruments	Yes.	Financial entities must comply with Regulation 4/2012 issued by the Central Bank, on their derivative transactions. Those entities may only carry out Derivative Transactions with Underlying Assets included in Section 2.1 of those Rules that, in accordance with its corporate purpose and, as applicable, investment regime, are authorized to operate.
Credit operations	n.r.	Other than the controls previously referred, there is no regulation in force regarding this type of controls.
Controls on utility and security tokens	Yes.	Virtual assets are referred to as any electronically stored representation of value, other than fiat domestic or foreign currency or any asset denominated in such currency, used by the public as a means of payment for all kind of actions, provided their transfer can only be carried out by electronic means. Under no circumstance shall the national legal tender currency, other currencies, or any other asset given in legal tender currency, be considered virtual assets. Current securities regulation could be applicable to Security tokens, depending on the placing and offering of said tokens.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	Yes.	

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For current transaction	n.r.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	n.r.	Controls apply to the types and amounts of transactions commercial banks carry out abroad. Currently, regulation does not impose controls on the use of utility and security tokens between residents and nonresidents for settlement of capital and money market transactions, however it does not foresee the use of utility and security tokens.
Transactions in derivatives and other instruments	Yes.	Although there are no specific controls on the use of utility and security tokens between residents and nonresidents for settlement of derivatives and other instruments, financial entities must comply with Regulation 4/2012 issued by the Central Bank, on their derivative transactions. Those entities may only carry out Derivative Transactions with Underlying Assets included in Section 2.1 of those Rules that, in accordance with its corporate purpose and, as applicable, investment regime, are authorized to operate.
Credit operations	n.r.	
Controls on stablecoins	Yes.	Under the current legal framework, stablecoins that are issued against the receipt of legal tender currencies and their value fluctuates 1:1, could be subject to the Law to Regulate Financial Technology Institutions because these stablecoins may meet the characteristics of an Electronic Payment Fund. If an institution seeks to carry out financial activities with stablecoins it could be necessary to file for an authorization to constitute themselves as an Electronic Payment Funds Institution.
Acquisition by residents	Yes.	Under the current legal framework, stablecoins that are issued against the receipt of legal tender currencies and their value fluctuates 1:1, could be subject to the Law to Regulate Financial Technology Institutions because these stablecoins may meet the characteristics of an Electronic Payment Fund. If an institution seeks to carry out financial activities with stablecoins it could be necessary to file for an authorization to constitute themselves as an Electronic Payment Funds Institution.
Use among residents	Yes.	Under the current legal framework, stablecoins that are issued against the receipt of legal tender currencies and their value fluctuates 1:1, could be subject to the Law to Regulate Financial Technology Institutions because these stablecoins may meet the characteristics of an Electronic Payment Fund. If an institution seeks to carry out financial activities with stablecoins it could be necessary to file for an authorization to constitute themselves as an Electronic Payment Funds Institution.
Between residents and nonresidents	Yes.	
For current transaction	n.r.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	n.r.	Controls apply to the types and amounts of transactions commercial banks carry out abroad. Currently, regulation does not impose controls on the use of stablecoins between residents and nonresidents for settlement of capital and money market transactions, however it does not foresee the use of stablecoins.
Transactions in derivatives and other instruments	Yes.	Although there are no specific controls on the use of stablecoins between residents and nonresidents for settlement of derivatives and other instruments, financial entities must comply with Regulation 4/2012 issued by the Central Bank, on their derivative transactions.

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		Those entities may only carry out Derivative Transactions with Underlying Assets included in Section 2.1 of those Rules that, in accordance with its corporate purpose and, as applicable, investment regime, are authorized to operate.
Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	Yes.	For regulated entities, the General Provisions applicable to Financial Technology Institutions defines a "platform" as computer applications, interfaces, Internet pages or any other means of electronic or digital communication that the Crowdfunding Institutions use to operate with their clients and regulates the transactions carried through said platforms including those with virtual assets. General Provisions applicable to Credit Institutions and Financial Technology Institutions determine that transactions executed with virtual assets are restricted to internal operations only. For the unregulated sector, in general, activities virtual assets can be carried out freely in Mexico subject to AML/FT provisions under federal law. The said business must be registered with the Tax authority (SAT) to operate.
Domestic exchanges	Yes.	For regulated entities, the General Provisions applicable to Financial Technology Institutions defines a "platform" as computer applications, interfaces, Internet pages or any other means of electronic or digital communication that the Crowdfunding Institutions use to operate with their clients and regulates the transactions carried through said platforms including those with virtual assets. General Provisions applicable to Credit Institutions and Financial Technology Institutions determine that transactions executed with virtual assets are restricted to internal operations only.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Monetary policy framework

Inflation-targeting framework

Operating target (policy rate)

Policy rate	*02/10/2022*	The Board of Governors of the Banco de México (Mexico's Central Bank) decided to increase the overnight interbank interest rate by 50 basis points to 6.0%, based on the target overnight interbank interest rate.
	03/24/2022	The Board of Governors of the Banco de México (Mexico's Central Bank) decided to increase the overnight interbank interest rate by 50 basis points to 6.5%, based on the target overnight interbank interest rate.
	05/12/2022	The Board of Governors of the Banco de México (Mexico's Central Bank) decided to increase the overnight interbank interest rate by 50 basis points to 7.0%, based on the target overnight interbank interest rate.
	06/23/2022	The Board of Governors decided to increase the overnight interbank interest rate by 75 basis points to 7.75%.
	08/11/2022	The Board of Governors of the Banco de México (Mexico's Central Bank) decided to increase the overnight interbank interest rate by 75 basis points, based on the target set for the overnight interbank interest rate. The Board of Governors decided to increase the overnight interbank

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	09/30/2022	interest rate by 75 basis points to 9.25%.
	11/11/2022	The Board of Governors decided to increase the overnight interbank interest rate by 75 basis points to 10.00%.
	12/16/2022	The Board of Governors decided to increase the overnight interbank interest rate by 50 basis points to 10.50%.
	02/10/2023	The Board of Governors decided to increase the overnight interbank interest rate by 50 basis points to 11.00%,
	03/31/2023	The Board of Governors decided to increase the overnight interbank interest rate by 25 basis points to 11.25%.

Imports and Import Payments

Import taxes and/or tariffs	*05/16/2022*	Temporary exemption of import duties was granted to products classified under 67 tariff headings that are part of the basic basket and inputs, as well as 6 tariff headings that belong to live animals. The duties are applicable to all MFN countries.
	06/07/2022	The General Import and Export Taxes Law was published, implementing the seventh amendment to the World Customs Organization's Harmonized System. Mexico has 8,177 tariff items in the General Import and Export Taxes Law: 46% have ad valorem taxes of between 0% and 20%, and 46% are exempt from import duties. The duties are applicable to all MFN countries.
	01/06/2023	The temporary exemption of import tariffs was granted to various products classified under 135 tariff subheadings that are part of the basic and essential consumption basket for Mexican families, abolish the previous publications of the Package Against Inflation and Scarcity. The duties are applicable to all MFN countries.
	01/16/2023	Ad valorem taxes of temporary 50% apply to the import of white corn (flour corn). The duties are applicable to all MFN countries.
	05/09/2023	Derived from the publication by the Ministry of Health where the extraordinary action in matters of general health that had the purpose of preventing, controlling and mitigating the disease caused by the SARS-CoV-2 virus (COVID-19) was declared terminated, the decree where the import tariff of the tariff item related to the vaccine against the SARS-CoV-2 virus is exempted is repealed.
	05/18/2023	The exemption for wheat and spelt, as well as wheat or spelt flour, is removed. The duties are applicable to all MFN countries.

Exports and Export Proceeds

Export taxes	*01/16/2023*	Ad valorem temporary taxes of 50% apply to the export of white corn (flour corn), with the purpose of guarantee a sufficient supply, it was necessary to maintain domestic production in our country and to ensure market conditions that allowed stabilizing its price. The duties are applicable to all MFN countries.

Capital Transactions

Controls on capital transactions		
Controls on derivatives and other instruments		
Purchase abroad by residents	*12/01/2023*	In accordance with international standards, entities must include the respective Unique Transaction Identifier in the confirmation of OTC derivative transactions.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	*03/01/2022*	A resolution that modifies the Provisions of General Nature applicable to credit institutions to incorporate the international total loss-absorbing capacity standard at a national level came into effect. A resolution was published in the Official Journal of the Federation

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03/01/2022	(Diario Oficial de la Federación) amending the General Provisions on Liquidity Requirements for Commercial Banks, to repeal the previous Liquidity Provisions and to update the previous accounting criteria to make them consistent with the IFRS.
03/24/2022	A resolution in the Official Gazette of the Federation amending Regulation No. 3/2012, with the purpose of strengthening the regulations surrounding electronic funds transfers came into effect except for the modifications to Article 122 Bis, which came into effect May 4, 2022; Article 17, which came into effect May 12, 2022; and Article 17 Bis and 17 Ter which came into effect June 23, 2022.
05/04/2022	A modification to the Article 122 Bis of the resolution amending Regulation No. 3/2012 (with the purpose of strengthening the regulations surrounding electronic funds transfers) came into effect.
05/12/2022	A modification to the Article 17 of the resolution amending Regulation No. 3/2012 (with the purpose of strengthening the regulations surrounding electronic funds transfers) came into effect.
06/06/2022	A modification to Articles 17 Bis and 17 Ter of the resolution amending Regulation No. 3/2012 (with the purpose of strengthening the regulations surrounding electronic funds transfers) came into effect.
10/19/2022	A a resolution was published in the Official Journal of the Federation (Diario Oficial de la Federación) amending the General Provisions applicable to credit institutions to update the previous accounting criteria to make them consistent with the IFRS April 17, 2023.

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MICRONESIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		June 24, 1993.
Article VIII	Yes.	Date of acceptance: June 24, 1993.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Micronesia is the US dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. The currency of Micronesia is the US dollar. The authorities do not buy or sell foreign exchange.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The US dollar is legal tender and circulates freely in Micronesia.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		

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Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Foreign exchange transactions are limited or infrequent and handled or transacted by a foreign commercial bank in the Federated States of Micronesia (FSM). The two commercial banks in the FSM are insured by the US Federal Deposit Insurance Corporation. The foreign banks only accept limited foreign currencies in exchange for the US dollar at foreign exchange rates. The absence of a domestic currency and a monetary authority—a CB—somewhat constrains the ability of the local authorities to regulate the scope of foreign exchange activities in the country. There are no foreign exchange bureaus in the country.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.

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Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Micronesia participates in PACER and PICTA.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	No.	Domestic currency is the US dollar, and accounts reflect value in the US dollar.
Held domestically	No.	The domestic currency is the US dollar and can be transferred abroad in the US dollar.
Approval required	n.a.	
Held abroad	No.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	The US dollar is used as domestic currency, and no distinction is made between accounts in US dollars held domestically and those

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		held abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	The US dollar is used as domestic currency, and balances may be converted to foreign currency without restriction.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	This is allowed after certain due diligence standards are met.
Approval required	No.	
Domestic currency accounts	Yes.	This is allowed after certain due diligence standards are met.
Convertible into foreign currency	No.	Transfer by a domestic bank must be made in the US dollar, and conversion can be done by the recipient bank in a foreign country.
Approval required	Yes.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Importers must obtain a business license.
Positive list	No.	
Negative list	Yes.	Imports of certain products are prohibited for environmental, health, safety, or social reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The following tariffs and specific duties apply: (1) cigarettes, US $0.05 a cigarette; (2) beverages with fruit juice content of 25% or more by volume, 3%; (3) beer and malt beverages, US$0.25 for every 12 fluid ounces; distilled alcoholic beverages, US$12 a gallon; (4) wine, 30%; (5) imported fresh and frozen fish and seafood, 25%; (6) laundry bar soap, 25%; (7) tobacco products other than cigarettes, 50%; (8) perfume, cosmetics, and toiletries, 25%; (9) foodstuffs for

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		human consumption, 3%; (10) gasoline and diesel fuel, US$0.05 a gallon; and (11) all other imported products, except those specified above at the rate of 4%. The ad valorem duties are based on the CIF (cost, insurance, and freight) value of the goods.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	n.r.	
Guarantees	n.r.	
Domiciliation	n.r.	
Preshipment inspection	Yes.	The Department of Health, Education, and Social Affairs conducts pre-shipment inspection of foodstuffs.
Other	No.	
Export licenses	No.	Exports are not subject to licensing requirements, taxes, or quantitative restrictions. Purchases and exports of copra are conducted solely by the FSM Petroleum Corporation.
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	

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Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.

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Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	Yes.
On capital market securities	Yes.
Shares or other securities of a participating nature	Yes.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
Bonds or other debt securities	Yes.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	Yes.
On money market instruments	n.r.
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	n.r.
Sale or issue abroad by residents	n.r.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on derivatives and other instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on credit operations	n.r.
Commercial credits	n.r.

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By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Financial credits	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Guarantees, sureties, and financial backup facilities	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Foreign investors must obtain an application from the federal government and submit it for review and action to the Foreign Investment Board of the state in which the business will be located. They must also obtain a license from the federal government to engage in business or to acquire an interest in a business in Micronesia. If a foreign investor wishes to conduct business in more than one state, an application for each state must be obtained from the federal government and submitted to the Foreign Investment Board of each state in which the business will be located and operated. Priorities for foreign investment are reviewed from time to time by the federal and state authorities.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	By FSM Constitution, no foreign person may own land in the FSM.
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Foreign investment in the real estate and construction sectors is prohibited in accordance with the laws prohibiting land ownership by foreigners. Foreign investors typically obtain long-term leases (usually up to 55 years with an option to renew for another 44 years) for land needed for their businesses.
Sale locally by nonresidents	Yes.	
Controls on personal capital transactions	n.r.	
Loans	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Gifts, endowments, inheritances, and legacies	n.r.	
By residents to nonresidents	n.r.	
To residents from nonresidents	n.r.	
Settlement of debts abroad by immigrants	n.r.	

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Transfer of assets	n.r.	
Transfer abroad by emigrants	n.r.	
Transfer into the country by immigrants	n.r.	
Transfer of gambling and prize earnings	n.r.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents could be allowed and treated similarly to lending to residents, provided lending is limit to no more than 20% of capital of the commercial bank.
Lending locally in foreign exchange	No.	The US dollar is used for lending in the country. No other currency is used for lending.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	May not be less than 20% of demand deposits and not less than 5% of its other deposits by a domestic bank.
Liquid asset requirements	No.	
Interest rate controls	Yes.	Interest rate control is stipulated by Usury law at no more than 21%.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Domestic banks are prohibited from investing in the stock of any corporation, domestic or foreign.
In banks by nonresidents	Yes.	No foreign person can own 10% or more in domestic bank ownership.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	n.a.	
Insurance companies	n.a.	
Limits (max.) on securities issued by	n.a.	

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nonresidents	
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Pension funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Investment firms and collective investment funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.

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Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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MOLDOVA

(Position as of November 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 12, 1992.
Article VIII	Yes.	Date of acceptance: June 30, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	The Law on Prevention and Combating Money Laundering and Terrorism Financing stipulates that reporting entities must suspend transactions with respect to assets of individuals and legal entities involved in terrorism and forbids transactions with individuals and legal persons.
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Banks and other financial institutions are obliged to freeze all funds, financial assets, and other economic resources of individuals, groups, and organizations associated with terrorism, pursuant to the relevant UNSC resolutions.
Other security restrictions	Yes.	The Law on Prevention and Combating Money Laundering and Terrorism Financing stipulates that reporting entities must suspend transactions with respect to assets of individuals and legal entities involved in terrorism and forbids transactions with individuals and legal persons.

Exchange Arrangement

Currency	Yes.	The currency of the Republic of Moldova is the Moldovan leu (MDL).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		

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Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are classified as floating. The National Bank of Moldova (NBM) intervenes in the domestic foreign exchange interbank market to smooth out sharp exchange rate fluctuations of MDL against the US dollar. Sharp fluctuations are not specifically defined. However, the NBM intervenes based on market conditions and future expectations of market participants. These interventions do not aim to change the trend of the exchange rate determined by the market. The NBM intervenes directly at the market-quoted rates and publishes aggregated monthly data on its website regarding its interventions and interbank market turnover. The data show interventions by currency and type of operation (spot or derivative). At the beginning of 2022, the local foreign currency market faced major imbalances because of the energy crisis and Russia's war against Ukraine. The combination of these exogenous shocks resulted in high demand for foreign exchange currency from both individuals and businesses. The NBM utilized foreign exchange reserves, with net sales of US$412 million during the first half of 2022, and steered its monetary policy instruments. In these circumstances, the MDL depreciated, in nominal terms, by 7.8% against the USD in the first half of 2022. The local foreign exchange market recovered in the second part of the year. Monetary policy tightening and support from external development partners both played key roles in the buildup of foreign exchange reserves. The international reserves have increased by 14.7%, up to US$4.5 billion by the end of 2022. The Moldovan Leu appreciated by 5.2% against the USD in the first three quarters of 2023, reaching values observed before the overlapping crises. A rebound in the foreign exchange supply from individuals, sizeable inflows of external financial assistance, and low demand for foreign exchange from businesses led to excess liquidity on the foreign exchange market. To limit the volatility of the exchange rate, the CB intervened throughout January–September with net purchases of US$330 million, with the majority of purchases conducted in the first quarter of the year. Data on CB's net foreign exchange interventions can be found in the press release on the evolution of official reserve assets, which is published by the 7th following the month for which the data are reported. The press release is available in Romanian and Russian. More detailed data are published by the 22nd following the month for which the data are reported.
Free floating		
Official exchange rate	Yes.	The official exchange rate of the leu against the US dollar is determined daily as the arithmetic mean of the average values of the exchange rates weighted to the volume of spot purchase/sale noncash transactions performed in the interbank and intrabank foreign exchange market. The official exchange rate of the leu against other foreign currencies is based on the official exchange rate of the leu against the US dollar and the cross-rate of the respective foreign currency against the US dollar on international markets. The official exchange rate is used for accounting and statistical purposes.
Monetary policy framework		
Exchange rate anchor		

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U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The primary objective of the NBM is to ensure and maintain price stability. To ensure and maintain price stability, the CB implements the direct inflation-targeting regime. The NBM defines the price stability. The NBM manages the monetary policy within the inflation-targeting framework since 2010.
Target setting body	Yes.	The NBM establishes and implements the state monetary policy. The NBM sets the inflation target and all its attributes (type, number, band, measure, horizon, etc.).
Government		
Central Bank	Yes.	The NBM establishes and implements the state monetary policy. The NBM sets the inflation target and all its attributes (type, number, band, measure, horizon, etc.).
Monetary Policy Committee		
Central Bank Board	Yes.	The Executive Board of the NBM establishes the state monetary policy, defines the price stability, and sets the inflation target and all its attributes (type, number, band, measure, horizon, etc.).
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The inflation target is set at 5.0% annually with a possible deviation of ±1.5 percentage points calculated using the CPI.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The inflation target measure is the monthly year-on-year CPI inflation published by the National Bureau of Statistics. Definition of CPI: The CPI is an estimative indicator, which characterizes the general trends of the prices for purchased goods and the tariffs for services used by the population, to satisfy their needs over a certain period of time (current period) in comparison with a fixed period (base period). The calculation of indices is based on the structure of household's expenditures and the prices recorded for 1200 goods and services, representative in all forms of trade and services provided, in 900 centers of 8 cities of the country.
Core inflation		

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Target horizon	No.	The inflation target is set for an indefinite period and should be met continuously. According to the medium-term monetary policy strategy of the NBM, there is no term in years for inflation target, which means that the inflation target is set for an indefinite period and should be met continuously.
Operating target (policy rate)	Yes.	De jure, there is no operating target. De facto, the base rate, which is the key policy rate, is set, thus fully controlled, by the NBM and is the main indicator for the monetary market in the short run.
Policy rate	Yes.	De jure, there is no operating target or interest rate target. The monetary market conditions are guided by the NBM through the base rate (key policy rate), which is set (thus fully controlled) by Executive Board and is the main indicator for the monetary market in the short run. The base rate is the reference rate for the main short-term monetary policy operations. The base rate is applied to the monetary market main operations of the NBM to send the monetary policy signals. As of June 30, 2023, the base rate is at 6.0%.
Target corridor band	Yes.	De jure, there is no interest rate target corridor. The standing facilities determine the corridor of the interest rates on the monetary market in the short run. The interest rates on standing facilities (overnight deposits and credits) define the corridor of NBM rates. As of June30, 2023, deposit and lending facility interest rates are at 4.0%.
Other	No.	
Accountability	Yes.	The NBM is responsible to the parliament.
Open letter	No.	
Parliamentary hearings	Yes.	National Bank must submit to the parliament in a plenary session, by June 1 of each year a report that includes information on: - activity and its operations for the concluded financial year; - economic situation of the State.
Other	Yes.	National Bank must submit quarterly, within 45 days from the end of the quarter, to the parliament and government a report (inflation report), which contains the analysis of the macroeconomic situation and a medium-term forecast on inflation and main macroeconomic indicators, which is published in accordance with the schedule approved by the Executive Board of the NBM. If there is a deviation of the inflation rate exceeding the deviation interval, the NBM will publish a plan of corrective actions to bring the inflation within the established band.
Transparency	Yes.	
Publication of votes	Yes.	The NBM publishes the votes of members of the Executive Board at monetary policy meetings in the Inflation Report. In this respect, the vote count is published six months after the decision was made. The Inflation Reports contains the summaries of the minutes of the NBM's Executive Board meetings on monetary policy, which include the number of votes in favor and against the decision.
Publication of minutes	Yes.	The NBM publishes the summaries of minutes of the NBM's Executive Board meetings on monetary policy in the Inflation Report. In this respect, the summaries of the minutes are published six months after the decision was made.
Publication of inflation forecasts	Yes.	A report, which contains a forecast on inflation, is published. The NBM publishes the Inflation Report quarterly to evaluate the efficiency of the monetary policy, which will include an analysis of the macroeconomic situation, a forecast for medium-term (two years) inflation, as well as the analysis of the risks regarding the future achievement of the quantitative target.

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		The inflation forecast is published on the home page of the NBM official website.
Other monetary framework		
Exchange tax	Yes.	Foreign exchange purchased by individuals against cash at licensed banks or at foreign exchange offices is subject to a tax of 0.1%. Receipts from this tax are used for domestic social services.
Exchange subsidy	No.	
Foreign exchange market	Yes.	According to the Law on Foreign Exchange Regulation, licensed banks and foreign exchange entities may freely determine their bid-ask spreads on foreign exchange purchases and sales as well as their commissions for operations with clients.
Spot exchange market	Yes.	Licensed banks and foreign exchange entities are the authorized participants in the domestic foreign exchange market. Foreign exchange entities include foreign exchange offices, hotels, and licensed banks. As of December 31, 2022, there were 11 licensed banks, 401 licensed foreign exchange offices (including their 109 branches), 6 licensed hotels, and 739 licensed bank foreign exchange bureaus. As of December 31, 2022, 91 currency exchange machines were installed by foreign exchange entities (including 90 by licensed banks and 1 by a foreign exchange office). Licensed banks may buy from and sell to residents and nonresidents any currency (intrabank market). Foreign exchange entities may buy from and sell to individuals (residents and nonresidents) any currency. Licensed banks and foreign exchange entities may set their foreign exchange buying and selling rates. According to the Law on Foreign Exchange Regulation, a foreign exchange office is a resident legal entity that performs only one type of activity in Moldova – that is, cash purchases and sales with individuals in lei and foreign currency and traveler's check in foreign currency. Such entities may not make payments and transfers in foreign currency on behalf of their clients. Foreign exchange offices may have accounts abroad under the same conditions as other resident legal entities. Hotels' foreign exchange bureaus may only purchase individuals' foreign currency cash or traveler's checks against lei. Currency exchange operations may be performed by individuals via currency exchange machines installed by the foreign exchange entities. Foreign exchange offices cannot make foreign exchange transactions directly with the CB.
Operated by the central bank	Yes.	The Moldovan foreign exchange market is decentralized.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The NBM conducts interbank foreign exchange auctions (in the form of multiple price auctions) for purchases and sales of foreign currency against lei between the NBM and licensed banks through a common trading platform (based on Bloomberg). The NBM notifies the licensed banks about the auction by sending an announcement message through the common trading platform at the latest 30 minutes before the start of the auction. The announcement message contains among other information the amount of foreign currency proposed by the NBM to be sold or bought. The frequency of the auction is not regulated. Licensed commercial banks are eligible to participate. Each participating bank is only allowed to submit one bid, with a minimum of 100,000 units of the traded foreign currency. Auction participants are not required to finance specific international

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		transactions with the foreign exchange obtained at the auction. The results are disclosed to the participating banks within one hour of the end of the auction. In case of default of the auction participants, the NBM may apply the penalties for the late payment to the respective bank according to the Agreement on the Interbank Foreign Exchange Market in the Republic of Moldova.
Fixing	No.	
Interbank market	Yes.	As of December 31, 2022, 11 licensed banks participate in the domestic foreign exchange interbank market, under the Agreement on the Interbank Foreign Exchange Market in the Republic of Moldova. The Law on Foreign Exchange Regulation allows licensed banks to set bid and ask rates for their foreign exchange transactions. Under the Agreement on the Interbank Foreign Exchange Market in the Republic of Moldova, (1) spreads (difference between the bid and ask rates) may be determined by the quoting party and (2) banks may not charge fees on foreign exchange transactions in the domestic interbank market. The Law on Payment Services and Electronic Money allows resident nonbank payment service providers and electronic money institutions to perform foreign currency exchange transactions closely related to the electronic money issuance or to the provision of payment services. Under the Law on Capital Markets, resident investment firms may perform foreign exchange buying and selling transactions related to the provision of investment services. The NBM intervenes directly with market participants at their quoted rates.
Over the counter	Yes.	The interbank market operates over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	This market is small and operations are insignificant. There is a small swap market in which the NBM is one of the counterparties.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments and transfers in foreign currency in Moldova may be performed only in the cases specified by law. Payments and transfers to or from foreign countries may be performed in domestic or foreign currency, except when, in accordance with international treaties, payments and transfers must be in foreign currency or convertible foreign currency.
Controls on the use of domestic currency	Yes.	Payments and transfers in Moldova between residents and nonresidents may be freely conducted in domestic currency. To facilitate noncash payments and transfers by legal entities, the use of cash in domestic currency between residents and nonresidents is limited.
For current transactions and payments	Yes.	Provisions of Article 5 of the Law on Foreign Exchange Regulation governing international current transactions in foreign currency also apply to those effected with domestic currency. Payments and transfers in Moldova between residents and nonresidents may be freely conducted in domestic currency. Payments and transfers to or from foreign countries may be performed in domestic or foreign currency, except when, in accordance with international treaties, payments and transfers must be in foreign currency or convertible foreign currency. To facilitate noncash payments and transfers by legal entities, the use of cash in domestic currency between residents

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		and nonresidents is limited.
For capital transactions	Yes.	Provisions of Articles 6–16 and 28–34 of the Law on Foreign Exchange Regulation governing international capital transactions in foreign currency also apply to those effected with domestic currency, except for some regulations on exports and imports of cash.
Transactions in capital and money market instruments	Yes.	Provisions of the Law on Foreign Exchange Regulation governing international capital transactions, as described in Section XI.A.2. of this report, in foreign currency also apply to those effected with domestic currency. Payments and transfers in Moldova between residents and nonresidents may be freely conducted in domestic currency. Payments and transfers to or from foreign countries may be performed in domestic or foreign currency, except when, in accordance with international treaties, payments and transfers must be in foreign currency or convertible foreign currency. To facilitate noncash payments and transfers by legal entities, the use of cash in domestic currency between residents and nonresidents is limited.
Transactions in derivatives and other instruments	Yes.	Provisions of the Law on Foreign Exchange Regulation governing international capital transactions, as described in Section XI.A.3. of this report, in foreign currency also apply to those effected with domestic currency. Payments and transfers in Moldova between residents and nonresidents may be freely conducted in domestic currency. Payments and transfers to or from foreign countries may be performed in domestic or foreign currency, except when, in accordance with international treaties, payments and transfers must be in foreign currency or convertible foreign currency. To facilitate noncash payments and transfers by legal entities, the use of cash in domestic currency between residents and nonresidents is limited.
Credit operations	Yes.	Provisions of the Law on Foreign Exchange Regulation governing international capital transactions, as described in Section XI.A.4. of this report, in foreign currency also apply to those effected with domestic currency. Payments and transfers in Moldova between residents and nonresidents may be freely conducted in domestic currency. Payments and transfers to or from foreign countries may be performed in domestic or foreign currency, except when, in accordance with international treaties, payments and transfers must be in foreign currency or convertible foreign currency. To facilitate noncash payments and transfers by legal entities, the use of cash in domestic currency between residents and nonresidents is limited.
Use of foreign exchange among residents	Yes.	The use of foreign currency among residents is allowed only in cases stipulated in Articles 21 and 22 of the Law on Foreign Exchange Regulation and other relevant laws.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There are several bilateral agreements for the promotion of investment and trade development that include provisions on payments between the signatories, including with Romania, and negotiations are under way with Turkey.
Inoperative	No.	
Regional arrangements	Yes.	The regional trade agreements in which the Republic of Moldova takes part offer a preferential trade regime by eliminating import duties as well as other tariff and nontariff barriers. The Republic of Moldova signed the following FTAs: Association Agreement and Deep and Comprehensive Free Trade Area with EU, FTA with CIS countries, FTA with CEFTA countries, FTA with the Republic of Turkey and on January 1, 2021, Strategic Partnership, Trade and Cooperation Agreement with United Kingdom of Great Britain and

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		Northern Ireland. The Republic of Moldova also benefits from unilateral trade preferences offered under the GSP signed with Canada, Japan, Norway, Switzerland, and the United States.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The NBM is responsible for (1) formulating and implementing the government monetary and foreign exchange policy, (2) establishing the exchange rate regime of the leu, (3) holding and managing the country's foreign exchange reserves, (4) licensing foreign exchange offices and hotels for cash currency exchange activity with individuals, (5) approving foreign exchange operations that are subject to authorization under the Law on Foreign Exchange Regulation, and (6) exercising control over agents of foreign exchange control. According to the Law on Regulation of Repatriation of Funds, Goods, and Services Obtained from External Economic Transactions, control over the repatriation of funds, goods, and services is exercised by fiscal authorities, who verify repatriation through on-site inspections of legal entities' economic activities. The Law on Foreign Exchange Regulation specifies the authorities and agents of foreign exchange control and the scope of their authority. The authorities of foreign exchange control are the following: NBM, customs authorities, the specialized administrative authority responsible for financial inspection (as of July 20, 2023, adjusting the provisions of Law on Foreign Exchange Regulation to the legal framework. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts) subordinated to the MOF and the State Tax Service, National Commission for Financial Markets (NCFM), Office for Prevention and Fight against Money Laundering, and Court of Accounts. The agents of foreign exchange control are the following: - licensed banks; - foreign exchange offices; - hotels holding the license of the NBM for performing the currency exchange operations in cash with individuals; - resident legal entities that have the right to render services related to the exchange of postal money orders; - resident nonbank payment services providers; and - resident electronic money issuers in connection with the issuance of electronic money and providing payment services related to the issuance of electronic money. The foreign exchange control authorities exercise control within the limits of their authority. Foreign exchange control agents exercise control over payments and transfers in foreign exchange operations carried out by residents and nonresidents through such agents.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Regulated by the Law No. 282 of July 22, 2004, on Precious Metals and Precious Stones.
On domestic ownership and/or trade	Yes.	Entrepreneurial activity in the field of precious metals and stones is carried out based on licenses issued by the Public Services Agency. Since the July 2010 dissolution of the State Depository of Valuables, the valuables in the State Fund of Precious Metals and Precious Stones have been transmitted to various authorities (for example,

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		NBM, Ministry of Education, Culture and Research). Secondhand stores and pawnshops may not purchase or accept for storage or as collateral precious metal bullion or precious metal coins. Pawnshops do not have the right to receive the following: -foreign currency; -valuable papers; -objects that do not belong to private individuals; -real estate; -antique objects or other old objects; -coins of precious metals; -metals and precious stones, which are raw material, waste, or objects for technical and production purposes; -means of transport (excluding bicycles and mopeds); -waste and scrap containing precious metals extracted from the machine when scrapped. Under the Law on the Precious Metals and Stones Regime, legal entities and individuals are entitled to hold objects of precious metals. In addition, individuals have the right to present for testing and marking (to the Public Institution State Chamber for Marking Supervision) articles made of precious metals and precious stones in the amount of up to five units annually, regardless of their value. Effective March 17, 2023 (Law No. 60 amended Article 16 of Law 282) electronic commerce was excluded from the conditions pertaining to the location where such transactions are permitted.
On external trade	Yes.	A license from the Public Services Agency is required, which allows imports and exports of precious metals and stones.
Controls on exports and imports of banknotes	Yes.	Imports and exports of foreign exchange values (cash in foreign and domestic currency, materialized securities, and payment instruments in foreign and domestic currencies) are regulated by the Law on Foreign Exchange Regulation. Imports and exports of coins containing precious metals are governed by the legislation regulating precious metals and articles thereof. If both cash (domestic and foreign currencies) and traveler's checks in foreign currency are imported or exported, the limits of €10,000 and €50,000 (including for declaration) specified below apply to the total amount imported or exported. If securities and payment instruments in both domestic and foreign currencies (other than traveler's checks) are imported or exported, the declaration limit of €10,000 indicated below applies to the total amount imported or exported.
On exports	Yes.	Fees for customs procedures are not charged on exports of domestic currency and foreign currency in cash from Moldova by commercial banks and the NBM.
Domestic currency	Yes.	Nonresident banks and licensed banks may export domestic currency cash with NBM approval. Exportation by nonresident banks and licensed banks of domestic currency cash in an amount not exceeding MDL 100,000 does not require the NBM approval. Exports by licensed banks and other resident legal entities of domestic currency banknotes and coins to be used to test currency-processing machines also do not require NBM approval. Once the test is completed, but no later than six months from the date of exportation, the cash must be returned. Exports of banknotes and coins by licensed banks and nonresident banks must be declared in writing to customs. Resident and nonresident individuals may export, when departing Moldova, domestic currency cash (1) in amounts not exceeding €10,000 or its equivalent an individual a trip without submission of supporting documentation to customs authorities and (2) between €10,000 and €50,000 or the equivalent an individual a trip with written declaration and submission to customs of the

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		following supporting documents for the amount exceeding €10,000 or its equivalent: (a) customs documents confirming the importation of currency and/or (b) export permission from a licensed bank or the NBM. Individuals may not export domestic currency cash in unaccompanied luggage. Resident and nonresident legal entities may export cash in domestic currency in cases stipulated by the Law on Foreign Exchange Regulation via their official representatives. In case of exports of cash in domestic currency by individuals who are also representatives of legal entities, the requirements (including declaration) established for individuals apply for the total amount of exported funds, except when customs legislation allows exceptions for certain categories of individuals and legal entities. Residents and nonresidents may export securities and payment instruments in domestic currency without limit, subject to declaration in written form to customs as follows: (1) by licensed banks and nonresident banks, regardless of the amount of exported securities and payment instruments, and (2) by individuals and official representatives of legal entities, if the total amount of exported securities and payment instruments exceeds the equivalent of €10,000 an individual a trip, except when customs legislation allows exceptions for certain categories of individuals and legal entities. Payment cards are excluded from the definition of payment instruments of the Law on Foreign Exchange Regulation.
Foreign currency	Yes.	Licensed banks and nonresident banks may export foreign currency cash without NBM approval. Licensed banks and nonresident banks may export traveler's checks in foreign currency without NBM approval. Exports of banknotes, coins, and traveler's checks by licensed banks and nonresident banks must be declared in written form to customs. Resident and nonresident individuals may export when departing Moldova foreign currency cash and traveler's checks in foreign currency (1) up to €10,000 or its equivalent an individual a trip without submission of supporting documentation to customs authorities and (2) between €10,000 and €50,000 or the equivalent an individual a trip by written declaration and submission to the customs authorities of the following supporting documents for the amount exceeding €10,000 or its equivalent: (a) customs documents confirming the importation of currency into Moldova and/or (b) export permission issued by a licensed bank or the NBM. Individuals may not export foreign currency cash and traveler's checks in foreign currency in unaccompanied luggage. Resident and nonresident legal entities may export cash in foreign currency and traveler's checks in foreign currency in cases stipulated by the Law on Foreign Exchange Regulation (for example, exports of cash by employees for business trip expenses abroad) via their official representatives. In case of exports of cash in foreign currency and traveler's checks in foreign currency by individuals who are also representatives of legal entities, the requirements (including declaration) established for individuals are applied for the total amount of the funds exported, except when customs legislation allows exceptions for certain categories of individuals and legal entities. Residents and nonresidents may export securities and payment instruments other than traveler's checks in foreign currency without limit, subject to declaration in written form to customs as follows: (1) by licensed banks and nonresident banks, regardless of the amount of exported securities and payment instruments, and (2) by individuals and by official representatives of legal entities, if the total amount of exported securities and payment instruments exceeds €10,000 or its equivalent an individual a trip, except when customs legislation allows exceptions for certain categories of individuals and legal entities. Payment cards are excluded from the definition of payment instruments of the Law on

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		Foreign Exchange Regulation.
On imports	Yes.	Fees for customs procedures and customs duties are not charged on imports of domestic currency and foreign currency in cash to Moldova by commercial banks and the NBM. Only the NBM is exempted from the VAT on import of domestic currency and foreign currency in cash to Moldova.
Domestic currency	Yes.	Nonresident banks and licensed banks may import cash in domestic currency with NBM approval. Importation by nonresident banks and licensed banks of domestic currency cash in an amount not exceeding MDL 100,000 does not require the NBM approval. The importation by licensed banks and other resident legal entities of banknotes and coins in domestic currency earlier exported to be used to test currency-processing machines also does not require the NBM approval. Cash must be returned after the testing, but no later than six months from the date of exportation. Imports of banknotes and coins by licensed banks and nonresident banks must be declared in written form to customs. Resident and nonresident individuals may, when entering Moldova, import unlimited banknotes and coins in domestic currency, subject to declaration in written form to customs if amounts exceed the equivalent of €10,000 an individual a trip. Importation of domestic currency cash in unaccompanied luggage by an individual is not allowed. Resident and nonresident legal entities may import domestic currency cash in cases stipulated by the Law on Foreign Exchange Regulation (for example, imports of cash by nonresident legal entities to make payments for exports of goods and services) via their official representatives. In case of imports of cash in domestic currency by individuals who are also representatives of legal entities, the requirements (including the declaration requirement) established for individuals are applied for the total amount of the funds imported, except when customs legislation allows exceptions for certain categories of individuals and legal entities. Residents and nonresidents may import securities and payment instruments in domestic currency without limit, subject to declaration in written form to the customs authorities as follows: (1) by licensed banks and nonresident banks, regardless of the amount of imported securities and payment instruments and (2) by individuals and by official representatives of legal entities, if the total amount of imported securities and payment instruments exceeds the equivalent of €10,000 an individual a trip, except when customs legislation allows exceptions for certain categories of individuals and legal entities. Payment cards are excluded from the definition of payment instruments of the Law on Foreign Exchange Regulation.
Foreign currency	Yes.	Importation of foreign currency cash as well as traveler's checks in foreign currency by licensed banks and nonresident banks may be made without NBM approval. Banknotes, coins, and traveler's checks in foreign currency imported by licensed banks and nonresident banks must be declared to customs in writing. Resident and nonresident individuals, when entering Moldova, may import unlimited banknotes, coins, and traveler's checks in foreign currency, subject to declaration in written form to the customs authorities if amounts exceed €10,000 or its equivalent an individual a trip. Individuals may not import foreign currency cash and traveler's checks denominated in foreign currency in unaccompanied luggage. Resident and nonresident legal entities may import foreign currency cash and traveler's checks in foreign currency in cases stipulated by the Law on Foreign Exchange Regulation (for example, imports of cash by nonresident legal entities to make payments for exports of goods and services) via their official representatives. In cases of importation of cash in foreign currency and traveler's checks in

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		foreign currency by individuals who are also representatives of legal entities, the requirements (including declaration) established for individuals are applied for the total amount of the funds imported, except when customs legislation allows exceptions for certain categories of individuals and legal entities. Residents and nonresidents may import securities and payment instruments other than traveler's checks in foreign currency without limit, subject to declaration in written form to the customs authorities as follows: (1) by licensed banks and nonresident banks, regardless of the amount of imported securities and payment instruments, and (2) by individuals and by official representatives of legal entities, if the total amount of imported securities and payment instruments exceeds €10,000 or its equivalent an individual a trip, except when customs legislation allows exceptions for certain categories of individuals and legal entities. Payment cards are excluded from the definition of payment instruments of the Law on Foreign Exchange Regulation.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Residents may perform foreign exchange operations in cash, in cashless form or with payment instruments, including through foreign and domestic currency accounts and by using traveler's checks as specified in legislation.
Held domestically	Yes.	Resident legal entities and individuals may freely open accounts in any foreign currency with licensed banks. Residents' foreign exchange accounts may be credited with foreign exchange purchased locally or received from abroad or from other legal sources. Residents may freely sell to licensed banks foreign currency from their accounts. Resident account holders may use foreign exchange in their accounts to make payments and transfers according to the legislation, including – with NBM approval – for transactions that are subject to such approval under the Law on Foreign Exchange Regulation. There are no restrictions on the use of funds for current international transactions. Domestic transactions must be settled in domestic currency, except as specified by law. Foreign currency earnings of resident legal entities must be deposited at licensed banks. Payments and transfers by resident legal entities must take place through noncash transfers, unless explicitly stipulated by law. Cash deposits to and withdrawals from resident individuals' foreign exchange accounts are not restricted. Resident legal entities and individuals may open payment accounts in foreign currency with resident nonbank payment service providers. (Effective August 5, 2023, the issuance of electronic money is permitted in foreign currency. Amendments made by Law No. 209 of July 15, 2022.) These accounts in foreign currency are for payments only and are subject to the foreign exchange legislation. Resident nonbank payment service providers may carry out foreign currency exchange transactions closely related to the electronic money issuance or to the provision of payment services.
Approval required	No.	Residents are allowed to open domestic foreign exchange accounts without NBM approval. It is forbidden for budgetary authorities/institutions to open bank accounts for making operations through banks.
Held abroad	Yes.	Law No. 94 of May 13, 2016, on amending and supplementing of the Law on Foreign Exchange Regulation introduced express provisions related to the nonbank payment service providers and accounts opened with them. If accounts to be opened with nonresident banks abroad by residents are subject to NBM approval, these accounts may be opened with such approval. NBM approval specifies allowable operations for these accounts and may specify balance

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		limits, fund maintenance periods, and other conditions. If resident accounts opened with nonresident banks abroad do not require NBM approval, payments and transfers through these accounts must comply with foreign exchange legislation, including NBM approval for certain operations under the Law on Foreign Exchange Regulation. Residents may open payment accounts with nonresident payment service providers. Funds from resident accounts abroad may be freely transferred to Moldova.
Approval required	Yes.	NBM approval is required for all residents to hold accounts opened with nonresident banks abroad, with the following additional exceptions: (1) resident individuals during a temporary stay abroad; (2) residents making direct investments and real estate investments abroad, if the opening of such accounts by investors (in their own name) is compulsory under the laws of the country where the investments are made; (3) resident public institutions; (4) licensed banks, in their own name, if required for their activities under the license issued by the NBM; (5) residents opening accounts related to guarantee deposit if the guarantee amount does not exceed €10,000 (or its equivalent); (6) residents opening accounts aimed at performing operations related to loans/credits/guarantees from nonresidents, if the amount of a loan/credit/guarantee does not exceed €10,000 (or its equivalent). In July 20, 2023, the provisions related to representative offices were excluded as a result of the adjustment of Law No. 62/2008 with the provisions of the Civil Code. Amendments made by Law No. 363 of December 29, 2022. Now representative offices are considered nonresidents. Consequently, considering that the authorization regime applies to residents only, the opening of accounts abroad by the representative offices located abroad of resident legal entities is not subject to NBM authorization.
Accounts in domestic currency held abroad	Yes.	Law No. 94 of May 13, 2016, on amending and supplementing of the Law on Foreign Exchange Regulation introduced express provisions related to the nonbank payment service providers and accounts opened with them. NBM approval is required for all residents to hold accounts opened with nonresident banks, with the following exceptions: (1) resident individuals during their temporary stay abroad; (2) residents making direct investments and real estate investments abroad, if the opening of such accounts by investors (in their own name) is compulsory under the laws of the country where the investments are made; (3) resident public institutions; (4) licensed banks, in their own name, if required for their activities under the license issued by the NBM; ((5) residents opening accounts related to guarantee deposit if the guarantee amount does not exceed €10,000 (or its equivalent); and (6) residents opening accounts aimed at performing operations related to loans/credits/guarantees from nonresidents, if the amount of a loan/credit/guarantee does not exceed €10,000 (or its equivalent). Residents may open payment accounts with nonresident payment service providers. In July 20, 2023, the provisions related to representative offices was excluded as a result of the adjustment of Law No. 62/2008 with the provisions of the Civil Code. Amendments made by Law No. 363 of December 29, 2022. Now representative offices are considered nonresidents. Consequently, considering that the authorization regime applies to residents only, the opening of accounts abroad by the representative offices located abroad of resident legal entities is not subject to NBM authorization.
Accounts in domestic currency convertible into foreign currency	Yes.	Funds in leu-denominated accounts of resident individuals and legal entities with licensed banks may be freely converted through those banks to foreign exchange for any lawful purpose. Licensed banks

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may purchase foreign currency against domestic currency without restriction. The Law on Payment Services and Electronic Money allows resident nonbank payment service providers to carry out foreign currency exchange transactions closely related to the electronic money issuance or to the provision of payment services, which are subject to provisions of the foreign exchange legislation.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresident individuals and legal entities may freely open with licensed banks accounts in any foreign currency. These accounts may be credited with funds from abroad, through purchases in the domestic foreign exchange market, and from other legal sources. Nonresidents with foreign exchange accounts at licensed banks in Moldova are permitted to transfer the balances from these accounts abroad or sell them in the foreign exchange market through licensed banks without restriction. Balances from these accounts may also be used for other operations as specified by law. Payments and transfers in Moldova between residents and nonresidents and between nonresidents may take place in domestic and foreign currencies, except as indicated by law. Payments and transfers to and from the accounts of nonresident legal entities must take place through noncash transfers, unless explicitly allowed by law. Cash may be deposited in and withdrawn from nonresident individuals' foreign exchange accounts without restriction. The law specifies the foreign exchange operations, including deposits in and withdrawals from accounts in foreign and domestic currencies, which nonresidents may perform in cash or using payment instruments. Nonresident legal entities and individuals may open payment accounts in foreign currency with resident nonbank payment service providers. (Effective August 5, 2023, the issuance of electronic money is permitted in foreign currency. Amendments made by Law No. 209 of July 15, 2022.) These accounts in foreign currency are for payments only and are subject to the foreign exchange legislation. Resident nonbank payment service providers may carry out foreign currency exchange transactions closely related to the electronic money issuance or to the provision of payment services.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident individuals and legal entities may freely open with licensed banks accounts in domestic currency. These accounts may be credited with funds obtained from the sale of foreign currency in the domestic foreign exchange market and from other legal sources. Nonresidents with leu accounts at licensed banks as well as on their payment accounts opened with resident nonbank payment services providers may transfer the balances from these accounts abroad or convert them to foreign currency in the foreign exchange market through licensed banks without restriction. Balances from these accounts may also be used for other operations according to the legislation. Payments and transfers to and from the accounts of nonresident legal entities must take place through noncash transfers, unless explicitly allowed by law. Cash may be deposited in and withdrawn from nonresident individuals' accounts in domestic currency without restriction. The law specifies the foreign exchange operations, including deposits in and withdrawals from accounts in foreign and domestic currency, which nonresidents may perform in cash or using payment instruments. Nonresident legal entities and individuals may open payment accounts in domestic currency with resident nonbank payment service providers. These accounts are for payments only and are subject to the foreign exchange legislation.

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		Resident nonbank payment service providers may carry out foreign currency exchange transactions closely related to the electronic money issuance or to the provision of payment services.
Convertible into foreign currency	Yes.	Balances from leu accounts of nonresidents opened with licensed banks may be converted freely to foreign currency. Resident nonbank payment service providers may carry out foreign currency exchange transactions closely related to the electronic money issuance or to the provision of payment services, which are subject to provisions of the foreign exchange legislation.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Unless stipulated otherwise by law, goods must be imported and services rendered, as a rule, no later than two years from the date of advance payment. The value of all imported goods and rendered services must equal the amount paid. If a contract is not executed, the amount of the advance payment must be repatriated to Moldova no later than two years after such advance payment. However, the length of this period may vary, depending on the type of contract.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Import payments in domestic and foreign currencies in the amount exceeding EUR 10,000 (or their equivalent) each payment/transfer may be effected on submission of supporting documents to licensed banks and to resident nonbank payment service providers. To make import payments, foreign currency may be purchased from licensed banks and resident nonbank payment service providers.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	The Republic of Moldova does not maintain any negative or positive listing for imports.
Open general licenses	No.	
Licenses with quotas	Yes.	The annual quota established in the Program for Phased Suppression of Halogenated Hydrochlorofluorocarbons for the years 2016–2040, approved by the Government, is distributed for each period between January 1 and December 31, at the beginning of the year, by the central authority for environmental protection.

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Other nontariff measures	Yes.	The following imports are subject to licensing for the purpose of consumer protection and to ensure compliance with domestic standards: dual-purpose goods and technologies, ammunition, military equipment, and special compounds for the manufacture thereof; explosive substances; nuclear products and technology; medicine, equipment for the manufacture of medicine, and medical equipment; chemicals; cultures for developing microorganisms; and stupefying or psychotropic materials and compounds for their derivation or production, tabaco, ethyl alcohol, petrol, diesel and/or liquefied gas at filling stations. At the same time, the following imports are subject to authorization: dual-purpose goods and technologies, the import of wild animals and plants, substances that destroy the ozone layer, products and equipment containing such substances, drugs, narcotic, psychotropic substances and precursors, tobacco products manufacturing equipment. Sugar imports are also subject to authorization to monitor the volume of imports from countries that have signed FTAs with Moldova and are not members of the WTO (for example, Belarus) in conformity with Government Decision No. 134 of February 10, 2009. Effective August 15, 2023, by the Government Decision No. 594, licensees from the Transnistrian region must pay a license cost and present some documents for obtaining a license. Previously, the license applicants from the Transnistrian region were exempted from paying the license cost and presenting the documents.
Import taxes and/or tariffs	Yes.	The Republic of Moldova applies two types of tariffs: on an MFN Clause rate (non-preferential tariffs) and preferential tariffs applied within signed FTAs. Law Approving the Combined Nomenclature of Goods (No. 172 of July 25, 2014) stipulates all tariffs applied on a non-preferential basis, on an MFN rate. For WTO members, importation of sugar is performed on the basis of the first-in first-out principle and within the limits of tariff quotas, in conformity with Government Decision No. 114 of February 22, 2012. Sugar imports from EU members are based on a system for administration of tariff quotas that relies on the first-in first-out principle, under the registration in SIIV ASYCUDA World of the customs declaration. The Republic of Moldova also applies preferential tariff rate quotas within FTAs, particularly within Deep and Comprehensive FTA (DCFTA) with EU, Turkey and with the United Kingdom of the Great Britain and Northern Ireland. Integrated Customs Tariff of the Republic of Moldova (TARIM) contains all applied tariffs of the Republic of Moldova (including preferential trade agreements with EU, CIS countries, CEFTA states, Turkey, United Kingdom of the Great Britain, and Northern Ireland), as well as VAT and excise duty. Fees for customs procedures and customs duties are not charged on imports of domestic currency and foreign currency in cash to the Republic of Moldova by commercial banks and the NBM. Effective August 15, 2023, by the Government Decision No. 594, licensees from the Transnistrian region must pay a license cost and present some documents for obtaining a license. Previously, the license applicants from the Transnistrian region were exempted from paying the license cost and presenting the documents.

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Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Unless stipulated otherwise by law, proceeds from exports of goods and services must be repatriated to the exporter's account with a licensed bank, as a rule, no later than three years after issuance of the export customs declaration or from the date the services are provided, stipulated in confirming documents. The length of this period may vary, depending on the type of contract.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	An export license is required for the export – as follows: License for import and/or export of precious metals and precious stones; License for import/export of tobacco products, fermented or unfermented tobacco, and related products; License for export of ferrous and non-ferrous scrap and waste metals, spent batteries and accumulators, including in processed state; License for the import and/or export, reexport of arms and ammunition for civilian use; License for import, export, reexport of explosive materials; License for the import, export, reexport of pyrotechnic articles; License for the activity of information protection: import, export, special technical means for the covert acquisition of information. - The licenses are granted according to the Law No. 160 of July 22, 2011, on Entrepreneurial Activity by Authorization. At the same time, the following products are subject to authorization – dual-purpose goods and technologies, the export of wild animals and plants, waste transit, substances that destroy the ozone layer, products and equipment containing such substances, drugs, narcotic, psychotropic substances and precursors, tobacco products manufacturing equipment. Additionally, it should be mentioned that the Public Services Agency is the issuing authority of the permissive act that is not a license, but which has the form of an authorization, issued for import, export, reexport, transit of strategic goods with dual destination.

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With quotas	No.	The Republic of Moldova does not use any export quotas.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	To perform payments and transfers, residents and nonresidents may purchase foreign currency from licensed banks and from resident nonbank payment service providers. Individuals may also purchase foreign currency from foreign exchange entities. Resident legal entities may make payments and transfers to nonresidents and residents abroad up to the amounts specified in the supporting documents submitted to licensed banks and to resident nonbank payment service providers. Resident legal entities may make noncash payments/transfers within foreign exchange operations without submission to the resident payment service providers of the justifying documents in the event that: (1) transfers from the licensed bank account to its bank account opened with another licensed bank or with nonresident bank; (2) transfers from the resident nonbank payment service providers account to its account opened with another resident payment service provider as well as in the case specified in Item (4); (3) transfers to other accounts of the resident legal entity (other than the resident payment service provider) opened with the same or another resident payment service provider; (4) transfers by the resident legal entity (other than the licensed bank) to its accounts opened with nonresident banks on the basis of the authorizations issued by the NBM, which provide for the possibility of making transfers into these accounts from the accounts opened with the resident payment service providers and do not contain the requirement of presentation of justifying documents to the resident payment service provider; (5) payments/transfers abroad for the purposes stipulated in Article 23, Paragraph (1), Letters (a) and (c) of the Law No. 62-XVI of March 21, 2008; (6) payment abroad of the state tax established by the legislation of the foreign state; (7) payments/transfers (other than those referred to in Items (1)–(6) and transfers to their accounts, opened with nonresident banks without NBM authorization in the cases provided for in Article 13, Paragraph (5), Letters (b) (Effective July 20, 2023, the provisions related to representative offices excluded as a result of the adjustment of Law No. 62/2008 with the provisions of the Civil Code. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts.), (e), and (f) of the Law No. 62-XVI of March 21, 2008), where those represent payments/transfers in the amount not exceeding EUR 10,000 (or their equivalent) each payment/transfer, being performed within foreign exchange operations which are not subject to notification/authorization according to the Law No. 62-XVI of March 21, 2008. Resident individuals may make payments or transfers to nonresidents and residents abroad up to the amounts specified in the supporting documents submitted to licensed banks and to resident nonbank service providers, except as specified in NBM regulations (see

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below). The payments/transfers may be made by the resident individual in favor of nonresidents and abroad in favor of residents, in accordance with the Law No. 62-XVI of March 21, 2008, as follows:
(1) without submission to the resident payment service provider of the justifying documents, in the event that the single payment/transfer meets both of the following conditions:
(a) the payment/transfer in favor of a nonresident is made in the amount not exceeding EUR 10,000 (or their equivalent);
(b) the payment/transfer is made within the foreign exchange operation that is not subject to notification/authorization according to the Law No. 62-XVI of March 21, 2008.
(2) other cases than those indicated in sub-item (1) – when submitting to the resident payment service provider the justifying documents confirming the purpose of the payment/transfer and containing data on the amount of the payment/transfer.
The nonresident individual has been allowed to perform the transfer abroad of funds in foreign currency/domestic currency for the purpose of family expenses in favor of each family member – resident individuals who are staying abroad and nonresident individuals, as follows:
(1) in the amount not exceeding EUR 10,000 (or their equivalent) – without presentation to the resident payment service provider the justifying documents;
(2) in the amount exceeding EUR 10,000 (or their equivalent) – on submission to the resident payment service provider of the justifying documents:
(a) confirming the membership of the family;
(b) confirming the necessity for the payment/transfer to be made by the individual in favor of whom the transfer is made and containing data in the amount of the payment/transfer.
The nonresident individual must be allowed to perform the payments/transfers in foreign currency abroad, other than those specified, as follows:
(1) without submission to the resident payment service provider of the justifying documents, in the following cases:
(a) transfer on his own name;
(b) a payment/transfer in favor of an individual/legal entity in the amount not exceeding EUR 10,000 (or their equivalent).
(2) a payment/transfer in favor of an individual/legal entity in other cases than those established in sub-item (1) – on submission to the resident payment service provider of the justifying documents confirming the necessity of making the payment/transfer and containing data on the amount of the payment/transfer.
The nonresident legal entities are allowed to perform noncash payments/transfers abroad without submitting to resident payment service providers of justifying documents in the event that:
(1) the transfers are made on the name of the same account holder;
(2) the payments/transfers are made by nonresident banks;
(3) transfers/payments are made by nonresident payment service providers in their quality of payment service providers/electronic money issuers;
(4) payments/transfers are made by the representative offices of international organizations, by diplomatic missions, consular offices, and other official representative offices of foreign states accredited in the Republic of Moldova, as well as by international organizations;
(5) payments/transfers are made by nonresident legal entities which are institutions implementing technical assistance projects/foreign financing projects for the Republic of Moldova, for purposes related to implementation of the projects, only in relation to individuals;

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		(6) payment of state tax established by the legislation of the foreign state; (7) payments/transfers other than those referred to in Items (1)–(6) in the amount not exceeding EUR 10,000 (or their equivalent) each payment/transfer.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments are permitted up to the amount set forth in the supporting documents. Individuals and legal entities are allowed to make payments in the amount of up to €10,000 or its equivalent without the submission of supporting documents.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	After payment of all fiscal obligations, foreign investors may transfer abroad any funds obtained domestically as a result of their investment activities. The NBM must be notified by residents of some categories of private loans from nonresidents specified in Article 6 of the Law on Foreign Exchange Regulation if the amount of these loans is exceeding EUR 10,000 (Effective July 20, 2023, the amount of the mentioned loan, subject to notification to the NBM, was decreased to €10,000 from €50,000. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts) (or its equivalent). Current payments related to these loans may be effected by residents on presentation of the document confirming the notification of the loan to the NBM. Payments are permitted up to the amount set forth in the supporting documents.
Payments for travel	Yes.	Resident legal entities (Effective July 20, 2023, the provisions related to representative offices excluded as a result of the adjustment of Law No. 62/2008 with the provisions of the Civil Code. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts) may withdraw foreign currency (cash and/or traveler's checks) from their accounts for business travel expenses abroad without limitation. Exports of these funds must comply with the regulations governing exports of cash and/or traveler's checks.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments are permitted up to the amount set forth in the supporting documents. Individuals/legal entities are allowed to make payments in the amount of up to €10,000 or its equivalent, without the submission of supporting documents.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The following apply to current payments and transfers abroad (in foreign and domestic currencies) by resident individuals a transaction:

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(1) for family expenses: (a) a transfer in the amount not exceeding EUR 10,000 (or their equivalent) – without submission to the resident payment service provider of the justifying documents; (b) a transfer in the amount of over EUR 10,000 (or their equivalent) – on submission to the resident payment service provider of the documents:
(i) confirming family membership; (ii) confirming the need for the payment/transfer to be made by the individual in favor of whom the transfer is made and containing data on the amount of the payment/transfer;
(2) in the resident's name for current expenses during a temporary stay abroad: (a) a transfer in the amount not exceeding EUR 10,000 (or their equivalent) – without the submission of the justifying documents to the resident payment service provider; (b) a transfer in the amount exceeding EUR 10,000 (or their equivalent) – on submission to the resident payment service provider of the documents: (i) confirming the fact of temporary stay abroad (for example, confirmation from a foreign educational institution, a medical institution or from workplace abroad, the temporary residence permit in the respective foreign state); (ii) confirming the necessity of performing the payment/transfer by the individual and containing data regarding the amount of the payment/transfer;
(3) in the resident's name to obtain an entry visa, on submission of documentation confirming the reason for the visit and the need for funds abroad: (a) a transfer in the amount not exceeding EUR 10,000 (or their equivalent) – without the submission of the justifying documents to the resident payment service provider; (b) a transfer in the amount exceeding EUR 10,000 (or their equivalent) – on submission to the resident payment service provider of: (i) the document/information confirming the need of availability of funds abroad on the name of the respective individual to obtain a visa and containing data on the amount of necessary funds (for example, the document/information of the diplomatic mission of the foreign state that specifies the requirement to deposit funds to the account opened with a foreign bank to obtain an entry visa and the amount necessary to be deposited); (ii) the documents confirming the purpose/reason of the visit, required for the submission to the respective diplomatic mission/consular office to obtain the respective visa; and
(4) for the benefit of a nonresident in other cases: (a) without submission to the resident payment service provider of the justifying documents, in the event that the single payment/transfer meets both of the following conditions: (i) the payment/transfer in favor of a nonresident is made in the amount not exceeding EUR 10,000 (or their equivalent); (ii) the payment/transfer is made within the foreign exchange operation that is not subject to notification/authorization according to the Law No. 62-XVI of March 21, 2008; (b) other cases than those indicated in sub-item (1) – when submitting to the resident payment service provider the justifying documents confirming the purpose of the payment/transfer and containing data on the amount of the payment/transfer.
The following apply to current payments and transfers abroad (in foreign and domestic currencies) by nonresident individuals:
(1) transfer abroad for family expenses: (a) in the amount not exceeding EUR 10,000 (or their equivalent) – without presentation to the resident payment service provider the justifying documents;
(b) in the amount exceeding EUR 10,000 (or their equivalent) – on submission to the resident payment service provider of the justifying documents: (i) confirming the membership of the family; (ii) confirming the necessity for the payment/transfer to be made by the individual in favor of whom the transfer is made and containing data

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		in the amount of the payment/transfer; and (2) other payments and transfers abroad: (a) without submission to the resident payment service provider of the justifying documents in the following cases: (i) transfer on his own name; (ii) a payment/transfer in favor of an individual/legal entity in the amount not exceeding EUR 10,000 (or their equivalent); (b) a payment/transfer in favor of an individual/legal entity in other cases than those established in sub-item (1) – on submission to the resident payment service provider of the justifying documents confirming the purpose of making the payment/transfer and containing data on the amount of the payment/transfer.
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	International cards may be issued to individuals and legal entities against resident and nonresident accounts with licensed banks. International cards issued against lei or foreign exchange accounts of resident individuals may be used abroad for up to €10,000 or its equivalent a month for withdrawal of cash or traveler's checks. Resident individuals' cards may be used abroad for payments and transfers in accordance with the foreign exchange legislation without quantitative limits. Resident legal entities may use international cards issued against their accounts for foreign exchange operations in accordance with the foreign exchange legislation without quantitative limits.
Prior approval	No.	
Quantitative limits	Yes.	International cards issued against leu or foreign exchange accounts of resident individuals may be used abroad for up to €10,000 or its equivalent a month for withdrawal of cash or traveler's checks.
Indicative limits/bona fide test	Yes.	The rules for payments and transfers associated with current foreign exchange operations of resident made with the use of their cards abroad are the same as for noncash payments and transfers.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments are permitted up to the amount set forth in the supporting documents, except: (1) The resident legal entities: (a) transfers from the licensed bank account to its bank account opened with another licensed bank or with nonresident bank; (b) transfers from the resident nonbank payment service provider account to its account opened with another resident payment service provider as well as in the case specified in Letter (d); (c) transfers to other accounts of the resident legal entity (other than the resident payment service provider) opened with the same or another resident payment service provider; (d) transfers by the resident legal entity (other than the licensed bank) to its accounts opened with nonresident bank on the basis of the authorizations issued by the NBM, which provide for the possibility of making transfers into these accounts from the accounts opened with the resident payment service providers and do not contain the

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		requirement of presentation of justifying documents to the resident payment service provider; (e) payments/transfers abroad for the purposes stipulated in Article 23, Paragraph (1), Letters (a) and (c) of the Law No. 62-XVI of March 21, 2008; (f) payment abroad of the state tax established by the legislation of the foreign state; (g) payments/transfers (other than those referred to in Letters (a)–(f)), where those represent payments/transfers in the amount not exceeding EUR 10,000 (or their equivalent) each payment/transfer, being performed within foreign exchange operations which are not subject to notification/authorization according to the Law No. 62-XVI of March 21, 2008. (2) The resident individual: (a) the payment/transfer in favor of a nonresident is made in the amount not exceeding EUR 10,000 (or their equivalent); (b) the payment/transfer is made within the foreign exchange operation that is not subject to notification/authorization according to the Law No. 62-XVI of March 21, 2008. (3) The nonresident individual: (a) transfer on his own name; (b) a payment/transfer in favor of an individual/legal entity in the amount not exceeding EUR 10,000 (or their equivalent). (4) The nonresident legal entities: (a) the transfers are made on the name of the same account holder; (b) the payments/transfers are made by nonresident banks; (c) transfers/payments are made by nonresident payment service providers in their quality of payment service providers/electronic money issuers; (d) payments/transfers are made by the representative offices of international organizations, by diplomatic missions, consular offices, and other official representative offices of foreign states accredited in the Republic of Moldova, as well as by international organizations; (e) payments/transfers are made by nonresident legal entities which are institutions implementing technical assistance projects/foreign financing projects for the Republic of Moldova, for purposes related to implementation of the projects, only in relation to individuals; (f) payment of state tax established by the legislation of the foreign state; (g) payments/transfers other than those referred to in Letters (a)–(f) in the amount not exceeding EUR 10,000 (or their equivalent) each payment/transfer.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Unless stipulated otherwise by law, proceeds received by resident legal entities from invisible transactions must be repatriated to Moldova, as a rule, no later than three years from the date the services are provided as stipulated in the confirming documents. If services are not rendered by nonresidents to resident legal entities, any advance payment must be repatriated no later than two years after payment.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

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Capital Transactions

Controls on capital transactions	Yes.	According to the Law on Foreign Exchange Regulation, capital transactions do not require NBM approval, except as specified by law. NBM approval is required for certain capital transactions of residents that imply capital outflow. The authorization regime does not generally apply to (1) capital foreign exchange operations involving the MOF and the NBM, (2) capital foreign exchange operations with national public budget funds, and (3) foreign exchange operations related to guarantees as laid down in Article 4 Paragraph 12 of the Law No. 184 of July 22, 2016, on financial collateral arrangements. Operations involving receipt by residents from nonresidents of certain categories of loans and credits and(As of July 20, 2023, guarantees are no longer subject to notification to the NBM. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts)must be notified by residents to the NBM for statistical purposes. When amount of a loan/credit from nonresident does not exceed €510,000 or its equivalent, it is not (As of July 20, 2023, the amount of the mentioned loan or credit, subject to notification to the NBM. Foreign exchange operations related to guarantees as laid down in Article 4, Item 12 of the Law No. 184 of July 22, 2016, on financial collateral arrangements are, was decreased to €10,000 from €50,000. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts) or its equivalent, it is not subject to notification to the NBM. The NBM approval for capital transactions of residents that imply capital outflow does not generally apply to foreign exchange operations not exceeding EUR 10,000 (or their equivalent). Capital foreign exchange transactions are subject, among other requirements, to submission of supporting documents to the licensed bank and to resident nonbank payment service providers, except as specified under NBM regulations. To make such payments, foreign currency may be purchased from licensed banks and resident nonbank payment service providers.
Repatriation requirements	Yes.	Proceeds received by resident legal entities from capital transactions must be repatriated to Moldova unless a specific exemption has been granted by law. Law No. 1466 of January 29, 1998, on Regulation of Repatriation of Funds, Goods, and Services Obtained from External Economic Transactions regulates the repatriation of proceeds by resident legal entities in Moldova. The repatriation requirement within a maximum of three years applies to capital transactions. The provisions of Article 3 Paragraph (1) Item (d) of the Law No. 1466 of January 29, 1998, should be applied to capital transactions. Thus, in the case of capital transactions, the repatriation must be carried out within no more than three years from the date of the emergence of the right to collect the funds as a result of the external economic transaction. The repatriation period depends on the type of contract as specified in Article 3 “Deadlines of repatriation of funds, goods, and services originating from foreign economic transactions.”
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Issuance in Moldova of securities denominated in foreign currency is not permitted. The procedures for purchases of government securities by foreign investors at auction are similar to those for local investors. A foreign

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		investor may purchase government securities of a single international securities identification number (ISIN) according to the purchase limit of government securities, if it is announced in Communiqué of government securities placement. A noncompetitive bid submitted by an investor for government securities may not exceed more than 3% of the indicative volume of the issue announced at the reference auction, under a single ISIN.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	According to the Law on the NCFM in case of violations in the securities market, to protect the rights of investors and the public, the NCFM may suspend the placement and circulation of securities admitted on the regulated market, outside regulated market, or multilateral trading facility (MTF), as well as clearing and settlement of transactions. According to the amendments to the Law on Capital Market regarding information disclosure, if the shareholder has acquired or alienated the voting shares of an issuer considered a public interest entity, the shareholder is required to inform the issuer and the NCFM within four working days of acquisition or alienation, if, after the transaction, the share reaches, exceeds, or falls below 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66%, 75%, or 90%. The company must disclose information about its activity in accordance with this law, the Capital Market Law, and the normative acts of the NCFM. Therewith, an issuer that is considered to be a public interest entity will disclose publicly the information. The number of shares granting control over the company must be determined by the conditions for exercising control in the situations established by the capital market legislation. The natural or legal person that holds, directly or indirectly, alone or together with the persons acting in concert with it, more than 50% of the voting shares, which are in the circulation of the company or of the securities that can be converted or offer the right to purchase the voting shares, is obliged to carry out a mandatory takeover bid within three months from the date of making subscriptions (in the register of shareholders) regarding acquisition of shares. Up to the fulfillment of the requirements mentioned above, the person holding more than 50% has the right to vote at the general meeting of the shareholders within 25% of the voting shares, which are in the circulation of the company. The total number of voting shares belonging to this person must be taken into account only for the establishment of the quorum at the holding of the general meeting of the shareholders. The person holding more than 50% and/or its representatives is registered with the entire stock of securities held. The takeover bid may be initiated only in respect of securities issued by public interest entities. A mandatory takeover bid can be carried out by: (1) a natural or legal person who holds, directly or indirectly, alone or together with persons acting in concert, more than 50% of the voting rights of a company or transferable securities or offers the right to purchase the securities with the right to vote, is obliged to make a takeover bid regarding the purchase at a fair price of securities of the same class held by other persons; (2) a legal person who directly or indirectly owns more than 50% of all the voting securities of an issuer must be obliged to initiate a mandatory takeover bid whenever its founders change (associations or shareholders) who, together with the persons with whom they act in concert, hold a majority of the voting rights in that legal person. The takeover bid is voluntary if the bidder, failing this obligation, submits a takeover bid related to the purchase of a number of voting securities of an issuer that pursues or aims to obtain more than 50% of the total number of these securities. A takeover bid prospectus is approved by the NCFM and must be

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		published within seven working days. A minority shareholder, who obtained the shares against patrimonial vouchers or its legal successor, may require the acquisition of its shares by a person who alone or with affiliates owns more than 90% of the total number of voting shares. The price offered for the shares of minority shareholders must equal at least the highest of the following: (1) the weighted average share price in transactions over the 12 months preceding the date of notification of the application, (2) the per share NAV in accordance with the issuer's latest financial position, (3) the per share market value of net assets, calculated by the censors committee on the basis of the valuation report drawn up by a specialized organization which is not a related party of the company, or (4) the nominal (set) value of shares. The majority shareholder, within 30 working days of receipt of the application, must notify the minority shareholder of the fixed price according to the criteria mentioned above. Payment for the shares by the majority shareholder may take place with the consent of the minority shareholder at a price in accordance with the application within 30 working days of acceptance of the price. The stock exchange must disclose the following information for securities admitted on the regulated market or an MTF: (1) date and time of the transaction, (2) class and government registration number of the securities traded, (3) price per security, (4) type of transaction, and (5) amount and share of securities in the transaction of the respective class. Insiders may purchase and sell securities of the issuer if information that could influence the securities price is disclosed before the purchase and the price are established according to the securities market law. The Regulation on licensing and authorization on the capital market set requirements for granting, suspending, and withdrawing licenses and authorizations on the capital market according to the EU Directives. It stipulates new requirements for equity capital, internal policies, internal control, entity's management, technical audit for registrars, approval of delegated agents and accepted persons, evaluation procedure of qualified holdings in the investment firm, market operator, and central depository (NCFM Decision No. 56/11). In a transaction with financial instruments admitted on a regulated market, outside regulated market, or an MTF, investment firms must disclose information on the volume, price, and data of these transactions. For transactions in financial instruments admitted to trading outside regulated markets or MTFs, reports must be submitted to the NCFM no later than one working day after the transaction as prescribed by the NCFM. Licensed/authorized entities must also disclose other information on their activity according to the law. Reports on events and actions affecting the financial and economic activities of the issuer must be published by the issuer in accordance with the normative acts. The Rules of the regulated market of the Moldova Stock Exchange were approved by NCFM Decision No. 23/3 of May 8, 2015, published in the Official Gazette No. 115-123/758 of May 15, 2015. The rules stipulate the requirements for admission of issuers and members on the regulated market and trading rules in equity and debt instruments. The Instruction on reporting of licensed and authorized entities on the capital market was approved by NCFM Decision No. 38/5 of July 3, 2015. The Instruction on reporting provides requirements on the reporting method and conditions for legal entities authorized and licensed to provide services on the capital market. It includes provisions regarding the conditions for information disclosure and principles to which the reports should comply.
Purchase locally by nonresidents	Yes.	Foreign investors must purchase securities of issuers registered in Moldova as set forth in the legislation. The shareholders of

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		professional participants in securities markets may be any natural or legal persons. Proposed acquirer must notify the NCFM in writing before the acquisition of shares placed by an investment firm if they intend to obtain a qualifying holding or increase their holding at a level equal to or exceeding 20%, 30%, or 50% of the share capital. The NCFM will in no more than 60 working days from the date of acknowledgment review the documents submitted by the potential acquirer and assess the reputation of the proposed acquirer, the reputation and experience of any person who will manage the investment, and the financial soundness of the proposed acquirer. Particular attention will be paid to the type of business the investment firm intends to carry out. In case of rejection of the proposed acquisition, the potential acquirer will be notified on the day the notice is issued. The NCFM rejects the proposed procurement draft if the result of the assessment reflects that a qualifying holding is or will be directly or indirectly held by persons resident in jurisdictions where there are not implemented international standards of transparency.
Sale or issue locally by nonresidents	Yes.	Foreign securities for public offering in Moldova could be offered in their original form. According to the Law on Capital Market, issuance in Moldova of securities denominated in foreign currency is not permitted. According to the Law on Foreign Exchange Regulation, purchases by residents from nonresidents of foreign financial instruments are subject to NBM approval as follows: (1) purchases by residents of foreign financial instruments within the admission thereof to the local capital market through sale by the issuer and (2) purchases by residents of foreign financial instruments on the OTC local capital market. NBM approval is not required for purchases of foreign financial instruments from nonresidents, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties according to Law No. 178/2020 for the modification of certain normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) financial instruments are issued by international organizations. Effective November 24, 2023 (amendments by Law No. 321 on amendment of the Law No. 171/2012 on Capital Market) the use of Moldovan depositary receipts was removed on the territory of the Republic of Moldova to facilitate transactions with foreign securities through their direct admission on the local capital market (prospectuses IPOs and technical listing).
Purchase abroad by residents	Yes.	According to the Law on Foreign Exchange Regulation, NBM approval is required for purchases by residents of foreign financial instruments as follows: (1) on a foreign stock exchange and (2) over the counter in the foreign capital market. NBM approval is not required for purchases of foreign financial instruments, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties according to Law No. 178/2020 for the modification of certain

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		normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM, and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) financial instruments are issued by international organizations.
Sale or issue abroad by residents	Yes.	The NCFM registers the securities issued by residents in Moldova and issues permits for securities to circulate outside the country.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	The procedures for purchasing government securities by foreign investors at auction are similar to those for local investors. A foreign investor may purchase government securities within a single ISIN according to the purchase limit of government securities if it is announced in the Communiqué of government securities placement. A noncompetitive bid submitted by an investor for government securities may not exceed more than 3% of the indicative volume of the issue announced at the reference auction, under a single ISIN. Effective May 30, 2023, government securities are traded after issuance on the primary market and can be purchased on the secondary market through the E-bond and Central Securities Depository system.
Sale or issue locally by nonresidents	Yes.	Foreign securities for public offering in Moldova could be offered in their original form according to Article 9 of the Law on Capital Markets. According to the Law on Foreign Exchange Regulation, NBM approval is required for purchases by residents from nonresidents of foreign financial instruments as follows: (1) purchases within their admission to the local capital market through sale by the issuer and (2) purchases on the OTC local capital market. NBM approval is not required for purchases of foreign financial instruments from nonresidents, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties according to Law No. 178/2020 for the modification of certain normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM, and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) financial instruments are issued by international organizations. Effective November 24, 2023 (amendments by Law No. 321 on amendment of the Law No. 171/2012 On Capital Market) the use of Moldovan depositary receipts was removed on the territory of the Republic of Moldova to facilitate transactions with foreign securities through their direct admission on the local capital market (prospectuses IPOs and technical listing).
Purchase abroad by residents	Yes.	According to the Law on Foreign Exchange Regulation, NBM approval is required for purchases by residents of foreign financial instruments as follows: (1) on a foreign stock exchange or (2) on the OTC foreign capital market. NBM approval is not required for purchases of foreign financial instruments, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties

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		according to Law No. 178/2020 for the modification of certain normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM, and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) financial instruments are issued by international organizations.
Sale or issue abroad by residents	Yes.	The NCFM registers the securities issued by residents in Moldova and issues permits for securities to circulate outside the country.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	The procedures for purchasing government securities by foreign investors at auction are similar to those for local investors. A foreign investor may purchase government securities within a single ISIN according to the purchase limit of government securities, if it is announced in Communiqué of government securities placement. A noncompetitive bid submitted by an investor for government securities may not exceed more than 3% of the indicative volume of the issue announced at the reference auction, under a single ISIN. Effective May 30, 2023, government securities are traded after issuance on the primary market and can be purchased on the secondary market through the E-bond and Central Securities Depository system.
Sale or issue locally by nonresidents	Yes.	According to the Law on Foreign Exchange Regulation, purchases by residents from nonresidents of foreign financial instruments on the local money market, including through sale by the issuer, are subject to NBM approval. NBM approval is not required for purchases of foreign financial instruments, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties according to Law No. 178/2020 for the modification of certain normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM, and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) financial instruments are issued by international organizations. Foreign securities for public offering in Moldova could be offered in their original form of according to Article 9 of the Law on Capital Markets. Effective November 24, 2023 (amendments by Law No. 321 on amendment of the Law No. 171/2012 on Capital Market) the use of Moldovan depositary receipts was removed on the territory of the Republic of Moldova to facilitate transactions with foreign securities through their direct admission on the local capital market (prospectuses IPOs and technical listing).
Purchase abroad by residents	Yes.	According to the Law on Foreign Exchange Regulation, purchases by residents of foreign financial instruments on the foreign money market, including through sale by the issuer, require NBM approval. NBM approval is not required for purchases of foreign financial instruments, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties

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		according to Law No. 178/2020 for the modification of certain normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM, and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) financial instruments are issued by international organizations.
Sale or issue abroad by residents	No.	According to the Law on Foreign Exchange Regulation and Law on Capital Market, no controls apply to the sale or issue abroad by residents of these instruments.
On collective investment securities	Yes.	The provisions of the Law on Foreign Exchange Regulation governing transactions regarding purchases by residents of foreign financial instruments on the capital market apply.
Purchase locally by nonresidents	No.	Under the Law on Foreign Exchange Regulation and Law on Capital Market, there is no control on purchases locally by nonresidents of collective investment securities.
Sale or issue locally by nonresidents	Yes.	According to the Law on Foreign Exchange Regulation, NBM approval is required for purchases by residents from nonresidents of foreign financial instruments as follows: (1) within their admission to the local capital market through sale by the issuer and (2) on the OTC local capital market. NBM approval is not required for purchases of foreign financial instruments from nonresidents, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties according to Law No. 178/2020 for the modification of certain normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM, and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) financial instruments are issued by international organizations.
Purchase abroad by residents	Yes.	According to the Law on Foreign Exchange Regulation, NBM approval is required for purchases by residents of foreign financial instruments as follows: (1) on a foreign stock exchange or (2) on the OTC foreign capital market. NBM approval is not required for purchases of foreign financial instruments, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties according to Law No. 178/2020 for the modification of certain normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM, and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) financial instruments are issued by international organizations.
Sale or issue abroad by residents	No.	According to the Law on Foreign Exchange Regulation and Law on Capital Market, no controls apply to the sale or issue abroad by residents of these instruments.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	According to the Law on Foreign Exchange Regulation, nonresidents may purchase on the local foreign exchange market through authorized participants foreign currency against other foreign currency and domestic currency without restriction.
Sale or issue locally by nonresidents	Yes.	According to the Law on Foreign Exchange Regulation, nonresidents

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		may sell on the local foreign exchange market through authorized participants' foreign currency against other foreign currency and domestic currency without restriction. NBM approval is required for purchases from nonresidents of foreign derivatives and other instruments by residents. NBM approval is not required for purchases of foreign derivatives and other instruments, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties according to Law No. 178/2020 for the modification of certain normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM, and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) derivatives are issued by international organizations.
Purchase abroad by residents	Yes.	According to the Law on Foreign Exchange Regulation, purchases of foreign exchange abroad by residents are subject to NBM approval, except for (1) licensed banks; (2) resident individuals who are staying abroad temporarily; (3) resident legal entities and resident individuals who have accounts abroad and conduct exchange operations according to the regime of the respective account established under the legislation of Moldova; and (4) other residents, where the amount of a currency exchange operation does not exceed €10,000 (or its equivalent). NBM approval is required for purchases of foreign derivatives and other instruments by residents. NBM approval is not required for purchases of foreign derivatives and other instruments, as follows: (1) by licensed banks, insurance or reinsurance companies, nonbank lending organizations (Effective August 3, 2023, NBM approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents. Amendments made by the Law No. 214 of July 20, 2023, on modification of certain normative acts (the transfer of duties according to Law No. 178/2020 for the modification of certain normative acts)), as well as the entities whose activity is regulated and supervised by the NCFM, and (2) by other residents where: (a) amount of operation does not exceed €10,000 (or its equivalent) or (b) derivatives are issued by international organizations.
Sale or issue abroad by residents	Yes.	The NCFM registers securities issued by residents in Moldova and issues permits for securities to circulate outside the country. According to the Law on Foreign Exchange Regulation, sale of foreign exchange abroad by residents is subject to NBM approval, except for (1) licensed banks; (2) resident individuals who are staying abroad temporarily; (3) resident legal entities and resident individuals who have accounts abroad and conduct exchange operations according to the regime of the respective account established under the legislation of Moldova; and (4) other residents, where the amount of a currency exchange operation does not exceed €10,000 (or its equivalent).
Controls on credit operations	Yes.	Credit operations contracted or guaranteed by the government and by administrative–territorial units, as well as credit operations contracted by government and municipal companies, as well as by businesses with more than 50% of statutory capital held by government and/or administrative–territorial units, do not have to be notified to the NBM. According to amendments in the Law on Public Sector Debt, State Guarantees and State On-Lending, the notion of public debt was changed to the notion of public sector debt (Law No.

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		89 of May 29, 2014), which implies changes to the applicable categories of credit operations.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Residents must comply with the repatriation period provided for by the relevant legislation. NBM approval is not required for commercial loans or credits provided by residents, including licensed banks to nonresidents.
To residents from nonresidents	No.	Notification to the NBM is required for interest-bearing commercial loans and credits, except for factoring operations for which the nonresident factor assumes the risk of the nonresident debtor's insolvency. Also, notification to the NBM is not required if the amount of a commercial loan/credit does not exceed €10,000 (Effective July 20, 2023, the amount of the mentioned loan or credit, subject to notification to the NBM, was decreased to €10,000 from €50,000. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts.) (or its equivalent). There are no other requirements in addition to the notification to the NBM.
Financial credits	Yes.	
By residents to nonresidents	Yes.	NBM approval is required except for the following: (1) financial leasing, (2) credits granted by licensed banks, and (3) other loans/credits of which value does not exceed €10,000 (or its equivalent).
To residents from nonresidents	No.	Notification to the NBM is required for financial loans or credits, except for (1) interbank credits with an initial repayment period of less than one year and (2) loans or credits received from nonresidents through credit cards issued by nonresidents at a resident's request. However, notification to the NBM is not required if the amount of a loan/credit does not exceed €10,000 (Effective July 20, 2023, the amount of the mentioned loan or credit, subject to notification to the NBM, was decreased to €10,000 from €50,000. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts.) (or its equivalent). There are no other requirements in addition to the notification to the NBM.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	NBM approval is required for the issuance by a resident nonbank guarantor of a guarantee (1) based on a transaction between two nonresidents and (2) in the form of a deposit guarantee. However, NBM approval is not required if the amount of a guarantee does not exceed €10,000 (or its equivalent).
To residents from nonresidents	No.	Effective July 20, 2023, guarantees are no longer subject to notification to the NBM. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts.
Controls on direct investment	Yes.	
Outward direct investment	No.	Outward direct investments are not subject to NBM authorization.
Inward direct investment	Yes.	Long-term loans and credits (for a period longer than five years) in an amount exceeding €10,000 (Effective July 20, 2023, the amount of the mentioned loan or credit, subject to notification to the NBM, was decreased to €10,000 from €50,000 (or its equivalent). Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts.), for the purpose of establishing or maintaining lasting economic links, are subject to notification to the NBM for statistical purposes. Within the framework of direct investment, nonresidents may not own

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		agricultural land and forests.
Controls on liquidation of direct investment	No.	Foreign investors may transfer abroad funds obtained domestically as a result of liquidation of direct investment after having fulfilled fiscal obligations.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Nonresidents may own property in Moldova, except agricultural land and forests.
Sale locally by nonresidents	Yes.	Agricultural land and forests inherited by nonresidents in accordance with Moldovan law may be sold only to resident individuals or legal entities.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	NBM approval is required for loans by resident individuals to nonresident individuals, except for loans not exceeding €10,000 or its equivalent.
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Resident individuals may grant to nonresident individuals' donations in various forms (gifts, grants) with NBM approval, except for donations not exceeding €10,000 or its equivalent. Funds in the form of inheritances or legacies from residents to nonresidents may be transferred abroad without NBM approval.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The acquisition by the bank of any qualifying holding in a foreign entity is subject to the prior approval of the NBM if, as a result of the acquisition, the entity must be included in the scope of prudential consolidation. The total net MDL exposure of a bank indexed to foreign currency to individuals, including those engaged in entrepreneurial or other activities, may not exceed 30% of eligible capital, of which total net exposure, other than mortgages, may not exceed 10% of eligible capital of banks. Residents of jurisdictions that do not implement international transparency standards may not hold directly or indirectly equity shares in the capital of banks. The mechanism for setting up a branch of a foreign bank provides for requirements related to licensing, endowment capital (which have to be the same amount as the capital that a bank must maintain) and conditions for carrying out the activity. To overcome the difficult period in the context of the negative

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		economic consequences generated by COVID-19, the Executive Board of the NBM adopted the following decisions: -Decision No. 69 of March 17, 2020 “on certain measures concerning the classification of loans to individuals” (that includes individuals carrying out entrepreneurial activities) as of March 20, 2020, until July 31, 2020; -Decision No. 81 of March 27, 2020 “on certain measures concerning the classification by banks of loans granted to legal persons” as of April 2, 2020, until June 30, 2020. The mentioned Decisions allowed banks to manage flexibly the payment obligations of individuals, including individuals carrying out entrepreneurial activities and legal entities, which, are in difficulty to pay their loans under the conditions of state of emergency generated by COVID-19. Strengthening the financial stability of the nonbank lending sector and fostering consumer protection and responsible lending practices to reduce the risks of over-indebtedness of the population and bring into line the laws related to the activity of nonbank lending organizations has led to performing the following amendments to the law: (1) prohibiting nonbank credit organizations (NBCOs) to call for any deposits and other reimbursable funds from public since April 20, 2020. However, this prohibition does not apply to subordinated loans; (2) limiting the total costs of the nonbank credit or financial leasing for a period of up to two years and in the amount of up to 50 thousand lei (for individual consumers), that should not exceed the amount disbursed according to the respective contract, since April 20, 2020; (3) regulating the responsible credit, including the conditions and the way of evaluating the client’s ability to repay the nonbank credit and/or financial leasing, the degree of collateral coverage, criteria related to the debt service ratio to the debtor’s income, since April 20, 2020; (4) the introduction and significant increase of pecuniary sanctions on NBCOs, so that they are effective, proportionate, and dissuasive, since April 20, 2020; increasing the minimum capital requirements up to 1 million lei since January 1, 2021; (5) introducing additional instruments to ensure the transparency of credit costs by the NBCOs obligation to disclose information according to legislation, since April 20, 2020.
Borrowing abroad	Yes.	Notification to the NBM is required for (1) financial loans and credits, except for (a) interbank loans with an initial repayment period of less than one year and (b) loans and credits received from nonresidents through credit cards issued by nonresidents at a resident’s request; (2) commercial loans and credits bearing interest, except for factoring operations in which the nonresident factor assumes the risk for the nonresident debtor’s insolvency; and (3) loans/credits within operations related to direct investments. However, notification to the NBM is not required if the amount of a loan/credit does not exceed €10,000 (Effective July 20, 2023, the amount of the mentioned loan or credit, subject to notification to the NBM, was decreased to €10,000 from €50,000. Amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts.) (or its equivalent). Licensed savings and credit associations (SCAs) may not perform activity abroad or in foreign currency. With regard to the activity of NBCOs, there are no restrictions.
Maintenance of accounts abroad	Yes.	Licensed banks may open accounts abroad on their name with

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		nonresident banks, necessary for carrying out activities under the license issued by the NBM, without the NBM approval. Under the foreign exchange legislation, NBCOs may open accounts with nonresident banks abroad with the NBM approval.
Lending to nonresidents (financial or commercial credits)	No.	The NBM approval is not required for financial loans or credits granted by licensed banks to nonresidents. The NBM approval is not required for commercial loans or credits provided by licensed banks to nonresidents.
Lending locally in foreign exchange	Yes.	Licensed banks may grant foreign currency loans to residents as follows: (1) for payments and transfers with nonresidents, (2) for purposes provided for in the credit agreements concluded between the Moldovan government and nonresidents and between licensed banks and international financial organizations, (3) to licensed banks, (4) to resident legal entities involved in exports of goods (including leased assets) and services against financial means in foreign currency, (5) to legal entities engaged in insurance and nonbank lending activity, and (6) for the purpose of payment credits received from licensed banks, pursuant to Items (1)–(5). Effective July 20, 2023, Law No. 363/2022 (amending the Law No. 62/2008 on foreign exchange regulation) extended the right of licensed banks to grant foreign currency loans to residents by allowing to grant foreign currency loans for the purpose of repaying all foreign currency loans obtained from licensed banks.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Securities denominated in foreign exchange are not issued in Moldova.
Differential treatment of deposit accounts in foreign exchange	Yes.	Banking regulations do not provide for separate accounts in foreign exchange; banks, however, perform separate accounting for each currency.
Reserve requirements	Yes.	Banks keep their required reserves separately in Moldovan lei and foreign currencies (in US dollar and euro). The reserve base for required reserves in MDL consists of liabilities in MDL and nonconvertible currencies, while the reserve base for required reserves in foreign currency consists of liabilities in freely convertible currencies. A required reserves ratio (RRR) of 0% applies to banks' liabilities with a contractual maturity higher than two years that fall under certain criteria. During 2022, to counter persistent inflationary pressures, the CB increased RRR. Effective May 16, 2022, the RRR for foreign currency was increased from 30% to 33% and the RRR for domestic currency from 28% to 30%. Effective June 16, 2022, the RRR for foreign currency was increased from 33% to 36% and the RRR for domestic currency from 30% to 32%. Effective July 16, 2022, the RRR for foreign currency was increased from 36% to 39% and the RRR for domestic currency from 32% to 34%. Effective August 16, 2022, the RRR for foreign currency was increased from 39% to 42% and the RRR for domestic currency from 34% to 37%. Effective September 16, 2022, the RRR for foreign currency was increased from 42% to 45% and the RRR for domestic currency from 37% to 40%. Considering the shift in inflationary expectations toward the end of 2022, the CB started to decrease RRR in domestic currency. The RRR in foreign currency was kept stable, leading to a widening gap between RRRs. Effective December 16, 2022, the RRR for domestic currency was decreased from 40% to 37%. Effective January 16, 2023, the RRR for domestic currency was decreased from 37% to

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		34%.
Liquid asset requirements	Yes.	Banks must ensure that the currency denomination of their liquid assets is consistent with the distribution by currency of their net liquidity outflows. However, where appropriate, the NBM may require banks to restrict currency mismatch by setting limits on the proportion of net liquidity outflows in a currency that can be met during a stress period by holding liquid assets not denominated in that currency. According to Item 15 of Regulation No. 44/2020 on requirements of LCR for banks, banks must report liquidity buffer, liquidity inflows, and liquidity outflows when aggregate liabilities in a currency other than Moldovan lei amounting to or exceeding 5% of the bank's or the single liquidity sub-group's total liabilities.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	Banking regulations do not provide for separate accounts for nonresidents; banks, however, perform separate accounting for nonresidents.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	According to the Law on Foreign Exchange Regulation, purchases by licensed banks of foreign financial instruments do not require NBM approval. However, under the Law on Banking Activity, the acquisition by the bank of any qualifying holding in a foreign entity is subject to the prior approval of the NBM if, as a result of the acquisition, the entity must be included in the scope of prudential consolidation.
In banks by nonresidents	Yes.	Residents of jurisdictions that do not implement the international transparency standards may not hold direct or indirect equity interests in the capital of banks. Banks and foreign bank branches are established in the same conditions stipulated in the Law on Banking Activity and Law on State Registration of Legal Entities and Individual Entrepreneurs No. 220-XVI from October 19, 2007. Foreign banks are allowed to establish branches in the Republic of Moldova without legal personality, with the condition that existing legislative framework in the country of origin and/or its application does not prevent the exercise of the National Bank supervisory functions.
Open foreign exchange position limits	Yes.	Balance sheet foreign exchange assets may not exceed 125% or be less than 75% of balance sheet foreign exchange liabilities. The open long or short foreign exchange position limit for each currency may not, respectively, exceed or be less than 10% of the regulatory capital. The open long or short foreign exchange position limit for all currencies may not, respectively, exceed or be less than 20% of regulatory capital.
On resident assets and liabilities	Yes.	Limits on open foreign exchange positions apply equally to assets and liabilities of residents and nonresidents. Balance sheet foreign exchange assets may not exceed 125% or be less than 75% of balance sheet foreign exchange liabilities. The open long or short foreign exchange position limit for each currency may not,

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		respectively, exceed or be less than 10% of the regulatory capital. The open long or short foreign exchange position limit for all currencies may not, respectively, exceed or be less than 20% of regulatory capital.
On nonresident assets and liabilities	Yes.	Limits on open foreign exchange positions apply equally to assets and liabilities of residents and nonresidents. Balance sheet foreign exchange assets may not exceed 125% or be less than 75% of balance sheet foreign exchange liabilities. The open long or short foreign exchange position limit for each currency may not, respectively, exceed or be less than 10% of the regulatory capital. The open long or short foreign exchange position limit for all currencies may not, respectively, exceed or be less than 20% of regulatory capital.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Effective January 1, 2023, according to the Article 60 of the Law on the Business of Insurance or Reinsurance, the value of securities issued by nonresidents may not exceed the following limits of the total technical reserves: - state securities issued by the Government of an EU Member State or an OECD Member State, by an international financial organization or entity for which one of the nominees acts as guarantor, provided the States or international financial institutions have a rating of BBB + or better must not exceed 15% in the case of a single issuer and 60% of the total; - covered corporate bonds of high liquidity, traded on a regulated market, the value of which can be determined exactly, issued by a legal person in an EU Member State or in an OECD Member State must not exceed 5% in the case of a single issuer and 40% of the total; - shares traded on a regulated market an EU Member State or an OECD Member State must not exceed 5% in the case of a single issuer and 20% of the total. Also, according to the same Article, the value of securities issued by nonresidents may not exceed the following limits of the total minimum capital requirement: - state securities issued by the Government of an EU Member State or an OECD Member State, by an international financial organization or entity for which one of the nominees acts as guarantor, provided the States or international financial institutions have a rating of BBB + or better must not exceed 15% in the case of a single issuer and 60% of the total; - corporate bonds and/or bonds issued by local government authorities in an EU Member State or in an OECD Member State must not exceed 5% in the case of a single issuer and 40% of the total; - covered corporate bonds of high liquidity, traded on a regulated market, the value of which can be determined exactly, issued by a legal person based in an EU Member State or in an OECD Member State must not exceed 5% in the case of a single issuer and 40% of the total and which are not traded on a regulated market must not exceed 1% in the case of a single issuer and 2% of the total; - shares traded on a regulated market an EU Member State or an OECD Member State must not exceed 2% in the case of a single issuer and 5% of the total: - shares of investment companies and fund units practiced in other EU Member States or in other OECD Member States must not exceed 5% of the total.

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		Effective January 1, 2023, Article 62 (4) of the Law on the Business of Insurance or Reinsurance No. 92 provides that the reinsurance companies headquartered in the Republic of Moldova must limit the assets covering the technical provisions and the minimum capital requirement in foreign currency to 30% of the total technical reserves and the minimum capital requirement. The previous regulation stated that when placing the assets accepted as coverage for technical provisions and for the minimum margin of solvency, the insurer (reinsurer) must respect the rules of distribution of investment in securities issued by foreign governments and/or national banks or international financial organizations; such amounts may represent no more than 5% for the same issuer and no more than 20% of the total value of the total technical reserves, excluding the share of the reinsurer, and the minimum solvency margin. According to the Law on Foreign Exchange Regulation, purchases of foreign financial instruments by insurance companies do not require NBM approval. Other foreign exchange operations (under the Law on Foreign Exchange Regulation) of insurance companies are subject to the same regulations as other resident legal entities (except licensed banks).
Limits (max.) on investment portfolio held abroad	Yes.	According to the Law on Foreign Exchange Regulation, purchases of foreign financial instruments by insurance companies do not require NBM approval. Other foreign exchange operations (under the Law on Foreign Exchange Regulation) of insurance companies are subject to the same regulations as other resident legal entities (except licensed banks). Effective January 1, 2023, according to Articles 59 and 60 of the new Law on Insurance, investment portfolio held abroad allowed to cover technical reserves and the minimum capital requirement and their respective limits are as follows: (1) Assets covering technical provisions and the minimum capital requirement may only be: (a) state securities issued by the Government of an EU Member State or an OECD Member State, by an international financial organization or entity for which one of the nominees acts as guarantor, provided the States or international financial institutions have a rating of BBB + or better. The value of assets allowed to cover technical reserves must not exceed 15% in the case of a single issuer and 60% of the total technical reserves. The same applies for the covering of the minimum capital requirement; (b) admitted bonds of local government authorities of the Republic of Moldova and/or corporate bonds and/or bonds issued by local government authorities in an EU Member State or in an OECD Member State. The value of the assets allowed to cover the minimum capital requirement must not exceed 5% in the case of a single issuer and 40% of the total minimum capital requirement; (c) covered corporate bonds: (i) of high liquidity, traded on a regulated market, the value of which can be determined exactly, issued by a legal person based in the Republic of Moldova, in an EU Member State or in an OECD Member State. The value of assets

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allowed to cover technical provisions must not exceed 5% in the case of a single issuer and 40% of the total technical provisions. The same applies for the covering of the minimum capital requirement; (ii) which are not traded on a regulated market;
(d) shares traded on a regulated market in the Republic of Moldova, an EU Member State or an OECD Member State. The value of assets allowed to cover technical provisions must not exceed 5% in the case of a single issuer and 20% of the total technical provisions. The value of the assets allowed to cover the minimum capital requirement must not exceed 2% in the case of a single issuer and 5% of the total minimum capital requirement;
(e) shares that are not traded on a regulated market, when issued by a legal entity based in the Republic of Moldova;
(f) shares of investment companies and fund units in circulation in the Republic of Moldova and other similar instruments practiced in other EU Member States or in other OECD Member States. The value of the assets allowed to cover the minimum capital requirement must not exceed 5% of the total minimum capital requirement;
(g) receivables arising from interest-bearing lending granted to policyholders up to the redemption value of their life insurance policies;
(h) insured real estate and other real rights over them (for example, the right of surface, the right of habitation, and the right of servitude), provided:
(i) they are registered in a real estate register of the Republic of Moldova or in an EU Member State or in an OECD member state;
(ii) they are income-generating or are expected to produce an economic gain;
(iii) they are determined at 75% of the fair value, with the exception of agricultural real estate and out-of-town real estate which will be admitted in proportion of 50% of the fair value;
(iv) they are free from bans and encumbrances;
(v) constructions will be insured at fair value against all risks to which they are exposed. The value of assets allowed to cover technical provisions must not exceed: for non-life insurance – 2% in the case of one and the same real estate and 4% of the total and for life insurance – 10% in the case of one and the same real estate and 25% of the total technical provisions. The value of the assets allowed to cover the minimum capital requirement must not exceed 3% in the case of one and the same good and 10% of the total minimum capital requirement;
(i) deposits held in a bank licensed by the NBM whose registered headquarter is located in the Republic of Moldova or in a bank with a rating of at least BBB + in an EU Member State or in an OECD Member State. The value of the assets allowed to cover the minimum capital requirement must not exceed must not exceed 20% in the case of a regular bank, 10% – in the case of a bank to which early intervention measures are applied by the NBM or a similar supervisory authority and 70% of the total minimum capital requirement;

(j) shares held by reinsurers or co-insurers in technical provisions, provided the reinsurance or co-insurance company holds at least a BBB + rating or complies to the Solvency II regime of an EU Member State or an OECD Member State, with the mandatory payment of the premiums related to the reinsurance or co-insurance contracts. The value of assets allowed to cover technical provisions must be within the share limit.
(2) The insurance or reinsurance company permanently holds any of

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		the assets provided in Item (1), but may not use the value of the assets covering the minimum capital requirement to cover technical provisions and conversely. Effective January 1, 2023, Article 62 (4) of the Law on the Business of Insurance or Reinsurance No. 92 provides that the reinsurance companies headquartered in the Republic of Moldova must limit the assets covering the technical provisions and the minimum capital requirement in foreign currency to 30% of the total technical reserves and the minimum capital requirement. The previous regulation stated that when placing the assets accepted as coverage for technical provisions and for the minimum margin of solvency, the insurer (reinsurer) must respect the rules of distribution of investment in securities issued by foreign governments and/or national banks or international financial organizations; such amounts may represent no more than 5% for the same issuer and no more than 20% of the total value of the total technical reserves, excluding the share of the reinsurer, and the minimum solvency margin.
Limits (min.) on investment portfolio held locally	Yes.	Effective January 1, 2023, Article 62 (4) of the Law on the Business of Insurance or Reinsurance No. 92 provides that the reinsurance companies headquartered in the Republic of Moldova must limit the assets covering the technical provisions and the minimum capital requirement in foreign currency to 30% of the total technical reserves and the minimum capital requirement. The previous regulation stated that when placing the assets accepted as coverage for technical provisions and for the minimum margin of solvency, the insurer (reinsurer) must respect the rules of distribution of investment in securities issued by foreign governments and/or national banks or international financial organizations; such amounts may represent no more than 5% for the same issuer and no more than 20% of the total value of the total technical reserves, excluding the share of the reinsurer, and the minimum solvency margin.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	According to the Law on Voluntary Pension Funds, investments in securities issued by nonresidents may be done as per the following limits: (1) Investments in government securities issued by the Member States of the EU – up to 70% of the total value of pension fund assets; (2) Investments in bonds and other securities issued by local government authorities in the Member States of the EU – up to 30% of the total value of pension fund assets; (3) Investments in bonds and other securities issued by third countries – up to 15% of the total value of pension fund assets; (4) Investments in bonds and other securities traded on regulated markets, issued by local authorities in third countries – up to 10% of the total value of pension fund assets. Apart from those listed above, the following limits are in place: (1) up to 5% – in a single issuer or in each category of assets issued by it; (2) up to 10% – in the assets of a group of issuers and of persons affiliated to the group. These limits do not apply to investments in government securities and real estate. The restrictions on the investment limits provided by this law do not apply within 18 months from the date of approval of the establishment of the pension fund. If a pension fund exceeds the investment limits provided by this law and the normative acts of

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		NCFM, it will adjust the position of its assets to the requirements of this law and normative acts of NCFM, taking into account the interests of participants, in within 12 months. NCFM, through its decisions, if this is justified from a prudential point of view, may reduce the maximum percentage of assets that can be invested in the categories of assets established by this law. According to the Law on Voluntary Pension Funds, the following types of investments are prohibited: (1) Investments in goods that are not in the civil circuit; (2) Investments in assets whose assessment is uncertain, as well as in antiques, works of art, motor vehicles and other likewise; (3) Investments in securities issued by the administrator, the depositary, the audit entity, and their affiliates; (4) The assets of the pension fund cannot constitute guarantees and cannot be used for granting credits or loans, under the sanction of nullity. According to the Law on Foreign Exchange Regulation, purchases of foreign financial instruments by pension funds did not require NBM approval. Other foreign exchange operations (under the Law on Foreign Exchange Regulation) of pension funds were subject to the same regulations as other resident legal entities (except licensed banks). Thus, Law No. 62/2008 provides for the exemption from authorization of the NBM the performing of operations with foreign financial instruments by entities whose activity is regulated and supervised by the NCFM (Article 9, Item (12)), which also include pension funds. Foreign exchange operations (other than operations with foreign financial instruments) are carried out by the mentioned entities in accordance with the regulations established for resident legal entities (except for licensed banks), which in certain cases (expressly established in Law No. 62/2008) may be carried out only on the basis of the NBM authorization. It should be noted that Law No.198/2020 on Voluntary Pension Funds also provides that if it is necessary to obtain the NBM authorization to make the investments, in accordance with the provisions of the legislation on foreign exchange regulation, this authorization should be obtained prior the respective investments are made (Article 22, Item (3)).
Limits (max.) on investment portfolio held abroad	Yes.	According to the Law on Voluntary Pension Funds, investments in securities issued by nonresidents could be done as per the following limits: (1) Investments in government securities issued by the Member States of the EU – up to 70% of the total value of pension fund assets; (2) Investments in bonds and other securities issued by local government authorities in the Member States of the EU – up to 30% of the total value of pension fund assets; (3) Investments in bonds and other securities issued by third countries – up to 15% of the total value of pension fund assets; (4) Investments in bonds and other securities traded on regulated markets, issued by local authorities in third countries – up to 10% of the total value of pension fund assets. Apart from those listed above, next limits are in place: (1) up to 5% – in a single issuer or in each category of assets issued by it; (2) up to 10% – in the assets of a group of issuers and of persons affiliated to the group. These limits do not apply to investments in government securities and real estate. The restrictions on the investment limits provided by this law do not apply within 18 months from the date of approval of the establishment of the pension fund. If a pension fund exceeds the investment limits provided by this law and the normative acts of

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		NCFM, it will adjust the position of its assets to the requirements of this law and normative acts of NCFM, taking into account the interests of participants, in within 12 months. NCFM, through its decisions, if this is justified from a prudential point of view, may reduce the maximum percentage of assets that can be invested in the categories of assets established by this law. According to the Law on Voluntary Pension Funds, next types of investments are prohibited: (1) Investments in goods that are not in the civil circuit; (2) Investments in assets whose assessment is uncertain, as well as in antiques, works of art, motor vehicles, and other likewise; (3) Investments in securities issued by the administrator, the depositary, the audit entity, and their affiliates; (4) The assets of the pension fund cannot constitute guarantees and cannot be used for granting credits or loans, under the sanction of nullity. According to the Law on Foreign Exchange Regulation, purchases of foreign financial instruments by pension funds did not require NBM approval. Other foreign exchange operations (under the Law on Foreign Exchange Regulation) of pension funds were subject to the same regulations as other resident legal entities (except licensed banks). Thus, Law No. 62/2008 provides for the exemption from authorization of the NBM the performing of operations with foreign financial instruments by entities whose activity is regulated and supervised by the NCFM (Article 9, Item (12)), which also include pension funds. Foreign exchange operations (other than operations with foreign financial instruments) are carried out by the mentioned entities in accordance with the regulations established for resident legal entities (except for licensed banks), which in certain cases (expressly established in Law No. 62/2008) may be carried out only on the basis of the NBM authorization. It should be noted that Law No. 198/2020 on Voluntary Pension Funds also provides that if it is necessary to obtain the NBM authorization to make the investments, in accordance with the provisions of the legislation on foreign exchange regulation, this authorization should be obtained prior the respective investments are made (Article 22, Item (3)).
Limits (min.) on investment portfolio held locally	Yes.	According to the Law on Voluntary Pension Funds, the following rules are applicable for investments held locally. Pension fund assets can be invested in: (1) the categories of assets mentioned in Article 112 Paragraph (1) Points (1), (2), and (3) of Law No. 171/2012 on the Capital Market – up to 70% of the total value of the assets of the pension fund; (2) securities and money-market instruments traded within MTF or outside the regulated market – up to 30% of the total value of pension fund assets; (3) money-market instruments, current accounts, and deposit accounts in lei at banks licensed by the NBM – up to 40% of the total value of pension fund assets; (4) state securities issued by the MOF of the Republic of Moldova – up to 70% of the total value of pension fund assets; (5) bonds and other securities issued by local public administration authorities of the Republic of Moldova – up to 30% of the total value of pension fund assets; (6) fund units and shares issued by collective investment undertakings (CIU) and alternative collective investment undertakings (ACIU) – up to 10% of the total value of pension fund assets; (7) derivative securities listed in Article 112 Paragraph (1) Point (6) of Law No. 171/2012 on the Capital Market – up to 5% of the total

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		value of the assets of the pension fund; (8) securities issued by the employer contributing to the pension fund – up to 5% of the total value of the pension fund's assets, and if the employer belongs to a group, investments in enterprises belonging to the same group as the employer must not exceed 10% of the pension fund assets. Apart from those listed above, next limits are in place: (1) The assets of a pension fund can be invested in real estate. Investments in real estate may not exceed 20% of the value of the pension fund's assets; (2) up to 5% – in a single issuer or in each category of assets issued by it; (3) up to 10% – in the assets of a group of issuers and of persons affiliated to the group. The limits (2) and (3) do not apply to investments in government securities and real estate. The administrator may invest up to 30% of the assets covering technical provisions in assets denominated in currencies other than those in which its liabilities are expressed. The restrictions on the investment limits provided by this law do not apply within 18 months from the date of approval of the establishment of the pension fund. If a pension fund exceeds the investment limits provided by this law and the normative acts of NCFM, it will adjust the position of its assets to the requirements of this law and normative acts of NCFM, taking into account the interests of participants, in within 12 months. NCFM, through its decisions, if this is justified from a prudential point of view, may reduce the maximum percentage of assets that can be invested in the categories of assets established by this law. According to the Law on Voluntary Pension Funds, next types of investments are prohibited: (1) Investments in goods that are not in the civil circuit; (2) Investments in assets whose assessment is uncertain, as well as in antiques, works of art, motor vehicles, and other likewise; (3) Investments in securities issued by the administrator, the depositary, the audit entity, and their affiliates; (4) The assets of the pension fund cannot constitute guarantees and cannot be used for granting credits or loans, under the sanction of nullity.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Resident investment firms may perform foreign exchange buying and selling transactions related to the provision of investment services. CIU (UCITS) and ACIU (AIFs) may perform foreign exchange investments related to the provisions of UCITS and AIFs. According to the Law on Foreign Exchange Regulation, purchases of foreign financial instruments by CIU and ACIU do not require NBM approval. Other foreign exchange operations (under the Law on Foreign Exchange Regulation) of investment funds and CIU are subject to the same regulations as other resident legal entities (except licensed banks). The new Law on ACIU transposes partially the Directive 2011/61/EU; Regulation (EU) No. 345/2013 on European venture capital funds; Delegated Regulation (EU) No. 694/2014 regarding the regulatory technical standards, which establish the types of administrators of AIFs and Regulation (EU) No. 2015/760 on European long-term investment funds.
Limits (max.) on securities issued by nonresidents	Yes.	The Law on ACIU provides limitations on investment portfolio held abroad as follows: (1) An ACIU that distributes its participation units to retail investors

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		may invest in all categories of assets provided in Article 9 Paragraph (1), meeting the following requirements: (a) securities and/or money-market instruments issued by a single entity may not exceed 20% of ACIU's total assets. The limit set out at this letter may not apply to securities issued or guaranteed by a central or local administrative authority, or by a CB of a Member State of the EU, by the ECB or by the EIB, or by a public international body from one or more Member States; (b) amount of deposits held in a single foreign bank should not exceed 20% of ACIU's total assets; (c) amount of loans or guarantees issued may not exceed 30% of total assets, and the amount of any loan or guarantee granted to a single entity may not exceed 10% of ACIU's total assets; (d) amount of shares or units issued by a publicly opened ACIU or by a CIU should not exceed 20% of ACIU's total assets; (e) amount of investments in a single real estate asset should not exceed 30% of ACIU total assets. For calculating this limit, properties that have an interconnected economic destination are considered as a single real estate asset. (2) NCFM might establish by its normative acts other provisions regarding the limits and categories of assets in which the ACIU can invest.
Limits (max.) on investment portfolio held abroad	Yes.	The Law on ACIU provides limitations on investment portfolio held abroad as follows: (1) An ACIU that distributes its participation units to retail investors may invest in all categories of assets provided in Article 9 Paragraph (1), meeting the following requirements: (a) securities and/or money-market instruments issued by a single entity may not exceed 20% of ACIU's total assets. The limit set out at this letter may not apply to securities issued or guaranteed by a central or local administrative authority, or by a CB of a Member State of the EU, by the ECB or by the EIB, or by a public international body from one or more Member States; (b) amount of deposits held in a single foreign bank should not exceed 20% of ACIU's total assets; (c) amount of loans or guarantees issued may not exceed 30% of total assets, and the amount of any loan or guarantee granted to a single entity may not exceed 10% of ACIU's total assets; (d) amount of shares or units issued by a publicly opened ACIU or by a CIU should not exceed 20% of ACIU's total assets; (e) amount of investments in a single real estate asset should not exceed 30% of ACIU total assets. For calculating this limit, properties that have an interconnected economic destination are considered as a single real estate asset. (2) NCFM might establish by its normative acts other provisions regarding the limits and categories of assets in which the ACIU can invest.
Limits (min.) on investment portfolio held locally	Yes.	The Law on ACIU provides limitations on investment portfolio held locally as follows: (1) An ACIU that distributes its participation units to retail investors may invest in all categories of assets provided in Article 9 Paragraph (1), meeting the following requirements: (a) securities and/or money-market instruments issued by a single entity may not exceed 20% of ACIU's total assets. The provided limits do not apply to securities issued or guaranteed by an authority of the central or local public administration of the Republic of Moldova, by the NBM, or by any central or local administrative authority; (b) amount of deposits held in a single national bank should not exceed 20% of ACIU's total assets;

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	(c) amount of loans or guarantees issued may not exceed 30% of the value of its assets, and amount of any loan or guarantee granted to a single entity may not exceed 10% of ACIU's total assets; (d) amount of shares or units issued by a publicly opened ACIU or by a CIU should not exceed 20% of ACIU's total assets; (e) amount of investments in a single real estate asset should not exceed 30% of the value of ACIU assets. For calculating this limit, properties that have an interconnected economic destination are considered as a single real estate asset. (2) An ACIU may acquire participation units of other ACIUs managed by the same Fund Manager if the constitutive acts or its rules provide rights for such an acquisition, and their value must not exceed 10% of ACIU's total assets. (3) A Fund Manager is not entitled to charge additional fees in connection with the investment of the assets of one ACIU in equity securities of another ACIU it manages. (4) An ACIU that attracts financial resources through a closed offer may invest in all categories of assets mentioned in Article 9 Paragraph (1) of the Law. The constitutive acts or the rules of the ACIU must specify the limits and categories of investment. (5) If an ACIU exceeds the investment limits provided by this law, the articles of constitutive acts or the ACIU's rules, it will be obliged to adjust, within 12 months, the position of its assets to the requirements provided by this law, by the constitution papers or the rules of the ACIU, taking into account the interests of investors. (6) NCFM might establish by its normative acts other provisions regarding the limits and categories of assets in which the ACIU can invest.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.

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Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	The AML/CFT Law No. 308/2017, as amended by the Law No. 66/2023, regulates the prohibition of any crypto-related activity on the territory of Moldova and establishes certain requirements and limits for the transactions performed by the residents with authorized foreign virtual assets service providers (VASPs). Carrying out such activities contrary to the prohibition is punishable in accordance with Article 263, Paragraph (9) of the Administrative Offences Code No. 218/2008 or Article 241, Paragraph (1) Letter (B) of the Criminal Code No. 985/2002.
Controls on unbacked tokens	Yes.	The current legal framework introduced by the Law No. 66/2023 which amended the AML/CFT Law No. 308/2017: - prohibits the issuing, exchange (crypto to crypto, crypto to fiat), transfer, safekeeping/administering and any other virtual assets related activity on the territory of the Republic of Moldova (Article 4, Paragraph (11) of the AML/CFT Law), - limits the transactions, in terms of the monthly volume, made by the resident clients with the foreign VASPs. The monthly volume of such transactions must not exceed, cumulatively, the amount of 50,000 lei a client (~ EUR 2500) (Article 5, Paragraph (44) of the AML/CFT Law), - prohibits the reporting entities to open and maintain accounts for nonresidents for the purpose of performing transactions with foreign VASPs (Article 5, Paragraph (41) of the AML/CFT Law), - prohibits the reporting entities from opening and maintaining accounts for or at foreign VASPs (Article 5, Paragraph (42) of the AML/CFT Law).
Acquisition by residents	Yes.	The acquisition of virtual assets (including the unbacked tokens) is subject to a number of restrictions, as follows: - only transactions with authorized foreign VASPs are allowed (Article 5, Paragraph (44) of the AML/CFT Law), - restrictions on the monthly volume of such transactions – must not exceed, cumulatively, the amount of 50,000 lei a client (~ EUR 2500) (Article 5, Paragraph (44) of the AML/CFT Law), - obligation for the reporting entities to perform such transactions only via special accounts, opened for such purposes (Article 8, Paragraph (51) (a) of the AML/CFT Law), - additional enhanced due diligence requirements for such clients/transactions, such as implementation of specialized IT

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		solutions for ensuring the increased monitoring (Article 8, Paragraph (51) (b) of the AML/CFT Law).
Use among residents	Yes.	There is a prohibition of any virtual assets related activity on the territory of the Republic of Moldova (Article 4, Paragraph (11) of the AML/CFT Law).
Between residents and nonresidents	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
For current transaction	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Transactions in derivatives and other instruments	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Credit operations	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Controls on utility and security tokens	Yes.	The current legal framework introduced by the Law No. 66/2023 which amended the AML/CFT Law No. 308/2017: - prohibits the issuing, exchange (crypto to crypto, crypto to fiat), transfer, safekeeping/administering and any other virtual assets (including utility and security tokens) related activity on the territory of the Republic of Moldova (Article 4, Paragraph (11) of the AML/CFT Law), - limits the transactions, in terms of the monthly volume, made by the resident clients with the foreign VASPs. The monthly volume of such transactions must not exceed, cumulatively, the amount of 50,000 lei a client (~ EUR 2500) (Article 5, Paragraph (44) of the AML/CFT Law), - prohibits the reporting entities to open and maintain accounts for nonresidents for the purpose of performing transactions with foreign VASPs) (Article 5, Paragraph (41) of the AML/CFT Law), - prohibits the reporting entities from opening and maintaining accounts for or at foreign VASPs (Article 5, Paragraph (42) of the AML/CFT Law).
Acquisition by residents	Yes.	The acquisition of virtual assets (including utility and security tokens) is subject to a number of restrictions, as follows: - only transactions with authorized foreign VASPs are allowed (Article 5, Paragraph (44) of the AML/CFT Law), - restrictions on the monthly volume of such transactions – must not exceed, cumulatively, the amount of 50,000 lei a client (~ EUR 2500) (Article 5, Paragraph (44) of the AML/CFT Law), - obligation for the reporting entities to perform such transactions only via special accounts, opened for such purposes (Article 8, Paragraph (51) (a) of the AML/CFT Law), - additional enhanced due diligence requirements for such clients/transactions, such as implementation of specialized IT solutions for ensuring the increased monitoring (Article 8, Paragraph (51) (b) of the AML/CFT Law).
Use among residents	Yes.	There is a prohibition of any virtual assets related activity on the territory of the Republic of Moldova (Article 4, Paragraph (11) of the AML/CFT Law).
Between residents and nonresidents	Yes.	The residents are allowed to perform transactions only with

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		authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
For current transaction	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Transactions in derivatives and other instruments	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Credit operations	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Controls on stablecoins	Yes.	The current legal framework introduced by the Law No. 66/2023 which amended the AML/CFT Law No. 308/2017: - prohibits the issuing, exchange (crypto to crypto, crypto to fiat), transfer, safekeeping/administering and any other virtual assets (including stablecoins) related activity on the territory of the Republic of Moldova (Article 4, Paragraph (11) of the AML/CFT Law), - limits the transactions, in terms of the monthly volume, made by the resident clients with the foreign VASPs. The monthly volume of such transactions must not exceed, cumulatively, the amount of 50,000 lei a client (~ EUR 2500) (Article 5, Paragraph (44) of the AML/CFT Law), - prohibits the reporting entities to open and maintain accounts for nonresidents for the purpose of performing transactions with foreign VASPs) (Article 5, Paragraph (41) of the AML/CFT Law), - prohibits the reporting entities from opening and maintaining accounts for or at foreign VASPs (Article 5, Paragraph (42) of the AML/CFT Law).
Acquisition by residents	Yes.	The acquisition of virtual assets (including stablecoins) is subject to a number of restrictions, as follows: - only transactions with authorized foreign VASPs are allowed (Article 5, Paragraph (44) of the AML/CFT Law), - restrictions on the monthly volume of such transactions – must not exceed, cumulatively, the amount of 50,000 lei a client (~ EUR 2500) (Article 5, Paragraph (44) of the AML/CFT Law), - obligation for the reporting entities to perform such transactions only via special accounts, opened for such purposes (Article 8, Paragraph (51) (a) of the AML/CFT Law), - additional enhanced due diligence requirements for such clients/transactions, such as implementation of specialized IT solutions for ensuring the increased monitoring (Article 8, Paragraph (51) (b) of the AML/CFT Law).
Use among residents	Yes.	There is a prohibition of any virtual assets related activity on the territory of the Republic of Moldova (Article 4, Paragraph (11) of the AML/CFT Law).
Between residents and nonresidents	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
For current transaction	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
For capital transactions	Yes.	The residents are allowed to perform transactions only with

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		authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Transactions in capital and money market instruments	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Transactions in derivatives and other instruments	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Credit operations	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Controls on crypto exchanges and trading platforms	Yes.	There is a general prohibition to provide any services related to virtual assets on the territory of the Republic of Moldova, including the exchange and trade (Article 4, Paragraph (11) of the AML/CFT Law). The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.
Domestic exchanges	Yes.	There is a general prohibition to provide any services related to virtual assets on the territory of the Republic of Moldova, including the exchange and trade (Article 4, Paragraph (11) of the AML/CFT Law).
Access to crypto exchange/trading platform by residents	Yes.	The residents are allowed to perform transactions only with authorized foreign VASPs and subject to the conditions specified under points XIII.D.1. and XIII.D.1.a.

Changes during 2022 and 2023

Arrangements for Payments and Receipts

Controls on trade in gold (coins and/or bullion)		
On domestic ownership and/or trade	*03/17/2023*	Electronic commerce was excluded from the conditions pertaining to the location where such transactions are permitted.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*08/05/2023*	The issuance of electronic money in foreign currency was permitted in accounts in foreign currency with resident nonbank payment service providers.

Nonresident Accounts

Foreign exchange accounts permitted	*08/05/2023*	The issuance of electronic money in foreign currency was permitted in accounts in foreign currency with resident nonbank payment service providers.

Imports and Import Payments

Import licenses and other nontariff measures		
Other nontariff measures	*08/15/2023*	Licensees from the Transnistrian region must pay a license cost and present some documents for obtaining a license. Previously, the license applicants from the Transnistrian region were exempted from paying the license cost and presenting the documents.
Import taxes and/or tariffs	*08/15/2023*	Licensees from the Transnistrian region must pay a license cost and present some documents for obtaining a license. Previously, the license applicants from the Transnistrian region were exempted from paying the license cost and presenting the documents.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	*07/20/2023*	The provisions related to representative offices excluded as a result of the adjustment of Law No. 62/2008 with the provisions of the Civil Code (amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts).
Investment-related payments		
Indicative limits/bona fide test	*07/20/2023*	The National Bank of Moldova (NBM) must be notified by residents of some categories of private loans from nonresidents specified in Article 6 of the Law on Foreign Exchange Regulation if the amount of these loans is exceeding EUR 10,000 (previously €50,000). Current payments related to these loans may be effected by residents on presentation of the document confirming the notification of the loan to the NBM.
Payments for travel	*07/20/2023*	The provisions related to representative offices excluded as a result of the adjustment of Law No. 62/2008 with the provisions of the Civil Code (amendments made by Law No. 363 of December 29, 2022, on Amending of the certain normative acts).

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Sale or issue locally by nonresidents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents.
	11/24/2023	The use of Moldovan depositary receipts was removed on the territory of the Republic of Moldova to facilitate transactions with foreign securities through their direct admission on the local capital market (prospectuses IPOs and technical listing).
Purchase abroad by residents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents.
Bonds or other debt securities		
Purchase locally by nonresidents	*05/30/2023*	Government securities are traded after issuance on the primary market and can be purchased on the secondary market through the E-bond and Central Securities Depository system.
Sale or issue locally by nonresidents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents.
	11/24/2023	The use of Moldovan depositary receipts was removed on the territory of the Republic of Moldova to facilitate transactions with foreign securities through their direct admission on the local capital market (prospectuses IPOs and technical listing).
Purchase abroad by residents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents.
On money market instruments		
Purchase locally by nonresidents	*05/30/2023*	Government securities are traded after issuance on the primary market and can be purchased on the secondary market through the E-bond and Central Securities Depository system.
Sale or issue locally by nonresidents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending

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		organizations of foreign financial instruments from nonresidents.
	11/24/2023	The use of Moldovan depositary receipts was removed on the territory of the Republic of Moldova to facilitate transactions with foreign securities through their direct admission on the local capital market (prospectuses IPOs and technical listing).
Purchase abroad by residents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents.
On collective investment securities		
Sale or issue locally by nonresidents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents.
Purchase abroad by residents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents.
Controls on derivatives and other instruments		
Sale or issue locally by nonresidents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents.
Purchase abroad by residents	*08/03/2023*	National Bank of Moldova approval was eliminated for purchases by insurance or reinsurance companies and nonbank lending organizations of foreign financial instruments from nonresidents.
Controls on credit operations		
Commercial credits		
To residents from nonresidents	*07/20/2023*	The required amount for commercial credits to be notified to the National Bank of Moldova was decreased to €10,000 from €50,000.
Financial credits		
To residents from nonresidents	*07/20/2023*	The required amount for financial credits to be notified to the National Bank of Moldova was decreased to €10,000 from €50,000.
Guarantees, sureties, and financial backup facilities		
To residents from nonresidents	*07/20/2023*	Guarantees are no longer subject to notification to the National Bank of Moldova.
Controls on direct investment		
Inward direct investment	*07/20/2023*	The amount of long-term loans and credits (for a period longer than five years) subject to notification to the National Bank of Moldova was decreased to €10,000 from €50,000.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Borrowing abroad	*07/20/2023*	The required amount for commercial banks and other credit institutions' loans from nonresidents to be notified to the National Bank of Moldova was decreased to €10,000 from €50,000.
Lending locally in foreign exchange	*07/20/2023*	It was allowed to grant foreign currency loans for the purpose of repaying all foreign currency loans obtained from licensed banks.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*05/16/2022*	The required reserves ratio (RRR) for foreign currency was increased from 30% to 33%.
	06/16/2022	The RRR for domestic currency was increased from 28% to 30%. The required reserves ratio (RRR) for foreign currency was increased from 33% to 36%. The RRR for domestic currency was increased from 30% to 32%.

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	07/16/2022	The required reserves ratio (RRR) for foreign currency was increased from 36% to 39%. The RRR for domestic currency was increased from 32% to 34%.
	08/16/2022	The required reserves ratio (RRR) for foreign currency was increased from 39% to 42%. The RRR for domestic currency was increased from 34% to 37%.
	09/16/2022	The required reserves ratio (RRR) for foreign currency was increased from 42% to 45%. The RRR for domestic currency was increased from 37% to 40%.
	12/16/2022	The required reserves ratio for domestic currency was decreased from 40% to 37%.
	01/16/2023	The required reserves ratio for domestic currency was decreased from 37% to 34%.
Provisions specific to institutional investors Insurance companies		
Limits (max.) on securities issued by nonresidents	*01/01/2023*	Reinsurance companies headquartered in the Republic of Moldova must limit the assets covering the technical provisions and the minimum capital requirement in foreign currency to 30% of the total technical reserves and the minimum capital requirement. The previous regulation stated that when placing the assets accepted as coverage for technical provisions and for the minimum margin of solvency, the insurer (reinsurer) must respect the rules of distribution of investment in securities issued by foreign governments and/or national banks or international financial organizations; such amounts may represent no more than 5% for the same issuer and no more than 20% of the total value of the total technical reserves, excluding the share of the reinsurer, and the minimum solvency margin.
	01/01/2023	The value of securities issued by nonresidents may not exceed the following limits of the total technical reserves: - state securities issued by the Government of an EU Member State or an OECD Member State, by an international financial organization or entity for which one of the nominees acts as guarantor, provided the States or international financial institutions have a rating of BBB + or better must not exceed 15% in the case of a single issuer and 60% of the total; - covered corporate bonds of high liquidity, traded on a regulated market, the value of which can be determined exactly, issued by a legal person in an EU Member State or in an OECD Member State must not exceed 5% in the case of a single issuer and 40% of the total; - shares traded on a regulated market an EU Member State or an OECD Member State must not exceed 5% in the case of a single issuer and 20% of the total. Also, according to the same article, the value of securities issued by nonresidents may not exceed the following limits of the total minimum capital requirement: - state securities issued by the Government of an EU Member State or an OECD Member State, by an international financial organization or entity for which one of the nominees acts as guarantor, provided the States or international financial institutions have a rating of BBB + or better must not exceed 15% in the case of a single issuer and 60% of the total; - corporate bonds and/or bonds issued by local government authorities in an EU Member State or in an OECD Member State must not exceed 5% in the case of a single issuer and 40% of the total; - covered corporate bonds of high liquidity, traded on a regulated

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		market, the value of which can be determined exactly, issued by a legal person based in an EU Member State or in an OECD Member State must not exceed 5% in the case of a single issuer and 40% of the total and which are not traded on a regulated market must not exceed 1% in the case of a single issuer and 2% of the total; - shares traded on a regulated market an EU Member State or an OECD Member State must not exceed 2% in the case of a single issuer and 5% of the total: - shares of investment companies and fund units practiced in other EU Member States or in other OECD Member States must not exceed 5% of the total.
Limits (max.) on investment portfolio held abroad	*01/01/2023*	The previous regulation stated that when placing the assets accepted as coverage for technical provisions and for the minimum margin of solvency, the insurer (reinsurer) must respect the rules of distribution of investment in securities issued by foreign governments and/or national banks or international financial organizations; such amounts may represent no more than 5% for the same issuer and no more than 20% of the total value of the total technical reserves, excluding the share of the reinsurer, and the minimum solvency margin. Investment portfolio held abroad allowed to cover technical reserves and the minimum capital requirement and their respective limits are as follows: (1) Assets covering technical provisions and the minimum capital requirement may only be: (a) state securities issued by the Government of an EU Member State or an OECD Member State, by an international financial organization or entity for which one of the nominees acts as guarantor, provided the States or international financial institutions have a rating of BBB + or better. The value of assets allowed to cover technical reserves must not exceed 15% in the case of a single issuer and 60% of the total technical reserves. The same applies for the covering of the minimum capital requirement; (b) admitted bonds of local government authorities of the Republic of Moldova and/or corporate bonds and/or bonds issued by local government authorities in an EU Member State or in an OECD Member State. The value of the assets allowed to cover the minimum capital requirement must not exceed 5% in the case of a single issuer and 40% of the total minimum capital requirement; (c) covered corporate bonds: (i) of high liquidity, traded on a regulated market, the value of which can be determined exactly, issued by a legal person based in the Republic of Moldova, in an EU Member State or in an OECD Member State The value of assets allowed to cover technical provisions must not exceed 5% in the case of a single issuer and 40% of the total technical provisions. The same applies for the covering of the minimum capital requirement; (ii) which are not traded on a regulated market; (d) shares traded on a regulated market in the Republic of Moldova, an EU Member State or an OECD Member State. The value of assets allowed to cover technical provisions must not exceed 5% in the case of a single issuer and 20% of the total technical provisions; The value of the assets allowed to cover the minimum capital requirement must not exceed 2% in the case of a single issuer and 5% of the total minimum capital requirement; (e) shares that are not traded on a regulated market, when issued by a legal entity based in the Republic of Moldova; (f) shares of investment companies and fund units in circulation in

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the Republic of Moldova and other similar instruments practiced in other EU Member States or in other OECD Member States. The value of the assets allowed to cover the minimum capital requirement must not exceed 5% of the total minimum capital requirement;
(g) receivables arising from interest-bearing lending granted to policyholders up to the redemption value of their life insurance policies;
(h) insured real estate and other real rights over them (for example, the right of surface, the right of habitation, and the right of servitude), provided:
(i) they are registered in a real estate register of the Republic of Moldova or in an EU Member State or in an OECD member state;
(ii) they are income-generating or are expected to produce an economic gain;
(iii) they are determined at 75% of the fair value, with the exception of agricultural real estate and out-of-town real estate which will be admitted in proportion of 50% of the fair value;
(iv) they are free from bans and encumbrances;
(v) constructions will be insured at fair value against all risks to which they are exposed; The value of assets allowed to cover technical provisions must not exceed: for non-life insurance – 2% in the case of one and the same real estate and 4% of the total and for life insurance – 10% in the case of one and the same real estate and 25% of the total technical provisions. The value of the assets allowed to cover the minimum capital requirement must not exceed 3% in the case of one and the same good and 10% of the total minimum capital requirement;
(i) deposits held in a bank licensed by the National Bank of Moldova (NBM) whose registered headquarter is located in the Republic of Moldova or in a bank with a rating of at least BBB + in an EU Member State or in an OECD Member State. The value of the assets allowed to cover the minimum capital requirement must not exceed must not exceed 20% in the case of a regular bank, 10% – in the case of a bank to which early intervention measures are applied by the NBM or a similar supervisory authority and 70% of the total minimum capital requirement.

(j) shares held by reinsurers or co-insurers in technical provisions, provided the reinsurance or co-insurance company holds at least a BBB + rating or complies to the Solvency II regime of an EU Member State or an OECD Member State, with the mandatory payment of the premiums related to the reinsurance or co-insurance contracts. The value of assets allowed to cover technical provisions must be within the share limit.
(2) The insurance or reinsurance company permanently holds any of the assets provided in Item (1) but may not use the value of the assets covering the minimum capital requirement to cover technical provisions and conversely.

01/01/2023

The previous regulation stated that when placing the assets accepted as coverage for technical provisions and for the minimum margin of solvency, the insurer (reinsurer) must respect the rules of distribution of investment in securities issued by foreign governments and/or national banks or international financial organizations; such amounts may represent no more than 5% for the same issuer and no more than 20% of the total value of the total technical reserves, excluding the share of the reinsurer, and the minimum solvency margin. Reinsurance companies headquartered in the Republic of Moldova must limit the assets covering the technical provisions and the

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		minimum capital requirement in foreign currency to 30% of the total technical reserves and the minimum capital requirement. The previous regulation stated that when placing the assets accepted as coverage for technical provisions and for the minimum margin of solvency, the insurer (reinsurer) must respect the rules of distribution of investment in securities issued by foreign governments and/or national banks or international financial organizations; such amounts may represent no more than 5% for the same issuer and no more than 20% of the total value of the total technical reserves, excluding the share of the reinsurer, and the minimum solvency margin.
Limits (min.) on investment portfolio held locally	*01/01/2023*	Reinsurance companies headquartered in the Republic of Moldova must limit the assets covering the technical provisions and the minimum capital requirement in foreign currency to 30% of the total technical reserves and the minimum capital requirement. The previous regulation stated that when placing the assets accepted as coverage for technical provisions and for the minimum margin of solvency, the insurer (reinsurer) must respect the rules of distribution of investment in securities issued by foreign governments and/or national banks or international financial organizations; such amounts may represent no more than 5% for the same issuer and no more than 20% of the total value of the total technical reserves, excluding the share of the reinsurer, and the minimum solvency margin.

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MONGOLIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		February 14, 1991.
Article VIII	Yes.	Date of acceptance: February 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	n.a.	Information is not publicly available.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Restrictions are imposed on certain transactions with the former Republic of Serbia and Montenegro.

Exchange Arrangement

Currency	Yes.	The currency of Mongolia is the Mongolian togrog.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual		
Multiple	Yes.	The exchange rate structure is classified as multiple because the official exchange rate may differ from the market rate by more than 2%, and a multiple-price auction was introduced without a formal mechanism to prevent a spread exceeding 2% of effective rates between the winning bids. Since the inception of the auction, however, winning bids have never deviated by more than 2%. To eliminate the risk of accepted bids deviating by more than 2%, in addition to multiple-price auction, the BOM (Bank of Mongolia) introduced a single-price auction, from October 1, 2015, that is, where all accepted offers are fulfilled at a single cutoff rate. If a bank's bid rate is deemed too different from the market rate, the BOM will decline the bid. In the foreign currency online trading platform, banks are not allowed to enter bids that differ by more than 2% from the prevailing exchange market rate. When banks submit their bids on the platform, it prevents them from entering bids that deviate significantly from the market rate, which applies to all trades including auctions and bilateral trades.
Classification		
No separate legal tender		
Currency board		

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Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. The BOM reserves the right to intervene in the foreign exchange market. To ensure the togrog's exchange rate flexibility with macroeconomic fundamentals, BOM intervenes through the auction in the foreign exchange market to mitigate the supply–demand gap. BOM's intervention in the foreign exchange market through auction has increased in 2023 compared to 2022. In the first quarter of 2023, the order from banks has decreased by 1.5 times from previous year. As of June 30, 2023, Mongolia's imports have risen by 8% to US$4.27 billion, exports have increased by 43% to US$7.5 billion from previous year, and Balance of Payment (BOP) showed a surplus of US$394 million. As of June 30, 2023, the exchange rate of MNT against USD depreciated by 0.35% to 3432.66 from the start of the year. Also, compared to June 30, 2022, the exchange rate depreciated by 9.5%. Since March 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar with two realignments, one in May 2022 and a second one in September 2022, each within a 6-month period. Therefore, the de facto exchange rate arrangement was reclassified to crawl-like from stabilized, effective March 3, 2022. The intervention data is published on the Bank of Mongolia's website right after the intervention.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The BOM's closing rate—togrog against US dollar—is calculated as the sum of weighted purchase and sale rates multiplied by total purchase and sale volume percentages, respectively. Purchase and sale volumes are based on transactions between 3:30 p.m. of the previous day and 3:30 p.m. of the current day reported by banks by 4:10 p.m. every business day. The closing reference rate is announced by 5:40 p.m. everyday once it is cleared by the director of the Reserve Management and Financial Markets Department at the BOM. Calculation of reference rates of togrogs against all other foreign currencies is based on rates in international markets between 3:30 p.m. and 4:10 p.m. of the current day. The reference rate is used in accounting, customs valuation, and government transactions with the BOM. For accounting purposes, the daily reference rate is the BOM's closing rate on the previous day. The reference rate is announced each weekday except national holidays.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		

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Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The BOM has officially implemented IT framework since 2013, introduced the concept of Inflation targeting framework, and published the Monetary Policy Guidelines of 2014. Between 2012 and 2016, when quasi-fiscal spending increased largely and the BOM became more involved, the implementation faced challenges. The BOM has consistently committed to implementing the IT framework.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	According to the Law on Central bank, the BOM's mandate is to formulate the Monetary Policy Guideline for the upcoming year, which includes the inflation targets for the medium term, and submit it to the Parliament before October 1 each year. The Parliament approves the target, the inflation target is publicly announced, and the BOM is committed to accomplishing the target. As a core decision-making body, the Monetary Policy Board was established in October 2012. This organization changed its board structure into a committee, known as the MPC, in May 2018 to enable a collective decision-making process regarding monetary policy. The MPC consists of 7 members, including the BOM Governor, the First Deputy Governor, the Deputy Governor, and four external members. The annual schedule of MPC meetings is disclosed in January of each year and these meetings are held at least 4 times a year. The MPC meetings follow a structured two-day format. On the first day, the MPC members engage in technical presentations that cover recent developments and the outlook of the economic, banking and financial sectors. The second day is dedicated to decision-making, based on the assessment of baseline forecasts, along with alternative scenarios. The monetary policy decisions are primarily guided by the deviation of the medium-term inflation forecast from the target, which is broadly based on the assessment of current and expected economic, monetary, and financial condition.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	Since the early 1990s, the Parliament has annually approved numerical inflation targets that are publicly announced by the BOM. Prior to 2021, the BOM adhered to a point inflation target, which was modified from 5% to 15% over the years from 2000 to 2021. However, in November 2020, with approval from the Parliament, the point target was changed to a target with a tolerance band for the

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		years of 2021-2023. The BOM's mandate is to stabilize inflation at 6% with a band of +/- 2% in the medium term, except that the Government approved a single digit target in 2023.
Band/Range		
Target measure	Yes.	
CPI	Yes.	Target measure is based on the headline CPI, published by National Statistics Office of Mongolia monthly.
Core inflation		
Target horizon	Yes.	The target horizon is medium term.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The main policy instrument is the four-week Central Bank Bill rate, known as the policy rate, which was introduced in 2007.
Target corridor band	Yes.	The BOM has followed de facto an asymmetric interest rate corridor since 2007. In February 2013, it officially implemented with width of +/- 2 % symmetrically from the policy rate, by introducing new standing facilities, namely overnight deposit and overnight repo. Interest rates on such facilities were set to form the lower and upper bounds of the corridor.
Other		
Accountability	Yes.	
Open letter		
Parliamentary hearings	Yes.	Monetary policy guidelines for the upcoming year are discussed and approved by the Parliament during the autumn parliamentary session, with their implementation presented to the Economic Standing Committee in the spring parliamentary session. The BOM reports on the implementation of monetary policy to the Parliament every quarter.
Other	Yes.	If planned government measures have the potential to adversely affect inflation or hinder the implementation of monetary policy, a comprehensive analysis of their policy impact, considering key economic risks, is conducted, and submitted to the Parliament through existing communication channels.
Transparency	Yes.	
Publication of votes		
Publication of minutes	Yes.	After each MPC meeting, the monetary policy statement is promptly released, and press conferences are conducted. The decisions are disclosed to stakeholders, government organizations, financial market participants, and the general public through various communication channels, explaining the reasons for inflation deviations from the target and the rationale behind the monetary policy decisions. Moreover, excerpts from the minutes are made available within two weeks at the BOM webpage.
Publication of inflation forecasts	Yes.	Inflation forecasts are published in the Inflation report every quarter.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	

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Foreign exchange market	Yes.	Banks and nonbank financial institutions (NBFIs) may freely set their exchange rates in transactions with their clients. There were 12 commercial banks and 513 NBFIs in Mongolia as of June 30, 2023.
Spot exchange market	Yes.	The regulators of the foreign exchange market are the BOM and the Financial Regulatory Committee and the market participants are the 12 commercial banks and 513 NBFIs. The operations of foreign exchange bureaus have been delegated to NBFIs licensed by the Financial Regulatory Committee. As of December 31, 2022, there were total of 513 NBFIs, of which 140 currency bureaus operate in the field of currency trading, actively participated in foreign exchange market. NBFIs are approved to purchase and sell banknotes and make foreign currency payments and transfers on behalf of their clients but may not have accounts abroad.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	In the spot market, Bank of Mongolia participates through auction on Tuesdays and Thursdays. BOM may intervene through auction, with single or multi-price auctions, or through foreign currency online trading platform. On the other hand, BOM buys foreign exchange from state-owned and dominantly state-owned mining export companies. A two-way multiple-price foreign exchange auction is held twice a week. The BOM additionally introduced a single-price foreign exchange auction by amendment of the auction regulation on October 1, 2015. The amount of purchase and sale is not announced in advance. Only commercial banks may participate in the auction. Commercial banks may propose three bids and three offers and may freely determine their bid and offer prices. Maximum and minimum amounts apply. The buying and selling limit for one bid must be in the range of US$0.1–US$8.0 million. The BOM publishes the results of the auctions on its website within the day.
Fixing	No.	
Interbank market	Yes.	There are 12 banks and the Development BOM that participate in the interbank foreign exchange market. There are no limits on the bid-ask spread and commission of market participants. As of December 31, 2022, there were 12 banks that actively participated in the interbank foreign exchange market.
Over the counter	Yes.	Commercial banks may trade foreign exchange with each other over the counter and may freely set their buying and selling rates. BOM buys foreign exchange proceeds from state-owned and dominantly state-owned mining companies through the foreign currency online trading platform and the rate is the reference rate of that day.
Brokerage	No.	
Market making	Yes.	The three largest banks in the Mongolian banking sector are playing a major role as market makers.
Forward exchange market	Yes.	Banks are granted a supplementary foreign exchange settlement license from the BOM for the purpose of carrying out forward exchange transactions. As of June 30, 2023, BOM has established 132.7 million USD forward agreements with commercial banks.
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Domestic currency may be used to settle both current and capital transactions regardless of limits on payments in foreign exchange.
For current transactions and payments	No.	Under Article 7 of the AML/CFT Law of Mongolia, all financial institutions and designated non-financial businesses and professions must report cash and foreign transactions equal to or more than 20 million togrogs (for example, SWIFT, MoneyGram) to the financial information unit. Also, they must report transactions that are suspected of being proceeds of crime or money laundering or used for financing of terrorism, regardless of the amount.
For capital transactions	No.	
Transactions in capital and money market instruments	No.	Under Article 7 of the AML/CFT Law of Mongolia, licensed securities market entities must report cash and foreign transactions equal to or more than 20 million togrogs to the financial information unit. Also, they must report transactions that are suspected of being proceeds of crime or money laundering or used for financing of terrorism, regardless of the amount.
Transactions in derivatives and other instruments	No.	Under Article 7 of the AML/CFT Law of Mongolia, licensed securities market entities must report cash and foreign transactions equal to or more than 20 million togrogs to the financial information unit. Also, they must report transactions that are suspected of being proceeds of crime or money laundering or used for financing of terrorism, regardless of the amount.
Credit operations	No.	Under Article 7 of the AML/CFT Law of Mongolia, all financial institutions and designated non-financial businesses and professions must report cash and foreign transactions equal to or more than 20 million togrogs (for example, SWIFT, MoneyGram) to the financial information unit. Also, they must report transactions that are suspected of being proceeds of crime or money laundering or used for financing of terrorism, regardless of the amount.
Use of foreign exchange among residents	Yes.	Prices of goods and services must be expressed and settled only in togrog. Only authorized commercial banks and NBFIs have a right to deal in foreign exchange.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	The bilateral payments arrangements are inoperative.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	International transactions are governed by the Foreign Exchange Law. Authorized commercial banks and NBFIs may affect foreign exchange transactions. The responsible department is the Research and Statistics Department of the BOM.
Payments arrears	No.	
Official	No.	

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Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	The scope of reporting entities under the AML/CFT Law includes dealers in precious metals and stones. The duties of reporting entities include understanding their risks associated with AML/CFT and adopting internal procedures which cover regular, enhanced, and simplified customer due diligence (CDD) measures; supervising authorities conduct risk-based supervision; liability and sanctions for violation of the Law and associated regulations were strengthened.
On external trade	Yes.	Effective April 15, 2022, until January 1, 2023, it is temporarily prohibited to carry physical precious metals, including gold, worth more than togrog 20 million across the border of Mongolia. It did not apply to imports of gold. The prohibition ended effective January 1, 2023.
Controls on exports and imports of banknotes	Yes.	Declaration is required according to Mongolian Law on AML/CFT. There are no restrictions on the importation and exportation of banknotes.
On exports	Yes.	
Domestic currency	No.	Exportation of domestic banknotes in the amount of togrog 15 million or more must be declared.
Foreign currency	Yes.	Exportation of foreign currency equal to togrog 15 million or more must be declared. Effective April 15, 2022, until January 1, 2023, it is temporarily prohibited to carry foreign currency worth more than togrog 20 million across the border of Mongolia. The prohibition ended effective January 1, 2023.
On imports	No.	
Domestic currency	No.	Importation of domestic banknotes in the amount of togrog 15 million or more must be declared.
Foreign currency	No.	Importation of foreign currency equal to togrog 15 million or more must be declared.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Accounts may be held at authorized banks. These accounts may be credited with retained export earnings and foreign exchange transferred from abroad, and the balances may be used for any purpose without restriction. As of January 29, 2021, as part of temporary COVID-19 measures to lower deposit dollarization, it was prohibited to make transactions between residents and legal entities in foreign currency in cases other than those specified in Articles 4.1 and 4.4 in the Law on Payments in national currencies. These cases included transactions, such as foreign exchange, deposits, loans, derivatives, and similar instruments of banks, and NBFI's transactions with official permission, and transactions with permission from the BOM. The measure expired effective December 31, 2022.
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held	Yes.	Residents may open and maintain domestic currency accounts abroad

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abroad		without approval.
Accounts in domestic currency convertible into foreign currency	Yes.	Accounts in domestic currency are convertible to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Under Article 5 of the AML/CFT Law of Mongolia and subsequent regulations approved by the BOM, know-your-customer and CDD requirements apply to all nonresident and foreign exchange accounts in all financial institutions.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Import of drugs, alcohol, materials that encourage or depict violence, pornography, and items that could cause environmental damage is prohibited.
Open general licenses	Yes.	A special permit is required for imports of historical artifacts, precious metals, weapons, radioactive materials, ferrous and nonferrous metals, and goods and services requiring licenses under international contracts and agreements.
Licenses with quotas	No.	
Other nontariff measures	Yes.	
Import taxes and/or tariffs	Yes.	A uniform import duty of 5% applies. A uniform VAT of 10% is levied on imports of most goods. Specific excise taxes are levied on

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		imports of alcohol, cigarettes, tobacco and tobacco products, passenger cars, and petroleum products.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	A special permit is required for exports of historical artifacts, precious metals, weapons, radioactive materials, ferrous and nonferrous metals, and goods and services requiring licenses under international contracts and agreements.
With quotas	Yes.	
Export taxes	Yes.	Export taxes apply to exports of nonferrous and scrap metals, raw camel wool, and lumber and other wood products.
Collected through the exchange system	No.	
Other export taxes	Yes.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	All money transfers and wire transactions for current and capital transactions above togrog 20 million must be reported to the financial information unit for the purposes of AML/CFT.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	

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Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	All money transfers and wire transactions for current and capital transactions above togrog 20 million must be reported to the financial information unit for the purposes of AML/CFT.
Repatriation requirements	No.	

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The controlling shareholder, alone or together with related persons, must inform the Financial Regulatory Commission, Mongolian stock exchange, and the public via its website of any 5% increase or decrease in the share volume of a company's controlling shareholders within five working days. The requirement is the same for residents and nonresidents.
Sale or issue locally by nonresidents	Yes.	A legal person listed on a foreign exchange may list and trade its securities on a stock exchange in Mongolia on approval of the Financial Regulatory Commission. The issuer must indicate in the prospectus of the securities to be issued in Mongolia the regulatory differences between Mongolia and the country in which the securities were initially issued. The issuer must also make provisions for investors' potential risks and make arrangements for the exercise of their rights. The criteria for foreign security issuance in Mongolia and the list of accepted foreign exchanges are determined by the Financial Regulatory Commission. Granting ownership free of charge and selling securities on credit in the primary market are prohibited, unless stated otherwise in the law.
Purchase abroad by residents	Yes.	According to the Foreign Exchange Law, residents may purchase shares or other securities of a participating nature abroad. Banks may not establish subsidiary companies or hold minority interest of more than 20% in any company.
Sale or issue abroad by residents	No.	Companies listed on the Stock Exchange of Mongolia may also list and trade a certain portion of their securities and depository receipts on a foreign stock exchange. To issue securities in foreign countries, a company must register them prior to issuance with the Financial Regulatory Commission, which sets the registration rules.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Registration with the depository house through brokers and dealer companies is required.
Sale or issue locally by nonresidents	Yes.	The issuance of bonds or other debt securities by nonresidents is prohibited. Bonds or other debt securities may be issued only by the government on the approval of the parliament or by companies registered in Mongolia. The lending of securities is prohibited.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	

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Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Foreign-registered investment funds may not publicly offer or sell their shares and unit rights in Mongolia. A foreign-registered investment fund may offer its shares and unit rights (privately) through a closed offer on authorization of the Financial Regulatory Commission. The regulation and requirements for such authorization must be approved by the Financial Regulatory Commission.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	Banks and nonbanks are subject to net open position limits which are established by regulations approved by the BOM and Financial Regulatory Commission. Derivative transactions are taken into account in estimation of net open positions. In addition, credit equivalent amount of derivatives is calculated. And these calculations are taken into account in the capital adequacy requirements.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	Commercial and financial credits must be registered with the BOM within 15 working days of concluding the credit agreement. Residents must submit a loan registration form to the BOM.
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	Commercial and financial credits must be registered with the BOM within 15 working days of concluding the credit agreement. Residents must submit a loan registration form to the BOM.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Banks may not establish subsidiary companies or hold minority interest of more than 10% in any company.
Inward direct investment	No.	
Controls on liquidation of direct	No.	

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investment		
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Inclusion in the State Real Estate Registry is required.
Purchase locally by nonresidents	Yes.	Inclusion in the State Real Estate Registry is required.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	Registration with the BOM within 15 working days of concluding the credit agreement is required.
By residents to nonresidents	No.	
To residents from nonresidents	No.	Commercial and financial credits must be registered with the BOM within 15 working days of concluding the credit agreement. Residents must submit a loan registration form to the BOM.
Gifts, endowments, inheritances, and legacies	No.	These transactions are not regulated. However, civil officers who receive gifts, endowments, inheritances, and legacies involving antiques must register with the appropriate government authority.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	As mandated by the Banking Law, the Law on Non-Bank Financial Activities and the AML/CFT Law, banks and other credit institutions are supervised and monitored by the BOM and Financial Regulatory Commission of Mongolia, respectively. The supervising authorities conduct on- and off-site risk-based supervision. The duties of banks and other credit institutions (reporting entities) include identifying beneficial ownership, conducting CDD, monitoring and reporting transactions, understanding their risks associated with AML/CFT, and adopting internal a monitoring and risk management program which covers risk evaluation methodology, procedures for CDD, enhanced due diligence (EDD), risk mitigation measures of new technology, implementation of the sanctions issued by the United Nations Security Council Resolutions (UNSCR) and other relevant authorities, and correspondent banking relations, among others.
Borrowing abroad	Yes.	The registration of foreign borrowing is not required except as required for the purpose of combating terrorism and money laundering.
Maintenance of accounts abroad	Yes.	The BOM permission is required.
Lending to nonresidents (financial or commercial credits)	Yes.	Banks are required to obtain a supplementary foreign exchange settlement license to engage in these transactions.
Lending locally in foreign exchange	Yes.	Banks are required to obtain a supplementary foreign exchange

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		settlement license to engage in these transactions.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Banks must meet separate reserve requirements for both togrog and foreign currency deposits. The MPC increased the reserve requirement rate for togrog from 6% to 8% effective February 9, 2022. The foreign currency reserve requirement is 18%. Banks must maintain an amount equivalent to at least 50% of required reserves in their togrog and foreign currency accounts held at the BOM by the end of each day. Along with the daily requirement, banks are also required to maintain an average basis equivalent to the required reserves throughout the maintenance period. The cash in vault for either togrog or foreign currency is not taken into account when calculating reserve fulfillment. The banks' required reserves in togrog are remunerated at 50% of the BOM's overnight deposit rate. The penalty interest for failing to meet the reserve requirement is equal to the overnight repo rate plus 5%. Banks are not allowed to use their togrog excess reserves to fulfill their foreign currency required reserves.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	Nonresidents' investment activities are regulated by the Law on Investments, Company Law, and Banking Law.
Abroad by banks	Yes.	Banks are required to hold a supplementary foreign exchange settlement license and securities trading license to engage in these transactions. Basic activities such as transfers and foreign exchange trading are granted with the banking license. Banks may not establish subsidiary companies or hold minority interest of more than 20% in any company.
In banks by nonresidents	Yes.	Nonresidents' investments in banks are regulated by the Law on Investments, Company Law, Banking Law, and Regulation on Change in Bank Capital Structure. All residents and nonresidents are subject to the Law on Specialized Investment Banking effective March 1, 2023, and its pertaining regulations, including (1) Regulation on Supervision of Specialized Investment Banks; (2) Regulation on Setting and Monitoring Prudential Requirements for Specialized Investment Banks; (3) Regulation on Setting Limits on Types and Quantity of Securities and Financial Instruments to be Sold and Purchased by Specialized Investment Banks; and (4) Decree on the Lending Requirements for Specialized Investment Banks. The legal framework for foreign banks to open branches was established in Mongolia with the approval of the "Regulation on operations by a branch and representative office of a foreign bank".

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		All residents and nonresidents are required to get a permit from the BOM to become a qualifying shareholder of a bank. Effective June 1, 2022, a qualifying shareholder is a person holding 5% or more of the bank shares solely or together with a related person, or a shareholder that may influence the policy, decision, and management of the bank. According to the Law on Investments, any foreign state-owned legal entity willing to invest in more than 33% of bank's ownership must get a permit from the Government of Mongolia before getting a permit from the BOM.
Open foreign exchange position limits	Yes.	The limits are 15% of adjusted capital for the net position in a single currency and 30% of adjusted capital for the total net position in all currencies. Adjusted capital is calculated, as follows: (1) Treasury-owned common and preferred equities are deducted from Tier 1 and Tier 2 capital, respectively; (2) goodwill is deducted; (3) the sum of deferred taxes and software in excess of 10% of Tier 1 is deducted; (4) 75% and 25% of amounts in excess of limits set in the Banking Law 17.1–17.5 are deducted from Tier 1 and Tier 2 capital, respectively. If Tier 2 is insufficient, the remainder is deducted from Tier 1; and (5) Tier 2 is capped at 50% of Tier 1.
On resident assets and liabilities	Yes.	The limits are 15% of adjusted capital for the net position in a single currency and 30% of adjusted capital for the total net position in all currencies. Adjusted capital is calculated, as follows: (1) Treasury-owned common and preferred equities are deducted from Tier 1 and Tier 2 capital, respectively; (2) goodwill is deducted; (3) the sum of deferred taxes and software in excess of 10% of Tier 1 is deducted; (4) 75% and 25% of amounts in excess of limits set in the Banking Law 17.1–17.5 are deducted from Tier 1 and Tier 2 capital, respectively. If Tier 2 is insufficient, the remainder is deducted from Tier 1; and (5) Tier 2 is capped at 50% of Tier 1. The same requirements apply to resident and nonresident assets and liabilities.
On nonresident assets and liabilities	Yes.	The limits are 15% of adjusted capital for the net position in a single currency and 30% of adjusted capital for the total net position in all currencies. Adjusted capital is calculated, as follows: (1) Treasury-owned common and preferred equities are deducted from Tier 1 and Tier 2 capital, respectively; (2) goodwill is deducted; (3) the sum of deferred taxes and software in excess of 10% of Tier 1 is deducted; (4) 75% and 25% of amounts in excess of limits set in the Banking Law 17.1–17.5 are deducted from Tier 1 and Tier 2 capital, respectively. If Tier 2 is insufficient, the remainder is deducted from Tier 1; and (5) Tier 2 is capped at 50% of Tier 1. The same requirements apply to resident and nonresident assets and liabilities.
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	

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Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.

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Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and	Yes.

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trading platforms

Domestic exchanges	Yes.	The Law on Virtual Asset Service Provider (VASP) became effective February 25, 2022. Article 6 of the Law on VASP defines a VASP as a legal entity conducting the following activities or operations for or on behalf of natural or legal persons: (1) Exchange between virtual assets and fiat currencies; (2) exchange between one or more forms of virtual assets; (3) transfer of virtual assets; (4) safekeeping and/or administration of virtual assets or instruments enabling control over virtual assets; and (5) participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset. Only legal entities may provide virtual asset services in Mongolia. Legal entities aiming to provide services defined in Article 6.1 must be registered with the Financial Regulatory Commission (FRC) according to Section 10. The FRC will decide whether to register within six months after receiving the request and the complete documents that meet requirements specified in Article 10.1 of the law. VASPs must meet all the requirements set out in Article 7 and other requirements set by the Financial Regulatory Commission prior to starting their operations and while providing services. Article 7.1 of the Law on VASPs sets out the requirements for applying for registration as a VASP. The Chairman of the Financial Regulatory Commission established a working group on November 25, 2021, by Order No. 314 with the purpose of developing the necessary regulations and requirements specified in Article 10.9.1 of the VASP: Regulation on VASP registration; Regulation on VASP activities: Governance, operation and reports; Regulation on registration of auditing operations for VASPs and requirements for audit entities; Regulation on standards for VASP professional associations; Regulation on VASP fitness and propriety; Regulation on restriction and suspension of VASP activities; Regulation on offsite and onsite supervision in VASPs; Share capital and capital equity for VASPs. VASPs are responsible for attracting funds only in the form of IEOs when organizing the offering and sale of virtual assets to the public.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Classification

Crawl-like arrangement	*03/03/2022*	Since March 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar with two realignments, one in May 2022 and a second one in September 2022, each within a 6-month period. Therefore, the de facto exchange rate arrangement was reclassified to crawl-like from stabilized.

Arrangements for Payments and Receipts

Controls on trade in gold (coins and/or bullion)

On external trade	*04/15/2022*	Until January 1, 2023, it is temporarily prohibited to carry physical precious metals, including gold, worth more than togrog 20 million across the border of Mongolia. It did not apply to imports of gold.
	01/01/2023	The prohibition to carry physical precious metals, including gold, worth more than togrog 20 million across the border of Mongolia ended.

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Controls on exports and imports of banknotes
On exports

Foreign currency	*04/15/2022*	Until January 1, 2023, it is temporarily prohibited to carry foreign currency worth more than togrog 20 million across the border of Mongolia.
	01/01/2023	The prohibition to carry foreign currency worth more than togrog 20 million across the border of Mongolia ended.

Resident Accounts

Foreign exchange accounts permitted
Held domestically

	12/31/2022	A temporary COVID-19 measure to lower deposit dollarization expired. It was prohibited to make transactions between residents and legal entities in foreign currency in cases other than those specified in Articles 4.1 and 4.4 in the Law on Payments in national currencies. These cases included transactions, such as foreign exchange, deposits, loans, derivatives, and similar instruments of banks, and NBFI's transactions with official permission, and transactions with permission from the BOM

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions
Differential treatment of deposit accounts in foreign exchange

Reserve requirements	*02/09/2022*	The MPC increased the reserve requirement rate for togrog from 6% to 8%.

Investment regulations

In banks by nonresidents	*06/01/2022*	A qualifying shareholder is a person holding 5% or more of the bank shares solely or together with a related person, or a shareholder that may influence the policy, decision, and management of the bank. All residents and nonresidents are required to get a permit from the BOM to become a qualifying shareholder of a bank.
	03/01/2023	All residents and nonresidents are subject to the Law on Specialized Investment Banking.

Digital Currencies and Crypto Assets

Controls on crypto exchanges and trading platforms
Domestic exchanges

	02/25/2022	The Law on Virtual Asset Service Provider (VASP), which regulates VASPs, entered into force.

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MONTENEGRO

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		January 18, 2007.
Article VIII	Yes.	Date of acceptance: January 18, 2007.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Montenegro, as a member of the UN, observes and implements all mandatory measures of UNSC resolutions.

Exchange Arrangement

Currency	Yes.	The euro is a legal tender in Montenegro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. The euro is a legal tender.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	No.	

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Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The euro is a legal tender and circulates freely in Montenegro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		

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Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	According to the Law on Foreign Current and Capital Operations (Official Gazette of the Republic of Montenegro (OGRM) No. 45/05, and OGM No. 62/08, 40/11, 62/13, and 70/17), Article 8, exchange operations may be performed by legal persons and entrepreneurs, which have contract with a bank, and are registered for performing exchange operations. The Central Bank of Montenegro (CBM) must prescribe in detail terms and manner of performing exchange operations. The CBM is not responsible for issuing licenses for performing bureau de change operations, and banks are not obliged to submit data and information about other persons with whom they concluded the contract on performing bureau de change operations. Banks may perform exchange operations in their own name and for their own account. Other legal persons may perform exchange operations in their own name and for a bank's account, subject to signing an agreement with the bank. According to the Decision on Detailed Requirements and Manner of Performing Bureau De Change Operations (OGM No. 27/11), Article 2, banks must perform bureau de change operations in their own name and for their own account. Other legal persons and entrepreneurs (hereinafter the ADs) may perform bureau de change activities in their own name and for a bank's account, subject to signing an agreement with the bank on performing bureau de change activities and the dealer's registration for the performance of this activity. The bank must be accountable for the operations of the AD with whom it has signed the agreement on performing bureau de change activities. Bureau de change activities at border crossings and on vessels may be performed by persons employed in the bank and/or AD, subject to a separate approval of the bank.
Spot exchange market	Yes.	In Montenegro, banks perform activities on exchange market, but there is not an organized spot exchange market (in terms of platform).
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	There is no interbank foreign exchange market.

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Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	There is no forward exchange market, but there are no restrictions on forward deals by residents abroad.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	The CBM, which is not an issuing bank, prescribes prudential rules for the operations of dealers and banks in foreign exchange transactions and sets limits on their foreign exchange positions.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	Domestic and foreign currency cash may be imported and exported freely; amounts of €10,000 and above must be reported to the administrative authority in charge of the customs affairs by residents and nonresidents. For the purpose of compiling the balance of

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		payments statistics of Montenegro, and control against money laundering and terrorism financing, residents and nonresidents must declare physical import and export of means of payment at the point of entry or departure to or from Montenegro. The administration body responsible for the customs affairs keeps records on performed controls.
On exports	No.	
Domestic currency	No.	Exports of cash, in domestic or foreign currency, amounting to €10,000 and above must be reported to the administrative authority in charge of the customs affairs by residents and nonresidents.
Foreign currency	No.	Exports of cash, in domestic or foreign currency, amounting to €10,000 and above must be reported to the administrative authority in charge of the customs affairs by residents and nonresidents.
On imports	No.	
Domestic currency	No.	Imports of cash, in domestic or foreign currency, amounting to €10,000 and above must be reported to the administrative authority in charge of the customs affairs by residents and nonresidents.
Foreign currency	No.	Imports of cash, in domestic or foreign currency, amounting to €10,000 and above must be reported to the administrative authority in charge of the customs affairs by residents and nonresidents.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Government agencies and organizations may hold foreign exchange accounts with the CBM or with commercial banks. Resident natural and juridical persons may hold foreign exchange accounts with authorized banks in the form of demand and time deposits. Deposits to these accounts and transfers abroad from these accounts may be made freely through transfers or, in certain cases, in cash.
Approval required	No.	
Held abroad	Yes.	Residents may hold foreign exchange accounts abroad. For the purpose of compiling balance of payments statistics for Montenegro, residents must submit information on foreign account balances and turnover to the CBM.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents may hold euro accounts abroad without approval.
Accounts in domestic currency convertible into foreign currency	Yes.	Accounts denominated in euros are freely convertible to other currencies.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresident natural and juridical persons may hold foreign exchange accounts with authorized banks in the form of demand and time deposits. Deposits may be held in currencies traded in the domestic foreign exchange market. Deposits to these accounts may be through transfers or, in certain cases, in cash. Since November 4, 2017, Montenegrins who have resided abroad continuously for a year or longer are considered nonresidents according to the Law on Foreign Current and Capital Operations (OGRM No. 045/05 and OGM No. 062/08, 040/11, 062/13, and 070/17).
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may hold domestic currency in their accounts with

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		authorized banks in the form of sight deposits and time deposits. Nonresidents may deposit domestic currency acquired through authorized transactions in accounts with authorized banks.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	Payments for imports of goods and services are free of restrictions, provided documentary proof is submitted.
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Payments for imports may be made through authorized banks and in cash. Residents must provide the bank with the standard import documentation.
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Import licensing procedures are maintained for various reasons including protection of national security, human, animal, or plant life or health, and to meet commitments under international conventions to which Montenegro is a signatory, for example, the CITES. As of the end of 2023, these requirements covered approximately 4.341 ten-digit HS tariff items, or 43.11% of all tariff lines, comprising explosives, headgears, optical instruments, pharmaceutical products, insecticides, contact lenses, uranium, and apparatus based on the use of X-rays or alpha, beta, or gamma radiation.
Positive list	No.	There is no positive list. An estimated 96.4% of all tariff items may be imported freely. Goods not included on the control list (negative list) may be imported and exported freely.
Negative list	Yes.	Negative list (prohibitions or restrictions). Montenegro prohibits a few imports, mainly to protect health, safety, security, the environment, and natural resources. Imports of radioactive waste and trade in nuclear materials are prohibited. No other import prohibitions are in place. Regarding the importation of used products, certain technical requirements must be met. The import of hazardous waste is prohibited. Import of nonhazardous waste for disposal and use as fuel or otherwise for energy production is prohibited. It is forbidden to add radioactive substances to food, drinking water, medicines, tobacco and tobacco products, toys, jewelry, cosmetics,

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		personal hygiene products, building materials, animal feed, ores, metal products of primary form, mineral raw materials and consumer goods, as well as import, export and marketing of such products. Waste tires can only be imported for processing, on the basis of an approval or an import license issued by the Environmental Protection Agency, and provided their import does not endanger the environment or human health.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	Export and import quotas have been eliminated in Serbia and Montenegro, in accordance with an agreement between the two republics for harmonizing their trade, customs, and indirect tax regimes. According to the Law on Road Traffic Safety ("Official Gazette of Montenegro" (OGM) No. 33/12, 58/14, 14/17, and 66/19) motor vehicles and trailers that are imported, or being placed on the Montenegrin market for the first time, as well as their parts, devices, and equipment, according to their construction and safety characteristics, must be in compliance with technical requirements and conditions. Vehicle homologation is carried out at the request of the legal or physical person who imports the vehicle, that is, the vehicle manufacturer registered in Montenegro. The rulebook on technical requirements for vehicles that are imported or put on the market for the first time in Montenegro (OGM, No. 05/15, 63/18, and 10/19) stipulates that the homologation procedure is carried out for new and used vehicles that are imported, that is, put on the market for the first time in Montenegro, before the procedure of importing and registering vehicles in Montenegro.
Import taxes and/or tariffs	Yes.	The Law on Customs Tariff (OGM No. 28/12) stipulates customs duty that has to be paid for imports of goods. The rate does not exceed 50%. The average applied tariff rate for 2022 is 5.43% calculated by customs rates set out in the Decree on Customs Tariffs for 2022 (OGM No. 142/21). Montenegro applies only tariff-rate (preferential) quotas under its Regional Trade Agreements. They currently affect imports of 149 agricultural products from the EU in line with the Stabilization and Association Agreement (for example, poultry meat, fish, cheese, water, and wine), as well as the application of tariff quotas under the FTA with Turkey. Effective October 14, 2022, tariff quotas up to 100 tons are allocated by the Customs Administration on a "first come, first served" basis, while over 100 tons are distributed by the Ministry of Agriculture, Forestry and Water Management in accordance with the Rulebook on the Procedure and Conditions for the Distribution of Preferential Customs Quotas for Agricultural Imports. products (the Rules were published in the "Official Gazette of Montenegro", No. 2/2019, 116/2021, and 115/2022.).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Nonautomatic export licenses are required for the following commodities: drugs, medicines, blood and pharmaceutical products, precious metals, explosives, arms, military equipment, dual-use goods, and goods which may be used for the execution of a death penalty and whose application may be subject to torture and national art treasures. To (1) preserve the stability of the supply of raw materials to the processing sector, (2) ensure the stability of the population of the northern part of Montenegro who use wood for heating, (3) preserve the stability of the prices of fuel, and (4) control the preservation of the forest fund, combat illegal harvesting, and control the implementation of the cutting in line with the cutting plan, Montenegro has in place a licensing regime for export of raw wood and certain wood products. The scope of the licensing regime consists of a total of 30 tariff lines that are restricted (OGM No. 43/20123). Effective April 29, 2023, the validity of the licensing regime for exports of raw wood and certain products was extended until May 1, 2025. The Decision on Temporary Limitation of Export of Certain Wood Articles published in the “OGM,” No. 43/2021 of April 23, 2022, entered into force May 1, 2021, and applied until May 1, 2023, with the same content, without additional restrictions or measures. In addition to the shortage of firewood and logs on the Montenegrin market, there was also a significant increase in prices, which in the case of firewood had an impact on the standard of the most vulnerable social groups of the population, especially in rural areas. In this situation, the Ministry of Agriculture, Forestry and Water Management was forced to initiate the introduction of a temporary measure to control the export of wood assortments as a raw material basis for the wood industry, and to protect the firewood market as one of the most important household items, especially in rural areas. The measure in question has a limited duration of two years, with the fact that in the meantime the development of the situation on the Montenegrin market would be monitored and, if necessary, appropriate measures would be taken. The implementation of the decision in question is expected to eliminate market disturbances in terms of price stabilization and market supply.

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With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	These transactions may be made freely after payment of the appropriate taxes.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance companies may deposit and invest their technical provisions in (1) debt securities issued by foreign country or the CB of the EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, or securities guaranteed for by country or CB of EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, if their credit rating is at least as credit rating of Montenegro awarded by Standard & Poor's or Fitch or Moody's; (2) bonds and other debt securities issued by a local self-government in Montenegro, an EU Member State or an OECD Member State; (3) bonds and other debt securities guaranteed by a local self-government in Montenegro, an EU Member State or an OECD Member State; (4) debt securities issued by foreign legal entities traded on the organized securities market in the countries in which they are registered, and if they have a credit rating of at least "A" awarded by Standard & Poor's or Fitch or at least "A2" awarded by Moody's; (5) shares of foreign legal entities, provided they have been listed on the stock exchange for at least last two years and if they have a credit

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		rating of at least “A” awarded by Standard & Poor’s or Fitch or at least “A2” awarded by Moody’s; (6) As of December 27, 2022, investment units of mutual open-end investment funds that can operate in Montenegro in accordance with the law that regulate conditions for the establishment and operations of investment funds and investment funds management companies. According to the Rulebook, the above-mentioned assets could be deposited and invested within the following restrictions: Maximum limit for total assets referred to in paragraph 1 subparagraphs (1), (4) and (5) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraphs (2) and (3) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraph (6): up to 20% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (1), (4) and (5): up to 10% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (2) and (3): up to 20% of total amount of technical provisions; Maximum limit for individual asset referred to in paragraph 1 subparagraph (6): up to 10% of total amount of technical provisions; Maximum limit for investing of special provisions for benefits insured under an insurance contract that are directly linked to the value of investment fund units: up to 50% in investment units of one mutual open–end investment fund.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance companies may deposit and invest their technical provisions in (1) debt securities issued by foreign country or the CB of the EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, or securities guaranteed for by country or CB of EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, if their credit rating is at least as credit rating of Montenegro awarded by Standard & Poor’s or Fitch or Moody’s; (2) bonds and other debt securities issued by a local self-government in Montenegro, an EU Member State or an OECD Member State; (3) bonds and other debt securities guaranteed by a local self-government in Montenegro, an EU Member State or an OECD Member State; (4) debt securities issued by foreign legal entities traded on the organized securities market in the countries in which they are registered, and if they have a credit rating of at least “A” awarded by Standard & Poor’s or Fitch or at least “A2” awarded by Moody’s; (5) shares of foreign legal entities, provided they have been listed on the stock exchange for at least last two years and if they have a credit rating of at least “A” awarded by Standard & Poor’s or Fitch or at

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		least “A2” awarded by Moody’s; (6) As of December 27, 2022, investment units of mutual open-end investment funds that can operate in Montenegro in accordance with the law that regulate conditions for the establishment and operations of investment funds and investment funds management companies. According to the Rulebook, the above-mentioned assets could be deposited and invested within the following restrictions: Maximum limit for total assets referred to in paragraph 1 subparagraphs (1), (4) and (5) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraphs (2) and (3) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraph (6): up to 20% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (1), (4) and (5): up to 10% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (2) and (3): up to 20% of total amount of technical provisions; Maximum limit for individual asset referred to in paragraph 1 subparagraph (6): up to 10% of total amount of technical provisions; Maximum limit for investing of special provisions for benefits insured under an insurance contract that are directly linked to the value of investment fund units: up to 50% in investment units of one mutual open–end investment fund.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance companies may deposit and invest their technical provisions in (1) debt securities issued by foreign country or the CB of the EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, or securities guaranteed for by country or CB of EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, if their credit rating is at least as credit rating of Montenegro awarded by Standard & Poor’s or Fitch or Moody’s; (2) bonds and other debt securities issued by a local self-government in Montenegro, an EU Member State or an OECD Member State; (3) bonds and other debt securities guaranteed by a local self-government in Montenegro, an EU Member State or an OECD Member State; (4) debt securities issued by foreign legal entities traded on the organized securities market in the countries in which they are registered, and if they have a credit rating of at least “A” awarded by Standard & Poor’s or Fitch or at least “A2” awarded by Moody’s; (5) shares of foreign legal entities, provided they have been listed on the stock exchange for at least last two years and if they have a credit rating of at least “A” awarded by Standard & Poor’s or Fitch or at least “A2” awarded by Moody’s;

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		(6) As of December 27, 2022, investment units of mutual open-end investment funds that can operate in Montenegro in accordance with the law that regulate conditions for the establishment and operations of investment funds and investment funds management companies. According to the Rulebook, the above-mentioned assets could be deposited and invested within the following restrictions: Maximum limit for total assets referred to in paragraph 1 subparagraphs (1), (4) and (5) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraphs (2) and (3) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraph (6): up to 20% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (1), (4) and (5): up to 10% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (2) and (3): up to 20% of total amount of technical provisions; Maximum limit for individual asset referred to in paragraph 1 subparagraph (6): up to 10% of total amount of technical provisions; Maximum limit for investing of special provisions for benefits insured under an insurance contract that are directly linked to the value of investment fund units: up to 50% in investment units of one mutual open–end investment fund.
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	A nonresident seeking to acquire real estate must prove to the appropriate public authority that the real estate acquired is necessary for the nonresident to do business in Montenegro. Purchases of real estate designated as restricted (such as in national parks or border areas) are prohibited.
Sale locally by nonresidents	No.	Proceeds from these transactions may be transferred abroad freely, provided tax liabilities have been settled.
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or	No.	

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commercial credits)		
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies may deposit and invest their technical provisions in (1) debt securities issued by foreign country or the CB of the EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, or securities guaranteed for by country or CB of EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, if their credit rating is at least as credit rating of Montenegro awarded by Standard & Poor's or Fitch or Moody's; (2) bonds and other debt securities issued by a local self-government in Montenegro, an EU Member State or an OECD Member State; (3) bonds and other debt securities guaranteed by a local self-government in Montenegro, an EU Member State or an OECD Member State; (4) debt securities issued by foreign legal entities traded on the organized securities market in the countries in which they are registered, and if they have a credit rating of at least "A" awarded by Standard & Poor's or Fitch or at least "A2" awarded by Moody's; (5) shares of foreign legal entities, provided they have been listed on

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		the stock exchange for at least last two years and if they have a credit rating of at least "A" awarded by Standard & Poor's or Fitch or at least "A2" awarded by Moody's; (6) Effective December 27, 2022, investment units of mutual open-end investment funds that can operate in Montenegro in accordance with the law that regulate conditions for the establishment and operations of investment funds and investment funds management companies. According to the Rulebook, the above-mentioned assets could be deposited and invested within the following restrictions: Maximum limit for total assets referred to in paragraph 1 subparagraphs (1), (4) and (5) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraphs (2) and (3) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraph (6): up to 20% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (1), (4) and (5): up to 10% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (2) and (3): up to 20% of total amount of technical provisions; Maximum limit for individual asset referred to in paragraph 1 subparagraph (6): up to 10% of total amount of technical provisions; Maximum limit for investing of special provisions for benefits insured under an insurance contract that are directly linked to the value of investment fund units: up to 50% in investment units of one mutual open–end investment fund.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies may deposit and invest their technical provisions in (1) debt securities issued by foreign country or the CB of the EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, or securities guaranteed for by country or CB of EU Member State or OECD Member State or international financial organization to which one or more EU Member State or OECD Member State belong, if their credit rating is at least as credit rating of Montenegro awarded by Standard & Poor's or Fitch or Moody's; (2) bonds and other debt securities issued by a local self-government in Montenegro, an EU Member State or an OECD Member State; (3) bonds and other debt securities guaranteed by a local self-government in Montenegro, an EU Member State or an OECD Member State; (4) debt securities issued by foreign legal entities traded on the organized securities market in the countries in which they are registered, and if they have a credit rating of at least "A" awarded by Standard & Poor's or Fitch or at least "A2" awarded by Moody's; (5) shares of foreign legal entities, provided they have been listed on the stock exchange for at least last two years and if they have a credit rating of at least "A" awarded by Standard & Poor's or Fitch or at least "A2" awarded by Moody's; (6) Effective December 27, 2022, investment units of mutual open-end investment funds that can operate in Montenegro in accordance with the law that regulate conditions for the establishment and operations of investment funds and investment funds management

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		companies. According to the Rulebook, the above-mentioned assets could be deposited and invested within the following restrictions: Maximum limit for total assets referred to in paragraph 1 subparagraphs (1), (4) and (5) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraphs (2) and (3) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraph (6): up to 20% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (1), (4) and (5): up to 10% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (2) and (3): up to 20% of total amount of technical provisions; Maximum limit for individual asset referred to in paragraph 1 subparagraph (6): up to 10% of total amount of technical provisions; Maximum limit for investing of special provisions for benefits insured under an insurance contract that are directly linked to the value of investment fund units: up to 50% in investment units of one mutual open–end investment fund.
Limits (min.) on investment portfolio held locally	No.	There is no prescribed minimum for investment portfolio held locally.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	In accordance with the Article 38 of the Law on Voluntary Pension Funds, the assets of a pension fund may be invested in the following types of assets: (1) short-term notes and other short-term securities issued by Montenegro and local governments and short-term bank deposits as specified by the regulations of the Securities Commission; (2) long-term bonds and other long-term securities issued by Montenegro and local governments, joint-stock companies registered with the Securities Commission and traded on the stock exchanges in Montenegro or other countries and traded in organized capital markets of OECD and EU countries, and by foreign nonstate entities traded in the organized capital markets of OECD and EU countries; (3) stocks issued by joint-stock companies registered with the Securities Commission and traded on the stock exchanges in Montenegro; foreign joint-stock companies and closed-end investment funds traded in the organized capital markets of OECD and EU countries; (4) units of domestic and foreign open-end investment funds if they invest in the securities of issuers registered in Montenegro or OECD or EU countries; (5) other investments specified by the regulations of the Securities Commission, except as referred to in the Article 39 of the law (this option has not been used in practice); and (6) real estate in Montenegro. A pension fund may acquire no more than 10% of a particular security's issue. No more than 10% of a pension fund's assets may be invested in the securities of a single issuer. As an exception to the limits in Paragraphs 2 and 3 of this article, a pension fund's assets may be invested in assets stipulated in Paragraph 1, Item 1, and Item 2 Line 1, without limitation. In accordance with the Article 39 of the Law on Voluntary Pension Funds, the assets of a pension fund may not be invested in: (1) stocks, bonds, and other securities that are not traded

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		on stock exchanges or organized markets, except the units of open-end investment funds; (2) assets that may not be divested under the law; (3) physical assets that are not traded on organized markets and whose value is uncertain (including, for example, antiques, works of art, and motor vehicles); (4) stocks, bonds, and other securities issued by (a) a stockholder of a pension company; (b) the custodian of a pension fund; (c) a person related to the entities listed in items (a) and (b); (d) a management company; or (e) a brokerage or dealing house, or a licensed bank that trades securities on behalf of the management company; and (5) other assets as specified by the Securities Commission.
Limits (max.) on securities issued by nonresidents	Yes.	In accordance with the Law on Voluntary Pension Funds, there is no maximum limit on the purchase of securities issued by nonresidents. During the process of preparing the investment policy and prospectus for voluntary pension funds, the management company must define limits for securities issued by nonresidents. In addition, in accordance with the Article 38 of the Law on Voluntary Pension Funds, the assets of a pension fund may be invested in the following types of assets: (1) short-term notes and other short-term securities issued by Montenegro and local governments, and short-term bank deposits as specified by the regulations of the Securities Commission; (2) long-term bonds and other long-term securities issued by Montenegro and local governments, joint-stock companies registered with the Securities Commission and traded at the stock exchanges in Montenegro or other countries and traded in the organized capital markets of OECD and EU countries, and by foreign nonstate entities traded in the organized capital markets of OECD and EU countries; (3) stocks issued by joint-stock companies registered with the Securities Commission that are traded on the stock exchanges in Montenegro, foreign joint-stock companies and closed-end investment funds traded in the organized capital markets of OECD and EU countries; (4) units of domestic and foreign open-end investment funds if they invest in the securities of issuers registered in Montenegro or OECD or EU countries; (5) any other investment specified by the regulations of the Securities Commission, other than the investments referred to in the Article 39 of the law; and (6) real estate in Montenegro. A pension fund may acquire no more than 10% of a particular security's issue, and no more than 10% of its assets may be invested in the securities of a single issuer.
Limits (max.) on investment portfolio held abroad	Yes.	In accordance with the Law on Voluntary Pension Funds, there is no maximum limit on investment abroad. During the process of preparing the investment policy and prospectus for voluntary pension funds, the management company must define limits on investments abroad. In accordance with the Article 38 of the Law on Voluntary Pension Funds, the assets of a pension fund may be invested in the following types of assets: (1) short-term notes and other short-term securities issued by Montenegro and local governments and short-term bank deposits as specified by the regulations of the Securities Commission; (2) long-term bonds and other long-term securities issued by Montenegro and local governments, joint-stock companies registered with the Securities Commission and traded on the stock exchanges in Montenegro or other countries and traded in the organized capital markets of OECD and EU countries, and by foreign nonstate entities traded in the organized capital markets of OECD and EU countries; (3) stocks issued by joint-stock companies registered with the Securities Commission and traded on the stock exchanges in Montenegro and by foreign joint-stock companies and closed-end investment funds traded in the organized capital markets of OECD and EU countries; (4) units of domestic and foreign open-

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		end investment funds if they invest in the securities of issuers registered in Montenegro or OECD or EU countries; (5) any other form of investment specified by the regulations of the Securities Commission, other than those referred to in the Article 39 of the law; and (6) real estate in Montenegro. A pension fund may acquire no more than 10% of a particular security's issue, and no more than 10% of a pension fund's assets may be invested in the securities of a single issuer.
Limits (min.) on investment portfolio held locally	No.	In accordance with the Law on Voluntary Pension Funds, there is no minimum limit on investments held locally. During the process of preparing the investment policy and prospectus for voluntary pension funds, the management company must define limits on investments held locally, but there are no strict limits defined by the law. In accordance with the Law on Voluntary Pension Funds, a pension fund's assets may be invested in the following assets without limitation: (1) short-term notes and other short-term securities issued by the government of Montenegro and local governments, as well as short-term bank deposits, as specified by the regulations of the Securities Commission, and (2) long-term bonds and other long-term securities issued by the government of Montenegro and local governments.
Currency-matching regulations on assets/liabilities composition	No.	In accordance with the Law on Voluntary Pension Funds, there are no currency-matching regulations.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Article 27 of the Law on Investment Funds prescribes the following: (1) Open-end funds may invest no more than (a) 10% of assets in transferable securities or money market instruments issued by the same entity and (b) 20% of assets in deposits with the same subject. (2) Exposure of open-end funds to counterparty risk in OTC derivatives transactions may not exceed (a) 10% of assets if the counterparty is a credit institution referred to in the Article 25, Paragraph 1, Item 4, of the law and (b) 5% of assets in other cases. (3) The total value of transferable securities and money market instruments held by open-end funds in issuers in which more than 5% of assets are invested may not exceed 40% of total assets. (4) The limitation referred to in Paragraph 3 of this article does not apply to deposits or transactions in OTC derivatives with financial institutions subject to prudential supervision. (5) Notwithstanding the limits referred to in Paragraph 1 of this article, open-end funds may not, if it would cause investment of more than 20% of assets in the same company, combine (a) investments in transferable securities or money market instruments issued by such company; (b) deposits with the respective company; and (c) exposures arising from transactions in OTC derivatives in which the respective company is involved. (6) Notwithstanding Paragraph 1 of this article, open-end funds may invest no more than 35% of assets in transferable securities or money market instruments of the same company, if transferable securities or money market instruments are issued or guaranteed by the state, the local government, or an international organization. (7) Notwithstanding Paragraph 1 of this article, open-end funds may invest no more than 25% of assets in bonds, if bonds are issued by a credit institution with a registered office in an EU member state that is under the supervision of the relevant authority for the purpose of protection of bondholders. For bonds issued by foreign institutions not registered in an EU member state, the 10% limit indicated in Item 1 applies. (8) Funds raised by issuing bonds referred to in Paragraph 7 of this article must be invested in assets that until the maturity of the bond may back claims on bonds, and

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		that would be, in case of bankruptcy of the issuer, used for payment of principal and accrued unpaid interest. (9) If an open-end fund invests more than 5% of its assets in bonds referred to in Paragraph 7 of this article issued by the same entity, the total value of these investments may not exceed 80% of open-end fund assets. (10) If an open-end fund invests more than 5% of its assets in transferable securities and money market instruments in accordance with Paragraphs 6 and 7 of this article, those transferable securities are not taken into account when applying limits specified in Paragraph 2 of this article. (11) Investments in transferable securities and money market instruments issued by the same entity, or in deposits or derivative instruments issued by the same entity, which are carried out in accordance with Paragraphs 1–8 of this article, may not together exceed 35% of the open-end fund's assets. (12) Companies in the same group as the group that keeps the consolidated accounts in accordance with recognized IAS are considered to be a single company for the purpose of calculating limits referred to in this article. Open-end funds may cumulatively invest no more than 20% of assets in transferable securities and money market instruments within the same group. Article 81, Paragraph 1, Items 4 and 5, of the Law on Investment Funds prescribes allowable investments of a closed-end investment fund as follows: (1) deposits with authorized banks in Montenegro or in another country, provided they are subject to supervision and limitations equivalent to supervision and limitations established by the regulations, maturing within no more than 12 months and withdrawable at any time; (2) forwards and options and other financial derivatives traded on an organized market, provided they are based on financial investment instruments, financial indices, interest rates, exchange rates, or currencies in which the fund is permitted to invest according to its prospectus and articles of association; business activities agreed on in other organized markets and concluded with institutions subject to supervision of the appropriate authority in Montenegro or in an EU member state, subject to reliable and verifiable daily valuation and sellable at any time, and that may be liquidated or completed by settlement at their fair value at the request of the fund. Such instruments may be used solely to reduce or limit risk or increase yields and reduce costs of the fund without increasing the risk—that is, that they should not change the investment strategy, objectives, or limitations defined by this law and the prospectus and/or articles of association of the fund. The fund's prospectus must provide for investment in these instruments and the purpose for which they may be used (protection against the risk and/or to achieve the investment objectives of the fund) and indicate that risk evaluation of these instruments has been provided. Article 62, Paragraph 2, of the Law on Investment Funds prescribes that an investment fund for investment in initial capital may not invest more than 20% of its net assets in any other company.
Limits (max.) on investment portfolio held abroad	Yes.	Article 27 of the Law on Investment Funds prescribes the following: (1) Open-end funds may invest no more than (a) 10% of assets in transferable securities or money market instruments issued by the same entity and (b) 20% of assets in deposits with the same subject. (2) Exposure of open-end funds to counterparty risk in OTC derivatives transactions may not exceed (a) 10% of assets if the counterparty is a credit institution referred to in the Article 25, Paragraph 1, Item 4, of the law and (b) 5% of assets in other cases. (3) The total value of transferable securities and money market instruments held by open-end funds in issuers in which more than 5% of assets are invested may not exceed 40% of total assets. (4) The limitation referred to in Paragraph 3 of this article does not apply to

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deposits or transactions in OTC derivatives with financial institutions subject to prudential supervision. (5) Notwithstanding the limits referred to in Paragraph 1 of this article, open-end funds may not, if it would cause investment of more than 20% of assets in the same company, combine (a) investments in transferable securities or money market instruments issued by such company; (b) deposits with the respective company; and (c) exposures arising from transactions in OTC derivatives in which the respective company is involved. (6) Notwithstanding Paragraph 1 of this article, open-end funds may invest no more than 35% of assets in transferable securities or money market instruments of the same company, if transferable securities or money market instruments are issued or guaranteed by the state, the local government, or an international organization. (7) Notwithstanding Paragraph 1 of this article, open-end funds may invest no more than 25% of assets in bonds, if bonds are issued by a credit institution with a registered office in an EU member state that is under the supervision of the relevant authority for the purpose of protection of bondholders. For bonds issued by foreign institutions not registered in an EU member state, the 10% limit indicated in Item 1 applies. (8) Funds raised by issuing bonds referred to in Paragraph 7 of this article must be invested in assets that until the maturity of the bond may back claims on bonds, and that would be, in case of bankruptcy of the issuer, used for payment of principal and accrued unpaid interest. (9) If an open-end fund invests more than 5% of its assets in bonds referred to in Paragraph 7 of this article issued by the same entity, the total value of these investments may not exceed 80% of open-end fund assets. (10) If an open-end fund invests more than 5% of its assets in transferable securities and money market instruments in accordance with Paragraphs 6 and 7 of this article, those transferable securities are not taken into account when applying limits specified in Paragraph 2 of this article. (11) Investments in transferable securities and money market instruments issued by the same entity, or in deposits or derivative instruments issued by the same entity, which are carried out in accordance with Paragraphs 1–8 of this article, may not together exceed 35% of the open-end fund's assets. (12) Companies in the same group as the group that keeps the consolidated accounts in accordance with recognized IAS are considered to be a single company for the purpose of calculating limits referred to in this article. Open-end funds may cumulatively invest no more than 20% of assets in transferable securities and money market instruments within the same group. Article 81, Paragraph 1, Items 4 and 5, of the Law on Investment Funds prescribes allowable investments of a closed-end investment fund as follows: (1) deposits with authorized banks in Montenegro or in another country, provided they are subject to supervision and limitations equivalent to supervision and limitations established by the regulations, maturing within no more than 12 months and withdrawable at any time; (2) forwards and options and other financial derivatives traded on an organized market, provided they are based on financial investment instruments, financial indices, interest rates, exchange rates, or currencies in which the fund is permitted to invest according to its prospectus and articles of association; business activities agreed on in other organized markets and concluded with institutions subject to supervision of the appropriate authority in Montenegro or in an EU member state, subject to reliable and verifiable daily valuation and sellable at any time, and that may be liquidated or completed by settlement at their fair value at the request of the fund. Such instruments may be used solely to reduce or limit risk or increase yields and reduce costs of the fund without increasing the risk—that

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		is, that they should not change the investment strategy, objectives, or limitations defined by this law and the prospectus and/or articles of association of the fund. The fund's prospectus must provide for investment in these instruments and the purpose for which they may be used (protection against the risk and/or to achieve the investment objectives of the fund) and indicate that risk evaluation of these instruments has been provided. Article 62, Paragraph 2, of the Law on Investment Funds prescribes that an investment fund for investment in initial capital may not invest more than 20% of its net assets in any other company.
Limits (min.) on investment portfolio held locally	Yes.	Article 27 of the Law on Investment Funds prescribes the following: (1) Open-end funds may invest no more than (a) 10% of assets in transferable securities or money market instruments issued by the same entity and (b) 20% of assets in deposits with the same subject. (2) Exposure of open-end funds to counterparty risk in OTC derivatives transactions may not exceed (a) 10% of assets if the counterparty is a credit institution referred to in the Article 25, Paragraph 1, Item 4, of the law and (b) 5% of assets in other cases. (3) The total value of transferable securities and money market instruments held by open-end funds in issuers in which more than 5% of assets are invested may not exceed 40% of total assets. (4) The limitation referred to in Paragraph 3 of this article does not apply to deposits or transactions in OTC derivatives with financial institutions subject to prudential supervision. (5) Notwithstanding the limits referred to in Paragraph 1 of this article, open-end funds may not, if it would cause investment of more than 20% of assets in the same company, combine (a) investments in transferable securities or money market instruments issued by such company; (b) deposits with the respective company; and (c) exposures arising from transactions in OTC derivatives in which the respective company is involved. (6) Notwithstanding Paragraph 1 of this article, open-end funds may invest no more than 35% of assets in transferable securities or money market instruments of the same company, if transferable securities or money market instruments are issued or guaranteed by the state, the local government, or an international organization. (7) Notwithstanding Paragraph 1 of this article, open-end funds may invest no more than 25% of assets in bonds, if bonds are issued by a credit institution with a registered office in an EU member state that is under the supervision of the relevant authority for the purpose of protection of bondholders. (8) Funds raised by issuing bonds referred to in Paragraph 7 of this article must be invested in assets that until the maturity of the bond may back claims on bonds, and that would be, in case of bankruptcy of the issuer, used for payment of principal and accrued unpaid interest. (9) If an open-end fund invests more than 5% of its assets in bonds referred to in Paragraph 7 of this article issued by the same entity, the total value of these investments may not exceed 80% of open-end fund assets. (10) If an open-end fund invests more than 5% of its assets in transferable securities and money market instruments in accordance with Paragraphs 6 and 7 of this article, those transferable securities are not taken into account when applying limits specified in Paragraph 2 of this article. (11) Investments in transferable securities and money market instruments issued by the same entity, or in deposits or derivative instruments issued by the same entity, which are carried out in accordance with Paragraphs 1–8 of this article, may not together exceed 35% of the open-end fund's assets. (12) Companies in the same group as the group that keeps the consolidated accounts in accordance with recognized IAS are considered to be a single company for the purpose of calculating limits referred to in this article. Open-end funds may cumulatively

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	invest no more than 20% of assets in transferable securities and money market instruments within the same group. Article 81, Paragraph 1, Items 4 and 5, of the Law on Investment Funds prescribes allowable investments of a closed-end investment fund as follows: (1) deposits with authorized banks in Montenegro or in another country, provided they are subject to supervision and limitations equivalent to supervision and limitations established by the regulations, maturing within no more than 12 months and withdrawable at any time; (2) forwards and options and other financial derivatives traded on an organized market, provided they are based on financial investment instruments, financial indices, interest rates, exchange rates, or currencies in which the fund is permitted to invest according to its prospectus and articles of association; business activities agreed on in other organized markets and concluded with institutions subject to supervision of the appropriate authority in Montenegro or in an EU member state, subject to reliable and verifiable daily valuation and sellable at any time, and that may be liquidated or completed by settlement at their fair value at the request of the fund. Such instruments may be used solely to reduce or limit risk or increase yields and reduce costs of the fund without increasing the risk—that is, that they should not change the investment strategy, objectives, or limitations defined by this law and the prospectus and/or articles of association of the fund. The fund's prospectus must provide for investment in these instruments and the purpose for which they may be used (protection against the risk and/or to achieve the investment objectives of the fund) and indicate that risk evaluation of these instruments has been provided. Article 62, Paragraph 2, of the Law on Investment Funds prescribes that an investment fund for investment in initial capital may not invest more than 20% of its net assets in any other company.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.

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Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on stablecoins	n.r.

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Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	While there is no regulation which prohibits crypto exchanges and trading platforms explicitly, there are several provisions in the Law on the Prevention of Money-Laundering and Financing of Terrorism and the Guidelines for Risk Analysis that put limits on such transactions in Montenegrin financial institutions. Most notably, banks in Montenegro have defined in their internal acts the prohibition of establishing a business relationship with a client whose activity is related to the purchase and sale of cryptocurrencies, that is if trading in cryptocurrencies is identified subsequently, the business relationship will be terminated. Any domestic crypto exchange would be established illegally as there is no licensing regime established. The presence of such institutions would be reported to the Police Administration.
Access to crypto exchange/trading platform by residents	No.	There is a minor number of transactions executed through the SWIFT system, which are related to the existence of accounts on exchange/trading platforms. These transactions are additionally checked before their execution by the AML team (for example, some banks monitor and stop these transactions even in case of the smallest amounts), which then gives additional approval as to whether the transaction can be carried out. Most banks refuse to execute these transactions, that is they do not want the origin of the funds to be linked to previous cryptocurrency earnings.

Changes during 2022 and 2023

Imports and Import Payments

Import taxes and/or tariffs	*10/14/2022*	Tariff quotas up to 100 tons are allocated by the Customs Administration on a “first come, first served” basis, while over 100 tons are distributed by the Ministry of Agriculture, Forestry and Water Management.

Exports and Export Proceeds

Export licenses		
Without quotas	*04/29/2023*	The validity of the licensing regime for exports of raw wood and certain products was extended until May 1, 2025.

Provisions Specific to the Financial Sector

Provisions specific to institutional investors		

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Insurance companies

Limits (max.) on securities issued by nonresidents	*12/27/2022*	Restrictions for total assets and individual assets are more distinctly specified, along with outlining conditions for mutual open-end investment funds: Investment units of mutual open-end investment funds that can operate in Montenegro in accordance with the law that regulate conditions for the establishment and operations of investment funds and investment funds management companies. Maximum limit for total assets referred to in paragraph 1 subparagraphs (2) and (3) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraph (6): up to 20% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (1), (4) and (5): up to 10% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (2) and (3): up to 20% of total amount of technical provisions; Maximum limit for individual asset referred to in paragraph 1 subparagraph (6): up to 10% of total amount of technical provisions; Maximum limit for investing of special provisions for benefits insured under an insurance contract that are directly linked to the value of investment fund units: up to 50% in investment units of one mutual open–end investment fund.
Limits (max.) on investment portfolio held abroad	*12/27/2022*	Restrictions for total assets and individual assets are more distinctly specified, along with outlining conditions for mutual open-end investment funds: Investment units of mutual open-end investment funds that can operate in Montenegro in accordance with the law that regulate conditions for the establishment and operations of investment funds and investment funds management companies. Maximum limit for total assets referred to in paragraph 1 subparagraphs (2) and (3) of this section: up to 30% of total amount of technical provisions; Maximum limit for total assets referred to in paragraph 1 subparagraph (6): up to 20% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (1), (4) and (5): up to 10% of total amount of technical provisions; Maximum limits for individual asset referred to in paragraph 1 subparagraphs (2) and (3): up to 20% of total amount of technical provisions; Maximum limit for individual asset referred to in paragraph 1 subparagraph (6): up to 10% of total amount of technical provisions; Maximum limit for investing of special provisions for benefits insured under an insurance contract that are directly linked to the value of investment fund units: up to 50% in investment units of one mutual open–end investment fund.

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MOROCCO

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		April 25, 1958.
Article VIII	Yes.	Date of acceptance: January 21, 1993.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with the relevant UNSC resolutions, authorization from the Foreign Exchange Office (FEO) is required to conduct financial transactions with resident or nonresident individuals or entities with suspected links to international terrorism.
Other security restrictions	Yes.	Morocco maintains restrictions against certain countries pursuant to UNSC resolutions. The negative lists of persons with suspected links to international terrorism organizations drawn up by the UN and/or similar institutions are taken into consideration. They do not benefit from any money transfer authorizations and remain under permanent surveillance.

Exchange Arrangement

Currency	Yes.	The currency of Morocco is the Moroccan dirham. Commemorative gold coins with a face value of DH 250 and DH 500 and commemorative silver coins with a face value of DH 50, DH 100, DH 150, and DH 200 are also legal tender.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		

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Pegged exchange rate within horizontal bands	Yes.	Bank Al-Maghrib (BAM) is implementing exchange rate policy in connection with the exchange regime and guidelines established by the government, subject to the opinion of the bank (Article 11 of the Law establishing the Charter of the BAM). The exchange system is a pegged exchange rate within horizontal bands calculated based on a basket of currencies, comprised since April 2015 of the euro and the US dollar, weighted, respectively, at 60% and 40%. The limit exchange rates for the fluctuation band around the central rate of the basket have been (+) and (−) 5% since March 2020.
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The dirham has been pegged since 1973 to a basket of currencies reflecting Morocco's foreign exchange structure with the rest of the world. The composition of this basket is subject to adjustment. Since April 2015, the basket has been composed of the euro and the US dollar, with weights of 60% and 40%, respectively. The BAM sets the central dirham/US dollar exchange rate, as well as the limits for the exchange rate fluctuation bands around the central rate at +/−5%. However, the BAM may establish limits for the exchange rate bands against another currency. Based on its published methodology, the BAM establishes daily reference exchange rates for the dirham based on quotes listed by banks with market maker status as outlined in the BAM's Circular.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis a composite comprising the euro and the US dollar. Within the framework of an exchange rate fixed to a currency composite, the BAM adopted a monetary policy framework in 2006 based on various inflation indicators, with the overnight interest rate as its operational target to pursue its main objective of price stability. On March 22, 2016, the BAM lowered the reference interest rate to 2.25%. Since April 2015, the basket has been composed of the euro and the US dollar, with weights of 60% and 40%, respectively.
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		

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Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	Banks charge a 1‰ (1 per mil) commission on foreign exchange transactions for dirhams with customers, as well as with foreign banks. This commission is not charged on transactions between Moroccan banks. For banknote transactions with foreign banks, the commission is not charged.
Exchange subsidy	No.	
Foreign exchange market	Yes.	The foreign exchange market was established in 1996.
Spot exchange market	Yes.	Banks must adhere to the band rates set by the BAM when performing spot market foreign exchange transactions in exchange for dirhams, referred to in Articles 2 and 4 of the Decision of the Governor of the BAM on how to apply the exchange rate regime. The exchange rate band in relation to the central rate is set at +/−5%.

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		The FEO's Foreign Exchange Policy Statement defines spot foreign exchange transactions as follows: (1) the purchase and sale of foreign currencies against dirhams by banks, between themselves, with the BAM, or with their customers and (2) the purchase and sale of foreign currencies against other foreign currencies by banks, between themselves, with customers, with foreign banks, or with the BAM. Banks are authorized to carry out, either on their own account or on behalf of their customers, spot foreign exchange transactions, hedging transactions, loan-borrowing transactions in accordance with the 2022 General Instructions on Foreign Exchange Operations, and to establish foreign exchange positions, in accordance with the procedures laid down by the BAM. Amounts repatriated and not paid into the foreign currency accounts referred to in the provisions of the foreign exchange regulations in force must be transferred under market conditions and in accordance with the procedures laid down by the BAM regarding the applicable exchange rates within three working days of receipt of the funds by the bank. The equivalent in dirhams must be immediately made available to the beneficiary by the bank that received the funds. For foreign exchange transfers, licensed banks and exchange bureaus freely determine their bid-ask spread within the fluctuation band of +/−5% around the central rate of the band established by the BAM. Banks charge a 0.1% commission on foreign exchange transactions for dirhams with customers, as well as with foreign banks. This commission is not charged on transactions between Moroccan banks. For banknote transactions with foreign banks, the commission is not charged. Banks are authorized to buy and sell foreign currency among themselves and with customers and to maintain foreign exchange positions on terms established by the BAM. Purchase, sale, and arbitrage operations among banks or on behalf of their clients may be denominated in any currency traded in the foreign exchange market. Banks may conduct foreign currency buying and selling operations with foreign banks and the BAM for any currency traded in the foreign exchange market. The BAM reserves the right not to list certain currencies even if they are traded in the foreign exchange market. Currencies not listed by the BAM may be traded by banks among themselves or with their foreign correspondents. There were 15 financial institutions active on the foreign exchange market as of December 31, 2022.
Operated by the central bank	Yes.	The BAM intervenes in the exchange rate market, on its own initiative, via buy or sell currency auctions in exchange for dirhams. The BAM sets (1) the currency for its interventions on the exchange rate market and (2) the terms of eligibility for auctions. It may also intervene using other instruments, such as OTC currency sales or purchases in exchange for dirhams, currency loans or borrowings, and foreign exchange swaps against the dirham.
Foreign exchange standing facility	No.	
Allocation	No.	The BAM does not redistribute foreign exchange inflows to transactors, nor does it verify transactions in advance when dealing with commercial banks.
Auction	Yes.	The BAM organizes on its own initiative auctions to buy or sell US dollars in exchange for dirhams on an electronic platform. It may also organize auctions for other currencies. Only banks with market maker status are authorized to participate in the currency auctions. The first auction took place January 15, 2018. Before each session, the BAM uses the auction platform to publish its contribution pages on Reuters, Bloomberg, and its website, with

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		the press release setting out the characteristics of the following call for tenders: session date; purchase or sale; currency; amount; opening time; closing time; and value date. Bids must comply with the following conditions: The minimum amount per bid is US$500,000; the amount of the bid must be a multiple of 500,000; each bid may be divided, at most, into 3 tranches of a multiple of 500,000; the amount per bid must not exceed the amount of the auction announced by the BAM. The BAM sets and publishes the fluctuation band, in relation to the central exchange rate, which it uses as a basis for operating on the foreign exchange market. To that end, it sets a minimum and maximum exchange rate for each auction. Bidders may modify or cancel their bids until the auction closing time. At the closing time of the auction session, the bids submitted to the BAM are deemed firm and irrevocable. The BAM publishes the overall results of the auction on its website as well as on its contribution pages on Reuters and Bloomberg. The sanctions that apply in case of default of the auction participants: The BAM reserves the right to suspend access for banks having status as market makers in foreign exchange auctions when they fail to comply with the rules in connection with this status to which they are subject under the circular from the BAM. The BAM may also decide to withdraw market maker status from a bank when it no longer meets the conditions for which the status of market maker was granted, and despite warnings issued by the BAM, the bank engages in actions that may adversely affect the proper functioning of the foreign exchange market. Auction participants are not required to finance specific international transactions with the currencies obtained at the auction.
Fixing	No.	
Interbank market	Yes.	The interbank market participants are primarily market makers, the number of which was nine banks as of December 31, 2022. Banks that have status of market makers must comply daily, among themselves, with firm reciprocal buying and selling price obligations on the USD/MAD parity. Banks having market maker status may freely engage in foreign exchange operations with other Moroccan and foreign banks in compliance with current regulations. As of December 31, 2022, 15 banks were participating in the interbank market.
Over the counter	Yes.	Banks, OTC traders, and sub-delegates authorized by the FEO may conduct OTC transactions, in accordance with the General Instruction on Foreign Exchange Operations. (1) Banks, foreign exchange bureaus, and payment institutions, licensed for this purpose by the FEO, may engage in trading involving foreign banknotes and traveler's checks with customers. Only credit institutions with the status of authorized intermediary may negotiate with customers LCs, bank checks, and money orders. These institutions may also engage in currency trading involving foreign banknotes with Moroccans and foreign nationals holding foreign exchange accounts. For OTC foreign exchange operations, licensed intermediary banks may (a) buy or sell foreign currency banknotes, travelers' checks, LCs, bank checks, and money orders with their customers and (b) repurchase nonresidents' dirhams at the end of their stay in Morocco from previously surrendered foreign currency. The FEO permits exchange bureaus and payment institutions it has authorized to conduct OTC operations to buy and sell foreign banknotes and travelers' checks with their customers as allowed by foreign exchange regulations. Foreign exchange bureaus

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and payment institutions authorized to conduct OTC transactions may buy, in exchange for domestic currency, foreign banknotes and/or foreign-currency-denominated travelers' checks and sell for cash, in exchange for domestic currency, foreign banknotes and traveler's checks, as part of the allowance for personal travel, missions, and internships abroad by personnel of central and local governments and of public institutions and enterprises. Payment institutions are also permitted to grant electronic trade allowances to individuals.

Foreign exchange bureaus may hold cash equivalent to DH 500,000. For exchange bureaus in airport duty-free (hors douane) departure lounges or bonded arrival areas, the cash limit is set at the equivalent of DH 600,000. Foreign exchange bureaus must deal with a licensed intermediary bank or the BAM to transfer their surplus holdings and cash travelers' checks. Certain establishments – other than licensed bank intermediaries, exchange bureaus, and payment institutions – may also be authorized by the FEO to purchase foreign banknotes and/or traveler's checks for dirhams on behalf of a licensed bank intermediary they have freely chosen. These authorizations are known as sub-delegations and the beneficiaries as sub-delegates. Such establishments are classified as hotels, guesthouses, tourism residences, youth hostels, international passenger carriers, travel agencies, and car rental firms with offices at ports and airports, and casinos authorized by the relevant authorities.

Sub-delegates may engage, for the account of an authorized intermediary, in operations involving the purchase of foreign banknotes or negotiation of traveler's checks with customers.

(2) Authorized intermediaries, foreign exchange bureaus, and payment institutions may deal in foreign banknotes, traveler's checks, LCs, bank checks, and money orders in foreign exchange with their customers up to the limits allowed by the limit rates applied by the BAM at the central rate of plus 7.5% for sales and minus 7.5% for purchases. The BAM sets the OTC fluctuation band exchange rate limits for the dirham against other currencies.

Sub-delegates engage in the transactions referred to in Article 1(3) of the BAM Circular on OTC transactions at the exchange rates agreed on with the authorized intermediary on whose behalf they are dealing. Rates applied to OTC exchange transactions are net, inclusive of all charges and commissions.

Foreign exchange bureaus and payment institutions must go to a credit institution with the status of authorized intermediary trade in foreign banknotes and cash traveler's checks.

These operations are carried out on the terms and conditions agreed on between the parties.

As of December 31, 2022, there were 655 exchange bureaus authorized by the FEO exclusively to engage in OTC foreign exchange operations.

It may postpone setting the OTC band rate limit of one or more currencies in the event of a major event affecting them.

When performing OTC foreign exchange transactions, banks must apply exchange rates that fall within the band rate limits referred to in Article 8 of the Decision of the Governor of the BAM on how to apply the exchange rate regime. The BAM informs banks of the exchange rates of listed currencies against the US dollar applicable to the foreign banknote transactions it carries out with them at the time of publication of the rate limits.

Regarding OTC foreign exchange transactions between the BAM and banks, the settlement of foreign banknote transactions initiated by banks with the BAM is carried out by hedging in foreign currency with their foreign correspondent banks. These transactions involve

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		only the banknotes of listed foreign banks and result in the payment of 1% commission, before tax, to the BAM.
Brokerage	No.	
Market making	Yes.	Banks with market maker status must meet the following requirements: (1) Provide continuous buy/sell trading quotes of USD/MAD on the spot market listed on Reuters and Bloomberg, with updates every 15 seconds; (2) provide firm buy/sell spot market quotes for USD/MAD on the trading platform for at least 6 banks with market maker status within the limits of their daily requirements; (3) provide simultaneous and identical quotes on the trading platform and on Reuters and Bloomberg contribution pages; (4) provide quotes for a minimum of US$1,000,000 with a maximum bid-ask spread of 50 basis points (bps) within the limits of the daily requirement; (5) provide reciprocal daily commitments vis-à-vis relevant market makers in terms of amounts and spread; (6) perform all trades relating to the reciprocal quote commitments on the trading platform; and (7) perform all other operations not relating to reciprocal commitments on the Bloomberg or Reuters platform.
Forward exchange market	Yes.	Banks may perform the following hedging operations against the following risks on behalf of their customers or for their own proprietary purposes, in compliance with the foreign exchange regulations in effect: (1) hedging operations against foreign exchange rate risk for foreign currencies against dirhams and foreign currencies against other foreign currencies; (2) hedging operations against interest rate risk; (3) hedging operations against the risk of commodity fluctuations taken out by Moroccan legal entities with banks or foreign broker-dealers on an organized international market; commodities include mining, energy, and agricultural products, as well as timber, coal, silver, and other precious metals; and (4) hedging transactions against any risk inherent in any asset or debt. Banks are required to ensure that the unwinding of hedging transactions does not exceed the settlement periods of the current or underlying capital transaction provided for in the commercial or financial contracts concluded in this context. Operators may undertake hedging operations with justification that the outcome has been secured rather than the initiation of the hedge agreement for imports and exports of goods. This option of signing hedging agreements for imports and exports may be executed within the limit of 25% of the average value of imports carried out during the last three fiscal years and 100% of the average export turnover for the past three fiscal years. Hedging transactions, carried out by banks with their customers, must be covered by a contract in the framework of the International Swaps and Derivatives Association (ISDA), the French Banking Federation (FBF), or the European Market Infrastructure Regulation (EMIR). Hedging transactions – foreign exchange transactions against dirhams – carried out with customers are subject to foreign exchange commissions in accordance with current regulations. Articles 140 and 143 of the 2020 General Instruction from the FEO on Foreign Exchange Operations on hedging operations specifies the terms and conditions of hedging operations with regard to the above-mentioned risks, which must be related to actual commercial or financial operations when the hedge relates to a current or capital transaction linked to the activity of the company (which must have been in business for at least three years) and when the amount to be hedged does not exceed the amount of the transaction and the settlement does not exceed the settlement deadlines. These provisions are intended to prevent speculative transactions in the

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		foreign exchange market. Banks may offer their customers a combination of instruments as part of the same hedging operation. Hedging transactions may also result in the unwinding of positions arising from such transactions. In addition, hedging the stock of imported commodities may cover exported/imported products as well as imported and stored products. For hedging against any risk inherent in any asset or debt, banks may conclude these transactions only on a proprietary basis or on behalf of certain institutional entities – credit institutions and similar entities, insurance companies, and collective investment funds (organismes de placement collectif en titrisation). Institutional investors were also allowed to cover capital transactions, such as investments made abroad by UCITS or insurance companies.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Transactions between Morocco and foreign countries – regardless of the type – must be settled in foreign currencies quoted by the BAM or in convertible dirhams.
For current transactions and payments	Yes.	As a general rule, settlement of current transactions between residents and nonresidents must be made in currencies listed by the BAM. However, importers of services are authorized to use dirhams on the national territory to settle transactions for import services rendered in Morocco by nonresident natural persons. "Special" accounts denominated in dirhams may be opened in the name of nonresident foreign natural or legal persons in the cases and conditions set out in the 2022 General Instruction on Foreign Exchange Operations. Current transactions within the national territory may only be settled in the national currency. Any foreign exchange transaction not specifically defined remains subject to the authorization of the Exchange Office.
For capital transactions	Yes.	As a general rule, settlement of capital transactions between residents and nonresidents must be made in currencies listed by the BAM. Capital transactions within the national territory may only be settled in the national currency. Any foreign exchange transaction not specifically defined remains subject to the authorization of the Exchange Office.
Transactions in capital and money market instruments	Yes.	As a general rule, settlement of capital transactions between residents and nonresidents must be made in currencies listed by the BAM. Capital transactions within the national territory may only be settled in the national currency.
Transactions in derivatives and other instruments	Yes.	As a general rule, settlement of capital transactions between residents and nonresidents must be made in currencies listed by the BAM. Capital transactions within the national territory may only be settled in the national currency.
Credit operations	Yes.	As a general rule, settlement of the credit transactions between residents and nonresidents must be made in currencies listed by the BAM. However, banks are allowed to grant loans in national currency to nonresidents: (1) loans in dirhams granted by banks to nonresident foreign individuals and Moroccans residing abroad, intended to finance the acquisition and/or development of real estate in Morocco; (2) consumer loans granted in dirhams by banks to foreign personnel working for diplomatic representations accredited in Morocco or

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		international organizations based or represented in Morocco; and (3) credit lines and facilities granted to branches registered with the FEO as part of the execution of contracts in Morocco, the remuneration of which is denominated entirely in dirhams. Credit transactions within the national territory may only be settled in national currency.
Use of foreign exchange among residents	Yes.	Transactions among residents in Morocco must be denominated and settled in domestic currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	A regional payments arrangement among the CBs of Algeria, Libya, Mauritania, Morocco, and Tunisia governs payment operations among those countries. Economic operators may settle their transactions either within the framework of these arrangements or by following normal procedures. Payments between Morocco and AMU countries may be made either under the unified bilateral payments agreement concluded between AMU countries or through the banking system. Payments between Morocco and the AMU countries and all related documents must be denominated either in one of the currencies of the two countries involved in the transaction or in a currency that is jointly quoted by the two countries.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Foreign exchange controls are overseen by the FEO (Office des Changes) and the Administration of Customs and Indirect Taxes, both under the MOF. The Office has delegated the execution of the main exchange regulation measures to authorized banks. Foreign exchange controls involve verifying that all foreign exchange transactions are conducted in accordance with the regulations in effect.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may purchase, hold, and sell gold coins in Morocco for numismatic or investment purposes. Ten different types of foreign gold coins are traded on the Casablanca Stock Exchange, which does not, however, deal in gold bars. Any individual or legal entity wishing to operate as a manufacturer or merchant of items made of platinum, gold, or silver is required to file a declaration with the customs precious metal warranty office, eight days prior to the date on which the establishment opens or commences operation (Article 4 of Dahir No. 1-77-340 and Article 91 of Minister of Finance arrêté 1309-77). This application must include the following supporting documents: (1) a copy certified as true to the original from the register of commerce and (2) a certificate of registration in the business license

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		tax rolls (rôle des patentes), prepared for the year during which the declaration is prepared. Items made from platinum, gold, or silver, except for those articles weighing one gram or less, imported into or manufactured in Morocco, must be presented to the customs precious metal warranty offices to undergo assay and, if necessary, to be covered with hallmarks indicating warranty (Article 44 of Dahir No. 1-77-340). The items thus presented may not have a fineness of less than the following minimum amounts: (1) for platinum items: 950 per mille; (2) for gold items: 750 per mille; and (3) for silver items: 800 per mille. Manufacturers and merchants (including itinerant traders) of platinum, gold, or silver items are required to keep a register signed and initialed by the chief of the customs precious metal warranty office with local jurisdiction, in which register they must enter the type, number, weight, and fineness of the articles made of these materials which they are purchasing, selling, or receiving to repair, and they must do so on a daily basis and at the very time when these items are bought, sold, or brought in (Articles 93 and 94(2) of the Minister of Finance arrêté).
On external trade	Yes.	Imports of gold are subject to authorization from the Administration of Customs and Indirect Taxes. The MOF fixes a quota annually for the importation of gold ingots. The quota is allocated among jewelers and industrial users of precious metals. Exports of gold are also regulated.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports of domestic banknotes are subject to authorization. However, authorized intermediary banks or operators established in industrial acceleration zones may export dirham-denominated banknotes to industrial acceleration zones with an export declaration. The dirhams must be drawn from convertible dirham accounts of operators in the export zone and used solely for payments to residents for the following expenditures: wages and other wage-earner remuneration up to any amount and transportation, repairs, work, and supplies of products from the territory covered up to DH 5,000 an operation and subject to an annual ceiling of DH 150,000 an operator. Travelers may export up to DH 2,000 in dirham banknotes. Authorized intermediary banks may set up foreign exchange counters on sea ferries operating between Morocco and other countries. The rules governing such foreign exchange counters (1) allow banks to bring aboard the ferry, under customs control, a stock of dirham banknotes for each crossing, and (2) limit such transactions at these counters to the purchase of foreign banknotes against dirhams from Moroccan citizens and foreign residents or nonresidents traveling to Morocco. Stocks of dirham banknotes for such counters must be brought aboard the ferry under customs control. For this purpose, the bank must execute with customs a dirham export declaration at the time of the ferry's departure.
Foreign currency	Yes.	Foreign and Moroccan nonresidents may export foreign-currency-denominated means of payment previously imported or debited from their foreign exchange or convertible dirham accounts. Nonresident individuals (foreigners and Moroccans residing abroad) are not required to show a declaration to Customs filled out on entering the territory or a foreign currency receipt when, at the end of their stay, they resell remaining dirhams from previous exchange transactions to foreign exchange bureaus, payment institutions authorized to

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		conduct OTC exchange transactions, and authorized intermediary banks situated at ports or airports, up to DH 2,000 a passport. Residents may also export foreign banknotes within the limits specified in the foreign exchange regulations (for example, for travel allowances). Nonresident individuals are authorized, when leaving Morocco, to export previously imported foreign-currency-denominated means of payment in accordance with the foreign exchange regulations currently in force. Moroccan nationals residing abroad may repurchase and export 100% of the foreign exchange previously repatriated and transferred on the foreign exchange market up to a maximum of DH 100,000, excluding the foreign currency credited to their convertible dirham accounts.
On imports	Yes.	
Domestic currency	Yes.	The importation of domestic banknotes is subject to authorization. Travelers are, however, authorized to import up to DH 2,000 in dirham banknotes.
Foreign currency	No.	Nonresident travelers may bring in unlimited amounts of foreign banknotes, traveler's checks, and other means of payment denominated in foreign exchange, including negotiable bearer instruments. The term "negotiable bearer instruments" means monetary bearer instruments such as traveler's checks; negotiable instruments (especially checks, promissory notes, and money orders) that are either payable to the bearer or freely endorsable or made out to a fictitious beneficiary or in any form that permits a transfer by simple remittance; and incomplete instruments (especially checks, promissory notes, and money orders) that are signed but do not indicate the beneficiary. Resident travelers may also import unlimited amounts of foreign banknotes, but must surrender them for dirhams within 30 days of their return to Morocco. Imports of foreign banknotes must be declared at customs offices when the amount to be imported exceeds the equivalent of DH 100,000. Imports of foreign currency banknotes less than the equivalent of DH 100,000 may be covered, if desired, by a written declaration filed with customs on entering Morocco.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	The foreign exchange accounts permitted are: (1) foreign exchange accounts in the name of exporters of goods and services; (2) "international trade" foreign exchange accounts; (3) "foreign exchange insurance" accounts; (4) foreign exchange accounts for reinsurance in foreign exchange; (5) foreign exchange accounts in the name of reinsurance brokers; (6) "business travel allowance" foreign exchange accounts; (7) foreign exchange accounts for hedging operations against the risk of price fluctuation; (8) foreign exchange accounts in the name of resident foreign nationals (natural or legal persons); (9) foreign exchange accounts in the name of corporations established in industrial acceleration zones or offshore financial centers located in Morocco; (10) foreign exchange accounts for investment transactions abroad of Collective Capital Investment Organizations (Organisme de Placement Collectif en Capital – OPCC), UCITS, and Collective

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Real Estate Investment Funds (Organismes de Placement Collectif Immobilier – OPCI);
(11) foreign exchange accounts for investment abroad of insurance or reinsurance companies;
(12) foreign exchange accounts in the name of service exporters bidding for or holding contracts awarded as part of foreign tenders;
(13) foreign exchange accounts in the name of Moroccan resident individuals, not listed in the trade register, with foreign-source income;
(14) foreign exchange accounts in the name of Moroccan nationals who had resided abroad and have transferred their tax residence to Morocco.
Two types of accounts may be opened:
(1) Foreign resident individuals and foreign firms may open foreign exchange accounts in Moroccan banks without limitation.
These accounts may be credited with:
(a) transfers from abroad;
(b) payments by any foreign-exchange-denominated means of payment (for example, banknotes and traveler's checks);
(c) Transfers of foreign banknotes by the account holder must be justified by an original signed import declaration from the border customs offices or a foreign currency receipt or any other document, dated within one month, justifying the origin of the foreign currency;
(d) foreign currency withdrawals from Moroccan banks in accordance with the foreign exchange regulations in force;
(e) remuneration and reimbursements arising from capital operations carried out by account holders;
(f) effective January 3, 2022, retirement pensions repatriated by foreigners residing in Morocco directly into ordinary dirham accounts opened in their names, for the past 12 months, on presentation to the bank of a copy of the corresponding pension form.
These accounts may be debited for transfers abroad or for the surrender of foreign currency for dirhams for all domestic settlements. There are no restrictions on interest payments on these accounts, on transfers between foreign exchange accounts, or on transfers between foreign exchange accounts and convertible dirham accounts. Authorized banks may issue international credit cards to holders of these accounts. Overdrafts on these accounts are not permitted.
(2) Moroccan exporters of goods and services (including fishing companies) may open foreign exchange accounts and deposit up to 70% of the repatriated foreign exchange receipts from exports. The portion that Moroccan exporters of goods in the aeronautics and space industries may hold is 85% of export earnings in convertible dirham or foreign exchange accounts. The accounts may be credited in full or in part at the discretion of the exporter. In the case of a partial credit, the remaining amount may subsequently be credited to the account within a maximum period of one year from the date the foreign exchange was sold on the foreign exchange market.
Convertible dirham accounts may be credited with:
(a) amounts from other foreign exchange or convertible dirham accounts belonging to the same holder;
(b) funds debited from foreign exchange accounts and sold on the foreign exchange market;
(c) funds withdrawn from convertible dirham accounts for payment of expenses in Morocco. These funds may be credited to exporters' accounts within a period of one year of the date on which they were withdrawn. The accounts may also be credited with foreign banknotes withdrawn for professional travel purposes and not used, provided the account is credited within 30 days of the date foreign

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currency was withdrawn for travel that did not take place or for travel that did take place within 30 days of entry into Morocco.
Exporters' foreign exchange accounts may be debited:
(a)for foreign exchange expenses related to the account holder's professional activity;
(b) to credit another foreign exchange or convertible dirham account in the name of the same account holder;
(c) to sell foreign exchange in the foreign exchange market;
(d) for cost of travel organized by travel agencies for residents. The costs of ground services abroad and transport costs payable in foreign currency may be deducted from the funds available in the account on presentation of the supporting documents required by the General Instruction on Foreign Exchange Operations.
Holders of these accounts may obtain international credit cards from authorized banks. Overdrafts are not permitted in foreign exchange accounts.
Authorized banks may open foreign exchange accounts for foreign placement operations for insurance and reinsurance companies, UCITS, and OPCCs, and make transfers related to foreign deposit, investment, and placement operations. Effective January 3, 2022, banks may open foreign exchange accounts for investment transactions abroad on behalf of OPCIs.
They may also open foreign exchange accounts to allow traders to improve their management of international trade operations while avoiding exchange rate fluctuations and commissions and fees related to sales and repurchases of foreign currency.
Authorized intermediary banks may open, on behalf of nonexporter individuals or firms, foreign exchange accounts to facilitate use of annual allowances in their favor under exchange regulations currently in force.
Banks are authorized to open, on behalf of companies that do not have a foreign currency account – micro-credit associations, associations recognized as being of public utility, cooperatives and professional federations as well as individuals engaged in professional activity – and who benefit from a business travel allowance, a foreign currency or convertible dirham account for "business travel allowance" for the purpose of receiving the allowance.
These accounts may record on the credit side up to 100% of the allowances related to business travel. Such accounts may also be freely debited (1) with foreign banknotes to meet business travel needs; (2) with outward transfers or Internet purchases, in connection with the above-mentioned business travel (hotel bookings, transport costs abroad, etc.); (3) for the issuance of bank checks and/or traveler's checks; and (4) for the issuance or charging of international bank cards in accordance with the provisions of the exchange regulations.
"Tourism allowance" foreign exchange accounts were eliminated effective January 3, 2022. Previously, these accounts could be credited (1) with 100% of the tourism travel allowances and (2) with the tourism travel allowances for the individual's minor children or spouse. They could be debited (1) with foreign banknotes to meet needs associated with tourism or business travel; (2) with outward transfers or Internet purchases in connection with tourism travel; (3) for the issuance of bank checks and/or traveler' checks; and (4) for the issuance or charging of international bank cards issued in accordance with the exchange regulations.
Authorized intermediaries may open on their books foreign exchange accounts in the name of insurers and reinsurers for the purpose of engaging in the collection of premiums or settlement of amounts of

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compensation for claims associated with foreign exchange policies signed in accordance with the insurance regulations in force. These accounts may be credited (1) with the amounts of the premium, which is to be settled in foreign exchange; (2) with the share of premiums accruing to the insurer under a coinsurance policy. In such cases, the transfer must be made by debiting the "foreign exchange insurance" account of the lead insurer; (3) with the payments of reinsurers and coinsurers to cover their liabilities; (4) with the payments in connection with recoveries (recours et sauvetage); (5) for foreign exchange purchases required to cover liabilities originating from insurance policies underwritten in foreign exchange if the balance on a foreign exchange insurance account is unable to cover liabilities borne by the insurer; and (6) for the refund of premiums paid to a reinsurer following termination of the policy. They may be debited (1) with compensation for claims as allowed by foreign exchange regulations; (2) with shares of premiums and other amounts owed to coinsurers; (3) with premiums and amounts owed to reinsurers under reinsurance agreements; (4) with commissions and charges payable in foreign exchange in favor of a nonresident insurance intermediary under an insurance policy denominated in foreign exchange; and (5) for the refund of premiums paid by an insurer following termination of an insurance policy denominated in foreign exchange. Insurance and reinsurance enterprises licensed in Morocco and required to accept on a reinsurance basis the risks envisaged by current exchange regulations as well as risks ceded from foreign insurers, may open on the books of authorized intermediaries accounts known as "reinsurance acceptances in foreign exchange–local business" and "reinsurance acceptances in foreign exchange–foreign business."

Insurance and reinsurance enterprises engaging in reinsurance acceptances for operations insured in foreign exchange under a policy underwritten with an insurance and reinsurance enterprise may open reinsurance acceptances in foreign exchange–local business accounts on the books of authorized intermediaries. Local business is defined as risk situated in Morocco covered by insurance policies denominated in foreign currencies and underwritten with Moroccan insurers and ceded to Moroccan reinsurers. A reinsurance acceptance in foreign exchange–local business account may be credited with (1) amounts paid by direct insurers, on the understanding that these payments must be made by debiting their insurance in foreign exchange–local business accounts and (2) with amounts owed by reinsurance reinsurers (rétrocessionnaires) in settlement of their liabilities on retroceded risks. A reinsurance acceptance in foreign exchange–local business account may be debited (1) with amounts owed to reinsurance reinsurers and (2) with reinsurance balances and shares in compensation for claims accruing to direct insurers.

Insurance and reinsurance enterprises engaging in reinsurance acceptances for operations insured in foreign exchange under a policy underwritten with an insurance and reinsurance enterprise may open reinsurance acceptances in foreign exchange–local business accounts on the books of authorized intermediaries. Local business is defined as risk situated in Morocco covered by insurance policies denominated in foreign currencies and underwritten with Moroccan insurers and ceded to Moroccan reinsurers. A reinsurance acceptance in foreign exchange–local business account may be credited with (1) amounts paid by direct insurers, on the understanding that these payments must be made by debiting their insurance in foreign exchange–local business accounts and (2) with amounts owed by reinsurance reinsurers (rétrocessionnaires) in

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settlement of their liabilities on retroceded risks. A reinsurance acceptance in foreign exchange–local business account may be debited (1) with amounts owed to reinsurance reinsurers and (2) with reinsurance balances and shares in compensation for claims accruing to direct insurers.

Insurance and reinsurance enterprises accepting on a reinsurance basis foreign business denominated in foreign exchange may open a reinsurance acceptance in foreign exchange–foreign business account with an authorized intermediary. Foreign business is defined as risk situated abroad covered by insurance policies underwritten with foreign insurers and ceded to Moroccan reinsurers. A reinsurance acceptance in foreign exchange–foreign business account may be credited (1) with shares of premiums accruing to the reinsurer in connection with business accepted and (2) with the balance in favor of the reinsurer. This account may be debited (1) with shares of compensation for claims borne by the reinsurer and (2) with the balance in favor of the ceding company.

Operators duly licensed under Moroccan insurance regulations to engage in reinsurance brokerage operations, which serve to place abroad risks entrusted by foreign insurance and reinsurance firms, may open a currency-specific account referred to as a "foreign exchange reinsurance brokerage" account on the books of authorized intermediaries. These accounts may be credited with funds received from foreign insurance and reinsurance firms in connection with premiums, compensation on claims, reinsurance balances, and brokerage commissions. These accounts may be debited with amounts paid to foreign insurance and reinsurance firms in connection with premiums, compensation on claims, and reinsurance balances. Brokerage commissions accruing to Moroccan brokers must be surrendered in the foreign exchange market immediately after encashment.

The categories of capital that may be freely managed by entities with Casablanca Finance City (CFC) status and that therefore may be deposited in their foreign exchange or convertible dirham accounts at authorized intermediary banks were defined. Entities with CFC status may freely open foreign currency accounts in banks in Morocco to manage their foreign currency holdings in one of the following categories: (1) capital entrusted by nonresident investors to entities with CFC status for placement or investment purposes; (2) capital collected by entities with CFC status for their own account when issuing securities abroad or mobilizing external financing; (3) holdings in foreign exchange accounts or convertible dirham accounts opened on the books of authorized intermediaries in the name of foreign individuals or legal entities or in the name of Moroccans residing abroad and made available to entities with CFC status by the holders of such accounts; (4) funds made available to entities with CFC status by Moroccan financial institutions licensed to engage in foreign placement operations; (5) holdings in foreign exchange accounts or convertible dirham accounts opened in the name of entities with CFC status and engaging in services export operations; and (6) any other foreign-source foreign currency holdings.

Entities with CFC status engaging in services export transactions may open foreign exchange accounts or convertible dirham accounts on the books of authorized intermediary banks. Such accounts may be credited with 100% of proceeds from services rendered to nonresident entities by entities with CFC status.

For hedging operations against the risk of commodity price fluctuation on behalf of Moroccan legal entities, banks are required to open foreign currency accounts on their books. Foreign currency

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		accounts, dedicated to customer hedging transactions, must record all related financial flows, including the security deposit, daily margin calls, and premiums received or paid, as well as the results of the unwinding of hedges. Service exporters bidding for foreign contracts have the option of opening foreign exchange accounts in Morocco dedicated to the settlement of expenditure in connection with such contracts. Resident individuals having revenue from foreign sources may place up to 70% of such revenue in an account in foreign exchange or in convertible dirhams to be opened with Moroccan banks. Banks may open foreign exchange accounts for Moroccan nationals who had resided abroad and declared their assets and cash held abroad.
Approval required	Yes.	Approval is not required for resident foreign exporters of goods and services; nonexporters who are beneficiaries of business travel allowances; insurance and reinsurance firms; operators authorized to engage in brokerage operations; entities with CFC status for needs associated with management of their foreign exchange assets; entities with CFC status engaging in services export operations; and Moroccan legal entities that have subscribed to hedging instruments against commodity price fluctuation risks (Circular No. 1699 of January 13, 2004). FEO authorization is also not required for "international trade" foreign exchange accounts; foreign exchange accounts in the name of resident foreign nationals (natural or legal persons); foreign exchange accounts in the name of corporations established in industrial acceleration zones or offshore financial centers located in Morocco; foreign exchange accounts for investment transactions abroad of OPCC, UCITS, and OPCI; foreign exchange accounts in the name of service exporters bidding for or holding contracts awarded as part of foreign tenders; foreign exchange accounts in the name of Moroccan resident individuals, not listed in the trade register, with foreign-source income; foreign exchange accounts in the name of Moroccan nationals who had resided abroad and have transferred their tax residence to Morocco.
Held abroad	Yes.	Authorized banks may transfer funds for investment purposes as deposits to, foreign banks on their own behalf and on behalf of (1) insurance and reinsurance companies for up to 5% of the total volume of their reserves, (2) retirement agencies for up to 5% of the total volume of their reserves, and (3) UCITS and OPCCs for up to 10% of their net assets for dirham-denominated subscriptions and 100% for subscriptions collected in foreign currency. Authorized banks may open foreign currency accounts related to management of hedging operations against the risk of fluctuation in the price of certain commodities. These accounts devoted exclusively to managing hedging operations must record all financial flows relating to hedging of the risk of price fluctuations of certain commodities, including the security deposit, margin calls, premiums received, etc.
Approval required	Yes.	Foreign residents do not require approval to open these accounts. FEO approval is no longer required for the opening of foreign currency accounts in foreign banks for companies holding contracts abroad. These accounts may credit the amounts of advances transferred, revenue for services rendered abroad under contracts, and debit the amounts of expenditure incurred abroad in the execution of these contracts and transfers to Morocco.
Accounts in domestic currency held abroad	No.	Residents may not open dirham accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Banks are authorized to open on their books: convertible dirham accounts in the name of exporters of goods and services; "business

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travel allowance" convertible dirham accounts; convertible dirham accounts in the name of resident foreign nationals (natural or legal persons); convertible dirham accounts in the name of corporations established in industrial acceleration zones or offshore financial centers located in Morocco; convertible dirham accounts in the name of Moroccan resident individuals, not listed in the trade register, without foreign-source income; convertible dirham accounts in the name of Moroccan nationals who had resided abroad and have transferred their tax residence to Morocco.

Resident foreign nationals may open accounts in convertible dirhams in Moroccan banks. The accounts may be credited with the proceeds of foreign exchange sales and amounts transferable from Morocco, in accordance with exchange regulations. The accounts may be debited to purchase foreign exchange or for any other domestic settlement. There are no restrictions on interest payments or on transfers between accounts abroad in convertible dirhams and between convertible dirham accounts and foreign exchange accounts. Authorized banks may issue international credit cards and checks to the holders of these accounts. Overdrafts on these accounts are not permitted. Exporters of goods and services (including fishing companies) may open accounts in convertible dirhams in Moroccan banks. These accounts may be credited with the dirham equivalent of 70% of foreign exchange that is repatriated and transferred to approved intermediary banks for exports of goods and services. The accounts may be credited in full or in part at the discretion of the exporter. In the case of a partial credit, the remaining amount may subsequently be credited to the account within a maximum period of one year from the date the foreign exchange was sold on the foreign exchange market. Convertible dirham accounts may be credited with (1) amounts from other foreign exchange or convertible dirham accounts belonging to the same exporter; (2) foreign banknotes withdrawn and not used, provided the account is credited within 30 days of the date the foreign currency is withdrawn; (3) the amount of expenses for which funds have been debited from the account for operations that have been partially or fully cancelled; and (4) amounts withdrawn from foreign exchange accounts and sold in the foreign exchange market and those debited from a convertible dirham account to cover expenses in Morocco. These amounts may be credited to the exporter's account within a maximum of one year from the date of the debit. Funds in these accounts may be used to finance expenditures related to professional activities. The maximum amount of repatriated export earnings exporters may place in a foreign exchange or a convertible dirham account is 70% (85% for companies in the aeronautics and space sector). Holders of these accounts may obtain international credit cards and checks from authorized banks, but overdrafts are not permitted.

Effective January 3, 2022, the convertible dirham accounts opened to facilitate the use of tourist allowances were discontinued along with the discontinuance of travel allowances which were replaced by a personal travel allowance. Previously, these accounts could be credited (1) with 100% of the tourism travel allowances and (2) with the tourism travel allowances for the individual's minor children or spouse. They could be debited (1) with foreign banknotes to meet needs associated with tourism or business travel; (2) with outward transfers or Internet purchases in connection with tourism travel; (3) for the issuance of bank checks and/or traveler' checks; and (4) for the issuance or charging of international bank cards issued in accordance with the exchange regulations.

Banks are authorized to open, on behalf of companies that do not have a foreign currency account – micro-credit associations,

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associations recognized as being of public utility, cooperatives and professional federations as well as individuals engaged in professional activity – and who benefit from a business travel allowance, a foreign currency or convertible dirham account for "business travel allowance" for the purpose of receiving the allowance.
The categories of capital that may be freely managed by entities with CFC status and that therefore may be deposited in their foreign exchange or convertible dirham accounts opened at authorized intermediary banks were defined. Entities with CFC status may freely open convertible dirham accounts in banks in Morocco to manage their foreign currency holdings in one of the following categories: (1) capital entrusted by nonresident investors to entities with CFC status for placement or investment purposes; (2) capital collected by entities with CFC status for their own account when issuing securities abroad or mobilizing external financing; (3) holdings in foreign exchange accounts or convertible dirham accounts opened on the books of authorized intermediaries in the name of foreign individuals or legal entities or in the name of Moroccans residing abroad and made available to entities with CFC status by the holders of such accounts; (4) funds made available to entities with CFC status by Moroccan financial institutions licensed to engage in foreign placement operations pursuant to exchange regulations; (5) holdings in foreign exchange accounts or convertible dirham accounts opened in the name of entities with CFC status and engaging in services export operations; and (6) any other foreign-source foreign currency holdings.
Entities with CFC status engaging in services export transactions may open foreign exchange accounts or convertible dirham accounts at authorized intermediary banks. Such accounts may be credited with 100% of proceeds from services rendered to nonresident entities by entities with CFC status.

Nonresident Accounts

Foreign exchange accounts permitted — Yes.

Two types of accounts may be opened: (1) Foreign exchange accounts in the names of foreign nationals may be maintained by nonresident individuals and legal entities of foreign nationality. These accounts may be credited with transfers from abroad; foreign banknotes, checks, and traveler's checks; any other means of payment denominated in foreign currency; and foreign currency withdrawn from domestic banks, in accordance with exchange regulations. Deposits of foreign banknotes by the account holder must be justified by an original signed import declaration from the border customs offices or any other supporting document. These accounts may be debited for transfers abroad or for the surrender of foreign currency for dirhams for all domestic settlements. (2) Foreign exchange accounts may be opened by Moroccan nationals residing abroad. These accounts may be credited with transfers from abroad; traveler's checks, foreign banknotes, or any other means of payment denominated in foreign currency; and foreign currency withdrawn from domestic banks in accordance with exchange regulations. They may be debited for transfers abroad and for the surrender of foreign currency for dirhams for all domestic settlements. There are no restrictions on interest payments on these accounts, transfers between foreign exchange accounts, or transfers between foreign exchange accounts and convertible dirham accounts. A set of conditions and modalities governing the opening and functioning of nonresident accounts denominated in foreign currency and in dirhams include the following: (1) specification of arrangements related to the crediting

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		of foreign exchange accounts and foreign accounts in convertible dirhams with foreign banknotes and (2) distinction between foreign accounts in convertible dirhams held in the names of foreign correspondents of Moroccan banks and those held in the names of customers (individuals and legal entities other than foreign correspondents).
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open three types of dirham accounts as follows: (1) External convertible dirham accounts are restricted to nonresident individuals and legal entities of foreign nationality. (2) Convertible dirham accounts may be held in the name of Moroccans residing abroad. Both types of accounts may be credited with proceeds from the surrender of foreign currency and amounts freely transferable from Morocco in accordance with general or special authorization from the FEO. They may be debited for the purchase of foreign currency and all domestic settlements. There are no restrictions on transfers between foreign accounts in convertible dirhams or between these accounts and foreign exchange accounts. Holders of these accounts may obtain international credit cards from authorized banks. Overdrafts are not allowed, and there are no restrictions on the payment of interest on these accounts. (3) Nonresident foreigners whose funds are deemed nontransferable under the exchange regulations may deposit those funds in convertible term accounts at authorized intermediary banks. Funds from these accounts may be transferred within, effective January 3, 2022, a maximum period of three years at a rate of 25% a year, with the first 25% transferable immediately after crediting funds to the convertible term account. Previously, the transfer period was four years with a rate of 25% a year. Nonresident foreign currency and dirham accounts are subject to the following: (1) definition of modalities related to the crediting of foreign exchange accounts and foreign accounts in convertible dirhams with foreign banknotes; (2) distinction between foreign accounts in convertible dirhams in the name of foreign correspondents of Moroccan banks and those in the name of customers (individuals and legal entities other than foreign correspondents); and (3) extension of the authorization for nonresident foreigners to hold dirham-denominated accounts called “special accounts” to other entities – namely diplomatic representatives; international organizations headquartered or represented in Morocco; foreign staff of diplomatic missions and international organizations; businesses operating in EPZs and financial centers and those under contract to provide goods or services in Morocco; and nonresident foreign individuals who have outstanding dirham-denominated loans with Moroccan banks.
Convertible into foreign currency	Yes.	Funds in convertible dirham accounts held by foreign nonresident natural or juridical persons and Moroccans residing abroad are freely convertible.
Approval required	No.	
Blocked accounts	Yes.	Nonresident foreigners with funds deemed nontransferable under the exchange regulations may deposit them in convertible term accounts at authorized intermediary banks. Funds from these accounts may be transferred within a maximum of, effective January 3, 2022, three years (previously four years) at a rate of 25% a year with the first 25% tranche being available for transfer immediately after crediting funds to the convertible term account. Holders of convertible term accounts and those acquiring them, including Moroccans residing abroad, may use these funds freely for domestic expenditures in

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dirhams, including investment. Investments financed from the accounts are covered by the convertibility arrangements for a period of two years from the date of the investment.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Effective January 3, 2022, exporters who hold foreign exchange or convertible dirham accounts may make installments for the import of goods and/or services up to the rate stipulated in the commercial contract where payment is made by debiting foreign exchange or convertible dirham accounts opened in the name of the goods and/or services exporters. Importers may make advance payments of up to 30% of the total import value of goods (50% for companies operating in the aeronautical and space sector). Importers may make advance payments of up to 30% of the total value of the import of services (up to 50% of the price invoiced for the cost of repairs and technical overhauls abroad of Moroccan fishing vessels or ships). Effective January 3, 2022, when the transferred advance payment rate is exceeded by less than or equal to 5% of the total final invoice value, the bank domiciled in the location where the import document is based may settle the remainder of the value of the imported good. The ceiling for the advance payment of imports of goods was harmonized and the advance payment of the total amount of imports was authorized for categorized companies. Effective January 3, 2022, goods/services exporters may make advance payments (100% of the amount stipulated in the commercial contract) for goods and/or services imports. Importers of goods are authorized to pay in advance for the import of goods in the following cases: (1) up to the foreign currency equivalent of DH 200,000, regardless of the nature of the goods to be imported; (2) up to 100% of the amount invoiced for imports of goods to be carried out by companies that have been categorized by the FEO and the General Directorate of Tax or by the FEO and the Customs and Indirect Taxes Administration; (3) up to DH 1 million for companies in the aeronautics and space industries sector registered with the FEO; (4) up to the value of the second-hand equipment acquired at auctions, on presentation of an invoice or any document in lieu thereof, drawn up by the foreign company that organizes these sales and stipulating the obligation to pay before the equipment is collected; and (5) up to 100% of the invoiced amount when the commercial contract so states by debiting foreign exchange or convertible dirham accounts opened in the name of goods and/or services exporters, when available funds in these accounts permit it. The importation of services was redefined to include all services rendered to a resident by a nonresident in Morocco. These services may be rendered in Morocco or abroad. The provision of training, expertise, and analysis services of all kinds may be provided abroad. The ceiling for advance payment by importers of services was increased. They may make advance payments before the delivery of the service when it is so stipulated in the commercial contract: (1) up to the foreign currency equivalent of DH 100,000 regardless of the imported service; (2) up to the amount invoiced, in the case of equipment repairs (including aircraft) or the processing of products temporarily exported abroad and related incidental costs; (3) up to

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		100% of the amount invoiced and within 12 months for subscriptions to foreign databases or computer applications and license fees; and (4) up to 100% of the amount invoiced where the commercial contract so stipulates by debiting foreign exchange or convertible dirham accounts opened in the name of goods and/or services exporters, when available funds in these accounts permit it.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Entities and individuals duly listed in the trade register may engage in operations involving the import of goods and international trade, including services not related to commercial operations.
Domiciliation requirements	Yes.	For imports of goods, an import security must be obtained by the importer and domiciled at an authorized bank to cover payment for goods and related fees. This domiciliation is not required for imports that do not involve payments. The import security for the purchase of goods for noncommercial use such as books, periodicals, and technical and scientific documentation by residents for their own use is also waived if the purchase value does not exceed DH 20,000. Importers in the aeronautics and space industries may domicile a single import commitment for imports from various suppliers in one or several countries. Resident individuals may make Internet transactions involving imports of goods and services by using an international credit card. The electronic trade allowance for individuals is DH 15,000.
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Except for goods imported by air or by post, insurance policies for imports must be taken out with insurance companies in Morocco. For certain groups of goods, however, insurance policies may be underwritten abroad. This group includes: (1) externally financed imports if the terms include foreign insurance; (2) capital goods and equipment under turnkey contracts; (3) crude oil, gas, heifers, and wood; (4) imports whose risk cannot be covered by insurance and reinsurance companies established in Morocco; and (5) imports under FTAs for risk that may or may not be covered by insurance and reinsurance companies established in Morocco. Importers may, as part of their import operations, contract insurance in foreign currency with insurance and reinsurance companies established in Morocco when these contracts are signed by or on behalf of nonresidents or when the regulations authorize the underwriting of insurance abroad. Payments for discrepancies arising from the ullage of petroleum products and derivatives and payments of imports by a third party in lieu of the initial importer have been liberalized. Liberalization measures have been implemented to allow free settlement of the following transactions: (1) settlements of differentials noted between the amounts on bills of lading and those imputed by the customs services for grains, mining products, and chemicals; (2) settlements related to variations in content for the liquidation of sugar, oil, and mineral imports; (3) settlements of general average contributions for ships transporting merchandise to Morocco; and (4) settlements for disputed claims related to imports. Payments for imports made in connection with sales exhibitions are subject to FEO authorization. Resident individuals may make Internet transactions involving imports of goods and services by using an international credit card,

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		up to DH 10,000. The electronic trade allowance for individuals is DH 15,000.
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Imports are not restricted, except for arms and explosives, secondhand clothing, chemical products that deplete the ozone layer, white weapons, drones, and used tires and wheels with used tires or retreads. These products require an import license issued by the Department of Foreign Trade (DFT).
Negative list	Yes.	Imports of products that pose a threat to public health, morals, order, or security are prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports may be restricted for limited periods to protect new industries or counteract dumping. Safeguard (tariff) measures may be established for periods of five years to protect new industries, and they may be extended to eight years. In the case of dumping, the product in question is subject to import declaration for up to nine months, and this measure is renewable once. During this period, investigations are carried out to determine whether dumping is taking place and, if it is, to determine the tariff measures that need to be introduced. Individuals may import merchandise valued at up to DH 20,000 a year that is not to be resold. Commercial activities of individuals not registered in the Commercial Registry and without a tax identification number must be authorized by the DFT.
Import taxes and/or tariffs	Yes.	Customs duties are levied on an ad valorem basis. A large number of goods are only subject to a 2.5% import duty. Imports of products to be used in the manufacture of goods for export are exempt from customs duties. Specific rates are applied to certain agricultural products.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	There is no obligation to sign an export declaration (titre d'exportation) for any freely exportable product or merchandise. Export proceeds must be repatriated within 150 days of customs declaration. The deadline for repatriating the export proceeds from goods sold on consignment was also set at 150 days. The repatriation requirement does not apply to exports of goods involving no payment, which includes (1) noncommercial goods with a value less than or equal to DH 10,000; (2) samples whose value is less than or equal to DH 20,000; (3) pharmaceuticals, documents, and promotional materials shipped in connection with free samples up to 3% of the value of medications to be exported with payment, provided they are shipped simultaneously with the pharmaceuticals to be exported with payment; (4) toxic waste for disposal abroad; (5) goods shipped temporarily under economic customs arrangements; (6) goods shipped to make up for missing items or replace defective merchandise; (7) goods returned to the Moroccan exporter for additional work; (8) goods previously imported, recognized as not conforming to the order or defective, on presentation to customs of a bank certificate stating that no payment has been or will be made

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		under the pertinent import commitment; (9) products shipped for tests and analyses by foreign laboratories; and (10) books, reviews, periodicals, and journals imported and not sold. Proceeds from exports may be collected abroad and used directly to finance imports of goods and raw materials needed to manufacture goods for exportation. Exporters of goods may freely extend commercial credits to nonresidents for up to 150 days. Credits with longer terms may be granted FEO approval, if justified by commercial necessity. Exporters and authorized intermediary banks may extend supplier and buyer credits to foreign customers for up to 85% of the value of exported goods or works and of the provision of services abroad. These credits may be granted for effective January 3, 2022, a short term only. Previously, they could be short or medium term for all categories of goods and services and long term for capital goods (repayment up to eight years.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Foreign exchange must be surrendered within one month of payment by the foreign buyer. In principle, this date must not be more than 150 days from the date of the shipment of goods. This deadline may be extended if warranted by business conditions and approved by the FEO. Exporters of goods and services may hold up to 70% of their export earnings in convertible dirham or foreign exchange accounts. Exporters of goods and services in the aeronautics and space industries may hold up to 85% of export earnings in convertible dirham or foreign exchange accounts. Exporters of goods may grant their foreign clients a discount of up to 5% of the invoice price for reasons such as late delivery, contribution to packaging, rebates on turnover, missing or defective items, or payments in cash. Exporters of goods in the aeronautics and space industries may grant their foreign clients a discount of up to 10% of the invoice price for reasons such as late delivery, contribution to packaging, rebates on turnover, missing or defective items, or payments in cash.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	There is no obligation to sign an export declaration (titre d'exportation) for operations involving the export of any freely exportable product or merchandise. No guarantee is required. The customs declaration provides proof of export.
Domiciliation	No.	
Preshipment inspection	No.	Preshipment inspection is not required; however, exports of food products are subject to quality control.
Other	Yes.	Entities and individuals duly listed in the trade register may engage in international trade operations, including services not related to commercial operations. Exporters may make: (1) payment of factoring commissions, (2) payment of fees for exports up to 10% of the value of the good or service exported, (3) payment of miscellaneous expenses incurred abroad for the shipment of goods to Morocco, (4) payment of expenses related to seafood exports, and (5) price concessions on exports of goods (revision of prices following weight or content analysis and cancelation of orders).
Export licenses	Yes.	

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Without quotas	Yes.	Exports of grain flour, charcoal, archeological items, leather and hides, raw algae and agar–agar, and chemical products that deplete the ozone layer require export licenses issued by the DFT.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	A 1% quality control tax is levied on exports of foodstuffs.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	Authorized banks may make payments for: (1) fees relating to international trade transactions, transportation, services, technical assistance, income from capital (including interest and dividends), and wages; (2) transfers of amounts owed to foreign suppliers for international business transactions (purchases of goods and services abroad for direct sale to foreign customers) conducted by Moroccan corporations or individuals; and (3) transfers for services by nonresidents at call centers in Morocco, such as rental of specialized lines or satellite segments, use of telephone lines abroad, etc. The importation of services includes all services rendered to a resident by a nonresident in Morocco. These services may be rendered in Morocco or abroad. The provision of training, expertise, and analysis services of all kinds may be provided abroad. Entities with CFC status may transfer funds for foreign technical assistance expenses and services by foreign contractors and for the following: (1) subsidiaries' share of expenses incurred by their parent company, such as management and headquarters' expenses, royalties, and research and development expenses relating to the activity of entities with CFC status; (2) expenses billed by the parent company, including those relating to personnel; and (3) expenses relating to services shared by subsidiaries and parent companies, such as information technology-related expenses, human resource management costs, expenses relating to accounting/finance services, and training expenses. Authorized intermediaries may transfer to the account of entities with CFC status remuneration owed in connection with management fees. Clarification of provisions governing outlays associated with the transfer of personnel by a parent company specifies that these outlays refer to fees billed to entities with CFC status in connection with the transfer of foreign personnel or Moroccans residing abroad transferred to the Moroccan subsidiary. These outlays include wages, payroll taxes, expatriation allowances, and other incidental costs such as those for housing, airline tickets, travel, etc., paid abroad for the benefit or the account of such personnel. International courier services have been liberalized. International messaging services refer to services performed under an agreement between a Moroccan international messaging company and its nonresident partner, entailing (1) collection of mail and parcels delivered by customers established in Morocco and their shipment abroad through the nonresident partner's network and (2) receipt of mail and parcels originating abroad via the nonresident partner's network and their distribution to recipients in Morocco. Operators in the aeronautics and space industries may settle several types of services, including contributions to the research programs of their parent companies, access to information technology systems,

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		and miscellaneous administrative and management services and transfer payments to parent companies for separation of foreign, expatriate, or transferred personnel.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments for freight, unloading, and storage are not restricted. Importers may pay for overweight freight charges in amounts not exceeding 10% of the amount initially stated in the commercial contract, as well as any penalty for late shipment or landing of the goods. Representation and brokerage charges of exports of goods and services may be settled for up to 10% of their value. Rental fees for stands and exhibitor fees for fairs and exhibitions abroad by residents without a foreign exchange or a convertible dirham account may be transferred by authorized intermediaries on presentation of an invoice or fee slip signed by the organizer of the fair or exhibition. Costs related to consignment sales may be settled directly by deduction from the selling price of the goods sold on consignment, including such costs as commissions, transit charges, handling charges, customs duty, packaging and repackaging costs, warehousing and storage fees, expert costs, analysis or sampling fees, destruction expenses in case of damage, costs for advertising and promotion incurred by foreign commission merchants and purchasing cooperatives, costs of transportation to or from Morocco, and costs incurred by foreign consignees for marketing goods sold on consignment (fresh fruit, and vegetables, citrus fruits, flowers, and fishing products). Authorized intermediaries may also freely transfer funds returned by the General Treasury for the VAT on bills of purchase in Morocco collected by diplomatic and consular representatives and representatives of international public organizations and their foreign staff. Insurance underwriting for commercial transactions is carried out in accordance with insurance regulations. The regulatory framework governing insurance and reinsurance operations lists the foreign currency operations eligible for insurance in Morocco and authorizes economic operators to contract insurance with insurance and reinsurance companies abroad. The foreign currency operations for which economic operators may contract insurance denominated in foreign currency with insurance and reinsurance companies in Morocco are as follows: (1) imports and exports, when the related contracts are signed by or on behalf of nonresidents; (2) merchandise shipments from a foreign country or a free trade zone in Morocco to a foreign country within the framework of international business transactions initiated by resident operators; (3) exports not involving payments; (4) risk in free trade and offshore areas established in the national territory; (5) aviation risk (hull and civil liability); and (6) “contractor’s all risk” operations, when the insured party is a nonresident. The foreign currency operations for which insurance may be contracted with foreign insurance and reinsurance companies are as follows: (1) mandatory insurance for which coverage cannot be found with insurance and reinsurance companies in Morocco; (2) aviation and maritime and transportation insurance, including international road transportation (hull and cargo), whether or not covered by insurance and reinsurance companies in Morocco; (3) import insurance related to payment for certain goods (crude oil, gas, and diesel fuel; heifers; wood; goods imported by air or by post; externally financed imports if the terms include foreign insurance) whose import certificate is expressed in c.i.f. value and for which the importer is required to accept insurance abroad; and (4) premiums

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		payable by Moroccan ship owners to foreign associations as coverage for certain risks related to the development of their shipping company that cannot be covered by insurance and reinsurance companies in Morocco. Moroccan businesses with construction contracts abroad may transfer up to 20% of the contract amount to defray their initial expenses and liberalized transfers for technical assistance required for the performance of contracts abroad. The regulatory framework for international transport is set out in the 2019 General Instruction on Foreign Exchange Operations. The regime applicable to international transport uses a single "international transport account" to record all transactions carried out with the same foreign partner.
Investment-related payments	Yes.	Since 1992, income generated by foreign investments in Morocco is freely transferable, without limitation in amount and duration, when the investments are financed in foreign currency. This income is freely transferable to nonresident foreigners, even in the absence of foreign currency financing.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are indicative limits on transfers of interest, which must be market based. The exchange regulation states that the applicable interest rates must correspond to the market rates but does not give a quantified limit.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Limits vary by the type of journey. Effective January 3, 2022, the FEO put in place a global allowance for personal travel in the amount of DH 100,000, plus an additional 30% income tax allowance, with an overall cap of DH 300,000 a person a calendar year. This allowance may be used for any type of personal travel abroad (for example, tourism, religious, medical, etc.) and also replaces the departure allowances (for example, education, medical care, etc.). Previously, the following were in place: (1) Tourism allowance: the ceiling on the tourism allowance was DH 200,000 and the indexation rate for the income tax supplement was 25%, with the option of carrying the unused portion forward once to the next year. As a result of the closing of air, sea, and land links to address the spread of COVID-19, the FEO decided to provide a DH 20,000 exceptional tourism allowance for Moroccan residents who had been stranded abroad and who had used all of their tourism allowance. This temporary measure ended when the borders reopened. The overall amount of the tourism allowance could not exceed DH 100,000 a person and a calendar year. (2) Religious travel allowance: DH 15,000 a person a calendar year for Umrah pilgrimage; DH 15,000 a person a calendar year for the Hajj pilgrimage; an additional DH 20,000 for the staff of the travel agency accompanying pilgrims, per accompanying person a trip. Business travel allowance: - 100% of the amount of corporate or income tax for companies subject to this tax or of the minimum contribution amount, paid in the past fiscal year by corporations, cooperatives subject to corporate tax, and branches registered with the FEO that do not hold foreign exchange or convertible dirham accounts, up to DH 500,000 a calendar year; - 100% of the amount of income tax for individuals engaged in professional activity, as referred to in Article 105 of the 2022

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		General Instruction on Foreign Exchange Operations, in the past fiscal year, up to DH 100,000 a calendar year; - DH 60,000 a calendar year for companies that paid corporate tax of less than DH 60,000, those exempt from corporate tax, newly established companies, companies with a tax credit, and Moroccan micro-credit associations or associations deemed to be in the public interest, cooperatives, and professional federations; - 100% of the tax for the past fiscal year charged against the tax credit, up to DH 500,000 a calendar year for companies with a tax credit; Cooperatives and professional federations also benefit from the DH 60,000 allowance for business travel. Larger allowances may be approved by the FEO on proof of need. The allowances for specific business travel may not be added to other allowances, except for the allowance for personal travel. Cooperatives subject to corporation tax have the option of benefiting from a business travel allowance of 100% of the amount of tax paid, with a ceiling of DH 500,000.
Indicative limits/bona fide test	Yes.	For a given trip, the allowance for personal travel, which replaced the various types of personal travel and departure allowances (for example, tourism, religious, medical, education, etc.) on January 3, 2022, may be combined, in whole or in part, with any other foreign exchange allowances granted under a general or special FEO authorization. The same allowance for tourism travel may also be granted to Moroccan nationals living abroad. Foreign residents who wish to travel abroad may be granted the foreign exchange equivalent of all their income savings. Allowances for personal travel may be delivered in whole or in part, by subrogation, to Moroccan travel agencies approved by the Ministry of Tourism for tourism, family, cultural, or private travel abroad by means of an individual or group check or by transfer to foreign service providers. With regard to tourism and religious travel, (1) pilgrims may make advance payment of living expenses if required by contractual provisions; (2) pilgrims may purchase foreign exchange for personal expenses; (3) travel agencies may, in case of overrun of their allowances, use funds in their convertible dirham and/or foreign-currency-denominated accounts to cover the expenses of pilgrims and their travel companions; and (4) intermediaries may issue securities guaranteeing the settlement of services to be provided to pilgrims and their travel companions on behalf of Saudi service providers, at the request and on behalf of travel agencies organizing Hajj trips. Business travel by exporters of goods and services may be financed without restriction by debiting foreign exchange or convertible dirham accounts in Moroccan banks. For business travel other than by exporters of goods and services, a tax criterion is used to determine the maximum business travel allowance banks may provide to individuals and legal entities for companies without convertible dirham and foreign exchange accounts. The allowance is 100% of the amount of corporate or income tax (for companies subject to that tax) paid by such companies in the past fiscal year, up to DH 500,000 a calendar year; 100% of the amount of income tax for Moroccans engaged in professional activity, with an increased ceiling for such allowances to 100% of the income tax they paid in the past fiscal year, up to DH 100,000, and up to DH 60,000 for companies that paid corporate tax of less than DH 60,000, those exempt from corporate tax, and Moroccan micro-credit associations or associations deemed to be in the public interest.
Personal payments	Yes.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Effective January 3, 2022, the FEO put in place a global allowance for personal travel in the amount of DH 100,000, plus an additional 30% income tax allowance, with an overall cap of DH 300,000 a person a calendar year. This allowance may be used for any type of personal travel abroad (for example, tourism, religious, medical, etc.) and also replaces the departure allowances (for example, education, medical care, etc.). Previously, there was an allowance for travel abroad for medical treatment up to the equivalent of DH 30,000 a trip, and an annual departure allowance equivalent to DH 25,000, paid in one or several installments for study abroad. Licensed banks are also authorized to transfer sums relating to the purchase of medicine, medical supplies, and medical tests by foreign laboratories. Banks may make transfers for study abroad as follows: (1) allowances for living expenses of up to, effective January 3, 2022, DH 12,000 a month (previously DH 10,000 a month). Transfers may be higher on presentation of supporting documents, with the possibility of making advance transfers for up to 12 months; (2) for the corresponding rents and charges (trustee fees, taxes, and fees related to the conclusion of the lease): up to the amount indicated in the required documents; (3) for tuition and fees: up to the amount indicated in the required documents. Students may benefit from additional transfers for living expenses and rent for the year following the end of their studies. Banks are authorized to transfer the repayment of student loans contracted with foreign banks and the costs of visits abroad for language-learning purposes. To cover the costs of internships and missions abroad, banks may sell foreign exchange to staff of public agencies, local governments, public institutions and enterprises, and foreign institutions or organizations up to the amount allocated by their employers, or up to DH 2,000 a day, within an overall limit of DH 20,000 a trip, if the mission order does not cover the costs of the mission or the internship. The allowance of DH 20,000 for the father, mother, or guardian of a minor student leaving Morocco for the first time and the allowance for acquisition of computer hardware among the facilities granted for study travel abroad were eliminated. Medical personnel in public agencies, local governments, and public institutions and enterprises wishing to attend professional events abroad may also purchase foreign exchange. If the costs of the mission or internship are borne in full by the traveler, banks may provide DH 2,000 a day up to DH 20,000 a trip. Requests for additional amounts require FEO approval, which is granted on presentation of supporting documents. Banks may transfer funds for family assistance up to DH 10,000 a year.
Foreign workers' wages	No.	Foreigners residing in Morocco and employed in either the private or public sector or engaged in industrial, commercial, agricultural, or certain other professions may transfer all their income. There are no quantitative limits on transfers of foreign workers' remuneration. Transfers of wages and retirement pensions may be made monthly, in arrears. When the payments are not executed at these intervals, the interested parties may arrange to settle arrears in connection with their income entitlements for the past 12 monthly payments that have already matured. They may also freely contribute to pension or social security funds in their countries of origin. These arrangements apply equally to Moroccans' foreign spouses. Commercial banks are authorized to transfer pensions paid by government or private organizations to retirees residing permanently abroad. In addition,

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		retired foreigners and Moroccans' foreign spouses may transfer their entire pensions. They may also transfer severance benefits paid by their Moroccan employers by order of a Moroccan court. Authorized banks may make payments for after-tax earnings of foreign or Moroccan artists residing abroad who are invited to exhibit or perform in Morocco, and transfers of prize money won at film festivals.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	Banks may issue credit cards without restriction to (1) foreigners holding accounts in foreign exchange or convertible dirhams; (2) staff of international organizations whose offices or headquarters are in Morocco; (3) Moroccans residing abroad who hold accounts in convertible dirhams or in foreign exchange; (4) exporters of goods and services who hold accounts in foreign exchange or convertible dirham accounts; (5) economic operators, other than exporters of goods and services, who have a foreign exchange travel allowance; and (6) drivers for the payment of vehicle-related expenses (International Road Transport) and travel expenses. Authorized banks may also issue international credit cards to any Moroccan or foreign individual eligible for a foreign exchange allowance under the exchange regulations for travel for tourism, religious, medical, or educational purposes. Banks may issue resident individuals international credit cards to pay for purchases made over the Internet, up to DH 10,000 a year. The electronic trade allowance for individuals is DH 15,000. Startups listed by the Digital Development Agency may pay, by international payment card, for services up to DH 500,000.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The limit is the amount of funds in the beneficiary's account and the authorized foreign exchange allowance.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Banks are authorized to settle current transactions carried out by resident individuals as defined in Article 150 of the 2020 General Instruction on Foreign Exchange Operations on the basis of a contract, invoice, or any applicable document. Entities authorized to carry out operations to import services are authorized to carry out operations to import the services listed in Annex 1 of the 2020 General Instruction on Foreign Exchange Operations. Import transactions may be settled in accordance with the contractual terms and conditions once the services have been provided.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Moroccan residents and legal entities must repatriate foreign exchange receipts accruing from their claims on nonresidents and sell them in the foreign exchange market. Resident foreigners must repatriate only foreign exchange receipts that result from their

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		activities in Morocco. Repatriation must take place within one month of the date of the claim. For exports of services, repatriation must be made within, 90 days of the provision of services. Exporters of services from Morocco and entities engaged in work or the provision of services abroad may grant credits to their foreign clients in an amount not to exceed 85% of the value of the services provided.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Exporters of services may keep up to 70% of their foreign exchange receipts in foreign currency or convertible dirham accounts. Proceeds from exports of services must be repatriated within 60 days following the date on which the services are delivered.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Moroccan residents and legal entities must repatriate foreign exchange receipts accruing from their claims on nonresidents and sell them in the foreign exchange market. Repatriation must take place within one month of the date of such claims. Resident foreigners must repatriate only foreign exchange receipts that result from their activities in Morocco.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds generated by investments and placements abroad must be repatriated and surrendered on the foreign exchange market within 30 days following the date on which such proceeds are collected.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Nonresidents may purchase Moroccan securities without limitation.
Sale or issue locally by nonresidents	Yes.	The issuance of capital market securities by nonresidents is subject to authorization. There are, however, no restrictions on the sale of Moroccan securities by nonresidents. Proceeds from such sales may be transferred freely, provided the relevant purchases are financed by foreign exchange inflows or other comparable means. In other cases, the proceeds must be deposited in a convertible dirham account and may be transferred abroad over a four-year period.
Purchase abroad by residents	Yes.	Purchases of foreign securities by Moroccan residents and transfers of the funds required for such purchases are subject to FEO approval. Authorized banks may transfer funds on behalf of resident corporations in operation for at least three years to purchase shares in existing companies, up to, effective January 3, 2022, DH 200 million a calendar year (previously, up to DH 100 million a calendar year for investment in Africa and DH 50 million for other continents). The investment must relate to the usual activity of the resident corporation. Resident foreigners may purchase securities and other funds, provided these purchases are financed from their foreign exchange holdings abroad or from their foreign exchange accounts or

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		convertible dirham accounts. Moroccan firms in which a foreign company's share is over 50% may enter their resident active employees in "shareholder plans" issued by their parent company, up to 10% of annual pay net of income tax, social security contributions, and any other amount the employee is required to pay.
Sale or issue abroad by residents	Yes.	These transactions are subject to FEO approval.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	There is no minimum holding period requirement for such bonds.
Sale or issue locally by nonresidents	Yes.	FEO approval is required.
Purchase abroad by residents	Yes.	Purchases abroad of bonds and other debt securities by residents are subject to FEO authorization. Authorized banks may transfer funds for the purchase of financial instruments listed or traded on regulated markets on their own behalf or on behalf of (1) insurance and reinsurance companies for up to 5% of the total volume of their reserves, (2) retirement agencies for up to 5% of the total volume of their reserves, and (3) UCITS and OPCCs for up to 10% of their net assets for dirham-denominated subscriptions and 100% for foreign-currency-denominated subscriptions. Resident foreign nationals may engage in these transactions, provided they are financed with their own foreign exchange holdings.
Sale or issue abroad by residents	Yes.	Approval is required.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The issuance of these instruments by nonresidents is subject to authorization.
Purchase abroad by residents	Yes.	Purchases abroad of money market instruments by residents are subject to FEO authorization. Authorized banks may transfer funds to purchase financial instruments listed or traded on regulated markets on their own behalf and on behalf of (1) insurance and reinsurance companies for up to 5% of the total volume of their reserves, (2) retirement agencies for up to 5% of the total volume of their reserves, and (3) UCITS and OPCCs for up to 10% of their net assets for dirham-denominated subscriptions and 100% for subscriptions collected in foreign currency. Resident foreign nationals may engage in these transactions, provided they are financed with their own foreign exchange holdings.
Sale or issue abroad by residents	Yes.	These operations are subject to FEO approval.
On collective investment securities	Yes.	The regulations governing money market instruments apply.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The issuance of these instruments by nonresidents is subject to authorization.
Purchase abroad by residents	Yes.	Purchases abroad by residents are subject to FEO authorization. Authorized banks may transfer funds for the purchase of financial instruments listed or traded on regulated markets on their own behalf and on behalf of (1) insurance and reinsurance companies for up to 5% of the total volume of their reserves, (2) retirement agencies for up to 5% of the total volume of their reserves, and (3) UCITS and OPCCs for up to 10% of their net assets for dirham-denominated subscriptions and 100% for foreign-currency-denominated

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		subscriptions. Resident foreign nationals may engage in these transactions, provided they are financed with their own foreign exchange holdings.
Sale or issue abroad by residents	Yes.	Approval is required.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Authorized intermediary banks may offer instruments to hedge against exchange, interest rate, and commodity price fluctuation risks only to resident operators.
Sale or issue locally by nonresidents	Yes.	Only Moroccan banks may offer instruments to hedge against exchange, interest rate, and commodity price fluctuation risks to operators.
Purchase abroad by residents	Yes.	Derivatives transactions must be based on real trade or financial transactions and may not be speculative. Economic agents may negotiate directly with international broker-dealers or through authorized banks to hedge against price fluctuation risk for certain commodities that are or may be traded on a secondary market. These transactions must take place through dedicated multicurrency accounts at Moroccan banks. Authorized banks may offer their customers options for exchanging dirhams and foreign currency and one foreign currency for another, to the exclusion of foreign instruments. To hedge against customer risk, authorized banks must have recourse to the local interbank market. If they are unable to find the appropriate hedging instrument in the local market, they may turn to the international market for foreign exchange hedging instruments. Hedging transactions must be backed by the foreign exchange options selected by customers. Authorized intermediary banks may also offer instruments to hedge against the risk of interest rate fluctuation to resident economic operators with foreign loans. Authorized banks may offer their customers forward cover for foreign exchange and may do so by borrowing or investing foreign exchange at the same maturities as the hedging operations. Authorized intermediaries may also sign, on their own behalf or on behalf of their customers (1) spot or forward contracts for foreign currency swaps, (2) swap contracts with their foreign correspondents, and (3) swap contracts for foreign exchange and dirhams, regardless of the maturity date, on behalf of Moroccan companies with concessional financing by foreign governments or public agencies or international development institutions. For hedging against any risk inherent in any asset or debt, banks may conclude these transactions only on a proprietary basis or on behalf of certain institutional entities – credit institutions and similar entities, insurance companies, and collective investment funds (organismes de placement collectif en titrisation). Institutional investors were also allowed to cover capital transactions, such as investments made abroad by UCITS or insurance companies.
Sale or issue abroad by residents	Yes.	These operations are subject to FEO approval.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Exporters of goods may extend commercial credit to nonresidents for up to 150 days. Credit with longer terms may be extended with FEO approval, if justified on the basis of commercial necessity. Authorized intermediary banks may use funds from foreign exchange accounts opened in the names of exporters of goods and services, resident nationals, and resident and nonresident foreigners for their lines of credit to each other, especially for buyer credits to foreign

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		customers of Moroccan exporters. Exporters and authorized intermediary banks may provide supplier credits or buyer credits to foreign customers for up to 85% of the value of exported goods or works and the provision of services abroad. These credits may be granted for a short or medium term for all categories of goods and services and for a long term for capital goods (repayment up to eight years).
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Local banks may extend loans in dirhams to foreign nonresident individuals for the purchase or development of Moroccan real estate, up to 70% of the value of the real estate to be purchased or developed. Moroccans residing abroad are also permitted such credits. These loans must be serviced with funds transferred from abroad or with debits from convertible dirham accounts. Banks may grant dirham-denominated consumer loans to foreign personnel working for diplomatic representations accredited in Morocco or international organizations based or represented in Morocco.
To residents from nonresidents	Yes.	Resident enterprises may obtain loans abroad without limitation, provided they are backed by investment or foreign trade transactions. Repayment must be made from Morocco through the banking system.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Banks are authorized to issue bank guarantees and guarantees to residents to cover commitments made to nonresidents, when such commitments arise from current or capital transactions carried out in accordance with the provisions of the 2020 General Instruction on Foreign Exchange Operations.
To residents from nonresidents	Yes.	Banks are authorized to issue or to accept bank guarantees and guarantees to nonresidents to cover commitments made to residents, when such commitments arise from current or capital transactions carried out in accordance with the provisions of the 2020 General Instruction on Foreign Exchange Operations. Guarantees and sureties issued by Moroccan banks on behalf of a nonresident to a resident must be counter-secured by foreign banks.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment is subject to FEO approval, but resident firms in operation for at least three years whose accounts have been certified by an external auditor may invest without authorization up to an annual maximum of DH 100 million for investment in Africa and DH 50 million for other continents. This investment must be related to the usual activity of the firm and may take various forms – for example, the establishment of new enterprises, equity participation in existing enterprises, the opening of representative or liaison offices, branches, etc. Investors may freely reinvest the proceeds from the sale or liquidation of their investments abroad. Resident foreigners may invest abroad, provided the operations are financed from their own funds abroad or from their holdings in convertible dirhams or foreign exchange. Financial enterprises having CFC status were allowed to engage in their outward investment operations: (1) with no requirements on the minimum number of activities (however, legal entities are required to show at least three years of minimum number of activities) and (2) with no restriction on the amount for the share subscribed for by

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		nonresidents or resident aliens in the capital of investment funds having CFC status (the ceilings of DH 100 million and DH 50 million apply only to shares subscribed for by residents).
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	There are no controls on transfers made directly through the banking system of the proceeds of the liquidation or sale of foreign investments, including capital gains, when such investment is financed by the sale of foreign exchange or by debit from a convertible dirham account in foreign currency.
Controls on real estate transactions	Yes.	These operations are subject to the investment regulations.
Purchase abroad by residents	Yes.	Purchases of real estate abroad by Moroccan residents require FEO authorization. Resident foreigners may purchase real estate abroad with funds from foreign exchange accounts.
Purchase locally by nonresidents	Yes.	Foreign nationals may purchase real estate, except farmland.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	These operations are subject to FEO approval. However, Moroccan banks may grant loans in dirhams to nonresident foreigners and Moroccans residing abroad for the purchase or development of real estate in Morocco, up to 70% of the price of the real estate to be purchased or developed. They may also grant dirham-denominated consumer loans to foreign personnel working for diplomatic representations accredited in Morocco or international organizations based or represented in Morocco.
To residents from nonresidents	Yes.	These operations are subject to FEO approval.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Gifts and grants are subject to authorization. However, transfers of inheritances may be effected freely if the inherited property is covered by convertibility arrangements. In other cases, eligible parties may enjoy transfer rights if such rights have not been already exercised by the deceased.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	These operations are unrestricted, provided they are financed from the foreign funds of the parties concerned or from their funds in foreign exchange or in convertible dirhams.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	On departure from Morocco, foreigners may freely transfer assets not subject to the convertibility arrangement up to, effective January 3, 2022, DH 50,000 (previously DH 30,000) or the equivalent for each year of residence in Morocco, in addition to other transfer rights (for example, income or savings). Any remainder must be deposited in a convertible term account.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	These earnings are transferable, provided the gambling was financed with foreign currency.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Commercial banks may borrow abroad only to finance foreign trade or investment operations on behalf of customers or as part of the introduction of forward cover for customers' foreign exchange swaps, with maturities equal to the duration of the hedging operations offered.
Maintenance of accounts abroad	Yes.	Banks may open and maintain accounts with their correspondents to effect outward payments and to manage hedging operations against price fluctuation risk for certain commodities. Authorized banks may deposit funds into accounts with banks in other countries.
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents by Moroccan banks is subject to FEO approval. However, banks may grant loans to nonresident foreign individuals for the purchase or development of real estate in Morocco, up to 70% of the value of the real estate. Moroccans residing abroad are permitted such credits. Banks may use cash in foreign exchange accounts held by foreign nationals, Moroccan nationals resident abroad, and exporters for buyer credits to foreign customers to finance Moroccan exports. Banks are authorized to issue guarantees in favor of foreign banks that grant medium- and long-term loans in foreign exchange to individual nonresident foreign nationals or to Moroccan nationals residing abroad, for the purchase of homes in Morocco, within the limit of 100% of the value of the asset to be acquired. Authorized intermediary banks may use funds from foreign exchange accounts opened in the names of exporters of goods and services, resident nationals, and resident and nonresident foreigners for their lines of credit to each other, especially for buyer credits to foreign customers of Moroccan exporters. Exporters and authorized intermediary banks may provide supplier credits or buyer credits to foreign customers for up to 85% of the value of exported goods or works and the provision of services abroad. These credits may be granted for a short or medium term for all categories of goods and services and for a long term for capital goods (repayment up to eight years).
Lending locally in foreign exchange	Yes.	Banks are authorized to use the foreign currency held in foreign exchange accounts opened on their books for the purpose of granting loans to finance import, export, international trade, and investment operations, and to finance the operational cycle of industrial companies located in EPZs located in Morocco.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These transactions are subject to FEO approval.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Convertible dirham and foreign exchange accounts are excluded from reserve requirements.
Liquid asset requirements	No.	Credit institutions must calculate this coefficient on the basis of accounting records of their head office in Morocco and, where applicable, of all their agencies and branches abroad.
Interest rate controls	No.	
Credit controls	Yes.	Overdrafts are not permitted in foreign exchange accounts.
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	No.	

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Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Overdrafts are not permitted in foreign exchange accounts.
Investment regulations	Yes.	
Abroad by banks	Yes.	These operations are subject to approval by the FEO and the monetary authorities. However, authorized banks may deposit foreign exchange with banks and purchase debt securities or other financial instruments listed or traded on regulated markets.
In banks by nonresidents	Yes.	These operations are subject to approval by the monetary authorities.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The assets and liabilities of these accounts are included in the calculation of banks' foreign exchange positions. The open foreign exchange position limit for each currency is 10% of net capital and 20% in aggregate for all currencies.
On nonresident assets and liabilities	Yes.	The assets and liabilities of these accounts are included in the calculation of banks' foreign exchange positions. The open foreign exchange position limit for each currency is 10% of net capital and 20% in aggregate for all currencies.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Insurance and reinsurance companies may invest abroad in the form of bank deposits with foreign banks, debt securities, and financial instruments listed or traded on regulated markets for up to 5% of the total volume of their reserves as recorded in the most recently closed balance sheet.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance and reinsurance companies may invest abroad in the form of bank deposits with foreign banks, debt securities, and financial instruments listed or traded on regulated markets for up to 5% of the total volume of their reserves as recorded in the most recently closed balance sheet.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds may invest abroad in the form of bank deposits with foreign banks, debt securities, and financial instruments listed or traded on regulated markets for up to 5% of the total volume of their reserves as recorded in the most recently closed balance sheet.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds may invest abroad in the form of bank deposits with foreign banks, debt securities, and financial instruments listed or traded on regulated markets for up to 5% of the total volume of their reserves as recorded in the most recently closed balance sheet.
Limits (min.) on investment portfolio held locally	No.	There is no minimum limit applicable to the portion of the investment portfolio that may be held locally.
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	Yes.	

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Limits (max.) on securities issued by nonresidents	Yes.	UCITS may invest abroad in the form of bank deposits with foreign banks, debt securities, and financial instruments listed or traded on regulated markets for up to 10% of the value of their assets. The foreign placement regime was extended to OPCCs with the possibility for UCITS and OPCCs to invest abroad up to 100% of collected subscriptions in foreign currencies.
Limits (max.) on investment portfolio held abroad	Yes.	UCITS may invest abroad in the form of bank deposits with foreign banks, debt securities, and financial instruments listed or traded on regulated markets for up to 10% of the value of their assets.
Limits (min.) on investment portfolio held locally	No.	There is no minimum limit applicable to the portion of the investment portfolio that may be held locally.
Currency-matching regulations on assets/liabilities composition	n.a.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	In Morocco, a central bank digital currency has not been launched yet. The Central Bank is in the research and experiment phase.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	No regulation exists pertaining to domestic circulation of retail central bank digital currency launched by another jurisdiction.
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market	n.r.	

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instruments		
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	n.r.	The national authorities (MOF, BAM, AMMC, and ODC) have issued statements urging the general public not to use crypto assets. A framework governing crypto assets is being developed by these authorities, in collaboration with the World Bank as part of technical assistance.
Controls on unbacked tokens	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on utility and security tokens	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on stablecoins	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	

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Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	n.r.	The national authorities (MOF, BAM, AMMC, and ODC) have issued statements urging the general public not to use crypto assets. A framework governing crypto assets is being developed by these authorities, in collaboration with the World Bank as part of technical assistance.
Domestic exchanges	n.r.	
Access to crypto exchange/trading platform by residents	n.r.	

Changes during 2022 and 2023

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*01/03/2022*	"Tourism allowance" foreign exchange accounts were eliminated. Previously, these accounts could be credited (1) with 100% of the tourism travel allowances and (2) with the tourism travel allowances for the individual's minor children or spouse. They could be debited (1) with foreign banknotes to meet needs associated with tourism or business travel; (2) with outward transfers or Internet purchases in connection with tourism travel; (3) for the issuance of bank checks and/or traveler' checks; and (4) for the issuance or charging of international bank cards issued in accordance with the exchange regulations.
	01/03/2022	Banks may open foreign exchange accounts for investment transactions abroad on behalf of Collective Real Estate Investment Funds (Organismes de Placement Collectif Immobilier).
	01/03/2022	Retirement pensions repatriated by foreigners residing in Morocco may be credited directly into ordinary dirham accounts opened in their names, for the past 12 months, on presentation to the bank of a copy of the corresponding pension form.
Accounts in domestic currency convertible into foreign currency	*01/03/2022*	The convertible dirham accounts opened to facilitate the use of tourist allowances were discontinued along with the discontinuance of travel allowances which were replaced by a personal travel allowance. Previously, these accounts could be credited (1) with 100% of the tourism travel allowances and (2) with the tourism travel allowances for the individual's minor children or spouse. They could be debited (1) with foreign banknotes to meet needs associated with tourism or business travel; (2) with outward transfers or Internet purchases in connection with tourism travel; (3) for the issuance of bank checks and/or traveler' checks; and (4) for the issuance or charging of international bank cards issued in accordance with the exchange regulations.

Nonresident Accounts

Domestic currency accounts	*01/03/2022*	Funds from convertible term accounts opened by nonresident foreigners whose funds are deemed nontransferable under the exchange regulations may be transferred within a maximum period of three years with the first 25% transferable immediately after crediting funds to the convertible term account. Previously, the transfer period was four years with a rate of 25% a year.
Blocked accounts	*01/03/2022*	Funds in convertible term accounts may be transferred within a maximum of three years (previously four years) at a rate of 25% a year with the first 25% tranche being available for transfer immediately after crediting funds to the convertible term account.

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Imports and Import Payments

Financing requirements for imports

Advance payment requirements	*01/03/2022*	Exporters who hold foreign exchange or convertible dirham accounts may make installments for the import of goods and/or services up to the rate stipulated in the commercial contract where payment is made by debiting foreign exchange or convertible dirham accounts opened in the name of the goods and/or services exporters.
	01/03/2022	Goods/services exporters may make advance payments (100% of the amount stipulated in the commercial contract) for goods and/or services imports.
	01/03/2022	When the transferred advance payment rate is exceeded by less than or equal to 5% of the total final invoice value, the bank domiciled in the location where the import document is based may settle the remainder of the value of the imported good.

Exports and Export Proceeds

Repatriation requirements	*01/03/2022*	Supplier and buyer credits to foreign customers for up to 85% of the value of exported goods and services may be granted for a short term only. Previously, they could be short or medium term for all categories of goods and services and long term for capital goods (repayment up to eight years).

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Payments for travel

Quantitative limits	*01/03/2022*	The Foreign Exchange Office (FEO) put in place a global allowance for personal travel in the amount of DH 100,000, plus an additional 30% income tax allowance, with an overall cap of DH 300,000 a person a calendar year. This allowance may be used for any type of personal travel abroad (for example, tourism, religious, medical, etc.) and also replaces the departure allowances (for example, education, medical care, etc.). Previously, the following were in place: (1) Tourism allowance: the ceiling on the tourism allowance was DH 200,000 and the indexation rate for the income tax supplement was 25%, with the option of carrying the unused portion forward once to the next year. As a result of the closing of air, sea, and land links to address the spread of COVID-19, the FEO decided to provide a DH 20,000 exceptional tourism allowance for Moroccan residents who had been stranded abroad and who had used all of their tourism allowance. This temporary measure ended when the borders reopened. The overall amount of the tourism allowance could not exceed DH 100,000 a person and a calendar year. (2) Religious travel allowance: DH 15,000 a person a calendar year for Umrah pilgrimage; DH 15,000 a person a calendar year for the Hajj pilgrimage; an additional DH 20,000 for the staff of the travel agency accompanying pilgrims, per accompanying person a trip.

Personal payments

Indicative limits/bona fide test	*01/03/2022*	For study abroad, banks may transfer allowances for living expenses of up to DH 12,000 a month (previously DH 10,000 a month).
	01/03/2022	The Foreign Exchange Office put in place a global allowance for personal travel in the amount of DH 100,000, plus an additional 30% income tax allowance, with an overall cap of DH 300,000 a person a calendar year. This allowance may be used for any type of personal travel abroad (for example, tourism, religious, medical, etc.) and also replaces the departure allowances (for example, education, medical

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care, etc.). Previously, there was an allowance for travel abroad for medical treatment up to the equivalent of DH 30,000 a trip, and an annual departure allowance equivalent to DH 25,000, paid in one or several installments for study abroad.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase abroad by residents	*01/03/2022*	Authorized banks may transfer funds on behalf of resident corporations in operation for at least three years to purchase shares in existing companies up to DH 200 million a calendar year (previously, up to DH 100 million a calendar year for investment in Africa and DH 50 million for other continents).
Controls on personal capital transactions		
Transfer of assets		
Transfer abroad by emigrants	*01/03/2022*	On departure from Morocco, foreigners may freely transfer assets not subject to the convertibility arrangement up to DH 50,000 (previously DH 30,000) or the equivalent for each year of residence in Morocco, in addition to other transfer rights (for example, income or savings).

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MOZAMBIQUE

(Position as of November 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 24, 1984.
Article VIII	Yes.	Date of acceptance, May 20, 2011.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Mozambique is the Mozambican metical. Polymer Mt 20, Mt 50, and Mt 100 notes are in circulation, and Mt 200, Mt 500, and Mt 1,000 notes have been improved to make them more durable. Also in circulation are Mt 0.50, Mt 1, Mt 2, Mt 5, and Mt 10 coins.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	Commercial banks must apply uniform exchange rates in their transactions with the public, irrespective of their nature or purpose, that is, the purchase and sale of foreign exchange involving notes, foreign currency and other foreign operations or receivables.
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is classified as floating. As one of the main conduits for foreign aid inflows, the Bank of Mozambique (Banco de Moçambique—BM) is one of the main channels for foreign exchange to enter the market. The BM intervenes to address disorderly market conditions and to accumulate and maintain an adequate stock of international reserves, with data on such interventions being published on the same date as the operations are carried out. BM also publishes foreign exchange Intervention Policy summary, daily and monthly foreign exchange

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		reference rates, daily intervention data, and daily foreign exchange market activity data on its website. BM operations in the interbank foreign exchange market (MCI) are carried out based on exchange rates freely quoted by commercial banks – commercial banks may also change their quotes at any time during MCI operating hours (from 08:00am until 03:30pm). As of December 2022, commercial banks are no longer required to quote exchange rates complying with a maximum spread of 2% between the exchange rates for buying and selling foreign currency. The de facto exchange rate arrangement is classified as a stabilized arrangement.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The reference exchange rate of the foreign exchange market on each date is the average of commercial banks' quotations weighted by the monthly market shares for the immediately previous month. The reference exchange rate is calculated three times a day, namely at 9:30, 12:30, and 15:30. The last exchange rate calculated on each day is the reference exchange rate for that date, which also serves to value the assets and liabilities of commercial banks on each date. Government transactions with BM are conducted at the reference exchange rate (for government purchases, BM sells foreign currency at the offer reference exchange rate, and for government sales, BM purchases foreign currency at the bid reference exchange rate).
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		

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Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The BM applies a monetary policy system based on the use of the policy interest rate, the interbank money market rate of Mozambique (MIMO), as the key instrument in pursuit of pre-established inflation targets for the government's economic policy time frame. The BM is building the basis for an inflation targeting framework. The Mozambican government sets the annual inflation target in its Social Economic Plan and State Budget (PESOE). The government established an average annual inflation target of 11.5% for 2023 (PESOE 2023). The target measure is the CPI. BM places emphasis on transparency in the communication of its monetary policy. The MPC decisions are announced through a Communiqué and/or a Press Conference led by the Governor of BM on the same day as the committee meeting, explaining the rationale behind decisions taken, the risks and uncertainties involved, as well as the intended outcomes. Additionally, BM communicates with the public through the Economic Outlook and Inflation Forecast Report (CEPI), the annual report, and social media.
Exchange tax	No.	

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Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	As of December 31, 2022, 13 banks and 6 exchange bureaus were authorized to transact foreign currency with their customers, at exchange rates freely negotiated between them. In addition to their operations with customers, banks may also transact among themselves and with the BM in the MCI. Exchange bureaus are only authorized to transact notes with their customers up to a limit of $10,000 per transaction, and they cannot conduct payment and transfer operations on behalf of their customers, nor participate in the MCI. Partial foreign exchange trading is considered the realization, on a professional basis, of purchase and sale operations of foreign currency, strictly related to the main activity of an entity, which is nonfinancial. Partial foreign exchange trading can be conducted by travel or tourism agencies, hotels and similar institutions, and other authorized entities. Effective December 30, 2022, commercial banks are no longer required to quote exchange rates complying with a maximum spread of 2% between the exchange rates for buying and selling foreign currency.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	Yes.	Effective June 5, 2023, the BM no longer provides foreign currency to the market for fuel imports. Previously, it intervened on the market through bilateral operations to share up to 100% of the payment of invoices for imports of fuel, on request, and on the presentation of the documentation by the banks to avoid disorderly market conditions. Under the Foreign Exchange Intervention Policy, the BM only intervenes to address disorderly market conditions and to accumulate and maintain an adequate stock of international reserves, and these interventions may take place through auctions or allocation.
Auction	No.	Under the Foreign Exchange Intervention Policy, the BM only intervenes to address disorderly market conditions and to accumulate and maintain an adequate stock of international reserves, and these interventions may take place through auctions or allocation.
Fixing	Yes.	The BM conducts fixing sessions three times a day, namely at 9:30, 12:30, and 15:30. The result of the fixing sessions is the reference exchange rate of the foreign exchange market. Commercial banks quotes, inserted in the BM's system (Meticalnet), are used for the fixing sessions. Commercial banks use their quotes to transact with their clients, and they may change them at any time during MCI operating hours from 08:00 until 15:30.
Interbank market	Yes.	Commercial banks that participate in the MCI may conduct foreign exchange buying and selling operations between themselves at, effective May 20, 2022, freely negotiated rates (previously within the maximum spread between buying and selling prices set by the BM). As of December 31, 2022, there were 12 banks participating in the MCI.
Over the counter	Yes.	Commercial banks may engage in interbank transactions through the MCI. Exchange bureaus may not participate in the MCI.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Banks and their customers are allowed to trade financial derivatives.

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		Foreign exchange forward operations, foreign exchange swaps, interest rate swaps, and forward rate agreements are authorized. All other financial derivatives require authorization from the BM to be carried out. Participants may agree to use the International Swaps and Derivatives Association (ISDA) Master Agreement for financial derivative transactions.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	The metical is not a freely convertible currency.
For current transactions and payments	Yes.	All current transactions must be settled in freely convertible currencies.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	All capital transactions must be settled in freely convertible currencies.
Transactions in derivatives and other instruments	Yes.	All capital transactions must be settled in freely convertible currencies.
Credit operations	Yes.	All capital transactions must be settled in freely convertible currencies.
Use of foreign exchange among residents	Yes.	The use of foreign exchange between residents is not permitted, except in cases clearly established in Notice No. 10/GBM/2019 of December 20, 2019, and in special foreign exchange regimes held by some entities.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BM is responsible for foreign exchange policy and administers its control.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Gold exports are subject to BM approval.
On domestic ownership and/or trade	Yes.	Other residents that are not monetary authorities may hold gold for numismatic purposes or as jewelry or ornaments.
On external trade	Yes.	Imports of nonmonetary gold are governed by the same regulations that apply to other imported products. Gold exports are subject to registration and approval by the BM.
Controls on exports and imports of banknotes	Yes.	

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On exports	Yes.	
Domestic currency	Yes.	Exports of banknotes and coins in meticais are exclusively for numismatic purposes and public exhibitions, as it is not a freely convertible currency, and require prior authorization from BM. In addition, banknotes taken out of the country in amounts exceeding Mt 10,000 must be declared.
Foreign currency	Yes.	The exporting of foreign banknotes and coins is subject to authorization by the BM. In addition, the equivalent of up to US $10,000 may physically be taken out of the country, and amounts exceeding this limit must be declared.
On imports	Yes.	
Domestic currency	Yes.	There is no provision for importing banknotes in domestic currency as it is not freely convertible. However, it should be borne in mind that the physical entry of domestic currency in amounts exceeding Mt 10,000 must be declared.
Foreign currency	Yes.	The importing of foreign banknotes and coins is subject to authorization from BM. In addition, foreign currency brought into the country exceeding US$10,000 must be declared.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Effective January 29, 2023, residents may open accounts in foreign exchange in the country without authorization from the BM when they have verified relationships abroad or with nonresidents. Foreign exchange accounts may be credited with (1) deposits of banknotes and traveler's checks; (2) bank account transfers; (3) funds from foreign loans; (4) deposits of other payment instruments accepted by the banking system; (5) funds from loans or intended to repay such loans; and (6) export proceeds and foreign investment income without limits. Foreign exchange may be withdrawn from resident accounts only for travel abroad and is limited to the equivalent of US$10,000 a transaction. For local payments, the funds need to be converted to local currency. Balances in these accounts may not be transferred abroad freely. These accounts may be debited for payments abroad, subject to Notice No. 20/GBM/2017 of December 27, 2017 (Foreign Exchange Rules and Procedures).
Approval required	Yes.	Effective January 29, 2023, residents may open accounts in foreign exchange in the country without authorization from the BM when they have verified relationships abroad or with nonresidents.
Held abroad	Yes.	The opening of these accounts is subject to authorization from the BM. When the account openings have been authorized, the holders must transact with the accounts according to the terms and conditions of the authorization. However, the balances of accounts abroad may be freely transferred into Mozambique.
Approval required	Yes.	Residents must obtain BM approval to open these accounts.
Accounts in domestic currency held abroad	No.	The domestic currency, the Metical, is not freely convertible. Domestic currency accounts may not be held abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Domestic currency may only be converted to foreign currency if it is for the purpose of a payment abroad.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	Authorization is required from the BM when related to capital

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		transactions.
Domestic currency accounts	Yes.	Domestic currency accounts held in connection with capital operations are subject to approval by the BM.
Convertible into foreign currency	Yes.	This is only permitted for outward payments.
Approval required	Yes.	Approval is required when these accounts involve capital operations.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	The single-document (DU) is the main document for customs clearance of all goods entering and leaving Mozambique. Terms of Agreement for Bank Intermediation in the Importing of Goods is required at the commercial bank that will liquidate the payment and DU proving the entrance of the goods must be presented within 90 days from the payment day.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Approval is not required for payments and transfers for current transactions, but banks must exercise the duty of verification and recording.
Domiciliation requirements	Yes.	Import transactions must be carried out through a commercial bank.
Preshipment inspection	Yes.	Preshipment inspection is required for a positive list of goods.
Letters of credit	No.	The law not only recommends the use of LCs and documentary remittances or collection (because they entail less risk) but also permits the use of other means widely used in international trade.
Import licenses used as exchange licenses	No.	
Other	Yes.	Terms of Agreement for Bank Intermediation in the Importing of Goods (Termo de Compromisso de Importação) is required.
Import licenses and other nontariff measures	Yes.	Imports must be registered with the customs authorities. An import clearance (“single-document” form) and Terms of Agreement for Bank Intermediation in the Importing of Goods (Termo de Compromisso de Importação) are required.
Positive list	No.	
Negative list	Yes.	There is a negative list under the current commercial code.
Open general licenses	No.	Single licenses are issued.
Licenses with quotas	No.	
Other nontariff measures	Yes.	The issuance of Importing Agreement Terms is required.
Import taxes and/or tariffs	Yes.	Effective January 1, 2023, the VAT on imports was reduced to 16% from 17%, and the new customs tariff entered into force. The fuel tax was eliminated and became part of the specific consumption tax, which selectively taxes the consumption of certain goods contained in specific legislation and is levied once on the producer or importer depending on the case.

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Taxes collected through the exchange system	Yes.	Sugar imports are subject to a variable surcharge.
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Proceeds from exports of goods must be repatriated within 90 days from the date of shipment. All export proceeds must be collected through commercial banks. Some entities are subject to special foreign exchange regimes giving them the right to hold their export proceeds abroad.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	To address the COVID-19 pandemic, since June 10, 2020, 30% of revenue from the exporting of goods and services, and proceeds from investments must be converted to domestic currency with the commercial bank that serves as the intermediary of the transaction at its current exchange rate at the time of the transaction.
Financing requirements	No.	
Documentation requirements	Yes.	Exporters must present the export clearance ("single-document" form), a commercial invoice, and a bill of lading.
Letters of credit	No.	The law recommends the use of letters of credit, documentary collection, and transfers (direct payment in advance or in arrears) in order of preference.
Guarantees	No.	
Domiciliation	Yes.	Transactions must be carried out through a commercial bank.
Preshipment inspection	Yes.	Inspection is performed only at the request of an importer.
Other	Yes.	The issuance of Export Agreement Terms is required.
Export licenses	Yes.	Exports must be registered with customs. An export clearance ("single-document" form) is required. Exports of gold, silver, platinum, and other precious metals in ingots or in other unprocessed forms are subject to approval and registration by the BM.
Without quotas	Yes.	
With quotas	No.	
Export taxes	Yes.	Exports of raw cashew nuts are subject to an 18% overvaluation tax.
Collected through the exchange system	No.	
Other export taxes	Yes.	Exports of raw cashew nuts are subject to an 18% overvaluation tax.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	According to regulations pursuant to Foreign Exchange Law No. 28/2022, payments and transfers for current transactions do not require approval but must be registered at the respective intermediary commercial bank.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The transfer of profits and dividends from foreign direct investment does not require authorization from the BM. For other profit and dividend transfers, the enterprise initiating the transfer must present certain documents, including its balance sheet, a certificate from the tax authorities, minutes of shareholders' meetings, and proof of the original investment by the foreign investor.
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	Yes.	.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Foreign workers providing technical assistance in Mozambique may transfer all or part of their wages abroad under the terms of the relevant labor contracts. Notice No. 20/GBM/2017 of December 27, 2017.
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	Authorization by the BM is not required. Commercial banks may set quantitative limits to the use of their customers' credit cards abroad.
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	The repatriation of revenue from exports of services and proceeds from outward investments is mandatory within 90 days from the date of receipt of the price or relevant fees. All export revenue must be

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		received through commercial banks. Some institutions are subject to special foreign exchange regimes giving them the right to hold their export revenue abroad.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	To address the COVID-19 pandemic, since June 10, 2020, a requirement was introduced for 30% of the revenue from the export of goods, services, and investment income to be converted to national currency at the commercial bank serving as the intermediary of the transaction at its current exchange rate at the time of the transaction. As of February 16, 2021, this measure no longer applies to revenues deriving from payments by nonresident entities for the use of real properties owned by residents and wages for services provided by residents to embassies and other diplomatic and consular representative offices established in Mozambique.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Controls apply to all capital transactions in accordance with Law No. 28/2022 on Foreign Exchange of December 29, 2022. With the entry into force of Notice No. 20/GBM/2017 of December 27, 2017, some capital operations were pre-authorized and are only subject to inspection and registration with commercial banks. Pursuant to this law, regulations have established procedures for (1) obtaining BM approval and registration of capital transactions and (2) issuing penalties for violations of the current regulatory texts.
Repatriation requirements	Yes.	The repatriation of revenue from exports of services and proceeds from outward investments is mandatory within 90 days from the date of receipt of the price or relevant fees. All export revenue must be received through commercial banks. Some institutions are subject to special foreign exchange regimes giving them the right to hold their export revenue abroad where they received the funds at the current exchange rate at the time of the transaction.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	To address the COVID-19 pandemic, since June 10, 2020, a requirement was introduced for 30% of the revenue from the export of goods, services, and investment income to be converted to national currency at commercial banks at its current exchange rate at the time of the transaction.
Controls on capital and money market instruments	Yes.	Pension funds may invest in securities abroad up to 10% of total assets.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Subject to prior authorization from the BM for amounts exceeding US$250,000 a year.
Purchase locally by nonresidents	Yes.	BM approval is required if the transaction is not conducted on the stock exchange. This includes mergers and acquisitions involving foreign investors.
Sale or issue locally by nonresidents	Yes.	Subject to prior authorization from the BM. There are no records of such situations in Mozambique.
Purchase abroad by residents	Yes.	BM approval is required prior to the transaction for amounts above US$250,000 a year.
Sale or issue abroad by residents		

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	Yes.	BM approval is required prior to the transaction.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Stock exchange purchases must be intermediated by banks, in which case no prior approval is required. However, operations outside of the stock exchange in Mozambique require prior authorization from BM.
Sale or issue locally by nonresidents	Yes.	BM approval is required prior to the transaction. There are no registered cases of such transactions in Mozambique.
Purchase abroad by residents	Yes.	BM approval is required prior to the transaction for amounts above US$250,000 a year.
Sale or issue abroad by residents	Yes.	BM approval is required prior to the transaction.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Prior BM approval is required for these transactions.
Sale or issue locally by nonresidents	Yes.	Prior BM approval is required for these transactions.
Purchase abroad by residents	Yes.	Prior BM approval is required for these transactions for amounts above US$250,000 a year.
Sale or issue abroad by residents	Yes.	Prior BM approval is required for these transactions.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	BM approval is required prior to the transaction.
Sale or issue locally by nonresidents	Yes.	BM approval is required prior to the transaction.
Purchase abroad by residents	Yes.	BM approval is required prior to the transaction for amounts above US$250,000 a year.
Sale or issue abroad by residents	Yes.	BM approval is required prior to the transaction.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	BM approval is required prior to the transaction.
Sale or issue locally by nonresidents	Yes.	BM approval is required prior to the transaction.
Purchase abroad by residents	Yes.	BM approval is required prior to the transaction.
Sale or issue abroad by residents	Yes.	BM approval is required prior to the transaction.
Controls on credit operations	Yes.	Controls apply to all credit operations. Public and private enterprises need BM approval to borrow abroad. Notice No. 20/GBM/2017 of December 27, 2017, pre-authorizes some types of loans, and specifically those in amounts less than or equal to US$5 million having maturities of at least three years, and certain interest rate terms and conditions, so that the relevant recording occurs with commercial banks.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	BM approval is required prior to the transaction for credit exceeding two years.
To residents from nonresidents	Yes.	BM approval is required prior to the transaction for credit exceeding two years.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Subject to prior authorization from the BM.

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To residents from nonresidents	Yes.	Subject only to prior authorization from the BM, with some exceptions, and specifically those in amounts less than or equal to US$5 million having maturities of at least three years, and certain interest rate terms and conditions.
Guarantees, sureties, and financial backup facilities	Yes.	Controls apply to all transactions in sureties, guarantees, and financial backup facilities.
By residents to nonresidents	Yes.	BM approval is required, except in the case of guarantees for periods of 360 days or less and all those involving current transactions.
To residents from nonresidents	Yes.	BM approval is required prior to the transaction.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	BM approval is required prior to the transaction for amounts above US$250,000 a year.
Inward direct investment	Yes.	With the entry into force of Notice No. 20/GBM/2017 of December 27, 2017, FDI operations in the country are pre-authorized, and it is sufficient to register with a commercial bank, without limit. Foreign investors are guaranteed the right to repatriate their initial capital. Incentives for foreign investment include tax and customs exemptions for specified periods and access to domestic credit. Foreign investment proposals designed to receive some type of tax exemption must be submitted to the Investment and Export Promotion Agency (APIEX). Foreign investors may export profits from their projects as dividends according to the specific project authorization or on submission of supporting documentation. BM approval is required for mergers and acquisitions involving foreign investors.
Controls on liquidation of direct investment	Yes.	Transfer of the invested capital on liquidation is subject to approval of the BM.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	BM approval is required prior to the transaction for amounts above US$250,000 a year.
Purchase locally by nonresidents	Yes.	Nonresidents are prohibited from purchasing real estate from the government, but may purchase properties from private entities subject to prior authorization from the BM.
Sale locally by nonresidents	Yes.	BM approval is required prior to the transaction.
Controls on personal capital transactions	Yes.	These transactions are subject to foreign exchange control and BM approval. Approval depends on (1) the legitimacy and lawfulness of the transaction and (2) compliance with tax liabilities. There are no quantitative limits.
Loans	Yes.	
By residents to nonresidents	Yes.	BM approval is required prior to the transaction.
To residents from nonresidents	Yes.	BM approval is required prior to the transaction.
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	Since April 2011, the transfer of gifts, endowments, inheritances, and legacies is considered a unilateral transaction and is not subject to prior BM approval.
To residents from nonresidents	No.	Since April 2011, the transfer of gifts, endowments, inheritances, and legacies is considered a unilateral transaction and is not subject to prior BM approval.
Settlement of debts abroad by immigrants	Yes.	BM approval is required prior to the transaction. When prior authorization has been obtained from the BM, no authorization is

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		required.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	BM approval is required prior to the transaction.
Transfer into the country by immigrants	Yes.	BM approval is required prior to the transaction.
Transfer of gambling and prize earnings	No.	Earnings from gambling are fully transferable, provided they are confirmed by a casino and by the Office of the General Inspector of Gambling, in accordance with a special permanent authorization granted to casinos by the BM.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Approval is required, and all foreign borrowing must be registered with the BM, with some exceptions, particularly for amounts less than or equal to US$5 million having maturities of at least three years and certain interest rate terms and conditions.
Maintenance of accounts abroad	Yes.	BM approval is required.
Lending to nonresidents (financial or commercial credits)	Yes.	This is considered a capital transaction subject to the Foreign Exchange Law. Authorization from the BM is required, but there are no quantitative limits.
Lending locally in foreign exchange	Yes.	Credit institutions that grant credit in foreign currency to non-exporting entities must raise specific provisions of 50% of the amount granted, at the inception, and 100% if the credit becomes past due. For exporters, it is not required to have a specific provision at the inception and if the credit becomes past due it will be subject to provisions rates set out in Articles 6 and 10 of Notice No. 16/GBM/2013 of December 31, 2013.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Commercial banks must maintain mandatory reserves on a monthly basis representing a minimum of, effective May 31, 2023, 39% of their liabilities in domestic currency (previously, it was increased to 28% from 10.5% effective February 22, 2023) and 39.5% of their liabilities in foreign exchange (previously, it was increased to 28.5% from 11.5% effective February 22, 2023).
Liquid asset requirements	No.	The daily liquidity ratio must be a minimum of 25%. This is the proportion of liquid assets and short-term liabilities (those maturing within 12 months). Assets and liabilities must be denominated in domestic currency, and there are no specific requirements for accounts in foreign currency.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	

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Investment regulations	Yes.	Commercial banks and other credit institutions are subject to Law No. 08/2023 of June 9, 2023 (Private Investment Law), Law No. 28/2022 (Foreign Exchange Law), and Notice No. 20/GBM/2017 of December 27, 2017 (Foreign Exchange Regulation).
Abroad by banks	Yes.	Commercial banks and other credit institutions are subject to the following limits in relation to risk positions which they assume: (1) In relation to a single counterparty, individually or as a whole, it may not exceed 25% of Tier 1 Capital; (2) In relation to related entities and intragroup transactions, it may not exceed (a) 25% of Tier 1 Capital in the case of financial entity counterparty; (b) 10% of Tier 1 Capital in the case of a nonfinancial entity; (3) The aggregate value of the related or intra-group entities may not exceed 30% of 1 Capital; (4) The aggregate value of large reinforced risks may not exceed six times Capital Level 1; (5) Risk exposures relating to interbank operations have a limit of 25% of Tier 1 Capital.
In banks by nonresidents	Yes.	FDI operations in banks by nonresidents are pre-authorized, and it is sufficient to register with a commercial bank, without limit (Notice No. 20/GBM/2017). Other types of investment are subject to prior approval from BM.
Open foreign exchange position limits	Yes.	Limits are set as a percentage of total regulatory capital. At the end of each day, credit institutions must not have an overall foreign exchange position exceeding 20% of their regulatory capital or a foreign exchange position in one foreign currency exceeding 10% of their regulatory capital.
On resident assets and liabilities	Yes.	Limits on foreign exchange positions are based on credit institutions' regulatory capital regardless of their residence status.
On nonresident assets and liabilities	Yes.	Limits on foreign exchange positions are based on credit institutions' regulatory capital regardless of their residence status.
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	Decree-Law No. 1/2010 of December 31, 2010, establishes mandatory prudential guarantees for insurance activities, and Decree No. 30/2011 of August 11, 2011, regulates the conditions for access to and engaging in insurance activity.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Decree No. 25/2009 of August 17, 2009, establishes the legal framework governing the constitution and management of pension funds, representing complementary social security.
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds may invest in securities abroad up to 10% of total assets.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds may invest in securities abroad up to 10% of total assets.
Limits (min.) on investment portfolio held locally	Yes.	The following limits apply: (1) public debt securities of the government of Mozambique—100%; (2) convertible bonds, stocks, or instruments entailing subscription rights to stocks and ownership units in securities investment funds for which the investment policies primarily involve stock—40%; (3) bonds and other debt instruments—60%; (4) time deposits—35%; (5) investments in buildings, credits deriving from mortgages and loans to participants in the Fund, stock in securities companies, and ownership units in

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		securities investment funds—50%.
Currency-matching regulations on assets/liabilities composition	Yes.	There is a 25% limit on assets denominated in currencies other than those in which the pension fund's liabilities are denominated.
Investment firms and collective investment funds	Yes.	Decree No. 54/99 of September 8, 1999, states that investment funds are prohibited from acquiring (1) shares in a fund managed by the same asset management unit; (2) any assets used as collateral or guarantees or otherwise pledged; (3) securities issued or held by the asset management company; (4) securities issued or held by entities holding a 10% or more interest in the asset management company; (5) securities issued or held by entities in which the asset management company holds an interest of 20% or more; (6) securities issued by entities that are members of the management or executive body of the asset management company; (7) securities issued or held by entities in which one or more members of the management or executive body hold an interest of 20% or more; (8) securities issued or held by entities on whose management or executive body one or more administrators of the asset management company serve; (9) securities placed on the market pursuant to placement agreements by the asset management company, the custodian, and by entities holding an interest of 10% or more in the asset management company, except in the case of initial public offerings; and (10) jointly owned real property. Regulations on the limits on portfolio investments and the composition of investment funds are currently being prepared.
Limits (max.) on securities issued by nonresidents	Yes.	Mozambique Stock Exchange rules apply. BM approval is required prior to the transaction for amounts above US$250,000 a year.
Limits (max.) on investment portfolio held abroad	Yes.	Mozambique Stock Exchange rules apply. BM approval is required prior to the transaction for amounts above US$250,000 a year.
Limits (min.) on investment portfolio held locally	Yes.	Mozambique Stock Exchange rules apply.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.

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Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Foreign exchange operations involving payments or receipts abroad must be carried out exclusively through banks and service providers of payment services authorized for this purpose. Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, effective November 14, 2023, banks and financial institutions may carry out activities with virtual assets subject to BM registration. As of November 30, 2023, the BM has not registered any entity yet.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Foreign exchange operations involving payments or receipts abroad must be carried out exclusively through banks and service providers of payment services authorized for this purpose. Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, effective November 14, 2023, banks and financial institutions may carry out activities with virtual assets subject to BM registration. As of November 30, 2023, the BM has not registered any entity yet.
Transactions in derivatives and other instruments	Yes.	Foreign exchange operations involving payments or receipts abroad must be carried out exclusively through banks and service providers of payment services authorized for this purpose. Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, effective November 14, 2023, banks and financial institutions may carry out activities with virtual assets subject to BM registration. As of November 30, 2023, the BM has not registered any entity yet.
Credit operations	Yes.	Foreign exchange operations involving payments or receipts abroad

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		must be carried out exclusively through banks and service providers of payment services authorized for this purpose. Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, effective November 14, 2023, banks and financial institutions may carry out activities with virtual assets subject to BM registration. As of November 30, 2023, the BM has not registered any entity yet.
Controls on utility and security tokens	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Foreign exchange operations involving payments or receipts abroad must be carried out exclusively through banks and service providers of payment services authorized for this purpose. Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, effective November 14, 2023, banks and financial institutions may carry out activities with virtual assets subject to BM registration. As of November 30, 2023, the BM has not registered any entity yet.
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Controls on stablecoins	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Foreign exchange operations involving payments or receipts abroad must be carried out exclusively through banks and service providers of payment services authorized for this purpose. Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, effective November 14, 2023, banks and financial institutions may carry out activities with virtual assets subject to BM registration. As of November 30, 2023, the BM has not registered any entity yet.
For capital transactions	Yes.	

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Transactions in capital and money market instruments	Yes.	Foreign exchange operations involving payments or receipts abroad must be carried out exclusively through banks and service providers of payment services authorized for this purpose. Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, effective November 14, 2023, banks and financial institutions may carry out activities with virtual assets subject to BM registration. As of November 30, 2023, the BM has not registered any entity yet.
Transactions in derivatives and other instruments	Yes.	Foreign exchange operations involving payments or receipts abroad must be carried out exclusively through banks and service providers of payment services authorized for this purpose. Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, effective November 14, 2023, banks and financial institutions may carry out activities with virtual assets subject to BM registration. As of November 30, 2023, the BM has not registered any entity yet.
Credit operations	Yes.	Foreign exchange operations involving payments or receipts abroad must be carried out exclusively through banks and service providers of payment services authorized for this purpose. Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, effective November 14, 2023, banks and financial institutions may carry out activities with virtual assets subject to BM registration. As of November 30, 2023, the BM has not registered any entity yet.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	The BM is responsible for licensing and regulating the virtual asset service providers effective August 28, 2023.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Spot exchange market	*12/30/2022*	Commercial banks are no longer required to quote exchange rates complying with a maximum spread of 2% between the exchange rates for buying and selling foreign currency.
Operated by the central bank		
Allocation	*06/05/2023*	The Bank of Mozambique (Banco de Moçambique) no longer provides foreign currency to the market for fuel imports. Previously, it intervened on the market through bilateral operations to share up to 100% of the payment of invoices for imports of fuel, on request, and on the presentation of the documentation by the banks to avoid disorderly market conditions.
Interbank market	*05/20/2022*	Commercial banks that participate in the interbank foreign exchange market may arrange foreign exchange buying and selling operations between themselves at freely negotiated rates (previously within the maximum spread between buying and selling prices set by the Bank of Mozambique (Banco de Moçambique)).

Resident Accounts

Foreign exchange accounts permitted

Held domestically	*01/29/2023*	Residents may open accounts in foreign exchange in the country without authorization from the Bank of Mozambique (Banco de Moçambique) when they have verified relationships abroad or with nonresidents.
Approval required	*01/29/2023*	Residents may open accounts in foreign exchange in the country

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without authorization from the Bank of Mozambique (Banco de Moçambique) when they have verified relationships abroad or with nonresidents.

Imports and Import Payments

Import taxes and/or tariffs	*01/01/2023*	The VAT on imports was reduced to 16% from 17%.
	01/01/2023	The fuel tax was eliminated and became part of the specific consumption tax, which selectively taxes the consumption of certain goods contained in specific legislation and is levied once on the producer or importer depending on the case.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*02/22/2023*	The reserve requirement was increased to 28% from 10.5% for liabilities in domestic currency and to 28.5% from 11.5% for liabilities in foreign exchange.
	05/31/2023	The reserve requirement was increased to 39% from 28% for liabilities in domestic currency and to 39.5% from 28.5% for liabilities in foreign exchange.

Digital Currencies and Crypto Assets

Crypto assets		
Controls on unbacked tokens		
Between residents and nonresidents		
For current transaction	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
For capital transactions		
Transactions in capital and money market instruments	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
Transactions in derivatives and other instruments	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
Credit operations	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
Controls on utility and security tokens		
Between residents and nonresidents		
For current transaction	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
For capital transactions		
Transactions in capital and money market instruments	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023,

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		banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
Transactions in derivatives and other instruments	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
Credit operations	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
Controls on stablecoins		
Between residents and nonresidents		
For current transaction	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
For capital transactions		
Transactions in capital and money market instruments	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
Transactions in derivatives and other instruments	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
Credit operations	*11/14/2023*	Pursuant to Numeral 2 of Article 2 of the Notice No. 4/GBM/2023, banks and financial institutions may carry out activities with virtual assets subject to Bank of Mozambique (Banco de Moçambique) registration.
Controls on crypto exchanges and trading platforms		
Domestic exchanges	*08/28/2023*	The Bank of Mozambique (Banco de Moçambique) is responsible for licensing and regulating the virtual asset service providers.

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MYANMAR

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		January 3, 1952.
Article VIII	Yes.	Date of acceptance: June 9, 2020.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with the provisions under the Counter-Terrorism Law enacted in June 2014, the Central Committee of Counter Terrorism released the Order Nos. 1/2015 and 3/2015 in relation to the freezing and prohibition of assets and financial resources of those persons involved in international terrorism or groups associated with terrorism. Following these orders, the Central Bank of Myanmar (CBM) issued letters to banks and nonbank financial institutions (NBFIs) to comply with provisions under the Counter-Terrorism Law. After the enactment of the Counter-Terrorism Law, the CBM issued Instruction No. 6/2014 of October 3, 2014, Letter No. MaBaBa/BRD/Htwe (42/2015) of January 20, 2015, Letter No. MaBaBa/BRD/AML/CFT (7/2015) of March 13, 2015, Letter No. MaBaBa/BRD/AML/CFT (14/2015) of November 27, 2015, and Letter No. MaBaBa/BRD/AML/CFT (7/2016) of January 29, 2016, to banks and NBFIs. According to the name list of persons involved in terrorism connected with Taliban or Al-Qaida designated as persons associated with terrorism by US Executive Order No. 13224, the UN 1267 Sanctions Committee forwarded by the Ministry of Foreign Affairs of Myanmar, US Embassy, and Australian Embassy and through the UN website, the CBM issued seven letters in 2006, seven letters in 2007, nine letters in 2008, six letters in 2009, one letter in 2011, and two letters in 2013, respectively, to all state-owned banks and private banks to comply with the CBM Directive No. 2/2002 issued March 7, 2002, which required banks to freeze funds and other assets of and prohibit transactions with persons suspected to be involved in terrorism and organizations associated with terrorism to report these accounts related to such persons to the CBM. With reference to the Anti-Money-Laundering Central Board's letter, the Central Committee for Counter Terrorism issued the Freezing Order No. 3/2016 of May 19, 2016, with respect to freezing and prohibition of money, properties, and funds of those persons and organizations associated with terrorism including the ISIL, Taliban, and Al-Qaida groups and the groups associated with those groups connected with terrorism under the Sanctions list of the UNSC. Therefore, the CBM instructed state-owned banks, private banks, foreign bank branches, and finance companies to comply with the Order No. 3/2016 issued by the Central Committee for Counter Terrorism. According to the UNSC Resolution Nos. 2270 (2016), 2371 (2017), 2375 (2017), and 2397 (2017), the CBM issued four letters in 2017

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		to all banks, NBFIs, and mobile financial services providers for freezing and prohibition of money, properties, and funds of the related persons and organizations of Democratic People's Republic of Korea which are included in the freeze lists of the said resolutions. Moreover, the CBM has directed the aforesaid Institutions to take necessary due diligence on the information about the U.S. Department of the Treasury's "Treasury acts to Increase Economic Pressure on North Korea and Protect the US Financial System" in 2017. According to the UNSC Resolution Nos. 1267 (1999), 1989 (2011), 2253 (2015), and 2462 (2019), the CBM issued nine letters in 2019 to all banks, NBFIs, and mobile financial services providers for freezing and prohibition of money, properties, and funds of the related persons and organizations of ISIL (Da'esh) (Al-Qaida) which are included in the freeze lists of the said resolutions. Following the Standing Order Nos. 1/2017 and 1/2018 of the Central Committee for Counter Terrorism, Countering the Financing of Terrorism Working Committee, the CBM had released two letters in 2017 and 2018 to all banks, NBFIs, and mobile financial services providers for freezing and prohibition of money, properties, and funds of Bengali Extremist Terrorists designated by the Central Committee for Counter Terrorism, Arakan Rohingya Salvation Army, and persons who are related to such persons and the name list of the Arakan Rohingya Salvation Army. According to the Standing Order No. 3/2017 of the Central Committee for Counter Terrorism, Countering the Financing of Terrorism Working Committee, all banks, NBFIs, and mobile financial services providers are instructed to regularly update the UNSC's list of persons and groups associated with terrorism and enhance customer due diligence to freeze and prohibit money, properties, and funds of the said persons involved in terrorism. In 2018, Myanmar FIU's Directives in relation to high-risk and noncooperative jurisdictions were circulated to all banks, NBFIs, and mobile financial services providers to apply Enhanced Due Diligence (EDD) measures to business relationship and transactions with natural and legal persons, and financial institutions, from countries called for by the FATF.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Myanmar is the Myanmar kyat.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		

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Stabilized arrangement	Yes.	The de jure exchange rate arrangement is a managed float. The CBM has no predetermined target for the level of the kyat exchange rate and expects the value to fluctuate with supply and demand in the market. The CBM reserves the right to intervene to moderate excessive exchange rate volatility in the foreign exchange market. Since November 2021, the exchange rate remained stable against the US dollar with two realignments, one in April 2022 and a second one in August 2022, each within a 6-month period. Accordingly, the de facto exchange rate was reclassified retroactively to stabilized from other managed effective November 12, 2021. The CBM published its intervention data on its website timely whenever there is foreign exchange auction.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CBM computes and publishes the daily reference exchange rate based on transactions in the foreign exchange market in accordance with CBM Instruction No. 5/2019. The reference exchange rate is computed by assigning weights to the average rate between executed interbank foreign exchange transactions among AD banks, and the average rate of transactions between AD banks and their customers. This reference rate is an indicative rate, and participants in the foreign exchange market are not required to use it in their transactions. Indicative cross-rates for certain other currencies are based on Thomson Reuters and the IMF website. Since February 2021, reference rate determination has been paused several times with the CBM taking decision about the reference exchange rate. CBM auction rates had been used as the reference rate until end of March 2022. After that, the reference rate has been fixed with occasional revision. The reference rate was set at MMK1850/USD on April 4, 2022. Effective April 3, 2022, the CBM notified the inflows of foreign exchange of all Myanmar at banks must be exchanged into local currency within one working day. The exchange rate was fixed at MMK1850/USD and reset at MMK2100/USD effective August 5, 2022.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		

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Monetary aggregate target	Yes.	The CBM has been exercising Reserve Money Targeting monetary policy framework. Under this framework, reserve money is the operational target and broad money is the intermediate target. Currently, the CBM is conducting deposit auction based on the moderate level of inflation. The CBM also stipulates the reserve requirement ratio for all banks to control the broader monetary conditions. The CBM has temporarily suspended the deposit auction as of March 26, 2020. As of May 3, 2023, the minimum reserve requirement ratio for banks is 3.5%.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		

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Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	The spot market consists of the retail money changer counters and wholesale AD market, including foreign exchange auctions organized by the CBM. As of August 15, 2023, 21 private banks and 324 nonbank companies were licensed to carry out the money changing business. Of these private banks, 19 are also licensed as ADs and may conduct wholesale noncash transactions. In addition, 3 state banks and 17 foreign bank branches and 3 foreign bank subsidiaries are licensed as ADs. Some state banks also have money changing counters. The Myanmar Foreign Trade Bank has three MC counters, the Myanmar Investment and Commercial Bank (MICB) maintains one MC counter, and the Myanmar Economic Bank (MEB) maintains three MC counters out of 22. The CBM reintroduced a trading band (reference rate ± 0.5%) on November 9, 2021, and again revised down (reference rate ± 0.3%) effective August 10, 2022. Customers may buy or sell in the retail market up to US$10,000 or its equivalent in Singapore dollars (SGD), euros (EUR), Thai baht, and Malaysian ringgit without documentation. For larger amounts, documentation may be required.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The CBM conducts one-way foreign exchange auction rules. All AD license banks can participate in the auction. Banks will be notified for the foreign exchange auction at least 30 minutes before the auction. The foreign exchange auction notification includes time and date of the auction, foreign currency, auction type, (buying/selling), auction volume, minimum and maximum exchange rates, settlement date, and bidding time. Currently, the auctions are conducted only in US dollars (USD). Since March 2022, no auction has taken place.
Fixing	No.	
Interbank market	Yes.	Wholesale private banks authorized to deal in foreign exchange may settle foreign exchange transactions among themselves through foreign currency accounts abroad. ADs are allowed to offer larger noncash foreign exchange services to customers and to trade directly with each other in the AD market. Actual exchange rates quoted by wholesale foreign exchange interbank market are the prevailing market rates. Authorized private banks participate in the interbank foreign exchange market. Thus far, 34 banks have accessed the interbank market activities, and the turnover sees a prominent improvement. The CBM does not intervene with market participants in the interbank market.
Over the counter	Yes.	

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Brokerage	No.	
Market making	No.	
Forward exchange market	No.	ADs are allowed to participate in the forward exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements with member countries of the ACU are made in ACU dollar/ACU euro (ACUD/ACUE) through the ACU mechanism. 1 ACUD = 1 USD, 1 ACUE= 1 euro.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	Residents may hold up to the equivalent of US$10,000 in foreign currency (euros and Singapore dollars) for six months after receipt. Foreign exchange account holders were able to transfer funds from their accounts to settle transactions between residents without approval until March 2022. Effective April 3, 2022, the CBM notified the inflows of foreign exchange of all Myanmar at banks must be exchanged into local currency within one working day. This was then relaxed to 30 days (except 65% of export earnings) effective August 16, 2022. Residents may deposit the foreign currency in AD banks. The CBM issued a letter to the union ministries and regional governments to use only kyat for domestic transactions and payments, instead of the use of foreign currencies (primarily USD) as it creates higher demand for foreign exchange and instability of the foreign exchange rates.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Myanmar is a member of ASEAN.
Clearing agreements	No.	
Barter agreements and open accounts	Yes.	There are bilateral trade arrangements with neighboring countries. These arrangements do not provide for the extension of credit.
Administration of control	Yes.	The Foreign Exchange Management Law provides the legal framework for foreign exchange transactions supplemented by CBM regulations. Effective April 4, 2022, the military government established the Foreign Exchange Supervisory Committee (FESC) to scrutinize and

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		approve the use of foreign exchange.
Payments arrears	Yes.	
Official	Yes.	The Paris Club creditors, in January 2013, agreed to write off 50% of all arrears (US$10 billion) and reschedule the remainder over 15 years with a seven-year grace period. The write-off is being phased in, with 25% after approval of the IMF Staff-Monitored Program and the remaining 75% on its successful completion. In February 2014, the Staff-Monitored Program was successfully completed with the support of the IMF. Under the Staff-Monitored Program, quantitative targets and structural benchmarks were met. Therefore, the second tranche of debt reduction went into effect in March 2014 to fulfill the 50%cancelation.
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Companies owned by Myanmar citizens are allowed to undertake export and import of gold which are not international standard gold bullion, gold jewelry, and handicraft made by gold after receiving the approval from the concerned authority and obtaining export/import license in line with certain regulations of Notification No. 7/2018. Companies that trade international standard gold bullion should adhere to the regulation under the Foreign Exchange Management Law of the CBM.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	
Foreign currency	Yes.	Currency note can be exported in line with regulations under the Foreign Exchange Management Law. Myanmar residents traveling abroad may take out foreign currency up to US$10,000 or its equivalent on presentation of a passport, visa, and airline ticket.
On imports	Yes.	
Domestic currency	Yes.	
Foreign currency	Yes.	Foreigners may bring in foreign currency up to US$10,000 or its equivalent without declaration.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Myanmar nationals, national firms, foreign firms, foreigners, and diplomats may open foreign currency accounts at government-owned banks and private banks that have been issued international banking licenses. Foreign exchange balances in accounts with banks with international banking licenses were permitted to be used for all payments, including import payments. Account holders might make import payments with licenses issued by the Ministry of Commerce (MOC) on the basis of LCs or telegraphic transfer. Account holders might use funds from their account to purchase airline tickets for family

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		visits abroad and to make payments for imports, examination fees for their children, and medical treatment abroad. Foreign exchange balances might be withdrawn in cash up to US$10,000 a week. Transfer of funds between accounts was permitted. All these activities were terminated after end of March 2022. Effective April 1, 2022, any foreign exchange transaction (either domestic or abroad) requires the approval of the FESC which allocates foreign exchange based on priorities.
Approval required	Yes.	Effective April 1, 2022, any foreign exchange transaction (either domestic or abroad) requires the approval of the FESC which allocates foreign exchange based on priorities.
Held abroad	Yes.	These accounts may be opened, but approval is required. Banks must report to the CBM within a week about the situation of opening foreign exchange account abroad.
Approval required	Yes.	Effective April 1, 2022, any foreign exchange transaction (either domestic or abroad) requires the approval of the FESC which allocates foreign exchange based on priorities.
Accounts in domestic currency held abroad	No.	Residents are not allowed to open accounts in kyat abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Conversion is permitted only for payment of official expenses and is subject to approval by the FESC.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Myanmar nationals, foreign firms, foreigners, UN agencies, and diplomats may open foreign currency accounts at ADs. Yet, only foreign firms in SEZ, UN agencies, and diplomats are allowed to use their foreign exchange balances in accounts with ADs for all payments, including import payments. These account holders may use funds from their accounts to purchase airline tickets for family visits abroad and to pay for imports, examination fees, and medical treatment abroad. Foreign exchange balances may be withdrawn in cash up to US$10,000 a week. Effective April 1, 2022, transfer of funds between accounts is no longer permitted without the approval of the FESC.
Approval required	No.	CBM approval is not required for nonresidents to open foreign exchange accounts with government-owned or private banks.
Domestic currency accounts	Yes.	These accounts are permitted, but all debits and credits require authorization. Deposit withdrawal limits: (1) maximum 0.5 million kyat a day for cash withdrawal from automated teller machine (ATM)/point of sale (POS) (including cardless withdrawal), (2) maximum 0.5 million kyat a day from personal account for cash withdrawal, and (3) maximum 20.0 million kyat a week from company/organization account for cash withdrawal.
Convertible into foreign currency	Yes.	These accounts may be converted up on the approval of the FESC.
Approval required	Yes.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	Yes.	An import program for the public sector is prepared annually as part of the foreign exchange budget drawn up by the Ministry of Planning and Finance (MOPF).
Financing requirements for imports	Yes.	Foreign exchange balances may be used for all payments, including import payments. Foreign exchange purchased from MC counters

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		may be freely used to pay for imports after depositing funds to a foreign exchange account with an AD.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	Yes.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Import transactions must be effected through AD banks.
Preshipment inspection	Yes.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	Yes.	Import license is a kind of permission for the importation of certain goods. Importers also need to show the import license at AD banks for obtaining foreign exchanges to make payments for imported goods.
Other	n.a.	
Import licenses and other nontariff measures	Yes.	Effective April 20, 2022, all imports (except agriculture-related machineries, appliances, and equipment, effective September 1, 2022) are required to apply for an import license. Previously, government economic enterprises required an import license from the MOC for their own external trade of certain items which are included in the negative list. Private importers also needed import permit or licenses for certain items included in the negative list. Effective June 22, 2023, import licenses were restored for all products.
Positive list	No.	
Negative list	Yes.	Beer, cigarettes, and commodities banned under existing national laws may not be imported. Alcohol may be imported, and its importation procedures are prescribed as per Ministerial Order of MOC No. 39/2020 of May 25, 2020.
Open general licenses	Yes.	OGLs are issued for international trade fair purposes.
Licenses with quotas	No.	
Other nontariff measures	Yes.	
Import taxes and/or tariffs	Yes.	Import customs duty is collected at the MFN rate, ranging from 0% to 50% of the assessed value, with the conversion factor for the calculation of assessed value set at the reference foreign exchange rate published daily by the CBM. Import customs duty of alcohol is increased from 40% to 50% as per Ministerial Order No. 2/2020 of January 3, 2020, and Departmental Order No. 1/2020 of January 10, 2020. Import customs duty of motor vehicle and other vehicles principally designed for the transport of persons under/and 2000 CC is temporarily decreased from 30% to 20%, for the vehicle 2001 CC and above is temporarily decreased from 40% to 30%, and for the vehicle imported in Semi-Knocked Down purpose is decreased from 10% to 0% and 20% to 5%, respectively, as per Ministerial Order No. 84/2020 of July 29, 2020, and Departmental Order No. 37/2020 of July 30, 2020.
Taxes collected through the exchange	No.	

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system		
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Proceeds from exports must be fully repatriated within six months of the date of exportation. AD licensed banks (AD banks) are instructed to submit, without failure, within five working days over the list of companies which did not repatriate export proceeds within defined period of six months.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Exporters must sell their remaining incomes in foreign exchange of their bank accounts to the authorized bank-AD licenses within 30 days of the transfers without fail. Effective April 4, 2022, the CBM notified to surrender (both trade or non-trade) foreign exchange earnings to AD banks within one working day. Effective August 5, 2022, only 65% of export proceeds was required to be converted to domestic currency within one day. The remaining 35% could be used by the exporter on approval by the FESC. If not used by the exporter it would need to be converted to domestic currency within 30 days. Effective July 13, 2023, the amount to be surrendered was reduced to 50% from 65%.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	
Guarantees	No.	
Domiciliation	Yes.	Export transactions must be effected through authorized domestic banks.
Preshipment inspection	Yes.	
Other	Yes.	Depending upon the nature of the export, certificates, permits or export recommendations may be required from regulatory authorities or association members of the Union of Myanmar Federation for Chamber of Commerce and Industry (UMFCCI), consistent with the importing country's requirements. A country of origin (COO) certificate may be required from the Ministry of Commerce to document the origin of goods for the purposes of enjoying preferential tariff treatment and Generalized System of Preference (GSP) duty free treatment.
Export licenses	Yes.	
Without quotas	Yes.	Government economic enterprises, associations, and private companies have to apply for export permit or license for almost all export items.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Specific goods tax is imposed on export proceeds of hardwood logs and cut hardwood at 10%.

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		Eight percent commercial tax is levied on exported electricity and 5% on exported crude oil. Other export proceeds are imposed the commercial tax at 0%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	Yes.	AD banks must receive the prior approval of the FESC for all foreign exchange transfer effective April 4, 2022. Previously, AD banks were allowed to remit insurance premiums without CBM approval. Surplus income of foreign airlines and payment of air freight charges to foreign airlines were allowed to be transferred abroad freely.
Quantitative limits	Yes.	Effective April 4, 2022, the FESC established foreign exchange quotas based on the available foreign exchange amount to be allocated. Depending on foreign exchange inflows (such as export earnings, remittances) and the priority to spend, the FESC allocates these foreign exchange earnings for import and loan repayment.
Indicative limits/bona fide test	Yes.	
Investment-related payments	Yes.	
Prior approval	Yes.	Transfers abroad of net income, amortization of loans, and payments of interest are subject to the approval of the FESC, which requires certification of applicable tax payments by those who transfer net investment income abroad. According to Article 27(b) of the current Foreign Investment Law, a tax exemption or relief from income tax on profits from business is available to investors who deposit such profits in a reserve fund and reinvest them within one year.
Quantitative limits	No.	
Indicative limits/bona fide test	n.a.	
Payments for travel	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	Myanmar residents traveling abroad may export foreign currency up to US$10,000 or its equivalent on presentation of a passport, visa, and airline ticket.
Indicative limits/bona fide test	n.a.	
Personal payments	Yes.	
Prior approval	Yes.	Effective April 4, 2022, compensation payments to foreigners for accidents (air crashes) and pension payments must be transferred abroad as per approval of the FESC. Previously, these transfers were done freely.
Quantitative limits	Yes.	Foreign currencies requested for foreign trips, medical expenses, study fees and examination fees, fees for conference, congress, seminar, and costs of living for family or family members abroad up to US$10,000 or its equivalent foreign currencies are allowed. In excess of US$10,000 or its equivalent, approval of the FESC is required.
Indicative limits/bona fide test	Yes.	Approval of the FESC is required for the amounts in excess of US $10,000 or its equivalent foreign currencies for foreign trips, medical expenses, study fees and examination fees, fees for conference,

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		congress, seminar, and costs of living for family or family members abroad.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Effective April 4, 2022, salary and lawfully earned income must be transferred abroad through AD banks as per approval of the FESC. Previously, these transactions were done without CBM approval after payment of taxes.
Indicative limits/bona fide test	Yes.	
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Effective April 7, the CBM stimulated the monthly maximum credit limit to be kyat 2.5 million (previously kyat 5 million) for international credit cards and US$2,500 (previously US$5,000) for international prepaid debit cards.
Indicative limits/bona fide test	n.a.	
Other payments	Yes.	
Prior approval	Yes.	
Quantitative limits	n.a.	
Indicative limits/bona fide test	n.a.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds should be transferred to the account at domestic ADs within three months after the different date.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Foreign exchange earnings entering bank account must be surrendered within one working day immediately effective April 4, 2022. Effective August 5, 2022, only 65% of export proceeds was required to be converted to domestic currency within one day. The remaining 35% could be used by the exporter on approval by the FESC. If not used by the exporter it would need to be converted to domestic currency within 30 days. Effective July 13, 2023, the amount to be surrendered was reduced to 50% from 65%.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Residents may acquire foreign exchange for the purpose of capital transactions after getting the CBM's approval.
Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Residents must sell their foreign exchange receipts to ADs within one working day unless the prior approval for exemption issued by

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		the FESC was received. Surrender within one day was immediately effective April 4, 2022. Effective August 5, 2022, only 65% of foreign exchange receipts was required to be converted to domestic currency within one day. The remaining 35% could be used on approval by the FESC. If not used by the it would need to be converted to domestic currency within 30 days. Effective July 13, 2023, the amount to be surrendered was reduced to 50% from 65%.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	The Securities Exchange Law has not yet clearly defined the participation of nonresidents.
Purchase locally by nonresidents	Yes.	Approval of the CBM is required.
Sale or issue locally by nonresidents	Yes.	Approval of the CBM is required.
Purchase abroad by residents	Yes.	Approval of the CBM is required.
Sale or issue abroad by residents	Yes.	Approval of the CBM is required.
Bonds or other debt securities	Yes.	Capital transactions in bonds and other debt securities are subject to CBM's approval.
Purchase locally by nonresidents	Yes.	Capital transactions in bonds and other debt securities are prohibited.
Sale or issue locally by nonresidents	Yes.	The Securities Exchange Law has not yet clearly defined the participation of nonresidents.
Purchase abroad by residents	Yes.	Capital transactions in bonds and other debt securities are prohibited.
Sale or issue abroad by residents	Yes.	Capital transactions in bonds and other debt securities are prohibited.
On money market instruments	Yes.	Capital transactions in money market instruments are prohibited.
Purchase locally by nonresidents	Yes.	Capital transactions in money market instruments are prohibited.
Sale or issue locally by nonresidents	Yes.	Capital transactions in money market instruments are prohibited.
Purchase abroad by residents	Yes.	Capital transactions in money market instruments are prohibited.
Sale or issue abroad by residents	Yes.	Capital transactions in money market instruments are prohibited.
On collective investment securities	Yes.	Capital transactions in collective investment securities are prohibited.
Purchase locally by nonresidents	Yes.	The Securities Exchange Law has not yet clearly defined the participation of nonresidents.
Sale or issue locally by nonresidents	Yes.	Capital transactions in collective investment securities are prohibited.
Purchase abroad by residents	Yes.	Capital transactions in collective investment securities are prohibited.
Sale or issue abroad by residents	Yes.	Capital transactions in collective investment securities are prohibited.
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	

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Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Capital transactions in commercial credit are subject to CBM's approval.
To residents from nonresidents	Yes.	Capital transactions in commercial credit are subject to CBM's approval.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Capital transactions in financial credit are subject to CBM's approval.
To residents from nonresidents	Yes.	Capital transactions in financial credit are subject to CBM's approval.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Capital transactions in the facilities are subject to CBM's approval.
To residents from nonresidents	Yes.	Capital transactions in the facilities are subject to CBM's approval.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward investments are subject to the approval of the FESC.
Inward direct investment	Yes.	Foreign investors must declare their funds and prove the evidence of their funds brought in to the CB for each transaction. Foreign investors who fail to present the documentary evidence may not be permitted to repatriate the funds abroad (Foreign Exchange Management Department (FEMD)).
Controls on liquidation of direct investment	Yes.	In the case where the investment period has ended or the investment activities are partially or completely ceased, the foreign investor may repatriate his or her investment funds to his or her own country or to a third country in accordance with the existing Laws (FEMD).
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These transactions are subject to CBM's approval.
Purchase locally by nonresidents	Yes.	Foreigners may not own land but as per Section 50(a) of the Myanmar Investment Law (MIL), an investor who obtains permit or endorsement under this Law has the right to obtain a long-term lease of land or building from the owner if it is private land or building, or from the relevant government departments or government organization if it is land managed by the government, or land or building owned by the Union in accordance with the stipulations to make investment. Foreign investor may lease land or building, either from the government or government organizations or from owners of private land or building commencing on the date of receipt of a Permit or an Endorsement of the Myanmar Investment Commission up to an initial period of 50 years in accordance with the stipulation (Section 50(b) of the MIL). After the expiry of the term of the right to use land or building or the period of right to lease of land or building permitted under subsection (b), a consecutive period of 10 years and a further consecutive period of 10 years' extension to such period of lease of land or building may be obtained with the approval of the Myanmar Investment Commission (Section 50(c) of the MIL). The Myanmar Investment Commission must, for the purpose of the development of the entire Union with the approval of the Pyidaungsu Hluttaw submitted through the government, grant a longer period for the right to lease land or building and the right to use land under this Law, to investors who invest in a least developed and remote region

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		(Section 50(f) of the MIL).
Sale locally by nonresidents	Yes.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	The approval requirement applies to both loans received by and provided to residents from nonresidents.
To residents from nonresidents	Yes.	Residents may not take foreign loans from abroad or conduct other types of borrowing abroad or documents that are likely to be loans without the prior approval of the CB and comply with the provisions of the CB (FEMD).
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Transactions of gifts, endowments, inheritances, and legacies that are up to US$10,000 (SGD and EUR) can be approved and conducted by AD banks; any transaction amounts exceeding US$10,000 need to obtain approval of the CBM.
To residents from nonresidents	Yes.	Transactions of gifts, endowments, inheritances, and legacies that are up to US$10,000 (SGD and EUR) can be approved and conducted by AD banks; any transaction amounts exceeding US$10,000 need approval from the CBM.
Settlement of debts abroad by immigrants	n.a.	
Transfer of assets	n.a.	
Transfer abroad by emigrants	n.a.	
Transfer into the country by immigrants	n.a.	
Transfer of gambling and prize earnings	Yes.	Gambling is unlawful and prohibited.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	CBM’s approval is required.
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	These transactions can be conducted in accordance with Foreign Exchange Management Regulation.
Purchase of locally issued securities denominated in foreign exchange	n.a.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The minimum reserve requirement ratio for banks is 3.5% of customers’ deposits in Myanmar currency (Myanmar kyat (MMK)).
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	n.a.	

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Reserve requirements	n.a.	
Liquid asset requirements	n.a.	
Interest rate controls	n.a.	
Credit controls	n.a.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The maximum limit on open foreign exchange positions based on net open position (NOP) should be no more than ± 20% of the core capital as per CBM Instruction No. 6/2019, which applies to both residents' and nonresidents' assets and liabilities. Previously, the NOP limit was ±30% of the core capital.
On nonresident assets and liabilities	Yes.	The maximum limit on open foreign exchange positions based on NOP should be no more than ±20% of the core capital as per CBM Instruction No. 6/2019, which applies to both residents' and nonresidents' assets and liabilities. Previously, the NOP limit was ±30% of the core capital.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	According to Article 12(a) of the Myanmar Insurance Law, Myanmar Insurance is allowed to invest in- and outside the country with the approval of the MOPF; however, currently Myanmar Insurance has no foreign or local investment portfolio, except government securities sold by the CBM.
Limits (max.) on investment portfolio held abroad	Yes.	According to Article 12(a) of the Myanmar Insurance Law, Myanmar Insurance is allowed to invest in- and outside the country with the approval of the MOPF; however, currently Myanmar Insurance has no foreign or local investment portfolio, except government securities sold by the CBM.
Limits (min.) on investment portfolio held locally	No.	There is no limit (min) on investment portfolio held locally.
Currency-matching regulations on assets/liabilities composition	Yes.	According to Article 12 (f) and (g) of the Myanmar Insurance Law, Myanmar Insurance is allowed to accept foreign exchange received as premium from insurance effected and pay compensation in foreign exchange for losses as insurance is affected in foreign exchange. Therefore, Myanmar Insurance is allowed to accept any indemnity in both local currency and foreign exchange. However, the currency of receiving premium and paying compensation has to be the same; however, it is not specifically stipulated in the law.
Pension funds	n.a.	Currently, there is no limit for investment by pension funds. After establishing the Central Provident Fund with the promulgation of the Central Provident Fund Law, it is needed to define the limitation for pension funds.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio	n.a.	

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held locally	
Currency-matching regulations on assets/liabilities composition	n.a.
Investment firms and collective investment funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market	n.a.

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instruments	
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.

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Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Stabilized arrangement	*01/01/2022*	Since November 2021, the exchange rate remained stable against the US dollar with two realignments, one in April 2022 and a second one in August 2022, each within a 6-month period. Accordingly, the de facto exchange rate was reclassified retroactively to stabilized from other managed effective November 12, 2021. The change is reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's Annual Report on Exchange Arrangements and Exchange Restrictions.
Official exchange rate	*04/03/2022*	The exchange rate was fixed at MMK1850/USD.
	08/05/2022	The exchange rate was fixed at MMK2100/USD.
Foreign exchange market		
Spot exchange market	*08/10/2022*	The Central Bank of Myanmar revised down the trading band to reference rate ± 0.3% from ± 0.5%.

Arrangements for Payments and Receipts

Prescription of currency requirements		
Use of foreign exchange among residents	*04/03/2022*	The Central Bank of Myanmar notified the inflows of foreign exchange of all Myanmar at banks must be exchanged into local currency within one working day.
	08/16/2022	Foreign exchange inflows must be exchanged into local currency within 30 days (except 65% of export earnings) (previously within one working day).
Administration of control	*04/04/2022*	The military government established the Foreign Exchange Supervisory Committee to scrutinize and approve the use of foreign exchange.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*04/01/2022*	Any foreign exchange transaction (either domestic or abroad) requires the approval of the Foreign Exchange Supervisory Committee which allocates foreign exchange based on priorities.
Approval required	*04/01/2022*	Any foreign exchange transaction (either domestic or abroad) requires the approval of the Foreign Exchange Supervisory Committee which allocates foreign exchange based on priorities.
Held abroad		
Approval required	*04/01/2022*	Any foreign exchange transaction (either domestic or abroad) requires the approval of the Foreign Exchange Supervisory Committee which allocates foreign exchange based on priorities.

Nonresident Accounts

Foreign exchange accounts permitted	*04/01/2022*	Transfer of funds between accounts is no longer permitted without the approval of the Foreign Exchange Supervisory Committee.

Imports and Import Payments

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Import licenses and other nontariff measures	*04/20/2022*	All imports are required to apply for an import license. Previously, government economic enterprises required an import license from the Ministry of Commerce for their own external trade of certain items which are included in the negative list. Private importers also needed import permit or licenses for certain items included in the negative list.
	09/01/2022	Imports of agriculture-related machineries, appliances, and equipment are not required to apply for an import license.
	06/22/2023	All imports are required to apply for an import license. Previously, there were exceptions for agriculture-related machineries, appliances, and equipment.

Exports and Export Proceeds

Repatriation requirements

Surrender requirements

Surrender to authorized dealers	*04/04/2022*	The Central Bank of Myanmar notified to surrender (both trade or non-trade) foreign exchange earnings to AD banks within one working day.
	08/05/2022	Only 65% of export proceeds was required to be converted to domestic currency within one day. The remaining 35% could be used by the exporter on approval by the Foreign Exchange Supervisory Committee. If not used by the exporter it would need to be converted to domestic currency within 30 days.
	07/13/2023	The amount to be surrendered was reduced to 50% from 65%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

Prior approval	*04/04/2022*	AD banks must receive the prior approval of the Foreign Exchange Supervisory Committee for all foreign exchange transfer. Previously, AD banks were allowed to remit insurance premiums without Central Bank of Myanmar approval. Surplus income of foreign airlines and payment of air freight charges to foreign airlines were allowed to be transferred abroad freely.
Quantitative limits	*04/04/2022*	The Foreign Exchange Supervisory Committee (FESC) established foreign exchange quotas based on the available foreign exchange amount to be allocated. Depending on foreign exchange inflows (such as export earnings, remittances) and the priority to spend, the FESC allocates these foreign exchange earnings for import and loan repayment.

Personal payments

Prior approval	*04/04/2022*	Compensation payments to foreigners for accidents (air crashes) and pension payments must be transferred abroad as per approval of the Foreign Exchange Supervisory Committee. Previously, these transfers were done freely.

Foreign workers' wages

Quantitative limits	*04/04/2022*	Salary and lawfully earned income must be transferred abroad through AD banks as per approval of the Foreign Exchange Supervisory Committee. Previously, these transactions were done without Central Bank of Myanmar approval after payment of taxes.

Credit card use abroad

Quantitative limits	*04/07/2022*	The Central Bank of Myanmar stimulated the monthly maximum credit limit to be kyat 2.5 million (previously kyat 5 million) for international credit cards and US$2,500 (previously US$5,000) for

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international prepaid debit cards.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to authorized dealers	*04/04/2022*	Foreign exchange earnings entering bank account must be surrendered within one working day immediately.
	08/05/2022	Only 65% of export proceeds was required to be converted to domestic currency within one day. The remaining 35% could be used by the exporter on approval by the Foreign Exchange Supervisory Committee. If not used by the exporter it would need to be converted to domestic currency within 30 days.
	07/13/2023	The amount to be surrendered was reduced to 50% from 65%.

Capital Transactions

Controls on capital transactions

Repatriation requirements

Surrender requirements

Surrender to authorized dealers	*04/04/2022*	Residents must sell their foreign exchange receipts to ADs within one working day unless the prior approval for exemption issued by the Foreign Exchange Supervisory Committee was received.
	08/05/2022	Only 65% of foreign exchange receipts was required to be converted to domestic currency within one day. The remaining 35% could be used on approval by the Foreign Exchange Supervisory Committee. If not used it would need to be converted to domestic currency within 30 days.
	07/13/2023	The amount to be surrendered was reduced to 50% from 65%.

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NAMIBIA

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 25, 1990.
Article VIII	Yes.	Date of acceptance: September 20, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	In accordance with UNSC resolutions, the Bank of Namibia (BON) prohibits financial transactions with Al-Qaida and the Taliban.

Exchange Arrangement

Currency	Yes.	The currency of Namibia is the Namibian dollar.
Other legal tender	Yes.	The South African rand is also legal tender.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional pegged arrangement vis-à-vis the rand. The document that establishes the fixed exchange rate arrangement is the CMA agreement.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	Yes.	The Namibian dollar is pegged to the South African rand at par. The exchange rate of the Namibian dollar vis-à-vis other currencies is determined on the basis of cross-rates in international markets of the rand vis-à-vis the currencies concerned. The official exchange rate is used for accounting and valuation purposes. The BON is authorized to make changes to the exchange rate arrangement.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite		
Other	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the rand.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		

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Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The foreign exchange market in Namibia has developed as an extension of the foreign exchange market in South Africa. ADs are allowed to determine freely their bid-ask spread and foreign exchange commissions with their clients.
Spot exchange market	Yes.	Foreign exchange bureaus are allowed to operate in the spot foreign exchange market and are subject to licensing by the CB. As of December 31, 2022, there were six foreign exchange bureaus in Namibia. Foreign exchange bureaus may engage only in travel-related transactions and may not transact directly with the CB. They may not maintain accounts abroad, and their operations are limited to the purchase and sale of banknotes.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BON buys and sells Namibian dollars for rand at par with no commission. The BON deals only with ADs and the government.
Allocation	No.	The BON does not verify the validity of transactions when dealing with banks.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks trade among themselves in foreign currency. As of December 31, 2022, there were six banks participating in the interbank market. All these banks are licensed by the CB.
Over the counter	Yes.	There are eight commercial banks in Namibia. The foreign exchange interbank market in Namibia is still closely linked to South Africa's as most banks are subsidiaries of South African Banks. Because of liquidity constraints in Namibia, banks would often enter into interbank deals with South African counterparties. Banks are allowed to determine freely their bid-ask spread and foreign exchange commissions with their clients.
Brokerage	Yes.	
Market making	No.	
Forward exchange market	Yes.	ADs are permitted to conduct forward exchange operations, including providing forward cover, with residents in any foreign currency with respect to authorized trade and nontrade transactions. Forward exchange contracts may cover the entire period of the

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		outstanding commitments and accruals. Forward cover is also provided to nonresidents, subject to certain conditions. Gold mining companies and houses may sell forward anticipated receipts of their future gold sales. Forward cover is provided in US dollars only and is available to ADs for maturities not exceeding 12 months at a time in the form of swap transactions involving Namibian dollars (rand) and US dollars, with a margin based on the interest rate differential between the two currencies. The CB does not participate in the forward foreign exchange market.
Official cover of forward operations	Yes.	Special forward cover at preferential rates is provided for import financing.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	All countries outside the CMA constitute the nonresident area. The rand is legal tender in Namibia. Settlements by or to residents of the CMA within the nonresident area may be made in rand to and from a nonresident account or in any foreign currency.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	No.	Settlement by or to residents of the CMA within the nonresident area may be made in Namibian dollars to and from a nonresident account or in any foreign currency. There are no controls on the use of the Namibia dollar for current transactions and payments.
For capital transactions	Yes.	Namibian dollars may not be used to settle interest and principal payments.
Transactions in capital and money market instruments	Yes.	Namibian dollars may not be used to settle interest and principal payments.
Transactions in derivatives and other instruments	No.	
Credit operations	Yes.	Namibian dollars may not be used to settle interest and principal payments.
Use of foreign exchange among residents	Yes.	In accordance with CMA arrangements, residents are not allowed to transact business in foreign currencies. Transactions may be invoiced in foreign currencies, but payments must be made in the local currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Namibia is part of the CMA, and no restrictions are applied to payments within the CMA.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BON has delegated some powers to ADs that assist the BON in administering exchange controls. If an AD is not authorized to approve a transaction under the terms of the Exchange Control Regulations, an application is filed with the BON. The norms applied by the BON in scrutinizing applications are subject to CMA policy guidelines.
Payments arrears	No.	
Official	No.	

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Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	The Exchange Control Regulations 1961 prohibit the purchase and sale, both domestically and abroad, of unworked gold by Namibian residents without the specific authorization of the BON. All such requests are considered on their merits.
On domestic ownership and/or trade	Yes.	Residents are permitted to purchase, hold, and sell gold coins within the CMA for numismatic and investment purposes only.
On external trade	Yes.	Exports and imports of gold require approval of the monetary authority.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Individuals may export no more than N$25,000 in BON banknotes in addition to the basic travel allowance. A currency conversion agreement between the BON and the National Bank of Angola allowed business people and traders to export Namibian dollars to Angola and Angolan Kwanzas to Namibia and exchange them for local currency for trading purposes. The import of Angolan Kwanzas to Namibia was suspended from December 1, 2015. However, Namibian dollars are still exported to Angola under specific arrangements in terms of the Currency Conversion Agreement.
Foreign currency	Yes.	Residents and contract workers departing from Namibia to destinations outside the CMA may take out their travel allowance in foreign banknotes. Foreign visitors leaving Namibia may take with them the unspent portion of the proceeds of foreign currency imported and exchanged in Namibia.
On imports	Yes.	
Domestic currency	Yes.	On entry from countries outside the CMA, residents and nonresidents may bring in no more than N$25,000 in Namibian banknotes or R 25,000 in South African banknotes. There are no limitations on the importation of domestic currency from Eswatini, Lesotho, and South Africa.
Foreign currency	Yes.	Importation of foreign currency by nonresidents of the CMA is unrestricted. However, Namibian residents are allowed to import into Namibia only the residual balance of foreign currency initially exported. A currency conversion agreement between the BON and the National Bank of Angola allowed businesspeople and traders to export Namibian dollars to Angola and Angolan Kwanzas to Namibia and exchange them for local currency for trading purposes. The import of Angolan Kwanzas to Namibia was suspended from December 1, 2015. However, Namibian dollars are still exported to Angola under specific arrangements in terms of the Currency Conversion Agreement.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Resident private individuals are allowed to hold foreign exchange accounts with local ADs, subject to approval. Exporters may retain export proceeds for 180 days after receipt in foreign exchange accounts with ADs. Up to the equivalent of N$6 million a year may be held in a domestic foreign exchange account. Balances may only be effected through the commercial banking system on condition that all the requirements are met.
Approval required	Yes.	

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Held abroad	Yes.	Approval is required and is granted to resident individuals on the merit of the application. Approval is not required for investments up to the equivalent of N$6 million a year or to retain abroad income earned overseas. Balances may be transferred to the home country freely.
Approval required	Yes.	Foreign bank accounts for investment up to the equivalent of N$6 million a year do not require approval.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Payments in foreign currency may be effected from resident accounts, provided the transaction is covered under the Exchange Control Regulations 1961, or with approval.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	ADs are required to open separate accounts on behalf of nonresident clients to distinguish between normal clearing accounts and foreign exchange trading accounts. This requirement does not affect the transferability of funds.
Approval required	No.	Nonresidents may open foreign exchange accounts, and funds in these accounts are freely transferable.
Domestic currency accounts	Yes.	These accounts may be credited with all authorized payments by residents, with the proceeds of sales of foreign currency to ADs, and with payments from nonresidents' accounts. They may be debited for payments to CMA residents for any purpose (other than loans), payments to nonresidents for any purpose, transfer to a local nonresident account or remittance to any country outside the CMA, purchases of any foreign currency, and payments to account holders residing in Namibia for short periods.
Convertible into foreign currency	Yes.	These accounts may be converted, and no approval is required.
Approval required	No.	
Blocked accounts	Yes.	Residents who emigrated from Namibia on or before February 28, 2002, may transfer their blocked funds abroad freely through an authorized bank. The assets of residents who emigrated after that date are subject to normal emigration procedures. Emigrants may transfer up to the equivalent of N$10 million a family or N$6 million an individual, inclusive of any assets previously transferred abroad. Transfers in excess of these limits are subject to a transfer tax of 10% of the amount in excess of the limit. Emigrants may subsequently transfer annual income from their remaining blocked assets but may not dispose of the assets through sale to Namibian residents.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Foreign exchange may be provided for advance payment up to 100% of the ex-factory cost of capital goods to be imported up to N$20 million. For amount above N$20 million, only up to 50% advance payment may be made. ADs must, however, ascertain that an order would be refused without the advance payment and that such payment is typical in the trade concerned. There are no limits on advance payments for noncapital goods.
Advance import deposits	No.	

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Documentation requirements for release of foreign exchange for imports	Yes.	Documentation confirming receipt of the imported articles into Namibia (for example, a bill of entry or local mail receipts) is required.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	LCs may be established locally by ADs.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	There are no restrictions on imports originating in any country of the SACU. Imports from countries outside the SACU are usually licensed in conformity with South Africa's import regulations. These permits are valid for one year for imports and are expressed in terms of value. At present, about 90% of imports require a permit.
Positive list	No.	
Negative list	Yes.	Namibia has the right to restrict certain imports (through customs duties or quantitative restrictions) from countries outside the SACU and, under certain conditions, from countries within the SACU.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	
Taxes collected through the exchange system	Yes.	A general sales tax of 10% is levied on all imports in addition to a sales duty between 0% and 15%, depending on the type of commodity.
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds must generally be repatriated within 180 days of receipt.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	Effective October 31, 2022, exporters may retain export proceeds for an indefinite period (previously 180 days) after receipt in a customer foreign currency account with an AD.
Financing requirements	No.	
Documentation requirements	Yes.	Exports from Namibia over the amount of N$50,000 must be accompanied by an export declaration, and the inflow of foreign currency must be declared on receipt of export proceeds locally.
Letters of credit	Yes.	
Guarantees	Yes.	
Domiciliation	No.	
Preshipment inspection	No.	

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Other	No.	
Export licenses	Yes.	Exports, except to SACU member countries, require a license.
Without quotas	Yes.	Permits are required for export of goods in short supply to non-SACU countries.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	ADs may approve trade-related invisible payments without limitation and other invisible payments up to established limits. Larger amounts may be approved on presentation of documentary proof of need.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Trade-related payments are allowed on presentation of documentary evidence confirming the amount involved. ADs may transfer license fees, demurrage and survey fees, and payment for samples sent for analysis outside the CMA with documentary evidence confirming the amount involved.
Investment-related payments	Yes.	
Prior approval	Yes.	BON approval is required for loans contracted by local companies with local sources.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	Remittance of profits and dividends is permitted, provided the funds were not obtained through excessive use of local borrowing facilities.
Payments for travel	Yes.	Payments for travel allowances do not require passports to be endorsed.
Prior approval	No.	
Quantitative limits	Yes.	A single discretionary allowance for private individuals of N$1 million a person a calendar year may be used for donations to missionaries, maintenance transfers, monetary gifts, loans, and travel expenses. Residents (natural persons) who are 18 years of age or older may obtain a single discretionary allowance for private individuals of up to the equivalent of N$1 million a person a calendar year. However, residents (natural persons) who are younger than 18 years of age are not eligible for the single discretionary allowance for private individuals but may be accorded up to N$200,000 a calendar year for travel expenses.
Indicative limits/bona fide test	Yes.	Amounts in excess of the indicative limits are approved if the applicant provides documents in support of a genuine request.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	There are no restrictions on payments for medical costs. Remittances for alimony (subject to presentation of a court order) are permitted up

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		to the equivalent of N$9,000 a month. The annual allowance for study abroad for a single student is set at the equivalent of N$1 million and for a student accompanied by a nonstudent spouse, N$2 million.
Indicative limits/bona fide test	Yes.	Amounts in excess of the indicative limits for payment for study abroad are approved if applicants provide documents in support of the request.
Foreign workers' wages	Yes.	
Prior approval	Yes.	Foreign workers are allowed to remit up to two-thirds of their earnings without prior BON Exchange Control approval. For amounts in excess of two-thirds of earnings, approval is required.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Contract workers may transfer two-thirds of their monthly salary. Larger amounts are allowed, provided the requested amount is a part of accumulated earnings.
Credit card use abroad	Yes.	
Prior approval	No.	No approval is required for travel expenses.
Quantitative limits	Yes.	Limits must be in accordance with prescribed travel allowances.
Indicative limits/bona fide test	Yes.	ADs may permit up to the equivalent of N$50,000 a transaction for permissible imports.
Other payments	No.	
Prior approval	No.	ADs may allow transfers of demurrage and survey fees, payment for samples sent for analysis outside the CMA, and the transfer of license fees, with documentary evidence confirming the amount involved. Royalty payments may be permitted by an AD, if approved by the Ministry of Trade and Industry.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	Namibians may retain income earned abroad from any source other than merchandise exports indefinitely.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds from invisible transactions must be surrendered within 30 days of the date of receipt, unless an exemption is authorized.
Restrictions on use of funds	Yes.	BON approval must be obtained to use such funds outside the CMA.

Capital Transactions

Controls on capital transactions	Yes.	The investment limit for private residents abroad is the equivalent of N$6 million a year. Proceeds from the sale of quoted or unquoted CMA securities, real estate, and other equity investments by nonresidents are freely transferable.
Repatriation requirements	No.	Proceeds from capital transactions may be retained abroad indefinitely.
Surrender requirements	Yes.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	Yes.	Proceeds must be surrendered to ADs when transferred to Namibia. The proceeds must be received through a commercial bank and be converted within 30 days from the date of accrual.
Controls on capital and money market instruments	Yes.	Securities issued by nonresidents may not exceed 65% of the total assets of insurance companies. Qualifying institutions (that is, insurance companies, pension funds, fund managers) may invest up to 35% of total assets under management by fund managers and unit trust management companies in portfolios held abroad without BON approval on presentation of a letter issued by Namibia Financial Institutions Supervisory Authority (NAMFISA) confirming that the investment is within the 35% limit.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Inward transfers of capital from non-CMA countries for equity investment are freely permitted.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	Securities issued by foreign entities may be listed on the Namibian Stock Exchange (NSX).
Purchase abroad by residents	Yes.	These transactions are permitted up to the N$6 million yearly foreign investment limit for resident individuals. Namibian corporations may invest substantial amounts in SADC member countries, and dual listing of companies on both the NSX and other SADC stock exchanges is permitted. Securities issued by nonresidents may not exceed 65% of the total assets of insurance companies. Qualifying institutions (that is, insurance companies, pension funds, fund managers) may invest up to 35% of total assets under management by fund managers and unit trust management companies in portfolios held abroad without BON approval on presentation of a letter issued by NAMFISA confirming that the investment is within the 35% limit.
Sale or issue abroad by residents	Yes.	These transactions require approval and must be serviced from abroad if the funds are used abroad and from local sources if the funds are transferred to Namibia. Dual listing of companies on both the NSX and other SADC stock exchanges is permitted.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	There is no minimum holding period requirement for such bonds.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Residents are allowed to invest in foreign instruments listed on the NSX. They may also invest in securities up to the N$6 million yearly foreign investment limit for resident individuals. Securities issued by nonresidents may not exceed 65% of the total assets of insurance companies. Qualifying institutions (that is, insurance companies, pension funds, fund managers) may invest up to 35% of total assets under management by fund managers and unit trust management companies in portfolios held abroad without BON approval on presentation of a letter issued by NAMFISA confirming that the investment is within the 35% limit.
Sale or issue abroad by residents	Yes.	These transactions require approval and must be serviced from abroad if the funds are used abroad and from local sources if the funds are transferred to Namibia.
On money market instruments	Yes.	The controls governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	

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Sale or issue locally by nonresidents	Yes.	Exchange Control approval is required.
Purchase abroad by residents	Yes.	Residents may invest in foreign instruments listed on the NSX. They may also invest in instruments up to the N$6 million yearly foreign investment limit for resident individuals. Securities issued by nonresidents may not exceed 65% of the total assets of insurance companies. Qualifying institutions (that is, insurance companies, pension funds, fund managers) may invest up to 35% of total assets under management by fund managers and unit trust management companies in portfolios held abroad without BON approval on presentation of a letter issued by NAMFISA confirming that the investment is within the 35% limit.
Sale or issue abroad by residents	Yes.	These transactions require approval and must be serviced from abroad if the funds are used abroad and from local sources if the funds are transferred to Namibia.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	These transactions are allowed within the N$6 million yearly foreign capital allowance limit.
Sale or issue abroad by residents	Yes.	There is a limit of N$6 million a calendar year.
Controls on derivatives and other instruments	Yes.	There are controls on these instruments. Residents require prior approval by the CB before committing themselves to such transactions with nonresidents.
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Controls on credit operations	Yes.	Interest rates on foreign-currency-denominated loans must not exceed LIBOR plus 5%; those on local-currency-denominated loans must not exceed the prime overdraft rate plus 3%. ADs may allow the transfer of loans up to N$1 million an applicant a year. Residents require approval to extend larger loans to nonresidents.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	These transactions are subject to BON approval.
To residents from nonresidents	Yes.	Credit operations outside the CMA are subject to BON approval, which is generally given for borrowing abroad with a maturity of at least six months by domestic entrepreneurs, except for speculative borrowing or consumer credit. ADs are generally permitted to raise funds abroad in their own name for Namibia's foreign trade financing and for other approved purposes.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Only companies that are 75% or more foreign owned are subject to exchange controls.
To residents from nonresidents	Yes.	Foreign loans to Namibian residents require approval, which is usually granted if the repayment and servicing do not disrupt the balance of payments and the interest rate is reasonable in terms of prevailing international rates.
Guarantees, sureties, and financial	Yes.	

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backup facilities		
By residents to nonresidents	Yes.	Approval is required for guarantees with respect to financial loans but not for trade transactions.
To residents from nonresidents	Yes.	BON approval is required. There is also a limit of N$1 million.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Applications by residents to retain funds in, or transfer them to, countries outside the CMA for bona fide long-term investment in specific development projects or for the expansion of existing projects owned or controlled by residents are considered on their merits. There is no limit on such investments. Consideration is given to foreign borrowing to finance direct investment with recourse to or guarantee from Namibia, implying that a local corporation's balance sheet may be used in negotiating such a facility. Approved foreign subsidiaries may expand activities abroad without approval, provided such expansion is financed by foreign borrowing or by profits earned by the foreign subsidiary. Namibians older than 18 years of age may invest abroad in any form or place in a domestic foreign exchange account up to the equivalent ofN$6 million a year on presentation of a tax clearance certificate from the Namibia Inland Revenue. Income earned abroad and capital introduced into Namibia on or after July 1, 1997, by individual resident in Namibia may be transferred abroad, provided it was previously converted to Namibian dollars.
Inward direct investment	No.	Inward transfers of capital from non-CMA countries for equity investment may be affected freely.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Real estate purchases are permitted up to the foreign investment limit of N$6 million a year. Other purchases are subject to BON Exchange Control approval.
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	ADs may allow the transfer of loans up to N$1 million an applicant a year. Residents require approval to extend larger loans to nonresidents.
To residents from nonresidents	Yes.	Foreign loans to residents are subject to approval to ensure that the level of the interest paid is reasonable in terms of prevailing international rates and that repayment does not disrupt the balance of payments.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Cash bequests and the cash proceeds of legacies and distributions from estates to nonresidents may be remitted abroad. There is a N$1 million limit for gifts a person a year. There are no controls on endowments.
To residents from nonresidents	Yes.	Residents must declare funds obtained and repatriate them to Namibia. An exemption may be obtained from the BON for the retention of such funds abroad. Transfers by ADs of monetary gifts of up to N$1 million an applicant are allowed annually.
Settlement of debts abroad by	Yes.	If immigrants have formally declared their assets and liabilities and

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immigrants		have no cash resources available with which to pay a debt, the BON may consider requests for exemption.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	The regulations that apply to the transfer of assets abroad in South Africa also apply in Namibia. Emigrants are allowed to export household and personal effects for a family or single person up to an overall limit of N$10 million or N$6 million, respectively. Emigrants are allowed to transfer abroad funds in excess of the aforementioned limits, subject to a transfer tax of 10% of the amount in excess of the limits.
Transfer into the country by immigrants	Yes.	Immigrants are required to furnish the exchange control authorities with a complete account of their foreign assets and liabilities at the time of their arrival. Any foreign assets they transfer to Namibia may, through the same channel, be retransferred abroad.
Transfer of gambling and prize earnings	Yes.	Namibians are discouraged from participating in international lotteries; therefore, most requests are denied.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	ADs are generally permitted to raise funds abroad in their own name for the financing of Namibia's foreign trade and for other approved purposes.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Approval is required for lending not related to trade. Only companies that are 75% or more foreign owned are subject to exchange controls, and local financial assistance may be granted to nonresident-owned companies against a nonresident's guarantee.
Lending locally in foreign exchange	Yes.	ADs may lend money locally in Namibian dollars. However, lending locally in foreign currency is not allowed.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These transactions are not allowed.
Differential treatment of deposit accounts in foreign exchange	No.	If these deposits are liabilities to the public arising from operations in Namibia, they are included in the calculation of the minimum liquid assets and reserve requirements.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	The limit on credit facilities to any person or group of related persons is 30% of a banking institution's capital funds. In addition to the above limit, credit facilities of more than 10% of capital funds may not exceed, in aggregate, 800% of the total capital funds of the banking institution in Namibia. These limits apply to all customers, regardless of their citizenship status.
Differential treatment of deposit accounts held by nonresidents	No.	If these deposits are liabilities to the public arising from operations in Namibia, they are included in the calculation of the minimum liquid assets and reserve requirements.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	

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Credit controls	No.	The regulations governing deposit accounts in foreign exchange apply.
Investment regulations	Yes.	
Abroad by banks	Yes.	Banking institutions must at all times maintain assets in Namibia of an aggregate value of at least 100% of their liabilities payable in Namibian dollars (excluding capital funds), minus any debit balances in rand, in the clearing account held with their associate banks in South Africa.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	There is no distinction between residents and nonresidents. The net open position limit is 15% of a bank's share capital and unimpaired reserves.
On nonresident assets and liabilities	Yes.	There is no distinction between residents and nonresidents. The net open position limit is 15% of a bank's share capital and unimpaired reserves.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The maximum is 65% of the total assets of insurance companies.
Limits (max.) on investment portfolio held abroad	Yes.	Qualifying institutions (that is, insurance companies, pension funds, fund managers) may invest up to 35% of total assets under management by fund managers and unit trust management companies in portfolios held abroad without BON approval on presentation of a letter issued by NAMFISA confirming that the investment is within the 35% limit.
Limits (min.) on investment portfolio held locally	Yes.	The minimum level of investment portfolio held locally is 45% of the total assets of the insurance companies.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The maximum is 65% of the total assets of pension funds.
Limits (max.) on investment portfolio held abroad	Yes.	Qualifying institutions (that is, insurance companies, pension funds, fund managers) may invest up to 35% of total assets under management by fund managers and unit trust management companies in portfolios held abroad without BON approval on presentation of a letter issued by NAMFISA confirming that the investment is within the 35% limit.
Limits (min.) on investment portfolio held locally	Yes.	The minimum level of investment portfolio held locally is 45% of the total assets of the pension fund.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Qualifying institutions (that is, insurance companies, pension funds, fund managers) may invest up to 35% of total assets under management by fund managers and unit trust management companies in portfolios held abroad without BON approval on presentation of a letter issued by NAMFISA confirming that the

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	investment is within the 35% limit.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	Yes.
Controls on unbacked tokens	Yes.

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Acquisition by residents	Yes.	In terms of the Exchange Control Regulations, 1961, as amended made under the Currency and Exchanges Act, obtaining foreign currency for the acquisition of crypto assets is limited to the foreign currency equivalent of N$ 6 million foreign capital allowance. Trading in unbacked tokens must be done in accordance with the provisions of the Virtual Assets Act only on the platforms of duly licensed VASPS in Namibia.
Use among residents	Yes.	Trading in unbacked tokens must be done in accordance with the provisions of the Virtual Assets Act only on the platforms of duly licensed VASPS in Namibia.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Settlements of current transactions may only be done using fiat currencies under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Settlements of capital and money markets transactions may only be done using fiat currencies under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
Transactions in derivatives and other instruments	Yes.	Settlements of derivatives transactions may only be done using fiat currencies under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
Credit operations	Yes.	Settlements of current transactions may only be done using fiat currencies under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
Controls on utility and security tokens	Yes.	
Acquisition by residents	Yes.	In terms of the Exchange Control Regulations, 1961, as amended made under the Currency and Exchanges Act, obtaining foreign currency for the acquisition of crypto assets is limited to the foreign currency equivalent of N$ 6 million foreign capital allowance. Trading in unbacked tokens must be done in accordance with the provisions of the Virtual Assets Act only on the platforms of duly licensed VASPS in Namibia.
Use among residents	Yes.	Trading in unbacked tokens must be done in accordance with the provisions of the Virtual Assets Act only on the platforms of duly licensed VASPS in Namibia.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Settlements of current transactions may only be done using fiat currency under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Settlements of capital and money markets transactions may only be done using fiat currencies under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
Transactions in derivatives and other instruments	Yes.	Settlements of derivatives transactions may only be done using fiat currencies under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
Credit operations	Yes.	Settlements of credit operations transactions may only be done using fiat currencies under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
Controls on stablecoins	Yes.	

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Acquisition by residents	Yes.	In terms of the Exchange Control Regulations, 1961, as amended made under the Currency and Exchanges Act, obtaining foreign currency for the acquisition of crypto assets is limited to the foreign currency equivalent of N$ 6 million foreign capital allowance. Trading in unbacked tokens must be done in accordance with the provisions of the Virtual Assets Act only on the platforms of duly licensed VASPS in Namibia.
Use among residents	Yes.	Trading in unbacked tokens must be done in accordance with the provisions of the Virtual Assets Act only on the platforms of duly licensed VASPS in Namibia.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Settlements of current transactions may only be done using fiat currency under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Settlements of capital and money markets transactions may only be done using fiat currency under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
Transactions in derivatives and other instruments	Yes.	Settlements of derivatives transactions may only be done using fiat currency under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
Credit operations	Yes.	Settlements of credit operations transactions may only be done using fiat currency under Regulation 2 of the Exchange Control Regulations, 1961, as amended made in terms of the Currency and Exchanges Act.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Effective July 21, 2023, all entities participating in offering, transacting, facilitating, and trading in crypto assets must be licensed in terms of the Virtual Assets Act (Act No. 10 of 2023).
Access to crypto exchange/trading platform by residents	Yes.	Residents may access local and foreign platforms. However, for foreign platforms, residents may transfer fiat currency up to N$6 million a year.

Changes during 2022 and 2023

Exports and Export Proceeds

Repatriation requirements

Surrender requirements

Surrender to authorized dealers	*10/31/2022*	Exporters may retain export proceeds for an indefinite period (previously 180 days) after receipt in a customer foreign currency account with an AD.

Digital Currencies and Crypto Assets

Controls on crypto exchanges and trading platforms		
Domestic exchanges	*07/21/2023*	All entities participating in offering, transacting, facilitating, and trading in crypto assets must be licensed in terms of the Virtual Assets Act (Act No. 10 of 2023).

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NAURU

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		April 12, 2016.
Article VIII	Yes.	Date of acceptance, April 12, 2016.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Nauru is the Australian dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. The legal framework for the use of the Australian dollar is the Currency Act of 1976, as amended.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite		
Other	Yes.	The Australian dollar is legal tender and circulated freely.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		

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Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	No.	There are currently no banks handling foreign exchange transactions in Nauru. There are no financial institutions in Nauru, and only two agencies are operating, namely Bendigo Bank Agency and Western Union Agency. The government does not buy or sell foreign exchange in Nauru.
Spot exchange market	No.	
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	There are currently no banks handling foreign exchange transactions in Nauru.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Both outward and inward payments may be settled in Australian currency or in another currency. Transactions and payments are assumed to be in Australian dollars unless otherwise specified.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	

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Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	There is no central monetary institution, and there is no legal framework for the control of foreign exchange transactions. There are currently no banks handling foreign exchange transactions in Nauru.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	The export of more than $A 2,500 in cash requires a permit from the Nauru Revenue Office; however, transfers are otherwise unrestricted.
Foreign currency	Yes.	The export of more than $A 2,500 in cash requires a permit from the Nauru Revenue Office; however, transfers are otherwise unrestricted.
On imports	No.	
Domestic currency	No.	The import of more than $A 2,500 in cash requires disclosure to a customs officer.
Foreign currency	No.	The import of more than $A 2,500 in cash requires disclosure to a customs officer.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	No.	There are no foreign exchange accounts or ability to exchange foreign currency in Nauru. All accounts are denominated in Australian dollars. No foreign currency is held in Nauru.
Approval required	No.	
Held abroad	Yes.	Nauruans can open up a foreign account outside Nauru (abroad) as allowed under the foreign bank's requirements. There is no reporting of these required in Nauru.
Approval required	No.	

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Accounts in domestic currency held abroad	No.	The Australian dollar is used domestically, and Nauruans can open Australian dollar denominated foreign account outside Nauru (abroad) as allowed under the foreign bank's requirements. There is no reporting of these required in Nauru.
Accounts in domestic currency convertible into foreign currency	No.	There is no foreign exchange conversion available in the Agencies. No foreign currencies are held in Nauru.

Nonresident Accounts

Foreign exchange accounts permitted	No.	No foreign currency accounts are available in Nauru.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	No.	No foreign currency conversions occur in Nauru. The Australian dollar would need to be transferred out of Nauru and then converted.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	The import of goods into Nauru requires an import license issued by the Nauru Customs Service.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Import licenses are issued to businesses that meet certain criteria including (1) registration in Nauru, (2) majority ownership by Nauruans, and (3) 90% of employees are Nauruan citizens, unless cause is shown why others are employed.
Import taxes and/or tariffs	Yes.	Imports are subject to duties and tariffs.

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Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	There are no repatriation or surrender requirements for export proceeds.
Surrender requirements	No.	There are no repatriation or surrender requirements for export proceeds.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	Purchasers of the phosphate exported by Ronphos (a state-owned enterprise) issue LCs for supply but pay in Australian dollars once shipped.
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	Exports are not subject to licensing requirements.
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	There are no restrictions on payments for or receipts from invisibles.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	There are no restrictions on the making of payments due such as interest on loans and dividends and other income from investments.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	There are no restrictions on payments for or receipts from invisibles.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	There are no restrictions on payments for or receipts from invisibles.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.

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Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on derivatives and other instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on credit operations	No.
Commercial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.

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Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Registration and other fees can be rebated for corporations held entirely by Nauruan citizens. Foreign corporations, defined as those incorporated outside Nauru or with their head office or principal place of business outside of Nauru, must provide financial and other information to the Registrar and appoint an agent in Nauru.
Controls on liquidation of direct investment	No.	There are no restrictions on the repatriation of profit or capital. There are no restrictions on the making of payments due such as interest on loans and dividends and other income from investments.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Only Nauruans are eligible to own land. Non-Nauruans may lease land, but only with the approval of the president. All transfers, sales, and leases of land in Nauru require the consent of the president.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial	No.	

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banks and other credit institutions		
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	No.	
Insurance companies	No.	There are no insurance companies in Nauru.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio	No.	

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held abroad	
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.

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Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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NEPAL

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 6, 1961.
Article VIII	Yes.	Date of acceptance: May 30, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2020 Article IV Consultation with Nepal states that as of February 27, 2020, the Industrial Enterprises Act places a 75% limit on the conversion and transfer to foreign currency of salaries of nonresidents from countries where convertible currency is in circulation. Because the limit applies to amounts that may be less than net salaries, it gives rise to an exchange restriction under Article VIII. (Country Report No. 20/96)
Exchange measures imposed for security reasons	No.	There are no exchange measures imposed for security reasons. Security-related exchange measures are taken indirectly through other laws that control such activities.
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Nepal is the Nepalese rupee.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional peg vis-à-vis the Indian rupee. The Nepal Rastra Bank (NRB) is designated as the agency that may decide on changes in the exchange rate system.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Nepalese rupee has been pegged to the Indian rupee at the rate of Nrs. 1.6 per Indian rupee since February 1993. The reference rate of the US dollar quoted by the NRB is based on the US dollar/Indian rupee (USD/INR) midrate in the Indian foreign exchange market at the stipulated time. Buying and selling rates are quoted daily for certain other currencies, with quotes based on the buying and selling rates for the US dollar in markets abroad. The official exchange rate is fixed by the NRB. The NRB deals directly with the government and other public entities at the official exchange rate. The official exchange rate is used for accounting and valuation for NRB and government transactions.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite		
Other	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the Indian rupee.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		

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Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The foreign exchange market in Nepal comprises the NRB, licensed banks and financial institutions, remittance companies, trekking tour and travel agents, money changers, exporters, importers, and hotels. Under Foreign Exchange (Regulation) Act, 2019 (1962), institutions must obtain licenses from the NRB to deal in foreign exchange. As of December 31, 2022, 27 Class A banks and 7 Class B financial institutions were licensed to deal in foreign exchange with the public. BFIs at the national level may engage in foreign exchange transactions with the NRB to maintain their foreign currency positions. Financial institutions with paid-up capital of Nrs. 2,500 million are included in Class B national-level financial institutions. They may purchase and sell foreign exchange, maintain nostro accounts abroad, and make foreign currency payments and transfers, except restricted and capital transactions, on behalf of their clients. Commissions charged by ADs are regulated.
Spot exchange market	Yes.	Market participants are allowed to pursue spot exchange rate transactions under prevailing NRB rules and regulations under the Foreign Exchange (Regulation) Act, 2019 (1962). Banks may freely determine their exchange rates for transactions with their clients for convertible foreign currencies, except Indian rupees. Twenty-seven Class A banks and 7 Class B development banks are licensed to carry out such transactions.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The NRB has an unlimited foreign exchange standing facility for banks and BFIs. The purchase and sale of US dollars between BFIs and the NRB take place through the NRB purchase and sale window, open Monday through Friday. BFIs may purchase convertible currency banknotes against their accounts with the NRB if adequate

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		funds are available. The NRB deals directly with the government and other public entities at the official exchange rate.
Allocation	Yes.	The NRB verifies underlying documentation when dealing with ADs.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is no broker system or market-making agreement. BFIs are the participants in the interbank market. They may enter into interbank transactions in foreign currency, including Indian rupees, under mutually agreed terms and conditions. As of December 31, 2022, 27 commercial banks, 7 B class (development) banks and 3,010 other institutions were licensed by the NRB foreign exchange department. Market participants may determine their bid-ask spreads, up to 60 paisa on the US dollar.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Commercial banks may contract forward exchange cover for current account transactions under mutually agreed terms and conditions with their clients. Proprietary forwards up to 15% of core capital (outstanding at any time) are permitted for banks. The NRB does not participate in forward transactions.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Convertibility between the Indian rupee and the Nepalese rupee is unrestricted in Nepal. Payments and transactions with Bhutan and India may also be settled in Indian rupees, except when approval is granted by the NRB.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Domestic currency may not be used for international current account transactions. Current transactions with ACU member countries other than India must take place through the ACU. Goods and services imported from India through global tender by organizations, the corporate sector, and projects may be settled in US dollars. Other imports and proceeds from exports to India must be settled in Indian rupees. Proceeds from exports to other countries must be received in convertible currency. Commercial banks may engage in renminbi transactions with Chinese tourists, Nepalese visitors to China, and Nepalese students studying in China. 182 items may be imported from India and settled in US dollars. Guardian parents and students may make payments in US dollars from their US dollar accounts to a university or college for tuition fees. Commercial banks may make payments in US dollars for imports from India by international organizations maintaining accounts in foreign currency for their own use.
For capital transactions	Yes.	Domestic currency may not be used for the settlement of capital transactions.
Transactions in capital and money market instruments	Yes.	Domestic currency may not be used for the settlement of capital transactions.
Transactions in derivatives and other instruments	Yes.	Domestic currency may not be used for the settlement of capital transactions.

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Credit operations	Yes.	Domestic currency may not be used for the settlement of capital transactions.
Use of foreign exchange among residents	Yes.	Residents (including registered entities) must be licensed by the NRB to engage in foreign exchange transactions under the Foreign Exchange (Regulation) Act, 2019 (1962). Commercial banks may engage in interbank transactions in foreign currency, including Indian rupees. Resident individuals may purchase Indian rupees and sell them to the NRB or ADs.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Nepal is a member of the ACU.
Clearing agreements	Yes.	Nepal is a member of the ACU.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Payments in convertible currency may be made freely, subject to the procedures prescribed by the NRB. All exchange transactions must be settled through ADs; however, nonbank ADs are allowed to sell foreign currency under the passport facility to meet travel expenses. Otherwise, these nonbank ADs are licensed to accept foreign currency for their services.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Commercial banks are permitted to import gold with quantitative restrictions. Importers may import silver under OGLs without quantitative restrictions.
On domestic ownership and/or trade	No.	
On external trade	Yes.	Imports of gold are allowed under prescribed limits. These limits do not affect facilities given to individuals under a hand-carry bylaw. Jewelry exporters are not permitted to import gold on their own; for jewelry exports, gold may be imported through commercial banks beyond the prescribed daily limit.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Nepalese residents may carry with them Nrs. 5,000 while traveling to and from Nepal without declaration to Nepal customs.
Foreign currency	Yes.	Foreign banknotes, other than Indian banknotes, may not be taken out by residents without permission. Foreign currency equivalent to US$5,000 may be taken out by foreigners. Larger amounts must be declared to customs officers for verification and certification.
On imports	Yes.	
Domestic currency	Yes.	Importation of domestic currency is subject to controls.
Foreign currency	Yes.	Residents and nonresidents may bring in foreign banknotes freely but must declare amounts exceeding US$5,000. Indian rupees in

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		denominations of more than 100 may not be exchanged. Indian rupees in denominations exceeding 100 may not be brought into Nepal.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Any person or entity with foreign currency income may open a foreign currency account domestically. There are no limits on deposits if the source is documented. There are also no limits on withdrawals of Nepalese rupee equivalent amounts from foreign currency accounts. There are certain limits on expenses in foreign currency paid through such accounts. Balances may be transferred, with documentation, up to US$15,000 at a time, not exceeding US $20,000 a year for service payments.
Approval required	No.	
Held abroad	Yes.	Approval is required to open these accounts. There are no restrictions on transfers and operation of accounts.
Approval required	Yes.	Approval is required to open these accounts. Commercial banks may open foreign exchange accounts abroad for facilitating e-commerce payments.
Accounts in domestic currency held abroad	No.	Residents are not allowed to open domestic currency accounts abroad.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Diplomats and foreign nationals, except Indian nationals, are free to open foreign exchange accounts with Nepalese banks. Accounts may be maintained in all specified convertible currency, and balances in these accounts may be transferred abroad freely. Commercial banks may make payments in US dollars for imports from India by international organizations maintaining accounts in foreign currency for their own use.
Approval required	No.	
Domestic currency accounts	Yes.	Foreign nationals on business visas or work permits may open accounts in domestic currency. Effective April 28, 2023, 70% (previously 75%) of salaries and 100% of provident fund proceeds and foreign currency taken in may be transferred.
Convertible into foreign currency	Yes.	Effective April 28, 2023, 70% (previously 75%) of salaries and 100% of provident fund proceeds and foreign currency taken in may be transferred.
Approval required	Yes.	Approval from the NRB is not required for repatriation, up to the prescribed limit.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	Commercial banks may make payments in US dollars for imports from India by international organizations with accounts in foreign currency for their own use for prescribed goods only.
Minimum financing requirements	No.	
Advance payment requirements	No.	

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Advance import deposits	Yes.	There are requirements of, effective August 7, 2023, 1% (previously 2%) for industrial materials and 3% (previously 10%) for commercial goods in the customs account. Effective January 19, 2023, the margin requirement on luxury goods imports, such as gold over 10 kg, was lifted.
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Only a registered entity may open an LC to import goods. Documents required are the importer's registration with the relevant authority, memorandum of association and articles of association, pro forma invoice/contract, updated tax clearance certificate, etc.
Preshipment inspection	No.	
Letters of credit	Yes.	Banks are required to obtain information regarding the creditworthiness (business credibility information) of suppliers before opening LCs in excess of the equivalent of US$50,000.
Import licenses used as exchange licenses	Yes.	These are required only for certain items, such as poppy seeds and limited food items (Circular No. 580, 2069/05/01 No. 13).
Other	Yes.	The maximum amount for payments by draft or wire transfer by importers is US$35,000, pursuant to Circular No. 11/2077-78. Imports are also allowed on a documentary collection basis (documents-against-payment as well as acceptance) under the provision of International Chamber of Commerce Publication Uniform Rules for Collections (URC) No. 522, Circular No. 581.
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Most imports are covered by OGLs.
Negative list	Yes.	Imports of alcohol; poppy seeds; secondhand clothing and their products; and secondhand goods made of metal, plastic, copper, brass, bronze, aluminum, or zinc scraps are restricted. LCs for imports of ozone-depleting substance (ODS) refrigerant gas and non-ODS refrigerant gas require preapproval. Imports of scrap plastic, recycled plastic granules, and secondhand machinery are restricted.
Open general licenses	Yes.	Positive list goods and permitted goods are allowed as per Circular No. 1.
Licenses with quotas	Yes.	These are required only for certain items, such as poppy seeds.
Other nontariff measures	Yes.	Quantitative restrictions are in effect for the importation of poppy seeds and gold.
Import taxes and/or tariffs	Yes.	Most tariff rates are about 0%, 5%, 10%, 15%, 20%, 30%, and 80%, as per Financial Act 2079. Nepalese citizens returning from abroad may bring in up to 50 grams of gold ornaments, up to 500 grams of silver, and other ornaments with precious metal worth Nrs. 100,000; one set of professional hand tools; one watch, camera, video camera, mobile phone, and USB flash drive; and up to 7 kg of edible food products free of customs duty and sales tax. Citizens with official sources of foreign exchange earnings who have been abroad for six months or more are allowed additional imports for household consumption without official documentation.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	Yes.	Proceeds from exports must be repatriated within six months of the date of document collection. Exporters may accept deferred payments of export proceeds even if the amount received is less than 2% of the LC amount, or US$1,000 (whichever is higher). Otherwise, NRB approval is required to accept payment.
Surrender requirements	No.	Exporters may retain their export receipts in their foreign exchange accounts with local banks.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	Yes.	Commercial banks may grant advance export credit for up to 70% of the free-on-board value of exports to all individuals and institutions holding irrevocable LCs opened or endorsed by foreign banks and acceptable to Nepalese banks. Such credit may be provided for a maximum of three months; this period may be extended without penalty in special circumstances beyond the control of the exporter.
Documentation requirements	Yes.	
Letters of credit	Yes.	Exports to countries are allowed against irrevocable LCs, advance payment certificates, and cash against documents.
Guarantees	Yes.	Banks are required to obtain information regarding the creditworthiness (business credibility information) for transactions involving LCs in excess of the equivalent of US$50,000 (Unified Circular 2076 Circular No. 1/2076: 1:1:11, Circular No. 383 of March 25, 2007). For cash against documents exports, exports exceeding US$500,000 or its equivalent require NRB approval (Unified Circular 2076 Circular No. 5/2076: 7 and Circular No. 536 of August 10, 2010).
Domiciliation	Yes.	Reexportation to India of non-Nepalese-origin goods and reexportation to any destination of goods imported from India are prohibited.
Preshipment inspection	No.	
Other	Yes.	Banks are free to issue permits for exports not exceeding US $500,000 or its equivalent at a time on the basis of a 1% security deposit of the free-on-board value in cash or other acceptable securities.
Export licenses	Yes.	
Without quotas	Yes.	Exports of items having archeological or religious value, old coins, narcotics, wild animals and their parts, and explosive materials are prohibited.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	There are eight customs duty rates on exports. These apply to 109 specific items (27 headings and 109 subheadings of Harmonized System (HS) codes). The rates range from Nrs. 5 to Nrs. 25, Nrs. 40, Nrs. 50, and Nrs. 5,000 a kilogram and Nrs. 600 and Nrs. 1,200 a cubic meter. For exports of wood and articles of wood (seven headings; HS codes 44.01–44.07), the export custom duty rate is 200%. A service charge of Nrs. 500 is levied on all other exports. The tax rates are subject to change after the announcement of the

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annual budget in May every year.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	BFIs may make trade-related payments. For imports of goods, there is no restriction on payment amounts.
Prior approval	Yes.	Payments for service imports from India are limited to INR 3,000,000. Larger amounts require NRB permission. Payments for service imports are limited to US$12,000 an occasion. Larger amounts require NRB permission. Airlines companies are allowed to make a payment for service imports up to US$100,000 from a commercial bank, and NRB approval is required for larger payments.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	Approval is required for foreign investors operating in Nepal to repatriate their investment (sale of shares), profits earned, lease, royalty, and other income from their investments. The repayment schedule is approved during the loan approval and, based on the approved repayment schedule, the principal and interest may be transferred through banking channels.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	Yes.	Businesses and industries not involved in exportation must obtain NRB approval if they need foreign exchange beyond the established limits.
Quantitative limits	Yes.	The maximum travel allowance for a visit is, effective July 28, 2023, US$2,500 (previously US$1,500).
Indicative limits/bona fide test	Yes.	The NRB provides travel allowances exceeding the limits when justified.
Personal payments	Yes.	Commercial banks may make payments directly to an educational institution and provide foreign exchange for the living expenses of students with supporting documentation and a no-objection letter from the Ministry of Education. Nepalese students may be provided with foreign exchange facilities for living expenses without the requirement of “No Objection Letter/Certificate” from the Ministry of Education subject to terms and conditions. Circular No. 8 of 2079 BS covers all issues regarding exchange facilities for higher education.
Prior approval	Yes.	Exchange facility for medical expenses abroad requires recommendation by a physician registered in Nepal. Banks may provide up to US$10,000; NRB approval is required for higher amounts.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Drafts and telegraphic transfer for personal payments of up to, effective December 28, 2023, US$1,500 (previously, the threshold was decreased to US$1,000 from US$10,000 effective January 7, 2022) or its equivalent to institutions are permitted with supporting documentation. NRB approval is required for larger amounts.

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		Drafts and telegraphic transfer for personal payments of up to INR 300,000 to Indian institutions are permitted with supporting documentation. NRB approval is required for larger amounts.
Foreign workers' wages	Yes.	
Prior approval	Yes.	Foreign workers may remit up to, effective April 28, 2023, 70% (previously 75%) of their wages from a commercial bank without NRB approval.
Quantitative limits	Yes.	Foreign workers may remit up to, effective April 28, 2023, 70% (previously 75%) of their wages.
Indicative limits/bona fide test	Yes.	A business visa, recommendation letter from employer, or work permit is required.
Credit card use abroad	Yes.	Credit cards may be used abroad under specific guidelines and limits. BFIs may issue credit cards for the individual who have foreign currency accounts in Nepal, and BFIs may fix terms and conditions.
Prior approval	No.	
Quantitative limits	Yes.	The limit for credit card use abroad is US$15,000.
Indicative limits/bona fide test	No.	
Other payments	Yes.	Foreign exchange earners (exporters and the tourism sector) are allowed to make payments from their foreign exchange accounts directly to a foreign party for promotional activities such as booth reservations, registration fees, and service charges. Commercial banks are permitted to make payments for business credit reports for their own purposes. Effective August 7, 2023, businesses engaged in export of IT or related services are allowed to transfer foreign currency equivalent to 10% of their foreign currency earnings from the previous year for opening liaison offices abroad or for the purchase of software or hardware to install abroad.
Prior approval	Yes.	The maximum amount for miscellaneous payments to institutions that may be made on the basis of supporting documents is US $12,000 as of December 13, 2021. NRB approval is required if the amount exceeds the limit.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	Yes.	Foreign exchange earnings from invisible transactions may be retained in a foreign exchange account. Other current transfers, such as workers' remittances collected from abroad through authorized remittance companies, may also be retained in foreign exchange accounts up to 15 days.
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Remittance companies are required to surrender the foreign currency within 15 days.
Restrictions on use of funds	Yes.	Earnings deposited in a foreign exchange account by entities and individuals may be used freely to meet their obligations on the basis of supporting documents.

Capital Transactions

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Controls on capital transactions	Yes.	Outward flow of capital is restricted. The NRB may grant approval, in some cases, on the basis of recommendation of the Government of Nepal. NRB approval is required to repatriate proceeds from the sale of the share of foreign investment, profit, principal, and interest.
Repatriation requirements	Yes.	Repatriation is allowed based on the balance sheet and prescribed documents with the recommendation of the appropriate regulator. There is no time frame for repatriation.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds must be surrendered within 15 days of remittance.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Equity participation and other forms of investment (technology transfer and lending) by foreign entities are regulated under the Foreign Investment and Technology Transfer Act of Nepal 2019.
Purchase locally by nonresidents	Yes.	Nonresidents may purchase shares or other securities of a participating nature in local currency with approval.
Sale or issue locally by nonresidents	Yes.	Approval from the government authority and the NRB is required.
Purchase abroad by residents	Yes.	Residents may not purchase shares or other securities of a participating nature abroad.
Sale or issue abroad by residents	Yes.	NRB approval is required.
Bonds or other debt securities	Yes.	These transactions are regulated by the Securities Board of Nepal.
Purchase locally by nonresidents	Yes.	Nonresident Nepalese may purchase specific government bond and government securities. They may purchase bonds denominated in foreign currencies (Circular No. 21 of Unified Circular 2080) and if the bond is a Foreign Employment Saving Bond issued on behalf of Government of Nepal and denominated in Nepali Rupees. Other nonresidents may not purchase government bonds and securities.
Sale or issue locally by nonresidents	Yes.	These transactions are prohibited.
Purchase abroad by residents	Yes.	These transactions are prohibited.
Sale or issue abroad by residents	Yes.	These transactions are prohibited.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may invest in money market instruments, subject to approval from the relevant authority.
Sale or issue locally by nonresidents	Yes.	These transactions are prohibited.
Purchase abroad by residents	Yes.	These transactions are prohibited.
Sale or issue abroad by residents	Yes.	These transactions are prohibited.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may invest in collective investment securities, subject to approval from the relevant authority.
Sale or issue locally by nonresidents	Yes.	These transactions are prohibited.
Purchase abroad by residents	Yes.	Only banks may invest in these securities.

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Sale or issue abroad by residents	Yes.	Only banks may invest and deal in these securities.
Controls on derivatives and other instruments	Yes.	Commercial banks may provide forward contracts to institutions involved in foreign exchange transactions and enter into interest rate swap arrangements with foreign banks and other financial entities without NRB approval. Banks and some other financial institutions may enter into transactions in derivatives and other instruments such as forward operations, swaps, options, and futures and may invest their convertible foreign exchange in financial instruments of any maturity. However, these transactions are subject to guidelines approved by the board of the respective banks and financial institutions.
Purchase locally by nonresidents	Yes.	These transactions are prohibited.
Sale or issue locally by nonresidents	Yes.	These transactions are prohibited.
Purchase abroad by residents	Yes.	These transactions are prohibited for residents except banks.
Sale or issue abroad by residents	Yes.	These transactions are prohibited.
Controls on credit operations	Yes.	With NRB approval, Nepalese citizens, institutions, firms, companies, and BFIs may borrow from abroad pursuant to Foreign Loan and Foreign Investment Bylaws 2078.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	These transactions are prohibited.
To residents from nonresidents	Yes.	NRB approval is required if credit is provided with bailment and pledge in any form of domestic asset or security.
Financial credits	Yes.	NRB approval is required if credit is provided.
By residents to nonresidents	Yes.	These transactions are prohibited.
To residents from nonresidents	Yes.	NRB approval is required.
Guarantees, sureties, and financial backup facilities	Yes.	Approval is granted on a case-by-case basis.
By residents to nonresidents	No.	Pursuant to NRB regulations, BFIs may issue guarantees for their nonresident clients.
To residents from nonresidents	Yes.	Required documentation includes VAT information and proof of citizenship.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Nepalese citizens, whether or not they reside in Nepal, may not make any type of investment in foreign countries, except as specifically permitted by government notice. Citizens living abroad who invest funds earned abroad may keep those investments after returning to Nepal if they notify the NRB. Other exemptions include the purchase and sale of insurance policies abroad and investments abroad by banking and financial institutions incorporated in Nepal.
Inward direct investment	Yes.	Investments require approval from the Department of Industry/Investment Board of Nepal. Foreign investment is not permitted in cottage, small-scale, or defense-related industries. Foreign investors may hold 100% equity in large and medium industries.
Controls on liquidation of direct investment	Yes.	Controls are based on the provisions of the Companies Act.
Controls on real estate transactions	Yes.	Only residents may own real estate.
Purchase abroad by residents	Yes.	These transactions are prohibited.

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Purchase locally by nonresidents	Yes.	These transactions are prohibited.
Sale locally by nonresidents	Yes.	These transactions are prohibited.
Controls on personal capital transactions	Yes.	
Loans	Yes.	These transactions are controlled.
By residents to nonresidents	Yes.	These transactions are prohibited.
To residents from nonresidents	Yes.	Effective January 23, 2022, a person, firm, company, or institution may borrow US$1 million or Rs. 100 million at the one-year benchmark rate plus 2% a year. BFIs may borrow up to 100% of their core capital at the one-year benchmark rate plus 4.5% a year. Previously, a person could borrow US$500,000 at 0% interest for a minimum of five years, and firms, companies, and institutions could borrow on the recommendation of their regulator.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	These transactions are prohibited.
To residents from nonresidents	Yes.	Permission from the relevant authority is required.
Settlement of debts abroad by immigrants	Yes.	These transactions are restricted.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Emigrants may not transfer assets out of Nepal.
Transfer into the country by immigrants	Yes.	Immigrants may transfer assets into Nepal.
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Commercial banks may enter into interest rate swap arrangements with foreign banks and other financial entities without NRB approval.
Borrowing abroad	Yes.	Effective January 23, 2022, BFIs may borrow from abroad up to 100% of core capital at the one-year benchmark rate plus 4.5% a year. Previously, they could borrow from abroad up to 100% of core capital, with a loan duration of one to five years at a maximum rate or fee of six-month LIBOR plus 4% with no collateral.
Maintenance of accounts abroad	Yes.	NRB approval is required.
Lending to nonresidents (financial or commercial credits)	Yes.	NRB approval is granted on a case-by-case basis.
Lending locally in foreign exchange	Yes.	Exporters, tourism-related businesses, and firms involved in energy generation or production are entitled to such credits.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Only power-generating and transmission companies may issue debt in foreign currency for specific projects, up to 60% of the project cost.
Differential treatment of deposit accounts in foreign exchange	Yes.	Differential treatment is based on the type of currency. Convertible currency deposit accounts may be opened only if the holder has foreign exchange earnings.
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	Yes.	Controls apply to export credits. Pre- and postshipment credits are available only to residents (specifically exporters of pashmina, ready-made garments, carpets, and handicrafts who earn foreign exchange proceeds through exports) in convertible foreign currency at an interest rate of, effective January 23, 2022, 1-year benchmark rate plus 1.75% (previously LIBOR plus 1.25%).
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	No.	
In banks by nonresidents	Yes.	These transactions are governed by the licensing policy.
Open foreign exchange position limits	Yes.	There are limits on open foreign exchange positions.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	Yes.	Commercial banks are not allowed to have open foreign exchange positions on forwards. The net open position on total foreign assets and liabilities may not exceed 30% of core capital.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	These transactions are regulated by the Insurance Board. Investment in foreign currency is not allowed.
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies are not allowed to invest in securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies are not allowed to purchase shares or other securities abroad.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	There are no pension funds in Nepal.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investment firms and collective investment funds may not purchase shares or other securities abroad.
Limits (max.) on investment portfolio held abroad	Yes.	Investment firms and collective investment funds may not purchase shares or other securities abroad.

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Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	Crypto assets are prohibited since August 13, 2017.
Controls on unbacked tokens	Yes.	Crypto assets are prohibited.
Acquisition by residents	Yes.	Crypto assets are prohibited.

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Use among residents	Yes.	Crypto assets are prohibited.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Crypto assets are prohibited.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Crypto assets are prohibited.
Transactions in derivatives and other instruments	Yes.	Crypto assets are prohibited.
Credit operations	Yes.	Crypto assets are prohibited.
Controls on utility and security tokens	Yes.	Crypto assets are prohibited.
Acquisition by residents	Yes.	Crypto assets are prohibited.
Use among residents	Yes.	Crypto assets are prohibited.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Crypto assets are prohibited.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Crypto assets are prohibited.
Transactions in derivatives and other instruments	Yes.	Crypto assets are prohibited.
Credit operations	Yes.	Crypto assets are prohibited.
Controls on stablecoins	Yes.	Crypto assets are prohibited.
Acquisition by residents	Yes.	
Use among residents	Yes.	Crypto assets are prohibited.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Crypto assets are prohibited.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Crypto assets are prohibited.
Transactions in derivatives and other instruments	Yes.	Crypto assets are prohibited.
Credit operations	Yes.	Crypto assets are prohibited.
Controls on crypto exchanges and trading platforms	Yes.	Crypto assets are prohibited.
Domestic exchanges	Yes.	Crypto assets are prohibited.
Access to crypto exchange/trading platform by residents	Yes.	Crypto assets are prohibited.

Changes during 2022 and 2023

Nonresident Accounts

Domestic currency accounts	*04/28/2023*	Seventy percent (previously 75%) of salaries may be transferred.

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Convertible into foreign currency	*04/28/2023*	Seventy percent (previously 75%) of salaries may be transferred.

Imports and Import Payments

Financing requirements for imports

Advance import deposits	*01/19/2023*	The margin requirement on luxury goods imports, such as gold over 10 kg, was lifted.
	08/07/2023	There are requirements of 1% (previously 2%) for industrial materials and 3% (previously 10%) for commercial goods in the customs account.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Payments for travel		
Quantitative limits	*07/28/2023*	The maximum travel allowance for a visit is US$2,500 (previously US$1,500).
Personal payments		
Indicative limits/bona fide test	*01/07/2022*	Drafts and telegraphic transfer for personal payments of up to US $1,000 (previously US$10,000) or its equivalent to institutions are permitted with supporting documentation.
	12/28/2023	Drafts and telegraphic transfer for personal payments of up to US $1,500 (previously US$1,000) or its equivalent to institutions are permitted with supporting documentation.
Foreign workers' wages		
Prior approval	*04/28/2023*	Seventy percent (previously 75%) of salaries may be transferred.
Quantitative limits	*04/28/2023*	Seventy percent (previously 75%) of salaries may be transferred.
Other payments	*08/07/2023*	Businesses engaged in export of IT or related services were allowed to transfer foreign currency equivalent to 10% of their foreign currency earnings from the previous year for opening liaison offices abroad or for the purchase of software or hardware to install abroad.

Capital Transactions

Controls on capital transactions

Controls on personal capital transactions		
Loans		
To residents from nonresidents	*01/23/2022*	A person, firm, company, or institution may borrow US$1 million or Rs. 100 million at the one-year benchmark rate plus 2% a year. BFIs may borrow up to 100% of their core capital at the one-year benchmark rate plus 4.5% a year. Previously, a person could borrow US$500,000 at 0% interest for a minimum of five years, and firms, companies, and institutions could borrow on the recommendation of their regulator.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	*01/23/2022*	BFIs may borrow from abroad up to 100% of core capital at the one-year benchmark rate plus 4.5% a year. Previously, they could borrow from abroad up to 100% of core capital, with a loan duration of one to five years at a maximum rate or fee of six-month LIBOR plus 4% with no collateral.

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Differential treatment of deposit accounts in foreign exchange *Credit controls*	*01/23/2022*	The interest rate on pre- and postshipment credits is 1-year Benchmark rate plus 1.75% (previously LIBOR plus 1.25%).

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NETHERLANDS

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	The Netherlands maintains certain restrictions in accordance with EU regulations and the relevant UNSC resolutions on the making of payments and transfers for international transactions (including obligations to freeze assets) with respect to the following: Afghanistan, Belarus, Burundi, Central African Republic, Democratic People's Republic of Korea, Democratic Republic of the Congo, Guinea, Guinea-Bissau, Haiti, Iraq, Islamic Republic of Iran, Lebanon, Libya, Myanmar, Mali, Moldova, Nicaragua, Ukraine/Russia, Somalia, South Sudan, Sudan, Syria, Tunisia, Turkey, Venezuela, Yemen, Zimbabwe, groups associated with terrorism (foreign organizations associated with terrorism including Al-Qaida and ISIL (Da'esh)).
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the Netherlands is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		

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Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. The Netherlands participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks. The publication time of the euro foreign exchange reference rates is around 14:30 Central European Time to around 16:00 Central European Time. The reference rate against the euro is the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		

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Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	No exchange controls apply to either the spot exchange market or the forward exchange market. ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Money transfer offices fall under the regulatory framework for payment service providers (PSPs) in the Financial Supervision Act (Wet op het financieel toezicht (WFT)). Under Section 2:3a of the WFT, no one domiciled in the Netherlands may conduct business as a PSP without an authorization from De Nederlandsche Bank (DNB, Dutch Central Bank). This prohibition does not apply to credit institutions authorized by the DNB. As of December 31, 2022, there were 243 PSPs, of which 87 were credit institutions and 156 were other PSPs. In 2021, there were 224 PSPs, of which 81 were credit institutions and 143 were other PSPs.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	

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Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The foreign exchange market operates on the basis of a market-making agreement for large professional market participants, such as banks. Smaller participants usually use a broker. In theory, there are no limits on bid-ask spreads. Excessive spreads, however, would be deemed "off-market" and are, therefore, not allowed. Commissions must also be market based. Intervention, if any, must be coordinated within the Eurosystem and takes place directly via market makers at their quoted rates (best price). Banks licensed by the DNB may trade in the interbank foreign exchange market.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	The interbank market operates on the basis of a market-making agreement, under which participants commit to a maximum spread and a minimum amount to trade. To the extent that the necessary contracts are in place, banks may participate in the interbank foreign exchange market. There are no limits on the bid-ask spreads and commissions of market participants.
Forward exchange market	Yes.	The CB may engage in foreign exchange swaps or foreign exchange forwards in the global market for investment purposes.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.
Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.
Barter agreements and open accounts	No.

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Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EC) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EC regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EC regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EC regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purpose of the EC regulation; the EC regulation only harmonizes the system for the EU's external borders.
On exports	No.	
Domestic currency	No.	Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
On imports	No.	
Domestic currency	No.	Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.

Resident Accounts

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Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Balances may be repatriated freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	In accordance with the relevant UNSC resolutions and/or EU regulations, accounts of specific individuals are blocked. See Section II.B.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The EU requires import authorizations for steel products, which are subject to prior Union surveillance measures (Regulation (EU) No. 2016/670). Iceland, Liechtenstein, and Norway are exempted from

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		the prior Union surveillance on steel on account of their membership of the EEA. The EU requires import authorization for textile products which are subject to surveillance measures (Regulation (EU) No. 2015/9361 and Council Regulation (EC) No. 3060/95).
Open general licenses	No.	
Licenses with quotas	Yes.	Some quotas are managed by European Commission's Directorate-General responsible for Agriculture and Rural Development through a system of import licenses. The EU requires import authorization for textile products which are subject to quantitative restrictions (Regulation (EU) No. 2015/9361 and Council Regulation (EC) No. 3060/95). On the basis of EU regulations, an import license has been required for textile products from the Democratic People's Republic of Korea since 1993. The autonomous import quotas on textile from Belarus were scrapped in 2017 (Regulation (EU) No. 2017/354). The EU requires quota authorizations for certain wood products (spruce, pine), which are subject to tariff-rate quotas in accordance with the bilateral EU–Russia Wood agreement. The quota is set by Russia, but managed on the EU side. It stems from Russia's WTO Accession Protocol (August 22, 2012).
Other nontariff measures	Yes.	Imports of most products covered by the CAP from non-EU countries are subject to EU regulations.
Import taxes and/or tariffs	Yes.	Import tariffs exist. All relevant information with regard to EU import (and export) rules can be found on the European Commission's website as well as the Access2Markets portal.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are required for only a few commodities, most of which are of a strategic nature.
With quotas	No.	
Export taxes	No.	

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Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	

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No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) investment in airlines established in the country that must be majority owned and effectively controlled by EU countries and/or nationals of EU countries, unless otherwise provided for through an international agreement to which the EU is a signatory; (2) ownership of the Netherlands flag vessels, unless the investment is made by shipping companies incorporated under Netherlands law, established in the Netherlands, and whose actual place of management is in the Netherlands; and (3) the extent that under EC Directive No. 85/611/EEC, a UCITS depository must have its registered office either in the same EU country as that of the company or be established in the EU country if its registered office is in another EU country. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	

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Controls on real estate transactions	No.
Purchase abroad by residents	No.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.
Controls on personal capital transactions	No.
Loans	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.
Borrowing abroad	No.
Maintenance of accounts abroad	No.
Lending to nonresidents (financial or commercial credits)	No.
Lending locally in foreign exchange	No.
Purchase of locally issued securities denominated in foreign exchange	No.
Differential treatment of deposit accounts in foreign exchange	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Differential treatment of deposit accounts held by nonresidents	No.
Reserve requirements	No.
Liquid asset requirements	No.

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The DNB applies Article 351 of the CRR (Regulation (EU) No. 575/2013). The CRR does not impose an explicit limit on open foreign exchange positions, but there is a prudential capital requirement of 8% of an institution's own funds under Article 351 (if the sum of the overall net foreign exchange position and net gold position exceeds 2% of an institution's total own funds).
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	

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Retail	No.	In June 2023, the European Commission published a legislative proposal for establishing the legal framework for a possible digital euro. The ECB, together with the euro area national CBs, are currently in the investigation phase of the digital euro project.
Wholesale	No.	DNB participates in working groups about trials and experiments with "wholesale" central bank digital currency. There have been experiments within the EU countries in the past, where DNB was not involved. There is no launch of an actual " wholesale" central bank digital currency yet, also not in other jurisdictions.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	No.	There is currently no specific legislation with respect to cryptoassets other than the Dutch implementation of the Fifth Anti-Money Laundering Directive (5MLD) in the Netherlands. Markets in Crypto Assets Regulation (MiCAR) will apply in 2024.
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	

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Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	The Dutch Financial Supervisory Act (FSA) would only be applicable to security tokens if they qualify as a traditional financial instrument, such as a security.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	The providers of “custodian wallets” and “providers engaged in exchange services between virtual currencies and fiat currencies” need to register with the DNB if they are operating in or from the Netherlands. These providers are included in the Dutch Money Laundering and Anti-Terrorist Financing Act (Wet ter voorkoming van witwassen en financieren van terrorisme, (Wwft).
Access to crypto exchange/trading platform by residents	No.	

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Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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NEW ZEALAND

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		August 31, 1961.
Article VIII	Yes.	Date of acceptance: August 5, 1982.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Measures have been taken to prohibit dealing with assets of the Taliban or of other designated individuals and organizations associated with terrorism, in accordance with the relevant UNSC resolutions.
Other security restrictions	Yes.	Dealing with assets of the former government of Iraq, except for transfers to the Development Fund for Iraq or as authorized by the minister of foreign affairs and trade, is prohibited. As a UN Member State, New Zealand is required to implement UN Sanctions against a range of individuals and entities. UN Sanctions can include a variety of measures, including asset freezes and financial services provisions. In New Zealand, UN sanctions are implemented by regulations made under the UN Act 1946 and, in some cases, through the Terrorism Suppression Act (TSA) 2002. New Zealand can also separately designate entities associated with terrorism under the TSA. Under the TSA, it is an offense to deal with property of a designated terrorist entity. Effective March 18, 2022, under the Russia Sanctions Act and Regulations 2022, New Zealand has enacted a number of measures on individuals and entities connected with Russia's illegal invasion of Ukraine that have impacts on international payments and transfers. This includes prohibitions on dealing with assets and securities of sanctioned persons (that is, asset freezes) and prohibitions on dealing with services in relation to sanctioned persons, including financial services. Individuals and entities sanctioned include President Putin, political, economic, and military elites, financial institutions including banks, state-owned enterprises, defense entities, and disinformation and malicious cyber actors. Under the Russia Sanctions Act, it is an offense to knowingly or recklessly breach a sanction without lawful justification or reasonable excuse.

Exchange Arrangement

Currency	Yes.	The currency of New Zealand is the New Zealand dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	

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Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The exchange rate is determined on the basis of supply and demand in the foreign exchange market. The Reserve Bank of New Zealand (RBNZ) may intervene if the exchange rate is exceptionally high or low, if that rate is not justified by economic fundamentals, and if there is a material prospect that the intervention will influence the exchange rate. Interventions may not be used as an attempt to influence the long-term trend of the exchange rate. The RBNZ publishes information on its foreign currency assets and liabilities, including its foreign currency intervention capacity (stock of reserves available for intervention) and foreign exchange swap position, on its website but does not publish data on its direct intervention. The de facto exchange rate arrangement is classified as floating.
Free floating		
Official exchange rate	Yes.	The RBNZ publishes a reference exchange rate for statistical purposes, sourced from the New Zealand Financial Markets Association. The New Zealand Financial Markets Association publishes reference rates for the New Zealand dollar at 2:00 p.m. (also known as the WM/Reuters New Zealand dollar 2:00 p.m. fixes), based on internationally accepted best practice calculation methods.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	Monetary policy is formulated at achieving and maintaining stability in the general level of prices over the medium term and supporting maximum sustainable employment.

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Target setting body	Yes.	
Government	Yes.	The operational targets for monetary policy are specified in the Monetary Policy Remit, which is set by the Minister of Finance. This Remit is subject to a 5-yearly review cycle, which the Reserve Bank provides advice for.
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	Under the RBNZ Act 2021 (Sections 10(1)(a)(i) and 117), the RBNZ, acting through the MPC, has the function of formulating a monetary policy directed to the economic objectives of achieving and maintaining stability in the general level of prices over the medium term and supporting maximum sustainable employment. The operational objectives for monetary policy are set out in a remit that is issued by the Minister of Finance or in a remit made by a legislative instrument (Order in Council). On March 1, 2021, the RBNZ (Replacement of Remit for MPC) Order 2021 (Order) requires the MPC to assess the effect of its monetary policy decisions on the government's policy to support more sustainable house prices, in addition to its previous operational objectives. The Order will be revoked on February 13, 2024. The Minister of Finance issued the current remit for the Monetary Policy Committee, effective June 28, 2023. The remit specifies the MPC's operational objectives as follows: (1) achieve and maintain future annual inflation between 1% and 3% over the medium term, with a focus on keeping future inflation near the 2% mid-point, and (2) support maximum sustainable employment. The MPC operates under a charter that includes requirements to promote transparency and accountability in connection with the performance of the MPC's functions and the MPC's decision-making procedures. The current MPC Charter has been in place from June 28, 2023, and was agreed between the Minister of Finance and the Governor. All future charters will be agreements between the Minister of Finance and the MPC. The Minister and MPC can agree to review the charter at any time, and it must be reviewed whenever the remit is reviewed (every five years). The MPC consists of between 5 and 7 members, comprising the Governor, 2–3 other employees or officers of RBNZ, and 2–3 individuals external to the RBNZ. The Governor is Chair of the MPC. The MPC Charter states that the MPC is to aim to reach consensus on decisions, but that when consensus cannot be reached the decision will be by vote (simple majority).
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The MPC's operational objective is to keep future annual inflation between 1% and 3% over the medium term, with a focus on keeping

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		future inflation near the 2% mid-point.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The target is defined in terms of the All Groups CPI published by Statistics New Zealand. This records the change in the price of a weighted "basket" of goods and services purchased by an "average" New Zealand household. The percentage change of this index is typically referred to as "CPI inflation." The contents of the basket are defined by Statistics New Zealand, which periodically reviews and re-weights them, using data obtained from its annual Household Economic Survey.
Core inflation		
Target horizon	Yes.	Medium term.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The policy rate is the Official Cash Rate (OCR). The CB pays interest on settlement account balances for daily interbank transactions, and charges interest on overnight borrowing, at rates related to the OCR.
Target corridor band	No.	
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	The RBNZ appears before the Select Committee, the Finance and Expenditure Committee, on the day following the release of each quarterly Monetary Policy Statement.
Other	No.	
Transparency	Yes.	
Publication of votes	Yes.	The charter states that the MPC must aim to reach decisions by consensus. However, in the event consensus cannot be reached, a vote will be taken, and the record of this vote is published with the summary record of meeting. The votes will be unattributed.
Publication of minutes	Yes.	A summary record of meeting must be published following each meeting of the MPC. The points this record must contain are outlined in the charter, and discussions are not attributed to individuals.
Publication of inflation forecasts	Yes.	The thinking behind the Reserve Bank's setting of the OCR is published four times a year in an accountability document known as the Monetary Policy Statement.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and commissions in foreign exchange transactions with their clients.
Spot exchange market	Yes.	There is no foreign exchange licensing regime in New Zealand.
Operated by the central bank	No.	

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Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The RBNZ licenses 15 locally incorporated and 12 overseas-incorporated commercial banks for all banking operations; there are no specific licenses required for interbank foreign exchange operations. There are no limits on the bid-ask spreads and commissions of market participants. The RBNZ intervenes via market makers. As of December 31, 2022, there were four banks actively operating in the interbank market in New Zealand.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	The foreign exchange market operates based on a market-making agreement. Licenses are not issued or required for institutions to participate in the foreign exchange market. There are four domestic banks that are market makers in the New Zealand spot exchange market.
Forward exchange market	Yes.	The RBNZ uses foreign exchange swaps for liquidity management purposes. Transactions are handled with market participants directly or via brokers.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	

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Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	Imports and exports of physical currency and bearer-negotiable instruments (that is, bills of exchange, bearer bonds, checks, money orders, postal orders, promissory notes, traveler's checks) by any person that amount to $NZ 10,000 or more (or its equivalent in foreign currency) require customs documentation (Border Cash Report). This requirement is primarily used to combat money laundering and is not a mechanism to control the movement of currency or monetary instruments.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	There are no restrictions on the operation and transfer of bank account balances.
Approval required	No.	
Held abroad	Yes.	There are no restrictions on the operation and transfer of bank account balances.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	

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Approval required	No.	
Blocked accounts	No.	There are no regulations prohibiting transfer or conversion.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Import prohibitions and restrictions are maintained to (1) protect the safety and security of New Zealanders (for example, firearms, other weapons, dangerous dogs, controlled drugs); (2) protect the environment and animal and plant life (for example, biological products, hazardous substances); (3) comply with international agreements (for example, ozone-depleting substances); and (4) protect the public morals (for example, prohibition on import of cloned/hybrid human embryos).
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Tariffs apply mainly to imported manufactured products that compete with domestic production. Most primary products that compete with domestic production are admitted duty-free. In 2009, all remaining tariff rates were reduced to either 10% or 5%. Import tariffs will remain at their current levels until at least June 2021. Tariffs on clothing, footwear, carpets, ambulances, and motor homes are set at 10%. There are multilateral, bilateral, and regional preferential tariffs. On December 30, 2018, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) entered into force among Australia, Canada, Japan, Mexico, New Zealand, and Singapore. Under reciprocal free trade agreements, tariffs on goods originating from the following countries or territories have either been removed or are being reduced for eventual elimination: Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong SAR, Japan, Korea, Malaysia, Mexico, Singapore,

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		Taiwan Province of China, Thailand, and ASEAN member countries. The ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) is in effect between Australia, Brunei Darussalam, Cambodia, Indonesia, Lao P.D.R., Malaysia, Myanmar, New Zealand, Philippines, Singapore, Thailand, and Vietnam. Goods from least developed countries and Pacific island economies are duty-free under nonreciprocal free trade arrangements. Eligible imports from the UK and developing economies are also given tariff preference. In August 2017, the government decided to keep import tariffs unchanged until at least July 31, 2021, except where they are being reduced through trade agreements. The Tariff (Concessions) Amendment Order 2014 went into effect, introducing temporary tariff concessions on residential building materials to assist Canterbury earthquake rebuilding and Auckland housing demand. This tariff concession was reviewed in October 2018 and will remain in place. It is due for review in 2023. In 2020, the government temporarily removed tariffs on all medical and hygiene imports needed for the COVID-19 response, with a view to permanently eliminate customs duties on these products. Further work is under way to voluntarily eliminate duties on vaccine-related products as part of the Asia Pacific Economic Cooperation (APEC) Statement on COVID-19 Vaccine Supply Chains. On September 9, 2021, the government removed tariffs on phials, vials, medical grade refrigerators/freezers, and ultra-violet irradiation equipment needed for the COVID-19 response, by making a concession under Section 8 of the Tariff Act 1988. Legislation (a Tariff Amendment Order under the Tariff Act 1988) is currently being prepared to permanently remove the tariffs on these products.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Export licenses have been introduced to protect New Zealand's culture (for example, on protected New Zealand objects), human life or animal life (for example, on hazardous waste, live animals);

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		conservation of exhaustible natural resources, or support the Sanitary and Phytosanitary Agreement (for example, on certain animal products) or marketing or quality requirements (for example, kiwifruit, and horticulture). For conservation reasons, there are also restrictions on exports of various animals and plants. Certain items classified as strategic goods may be exported only if specific requirements have been met and an export permit has been issued.
With quotas	Yes.	New Zealand administers export licenses for some agricultural products (such as beef and dairy) to comply with tariff-quota regimes of some trading partners.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Only New Zealand nationals may acquire, without the consent of Her Majesty the Queen in right of New Zealand (the Crown), a relevant interest in 49.9% or more of the total voting shares of Chorus Limited or an interest in equity securities that confers 10% or more of the total voting rights in Air New Zealand Limited. This requirement is set out in Chorus Limited's Constitution.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	The permanent national security and public order risks management regime was introduced by the Overseas Investment (Urgent Measures) Amendment Act 2020, which specified that it would come into force to replace the temporary emergency notification regime on

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either a date appointed by the Governor-General by Order in Council, or, if not earlier brought into force, 2 years after the date on which the Act received Royal Assent (June 2, 2020).

On July 5, 2021, changes to inward direct investment introduced by the Overseas Investment Amendment Act 2021 (shown in Section 10 of the Overseas Investment Act 2005) replaced the old regime. The primary change to these sections is that they allow incremental investments between "ownership and control interest limits" (more than 25%, 50%, 75%, 100%) which no longer require consent.
On July 5, 2021, the reform also removes certain widely held bodies corporate that are both New Zealand-incorporated and New Zealand-listed from the definition of "overseas person," as reflected in Sections 7(2) and 7(3) of the Overseas Investment Amendment Act 2021.
On June 7, 2021, the permanent regime was brought into force by the Overseas Investment (Commencement of Permanent Call-in Regime) Amendment Regulations 2021.

Consent is required under Section 10 of the Overseas Investment Act 2005 for overseas investments in sensitive land. Section 12 sets out that:
An overseas investment in sensitive land is the acquisition by an overseas person, or an associate of an overseas person, of all or any of the following (a Section 12 interest):
an estate or interest in land if:
the land that the estate or interest relates to is sensitive land under Part 1 of Schedule 1; and
the estate or interest acquired is:
a freehold estate; or
if the land that the interest relates to is residential land, any interest in land (other than an exempted interest) for a total term (as calculated in accordance with Schedule 1A) of 3 years or more; or
if the land that the interest relates to is sensitive (but not residential) land, any interest in land (other than an exempted interest) for a total term (as calculated in accordance with Schedule 1A) of 10 years or more:
rights or interests in securities of a person (A) if A owns or controls (directly or indirectly) an estate or interest in land described in paragraph (a) and, as a result of the acquisition:
the overseas person or the associate (either alone or together with its associates) has a more than 25% ownership or control interest in A; or
the overseas person or the associate (either alone or together with its associates) has an increase in an existing more than 25% ownership or control interest in A that:
results in an ownership or control interest in A that equals or exceeds their ownership or control interest limit as set out in subsection (2); or
is in securities of A of a different class to the class in which their existing interest is held; or
gives the overseas person or the associate (either alone or together with its associates) any or more disproportionate access to or control of a strategically important business; or
A becomes an overseas person in any of the following circumstances:
A is a body corporate that is a New Zealand listed issuer and meets the control test in Section 7(3) (b);
A is a managed investment scheme that is a New Zealand listed

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issuer and meets the control test in Section 7(4) (b);
A is not a New Zealand listed issuer.
The ownership or control interest limits are as follows:
if their existing ownership or control interest in A amounts to more than 25% but less than 50%, their ownership or control interest limit is 50%;
if their existing ownership or control interest in A amounts to 50% or more but less than 75%, their ownership or control interest limit is 75%;
if their existing ownership or control interest in A amounts to 75% or more, their ownership or control interest limit is 100%.

Consent is required under Section 10 of the Overseas Investment Act 2005 for overseas investments in significant business assets. Section 13 sets out that:

An overseas investment in significant business assets is:
the acquisition by an overseas person, or an associate of an overseas person, of rights or interests in securities of a person (A) if:
as a result of the acquisition, the overseas person or the associate (either alone or together with its associates) has a more than 25% ownership or control interest in A or an increase in an existing more than 25% ownership or control interest in A of a type referred to in Section 12(1) (b) (ii); and
the value of the securities or consideration provided, or the value of the assets of A or A and its more than 25% subsidiaries, exceeds $100 million or an alternative monetary threshold that applies in accordance with regulations made under Section 61A; or
the establishment by an overseas person, or an associate of an overseas person, of a business in New Zealand (either alone or with any other person) if:
the business is carried on for more than 90 days in any year (whether consecutively or in aggregate); and
the total expenditure expected to be incurred, before commencing the business, in establishing that business exceeds $100 million or an alternative monetary threshold that applies in accordance with regulations made under Section 61A; or
the acquisition by an overseas person, or an associate of an overseas person, of property (including goodwill and other intangible assets) in New Zealand used in carrying on business in New Zealand (whether by 1 transaction or a series of related or linked transactions) if the total value of consideration provided exceeds $100 million or an alternative monetary threshold that applies in accordance with regulations made under Section 61A.
However, an overseas person that was lawfully carrying on business in New Zealand on January 15, 1996 (which was when the Overseas Investment Regulations 1995 came into force), does not require consent for an overseas investment in significant business assets described in subsection (1) (b) if the investment requires consent only because it comes within that paragraph.

The Overseas Investment Amendment Regulations 2021 also introduced an applied for exemption from the definition of overseas person for domestically incorporated non-listed bodies corporate and managed investment schemes. This exemption generally lines up with the exemption from the definition of “overseas person” for listed issuers.

“Most investments, including those in significant business assets and sensitive land, require the investor to meet an investor test.”

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Consent is required under Section 57B of the Fisheries Act 1996 for the acquisition by an overseas person or associate of (1) an interest-in-fishing quota or (2) rights or interests in securities of a person (A), if A owns (directly or indirectly) an interest-in-fishing quota and as a result of the acquisition the overseas person or associate has an ownership or control interest of more than 25% in A, or A becomes an overseas person. Fishing quota investments must meet an investor and a benefit to New Zealand test.

Only New Zealanders may acquire, without the consent of the Crown, 49.9% or more of the shares of Chorus Limited or an interest in equity securities that confers 10% or more of the total voting rights in Air New Zealand Limited. Under the Overseas Investment Regulations 2005, certain securitization and underwriting arrangements are exempt from the above requirements.

A number of New Zealand's free trade agreements, such as the Comprehensive and Progressive Trans Pacific Partnership and the New Zealand-Australia Closer Economic Relations Trade Agreement, establish higher monetary thresholds for screening of significant business assets for nongovernment investors.

On August 22, 2018, the Overseas Investment Amendment Act 2018 received Royal assent. As a result of these amendments, from October 22, 2018, "residential land" is a category of "sensitive land" in the Act. As such, overseas persons must generally obtain consent to acquire residential land. Consent may be granted in circumstances where the applicant is: committing to reside and become tax resident, in New Zealand (that is, spending at least 183 days of every year in New Zealand living in the residence for which consent to purchase was received); committing to increase the stock of residential housing on a piece of land (either by building a new, or expanding an existing, residential development or long-term accommodation facility); or to convert to a non-residential use (that is, establishing business operations on the site). Consistent with the Protocol on Investment to the New Zealand–Australia Closer Economic Relations Trade Agreement and the New Zealand–Singapore Closer Economic Partnership, Australian and Singaporean investors are not subject to screening of residential (but not otherwise sensitive) land. Consent may also be granted for overseas persons to acquire residential land subject to an exemption certificate; however, there are still restrictions on their use of the land under such circumstances – including a requirement that they cannot reside at the property. The Overseas Investment Amendment Act 2018 also narrows the existing exemptions for profits à prendre. In particular, from October 22, 2018, consent is required for an overseas person to obtain an interest in forestry-related profits à prendre of 1000 hectares or greater a year and other regulated profits à prendre of five hectares or more. At the same time as the range of land interests for which consent is required to conduct forestry activities was expanded, the pathways to obtain consent to acquire forestry assets (whether freehold, leasehold, profits à prendre, or through a forest registration right) were streamlined through the introduction of "the special benefits test relating to forestry activities." Under this test, investors may obtain consent to acquire forestry assets if they satisfy the criteria specified in the Overseas Investment Regulations 2005. The Overseas Investment (Forestry) Amendment Act came into force effective August 16, 2022. The Amendment Act strengthens the rules relating to overseas investment that result in the conversion of land to

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		production forestry. The key change is the removal of forestry conversions from the Overseas Investment Act 2005's "special forestry test" and to instead apply the "benefit to New Zealand" test to these investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	On July 5, 2021, the latest reforms (Overseas Investment Amendment Act 2021) have generally liberalized the regime, seeking to decrease the amount of low-risk investments being screened under the regime. New Zealand Treasury officials have estimated that the reforms have reduced the number of transactions that are subject to screening by approximately 30%. Foreign investment in certain types of land must meet an investor test and generally must benefit New Zealand or a group of New Zealanders. If sensitive land is farm land, the benefit must be substantial and identifiable. Consent is required for acquisitions of the following: nonurban land exceeding five hectares; land adjoining a marine and coastal area, lakebed, conservation land and reserves, regional parks, national parks, and some land significant to Māori. As a result of these amendments, from October 22, 2018, "residential land" is a category of "sensitive land" in the Act. As such, overseas persons must generally obtain consent to acquire residential land. Consent may be granted in circumstances where the applicant is: committing to reside, and become tax resident, in New Zealand (that is, spending at least 183 days of every year in New Zealand living in the residence for which consent to purchase was received); committing to increase the stock of residential housing on a piece of land (either by building a new, or expanding an existing, residential development or long-term accommodation facility); or to convert to a non-residential use (that is, establishing business operations on the site). Consistent with the Protocol on Investment to the New Zealand–Australia Closer Economic Relations Trade Agreement and the New Zealand–Singapore Closer Economic Partnership, Australian and Singaporean investors are not subject to screening of residential (but not otherwise sensitive) land. Consent may also be granted for overseas persons to acquire residential land subject to an exemption certificate; however, there are still restrictions on their use of the land under such circumstances – including a requirement that they cannot reside at the property. The Overseas Investment Amendment Act 2018 also narrows the existing exemptions for profits à prendre. In particular, from October 22, 2018, consent is required for an overseas person to obtain an interest in forestry-related profits à prendre of 1000 hectares or greater a year and other regulated profits à prendre of five hectares or more. At the same time as the range of land interests for which consent is required to conduct forestry activities was expanded, the pathways to obtain consent to acquire forestry assets (whether freehold, leasehold, profits à prendre, or through a forest registration right) were streamlined through the introduction of "the special benefits test" for forestry. Under this test, investors may obtain consent to acquire forestry assets if they satisfy the criteria specified in the Overseas Investment Amendment Regulations 2018. The Overseas Investment (Forestry) Amendment Act came into force on August 16, 2022. The Amendment Act strengthens the rules relating

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		to overseas investment that result in the conversion of land to production forestry. The key change is the removal of forestry conversions from the Overseas Investment Act 2005's "special forestry test" and to instead apply the "benefit to New Zealand" test to these investments.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.	On March 31, 2021, the Reserve Bank eased dividend restrictions to allow banks to pay up to 50% of their earnings as dividends to shareholders, and the restriction on redeeming non-CET1 capital instruments was removed. The dividend restrictions were fully lifted effective July 1, 2022. On April 2, 2020, the minimum requirement for the core funding ratio was reduced from 75% to 50% to support banks' lending during COVID. Effective January 1, 2022, the limit was returned to 75%. Effective October 1, 2023, the Reserve Bank amended existing rules to adjust credit risk weights that apply to exposures of regulated banks to "connected persons." Effective October 1, 2023, the Reserve Bank also introduced rules that provide for mutually structured regulated banks and nonbank deposit takers (credit unions, building societies, and cooperatives) to issue capital instruments that meet capital definitions for regulatory capital recognition.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities	No.	

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denominated in foreign exchange		
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	Effective January 1, 2023 the Reserve Bank introduced an Interim Solvency Standard setting out the measurement of risk and capital standards that apply to licensed insurers. These changes were required to align with the introduction of IFRS17 in New Zealand. Work is currently underway to revised and update the Interim Solvency Standard.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	The Overseas Investment Act 2005 governs superannuation scheme investments if the superannuation scheme's trustee is an "overseas person" and the investment is in "sensitive land, significant business assets or fishing quota," as defined in the law.

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		The requirement for consent does not apply to the extent that giving effect to a transaction has the effect of the acquisition of property by or on behalf of an overseas person that is the supervisor or manager of a retirement scheme (RS) (within the meaning of Section 6(1) of the Financial Markets Conduct Act 2013) from the investment of all or part of the assets of the scheme for the benefit of members at least 75% of whom are New Zealand citizens or persons ordinarily resident in New Zealand. This is pursuant to Regulation 44, introduced by the Overseas Investment Amendment Regulations 2018, which effectively exempts RSs from the definition of an overseas person. The difference between the new position and the old position is that investments (a New Zealand company, for instance) downstream from the RS are no longer required to count the RS's holdings when determining whether they are an overseas person, as the RS is exempt from the definition of overseas person.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	The Overseas Investment Act of 2005 governs investments by investment firms and funds if the investment firm or fund is an "overseas person" and the investment is in "sensitive land or significant business assets," as defined in the law. Portfolio investors may apply for an exemption that results in their interest in a target entity not contributing to that entity being deemed to be an overseas person. To qualify for this exemption, the investment by the portfolio investor must generally be less than 10% and not grant control over the target entity.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	Note that RBNZ is continuing to investigate a general purpose – that is, for both retail and wholesale use – central bank digital currency (CBDC). No decision has been made to introduce one, and the following answers reflect that policy decisions have yet to be made on these specific controls.
Retail	No.	
Wholesale	No.	Note that this excludes existing digital central bank money available through RBNZ's Electronic Settlement Accounts System.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	

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For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	
Controls on unbacked tokens	No.	Note that while there are no bespoke, standalone, regulatory regimes for crypto assets, including both unbacked tokens and stablecoins, they may be captured on a same-risk same-regulation basis by existing regulatory regimes, for example, for value transfer services/AML/CFT regulations, or if they are to be designated as regulated entities (currently none).
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	

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For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Domestic exchanges may be regulated as financial service providers by the Financial Markets Authority in New Zealand (rather than prudential supervision by RBNZ).

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*03/18/2022*	Under the Russia Sanctions Act and Regulations 2022, New Zealand has enacted a number of measures on individuals and entities connected with Russia's illegal invasion of Ukraine that have impacts on international payments and transfers. This includes prohibitions on dealing with assets and securities of sanctioned persons (that is, asset freezes) and prohibitions on dealing with services in relation to sanctioned persons, including financial services. Individuals and entities sanctioned include President Putin, political, economic, and military elites, financial institutions including banks, state-owned enterprises, defense entities and disinformation and malicious cyber actors. Under the Russia Sanctions Act, it is an offense to knowingly or recklessly breach a sanction without lawful justification or reasonable excuse.

Exchange Arrangement

Monetary policy framework

Inflation-targeting framework

Target setting body

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Government and Central Bank	*06/28/2023*	The issued remit specifies the MPC's operational objectives as follows: (1) achieve and maintain future annual inflation between 1% and 3% over the medium term, with a focus on keeping future inflation near the 2% mid-point, and (2) support maximum sustainable employment.

Capital Transactions

Controls on capital transactions

Controls on direct investment

Inward direct investment	*08/16/2022*	The Overseas Investment (Forestry) Amendment Act strengthens the rules relating to overseas investment that result in the conversion of land to production forestry. The key change is the removal of forestry conversions from the Overseas Investment Act 2005's "special forestry test" and to instead apply the "benefit to New Zealand" test to these investments.

Controls on real estate transactions

Purchase locally by nonresidents	*08/16/2022*	The Overseas Investment (Forestry) Amendment Act strengthens the rules relating to overseas investment that result in the conversion of land to production forestry. The key change is the removal of forestry conversions from the Overseas Investment Act 2005's "special forestry test" and to instead apply the "benefit to New Zealand" test to these investments.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	*01/01/2022*	The minimum requirement for the core funding ratio was returned to 75%. Previously, it had been reduced, on April 2, 2020, from 75% to 50% to support banks' lending during COVID.
	07/01/2022	Dividend restrictions on banks, which had been in place because of the onset of the COVID-19 pandemic, were fully removed. Previously, the Reserve Bank placed a complete restriction on bank dividends and banks were not allowed to redeem non-CET1 capital instruments.
	10/01/2023	Existing rules to adjust credit risk weights that apply to exposures of regulated banks to "connected persons" were amended.
	10/01/2023	Rules that provide for mutually structured regulated banks and nonbank deposit takers (credit unions, building societies, and cooperatives) to issue capital instruments that meet capital definitions for regulatory capital recognition were introduced.
Provisions specific to institutional investors		
Insurance companies	*01/01/2023*	An Interim Solvency Standard setting out the measurement of risk and capital standards that apply to licensed insurers was introduced. These changes were required to align with the introduction of IFRS17 in New Zealand.

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NICARAGUA

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		March 14, 1946.
Article VIII	Yes.	Date of acceptance: July 30, 1964.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF Staff Report for the 2019 Article IV Consultation with Nicaragua states that, as of January 30, 2020, staff identified an exchange restriction arising from Nicaragua's participation in the SUCRE (Sistema Unitario de Compensación Regional de Pagos) regional payments arrangement. SUCRE gives rise to an exchange restriction because the period for settlement under this regional payment arrangement exceeds three months. See Decision No. 10749 -(94/67). Under the SUCRE, Nicaragua made four commercial transactions between 2013 and 2015, and since 2015 no transactions have been made. (Country Report No. 20/59).
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Nicaragua is the Nicaraguan córdoba.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg	Yes.	The de jure exchange rate arrangement is a crawling peg. The Central Bank of Nicaragua (BCN) publishes aggregated monthly data pertaining to BCN foreign exchange transactions with the banks and the government. The crawling peg of the córdoba against the US dollar is, effective February 1, 2023, 1% annually (Resolution No.

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		CD-BCN-V-1-23). Previously, it was 2% annually. Starting January 1, 2024, the crawling peg of the córdoba against the US dollar will be 0% annually (Resolution No. CD-BCN-LIl-1-23).
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate of the córdoba is determined and preannounced by the BCN. The official exchange rate is calculated daily using the formula, effective February 1, 2023, (1 + 0.01)^1/365. Previously it was (1 + 0.02)^1/365. The official exchange rate is used for BCN purchases of US dollars from the banks and the government and is used to calculate the exchange rate for BCN US dollar sales to these agents. The official exchange rate is used as a reference for the settlement of foreign exchange contracts payable in local currency, such as BCN bonds, and as an anchor for fixing market exchange rates.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar. Monetary operations are aimed at maintaining an adequate level of international reserves to support the crawling peg regime. Open market operations are the CB's primary monetary policy tool and are conducted to absorb a target volume of liquidity consistent with the desired level of reserve accumulation. In addition, the BCN buys and sells foreign exchange in accordance with banking system demand.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		

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Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	There is no tax, but the BCN applies, a commission of 2% to the sale of foreign exchange: the official exchange rate plus a commission of 2%.
Exchange subsidy	No.	
Foreign exchange market	Yes.	In the foreign exchange market, the observed difference between the selling exchange rate and the official exchange rate is usually less than 2% of the commission charged by the BCN for the sale of foreign exchange, given the current exchange arrangement. Agents may freely determine their foreign exchange commissions with their clients. The Exchange Desk Module continues to be operational. It is available to banks, financial institutions, and the government (through the Ministry of Finance and Public Credit) for online purchases and sales of foreign exchange (US dollars and euros) against córdobas. The Microsoft Management Console makes it possible to buy and sell US dollar against córdobas in real time and to buy and sell euros against córdobas with a delay (in deferred mode, in the sense that it is not automatic, but it is carried out in a few minutes within the same day) because they require BCN authorization.

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Spot exchange market	Yes.	Participants in the foreign exchange market are the BCN, the government, banks, financial institutions, exchange bureaus, individuals, and legal entities that usually buy and sell foreign exchange. As of December 31, 2022, there were 29 institutions registered with the BCN as participants in the foreign exchange market: 8 commercial banks, 2 financial institutions, 9 microfinance entities, and 10 legal entities.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BCN exchanges US dollars and euros for córdobas at the official rate only for the government, banks, and financial corporations registered with the BCN. There are no restrictions on the amount, and the origin and destination of the foreign currency do not have to be declared. Transactions between the BCN and the government and financial institutions are effected directly.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks and financial institutions are allowed to trade among themselves at freely determined rates. As of December 31, 2022, 8 banks and 2 financial institutions participated in the interbank market. The BCN does not intervene in the interbank market. Article 60 of the BCN Financial Rules indicates that the interbank market operates independently of the BCN. The difference between the purchasing price and the selling price and the commissions for market participants are not subject to limits.
Over the counter	Yes.	The interbank foreign exchange market operates over the counter and through repurchase operations in the Stock Market of Nicaragua.
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	There are no restrictions. However, financial institutions must report to the Superintendence of Banks and Other Financial Institutions (SIBOIF) all individual transactions, including multiple or partial transactions, such as deposits, withdrawals, currency exchanges, securities trading, and other financial transactions, and other payments or transfers involving the exchange of currency in cash and exceeding US$10,000 or its equivalent in domestic currency. International loans may be settled in the currency of the lender or in any other currency set by the lender.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	

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Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	Public sector external debt contracts with bilateral and multilateral creditors include a payments arrangement specifying payment modalities and currency. There are no payments arrangements for private sector transactions.
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	The Treaty on Payments and Securities Settlement Systems in Central America and the Dominican Republic remains in effect between the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua. Under the Payments Treaty, the Payments System Interconnection between Central America and the Dominican Republic is also in effect. In January 2013, the Treaty Establishing the Single Regional Payments Clearing System (SUCRE) went into effect in Nicaragua. Payments may take place through this system for trade operations with the other treaty signatories (Bolivia, Cuba, Ecuador, and Venezuela).
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange operations between private agents are not restricted. Banks, financial enterprises, exchange bureaus, individuals, and legal entities may freely buy and sell to the public US dollars or any other freely convertible foreign currency for any amount or purpose. However, banks, financial enterprises, and exchange bureaus are subject to prior registration with the BCN as participants in the foreign exchange market for statistical purposes.
Payments arrears	Yes.	
Official	Yes.	Government and public sector arrears (most of which are attributable to the BCN) to bilateral creditors (non-Paris Club members) relate to debt subject to relief under the Heavily Indebted Poor Countries Initiative.
Private	Yes.	Negotiations continue on one pending claim (for about US$27.4 million) with a creditor that did not participate in the external commercial debt buyback operation (about US$1.4 billion) launched in October 2007 and concluded in December 2008. This claim is also subject to relief under the Heavily Indebted Poor Countries Initiative.
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	The Ministry of Development, Industry, and Commerce (MIFIC) and the National Administration of Geological Resources coordinate, manage, and supervise the mining, production, and exportation of gold. Individuals and legal entities may trade gold coins only for numismatic purposes.
On external trade	Yes.	A permit from the MIFIC is required to export gold.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports equivalent to US$10,000 or more require a customs

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		declaration. Outward transfers by financial institutions must comply with the regulations issued by the SIBOIF.
Foreign currency	Yes.	Exports equivalent to US$10,000 or more require a customs declaration. Financial institutions may carry out export operations in compliance with provisions established by the Directorate General of Customs.
On imports	Yes.	
Domestic currency	Yes.	Imports equivalent to US$10,000 or more require a customs declaration. Imports of domestic currency are carried out by the BCN.
Foreign currency	Yes.	Imports equivalent to US$10,000 or more require a customs declaration. The BCN is the only entity authorized to import nonredeemable currencies.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Checking, savings, and term deposit accounts are available both in US dollars and in euros. There are no restrictions on transferring balances abroad, although a fee may be charged.
Approval required	No.	The opening of foreign exchange accounts in the national financial system must comply with SIBOIF standards.
Held abroad	Yes.	Foreign exchange accounts must comply with the standards for the prevention of laundering of money and other assets and commodities and the financing of terrorism and with other SIBOIF, BCN, and Financial Analysis Unit standards.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Most accounts denominated in córdobas are indexed to the US dollar, except for current account deposits. Conversion may be effected through foreign exchange operations with financial institutions and exchange bureaus at buying and selling market rates.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Only foreigners with approved immigration status (for example, diplomatic missions and international organizations) may open these accounts.
Approval required	No.	
Domestic currency accounts	Yes.	Only foreigners with approved immigration status may open these accounts (for example, diplomatic missions and international organizations).
Convertible into foreign currency	Yes.	Conversion may be effected through foreign exchange operations with financial institutions and exchange bureaus at buying and selling market rates.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.

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Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	LC requirements are regulated in contracts between importers and nonresident suppliers. Some import payments are made through certified drafts, but almost all are made through LCs.
Import licenses used as exchange licenses	No.	
Other	Yes.	All importers must register with the unified taxpayers' register. They may obtain foreign currency in the foreign exchange market (financial institutions and exchange bureaus) without restriction. All purchases and sales equivalent to US$10,000 or more require a declaration indicating the origin and destination of the funds.
Import licenses and other nontariff measures	Yes.	Imports of some medications for human and veterinary use and of agrochemicals require a license. Canned food products require a permit from the Nicaragua Ministry of Health (MINSA).
Positive list	No.	
Negative list	Yes.	Certain categories of imports are banned.
Open general licenses	No.	
Licenses with quotas	Yes.	Import quotas under CAFTA-DR (Central America–Dominican Republic–United States Free Trade Agreement), for the Dominican Republic, Panama, and WTO countries, and tariff quotas for supplies (yellow corn, chicken, corn syrup, milled rice, and rice) are in effect. Under Decree A.N. No. 8784, every trade agreement with Taiwan is repealed.
Other nontariff measures	Yes.	Measures apply to certain imports, including those related to public health, national security, the environment, and national emergencies.
Import taxes and/or tariffs	Yes.	The import tariff regime is harmonized with that of the CACM. The maximum tariff rate, which applies to chicken legs and thighs, is 164%. There is a tariff elimination schedule under the CAFTA-DR framework. A selective consumption tax is imposed on imports of sugar, alcoholic and nonalcoholic beverages, and tobacco cigarettes. Imports are subject to a VAT of 15%, with a few exceptions.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	

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Financing requirements	No.	
Documentation requirements	No.	Exporters must complete an export form for submission to customs for registration and statistical purposes.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	The Single Window for Foreign Trade of Nicaragua (VUCEN) facilitates exports. A license is not generally required. Licenses are required for exports of wildlife and forestry products, including worked goods and taxidermy work; precious woods (excluding cedar and mahogany); shrimp and lobster; gold; live animals; automobiles; personal effects; scientific and commercial samples; traveling exhibits; and toluene. Controls also apply to sea cucumbers, giant pink and queen conchs, agrochemical and veterinary products, and ornamental fish.
Without quotas	No.	
With quotas	Yes.	Some products have export quotas with preferential tariff rates in destination countries: CAFTA-DR (sugar, meat, peanuts, peanut butter, cheese, other dairy products, ice cream, milk, liquid, and thickened fresh cream to the United States); WTO (raw sugar, beef); CAFTA-DR (chicken breast, beans, onions, and shallots); FTA with Panama (beef, pork, instant coffee, tomato salsa, ketchup, onions, and shallots); and quotas under the EU–Central America Association Agreement. Under Decree A.N. No. 8784, every trade agreement with Taiwan is repealed.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.

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Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	Banks and financial institutions may borrow abroad, subject to

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		compliance with regulations governing foreign indebtedness. Violation of these regulations is punishable by fines under the General Law on Banks, Nonbank Financial Institutions, and Financial Groups.
Financial credits	Yes.	
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	Banks and financial institutions may borrow abroad, subject to compliance with regulations governing foreign indebtedness. Violation of these regulations is punishable by fines under the General Law on Banks, Nonbank Financial Institutions, and Financial Groups.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Investments related to development of the country's natural resources require approval from the government institutions responsible for administering such development (Ministry of the Environment and Natural Resources (MARENA), Ministry of Energy and Mines (MEM), and MIFIC). Other types of investments also require government approval to benefit from the investment law (National Commission of Free Zones (CNZF), Nicaraguan Institute of Tourism, and other institutions). Under the Foreign Investment Law, investors must report their investments to the BCN, directly or through commercial banks. Foreign investment in the financial system is subject to SIBOIF procedures (General Law on Banks, Nonbank Financial Institutions, and Financial Groups).
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	There are no restrictions on the acquisition of real estate by residents and/or nonresidents, except in areas considered a public good or protected by law.
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Settlement of debts abroad by immigrants	No.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These transactions are subject to MIFIC approval.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	There are no restrictions (the tax treatment defined in Chapter IV, Tax Harmonization Law, applies).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Institutions may borrow abroad, subject to compliance with regulations governing foreign indebtedness. Violation of these regulations is punishable by fines under the General Law on Banks, Nonbank Financial Institutions, and Financial Groups.
Maintenance of accounts abroad	Yes.	Financial institutions can maintain deposits or invest abroad in banks that meet the requirements established by the SIBOIF standard, which also sets investment limits. The details of requirements established by the SIBOIF are contained in the Article 7 of the Rule on Limits on Deposits and Investment.
Lending to nonresidents (financial or commercial credits)	No.	.
Lending locally in foreign exchange	Yes.	Banks may extend loans in general and collect them in the same currency in which they were granted. However, according to Resolution No. CD-SIBOIF-547-1-AGOST20-2008, financial institutions should assess the credit risk of commercial debtors with loans granted in foreign currency and in córdobas to maintain their value.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These instruments may be issued by the BCN, the government, or any private corporation registered on the Stock Exchange of Nicaragua.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Reserve requirements must be fulfilled in the currency of the underlying deposits. The reserve requirements are 10% of deposits on a daily basis and 15% of average deposits on a fortnightly basis for both national and foreign currencies.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	There is a Deposit and Investment Limits Rule that specifies the type

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		of external investments that banks can make. The specific limits established by the SIBOIF are contained in the Article 8 of the Rule on Limits on Deposits and Investment.
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The Capital Adequacy Rule establishes a 50% risk weight for a net long position and 100% risk weight for a net short position (foreign exchange liabilities greater than assets in that foreign currency).
On nonresident assets and liabilities	Yes.	The Capital Adequacy Rule establishes a 50% risk weight for a net long position and 100% risk weight for a net short position (foreign exchange liabilities greater than assets in that foreign currency).
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	The General Law for Insurance, Reinsurance, and Bonds (Law No. 733), the amendment of the regulatory standards for the authorization of insurance intermediaries and the exercise of their intermediation activities (Standard for the Authorization and Operation of Insurance Intermediaries), and the regulations on investment limits for insurance and reinsurance companies (Regulation on Investment Limits for Insurance, Reinsurance, and Bond Companies) apply.
Limits (max.) on securities issued by nonresidents	Yes.	Regulation on Investment Limits for Insurance, Reinsurance, and Bond Companies, Article 8 (reformed December 11, 2018), establishes a limit of 20% for the following investments: (1) securities issued by multilateral creditors, (2) fixed income securities and deposits issued by financial institutions with a first-class risk rating, (3) fixed income securities issued or guaranteed by the Department of the Treasury or by U.S. federal government institutions, and (4) shares of financial investment funds established abroad.
Limits (max.) on investment portfolio held abroad	Yes.	Regulation on Investment Limits for Insurance, Reinsurance, and Bond Companies, Article 8 (reformed December 11, 2018), establishes a limit up to 20% of the basis for calculating investment adequacy.
Limits (min.) on investment portfolio held locally	No.	Pursuant to the Regulation on Investment Limits for Insurance, Reinsurance, and Bond Companies, the following investments back up the minimum investment requirements: (1) securities issued or guaranteed by the Central Government of Nicaragua; (2) securities issued or guaranteed by the BCN; (3) repo operations for securities issued by the Central Bank and the Central Government of Nicaragua carried out with supervised national financial institutions or foreign financial institutions classified as first-class; (4) available cash, deposited in interest-bearing cash accounts in banks or financial institutions authorized and supervised by the SIBOIF; (5) term deposits or fixed income securities issued by banks or financial institutions authorized and supervised by the SIBOIF; (6) bills of exchange guaranteed or issued by banks or financial institutions authorized by the SIBOIF; (7) publicly offered fixed income securities entered in the register kept for that purpose by the SIBOIF, issued by Nicaraguan companies; (8) shares in Nicaraguan limited companies classified as first-class; (9) own land and buildings for company use; (10) mortgage loans to individuals; and (11) collateralized individual loans for the acquisition of vehicles.
Currency-matching regulations on assets/liabilities composition	No.	There are no prudential regulations on currency matching in the composition of assets and liabilities for insurance company investments.
Pension funds	Yes.	Restrictions are applicable only to the Nicaraguan Social Security Institute on the management of its investment portfolio, pursuant to

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		its organic law and regulations. No private participation is allowed.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	The Nicaraguan Social Security Institute law and its regulations apply.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market	No.

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instruments		
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Effective July 27, 2023, there is a regulation issued by the BCN that regulates companies (called Virtual Asset Service Provider – VASP) that offer virtual assets in the national territory. VASP is defined as legal entities authorized and regulated by the BCN that carry out one or more of the following activities or operations, for or on behalf of another natural or legal person: (1) exchange between virtual assets and fiat currencies; (2) exchange between one or more forms of virtual assets, (3) transfer of virtual assets; (4) custody and/or administration of virtual assets or instruments that allow control over virtual assets; and (5) participation and provision of financial services related to an issuer's offering and/or sale of a virtual asset.
Access to crypto exchange/trading platform by residents	Yes.	Effective July 27, 2023, there is a regulation issued by the BCN that regulates companies (called VASP) that offer virtual assets in the national territory. VASP is defined as legal entities authorized and regulated by the BCN that carry out one or more of the following activities or operations, for or on behalf of another natural or legal person: (1) exchange between virtual assets and fiat currencies; (2) exchange between one or more forms of virtual assets, (3) transfer of virtual assets; (4) custody and/or administration of virtual assets or instruments that allow control over virtual assets; and (5) participation and provision of financial services related to an issuer's offering and/or sale of a virtual asset.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Crawling peg	*02/01/2023*	The Central Bank of Nicaragua (BCN) decided to reduce the crawling peg from an annual devaluation of the córdoba against the US dollar from 2% to 1%.
Official exchange rate	*02/01/2023*	According to the change of the crawling peg from 2% to 1%, the official exchange rate formula is (1 + 0.01)^1/365. Previously, it was (1 + 0.02)^1/365.

Digital Currencies and Crypto Assets

Controls on crypto exchanges and trading platforms		
Domestic exchanges	*07/27/2023*	There is a regulation issued by the BCN that regulates companies (called Virtual Asset Service Provider – VASP) that offer virtual assets in the national territory.
Access to crypto exchange/trading platform by residents	*07/27/2023*	There is a regulation issued by the BCN that regulates companies (called VASP) that offer virtual assets in the national territory.

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NIGER

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		April 24, 1963.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	A regional framework was created within the WAEMU to fight transnational financial crime. It comprises the Uniform Law on the Fight against Money Laundering, based on Directive No. 07/2002/CM/UEMOA, and the Uniform Law on the Fight against the Financing of Terrorism in WAEMU member countries, based on Directive No. 04/2007/CM/UEMOA. The overarching instrument facilitates the implementation of UNSC resolutions based on a list of people and entities prepared by the Committee. Directive No. 02/2015/CM/UEMOA of July 2, 2015, of the WAEMU Council of Ministers on the fight against money laundering and the financing of terrorism in WAEMU member countries is in effect. Effective March 31, 2023, the regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Asset Service Providers (VASPs); (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons (PEPs).

Exchange Arrangement

Currency	Yes.	The currency of Niger is the CFA franc (XOF).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	

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Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the WAEMU is a conventional peg. Niger participates in a currency union with seven other members of the WAEMU and has no separate legal tender. A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, to replace the agreement dated December 4, 1973. The Monetary Cooperation Agreement is based on three pillars: (1) a common issuing institution, (2) fixed parity with the euro, and (3) a guarantee of unlimited convertibility.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the anchor currency, at the fixed rate of CFAF 655.957 per euro. Exchange rates for other currencies are derived from the rates for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. The official rate is used for accounting and valuation. The Conference of Heads of State and Government may decide to amend the Monetary Cooperation Agreement between the WAMU member countries and France. Effective September 2, 2022, Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The operational target of price stability is defined as an annual inflation rate in the WAEMU that falls within a band of ±1% around a central rate of 2%. The harmonized CPI is the benchmark

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rate to measure inflation.

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

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Publication of inflation forecasts		
Other monetary framework		
Exchange tax	Yes.	A 0.6% commission rate is charged by registered intermediaries on transfers outside the WAEMU on behalf of their customers. This commission reverts to the National Treasury as tax revenue.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries (banks and nonelectronic exchange dealers) freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which must be traded at the official fixed rate of CFAF 655.957 per euro. The commission on foreign exchange transactions may not exceed 2%. Instruction No. 013-11-2015 on the terms and conditions for conducting rapid money transfers as a subagent within the WAEMU applies.
Spot exchange market	Yes.	Nonelectronic foreign currency transactions can be conducted by authorized intermediary banks and individuals or companies specifically authorized by decision of the minister of finance, with the consent of the BCEAO. Authorized intermediaries must comply with the provisions in effect on the financial conditions for engaging in nonelectronic foreign exchange transactions that involve foreign currencies and must issue a transaction slip for all transactions with a client. Moreover, to provide satisfactory information to clients, they are required to (1) permanently post at their windows the rates actually charged for the different currencies and (2) post notification that a transaction slip must be issued for all foreign exchange transactions on presentation of the requestor's identity document. In their operations with customers, authorized banks and OTC dealers freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which is traded at the official fixed rate of CFAF 655.957 and may be subject to a maximum commission of 2.0%. As of December 31, 2022, there were 14 active banks and 6 bank-like financial institutions, which are also subject to the Banking Law. There were 115 authorized OTC exchange dealers, including 52 legal entities subject to regulatory provisions (specifically, Regulation No. R09/2010/CM/UEOA on the external financial relations of the WAEMU Member States and the law governing the fight against money laundering and the financing of terrorism), and 12 intermediary banks in Niger, 55 of which are legal persons, including 52 exchange bureaus. Authorized foreign exchange agents may purchase foreign currency from the BCEAO, which exchanges foreign currencies for CFA francs based on the euro exchange rate on international markets. These transactions are subject to a commission charge of 0.5%. Furthermore, only banks are authorized to hold accounts abroad and to carry out payments and transfers in foreign currency on behalf of their clients. Authorized OTC entities may only conduct sales and purchases of means of payment denominated in foreign currency.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The BCEAO exchanges foreign currency for CFA francs at the rates published on the international markets, with the exception of the euro, which is traded at the official fixed rate of CFAF 655.957 per euro. The nonelectronic currency exchange windows are open to owners of accounts on the BCEAO books and to the general public. A commission of 0.5% is charged on all transactions with the public (purchases and sales) and all withdrawals by banks and financial

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		institutions (including euro withdrawals). However, commissions are not charged on cash foreign exchange transactions conducted by governments, officials of Member States of the WAMU on missions abroad, officials of the CB and their beneficiaries, and on payments made by banks and financial institutions.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Transactions in CFA francs between authorized intermediaries are allowed. As of December 31, 2022, 12 out of 14 banks participated in the domestic currency interbank market. There is no regulated foreign currency interbank market in the WAEMU.
Over the counter	Yes.	As of December 31, 2022, there were 115 authorized OTC exchange dealers, including 52 legal entities subject to regulatory provisions, specifically Regulation No. R09/2010/CM/UEOA on the external financial relations of the WAEMU member States and the law governing the fight against money laundering and the financing of terrorism
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Residents of the WAEMU zone are permitted to conduct the following transactions on the foreign exchange derivatives market with authorized intermediary banks established in the WAMU or with foreign banks: outright forward foreign exchange contracts (over the counter), foreign exchange options, foreign exchange swaps, and cross-currency swaps. Transactions in foreign exchange options are limited to the following two types of transactions: options to buy or sell foreign currency, available to residents of the WAEMU zone to purchase from an authorized intermediary bank in the WAEMU or from a foreign bank. Authorized intermediary banks are required to simultaneously cover the exchange risk they incur with respect to derivative instruments traded with their customers. The underlying commercial and financial operations must relate to imports and exports of goods and services by a resident, foreign borrowing operations by a resident (drawings and repayments), or direct foreign investment in a resident company. All legitimate foreign currency needs are ultimately met by the BCEAO. BCEAO forward exchange transactions are centralized at its headquarters.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments with countries outside the WAEMU are made in foreign currencies. Trade with other WAEMU countries is settled in CFA francs.
Controls on the use of domestic currency	Yes.	The CFA franc may not be used as payment for current international transactions and capital transactions with countries outside the WAEMU.
For current transactions and payments	Yes.	The CFA franc may not be used as payment for current international transactions with countries outside the WAEMU.
For capital transactions	Yes.	The CFA franc may not be used for the settlement of international capital transactions with non-WAEMU countries. Investments by residents of the WAEMU zone outside the WAEMU are subject to

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		prior authorization by the minister of finance, and at least 75% of the investment must be financed through foreign borrowing.
Transactions in capital and money market instruments	Yes.	The CFA franc may not be used for the settlement of transactions in capital and money market instruments with non-WAEMU countries. Foreign investment by residents of the WAEMU zone is subject to authorization by the MOF. At least 75% of the investment must be financed through foreign borrowing. The interested party must request authorization through a letter designating the authorized intermediary to settle the payment. Purchases of foreign negotiable securities authorized by the regional capital markets authority to be issued or sold in WAEMU members do not require authorization by the MOF.
Transactions in derivatives and other instruments	Yes.	Residents of WAEMU member countries may engage in the following operations on derivatives and other instruments with accredited banks established in the WAEMU or foreign banks: (1) forward contract, (2) foreign exchange swaps, and (3) options. Operations on derivatives with foreign banks outside the WAEMU can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Credit operations	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted by authorized intermediaries to nonresidents of the WAEMU zone are subject to prior authorization by the Directorate of External Financial Relations of the MOF, after BCEAO approval.
Use of foreign exchange among residents	Yes.	The CFA franc is the only legal tender, and residents of the WAEMU zone may not use foreign exchange for domestic transactions. Regulatory provisions require residents of the WAEMU zone to surrender to an intermediary bank all income or proceeds in foreign currency received abroad or paid by a nonresident.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, replacing the previous agreement dated December 4, 1973. This monetary cooperation agreement is based on three pillars: (1) a common bank of issue; (2) a fixed exchange rate parity with the euro; and (3) an unlimited convertibility guarantee.
Clearing agreements	Yes.	There is a multilateral clearing agreement between the WAEMU countries and the other ECOWAS member countries (Cabo Verde, the Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone) as part of the WAMA. All payments for current transactions between countries whose CBs are WAMA members may be made under the clearing agreement. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS members and payments for exports from one member country to another member country of finished products originating in countries whose CB or monetary authority is not a WAMA member.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The institutional reform of the WAMU and the BCEAO establishes the following new basic instruments: (1) the WAMU Treaty, (2) the BCEAO Charter, (3) the Bank Regulation Act, and (4) the Convention governing the WAMU Banking Commission. All

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		WAEMU residents are treated as residents of Niger for the purposes of preparing the external position of banks, domiciliation and repatriation of export revenue, issuance and sales of securities, gold imports and exports, investment and lending transactions, and physical exports of means of payment and securities by postal package or ordinary mail. However, for statistical purposes with regard to the balance of payments, all countries other than Niger are considered foreign countries. Moreover, all transfers with other countries must be made through registered intermediary banks, the postal service, or the BCEAO.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Gold imports and exports require MOF authorization, except (1) imports and exports by the Public Treasury and the BCEAO; (2) imports and exports of items with a low gold content (lined or plated objects); and (3) imports and exports, by travelers, of objects made of gold limited to a total weight of 500 grams. Imports and exports of gold within the WAEMU area are not subject to any restrictions.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may freely export CFA franc banknotes from one WAEMU member country to another. Resident individuals (that is, from any WAEMU member country) and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving CFA franc banknotes issued by the BCEAO.
Foreign currency	Yes.	The reexportation of foreign banknotes by nonresident travelers is permitted up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks. Residents of the WAEMU zone traveling to countries that are not WAEMU members are required to declare foreign currency on their person in excess the equivalent of CFAF 1 million. They are allowed to carry up to the equivalent of CFAF 2 million a person in banknotes not issued by the BCEAO. Larger amounts may be exported in the form of traveler's checks, prepaid debit and payment cards, conventional debit and payment cards, or other means of payment. Foreign exchange allowances issued by authorized intermediaries in the form of traveler's checks or prepaid debit and payment cards must be based on the need to cover customary, personal travel expenses, if they exceed the equivalent of CFAF 2 million a person. The issuance of foreign currency to resident travelers is subject to the presentation of travel documents and a valid passport or national identification card.
On imports	Yes.	
Domestic currency	Yes.	Residents of the WAEMU zone and nonresidents of the WAEMU zone may freely import domestic currency (CFA franc – XOF)

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		banknotes. However, individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from receiving banknotes in domestic currency (CFA franc – XOF). The redemption by the BCEAO of banknotes exported outside its area of issuance was suspended. Pursuant to this measure, registered intermediary banks are not authorized to receive shipments of CFA franc (XOF) banknotes from their correspondents located outside the WAEMU area.
Foreign currency	No.	Residents of the WAEMU zone and nonresidents of the WAEMU zone may freely import CFA area banknotes denominated in foreign currencies. Such means of payment in excess of the equivalent of CFAF 5 million must be declared to customs. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 5 million on entry and exit. Regulatory provisions require residents to surrender to an authorized intermediary bank all revenue or proceeds in foreign currency collected abroad or received from a nonresident.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	Yes.	Foreign exchange accounts in currencies other than the euro may be opened domestically with MOF authorization after non-objection from the BCEAO. The authorization specifies the operations that may be credited or debited on each such an account. These accounts are valid for a renewable term of up to one year. They cannot be credited with deposits of CFA banknotes or by debiting a CFA franc account. On expiration of the term set in the authorization, accounts are closed unless a new authorization is obtained.
Held abroad	Yes.	
Approval required	Yes.	Individuals who are residents of the WAEMU temporarily staying or traveling outside of WAEMU may open bank accounts outside the WAEMU to deposit foreign currency legally exported and any income acquired outside of the WAEMU during their travel or temporary stay outside of the WAEMU. These individuals are required to repatriate balances on such accounts within 30 days of return to the WAEMU. In any circumstance other than the foregoing, opening of foreign accounts by WAEMU residents is subject to MOF authorization by after non-objection from the BCEAO. The MOF authorization specifies the operations that may be credited or debited on such accounts. In the event of a failure to obtain a new MOF authorization, the accredited intermediary must request that the account be closed by the end of the term authorized and that any balance be repatriated to a WAEMU member country within eight days.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	Intermediaries authorized in the WAEMU are authorized to open accounts in euros for the benefit of nonresidents, subject to proof of their status and actual residence. Nonresident accounts denominated

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		in foreign currency other than euros are subject to BCEAO authorization. Nonresident foreign currency accounts are valid for a renewable period of two years. In the event of a failure to obtain renewal (through a new BCEAO authorization for foreign exchange other than the euro), these accounts must be closed. The balances of these accounts may be freely transferred abroad after verification.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Authorized intermediaries may open nonresident accounts in CFA francs and in euros, under their own responsibility, depending on the status and actual residence of the applicant. These accounts may be debited for spot purchases of foreign exchange.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but no earlier than eight days before shipment if a documentary credit is opened or on the due date of payment if the products have already been imported.
Domiciliation requirements	Yes.	Import transactions from outside the CFA franc area exceeding CFAF 10 million must be made through an authorized bank.
Preshipment inspection	Yes.	Imports of goods exceeding CFAF 3 million free on board require an inspection for quality and price.
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange authorization, invoices, and export–import cards are required.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of narcotics and firearms are prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Quantitative restrictions may be applied on products for public health and security reasons.
Import taxes and/or tariffs	Yes.	The WAEMU CET consists of four tariff brackets: 0%, 5%, 10%, and 20%. Imports from countries other than WAEMU area countries are also subject to a 1% statistical tax and a 0.8% community

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		solidarity levy. Moreover, a cyclical import tax (taxe conjoncturelle à l'importation) and a degressive protection tax (taxe dégressive de protection) may at certain times be charged on some products. Neither of these two taxes had been applied as at end-2018. Imports from non-ECOWAS members are subject to a 0.5% community levy (CL/ECOWAS).
Taxes collected through the exchange system	No.	No taxes are collected through the exchange system at the BCEAO. However, a VAT of 19% applies to commissions charged by authorized intermediaries for purchases or sales of foreign currency.
State import monopoly	Yes.	The government, through the Société Nigérienne des Produits Pétroliers, has a monopoly on hydrocarbon imports.

Exports and Export Proceeds

Repatriation requirements	Yes.	Resident economic operators are required to collect and repatriate within one month of the payment due date the entire amount of sales of goods abroad in the country of origin with the bank with which the transaction is domiciled. The payment due date is specified in the trade agreement and normally falls within a period of 120 days after the goods are dispatched.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds must be surrendered by ADs to the BCEAO within 30 days of the payment due date, which may not exceed 120 days after shipment of the goods. To cover its current foreign exchange needs, the domiciling bank may hold up to 20% of its export proceeds as own foreign exchange resources. However, it must ensure that its total foreign exchange resources to cover its requirements do not exceed 5% of total customer demand deposits; otherwise, the surplus must be surrendered to the BCEAO.
Surrender to authorized dealers	Yes.	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the issuing bank. Export revenue may be surrendered to intermediaries other than banks with which the transaction is domiciled if authorized by the BCEAO. Sales of foreign exchange by exporters to ADs other than the domiciling bank are permitted, provided they furnish the domiciling bank with the documents required for the domiciliation file to be closed.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Export transactions of more than CFAF 10 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Preshipment inspection	No.	
Other	Yes.	A customs declaration is required.
Export licenses	Yes.	
Without quotas	Yes.	Authorization is required for exports of gold.
With quotas	No.	

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Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Taxes on exports and reexports are collected through customs. These include a statistical fee of 3% on exports and a special reexport tax of 10%, except for tobacco products, which are taxed at 5% for Nigeria-bound exports and 15% for exports to the rest of the world.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments and transfers for current transactions with WAEMU and non-WAEMU countries may be made freely through authorized intermediaries. Transfers exceeding CFAF 500,000 are subject to documentary requirements. Payments and receipts of foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions.
Trade-related payments	Yes.	Payments and receipts made by foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad relating to freight and insurance (including transfers of insurance not related to commercial transactions), unloading and warehousing costs, administrative costs, commissions, and customs duties and fees are permitted in general, subject to the presentation of supporting documentation to the authorized intermediary.
Investment-related payments	Yes.	
Prior approval	Yes.	Payments for depreciation of direct investments require MOF authorization, because this type of depreciation is not specifically mentioned in the regulations.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Outward transfers of interest payments and proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents of the WAEMU zone traveling for tourism or business purposes to non-WAEMU countries may take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person a trip; larger amounts may be taken out in the form of traveler's checks, certified checks, or other means of payment and with supporting documentation for customary travel expenses.
Indicative limits/bona fide test	Yes.	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required for payment of family maintenance expenses abroad.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All personal payments may be made through an authorized bank,

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		subject to presentation of supporting documents. Payments abroad relating to pensions and benefits resulting from an employment contract, education costs, family maintenance, and alimony may be executed freely on presentation of documentation.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	Yes.	The use of credit cards is allowed when issued by specialized institutions which, where applicable, must report such transactions on a quarterly basis to the BCEAO.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For travelers, allocations of foreign currency in the form of debit and payment card must be justified by requirements related to travel and personal expenses if they exceed the equivalent of CFAF 2 million.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	As a general rule, payments abroad in amounts greater than CFAF 500,000 are subject to the presentation of supporting documentation.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from invisible transactions with non-WAEMU countries must be repatriated. Residents of the WAEMU zone are required to surrender to an authorized intermediary all revenues and income in foreign currency collected abroad or received from a nonresident. Such operations must be conducted within no more than one month after the payment due date.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the payment due date. Resident travelers must surrender to an authorized intermediary, within eight days of their arrival in Niger, foreign banknotes and other means of payment denominated in foreign currency worth more than the equivalent of CFAF 500,000.
Restrictions on use of funds	No.	

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Capital Transactions

Controls on capital transactions	Yes.	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except (1) amortization of debts and repayment of short-term loans to finance industrial and commercial operations, (2) payments required on foreign exchange derivatives transactions or raw material or commodity derivatives transactions, and (3) transfers of the proceeds of liquidated investments or the sale of foreign securities by nonresidents of the WAEMU zone. Capital receipts from non-WAEMU countries are generally permitted.
Repatriation requirements	Yes.	Proceeds from the sale or liquidation of residents of the WAEMU zone's investments abroad must be repatriated within one month through a registered intermediary, if the resident does not have a reinvestment authorization.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	Reinvestment of the proceeds from liquidation operations is subject to authorization by the minister of finance. In the absence of such authorization, these proceeds should be repatriated and surrendered within one month through an authorized intermediary. The surrender requirement applies to proceeds from all capital transactions.
Controls on capital and money market instruments	Yes.	RCPSFM authorization is required for the following operations: (1) issuance or marketing of securities and real assets of foreign entities, (2) solicitation of investment, and (3) publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange. The provisions are identical to those pertaining to shares and other securities of a participating nature. Soliciting the public of the WAEMU by nonresident entities is subject to authorization by the BCEAO in its capacity as the authority responsible for regulating the external financial relations of WAEMU countries. The Code of the Inter-African Conference on Insurance Markets (CIMA Code) requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
On capital market securities	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are unrestricted. However, these purchases are subject to declaration to the MOF and the BCEAO for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to authorization from RCPSFM, with the authorization of the BCEAO

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		acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the MOF. The sale of securities to liquidate an investment abroad must be declared to the MOF for statistical purposes. Residents of the WAEMU zone may also issue securities abroad, except for those constituting a loan, provided all issues are declared to the Directorate of External Finance and the BCEAO for statistical purposes.
Bonds or other debt securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. There is no minimum holding period.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries is authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of resident entities, foreign investors are required to make a declaration to the MOF. The sale of securities for liquidation of an investment abroad must be declared to the MOF for statistical purposes. Issuance of

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		securities constituting a loan by residents of the WAEMU zone to nonresidents of the WAEMU zone must be made through an authorized bank and must be reported to the MOF for statistical purposes.
On money market instruments	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance and sale of money market instruments by nonresidents of the WAEMU zone are subject to RCPSFM authorization, with the authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of money market instruments resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of money market instrument transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation (Article 8, Rule No. 09/10/CM/UEMOA).
Purchase abroad by residents	Yes.	The purchase of foreign money market instruments by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign money market instruments whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local money market instruments abroad. The sale of money market instruments to liquidate an investment abroad is subject to declaration to the Ministry of Economy and Finance (MEF) for statistical purposes. Residents of the WAEMU zone may also issue money market instruments abroad, unless they constitute a loan.
On collective investment securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization with the authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The CIMA Code requires

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		insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a declaration to the MOF. The sale of securities for liquidation of an investment abroad must be declared to the MOF for statistical purposes. Issuance of securities constituting a loan by residents of the WAEMU zone to nonresidents of the WAEMU zone must be made through an authorized bank and must be reported to the MOF for statistical purposes.
Controls on derivatives and other instruments	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Residents of the WAEMU zone may hedge risk using derivatives. They must be backed by the residents of the WAEMU zone's imports or exports of raw materials and commodities. Residents of the WAEMU zone are not authorized to purchase raw materials or commodities on foreign markets for delivery within the framework of a derivatives transaction in raw materials or commodities.
Purchase locally by nonresidents	No.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone. The use of exchange risk hedging derivatives on the domestic market is reserved exclusively for Union residents. Purchase of derivatives locally by nonresidents is not permitted.
Sale or issue locally by nonresidents	Yes.	Residents are authorized to carry out transactions on approved foreign exchange derivative instruments on foreign exchange derivatives markets with nonresident banks.
Purchase abroad by residents	Yes.	These instruments are subject to general regulations that apply to securities and investments. Residents of the WAEMU zone may freely purchase abroad or from nonresidents of the WAEMU zone call or put options on primary commodities or securities transactions. Residents of the WAEMU zone may not purchase commodities or securities in foreign markets to be delivered in complying with a put option contract. Put options must be placed on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract. Residents of the WAEMU zone are permitted to purchase foreign currency purchase options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign credit institution.
Sale or issue abroad by residents	Yes.	Residents of the WAEMU zone are permitted to purchase foreign currency sell options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign (that is, nonresident of WAEMU) credit institution.
Controls on credit operations	Yes.	Borrowing by residents of the WAEMU zone from nonresidents of the WAEMU zone must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	Yes.	

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By residents to nonresidents	Yes.	The date on which payment falls due is specified in the contract and should in principle be no later than 120 days after the date of shipment.
To residents from nonresidents	No.	There are no controls, and repayments of commercial credits are generally conducted without prior authorization, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date, to the licensed intermediary bank responsible for handling the repayment.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These credits require MOF approval. Outward transfers to service such facilities require an exchange authorization, subject to the approval of the MOF and substantiated by documentation.
To residents from nonresidents	No.	There are no controls on these credits, but they must be reported for statistical purposes to the MOF and the BCEAO when granted and when repaid, except for the following credits: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayment of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction. Borrowing abroad is unrestricted.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	The granting of guarantees and sureties is subject to MOF approval. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to MOF approval, and the submission of supporting documents.
To residents from nonresidents	No.	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require prior declaration to the MEF and the BCEAO for statistical purposes.
Controls on direct investment	Yes.	Direct investment implies control of a company or enterprise in excess of 10% of the capital of the company (such as shares listed on a stock exchange). All investment outside of WAEMU by residents of the WAEMU, including investment through foreign companies under the direct or indirect control of residents of the WAEMU and investment by foreign branches or subsidiaries of companies established in a WAEMU member country, requires MOF authorization.
Outward direct investment	Yes.	All investment abroad by residents of the WAEMU zone is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Yes.	FDI, including by resident companies that are directly or indirectly under foreign control and by branches or subsidiaries of foreign companies, must be reported to the MOF for statistical purposes. An investment is not considered a direct investment, unless it exceeds 10% of the capital of the company.

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Controls on liquidation of direct investment	No.	The liquidation of investments abroad must be reported to the MOF and the CB for statistical purposes. Reinvestment of the proceeds of the liquidation is subject to MOF authorization. If reinvestment is not authorized, the liquidation proceeds must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents of the WAEMU zone is unrestricted, but must be reported to the MOF and the CB for statistical purposes.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These purchases require MOF authorization.
Purchase locally by nonresidents	No.	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the MOF for statistical purposes.
Sale locally by nonresidents	No.	Sales by nonresidents of the WAEMU zone to residents of the WAEMU zone require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MOF and the BCEAO for statistical purposes.
Controls on personal capital transactions	Yes.	Personal capital transactions between residents of the WAEMU zone and nonresidents of the WAEMU zone must be made through the BCEAO, the postal administration, or an authorized intermediary bank, unless authorization is obtained from the MOF.
Loans	Yes.	The regulations governing securities and investments apply.
By residents to nonresidents	Yes.	These transactions require MOF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of approved financial institutions.
To residents from nonresidents	No.	These transactions may be made freely but are subject to declaration to the MOF and the BCEAO for statistical purposes when disbursed and when repaid.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Inheritances and dowries are generally allowed. Gifts and endowments, however, are subject to MOF and BCEAO authorization. These transactions must be conducted through an authorized intermediary and comply with the relevant AML and terrorism financing provisions.
To residents from nonresidents	No.	These transactions do not require authorization but are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Settlement of debts abroad by immigrants	Yes.	Immigrants with resident status must obtain MOF authorization to settle debts contracted abroad, while they were nonresidents of the WAEMU zone.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These transactions are subject to MOF authorization if the value exceeds CFAF 500,000 a person. There are no restrictions on transfers of amounts below this threshold.
Transfer into the country by immigrants	Yes.	Foreign accounts (in foreign currency or CFA francs) of nonresidents of the WAEMU zone who become residents of the WAEMU zone must be closed. However, these residents of the WAEMU zone may maintain abroad bank accounts opened and financial assets acquired, while they were nonresidents of the WAEMU zone. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.	These transfers are conducted free through authorized intermediaries, subject to the presentation of supporting documents and compliance with the relevant provisions on combating money laundering and

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financing of terrorism.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The Uniform Law on the Treatment of Dormant Accounts on the Books of Financial Agencies of the Member States of the WAMU by the Council of Ministers of the Union took effect September 28, 2012. Decision No. CM/UMOA/023/2012 sets the deadline (December 31, 2013) for including this law in the domestic legislation of the WAMU members. These procedures were included in Niger's legislation by law on October 17, 2014, and adopted by the National Assembly on October 23, 2014.
Borrowing abroad	No.	Borrowing abroad is unrestricted. For statistical purposes, these transactions must be declared to the MOF and the BCEAO when granted and when repaid, except for the following credits: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance.
Maintenance of accounts abroad	Yes.	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements. In accordance with Regulation No. 09/2010/CM/UEMOA on the External Financial Relations of the WAEMU Member States, to cover their foreign currency requirements, banks are authorized to hold the following in banking institutions located in non-WAEMU countries: (1) demand deposits not exceeding the total amount on their books of import payments domiciled by clients, payable within a period of eight days, and (2) demand deposits not exceeding the balance of their open foreign accounts in foreign currencies other than euros and their open resident accounts in foreign currency. The total amount of these assets may not exceed 5% of the clients' outstanding demand deposits. Assets in excess of foreign currency requirements must be surrendered to the BCEAO.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial lending is allowed. Financial credits are subject to MOF authorization following BCEAO approval.
Lending locally in foreign exchange	Yes.	No explicit regulations exist regarding these transactions, but MOF authorization is required with BCEAO approval.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These purchases require MOF authorization if their issuance was not approved by the RCPSFM.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	A reserve requirement of 3% has been applicable to banks in the WAEMU zone since March 16, 2017. Demand deposits, other debit deposit accounts, and loan accounts are included in the calculation of required reserves. The following four elements are taken into account in calculating the required reserves to be established in the CB: (i) demand deposits; (ii) short-term loans; (iii) gross claims abroad, including customer deposits in foreign currency; (iv) medium- and long-term loans. Required reserves are therefore established on a standard, settlement, or securities account based on eligibility for calculation of reserves allocated by the MPC.

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Liquid asset requirements	No.	In accordance with the prudential framework applicable to banks and financial institutions carrying out banking operations in the WAEMU, the minimum liquid asset requirement is 75%. A 50% transformation ratio is also required to ensure that banks continually have more stable financing sources to finance their long-term uses.
Interest rate controls	Yes.	The wear rate in WAEMU member countries is set at 15% for banks and at 24% for decentralized financial systems.
Credit controls	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents of the WAEMU zone are subject to MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Yes.	Banking regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Any overdraft or advance granted to a nonresident requires MOF authorization with BCEAO approval.
Investment regulations	Yes.	The regulations governing direct investment apply.
Abroad by banks	Yes.	All investment abroad by residents of the WAEMU zone is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM.
In banks by nonresidents	Yes.	These transactions may, depending on their volume, be subject to authorization by the minister of finance. The banking law stipulates that investment by any person in a bank that would have the effect of changing the minority and/or majority voting rights requires authorization by the minister of finance.
Open foreign exchange position limits	Yes.	No prudential ratios apply. Because of the surrender requirement, banks may not maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts to assist in the smooth completion of international payments, up to the equivalent of 5% of total customer demand deposits. However, to cover their foreign currency requirements, banks are authorized to hold in non-WAEMU zone banks assets allocated to the execution of current customer operations, listed as follows: (1) demand deposits not exceeding the total amount on their books of import payments domiciled by clients, payable within a period of eight days, and (2) demand deposits not exceeding the balance of their open foreign accounts in foreign currencies other than euros and their open resident accounts in foreign currency.
On resident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks may not maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts to assist in the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold deposits in banking institutions located in non-WAEMU countries as follows: (1) demand deposits not exceeding the total amount on their books of import payments domiciled by clients, payable within a period of eight days, and (2) demand deposits not exceeding the balance of their open foreign accounts in foreign currencies other than euros and

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		their open resident accounts in foreign currency.
On nonresident assets and liabilities	Yes.	No prudential ratios apply. Because of the surrender requirement, banks may not maintain open foreign exchange positions. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts to assist in the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold deposits in banking institutions located in non-WAEMU countries as follows: (1) demand deposits not exceeding the total amount on their books of import payments domiciled by clients, payable within a period of eight days, and (2) demand deposits not exceeding the balance of their open foreign accounts in foreign currencies other than euros and their open resident accounts in foreign currency.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Controls are imposed by the CIMA Code.
Limits (max.) on securities issued by nonresidents	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Limits (max.) on investment portfolio held abroad	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Limits (min.) on investment portfolio held locally	No.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Currency-matching regulations on assets/liabilities composition	Yes.	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind by foreign governments, local authorities, foreign companies, or international institutions are subject to authorization by the RCPSFM.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold with RCPSFM authorization in WAEMU member countries, all investment abroad by residents of the WAEMU zone is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to RCPSFM authorization.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold in WAEMU member countries with RCPSFM authorization, all investment abroad by WAEMU residents is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

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Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CB does not yet have a digital currency.
Retail	No.	The CB does not yet have a digital currency.
Wholesale	No.	The CB does not yet have a digital currency.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on unbacked tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In

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		addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on utility and security tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not

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		permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on stablecoins	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on crypto exchanges and trading platforms	n.a.	
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for

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security reasons		
Other security restrictions	*03/31/2023*	The regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions, and Virtual Asset Service Providers; (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons.

Exchange Arrangement

Official exchange rate	*09/02/2022*	Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.

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NIGERIA

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		March 30, 1961.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with Nigeria states that, as of December 14, 2021, Nigeria maintained the following exchange restrictions subject to IMF approval under Article VIII, Section 2(a) of the IMF's Articles of Agreement: (1) an exchange restriction arising from the prohibition to access foreign exchange at the Nigerian foreign exchange markets for the payment of imports of 42 categories of items; (2) an exchange restriction arising from the rationing of foreign exchange by the Central Bank of Nigeria (CBN) in different foreign exchange windows, and its allocation based on the CBN's determination of priority categories of transactions; and (3) an exchange restriction arising from existing limits on the amounts of foreign exchange available when traveling abroad (business travel allowance/personal travel allowances, which cannot be exceeded even on verification of the bona fide nature of the transaction. In addition, Nigeria maintains the following MCPs subject to IMF approval under Article VIII, Section 3 of the IMF's Articles of Agreement: (1) an MCP arising from the practice of the CBN that results in the establishment of an exchange rate for use in official (government) transactions and some other transactions, which may differ by more than 2% from the rate used by commercial banks in other CBN foreign exchange windows (Secondary Market Intervention Sale (SMIS), small and medium enterprise (SME), Investors' and Exporters' Foreign Exchange (IEFX), and Invisibles); (2) an MCP arising from the large spread between exchange rates used by the CBN in its foreign exchange windows and the rates in the parallel market, caused by the CBN's limitation on the availability of foreign exchange which channels current international transactions to such market; and (3) an MCP arising from the potential spread of more than 2% in the exchange rates at which the CBN sells foreign exchange to successful auction bidders in the SMIS window. (Country Report No. 2022/033).
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Nigeria is the Naira, in both physical and digital forms.
Other legal tender	No.	
Exchange rate structure		

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Unitary		
Dual		
Multiple	Yes.	There is a multiple exchange rate structure as a result of MCPs as per Country Report No. 2022/033, as follows: (1) an MCP arising from the practice of the CBN that results in the establishment of an exchange rate for use in official (government) transactions and some other transactions, which may differ by more than 2% from the rate used by commercial banks in other CBN foreign exchange windows (SMIS, SME, IEFX, and Invisibles); (2) an MCP arising from the large spread between exchange rates used by the CBN in its foreign exchange windows and the rates in the parallel market, caused by the CBN's limitation on the availability of foreign exchange which channels current international transactions to such market; and (3) an MCP arising from the potential spread of more than 2% in the exchange rates at which the CBN sells foreign exchange to successful auction bidders in the SMIS window.
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. The CBN explicitly aims to maintain an exchange rate principally driven by market forces but intervenes to reduce volatility and to counteract speculative attacks on the national currency. The CBN publishes its intervention data, and this is also reported weekly by various news agents across the nation. Since July 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar. Therefore, the de facto exchange rate arrangement was reclassified to crawl-like from stabilized, effective July 25, 2022. While the exchange rate has stabilized since February 2023, more observations are necessary to determine its new trend. Until then, the de facto exchange rate arrangement remains classified as a crawl-like arrangement.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate is determined by the market. The official exchange rate is the Investors' and Exporters' foreign exchange rate now renamed NAFEX (Nigerian Autonomous Foreign Exchange Fixing) market rate. The weighted average rate is used for monetization, tax, and duty payments, other accounting purposes as well as in all official transactions.
Monetary policy framework		

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Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	Monetary policy targets broad money (M3) as the Bank's intermediate target via a policy interest rate corridor. However, the Bank uses the monetary policy rate (MPR) to influence the overnight interest rate. The MPR was raised by 475 basis points between July 2022 and July 2023. Effective July 25, 2023, the MPR was at 18.75% from the previous 14.0% on July 19, 2022. The MPC set the asymmetric corridor for the CBN's lending and deposit facilities at +100 basis points and −300 basis points around the MPR effective July 25, 2023 (previously +100 basis points and −700 basis points around the MPR). The liquidity ratio (LR) was left unchanged at 30.0% over the period, while the cash reserve requirement (CRR) was increased by 500 basis points effective September 27, 2022, to 32.5% (previously 27.5%).
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		

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Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	AD are not allowed to have a bid-ask spread exceeding N1.00. The commission charged by the ADs is guided by the provisions of the Guide to Bank Charges, which is reviewed periodically by the CBN. Unused Portions of foreign exchange purchased from the CBN must be returned to the CBN within 72 hours. According to the revised CBN's Guide to Charges by Banks, Other Financial and Nonbank Financial Institutions (revised) (January 1, 2020), the commissions are (1) 1% of the value involved—flat (or as determined from time to time by the CBN) for purchases from the CBN and (2) negotiable subject to a maximum spread of 50 kobo per US dollar for interbank purchases.
Spot exchange market	Yes.	The CBN established a single market structure through the NAFEX market, with the CBN participating in the foreign exchange market through interventions directly in the market and/or through the Refinitiv trading platform. It is used by banks to transact among themselves for proceeds from export and personal transfers. The NAFEX market is used to provide liquidity to investors and exporters, in a bid to boost liquidity in the system and reduce volatility in the market. The market participants in the foreign exchange market are as follows: banks (commercial, merchant, and non-interest banks) and bureau de change (BDCs) licensed by the CBN. As of December 31, 2022, there were 29 deposit money banks (DMBs), 34 primary mortgage banks, 882 licensed microfinance banks, and 5,392 eligible BDCs. BDC operators may only deal in banknotes and coins, buying and selling traveler's checks, and other business as approved by the CBN. They may not engage in foreign business or foreign correspondence relationships, or directly or indirectly in any form of outward or inward foreign currency transfers or credit card services. BDCs are not allowed to maintain accounts abroad. International Money Transfer Operators are only licensed to conduct international money transfers. Their customers include individuals

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		and businesses.
Operated by the central bank	Yes.	As at June 14, 2023, the CBN discontinued sales at the Retail, SME and invisible windows, hence all eligible foreign exchange transactions are now done via the NAFEX market and on the Refinitiv Trading platform. The CBN no longer operates window segmentation (priority sectors etc.)-based foreign exchange transactions. Previously, the CBN sold foreign exchange through SMIS, IFEX, SME, Invisible, and BDC windows.
Foreign exchange standing facility	No.	
Allocation	No.	Effective June 14, 2023, the CBN discontinued sales at the Retail, SME, and Invisible windows; hence all eligible foreign exchange transactions are now done via the NAFEX market and on the Refinitiv Trading platform. The CBN does not allocate foreign exchange to banks. The CBN conducts needs-based market-based interventions on a two-way quote basis principally to enhance supply and economic activities. All eligible foreign exchange transactions are conducted and operated via the NAFEX market. Previously, the CBN sold foreign exchange to the banks according to the availability and demand of foreign exchange and documented needs of customers of the participating banks. Windows through which the CBN sold foreign exchange through allocation were Invisible, SME, IEFX, and BDCs.
Auction	Yes.	The CBN on a needs basis intervenes by auction to the market principally to enhance supply and economic activities.
Fixing	No.	
Interbank market	Yes.	The Inter-bank foreign exchange market exists where banks can conduct trade in foreign exchange among themselves via the NAFEX market.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Forward exchange transactions in the foreign exchange market are permitted among ADs and between dealers and their customers, provided the transactions relate to trade in goods and services. The CBN engages in foreign exchange forward transactions with the aim of transforming and deepening the Nigerian financial markets. These transactions take place with ADs in the market for the benefit of foreign exchange users in the economy.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Domestic currency may not be used to settle international current or capital transactions.
For current transactions and payments	Yes.	All international payments are subject to required and regulated documentation as specified in the foreign exchange manual. Domestic currency may not be used to settle international current or capital transactions.
For capital transactions	Yes.	Official funds may not be used for capital account transactions. Domestic currency may not be used to settle international current or capital transactions.
Transactions in capital and money market	Yes.	Domestic currency may not be used to settle international current or

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instruments		capital transactions.
Transactions in derivatives and other instruments	Yes.	Domestic currency may not be used to settle international current or capital transactions.
Credit operations	Yes.	Domestic currency may not be used to settle international current or capital transactions.
Use of foreign exchange among residents	Yes.	The currency for all local transactions is the naira. Circular BSD/DIR/GEN/LAB/08/013 prohibits the general public from pricing or denominating the cost of any product or service in any foreign currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	Arrangement with China to use yuan renminbi for trade settlements was concluded April 27, 2018. This arrangement was called Bilateral Currency Swap Agreement, which was consummated between the CBN and the People's Bank of China (PBoC). This agreement was for three years, expired on April 30, 2021, and was subsequently renewed in June 9, 2021 for another three years.
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBN formulates basic foreign exchange policy and issues directives as appropriate for the operation of the foreign exchange market. The CBN approves and revokes the appointment of ADs and authorized buyers of foreign currency and supervises and monitors the operations of the foreign exchange market and exchange bureaus. The CBN also licenses and regulates the exchange bureaus. However, the CBN suspended the licensing of new BDCs, and discontinued the sale of foreign exchange to BDCs in July 2021.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents other than the monetary authorities, producers of gold, and authorized industrial users must have special permission to hold or acquire gold in any form other than jewelry or coins, at home or abroad.
On external trade	Yes.	The importation and exportation of gold in any form other than jewelry require specific licenses issued by the Federal Ministry of Finance (FMF).
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Any export of Nigerian currency notes and coins in excess of N100,000 is subject to declaration and prior approval of the CBN.
Foreign currency	Yes.	Exports by a person exceeding US$10,000 or its equivalent must be declared. ADs may export foreign exchange banknotes and coins subject to the

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		prior approval by the CBN.
On imports	Yes.	
Domestic currency	Yes.	Any import of Nigerian currency notes and coins in excess of N100,000 is subject to declaration and prior approval of CBN.
Foreign currency	Yes.	Imports by a person of amounts exceeding US$10,000 or its equivalent must be declared. ADs may import foreign exchange banknotes and coins subject to the prior approval by the CBN.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange accounts may be freely opened with ADs on a know-your-customer basis. Funds may be transferred to other bank foreign exchange accounts within and outside Nigeria.
Approval required	No.	
Held abroad	Yes.	Residents' foreign exchange accounts abroad are allowed, except for public officials. Public officials are prohibited from holding such account abroad. Balances of residents' accounts abroad can be transferred to Nigeria freely.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Allowed to make payments and transfers subject to appropriate documentation, as provided by extant regulations. All payments by residents abroad should be subject to appropriate documentations

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	External accounts are maintained for diplomatic representatives of all countries and international organizations. These accounts may be credited with authorized payments by residents of Nigeria to residents of foreign countries, with payments from other external accounts, and with proceeds from sales of foreign currency. They may be debited for payments to residents of Nigeria, for payments to other external accounts, and for purchases of foreign currency.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident accounts in naira are allowed for overseas correspondence and examination bodies, foreign companies executing approved contracts in Nigeria, and foreign professional bodies. In the case of others not listed, clarification and approval of the CBN are required. Funds derived from local sources may be deposited in nonresident accounts.
Convertible into foreign currency	Yes.	Nonresident accounts may be credited with proceeds from services rendered locally, and remittances may be effected subject to adequate documentation. Nonresident can convert the balances in the accounts to foreign currency for transfer abroad. Conversion of nonresidents' balances remaining after completion of a contract or of the account holder's business in Nigeria is permitted.
Approval required	No.	Only transactions that have exceptions are referred to the CBN for approval. In cases that are not covered by the Foreign Exchange Manual, reference is to be made to the bank for clarification. Nonresident accounts in naira are allowed for overseas

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		correspondence and examination bodies, foreign companies executing approved contracts in Nigeria, and foreign professional bodies. In the case of others not listed, clarification and approval of the CBN is required.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	Yes.	Foreign exchange may not be sold in the foreign exchange market for imports of goods on the negative list, which is issued by the FMF. As at June 30, 2023, foreign exchange may not be acquired in the foreign exchange market for imports of goods on the list of items not valid for foreign exchange published by the CBN (CBN Circular TED/FEM/FPC/GEN/01/010). Imports of goods on this list are not prohibited, provided the importer uses their own funds without recourse to the Nigerian foreign exchange markets.
Advance payment requirements	Yes.	Down payments on imports not exceeding 15% of free on board (f.o.b.) value of transaction are allowed. Advance payments are allowed subject to presentation of performance bond by the supplier from reputable bank in his home country.
Advance import deposits	Yes.	Advance import deposits are treated like advance payments. Advance import deposits not exceeding 15% of f.o.b. value of transaction are allowed. Advance import deposits are allowed subject to presentation of performance bond by the supplier from reputable bank in his home country.
Documentation requirements for release of foreign exchange for imports	Yes.	Foreign exchange for imports may be released after submission of the required documents which include shipping and commercial documents.
Domiciliation requirements	No.	
Preshipment inspection	Yes.	Imports are subject to destination inspection instead of pre-shipment inspection, regardless of their value. Certain categories of imports, including used vehicles, vaccines, and explosives, are not included in the destination inspection program.
Letters of credit	No.	Importers may use LCs or their preferred payment mode for import payments. It is not mandatory to use LCs. Under the destination inspection program, the combined certificate of value and origin, packing list, and bill of lading are the key payment documents.
Import licenses used as exchange licenses	No.	
Other	Yes.	The documents required for foreign exchange settlements for imports are: (1) bill of lading; (2) certificate of origin (formerly combined certificate of value and origin); (3) commercial invoice; (4) exit note (formerly exit gate); (5) form “M”; (6) packing list; (7) single goods declaration; and (8) product certificate. Transactions involving the use of bills for collection are permitted. Transactions executed by the private sector do not, however, carry any government guarantee or obligation. Remittances must be made through the official foreign exchange market or with autonomous funds, and the relevant shipping documents for the transactions must be handled by an AD. Single goods declaration is required for making payments and should be submitted not later than 90 days from the bill of lading date.
Import licenses and other nontariff measures	Yes.	

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Positive list	No.	
Negative list	Yes.	As at June 30, 2023, imports of the following items are prohibited: live or dead birds including frozen poultry, bird eggs, pork, beef, cassava, refined vegetable oil, cocoa butter, powder and cakes, spaghetti/noodles, fruit juice in retail packs, water including mineral and carbonated water containing added sugar or sweetening or flavored, ice snow, other non-alcoholic beverages (excluding energy and health drinks), beer and stout, bagged cement, medications, waste pharmaceuticals, soaps and detergents, mosquito repellent coils, sanitary wares of plastic, domestic articles and wares of plastic (excluding baby feeding bottles and flushing cisterns and waterless toilets), toothpicks, retreaded and used pneumatic tires but excluding used tires for retreading of size, corrugated paper and cardboard items excluding baby diapers, incontinence pads for adult use and exercise books, telephone recharge cards and vouchers, textile fabrics, carpet and rugs of all types, garments and other textiles, footwear, bags, and suitcases (excluding safety shoes), hollow glass bottles of a capacity exceeding 150 ml (0.15 liter) of all kinds used for packaging of beverages, used compressors, used air conditioners and used refrigerators, used motor vehicles more than 10 years old, furniture excluding baby walkers, laboratory cabinets, stadium chairs, and skeletal parts of furniture such as blanks, and ballpoint pens and parts, including refills. There is a ban on the importation of fertilizer and other variants. Also, processing of Form M for the importation of maize/corn has been discontinued.
Open general licenses	No.	
Licenses with quotas	Yes.	Products such as petroleum products and fish have import licenses with quota attached to it. According to Section 4 (1) of the Petroleum Act, no person must import, store, sell, or distribute any petroleum products in Nigeria without a license granted by the Minister. Fish Quota was introduced by the Ministry of Agriculture in 2013.
Other nontariff measures	Yes.	Imports require an appropriate insurance certificate issued by a registered insurance company in Nigeria. As at June 30, 2023, the list of items importation of which is not banned but is classified as not valid for foreign exchange on the Nigerian foreign exchange market is also part of non-tariff measures.
Import taxes and/or tariffs	Yes.	In line with the 2008–2012 Tariff Book, in a second attempt to harmonize Nigeria's tariff regime with the ECOWAS CET, there are five categories of customs duties: (1) category 0 (0%): necessities such as most educational materials; (2) category 1 (5%): primary raw materials; (3) category 2 (10%): intermediate products—for example, refrigerators and televisions; (4) category 3 (20%): finished goods not produced locally and that do not require protection—for example, televisions, refrigerators, generators, etc.; and (5) category 4 (35%): finished goods that are manufactured locally and therefore require some protection in the interest of promoting local industries. Tariff protection is high for finished goods. In addition, the following import surcharges apply: a 5% port development surcharge, a 1% raw materials and development council surcharge, a 0.02% freight rate stabilization surcharge earmarked for the Nigeria Shippers' Council, and an ECOWAS levy of 0.5%. Certain categories of imports are exempt from import taxes. Imports that were duty-free in the past are now subject to a duty of at least 2.5%. Imports of sugar confectionery are prohibited. Imports of sugar are subject to a 50% duty.
Taxes collected through the exchange system	No.	

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State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Both the Pre-Shipment Inspection of Exports Act and the Foreign Exchange (Monitoring and Miscellaneous Provisions Act require an exporter of goods, including petroleum products, to open, maintain and operate a foreign currency domiciliary account in Nigeria to receive all export proceeds corresponding to the entire proceeds of the exports (The CBN foreign exchange Manual put a timeline on export proceeds to be repatriated within 90 days of the date of shipment for oil exports and 180 days for non-oil exports.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Since September 21, 2016, the CBN directed oil and oil service companies to sell foreign exchange to the CBN and the Nigerian National Petroleum Corporation (NNPC) to improve foreign exchange supply to the economy. This was revised on March 20, 2020, when the CBN directed oil and oil service companies to sell foreign exchange to the CBN.
Surrender to authorized dealers	No.	There is no surrender requirement to banks of export proceeds. Non-oil exporters may sell their export proceeds to AD banks at interbank rates or use the funds to finance eligible transactions. Inflows for the domestic operations of oil companies are sold directly to banks. Oil and oil service companies and government agencies may sell their foreign exchange in the interbank market.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	Payment for exports must be made with advance payments, LCs, or bills for collection.
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Exports are subject to pre-shipment inspection, regardless of their value, except personal effects; used motor vehicles; day-old chicks; human remains; vaccines; yeast; periodicals and magazines; non-commercial exports, such as gifts, trade samples, and printed business materials; machinery and equipment for repairs abroad; and supplies for diplomatic consular missions and international organizations. Exporters must pay a service charge of 1% of the f.o.b. value, which accrues to the Nigerian Export Supervision Scheme (NESS).
Other	Yes.	Exports require the following documentation: (1) bill of lading; (2) certificate of origin; (3) commercial invoice; (4) single goods declaration; (5) the Nigerian export proceeds form; (6) a clean certificate of inspection; and (7) packing list.
Export licenses	Yes.	
Without quotas	Yes.	Production of unrefined gold and petroleum products is subject to licensing. The exportation of African antiques, works of art, and objects used in African ceremonies is prohibited, except under certain conditions. Exports of timber (rough and sawed), raw hides and skins, scrap metal, unprocessed rubber latex and rubber lumps, palm kernels, and yam tubers are prohibited. Production and exports of petroleum are handled by the NNPC and marginal field operators.

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		Licensing the production of petroleum products and unrefined gold does not imply the licensing of their exports. However, they are exportable items in Nigeria. The registration for exporters is done by the Nigerian Exports Promotion Council. Certain products, such as timber and petroleum products, require predetermined quotas.
With quotas	Yes.	The registration for exporters is done by the Nigerian Exports Promotion Council. Certain products, such as timber and petroleum products, require predetermined quotas.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Applications for foreign exchange must be submitted to banks; such payments are allowed, subject to documentation requirements. List of eligible transactions and documentation requirements are stipulated the CBN Foreign Exchange Manual of August 2018 (Revised).
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Such payments are allowed, subject to documentation requirements.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Interest on bills for collection transactions is limited to 1% above LIBOR for a maximum period of 180 days, calculated based on the cost, insurance and freight (c.i.f.) value on the final invoice.
Indicative limits/bona fide test	Yes.	Transfers of profits and dividends from capital investment are permitted freely by ADs if the underlying transaction has been permitted (provided they are in line with the provisions of extant regulation), subject to completion of the official foreign exchange form for invisible trade and other required documentation. ADs must submit monthly reports to the CBN on capital transfers and repatriation and remittance of profits and dividends via the Financial Institution Forex Reporting System (FIFX).
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The maximum amount for personal travel allowance is US$4,000 a quarter, while that for business travel allowance is US$5,000 a quarter. The maximum amount for medical travel allowance is US $5,000 a transaction. Larger amounts are not allowed. Payment of medical fees must be remitted directly to the overseas hospital, while maintenance cost must be in favor of the patient.
Indicative limits/bona fide test	Yes.	Subject to maximum quantitative limits as indicated above, ADs may sell foreign exchange for personal travel, subject to documentation requirements (that is, a completed official foreign exchange form for invisible trade, a valid passport, valid Visa and Return Ticket (Minimum of 5hrs flight duration). There are additional documentation requirements for travel for medical and business

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		purposes. Payment of medical fees must be remitted directly to the overseas hospital, while maintenance cost must be in favor of the patient.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Such payments are allowed, subject to documentation requirements.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Up to 100% of net salary after taxes may be transferred abroad, subject to documentation requirements.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The limits on overseas usage (purchases and withdrawals) of naira-denominated credit cards are US$100 daily a person for cash withdrawals and/or cumulative monthly maximum limit of US $3,000.00 for card transactions. The annual limit is $50.000 a person a year. Limits are binding.
Indicative limits/bona fide test	No.	Payments with cards do not require submission of supporting documents.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Up to 5% of consulting and legal fees for high-technology projects, for which local expertise is not available, may be remitted.
Indicative limits/bona fide test	Yes.	Such payments are allowed, subject to documentation requirements.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	All proceeds must be received through banks and repatriated within 90 days of the date of shipment for oil exports and 180 days for non-oil exports.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Since September 21, 2016, the CBN directed oil and oil service companies to sell foreign exchange to the CBN and the NNPC to improve foreign exchange supply to the economy. This was revised on March 20, 2020, when the CBN directed oil and oil service companies to sell foreign exchange to the CBN.
Surrender to authorized dealers	No.	There is no surrender requirement to the banks. Inflows for the domestic operations of oil companies must be sold directly to ADs. There is no deadline to surrender these proceeds.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Foreign Trade and Exchange Rate Circulars for 2006–2023 and CBN Foreign Exchange Manual of August 2018 (Revised) apply. The

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		documentation requirements as listed in the foreign exchange manual apply to capital outflows and outward transfers.
Repatriation requirements	No.	There are no regulatory requirements or deadlines by the CBN for repatriation of funds accrued from capital transactions abroad by Nigerian residents.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Applications for private capital transfers abroad are processed by banks, with documentation. Subject to use of own funds.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	These transactions may be conducted through ADs, subject to documentation requirements.
Purchase abroad by residents	Yes.	Foreign exchange may not be acquired in the foreign exchange market for purchases of shares denominated in foreign currency (2015 CBN Circular TED/FEM/FPC/GEN/01/010). Purchases of such securities are not prohibited, provided the purchaser uses their own funds without recourse to the Nigerian foreign exchange markets. In addition, prior CBN approval is required for equity investments abroad by banks for prudential purposes.
Sale or issue abroad by residents	No.	Residents may sell to nonresidents any security payable in naira without approval.
Bonds or other debt securities	Yes.	The Debt Management Office (DMO) regulates the purchase of selected Nigerian foreign debt instruments (mainly CBN promissory notes arising from past consolidation of unsecured trade credit arrears) at a discount, and the disposition of the naira proceeds on the conversion of such debt.
Purchase locally by nonresidents	No.	No controls apply to purchases by nonresidents of debt instruments. There is no minimum holding period requirement for such bonds.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Foreign exchange may not be acquired in the foreign exchange market for purchases of Eurobonds or foreign currency bonds (2015 CBN Circular TED/FEM/FPC/GEN/01/010). Purchases of such securities are not prohibited, provided the purchaser uses their own funds without recourse to the Nigerian foreign exchange markets.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	Foreign nationals and entities may invest in Nigeria in money market instruments such as commercial paper, negotiable CDs, bankers' acceptances, and treasury bills. The proceeds of foreign investment in money market instruments must be sold in the market for naira, for which the investor is issued a Certificate of Capital Importation (CCI) as evidence of the investment to facilitate repatriation of capital or profits.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Foreign exchange may not be acquired in the foreign exchange

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		market for purchases of foreign currency bonds (including money market instruments) (CBN Circular TED/FEM/FPC/GEN/01/010). Purchases of such securities are not prohibited, provided the purchaser uses their own funds without recourse to the Nigerian foreign exchange markets. Transfers to external accounts are permitted.
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	No.	The FMF approval is not required for nonresident individuals or companies (other than banks) registered in Nigeria that are controlled directly or indirectly from outside Nigeria. Licensed banks in Nigeria may grant loans and permit overdrafts for periods of up to 14 days and may increase the amount of any advance or overdraft by the amount of loan interest or bank charges payable thereon. Loans, bank overdrafts, and other credit facilities may also be arranged to finance Nigerian imports and exports.
To residents from nonresidents	Yes.	The FMF approval is not required for individuals, firms, companies, or branches resident in Nigeria to borrow abroad. However, official agencies and government-controlled corporations need the FMF approval to borrow abroad. Government-controlled corporations and agencies also require the FMF approval for supplier credits abroad.
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	For prudential purposes, banks are required to obtain the CBN approval prior to the acquisition of equity interests in financial,

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		commercial, or other banks (domestic or foreign). The type of banking license/authorization issued to the bank is also a determining factor. Only commercial banks with international authorization may obtain the CBN approval to open/invest in foreign branches or subsidiaries.
Inward direct investment	No.	There are no ceilings for foreign capital participation in the equity capital of enterprises in various sectors of the economy. The Nigerian Investment Promotion Commission deals with all matters relating to registration and the prescription of applicable incentives for direct capital investment in priority areas. ADs must issue a CCI within 24 hours of receipt of the capital. Nonresident investors are required to register their investment with the Nigerian Investment Promotion Commission for statistical purposes.
Controls on liquidation of direct investment	No.	The Nigerian Investment Promotion Commission Act allows foreigners to repatriate their capital proceeds and all dividends 100% net of tax.
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	As evidence of the investment to facilitate repatriation of capital or profits, a CCI must be issued by ADs for loans taken out by residents.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Residents may make cash gifts not exceeding the equivalent of US $1,000 a year to charitable organizations and US$500 or its equivalent a year to individuals, subject to documentation requirements. Larger amounts require prior CBN approval.
To residents from nonresidents	Yes.	There are no restrictions on gifts, except that the value may not exceed US$1,000.
Settlement of debts abroad by immigrants	No.	Form A must be completed for statistical purpose only in case of settlement of immigrants' debts abroad.
Transfer of assets	No.	
Transfer abroad by emigrants	No.	Form A must be completed for statistical purposes only in case of transfer of assets abroad by emigrants.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Documentation is required as described in BSD/DIR/GEN/LAB/07/037 on Prudential Regulation for the Management of Foreign Exchange Risks of Banks. The aggregate foreign currency borrowing of a bank excluding intergroup and

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		interbank (Nigerian banks) borrowing should not exceed 125% of its shareholders' funds unimpaired by losses.
Maintenance of accounts abroad	No.	Documentation is required.
Lending to nonresidents (financial or commercial credits)	No.	The CBN regulations do not preclude banks from extending credit facilities to nonresident individuals or companies. Each bank is expected to carry out appropriate due diligence and ensure that such credits are in line with its risk management policy and practices. Lending to nonresidents, including overdraft facilities, is given the same treatment as lending to residents, as provided in the CBN Prudential Guidelines. Licensed banks in Nigeria may grant loans and permit overdrafts for periods of up to 14 days and may increase the amount of any advance or overdraft by the amount of loan interest or bank charges payable thereon. Documentation is required. There are no credit restrictions for nonresident individuals or companies (other than banks) registered in Nigeria that are controlled directly or indirectly from outside Nigeria. Lending is subject to the single obligor limit of 20% of shareholders' funds unimpaired by losses. The CBN introduced some policy measures in response to the COVID-19 outbreak and its spillover effects. This included granting a forbearance to banks to allow them to provide temporary and time-restricted restructuring of the tenor and loan terms of facilities (to residents or nonresidents) granted to sectors impacted by the pandemic.
Lending locally in foreign exchange	Yes.	The aggregate foreign currency borrowing of a bank excluding intergroup and interbank (Nigerian banks) borrowing should not exceed 125% of its shareholders' funds unimpaired by losses. The 125% limit supersedes the 200% specified in Section 6 of the 2001 Guidelines for Foreign Borrowing for On-Lending by Nigerian Banks. Banks should borrow and lend in the same currency (natural hedging) to avoid currency mismatch associated with foreign currency risk. The basis of the interest rate for borrowing should be the same as that of lending; that is, there should be no mismatch in floating and fixed interest rates, to mitigate basis risk associated with foreign borrowing interest rate risk.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Foreign exchange may not be acquired in the foreign exchange market for purchases of Eurobonds, foreign currency bonds, or foreign currency share purchases (2015 CBN Circular TED/FEM/FPC/GEN/01/010). Purchases of such securities are not prohibited, provided the purchaser uses their own funds without recourse to the Nigerian foreign exchange markets.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	
Liquid asset requirements	Yes.	Liquid asset requirements are not applied to foreign exchange deposits. Banks are expected to meet a minimum LR requirement (ratio of specified liquid assets to current liabilities), which is currently set at 30%. Foreign exchange deposits are not included in the computation of the LR. The liquidity requirements are specified in BSD/DO/CIR/GEN/VOL.02/044 of January 29, 2009.
Interest rate controls	No.	

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Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	For prudential purposes, the CBN approval is required for banks prior to the acquisition of equity interests in financial, commercial, or other banks (domestic or foreign). The type of banking license/authorization issued to the bank is also a determining factor. Only commercial banks with international authorization may obtain the CBN approval to open/invest in foreign branches or subsidiaries.
In banks by nonresidents	No.	The inflow of funds is subject to the provisions of the Money-Laundering (Prohibition) Act and the CBN AML/CFT Regulations for Banks.
Open foreign exchange position limits	Yes.	Net open position and foreign currency trading position limit the banks' ability to hold foreign currencies. The exposure limit applies to DMBs only. There are two types of exposures: (1) a daily foreign exchange trading exposure limit for long positions in foreign currency of 0.5% and for short positions in foreign currency −10.0% of shareholder funds unimpaired by losses (CBN Circular TED/FEM/FPC/GEN/01/002) and (2) a net open position of foreign assets and liabilities of 10% of shareholder funds unimpaired by losses.
On resident assets and liabilities	Yes.	The exposure limit applies to DMBs only. There are two types of exposures: (1) a daily foreign exchange trading exposure limit for long positions in foreign currency of 0.5% and for short positions in foreign currency −10.0% of shareholder funds unimpaired by losses (CBN Circular TED/FEM/FPC/GEN/01/002) and (2) a net open position of foreign assets and liabilities of 10% of shareholder funds unimpaired by losses.
On nonresident assets and liabilities	Yes.	The exposure limit applies to DMBs only. There are two types of exposures: (1) a daily foreign exchange trading exposure limit for long positions in foreign currency of 0.5% and for short positions in foreign currency −10.0% of shareholder funds unimpaired by losses (CBN Circular TED/FEM/FPC/GEN/01/002) and (2) a net open position of foreign assets and liabilities of 10% of shareholder funds unimpaired by losses.
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	

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Limits (max.) on securities issued by nonresidents	Yes.	Investment limits are decided by the category of instruments and credit rating, not the residence status of the issuer. All investments in securities (shares and bonds) of eligible entities (period lists provided by PenCom, the regulator) must be through public offerings approved by the Nigerian Securities and Exchange Commission (SEC), unless securities listed or quoted in an offshore securities exchange have prior approval by SEC.
Limits (max.) on investment portfolio held abroad	Yes.	Prior approval from the Commission is required.
Limits (min.) on investment portfolio held locally	No.	Investment limits are decided by the category of instruments and credit rating, not the residence status of the issuer.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Subject to approval by the regulator (Nigeria SEC), investment scheme administered in a foreign jurisdiction is allowed.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	Yes.	The central bank digital currency (CBDC) was launched on October 25, 2021.
Retail	Yes.	The "CBN" on October 25, 2021, launched the eNaira, the first CBDC on the African continent and one of the few in the world at the time. The objective of the eNaira is to enable households and businesses to make fast, efficient, and reliable payments, while benefiting from a resilient, innovative, inclusive, and competitive payment system. The eNaira is a hybrid CBDC or a two-tiered CBDC architecture. With this architecture, the CBN is responsible for issuing the eNaira while it leverages the existing financial system and actors such as the financial institutions in directing engagement with users for distribution of the CDBC, payment facilitation, dispute resolution and other roles, as may be defined by the CBN.
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	No regulation exists pertaining to domestic circulation of retail CBDC launched by another jurisdiction.
Wholesale	n.r.	No regulation exists pertaining to domestic circulation of retail CBDC launched by another jurisdiction.
Controls on the use of domestic CBDC—retail and/or wholesale	Yes.	There is in place a regulatory guideline on the use of the eNaira issued by the Bank on October 25, 2021. The CBN, under the CBN Act 2007 and the Banks and Other Financial Institutions Act (BOFIA) 2020, is empowered to issue legal tender currency, ensure financial system stability and promote the development of electronic payments system. The Bank, in

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		furtherance of its mandate, hereby issues the Regulatory Guidelines for the operation of the eNaira.
Use among residents	Yes.	There is in place a regulatory guideline on the use of the eNaira issued by the Bank on October 25, 2021. The following services must be available to individual consumers on the eNaira platform: (1) Person to Person; (2) Person to Business/Business to Person; (3) Person to Government/Government to Person; (4) Cash or Bank account to eNaira speed wallet; (5) eNaira speed wallet to cash or bank account; and (6) Any other services as may be approved by the CBN from time to time. Thus, there are Tiered Know Your Customer (T-KYC) with limits enforced on transaction and balances of users.
Between residents and nonresidents	Yes.	Users of eNaira must be subjected to a tiered structure with transaction and balance limits as follows: Tier 0: Documentation requirements for Tier 0 users are: (1) Passport photograph; (2) Personal information (name, place and date of birth, gender and address); and (3) Telephone number (NIN issued but not linked to phone number). Tiers 1–3: Documentation requirements for Tiers 1 to 3 are as stipulated in the CBN Circular on T-KYC. Users of eNaira include Nigerians living abroad.
For current transaction	Yes.	The following services must be available to individual consumers on the eNaira platform: (1) Person to Person; (2) Person to Business/Business to Person; (3) Person to Government/Government to Person; (4) Cash or Bank account to eNaira speed wallet; (5) eNaira speed wallet to cash or bank account; and (6) Any other services as may be approved by the CBN from time to time.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	FI Transactions The following services must be available to FIs on the eNaira platform; (1) FIs to CBN/CBN to FI; (2) FI to Government/Government to FI; (3) FI to Business/Business to FI; and (4) FI to Customer/Customer to FI.
Transactions in derivatives and other instruments	No.	FI Transactions The following services must be available to FIs on the eNaira platform; (1) FIs to CBN/CBN to FI; (2) FI to Government/Government to FI; (3) FI to Business/Business to FI; and (4) FI to Customer/Customer to FI.
Credit operations	No.	FI Transactions

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		The following services must be available to FIs on the eNaira platform; (1) FIs to CBN/CBN to FI; (2) FI to Government/Government to FI; (3) FI to Business/Business to FI; and (4) FI to Customer/Customer to FI.
Between nonresidents	Yes.	Users of eNaira must be subjected to a tiered structure with transaction and balance limits as follows: Tier 0: Documentation requirements for Tier 0 users are: (1) Passport photograph; (2) Personal information (name, place and date of birth, gender and address); and (3) Telephone number (NIN issued but not linked to phone number). Tier 1–3: Documentation requirements for Tiers 1 to 3 are as stipulated in the CBN Circular on T-KYC.
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, nonbank financial institutions (NBFIs), other financial institutions (OFIs) and the general public that crypto currencies are not licensed or regulated in Nigeria.
Acquisition by residents	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria,
Use among residents	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs), OFIs and the general public that crypto

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		currencies are not licensed or regulated in Nigeria.
Between residents and nonresidents	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.
For current transaction	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria. Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria. Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Transactions in derivatives and other instruments	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria. Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Credit operations	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto-currencies are not licensed or regulated in Nigeria. Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Controls on utility and security tokens	Yes.	Dealing in crypto-currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28,

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		2018, to DMBs, NBFIs, OFIs and the general public that crypto-currencies are not licensed or regulated in Nigeria.
Acquisition by residents	Yes.	Dealing in crypto-currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto-currencies are not licensed or regulated in Nigeria.
Use among residents	Yes.	Dealing in crypto-currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto-currencies are not licensed or regulated in Nigeria.
Between residents and nonresidents	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.
For current transaction	Yes.	Dealing in crypto-currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto-currencies are not licensed or regulated in Nigeria. Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
For capital transactions	Yes.	Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Transactions in capital and money market instruments	Yes.	Dealing in crypto-currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto-currencies are not licensed or regulated in Nigeria. Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Transactions in derivatives and other instruments	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria. Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Credit operations	Yes.	Dealing in crypto currencies by regulated financial institutions is

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		currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria. Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies
Controls on stablecoins	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.
Acquisition by residents	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.
Use among residents	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.
Between residents and nonresidents	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.
For current transaction	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria. Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
For capital transactions	Yes.	Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Transactions in capital and money market instruments	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.

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		Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Transactions in derivatives and other instruments	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto-currencies are not licensed or regulated in Nigeria.
		Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Credit operations	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.
		Commercial Banks in Nigeria are forbidden by a circular of the CBN from dealing in crypto currencies or providing banking services to companies and entities dealing in crypto currencies.
Controls on crypto exchanges and trading platforms	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.
Domestic exchanges	Yes.	Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.
Access to crypto exchange/trading platform by residents	Yes.	S Dealing in crypto currencies by regulated financial institutions is currently prohibited in Nigeria. The CBN released circulars titled "Circular to Banks and Other Financial Institutions on Virtual Currency Operations in Nigeria" on January 12, 2017, and "Virtual Currencies not Legal Tender in Nigeria – CBN" on February 28, 2018, to DMBs, NBFIs, OFIs and the general public that crypto currencies are not licensed or regulated in Nigeria.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Crawl-like arrangement	*07/25/2022*	Since July 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar. Therefore, the de facto exchange rate arrangement was reclassified to crawl-like from stabilized.

Monetary policy framework

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Monetary aggregate target	*07/19/2022*	The monetary policy rate was set at 14% (previously, effective September 22, 2020 – at 11.5%).
	09/27/2022	The cash reserve requirement was increased by 500 basis points to 32.5% (previously 27.5%).
	07/25/2023	The monetary policy rate (MPR) was at 18.75% from the previous 14.0% on July 19, 2022. The MPC set the asymmetric corridor for the Central Bank of Nigeria lending and deposit facilities at +100 basis points and −300 basis points around the MPR (previously +100 basis points and −700 basis points around the MPR).
Foreign exchange market		
Spot exchange market		
Operated by the central bank		
Allocation	*06/14/2023*	The Central Bank of Nigeria (CBN) discontinued sales at the Retail, small and medium enterprise (SME), and Invisible windows; hence all eligible foreign exchange transactions are now done via the NAFEX market and on the Refinitiv Trading platform. The CBN does not allocate foreign exchange to banks. The CBN conducts needs-based market-based interventions on a two-way quote basis principally to enhance supply and economic activities. All eligible foreign exchange transactions are conducted and operated via the NAFEX market. Previously, the CBN sold foreign exchange to the banks according to the availability and demand of foreign exchange and documented needs of customers of the participating banks. Windows through which the CBN sold foreign exchange through allocation were Invisible, SME, Investors' and Exporters' Foreign Exchange, and bureau de change.

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REPUBLIC OF NORTH MACEDONIA

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 14, 1992.
Article VIII	Yes.	Date of acceptance: June 19, 1998.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with UNSC resolutions and EC regulations, the Republic of North Macedonia (RNM) maintains exchange restrictions with respect to certain officials of Belarus; Côte d'Ivoire; Egypt; Guinea; the Islamic Republic of Iran; Iraq; Libya, in view of the situation there; Syria; certain persons and entities in Tunisia; and Zimbabwe.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the RNM is the Macedonian denar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is floating. Under the Law on Foreign Exchange Operations (Article 33), the denar exchange rate is freely determined on the basis of supply and demand in the foreign exchange market. This arrangement is still in place under the current legislation. However, the National Bank of the Republic of North Macedonia (NBRNM) participates in the foreign exchange market (Article 34), to achieve the goals determined with the monetary and the foreign exchange policies. The NBRNM is implementing the monetary strategy of targeting the nominal exchange rate against the euro, the intermediary objective of the monetary policy being the maintenance

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		of the denar exchange rate stability. Thus, the NBRNM maintains a stable exchange rate within a narrow fluctuation band of bid-ask exchange rates determined by the Committee for Operational Monetary Policy. Size and direction of the interventions are published on a regular quarterly basis, in the Quarterly Report of the NBRNM (Balance of Payments section, Financial Account subsection, in the part commenting on the developments of the foreign exchange reserves). The de facto exchange rate arrangement is classified as a stabilized arrangement.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	On the basis of the daily quotes of the market makers, the NBRNM determines the nominal denar exchange rate against the euro. This rate is determined at the end of each business day as the average of the daily bid-ask quotes for euros among the market makers in the interbank foreign exchange market. According to the Law on Foreign Exchange Operations, the official exchange rate is used for accounting and balance of payments statistics. The denar exchange rate is published daily on the NBRNM website.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	Beginning October 1995, the NBRNM implemented a monetary policy strategy of targeting the denar exchange rate against the German mark until 2002 and thereafter against the euro. This monetary policy strategy stems from the importance of the exchange rate of the domestic currency for a small open economy as a transparent nominal anchor for credible monetary policy. Accordingly, the monetary policy framework is using an exchange rate anchor vis-à-vis the euro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		

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Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	According to the Law on Foreign Exchange Operations, foreign exchange sales and purchases must take place in the foreign exchange market. The exchange market operates at two levels: wholesale (companies, commercial banks, and NBRNM) and retail (transactions of natural persons with foreign exchange bureaus and commercial banks). The wholesale market is also divided into two segments: (1) transactions between clients and banks and (2) interbank market transactions. Banks freely set the exchange rate in transactions with their clients, in accordance with supply and demand

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		in the foreign exchange market.
Spot exchange market	Yes.	Banks buy and sell foreign exchange on their own account and on behalf of third-party accounts. Savings houses buy and sell foreign exchange only with a NBRNM license for foreign exchange operation. They may buy and sell foreign exchange on their own behalf only with banks licensed by the NBRNM to deal in the foreign exchange market. Other entities may purchase and sell foreign exchange on their own behalf only with entities (banks and foreign exchange bureaus) approved by the NBRNM. Foreign exchange bureaus have accounts with domestic banks and may engage in transactions, as legal entities, with those banks. Residents other than banks and foreign exchange bureaus, may purchase foreign exchange for payments abroad and sell foreign exchange collected from abroad in the foreign exchange market. Resident natural persons may purchase and sell foreign exchange in the market for other purposes as well. Residents other than natural persons, may not purchase or sell foreign exchange through foreign exchange bureaus. As of December 31, 2022, 241 entities were licensed for foreign exchange operations (12 banks, 1 saving house, and 227 foreign exchange bureaus). As of June 30, 2023, 246 entities were licensed for foreign exchange operations (12 banks, 1 saving house, and 233 foreign exchange bureaus).The foreign exchange bureaus cannot deal directly with the NBRNM. They may purchase foreign currency cash and checks from foreign and domestic natural persons and sell foreign currency cash to domestic and foreign natural persons. Effective March 18, 2022, NBRNM adopted changes to the Decision on currency exchange operations (Official Gazette of the Republic of North Macedonia No. 70/22), allowing foreign exchange bureaus to purchase cash foreign currency in euros from an authorized bank, but only because of lack of cash foreign currency in euros, for which it must conclude an agreement with the authorized bank regulating the conditions for purchasing cash foreign currency. Foreign exchange bureaus are not allowed to open and maintain accounts abroad. Their operations are limited to the purchase and sale of banknotes, where they may sell foreign currency cash to foreign natural persons in the same way as they sell it to domestic natural persons. Automated teller machines (ATMs) with a function for foreign exchange operations are available to banks. Effective October 18, 2023, the National Bank adopted new Decision on currency exchange operations, mainly strengthening the licensing criteria for owners and managers of foreign exchange bureaus. The NBRNM participates in the foreign exchange market to maintain a stable exchange rate. The frequency of intervention depends on the conditions in the market. The NBRNM intervenes only through banks (market makers). The NBRNM intervenes through market makers on its own initiative or on that of the market makers. The NBRNM bid-ask quotes are published daily on the market makers' segment of the electronic trading platform. When the NBRNM intervenes on its own initiative, it does so at the quotes of the market makers. When the NBRNM intervenes on the market makers' initiative, the NBRNM bid-ask quotes are used. In case there are larger imbalances between supply and demand in the foreign exchange market, the NBRNM may buy and sell foreign currency with all banks.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	

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Auction	No.	
Fixing	No.	
Interbank market	Yes.	An electronic trading platform is used for quotes and interbank trading. As of December 31, 2022, all 13 banks licensed to deal in the foreign exchange market participate in the interbank market. The bid-ask spread is limited to MKD 0.25 in the interbank market.
Over the counter	Yes.	The foreign exchange market, both among banks and between banks and their clients, operates over the counter.
Brokerage	No.	
Market making	Yes.	As of December 31, 2022, five banks are market makers in the interbank market. The NBRNM introduced market makers to decrease its presence in the foreign exchange market and to enable banks to satisfy foreign exchange liquidity needs among themselves when demand and supply are in broad equilibrium. The Market Makers' Agreement as amended in 2014 is in effect. Market makers have the exclusive right to trade with the NBRNM; they must also continuously quote bid-ask rates with a predefined spread. The maximum bid-ask spread on quotes with each other is MKD 0.05 per euro, and the minimum transaction between a market maker and the NBRNM in the foreign exchange market maker segment is €0.5 million. Market makers must quote a bid-ask spread of MKD 0.25 with other banks. No commission is charged on foreign exchange transactions apart from the bid-ask spread.
Forward exchange market	Yes.	Outright forward and foreign exchange swap transactions are allowed in the foreign exchange market, but this segment of the market is in the early phase of development, with sporadic transactions.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	The Macedonian Interbank Payment System offers cross-border payments in euros through Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) for domestic banks payments (only bank-to-bank payments, excluding commercial payments initiated by the banks' clients). Furthermore, correspondent banking arrangements of domestic banks with foreign banks are used for commercial payments, and correspondent arrangements of the NBRNM with foreign CBs or commercial banks are used for payments of government agencies and budget entities.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	All settlements must be in denars, except (1) purchases and sales of foreign exchange by natural persons from authorized foreign exchange bureaus, (2) principal and interest earnings on resident based on foreign exchange deposit accounts, (3) denomination of contractual obligations among residents, and (4) granting and

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		collection of credit from authorized banks to residents under conditions determined by the NBRNM.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	TARGET2 payment system is used for payments in euro (only bank-to-bank payments, excluding commercial payments initiated by the banks' clients) through the correspondent arrangement with Banca d'Italia.
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The NBRNM controls foreign exchange operations of banks, savings institutions, foreign exchange bureaus, and entities providing fast money transfer services. The MOF (Foreign Exchange Inspectorate) controls foreign exchange and trade operations and credit operations of natural and other legal persons abroad (for transactions not controlled by the NBRNM). The customs authorities control cross-border transfers of goods, banknotes, securities, and gold.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Only the NBRNM may export or import monetary gold. Exports and imports of other types of gold require the Ministry of Economy (MOE) approval. Other types of gold, such as investment gold, may be traded with certain restrictions. Residents may not invest and trade in investment gold abroad. Nonresidents may invest and trade in investment gold in the RNM in accordance with a special law.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Up to MKD 120,000 may be exported in the form of banknotes or checks by residents and nonresidents. Nonresidents may export larger amounts of domestic currency in cash only with proof of the purchase of denars from bank or withdrawal from a bank account. Domestic banks may export denars in cash sold to a foreign bank based on a written contract, without limitation.
Foreign currency	Yes.	Residents may export up to the equivalent of €2,000 without document or up to €10,000 with document from an exchange bureau or bank (exports exceeding €10,000 are prohibited for residents). Nonresidents may export up to €10,000 without document; larger amounts require a certificate from the customs authorities. The amount exported by nonresidents may not exceed the amount reported on entering North Macedonia.
On imports	Yes.	

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Domestic currency	Yes.	Up to MKD 120,000 may be imported in the form of banknotes or checks by residents and nonresidents. Nonresidents may import larger amounts of domestic currency in cash only with proof of the purchase of denars from domestic or foreign banks or withdrawal from domestic or foreign bank accounts. Domestic banks may import denars in cash sold to a foreign bank based on a written contract, without limitation.
Foreign currency	No.	Residents and nonresidents may import up to the equivalent of €10,000 without document. Larger amounts of cash foreign currency require a "cash and checks declaration form," in accordance with the Law on Foreign Exchange Operations and the Decision on the Terms and Amount of Cash Foreign Currency and Checks That May Be Imported or Exported from North Macedonia. This form is provided on entrance or exit from North Macedonia, and a copy is given as a receipt for the imported cash foreign currency.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents, on proof of identity, may open foreign exchange accounts without restriction. Residents (legal entities) may open foreign exchange accounts on presentation of registration with the Central Registry (CR). Funds from these accounts may not be transferred abroad, but payments can be made abroad on the basis of appropriate documentation (invoice, contract, etc.) showing international payment liability. The bank identifies the resident natural person on the basis of a valid ID card or passport showing the permanent place of residence in the RNM. The bank identifies foreign natural persons temporarily residing in the RNM on the basis of a residential or working permit valid for at least six months. These provisions are prescribed in the NBRNM Decision on the manner of opening resident foreign currency accounts. Pursuant to amendments to Article 4, Paragraph 3 of the Law on Foreign Exchange Operations, residents which are authorized banks are allowed to hold foreign means of payment on foreign exchange account with the NBRNM for the purposes of conducting payment operations through foreign payment systems, such as the TARGET2, and the NBRNM may approve intraday credit and overnight credit facilities in foreign currency to authorized banks for the smooth performance of payment through such foreign payment systems (Official Gazette Issue 97/15). Pursuant to Article 4, Paragraph 2 of the Law on Foreign Exchange Operations, the domestic banks may keep foreign means of payment on foreign exchange accounts or foreign currency deposits with the banks in the RNM, authorized under the Banking Law.
Approval required	No.	
Held abroad	Yes.	The following residents may freely open and maintain accounts abroad: (1) Diplomatic, consular, and other representative offices of North Macedonia abroad, financed by the budget of the RNM. (2) Natural persons with permanent residence in North Macedonia, who temporarily reside abroad for three months or more during their residence abroad. (3) Natural persons with permanent residence in North Macedonia, residing temporarily abroad for six months or more during their residence abroad. (4) Natural persons with permanent residence in North Macedonia, who temporarily reside abroad during their residence abroad, and have a valid work permit.

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(5) Natural persons with permanent residence in North Macedonia, who temporarily reside abroad as employees of a diplomatic representative office abroad and members of their immediate families, during their residence abroad, and have a valid permit to work in a diplomatic representative office abroad.
(6) Foreign natural persons who temporarily reside in North Macedonia who have valid residence or work permit valid for a period of at least six months.
(7) Natural persons with permanent residence in North Macedonia who in the foreign country acquired the right to personal retirement, pension of a deceased spouse, welfare, child support, tuition for a child whose parent is deceased, and premium/indemnification of life insurance. The acquired right must be proved by appropriate documentation issued by a competent authority abroad.
(8) Natural persons with permanent residence in North Macedonia, who at the same time have a valid foreign passport containing the address of the residence abroad.
The following are also allowed to freely open and maintain accounts abroad without approval: (1) Residents who have sold real property abroad, for collection of claims based on the sale of the property. The acquisition of the property abroad must be confirmed by evidence of the registration in the Registry of the investments in real estate of residents abroad at the CR of the RNM. The sale of the property must be evidenced with a sales agreement. The account in a foreign bank on this basis may be opened only in the country where the property, subject to the sales agreement, is acquired and may only be used for transfer of funds from abroad up to the amount of the sales agreement. (2) Residents who rent out real property abroad, for recovery of claims based on lease of the property. The acquisition of the property abroad must be confirmed by evidence of the registration in the registry of investments in real estate at the CR of the RNM. Renting out the property under lease must be evidenced by a lease agreement. The account in a foreign bank on this basis may be opened only in the country where the property, subject to the lease agreement, is located and may only be used for transfer of funds from abroad up to the lease amount indicated in the lease agreement.
(3) Residents who have acquired real property abroad, for payment of costs for the property abroad. The acquisition of the property abroad must be confirmed by evidence of the registration in the registry of investments in real estate at the CR of the RNM. Costs for the property abroad must be evidenced by a relevant document that requires their payment. The account in a foreign bank on this basis may be opened only in the country where the property is located and may only be used for transfer of funds abroad up to the amount of the costs. (4) Residents who have an obligation to pay on the basis of purchase of securities abroad and residents who have securities abroad, for the purposes of recovery of claims based on sale of securities abroad, dividends, interests, or other proceeds based on securities.
The obligation to pay when purchasing securities and the collection from the sale of securities abroad must be proved by a transaction execution order, or a transaction report, or an agreement or other document that can confirm the transaction or a relevant document that can confirm the establishment of a business relation between the resident and the authorized participant on a foreign stock exchange or on an organized securities market. The claims based on dividends, interests, or other proceeds based on securities must be proved by a notification/document for paid dividend, interest, or other proceeds from securities, as well as a certificate from securities account issued by a relevant foreign depositary. The order for the inflow should

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clearly state the basis of the transaction (sale of securities, return of unused funds, payment of dividend, interest, or other proceeds). The account with the foreign bank or with the authorized participant on a foreign stock exchange or on an organized securities market of this sub-item may only be used for transfer of funds from and to abroad, which are related to the transactions with securities abroad.

The following are allowed to freely open and maintain accounts without approval: residents who have an obligation to make a payment to a competent authority or legal entity abroad (notary fee, court fees, bank fees, or enforcement costs). The obligation is substantiated by submitting a document in original or a notarized photocopy.

Account in a foreign bank on this basis may only be used for transfer of funds from abroad up to the amount of the obligation for payment. The resident may also transfer the balance of the account opened abroad to the RNM even after the expiration of the validity of the document on the basis of which the account was opened.

Natural persons with permanent residence in the RNM may open and maintain an account abroad to remit a certain amount for obtaining a document for temporary residence abroad for educational needs. This obligation must be substantiated with a document issued by a competent foreign educational institution, foreign competent authority, diplomatic-consular representative office of a foreign country in the RNM which confirms that for the issuance of a document for regulated residence in that country for education, the resident needs to first open an account in a foreign bank and remit the exact amount of funds. The account opened on this basis may be opened only in the country that issued the document from the competent foreign educational institution, the foreign competent authority, the diplomatic-consular representative office of the foreign country in the RNM, and may be used for transfer of funds to and from abroad.

Effective April 6, 2022, the following residents may freely open and hold a bank account aboard: Resident legal entities that have an obligation to make a payment based on a trade in goods or services to a legal entity from Russia, for which the regulations of this country require from the resident to open an account with a foreign bank for payment of these goods or services. These obligations must be substantiated by submitting an original document or a copy certified by a public notary attesting to the resident's obligation to make a payment to a legal entity from Russia. The account with the foreign bank opened for such obligations may only be used for transfer of funds abroad up to the amount of the obligation to the legal entity and only for the period of effectiveness of the aforementioned regulation.

Accounts in countries that are part of the Single Euro Payments Area (SEPA) are considered to be in a single country.

Resident legal entities and natural persons may freely open and hold accounts with payment institutions or e-money institutions abroad only for commercial purposes, that is, for purchasing/selling goods and services electronically. Funds transfers to accounts with payment institutions or e-money institutions abroad on the basis of purchasing goods and services electronically may not exceed Euro 2,500 a person a month.

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		If the foreign payment institutions or e-money institutions are also authorized participants on a foreign stock exchange or an organized securities market, in terms of Article 14 of the Law on Foreign Exchange Operations, residents, legal entities, and natural persons may freely open and hold accounts with them and for the purposes of purchasing/selling securities abroad, in accordance with the provisions referred to in sub-item 2.12 of the Decision on the Manner and Terms under which Residents which are not Authorized Banks may Open and Hold Accounts Abroad. Pursuant to Article 23, Paragraph 1 of the Law on Foreign Exchange Operations, banks may open and hold accounts abroad.
Approval required	Yes.	NBRNM approval is required for a resident: who has concluded a contract for performing investment works abroad; who intends to open a representative office abroad as part of a company; who provides services in the international transport of goods and passengers; who provides services in the area of scholarly work; for recovery of claims based on a decision made by a competent authority abroad or extrajudicial settlement concluded abroad; for collection of claims abroad based on VAT returns on commercial transactions; for recovery of claims abroad based on goods delivered or services provided on the basis of won international bids.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Only resident natural persons are permitted to make such transactions. Legal entities are allowed to buy foreign currency only for the purpose of execution of payment order to nonresidents.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	Nonresidents may open foreign exchange accounts on proof of identity. Nonresidents, other than diplomatic representatives of foreign countries and representatives of international institutions, must obtain a certificate from the customs authorities for cash deposits larger than the equivalent of €10,000 a month. The certificate is not needed in these cases: (1) during one month, up to the amount that, under the regulations, a written confirmation is not necessarily issued when entering North Macedonia; (2) if the funds are actually unspent cash foreign currency previously withdrawn from their accounts, within three months from the withdrawal date; (3) if the funds derive from the sale of products to air passengers. The method and terms of opening and maintaining nonresident accounts are regulated in the NBRNM Council Decision, which prescribes the basis for the banks to be able to receive payments of cash in foreign currency and in denars.
Domestic currency accounts	Yes.	Nonresidents may open denar accounts on proof of identity. Nonresident diplomatic representatives of foreign countries and representatives of international institutions may use these accounts without restriction. Other nonresidents may use these accounts only for payments received based on visas, revenue from air traffic operations, unspent cash in denars withdrawn from their accounts, and during one month, up to the amount for which, under the regulations, free entry of cash in denars is allowed when entering North Macedonia (120,000 denars).
Convertible into foreign currency	Yes.	
Approval required	No.	

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Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Documents (for example, invoices, contracts, customs declarations, and pro forma invoices) are required from natural and legal persons who are paying for current transactions to verify the purpose of their transactions with commercial banks.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of certain goods, such as weapons and medicines, are subject to licensing requirements for security or public health reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The average unweighted 2021 tariff rate for industrial products was 6.0% and for agricultural products 15.9%. The overall average unweighted tariff rate was 8.6%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	

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Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Generally, a license is not required for exports. However, in some exceptional cases, the export of certain goods requires a license from the appropriate authorities.
Without quotas	Yes.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Certain documents (such as invoices and contracts) are required for all payments to verify the purpose of the transaction. Personal payments up to the equivalent of €2,500 a month are allowed without supporting documents. Individuals may transfer abroad using money transfer services up to €2,500 a month and may receive up to €5,000 a day.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Certain documents (such as invoices and contracts) are required for all payments to verify the purpose of the transaction. Personal payments up to the equivalent of €2,500 a month are allowed without supporting documents. Individuals may transfer abroad using money transfer services up to €2,500 a month and may receive up to €5,000 a day.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Certain documents (such as invoices and contracts) are required for all payments to verify the purpose of the transaction. Personal

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		payments up to the equivalent of €2,500 a month are allowed without supporting documents. Individuals may transfer abroad using money transfer services up to €2,500 a month and may receive up to €5,000 a day.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	Certain documents (such as invoices and contracts) are required for all payments to verify the purpose of the transaction. Personal payments up to the equivalent of €2,500 a month are allowed without supporting documents. Individuals may transfer abroad using money transfer services up to €2,500 a month and may receive up to €5,000 a day.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Certain documents (such as invoices and contracts) are required for all payments to verify the purpose of the transaction. Personal payments up to the equivalent of €2,500 a month are allowed without supporting documents. Individuals may transfer abroad using money transfer services up to €2,500 a month and may receive up to €5,000 a day.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Certain documents (such as invoices and contracts) are required for all payments to verify the purpose of the transaction. Personal payments up to the equivalent of €2,500 a month are allowed without supporting documents. Individuals may transfer abroad using money transfer services up to €2,500 a month and may receive up to €5,000 a day.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Certain documents (such as invoices and contracts) are required for all payments to verify the purpose of the transaction. Personal payments up to the equivalent of €2,500 a month are allowed without supporting documents. Individuals may transfer abroad using money transfer services up to €2,500 a month and may receive up to €5,000 a day.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	According to the Law on Foreign Exchange Operations, "securities" denote: (1) shares issued by joint-stock companies and limited partnerships with shares; (2) shares of investment funds operating in accordance with law; (3) bonds, money market instruments, derivative financial instruments, certificate of foreign securities; and (4) other financial instruments which the Securities and Exchange Commission (SEC) classifies as securities.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents are allowed to purchase securities issued locally only through an authorized participant. All foreign investments registered with the CR are protected from nationalization. The transfer of profits and other proceeds is permitted freely after all tax obligations in North Macedonia are met. Nonresidents may not invest in certain sectors (such as arms production, trade in narcotics, and protection of historical and cultural heritage). There are no other controls on the purchase of shares and securities locally by nonresidents.
Sale or issue locally by nonresidents	Yes.	Nonresidents may issue or sell locally shares or other securities of a participating nature with permission from the SEC.
Purchase abroad by residents	Yes.	Residents may access international financial markets, taking their own investment risk. The requirement for submission of reports to the NBRNM on all residents' portfolio investments in securities abroad, as well as the modifications in these investments, including their sale, still stands. Direct investments are not restricted, but residents must report the investment and subsequent modifications to the CR within 60 days of the capital transaction—the legal basis for acquisition of a direct investment abroad. Insurance companies and pension funds may purchase securities abroad in accordance with their appropriate laws. For insurance companies, a maximum of 20% of the total assets covering technical provisions may be invested in securities issued by nonresidents. Pension funds may invest in securities issued outside the RNM up to 50% of total investments, subject to sub-limits.
Sale or issue abroad by residents	Yes.	Permission from the SEC is required for residents to issue securities abroad.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	Nonresidents may purchase debt securities issued locally without any restrictions on their duration. For statistical reporting, purchases of bonds in private placements must be reported on the same forms as

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		credit transactions. There is no minimum period prescribed for holding of bonds and debt securities.
Sale or issue locally by nonresidents	No.	With the entrance into the second stage of the Stabilization and Association Agreement between the RNM and the EU, the issuance of foreign debt securities in the RNM with maturity over three years was allowed.
Purchase abroad by residents	Yes.	Residents may access international financial markets, taking their own investment risk. The requirement for submission of reports to the NBRNM on all residents' portfolio investments in securities abroad, as well as the modifications in these investments, including their sale, still stands. Direct investments are not restricted, but residents must report the investment and subsequent modifications to the CR within 60 days of the capital transaction—the legal basis for acquisition of a direct investment abroad. Insurance companies and pension funds may purchase securities abroad in accordance with their appropriate laws. For insurance companies, a maximum of 20% of the total assets covering technical provisions may be invested in securities issued by nonresidents. Pension funds may invest in securities issued outside the RNM up to 50% of total investments, subject to sub-limits.
Sale or issue abroad by residents	Yes.	Permission from the SEC is required for residents to issue securities abroad.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	Nonresidents are allowed to purchase securities issued locally. There are no other controls on the purchase of money market instruments locally by nonresidents.
Sale or issue locally by nonresidents	Yes.	Nonresidents may issue or sell locally securities with permission from the SEC.
Purchase abroad by residents	Yes.	Residents may access international financial markets, taking their own investment risk. The requirement for submission of reports to the NBRNM on all residents' portfolio investments in securities abroad, as well as the modifications in these investments, including their sale, still stands. Direct investments are not restricted, but residents must report the investment and subsequent modifications to the CR within 60 days of the capital transaction—the legal basis for acquisition of a direct investment abroad. Insurance companies and pension funds may purchase securities abroad in accordance with their appropriate laws. For insurance companies, a maximum of 20% of the total assets covering technical provisions may be invested in securities issued by nonresidents. Pension funds may invest in securities issued outside the RNM up to 50% of total investments, subject to sub-limits.
Sale or issue abroad by residents	Yes.	Permission from the SEC is required for residents to issue securities abroad.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents are allowed to purchase securities issued locally only through an authorized participant. There are no other controls on purchases of collective investment securities locally by nonresidents.
Sale or issue locally by nonresidents	Yes.	Nonresidents may issue or sell shares in open-ended investment funds locally with SEC permission and only through registered subsidiary in the RNM, which is not a separate legal entity.
Purchase abroad by residents	Yes.	Residents may access international financial markets, taking their own investment risk. The requirement for submission of reports to the NBRNM on all residents' portfolio investments in securities abroad, as well as the modifications in these investments, including

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		their sale, still stands. Direct investments are not restricted, but residents must report the investment and subsequent modifications to the CR within 60 days of the capital transaction—the legal basis for acquisition of a direct investment abroad. Insurance companies and pension funds may purchase securities abroad in accordance with their appropriate laws. For insurance companies, a maximum of 20% of the total assets covering technical provisions may be invested in securities issued by nonresidents. Pension funds may invest in securities issued outside the RNM up to 50% of total investments, subject to sub-limits.
Sale or issue abroad by residents	Yes.	Permission from the SEC is required for residents to issue securities abroad.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Both the standardized and non-standardized derivatives are considered as a security. In the case of standardized derivatives (options), nonresidents are allowed to purchase derivatives issued locally through an authorized participant. In the case of non-standardized derivatives, nonresidents may enter into such contracts only with banks, insurance companies, pension funds, and investment funds as well as the national deposit insurance fund, in accordance with appropriate laws.
Sale or issue locally by nonresidents	Yes.	Nonresidents may buy or sell derivatives locally with SEC permission. Non-standardized derivatives may be entered only with bank, insurance companies, pension funds, and investment funds as well as the national deposit insurance fund, in accordance with appropriate laws.
Purchase abroad by residents	Yes.	Residents may access international financial markets, taking their own investment risk. The requirement for submission of reports to the NBRNM on all residents' portfolio investments in securities abroad, as well as the modifications in these investments, including their sale, still stands. Direct investments are not restricted, but residents must report the investment and subsequent modifications to the CR within 60 days of the capital transaction—the legal basis for acquisition of a direct investment abroad. Insurance companies and pension funds may purchase securities abroad in accordance with their appropriate laws. For insurance companies, a maximum of 20% of the total assets covering technical provisions may be invested in securities issued by nonresidents. Pension funds may invest in securities issued outside the RNM up to 50% of total investments, subject to sub-limits.
Sale or issue abroad by residents	Yes.	Residents may issue or sell derivatives abroad with permission from the SEC.
Controls on credit operations	No.	Credit transactions between residents and nonresidents are not restricted; however, concluded credit operations must be recorded with the NBRNM for statistical purposes. The NBRNM may not deny the recording of credit transactions.
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	Guarantees and sureties issued by residents to nonresidents are not restricted. Guarantees issued in their own right (that is, not related to particular loan agreements between residents and nonresidents) must be reported to the NBRNM for statistical purposes. Residents must submit to the NBRNM a monthly summary of all guarantees issued, containing stock and flow data.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	Residents must register investments exceeding 10% of the equity capital of a company with the CR within 60 days.
Inward direct investment	Yes.	Nonresidents may invest in existing companies, establish their own firms, and establish joint ventures under the same conditions as domestic investors. Nonresidents may not invest in certain sectors (such as arms production, trade in narcotics, and protection of historical and cultural heritage). Imports by joint-venture companies of raw materials, spare parts, and equipment not produced domestically are exempt from customs duty if the foreign share in the investment is at least 20%. All foreign investments registered with the CR are protected from nationalization. The transfer of profits and other proceeds is permitted freely after all tax obligations in the RNM are met.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	Residents must report the investment and subsequent modifications to the CR within 60 days of the capital transaction—the legal basis for acquisition of a direct investment abroad.
Purchase locally by nonresidents	Yes.	Nonresidents may acquire real estate locally, pursuant to the provisions of a special law or an international agreement, under the condition of reciprocity. Acquisitions of real estate must be registered with the CR within 60 days.
Sale locally by nonresidents	Yes.	For those nonresidents who may buy real estate in the RNM, the sale of that real estate to residents should be registered with the CR, after fulfillment of RNM tax obligations.
Controls on personal capital transactions	Yes.	
Loans	No.	Individuals may freely receive and extend loans. Only loan transactions between unrelated persons must be recorded with the NBRNM for statistical purposes. The NBRNM may not deny the recording of credit transactions.
By residents to nonresidents	No.	Individuals may freely receive and extend loans. Only loan transactions between unrelated persons must be recorded with the NBRNM for statistical purposes. The NBRNM may not deny the recording of credit transactions.
To residents from nonresidents	No.	Individuals may freely receive and extend loans. Only loan transactions between unrelated persons must be recorded with the NBRNM for statistical purposes. The NBRNM may not deny the recording of credit transactions.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Documentary evidence (such as invoices or contracts) to verify the purpose of the transaction is required for payments exceeding the equivalent of €2,500.

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To residents from nonresidents	No.	Individuals may receive grants in foreign currency without limit.
Settlement of debts abroad by immigrants	No.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Emigrants are allowed to sell their assets and transfer the money by changing their status from resident to nonresident.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The NBRNM Credit Register contains a historical database for banks' and savings houses' credit exposure (consisting of claims on loans: regular, past due, nonperforming, interest, fees, investments, off-balance-sheet items, etc.) to residents and nonresidents. The database is updated by banks and savings houses monthly.
Borrowing abroad	Yes.	
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	Yes.	The total exposure to one entity (including connected parties) may not exceed 25% of a bank's own funds. If the entity is a qualified shareholder (owning more than 5% of the voting shares of a bank), the total exposure to that entity, including its affiliated parties, may not exceed 10% of the bank's own funds. The bank's exposure to its subsidiary including connected persons is limited to 10% of the bank's own funds.
Lending locally in foreign exchange	Yes.	Commercial banks asses the credit risk, both for residents and nonresidents. They may lend in foreign currency to residents for payments abroad. If legal entities intend to use the loan proceeds domestically, the proceeds must be in denars. Credit exposure to one person, including connected parties, may not exceed 25% of a bank's own funds. The NBRNM determines the conditions for extending loans in foreign exchange.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Total credit exposure (loans, securities, etc.) to the issuer (and connected parties) may not exceed 25% of a bank's own funds. If the entity is a qualified shareholder (owns more than 5% of the voting shares of a bank), the total exposure to that entity, including its affiliated parties, may not exceed 10% of the bank's own funds. The bank's exposure to a subsidiary including connected parties is limited to 10% of its own funds. A bank's investment in shares of a nonfinancial institution may not exceed 15% of its own funds.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve requirement (RR) ratio on foreign currency liabilities was increased gradually from 15% to 18% (effective August 10, 2022), to 19% (effective January 18, 2023), to 20% (effective November 1, 2023), to 21% (effective December 20, 2023); for domestic currency liabilities with a foreign exchange clause, effective November 1, 2023, it is 100% (previously 50%); and for domestic currency liabilities, it is, effective August 10, 2022, 5% (previously 8%). For banks' short-term liabilities to nonresident financial companies with contractual maturity up to one year, the RR is 13%. In addition, the RR ratio of 0% is applied to the following categories: (1) liabilities to natural persons in domestic currency with contractual

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		maturity of over one year as well as to all liabilities to natural persons (in domestic currency with foreign exchange clause and in foreign currency), with contractual maturity of over two years; (2) liabilities based on repo transactions in domestic currency; (3) liabilities based on issued debt securities in domestic currency and original maturity of at least two years, in the amount of the nominal value; (4) liabilities to nonresidents—financial institutions in domestic currency, in domestic currency with foreign exchange clause and in foreign currency, with contractual maturity of over one year and liabilities to nonresidents in domestic currency, in domestic currency with foreign exchange clause and in foreign currency, with contractual maturity of over two years. RR in domestic currency is fulfilled with funds on the accounts with the NBRNM, as well as the bank's balance on the account for the reserve guarantee funds of the clearing house Clearing Interbank Systems, on average basis during the RR period. For the RR in euro (EUR), the amount fulfilled in domestic currency after applying the RR rate on foreign currency liabilities was decreased gradually from 30% to 25% (effective August 10, 2022), to 23% (effective January 18, 2023), to 20% (effective November 1, 2023) to 19% (effective December 20, 2023). The rest of the amount of RR in euro is fulfilled on fix level, by placing funds on the NBRNM accounts abroad up to, effective August 10, 2022, 90% (previously 95%) of the RR on the first day of period, while, effective August 10, 2022, 10% (previously 5%) of RR in EUR is fulfilled with funds on bank foreign exchange accounts in the domestic payment system. The RR for domestic currency liabilities with a foreign exchange clause is fulfilled in euro, effective November 1, 2023. The NBRNM charges remuneration on RR in euro at a rate equal to, effective August 10, 2022, the lower rate of 0% and the interest rate on the ECB's overnight deposit facility applicable as of the last day of the reserve maintenance period (previously, it was the interest rate on the ECB's overnight deposit facility applicable as of the last day of the reserve maintenance period). If the average daily outstanding amount of bank's funds allocated to the foreign exchange account in euro in the domestic payment system exceeds 5% of the calculated RR in euro for the entire reserve maintenance period, remuneration is charged on the excess allocated funds at a rate equal to, effective August 10, 2022, the lower rate of 0% and the interest rate on the ECB's overnight deposit facility applicable as of the last day of the reserve maintenance period less 0.15 percentage points (previously, it was the interest rate on the ECB's overnight deposit facility applicable as of the last day of the reserve maintenance period less 0.15 percentage points).
Liquid asset requirements	No.	The following minimum liquidity requirements apply: (1) a liquidity ratio of up to 30 days equal to 1, as a ratio of assets and liabilities maturing in the following 30 days; and (2) a liquidity ratio of up to 180 days equal to 1, as a ratio of assets and liabilities maturing in the following 180 days.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks are required to obtain approval from the NBRNM and register these investments with the CR within 60 days. Authorized banks are allowed to invest in securities abroad on their own behalf and for their account freely if the securities are part of the bank's trading portfolio, are measured on a mark-to-market basis, and the bank allocates capital for market risk according to the methodology for capital adequacy.
In banks by nonresidents	Yes.	Initial or any subsequent investment in banks by nonresidents which is not portfolio investment requires registration with the CR within 60 days. Approval from the NBRNM is required when investments reach 5%, 10%, 20%, 33%, 50%, and 75% of total shares of the bank or shares with voting rights. (The same requirement applies to residents.)
Open foreign exchange position limits	Yes.	The limit on the aggregate open foreign exchange position is 30% of banks' own funds. Limits on positions in each currency must be determined internally by each bank.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	Insurance companies, pension funds, and investment funds may purchase securities abroad in accordance with the laws governing their operations.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The assets covering technical provisions are subject to limits; a maximum of 20% of the total assets covering technical provisions may be invested in securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	The assets covering technical provisions are subject to limits; a maximum of 20% of the total assets covering technical provisions may be invested in securities issued by nonresidents.
Limits (min.) on investment portfolio held locally	Yes.	The following limits apply to investment of the assets covering technical provisions: (1) cash and assets of business accounts of insurance companies (bank accounts), up to 3%; (2) deposits in banks licensed by the NBRNM, up to 60%; (3) securities issued by the RNM and NBRNM and bonds and other debt securities guaranteed by the RNM, up to 80%; (4) bonds and other debt securities issued or guaranteed by a local government of the RNM, up to 10%; (5) bonds and other debt securities traded on a regulated securities market in the RNM, up to 35%—investments in the same issuer may not exceed 5%; (6) bonds and other debt securities not traded on a regulated securities market whose issuer is a legal entity established in the RNM, up to 5%—investments in the same issuer may not exceed 1%; (7) shares traded on a regulated securities market in the RNM, up to 25%—investments in the same issuer may not exceed 5%; (8) shares not traded on a regulated securities market whose issuer is a legal entity established in the RNM, up to 5% —investments in the same issuer may not exceed 1%; and (9) shares and shares of investment funds registered in the RNM, up to 20%. The following limits apply to the investment of capital: (1) Up to 60% may be invested in real estate, equity capital of other insurance companies, and financial institutions and other legal entities. (2) Up to 15% may be used for advance payments and loans approved by the insurance company under the general terms and conditions of

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		insurance, based on presentation of the company's policies for which premiums are paid on time. Individual investments of the insurance company in such loans may not exceed 1% of the value of its capital.
Currency-matching regulations on assets/liabilities composition	No.	Assets covering technical provisions must be diversified to avoid overreliance on any one category of assets, market, or investment. The insurance company must adjust its investments in assets covering the technical provisions that are exposed to potential loss resulting from a change in interest rates, exchange rate fluctuations, credit risk, and other market risks to the liabilities under insurance contracts affected by those changes.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds' investments are subject to the following limits: (1) no limit for single bonds issued and authorized by EU and OECD governments; (2) 5% of total investment in instruments issued by a single company authorized in an EU or OECD country; (3) 15% of total investment in participation units or shares of investment funds issued by a single investment company authorized in an EU or OECD country; and (4) 5% of total investment in participation units or shares of a single investment fund managed by a company authorized in an EU or OECD country.
Limits (max.) on investment portfolio held abroad	Yes.	Mandatory pension funds may invest in (1) securities issued outside the RNM, up to 50% of total investments; (2) bonds, bills, and other securities issued or authorized by foreign governments or CBs of an EU or OECD country, up to 50% of total investments; (3) bonds, bills, and other fixed-income securities of private foreign companies or banks of an EU or OECD country, up to 30% of total investments; and (4) shares and securities traded on the primary stock exchange of an EU or OECD country and in participation units, shares, and other securities of mutual and investment funds based and authorized in an EU or OECD country that invest primarily in quoted equities in these countries, up to 30% of total investments. Voluntary pension funds may invest in (1) securities issued outside the RNM, up to 50% of total investments. Within this limit, they may invest in (a) debt securities of municipalities, nongovernment foreign companies, or banks of EU and OECD members with an investment-grade-level rating from a reputable international rating agency; (b) shares issued by foreign companies or banks with an investment-grade-level rating by a reputable international rating agency and traded on the main stock exchanges of EU and OECD members; and (c) participation units, shares, and other securities issued by authorized open-end and closed-end investment funds established in EU and OECD members, up to 30% of total investments; and (2) bonds and other securities issued by foreign governments or CBs of EU and OECD members and debt securities issued by the ECB, EIB, and World Bank, up to 50% of total investments.
Limits (min.) on investment portfolio held locally	Yes.	Pension funds' investments may not exceed (1) 80% of total investments in bonds, bills, and other securities issued or guaranteed by the RNM or the NBRNM; (2) 30%, in the case of mandatory pension funds and 60%, in the case of voluntary pension funds, of total investments in interest-bearing bank deposits in banks licensed by the NBRNM; (3) 60% of total investments in CDs, bonds, and mortgage-backed securities issued or guaranteed by banks licensed by the NBRNM; (4) 40% of total investments in bonds and other securities issued by joint-stock companies (other than banks) in the RNM approved by the SEC and traded on organized and supervised RNM securities markets and in commercial notes issued by first-class joint-stock companies (other than banks) in the RNM; (5) 10% of total investment in bonds issued by municipalities in the RNM for

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		mandatory pension funds and for voluntary pension funds; (6) 30% of total investments in shares issued with SEC approval by joint-stock companies in the RNM, other than closed-end investment funds, and traded on organized and supervised RNM securities markets; (7) 5% of total investments in participation units and shares of open-end and closed-end investment funds in the RNM authorized by the SEC under the Law on Investment Funds; and (8) for mandatory pension funds, 1.5% of total investment in participation units and shares of private investment funds in the RNM authorized by the SEC that invest in shares and participation units of micro, small, and medium RNM companies.
Currency-matching regulations on assets/liabilities composition	No.	These are not applicable to defined contribution systems.
Investment firms and collective investment funds	No.	The Law on Investment Funds allows investment funds to purchase securities abroad. Limits are not defined according to investment in securities issued by nonresidents or residents or investment portfolios held abroad or domestically, but according to the types of financial instruments (transferable securities, money market instruments, deposits, shares or stocks of investment funds, term and optional contracts, and other financial derivative instruments, etc.) and in terms of a single issuer. Therefore, there are no specific limits on investment in securities issued by nonresidents or residents.
Limits (max.) on securities issued by nonresidents	No.	There are no limits on purchases of securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	No.	There are no limits on the portion of the investment portfolio held abroad.
Limits (min.) on investment portfolio held locally	No.	There are no limits on the portion of investment portfolio held locally.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other	n.r.

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instruments	
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.

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Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Spot exchange market	*03/18/2022*	The National Bank of the Republic of North Macedonia adopted changes to the Decision on currency exchange operations (Official Gazette of the Republic of North Macedonia No. 70/22), allowing foreign exchange bureaus to purchase cash foreign currency in euros from an authorized bank, but only because of lack of cash foreign currency in euros, for which it must conclude an agreement with the authorized bank regulating the conditions for purchasing cash foreign currency.
	10/18/2023	The National Bank adopted new Decision on currency exchange operations, mainly strengthening the licensing criteria for owners and managers of foreign exchange bureaus.

Resident Accounts

Foreign exchange accounts permitted

Held abroad	*04/06/2022*	The following residents may freely open and hold a bank account aboard: Resident legal entities that have an obligation to make a payment based on a trade in goods or services to a legal entity from Russia, for which the regulations of this country require from the resident to open an account with a foreign bank for payment of these goods or services. These obligations must be substantiated by submitting an original document or a copy certified by a public notary attesting to the resident's obligation to make a payment to a legal entity from Russia. The account with the foreign bank opened for such obligations may only be used for transfer of funds abroad up to the amount of the obligation to the legal entity and only for the period of effectiveness of the aforementioned regulation.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

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Differential treatment of deposit accounts in foreign exchange *Reserve requirements*	*08/10/2022*	The National Bank of the Republic of North Macedonia charges remuneration on reserve requirement (RR) in euro at a rate equal to the lower rate of 0% and the interest rate on the ECB's overnight deposit facility applicable as of the last day of the reserve maintenance period (previously, it was the interest rate on the ECB's overnight deposit facility applicable as of the last day of the reserve maintenance period). If the average daily outstanding amount of bank's funds allocated to the foreign exchange account in euro in the domestic payment system exceeds 5% of the calculated RR in euro for the entire reserve maintenance period, remuneration is charged on the excess allocated funds at a rate equal to the lower rate of 0% and the interest rate on the ECB's overnight deposit facility applicable as of the last day of the reserve maintenance period less 0.15 percentage points.
	08/10/2022	For the reserve requirement (RR) in euro (EUR), 25% (previously 30%) of the amount calculated by applying the RR rate on foreign currency liabilities is fulfilled in domestic currency. The rest of the amount of RR in euro is fulfilled on fix level, by placing funds on the National Bank of the Republic of North Macedonia accounts abroad up to 90% (previously 95%) of the RR on the first day of period, while 10% (previously 5%) of RR in EUR is fulfilled with funds on bank foreign exchange accounts in the domestic payment system.
	08/10/2022	The reserve requirement ratio for domestic currency liabilities is 5% (previously 8%).
	08/10/2022	The reserve requirement ratio on foreign currency liabilities is 18% (previously 15%).
	01/18/2023	The reserve requirement ratio on foreign currency liabilities is 19% (previously 18%).
	01/18/2023	For the reserve requirement (RR) in euro (EUR), the amount fulfilled in domestic currency after applying the RR rate on foreign currency liabilities is 23% (previously 25%).
	11/01/2023	For the reserve requirement (RR) in euro (EUR), the amount fulfilled in domestic currency after applying the RR rate on foreign currency liabilities is 20% (previously 23%).
	11/01/2023	The reserve requirement for domestic currency liabilities with a foreign exchange clause is fulfilled in euro.
	11/01/2023	The reserve requirement ratio on foreign currency liabilities is 20% (previously 19%).
	11/01/2023	The reserve requirement ratio for domestic currency liabilities with a foreign exchange clause is 100% (previously 50%).
	12/20/2023	The reserve requirement ratio on foreign currency liabilities is 21% (previously 20%).
	12/20/2023	For the reserve requirement (RR) in euro (EUR), the amount fulfilled in domestic currency after applying the RR rate on foreign currency liabilities is 19% (previously 20%).

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NORWAY

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: May 11, 1967.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with binding UNSC resolutions and with certain EC decisions and regulations, there are restrictions involving the freezing of funds and other financial assets and economic resources and a prohibition against making funds, financial assets, or economic resources available to specific persons and entities. These restrictions apply to certain individuals and entities under the following Norwegian regulation on sanctions and restrictive measures: Al-Qaida and ISIL (Da'esh); Taliban; Belarus, Burundi, the Central African Republic; the Democratic Republic of the Congo; the Darfur region in Sudan; Republic of Guinea; Guinea-Bissau; the Islamic Republic of Iran; the former government of Iraq; the Democratic People's Republic of Korea; Libya; Mali; Myanmar; Nicaragua; Somalia; South Sudan; Syria; Tunisia; Ukraine/Russia; Venezuela; Yemen; Zimbabwe; Haiti (effective April 3, 2023); and the Republic of Moldova (effective June 20, 2023). Council Regulation (EU) 2021/445 repealed Regulation (EU) No. 270/2011 concerning restrictive measures directed against certain persons, entities, and bodies in view of the situation in Egypt.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Norway is the Norwegian krone.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		

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Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The de jure and de facto exchange rate arrangements are classified as free floating; the krone floats freely and independently against other currencies. The exchange rate is determined on the basis of supply and demand in the foreign exchange market. The Norges Bank (NB) does not normally intervene to influence the exchange rate of the krone; however, it may intervene in the foreign exchange market on short notice if the krone deviates substantially from the level the NB considers reasonable in relation to fundamentals and if exchange rate developments weaken the prospect of achieving the inflation target. The NB may also intervene in response to pronounced short-term fluctuations in the krone when liquidity in the foreign exchange market falls to a very low level. Foreign exchange purchases or sales on behalf of the Government are publicly preannounced on the CB website. In terms of interventions, the aggregated transacted volumes are published in the NB liquidity statistics on a weekly basis. In extraordinary circumstances, the NB may provide foreign exchange liquidity via collateralized operations. This was done between September 2008 and July 2009. Data on interventions are made publicly available by the publication of statistics for bank liquidity in Norway on every Monday and Thursday. The data have a two-day lag, and therefore, data on interventions are made publicly available with a two- to four-day lag.
Official exchange rate	Yes.	The NB's exchange rates are middle rates (that is, the midpoint between buying and selling rates in the interbank market at a given time). Rates are usually determined at 2:15 p.m. local time. On July 1, 2016, the NB changed the publication time of the daily exchange rate to around 4:00 p.m. local time. The change was made as a result of the change in publication time by the ECB of the euro foreign exchange reference rates. The exchange rates are intended to serve only as an indication and are not binding on the NB or other banks, but they are often used as a reference and for historical comparisons.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	

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Target setting body	Yes.	
Government	Yes.	The objective of monetary policy has been laid down by the government and submitted to the Storting (parliament). The responsibility for the conduct of monetary policy is delegated to the NB pursuant to the NB Act and appurtenant regulation. NB's most important monetary policy instrument is the key policy rate, which is the interest rate on banks' deposits up to a quota in the NB. NB's Monetary Policy and Financial Stability Committee is responsible for NBs' role as the executive and advisory monetary policy authority and for the use of policy instruments to attain the monetary policy objectives. The Committee is appointed by the King in Council and consists of the Governor, the two Deputy Governors, and two external members. The Committee functions as a unified group and the members are collectively responsible for the Bank's decisions. NBs' Monetary policy assessment includes voting records of monetary policy meetings.
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target	Yes.	The point target is set as the annual consumer price inflation of close to 2% over time. It was revised to 2% through Royal Decree, on March 2, 2018, pursuant to Section 2, third paragraph, of Act No. 28 of May 24, 1985, on NB and the Monetary System, etc. (NB Act).
Target with tolerance band		
Band/Range		
Target measure	Yes.	Monetary policy must maintain monetary stability by keeping inflation low and stable. The operational target of monetary policy must be annual consumer price inflation of close to 2% over time. Inflation targeting must be forward-looking and flexible so that it can contribute to high and stable output and employment and to countering a build-up of financial imbalances.
CPI	Yes.	The operational target of monetary policy is annual consumer price inflation of close to 2% over time. The NB uses the CPI defined and published by Statistics Norway.
Core inflation		
Target horizon	Yes.	NB sets the interest rate with the aim of stabilizing inflation around the target in the medium term. The horizon will depend on disturbances to which the economy is exposed and the effects on the outlook for inflation and the real economy. In its conduct of monetary policy, NB takes into account indicators of underlying consumer price inflation.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	NB's most important monetary policy instrument is the key policy rate, which is the interest rate on banks' deposits up to a quota in NB.

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		This interest rate is also called the sight deposit rate.
Target corridor band	Yes.	The key policy rate is the midpoint in an interest rate corridor with a width of 200 basis points. The lower limit is equal to the reserve rate. Each bank with an account at the NB is assigned an individual quota for reserves (in nominal Norwegian krone (NOK) terms). Reserves within the quota are remunerated at the key policy rate. Reserves in excess of the quota are remunerated at the reserve rate, which is equal to the sight deposit rate minus 100 basis points. The upper limit in the interest rate corridor is equal to the D-loan rate, which is the interest rate on NB's standing lending facility. The D-loan rate is equal to the sight deposit rate plus 100 basis points.
Other	No.	
Accountability	Yes.	
Open letter	n.a.	
Parliamentary hearings	Yes.	The governor of the NB provides an assessment of the monetary policy in an open hearing each year before the Standing Committee on Finance and Economic Affairs in connection with the Storting deliberations on the Financial Markets Report.
Other	n.a.	
Transparency	Yes.	
Publication of votes	Yes.	The Monetary policy assessment following the Monetary Policy and Financial Stability Committee's meeting includes the committee's voting record.
Publication of minutes	Yes.	On May 3, 2017, NB's Executive Board decided to publish the minutes of monetary policy meetings. The content of the minutes was included in the Executive Board's assessment, which was published at the same time as the interest rate decision is announced. The content of the minutes is included in the Monetary Policy assessment in the Monetary Policy Report.
Publication of inflation forecasts	Yes.	The Monetary Policy Report with financial stability assessment is published four times a year, in connection with four of the monetary policy meetings. The Report presents the assessments on which the interest rate setting is based and includes projections of developments in the Norwegian economy.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set the exchange rate and commissions in transactions with their clients.
Spot exchange market	Yes.	Norwegian banks (110), mortgage companies (30), branches of credit institutions (35), finance companies (28), payment institutions (29), and e-money institutions (5) may deal in foreign exchange with the public. Norwegian law does not restrict such entities from opening and maintaining accounts abroad. The NB does not engage in foreign exchange transactions with foreign exchange bureaus.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	

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Fixing	No.	
Interbank market	Yes.	The interbank foreign exchange market consists of 10–15 banks licensed by Finanstilsynet. There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	The interbank foreign exchange market consists of 10–15 banks and operates mostly on electronic trading platforms.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	NB may use foreign exchange swaps to supply krone liquidity to Norwegian and foreign banks. Foreign exchange swaps may also be used to supply liquidity in foreign currency (generally US dollars) to Norwegian banks. Extraordinary liquidity supplied in foreign currency is reserved for very special situations and is based on an assessment of the stability of Norwegian financial markets and the Norwegian payment system. Maturities for foreign exchange swaps vary and depend on the liquidity situation in the banking system.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	Norway participates in the Continuous Linked Settlement system. Norwegian banks participate in the EURO1, STEP1, and STEP2 pan-European clearing systems of the Euro Banking Association. Single Euro Payments Area (SEPA) payments to and from Norway may be carried out by Norwegian banks with offices in the EU or by Scandinavian banks operating in Norway.
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Norway participates in the Continuous Linked Settlement system. Norwegian banks participate in the EURO1, STEP1, and STEP2 pan-European clearing systems of the Euro Banking Association.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Regulated banks and finance companies and their branches may engage in foreign exchange services. Specialized foreign exchange

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		dealers may also be authorized as finance companies. Licensed payment institutions and electronic money institutions may, under the Act on Financial Undertakings and Financial Groups, provide international payment services and in doing so they can provide foreign exchange services in connection with the execution of the payment transaction. This act and the appurtenant Regulations on Financial Institutions and Financial Groups (Financial Institutions Regulations) implement EU Payment Services Directive (EC) No. 2015/2366. The Foreign Exchange Register Act requires banks, branches, finance companies, electronic money institutions, and payment institutions to report foreign exchange transactions and payments to and from Norway to the foreign exchange register operated by the Directorate of Taxes.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	Anyone taking coins or banknotes in domestic or foreign currency exceeding the equivalent of NKr 25,000 in or out of the Norwegian customs territory must notify the Customs Authority on the prescribed declaration form. This requirement also applies to imports and exports by mail or courier. Traveler's checks and other monetary instruments are treated the same as cash.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	There are no limitations, and the balances in the accounts may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	There are no limitations, and the balances in the accounts may be transferred to the home country freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	There are no limitations on these accounts.
Accounts in domestic currency convertible into foreign currency	Yes.	There are no limitations in this regard.

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	The following are subject to financial restrictions involving the blocking of accounts: (1) Afghanistan/Taliban; (2) Al-Qaida and ISIL; (3) Myanmar; (4) certain individuals in Burundi; (5) certain individuals and entities from the Darfur region in Sudan; (6) certain individuals from the Republic of Guinea; (7) certain individuals and entities from Guinea-Bissau; (8) certain individuals and entities from Belarus; (9) certain individuals associated with the former government of Iraq; (10) certain individuals and entities from the Islamic Republic of Iran; (11) Yemen; (12) certain individuals and entities from the Democratic Republic of the Congo; (13) certain individuals and entities from Libya; (14) Mali; (15) certain individuals and entities from the Democratic People's Republic of Korea; (16) certain individuals and entities from Russia; (17) certain individuals and entities from the Central African Republic; (18) Somalia; (19) certain individuals and entities from Syria; (20) South Sudan; (21) Tunisia; (22) Ukraine; (23) certain individuals and entities from Venezuela; (24) certain individuals of Zimbabwe; (25) effective April 3, 2023, an individual from Haiti; (26) effective June 20, 2023, certain individuals from the Republic of Moldova; and (27) certain individuals designated in three new sanctions regimes regarding cyber-attacks, the spread and use of chemical weapons, and serious human rights abuses and violations. Council Regulation (EU) 2021/445 of repealed Regulation (EU) No. 270/2011 concerning restrictive measures directed against certain persons, entities, and bodies in view of the situation in Egypt.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.
Letters of credit	No.
Import licenses used as exchange licenses	No.
Other	No.

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Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of certain goods from Belarus, the Islamic Republic of Iran, Iraq, the Democratic People's Republic of Korea (as amended), Somalia (as amended), Russia, and Syria are prohibited. Other imports subject to regulation are listed and require licenses. Imports of certain goods and movement of assets and payments to and from Belarus, Burundi, the Central African Republic, the Democratic Republic of the Congo, Guinea, Guinea-Bissau, Iran, Iraq, the Democratic People's Republic of Korea, Lebanon, Libya, Somalia, Sudan (Darfur), South Sudan, Syria, Tunisia, Ukraine/Russia, Venezuela, Yemen, and Zimbabwe are controlled and under certain circumstances prohibited. Imports of goods and payments to and from listed entities and persons (including members of Al-Qaida, ISIL (Da'esh), and the Taliban) and payments to and from listed entities and persons linked to the sanctions regime against Haiti, the Republic of Moldova, and the three sanctions regimes regarding cyber-attacks, the spread and use of chemical weapons, and serious human rights abuses and violations may also be prohibited. Council Regulation (EU) 2021/445 of repealed Regulation (EU) No. 270/2011 concerning restrictive measures directed against certain persons, entities, and bodies in view of the situation in Egypt.
Open general licenses	Yes.	Import licenses are maintained mainly for preferential quota administration purposes.
Licenses with quotas	Yes.	
Other nontariff measures	Yes.	Certain measures are imposed for environmental, health, safety, sanitary, and phytosanitary reasons or to satisfy labeling requirements.
Import taxes and/or tariffs	Yes.	Under the EEA and other preferential agreements, most imports are not subject to tariffs. In general, tariffs applied to industrial goods are 0, except for some clothes and other textiles; tariffs applied to agricultural products are higher. All products from least developed countries may be imported free of duties and tariffs.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.

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Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports of certain goods and movement of assets and payments to and from Belarus, Burundi, the Central African Republic, the Democratic Republic of the Congo, Guinea, Guinea-Bissau, the Islamic Republic of Iran, Iraq, the Democratic People's Republic of Korea, Lebanon, Libya, Myanmar, Russia, Sierra Leone, Somalia, Sudan (Darfur), South Sudan, Syria, Tunisia, Ukraine, Yemen, Zimbabwe, and Haiti are controlled and sometimes prohibited. Exports of goods and payments to and from listed entities and persons (including members of Al-Qaida, ISIL (Da'esh), and the Taliban) and payments to and from listed entities and persons linked to the sanctions regime against the Republic of Moldova and the three sanctions regimes regarding cyber-attacks, the spread and use of chemical weapons, and serious human rights abuses and violations may also be prohibited. Council Regulation (EU) 2021/445 of repealed Regulation (EU) No. 270/2011 concerning restrictive measures directed against certain persons, entities, and bodies in view of the situation in Egypt.
With quotas	No.	
Export taxes	Yes.	Exports of fish and fish products are subject to a levy of 0.3%–1.05% of the f.o.b. value: of which 0.3% is allocated to the Norwegian Seafood Research Fund and the rest to generic marketing of seafood by the Norwegian Seafood Council.
Collected through the exchange system	No.	
Other export taxes	Yes.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	Yes.
On capital market securities	Yes.
Shares or other securities of a participating nature	Yes.

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Purchase locally by nonresidents	Yes.	Controls apply to the purchase of shares or other securities of a participating nature that may be affected by laws on inward direct investment and establishment. This includes general nondiscriminatory provisions on ownership control in financial institutions based on EEA directives.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Collective investment funds are subject to nondiscriminatory limitations on exposure to derivatives.
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) establishment of branches of foreign financial enterprises; (2) establishment of third-country branches of credit institutions, insurance undertakings, securities brokerage firms, and collective investment fund management companies; (3) airlines, which may be granted an operating license only within the EEA, provided EEA member states and/or nationals of EEA member states own more than 50% of the enterprise and effectively control it, directly or indirectly, through one or more intermediate enterprises, except as indicated in an agreement with a third country in which the EU and Norway participate; (4) nonresident investment in the accounting sector exceeding 49% and in the legal sector; (5) ownership of Norwegian flag vessels, except (a) through a partnership or joint-stock company with at least 60% of the share capital owned by EEA nationals and (b) by registering the vessel in the Norwegian International Ship Register under the applicable conditions; and (6) investment in a registered fishing vessel bringing foreign ownership above 40%; (7) nonresident investors seeking to acquire control of Norwegian businesses that have crucial role in supporting or delivering critical national services. The National Security Act entered into force on January 1, 2019, and states that anyone who wants to acquire a qualified ownership in a business that is subject to the Act is obliged to notify the relevant ministry. When the business is not covered by any ministry's area of responsibility, the notification must be addressed to the Norwegian National Security Authority. A qualified ownership means that the acquisition directly or indirectly will result in the acquirer achieving: (1) at least one-third of the share capital, shares, or votes in the business; (2) the right to become the owner of at least one-third of the share capital or shares; or (3) significant influence over the management of the company in other ways. Within 60 working days, as a general rule, the relevant ministry or the National Security Authority must inform the notifier of whether the acquisition has been approved, or whether the case must be dealt with by the King in Council. If the King in Council considers that an acquisition under Section 10-1 may entail a not insignificant threat to national security interests, the King in Council may deny the execution of the acquisition, or determine criteria for the execution.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	

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Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	It is illegal for financial enterprises and payment service institutions to transfer payments to be used in gambling that is not legal according to Norwegian legislation. The same regulation applies to the transfer of prizes from such gambling.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Credit institutions and investment firms are subject to nondiscriminatory exposure regulations (limits to large exposure, see Article 395 CRR as implemented into Norwegian law through FOR-2014-08-22-1097 § 2). In accordance with the CRR, net positions must be within 25% of eligible capital (Tier 1 + Tier 2, provided Tier 2 is equal to or less than one-third of Tier 1 capital, c.f. CRR Article 4(71)). For financial counterparties, the limits are 25%, €150 million, or 100% depending on the reporting institution's eligible capital.
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	No.	Investments, domestic and foreign, must be in line with the requirement to organize and run a financial enterprise in a proper manner. (Act on Financial Undertakings and Financial Groups, Sections 13–10.)
In banks by nonresidents	Yes.	Nondiscriminatory rules on ownership control in financial institutions apply, based on EEA directives.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Regulation (EU) No. 575/2013 (CRR) is in force since December 31, 2019. CRR is a maximum harmonization legal act, and there is no national discretion in CRR 351–354 which allows for the continuation of the limits in the previous national regulation. According to CRR, the overall net open currency positions are subject to capital requirements if they exceed 2% of total own funds, c.f. CRR Article 351.
On nonresident assets and liabilities	Yes.	Regulation (EU) No. 575/2013 (CRR) is in force since December 31, 2019. CRR is a maximum harmonization legal act, and there is no national discretion in CRR 351–354 which allows for the continuation of the limits in the previous national regulation. According to CRR, the overall net open currency positions are subject to capital requirements if they exceed 2% of total own funds, c.f. CRR Article 351.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	There are qualitative requirements regarding investment policies and risk management according to the prudent person principle.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	
Investment firms and collective investment funds	Yes.	Investment firms are subject to nondiscriminatory exposure regulations (limits to large exposure, see Article 395 CRR as implemented into Norwegian law through FOR-2014-08-22-1097 § 2). Net positions must be kept within 25% of these institutions' capital liability (equity and subordinated loan capital). Collective investment funds: UCITS and AIFs that are considered national funds or special funds are subject to limitations on cross-border investments if the marketplace is considered illiquid or

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		repatriation rules apply to the currency of the financial instrument invested in. AIFs that are neither national funds nor special funds are not subject to such limitations.
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	There are no currency-matching regulations on the composition of assets and liabilities for investment funds.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other	n.a.

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instruments	
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.

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Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*04/03/2023*	Norway imposed security restrictions to an individual in Haiti.
	06/20/2023	Norway imposed security restrictions to certain individuals in the Republic of Moldova.

Nonresident Accounts

Blocked accounts	*04/03/2023*	Financial restrictions involving the blocking of accounts were applied to an individual from Haiti.
	06/20/2023	Financial restrictions involving the blocking of accounts were applied to certain individuals from the Republic of Moldova.

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OMAN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 23, 1971.
Article VIII	Yes.	Date of acceptance: June 19, 1974.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	There are no restrictions that have been notified to the IMF in accordance with Decision No. 144.
Other security restrictions	Yes.	Restrictions have been imposed with respect to Israel.

Exchange Arrangement

Currency	Yes.	The currency of Oman is the Omani rial.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The de jure and de facto exchange rate arrangements are classified as a conventional peg to the US dollar. According to the Banking Law of 1974, later amended by Royal Decree No. 114/2000, the par value of the rial is determined from time to time by His Majesty The Sultan.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		

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Free floating		
Official exchange rate	Yes.	The exchange rate of the rial is pegged to the US dollar at RO 1 per US$2.6008, with a buying rate of US$2.604167 and a selling rate of US$2.597403.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		

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Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Banks may freely set the commission on their currency conversion transactions with their clients.
Spot exchange market	Yes.	Eighteen commercial banks and 16 money exchange establishments are involved in currency conversion under the rial–US dollar fixed peg arrangement and participate in exchange market.
Operated by the central bank	Yes.	Commercial rates for other currencies are based on market rates in London.
Foreign exchange standing facility	Yes.	The Central Bank of Oman (CBO) sets the rates and stands ready to buy and sell foreign currency at the announced rates. The CBO deals only with the government and commercial banks.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no restrictions on the bid-ask rates. All commercial banks may participate in the interbank market (that is, no restrictions are imposed; market participation is conditional on individual commercial banks' foreign currency liquidity position). Eighteen banks engage in the interbank market.
Over the counter	Yes.	The foreign exchange derivatives market is limited to plain-vanilla derivatives for hedging of the underlying transactions.
Brokerage	No.	
Market making	Yes.	The interbank foreign exchange market operates under a market-making agreement.
Forward exchange market	Yes.	The foreign exchange derivatives market is limited to plain-vanilla derivatives for hedging of the underlying transactions.
Official cover of forward operations	Yes.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.

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Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Oman is a part of GCC real-time gross settlement (RTGS).
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBO has exclusive authority over exchange control; there is no exchange control legislation.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	Both residents and nonresidents can hold foreign currency accounts.
Held domestically	Yes.	Residents could hold such accounts domestically.
Approval required	No.	
Held abroad	Yes.	Residents can hold foreign currency account abroad.
Approval required	No.	

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Accounts in domestic currency held abroad	Yes.	Residents may hold domestic currency abroad without restriction.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	No distinction is made between accounts held by residents and those held by nonresidents. Balances may be transferred abroad freely.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents can hold domestic currency accounts.
Convertible into foreign currency	Yes.	Balances are freely convertible to foreign currency and transferable abroad.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Licenses are required for some imports. Importers must be listed in the commercial register.
Positive list	No.	
Negative list	Yes.	Companies operating in Oman and trading in manufactured oil products are prohibited from importing specified products as long as domestic production is deemed adequate to satisfy local demand.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Importer needs to provide approval from authority in charge (for restricted goods only), that is, some agriculture goods have to be approved by Ministry of Agriculture and Fisheries.
Import taxes and/or tariffs	Yes.	In accordance with the GCC Customs Union, a maximum CET of 5% is applied on most dutiable goods. Duty is not levied on imports from GCC countries or on government imports as long as country of

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		origin certificates are presented. As per the National Excise Tax Law, tobacco and tobacco derivatives, energy drinks, alcohol, and pork products have 100% excise tax rate starting from June 15, 2019. There is also a 50% excise tax on sweetened drinks.
Taxes collected through the exchange system	No.	No taxes are collected through the foreign exchange side of import transactions. No taxes collected other than mentioned in VII.E.
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	The exporter needs to provide the following documents: (1) a copy from the export invoice; (2) packing list; and (3) approval from related authority in charge (for restricted goods). For instance, exporter needs an approval to export some goods that are temporally prohibited for exports.
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	Payments for invisible transactions are generally not restricted.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

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Controls on capital transactions	Yes.	Generally, there are no restrictions on Capital Account transactions. However, securities-related transactions should comply with requirements set by Capital Market Regulator (Capital Market Authority – CMA) and shareholding requirements of Sectoral Regulators.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Foreign ownership of shares of Omani companies is generally limited to 70%, but it may be increased to 100% by government. For prudential purposes, all locally incorporated banks must be public joint-stock companies and must comply with the regulation on shareholding limits (that is, up to 15% for an individual and related parties, up to 25% for an incorporated body, and up to 35% for a joint-stock company or a holding company and its related parties). These prudential limits apply equally to resident and nonresident investors that invest in locally incorporated banks.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	As of November 28, 2021, the limit on foreign investment of insurance companies' out of total investment changed to 30% from 25%. There is a 50% limit on overall investments on pension funds denominated in foreign currency, with sublimit by country.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	As of November 28, 2021, the limit on foreign investment of insurance companies' out of total investment changed to 30% from 25%. There is a 50% limit on overall investments on pension funds denominated in foreign currency, with sublimit by country.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	As of November 28, 2021, the limit on foreign investment of insurance companies' out of total investment changed to 30% from 25%. There is a 50% limit on overall investments on pension funds denominated in foreign currency, with sublimit by country.

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Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	As of November 28, 2021, the limit on foreign investment of insurance companies' out of total investment changed to 30% from 25%. There is a 50% limit on overall investments on pension funds denominated in foreign currency, with sublimit by country.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	These purchases are limited to underlying trade-related transactions.
Sale or issue locally by nonresidents	Yes.	These transactions are limited to underlying trade-related transactions.
Purchase abroad by residents	Yes.	Licensed banks with investment banking licenses are forbidden to market products in the nature of or related to derivatives, insurance, and deposit mobilization for overseas banks.
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	As of November 28, 2021, the limit on foreign investment of insurance companies' out of total investment changed to 30% from 25%. There is a 50% limit on overall investments on pension funds denominated in foreign currency, with sublimit by country.
Inward direct investment	Yes.	Under the 2020 Foreign Capital Investment Law (FCIL), there are no requirements to have Omani ownership. However, the foreign investor needs an investment permit from the assigned government entity to start the operation. Ministry of Commerce and Industry maintains a blacklist of certain activities where foreign investment is prohibited. Non-Omanis may invest their monies in these investment funds, provided their investment may not exceed 49% of the total investments of the Fund at any time. These Funds are not be subject

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		to the FCIL. As far as taxation is concerned, these Investment Funds are treated in the same manner as companies fully owned by Omani citizens. For prudential purposes, all locally incorporated banks in Oman must be in the form of public joint-stock companies and must comply with the regulation on shareholding limits (that is, up to 15% for an individual and related parties, up to 25% for an incorporated body, and up to 35% for a joint-stock company or a holding company and its related parties). These prudential limits apply equally to resident and nonresident investors that invest in locally incorporated banks.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	As of November 28, 2021, the limit on foreign investment of insurance companies' out of total investment changed to 30% from 25%. There is a 50% limit on overall investments on pension funds denominated in foreign currency, with sublimit by country.
Purchase locally by nonresidents	Yes.	The Royal Decree No. 12/2006 allowed resident or nonresident non-Omanis to purchase and hold properties in Integrated Tourism Complexes (ITCs). Meanwhile, Royal Decree No. 29/2018 prohibits non-Omanis from purchasing and holding properties in ITCs that are located in Dhofar governorate except Salalah, Musandam governorate, Al Buraimi governorate, Al Dhahirah governorate, and Al Wusta governorate. In addition, non-Omanis are not allowed to purchase and hold properties in Wilayats (Provinces) of Liwa, Shinas, and Masirah. Furthermore, there are no transactions with non-Omanis in strategic Mountains that designated by the government, are places near Royal Palaces and Military bases, and Traditional Villages. Other than the above restrictions, nationals of GCC countries can freely purchase properties in Oman, while nationals of non-GCC countries can buy property only in the designated ITCs. Expatriates who have stayed in Oman for at least two years are allowed to own flats and offices in certain areas in and around Muscat according to a ministerial resolution (2020/357). The contract can last for up to 50 years and then be subsequently renewed, such that the total term of this period, after its extension, lasts for a maximum of 99 years.
Sale locally by nonresidents	Yes.	According to the Royal Decree No. 29/2018, non-Omanis must dispose their holding of real estate assets in embargo locations within two years from the announcement of the Royal Decree (of November 11, 2018). Because of COVID-19, this two-year period was extended by a year until October 31, 2021. There are no restrictions on sale of freehold properties by nonresidents in ITCs.
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The Guidelines on Credit Exposure to Nonresidents and Placement of Bank Funds Abroad establish prudential limits and guidelines on local banks' credit and foreign exchange exposure to single borrowers and related parties and on overall exposure. Circular No. BM 1120 establishes prudential requirements and sets limits on foreign exchange exposure and exposure to nonresidents in these guidelines. Circular No. BM 1120 further amended through CBO Circular Letter No. BSD/2016/BKUP/306 of March 31, 2016, and CBO Circular Letter No. BSD/2018/3 of March 20, 2018, on the subject. Circular Letter No. BSD/CB/2020/03 dated May 21, 2020.
Borrowing abroad	Yes.	Foreign borrowing by individual commercial banks is restricted by prudential regulations to 300% of their net worth. Sub-ceilings of 200% and 100% are applicable to foreign borrowing with maturity up to five years and two years, respectively.
Maintenance of accounts abroad	Yes.	The aggregate foreign exchange balance of local banks with foreign banks may not exceed 75% of the bank's local net worth.
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents (other than banks) is limited to 20% of the lending bank's net worth, with a limit of 2.5% for individual nonresident borrowers (other than banks). However, lending to nonresidents including banks is limited to 30% of the lending bank's net worth, with a limit of 5% for individual nonresident bank. Domestic currency lending to nonresidents is not allowed, except to embassies and diplomats. The limit of banks' credit exposure to nonresidents and placements of banks' fund abroad is 50% of local net worth (vide CBO Circular Letter No. BSD/CB/2020/03 of May 21, 2020).
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	The Banking Law 2000 sets the following prudential restrictions on bank investments abroad: (1) Bonds, notes, debentures, and other payment obligations of companies domiciled outside Oman may not exceed 25% of the 10% ceiling (of the amount of the net worth of the licensed bank) applicable to all such instruments in general, regardless of the place of domiciliation. (2) Publicly marketed securities issued or guaranteed by foreign governments and their agencies that mature within 90 days of acquisition must be payable in a currency freely convertible at the time of acquisition. (3) Shares and securities of corporations domiciled and organized outside Oman that are not authorized for investment under the provisions of Article 65(b) of Banking Law 2000, provided such investment if made in related companies or other licensed banks is approved by the Board of Governors, may not exceed 25% of the 20% ceiling (of the net worth of the licensed bank) applicable to all such shares and securities in general, regardless of the place of domiciliation.
In banks by nonresidents	Yes.	For prudential purposes, all locally incorporated banks in Oman must be in the form of public joint-stock companies and must comply with the regulation on shareholding limits (that is, up to 15% for an individual and related parties, up to 25% for an incorporated body, and up to 35% for a joint-stock company or a holding company and its related parties). These prudential limits apply equally to resident and nonresident investors that invest in locally incorporated banks.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	A limit of 40% of banks' Tier 1 capital applies. To limit maturity mismatches, the cumulative gaps in domestic and foreign currency may not exceed: 15% of cumulative liabilities (outflows) in each of the first two time bands (up to 1 month and 1–3 months), 20% of cumulative liabilities (outflows) in 3–6-month time band, and effective August 1, 2022, 30% (previously 25%) of cumulative liabilities (outflows) in 6–9-month time band and effective August 1, 2022, 35% (previously 25%) of cumulative liabilities (outflows) in 9–12-month time band.
On nonresident assets and liabilities	Yes.	A limit of 40% of banks' Tier 1 capital applies. To limit maturity mismatches, the cumulative gaps in domestic and foreign currency may not exceed: 15% of cumulative liabilities (outflows) in each of the first two time bands (up to 1 month and 1–3 months), 20% of cumulative liabilities (outflows) in 3–6-month time band, and effective August 1, 2022, 30% (previously 25%) of cumulative liabilities (outflows) in 6–9-month time band and effective August 1, 2022, 35% (previously 25%) of cumulative liabilities (outflows) in 9–12-month time band.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	The "total" foreign investment of insurance companies must not exceed 30% of total investments.
Limits (max.) on securities issued by nonresidents	Yes.	Published on November 29, 2020, as of November 28, 2021, the limit on foreign investment of insurance companies' out of total investment changed to 30% from 25%.
Limits (max.) on investment portfolio held abroad	Yes.	Published on November 29, 2020, as of November 28, 2021, the limit on foreign investment of insurance companies' out of total investment changed to 30% from 25%.

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Limits (min.) on investment portfolio held locally	Yes.	Published on November 29, 2020, as of November 28, 2021, the limit of total investment that should be held locally changed to 70% from 75%.
Currency-matching regulations on assets/liabilities composition	No.	No such laws and regulation issued.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	There is a 50% limit on overall investments denominated in foreign currency, with sublimit by country.
Limits (max.) on investment portfolio held abroad	Yes.	There is a 50% limit on overall investments denominated in foreign currency, with sublimit by country.
Limits (min.) on investment portfolio held locally	Yes.	Short-term investments in deposits and T-bills or CDs may not exceed 20% of total investments. Investments in locally issued bonds may not be less than 30% of total investments and not exceed 80%.
Currency-matching regulations on assets/liabilities composition	Yes.	There is a 50% limit on overall investments denominated in US dollar currency. There is a 30% limit on overall investment dominated in euro currency with sublimit by country in the euro area.
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	Yes.	(1) The fund should invest at least 30% in local-currency-dominated securities. (2) The fund may not hold more than 10% of the outstanding securities of any issuer. (3) The fund's investments in any securities issued by any single issuer may not exceed 10% of the NAV of the fund. This provision may not apply to index funds. (4) The investment fund may not borrow more than 10% of its NAV.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	CBO is currently in its advanced stages of the central bank digital currency (CBDC) study. The study is planned to cover the benefits that CBDC would bring to the economy, the impact that CBDC has on the economy, monetary policy and laws and regulation, and any information that is needed to implement CBDC project in the Sultanate of Oman. The expectation of this study is to allow CBO to be in a better position to decide whether to proceed with issuing a digital currency or not, and what could be the potential use cases of the issuance of CBDC in Oman.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic	n.r.	

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CBDC—retail and/or wholesale		
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	The CBO has published cautionary messages on the use of cryptocurrencies as a means of payment. Moreover, the CBO has worked closely with the CMA to publish Virtual Asset Service Providers (VASP) Regulatory Framework. The VASP Regulatory framework focuses on security and utility tokens, for investment purposes.
Acquisition by residents	Yes.	The Central Bank of Oman has published cautionary messages on the use of unbacked tokens (cryptocurrencies) and does not entertain the issuance of cryptocurrencies as a means of payment. Virtual assets (VAs) are not recognized as a legal tender in the Sultanate of Oman.
Use among residents	No.	
Between residents and nonresidents	Yes.	Apply enhanced due diligence when dealing with nonresident according to CMA's decision article 14.
For current transaction	Yes.	The current framework is limited to 5 activities according to the article of the CMA decision/35/2023 to exchange between VA and Fiat, exchange between VA forms, transfer VA from one VA account to another, safekeeping and/or administration of VA, and participating in and provision of financial services related to an issue of offer of a VA.
For capital transactions	No.	
Transactions in capital and money market instruments	No.	

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Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	Yes.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	Yes.	Apply enhanced due diligence when dealing with nonresident according to CMA's decision article 14.
For current transaction	Yes.	The current framework is limited to 5 activities according to the article of the CMA decision/35/2023 to exchange between VA and Fiat, exchange between VA forms, transfer VA from one VA account to another, safekeeping and/or administration of VA, and participating in and provision of financial services related to an issue of offer of a VA.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Not allowed; the current framework is limited according to article of the CMA decision/35/2023.
Transactions in derivatives and other instruments	Yes.	Not allowed; the current framework is limited according to article of the CMA decision/35/2023.
Credit operations	Yes.	Not allowed; the current framework is limited according to article of the CMA decision/35/2023.
Controls on stablecoins	Yes.	Not allowed; the current framework is limited according to article of the CMA decision/35/2023, any crypto used as a payment method is subject for CBO approval, and currently, CBO does not consider it as a legal tender nor use as a mode of payment.
Acquisition by residents	Yes.	
Use among residents	Yes.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	As above and the current framework is limited according to article of the CMA decision/35/2023.
Transactions in derivatives and other instruments	Yes.	As above and the current framework is limited according to article of the CMA decision/35/2023.
Credit operations	Yes.	Not allowed; as above and the current framework is limited according to article of the CMA decision/35/2023.
Controls on crypto exchanges and trading platforms	Yes.	Any VASP platforms need to register with CMA before starting the business to get the approval. It shall be resident in Oman; also, they need to comply with the AMLCFT law and CMA instructions issued in decision E/35/2023.
Domestic exchanges	Yes.	Any VASP platforms need to register with CMA before starting the business to get the approval. Also, they need to comply with the AMLCFT law and CMA instructions issued in decision E/35/2023.
Access to crypto exchange/trading platform by residents	Yes.	All the transactions carried by the residents on crypto exchange/trading platform are subject to monitoring by the financial institution under specific merchant category code (MCC) defined in Visa Merchant Manual. Also, scenarios and reports are generated to control and monitor the transactions and identify any suspicious transactions or unlicensed VASP.

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Changes during 2022 and 2023

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Open foreign exchange position limits		
On resident assets and liabilities	*08/01/2022*	The cumulative gap threshold in domestic and foreign currencies for cumulative liabilities (outflows) was increased from 25% to 30% for the 6–9-month time band and from 25% to 35% for the 9–12-month time band.
On nonresident assets and liabilities	*08/01/2022*	The cumulative gap threshold in domestic and foreign currencies for cumulative liabilities (outflows) was increased from 25% to 30% for the 6–9-month time band and from 25% to 35% for the 9–12-month time band.

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PAKISTAN

(Position as of November 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 11, 1950.
Article VIII	Yes.	Date of acceptance: July 1, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the Seventh, and Eighth Reviews of the Extended Arrangement under the Extended Fund Facility, Requests for Waivers of Nonobservance of Performance Criteria, and for Extension, Augmentation, and Rephasing of Access with Pakistan states that as of August 16, 2022, Pakistan introduced new exchange restriction and import restriction for BOP purposes; and modified one existing exchange restriction and the MCP. Specifically, in early April 2022, the authorities extended the set of items subject to a 100% cash margin requirement (CMR) on imports by 177 items, bringing the share of items covered by CMRs to about 20% of total import values and missing the relevant performance criteria on non-intensification of exchange restrictions and on non-modification of MCPs. In addition, the authorities imposed a requirement to seek payment authorization from the State Bank of Pakistan (SBP) before initiating transactions for importing certain goods, with approval granted in a discretionary manner, thereby violating the PC on the non-imposition of exchange restrictions. The authorities have partially repealed the import ban in August 2022 (leaving in place the ban on cars, mobile phones, and household appliances), and are committed to eliminate the requirement for import payment authorization at end-August 2022, depending on market conditions. Meanwhile, in early August 2022, CMRs were reduced on terms of payment above 90 days and CMRs introduced in April are set to lapse in December 2022. Finally, Pakistan also continues to maintain an exchange restriction resulting from the limitation on advance payments for imports against LCs and advance payments up to the certain amount per invoice (without LCs) for the import of eligible items (imposed in 2018). (Country Report No. 22/288).
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Pakistan is the Pakistani rupee (PKR).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	

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Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is floating. The exchange rate is determined by market forces, that is, demand and supply of foreign exchange (FE). The SBP does not explicitly or implicitly commit to an exchange rate target or path. The SBP intervenes in the market to curb speculative pressures for ensuring smooth functioning of the markets. Banks are free to quote and trade at any exchange rate. Pakistan adopted a market based flexible exchange rate system where interventions are limited to safeguarding financial stability and preventing disorderly market conditions (DMCs). From May 2021, the exchange rate has been marked by periods of stability, with shorter periods of fluctuations. Accordingly, the de facto exchange rate arrangement has been reclassified retroactively to other managed from floating, effective May 6, 2021.
Floating		
Free floating		
Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		

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Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The SBP is still in transition toward flexible inflation targeting (FIT). SBP has incorporated many key features of a FIT regime over the years such as: The SBP adopted an interest rate corridor framework in August 2009. Over time, the framework has undergone many changes and in May 2015, the SBP introduced a policy target rate for effectively signaling its monetary policy stance. The SBP Act 1956 was amended in January 2022 to lay ground for this transition through which the primary objective of the bank shall be to achieve and maintain domestic price stability. In addition to this the amended Act also prohibits government borrowing from SBP. Institutional commitment to the medium term inflation target of 5-

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		7% is being communicated consistently in Monetary Policy Statements since September 2019. An independent MPC includes three independent economists and three SBP board members representing various sectors of the economy who are not employees of the bank. Transparency and clear communication through publication of MPC minutes including voting patterns with a lag of 1 month, a post MPC analysts briefing, two semi-annual press conferences and podcasts for better outreach to the public. An accountability framework under Section 39(1) of the SBP Act under which the Governor submits an annual report regularly before parliament regarding "achievements of banks' objectives, conduct of monetary policy, state of Pakistan economy and financial system." This first report was published in December 2022. Some of the key features of FIT are to be formally adopted by taking on board the fiscal authorities through requisite legislation and then this transition will be completed. SBP in its Strategic Plan for 2023–2028 envisages to complete this transition. The SBP's monetary policy framework is characterized by an emphasis on anchoring inflation expectations to the medium-term inflation target range announced by the government. An independent MPC examines various indicators from the real, external, financial, and fiscal sectors, along with their model-based forecasts and stakeholder surveys, to assess the inflation outlook as well as the state of the output gap and financial stability. On the basis of this information, the MPC decides on the policy rate that would be appropriate to manage inflation expectations, while safeguarding financial stability and promoting growth. Responding to post pandemic inflationary pressures and to anchor inflation expectations, the SBP started to tighten the monetary policy stance in September 2021 raising the policy rate from 7% to 9.75% (previously 8.75%) effective January 23, 2022, to 12.25% effective April 7, 2022, to 13.75% effective May 23, 2022, to 15% effective July 7, 2022, to 22% effective October 30, 2022, to 16% effective November 25, 2022, to 17% effective January 23, 2023, to 20% effective March 2, 2023, to 21% effective April 4, 2023, to 22% effective June 26, 2023. As of July 31, 2023, the policy target rate is set at 22.00%, SBP's reverse repo rate (that is, ceiling rate) is currently at 23.00%, and SBP's repo rate (that is, floor rate) is at 21.00%.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Banks may determine their own rates of exchange, both for ready and forward transactions for the public, subject to the condition that the margin between the buying and selling rates should not exceed 50 paisa per US dollar or its equivalent in other currencies. There are no SBP restrictions on bid-ask spreads of interbank transactions. For exchange companies (ECs) and Exchange Companies of "B" category (ECBs), the spread between the buying and selling rates of US dollar, pound sterling, euro, Saudi Arabian riyal, and U.A.E. dirham may not exceed 1% of their buying rate. For all other foreign currencies, the ECs/ECBs need to ensure maintenance of a competitive spread.
Spot exchange market	Yes.	SBP issues licenses to banks to operate as ADs to deal in FE. Notably, not all of the banks have the status of ADs. As of August

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		31, 2022, the number of ADs was 29. SBP also issues licenses to ECs to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, traveler's checks, and remittance transfers and licenses to ECBs under the prescribed criteria. ECBs may purchase and sell foreign currency notes and coins only. ECs/ECBs deal with individuals only. Hotels with a three-star rating or higher may also buy foreign currency from their customers. As of December 31, 2022, 27 full-fledged ECs, 21 ECBs, and 29 (restricted authorized) hotels were operational. ECs may make outward remittances in accordance with the regulations. Importers, exporters, and businesses may shop around with ADs for the best rates without recourse to SBP. Individuals may purchase FE from or sell it to ECs/ECBs at freely negotiated rates in accordance with the regulations. Banks are limited to a spread of 50 paisa in all foreign currency quotes to customers. For ECs/ECBs, the spread between the buying and selling rates of US dollar, pound sterling, euro, Saudi Arabian riyal, and U.A.E. dirham may not exceed 1% of their buying rate. For all other foreign currencies, the ECs/ECBs need to ensure to maintain a competitive spread (FE Circular No. 06 of May 12, 2015). ECs/ECBs may not make trade-related remittances on behalf of their customers. To focus ECs on their primary function of promoting home remittances, ECs may make outward remittances on behalf of bona fide customers for permissible transactions for up to 75% of the home remittances they handled in the preceding month. ECs must report remittances in the prescribed format by the fifth day of every month (FE Circular No. 04 of 2008). Some government FE transactions (for example, debt-service payments) are conducted directly by the SBP, at interbank market rates. ECs may sell foreign currency to individuals only up to a daily/annual limit of US$10,000/100,000. Effective February 3, 2022, ECs are required to surrender 100% of foreign currency received on account of inward home remittances, in the interbank market on the same day.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	ADs may determine their own rates of exchange, both for spot and forward transactions. There are no SBP restrictions on bid-ask spreads of interbank transactions. SBP intervention is conducted at market-determined prices. As of December 31, 2022, there were 33 banks (of which 29 have AD status), 11 microfinance banks (MFBs), 9 development finance institutions (DFIs), 27 ECs, and 21 ECBs.
Over the counter	Yes.	
Brokerage	Yes.	Interbank brokers also operate in the FE market. All interbank brokers are accredited by the Financial Markets Association of Pakistan.
Market making	Yes.	The Reuters Dealing System FXT is commonly used for market making. Since January 29, 2024, Centralized Foreign Exchange (FX)

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		Trading Platform called "FX Matching" for interbank FX market has been implemented. This centralized trading platform offers FX trading on anonymous basis and real-time price visibility. The adoption of FX Matching platform is a key step for enhancing the depth and transparency of the interbank FX market.
Forward exchange market	Yes.	The maximum term of forward cover by banks for trade transactions is 12 months, although this may be rolled over; these facilities are also available for funds transferred from abroad for portfolio investment. Forward cover against exports on a contract basis is permitted. Forward booking for imports is allowed, provided the minimum tenor is one month and the tenor matches the maturity of the underlying LC. Importers may also cover their non-rupee exposure through FE options. ADs may extend forward cover for exports and foreign private loans. The SBP oversees and regulates the FE derivatives market in accordance with the SBP circular on derivatives issued in November 2004. The CB participates in the forward FE market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements of current and capital account transactions with other countries are allowed in fully convertible currencies as determined by the contracting parties.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Export Form (Form E)/Financial Instrument (FI) (under Pakistan Single Window (PSW)) is issued by the AD in a convertible foreign currency. Domestic currency cannot be used to settle payments for current international transactions (exports) in Pakistan, except effective April 22, 2022, export of certain goods to Afghanistan as contained in Export Policy Order issued by Ministry of Commerce.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Residents are not allowed to borrow from abroad, in local currency without the special permission of the SBP.
Transactions in derivatives and other instruments	Yes.	Banks that are authorized derivatives dealers may take positions in financial derivatives transactions, including foreign currency options, forward rate agreements, and interest rate swaps, according to the Financial Derivatives Business Regulations (FDBR); for all other structured derivatives, SBP approval is required. It is further clarified that local currency is not allowed for settlement of offshore transactions. Currently, single stock futures contracts (deliverable and cash settled) stock/sectoral index futures contracts and index options are available for trading on Pakistan Stock Exchange (PSX) regulated by the Securities and Exchange Commission of Pakistan (SECP). Commodity futures contracts were also introduced from the platform of the Pakistan Mercantile Exchange Limited (PMEX). Currently, the PMEX trades in gold, silver, rice, palm oil, crude oil, sugar, wheat, international cotton, and three-month Karachi interbank offered rate futures contracts. Special convertible rupee accounts (SCRAs) are specifically maintained for investment in derivatives, and investors can freely use SCRAs for derivatives transactions. Regulation R-2 of Prudential Regulations for Corporate/Commercial Banking restricts the banks' (ADs) maximum exposure in derivatives up to 5 times of their equity.

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Credit operations	Yes.	Nonresident individuals are not allowed to borrow or lend in local currency without the special permission of the State Bank, except nonresident Pakistanis (NRPs) who can borrow in local currency in Pakistan. Foreign controlled companies (registered in Pakistan) can borrow from local sources in PKR for any purpose except for purchase of shares (acquisition financing, merger financing, amalgamation financing and/or purchase of minority interest.
Use of foreign exchange among residents	Yes.	All obligations among residents are settled in rupees. Local FE account holders may freely transfer funds to other FE account holders. The Local US Dollar Instruments Collection and Settlement System handles such settlements.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Pakistan is a member of the ACU.
Clearing agreements	Yes.	Payments to, and receipts from, member countries of the ACU for current transactions are settled every two months under ACU mechanism.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The SBP authorizes banks and a number of other financial institutions to deal in foreign currencies and to sell or purchase FE within limits prescribed by the SBP as bona fide. The SBP licenses ECs to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, traveler's checks, and transfers. The SBP also licenses ECBs, which may only purchase and sell foreign currency notes and coins. Hotels with a three-star rating or higher may buy FE from their customers and sell it to banks.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	Local trade in gold bullion is unrestricted.
On external trade	Yes.	Exportation of gold jewelry and other precious metals jewelry and importation of gold and other precious metals are governed by the Trade Development Authority of Pakistan under instructions by the Ministry of Commerce. The Statutory Regulatory Order (SRO) 760(I)/2013 regulates the export of gold jewelry and other precious metals jewelry through two specialized schemes of Entrustment and Self-consignment. The Entrustment Scheme allows export of jewelry against imported gold or other precious metals supplied as partial advance payment by the foreign buyer. Under the self-consignment scheme, the exporters of jewelry are allowed to import gold or other precious metals up to 50% of their export proceeds after receiving import authorization from Trade Development Authority of Pakistan.
Controls on exports and imports of	Yes.	

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banknotes		
On exports	Yes.	
Domestic currency	Yes.	An individual may take out up to PRs. 3,000 to India and PRs. 10,000 to other countries. The regulations are applicable on both residents and nonresidents; Although Section d of the cash currency declaration format given by Pakistan Customs in 2019 can be used for such declaration, separate declaration, specifically mentioning PKR, is not available in the declaration form.
Foreign currency	Yes.	Any person (resident or nonresident) is allowed to take out of Pakistan, US dollars or its equivalent in other foreign currencies, subject to the following limits (a person a visit, effective November 8, 2022, and a person a year, effective November 8, 2023, respectively): (1) 5,000 (previously 10,000) and 30,000 (previously 60,000) for individuals aged 18 years and above; and (2) 2,500 (previously 5,000) and 15,000 (previously 30,000) for individuals below 18 years old. The per person limits for taking cash in FE from Pakistan for travel to Afghanistan are US$1,000/6,000 a visit/annually. Non-governmental organizations (NGOs) and other UN (welfare) organizations working in Afghanistan may take to Afghanistan more than PRs. 10,000. Exports of foreign currency by banks are not restricted. Banks and ECs may export foreign currencies following the prescribed procedures including declaration at designated international airports. Moreover, as per the notification issued by the Pakistan Customs, all the arriving/departing passengers (residents/nonresidents) are required to file customs declaration.
On imports	Yes.	
Domestic currency	Yes.	Any person may bring into Pakistan up to Rs. 3,000 from India and Rs. 10,000 from other countries. The regulations are applicable to both residents and nonresidents. Though the current declaration required by Pakistan Customs may be used for providing declaration of PKR for inbound travelers, the declaration specifically does not mention PKR in the form.
Foreign currency	No.	Any person may bring into Pakistan from any country any foreign currency notes or banknotes without limit. However, declaration has to be submitted to Customs authorities at arrival if the amount is exceeding US$10,000.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Banks may offer FE accounts to residents. Holders of frozen (old) FE accounts may purchase special US dollar bonds of the Government of Pakistan (GOP) against outstanding balances or convert the foreign currency to rupees at the prevailing exchange rate.
Held domestically	Yes.	Foreign currency accounts may be credited with remittances received from abroad, traveler's checks issued outside Pakistan (whether in the name of account holder or in the name of any other person), and FE generated by encashment of securities issued by the GOP. A foreign currency account of a citizen of Pakistan resident in Pakistan may also be credited with cash foreign currency, but only if the account holder is a filer as defined in the Income Tax Ordinance of 2001. However, a foreign currency account cannot be credited with (1) any FE borrowed under any general or specific permission given by SBP, unless otherwise permitted; (2) any proceeds from goods exported

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		from Pakistan; (3) proceeds of securities issued or sold to nonresidents; (4) any payment received for services rendered in or from Pakistan; (5) earnings or profits of the overseas offices or branches of Pakistani firms and companies including banks, or investment of resident Pakistanis abroad; and (6) any FE purchased from an AD in Pakistan for any purpose. FE accounts of resident corporations and legal entities may not be credited with foreign currency purchased from the open market. These accounts may be permanently retained, and operations and remittances from FE accounts are not restricted. ADs may keep or invest their deposits abroad or in Pakistan. ADs that lend these funds to borrowers in Pakistan for trade-related activities must observe SBP prudential regulations. ADs may decide the rate of return they offer to depositors. ADs may open foreign currency accounts and extend trade loans under the FE-25 program in US dollars, pounds sterling, euros, Japanese yen, Canadian dollars, U.A.E. dirhams, Saudi Arabian riyals, Chinese renminbi, Swiss francs, and Turkish liras.
Approval required	No.	
Held abroad	Yes.	ECs are not allowed to maintain nostro accounts abroad. ECs' remittance transactions must be routed through their foreign currency accounts at banks in Pakistan. Current regulations do not specifically allow or restrict opening of foreign currency accounts abroad by the residents. The operations of such accounts are subject to the applicable laws of the jurisdiction in which these have been opened. There is no restriction on inward remittances from abroad. However, such remittances are subject to due diligence of the underlying transaction as per applicable regulations including the AML, CFT, and Countering Proliferation Financing (CPF).
Approval required	Yes.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	The following may open FE account with ADs, without prior approval of the State Bank, (1) Pakistan Nationals residing in or outside Pakistan, including those having a dual nationality. (2) All foreign nationals, whether residing abroad or in Pakistan. (3) Joint Account in the names of residents and nonresidents. (4) All diplomatic missions accredited to Pakistan and their Diplomatic Officers. (5) All International Organizations in Pakistan. (6) Firms and companies established/incorporated and functioning in Pakistan (7) Charitable Trusts, Foundations, etc. (8) Branches of foreign firms and companies in Pakistan. (9) Nonresident ECs, even if owned by a bank or financial institution. (10) All foreign firms/corporations, other than banks and financial institutions owned by Banks, incorporated and operating abroad, provided these are owned by persons who are otherwise eligible. (11) ECs licensed by SBP. However, the facility is not available to airlines and shipping companies operating in/through Pakistan or collecting passage and freight in Pakistan and the investment banks, leasing companies, and modaraba companies, including those which have been granted licenses to deal in FE. Outward remittances may be made from foreign currency accounts,

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		unless restricted for some specific purpose. However, personal foreign currency accounts of any nature should not be used for commercial and business purposes. ADs are free to decide the rate of return they offer to depositors. Deposit holders to make payments in Pakistan in rupees must first convert the FE drawn from their accounts to rupees. If Pakistan nationals holding such accounts return to Pakistan, they may retain the accounts permanently. Funds mobilized under the FE account program need not be surrendered to the SBP, nor does the SBP provide forward cover for such accounts. Foreign Currency Value Account (FCVA): NRPs and Pakistan Origin Card (POC) holders can open account remotely/digitally, while ensuring that the relevant AML/CFT regulatory standards are complied with. The account provides all operational facilities like any other account through digital means/alternate delivery channels. The account can be funded primarily with remittances from abroad. The funds available in the account can be repatriated without any prior approval; however, banks may ask for any additional information for due diligence of the transaction.
Approval required	No.	
Domestic currency accounts	Yes.	The accounts of individuals, firms, or companies residing abroad are designated nonresident accounts. Different rules apply to the nonresident rupee accounts of individuals, firms, and companies, on the one hand, and to the nonresident rupee accounts of banks, on the other hand. Banks may open and maintain two categories of nonresident rupee accounts for individuals and entities without prior approval of the State Bank. (1) Nonresident Rupee Account-Repatriable (NRAR): Debits and credits of such accounts are subject to applicable regulations. An automated teller machine (ATM)/debit card to the account holder and supplementary ATM/debit cards in the name of family members of the account holder resident in Pakistan may be issued. These cards may be used for transactions in and outside Pakistan. (2) Nonresident Rupee Account-Non-repatriable (NRAN): All legitimate debit and credit transactions in these accounts as those permissible for resident Pakistani rupee (PKR) accounts are allowed. However, the funds available in these accounts may not be used abroad through ATM/debit cards or other delivery channels. Foreign shipping companies and airlines with offices or agents in Pakistan can open and operate interest-bearing rupee accounts, provided the interest is used only to meet local expenses. Banks could issue bank cards as well as supplementary bank cards to individual nonresident rupee account holders. Withdrawals were allowed only in Pakistan (3) NRP Rupee Value Account (NRVA): NRPs and POC holders can open account remotely/digitally, while ensuring that the relevant AML/CFT regulatory standards are complied with. The account provides all operational facilities like any other account through digital means/alternate delivery channels. The account can be funded primarily with remittances from abroad. The funds available in the account can be repatriated without any prior approval; however, banks may ask for any additional information for due diligence of the transaction.
Convertible into foreign currency	Yes.	Domestic currency accounts are convertible to foreign currency when

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		opened as convertible rupee accounts with funds received from abroad or credited with funds otherwise accepted for remittance abroad.
Approval required	No.	
Blocked accounts	Yes.	A blocked account refers to an account opened as a blocked account at any branch or office in Pakistan of a bank authorized in this behalf by the State Bank or an account blocked by the order of the State Bank. Holders of frozen (old) FE accounts are permitted to purchase US dollar bonds of the GOP against outstanding balances in their FE accounts. The State Bank may not approve certain remittances in settlement of liabilities to a particular person resident outside Pakistan. Payments in discharge of such liabilities to such person may be allowed to be made to a blocked account, subject to such terms and conditions as may be specified by the State Bank. The State Bank may issue special instructions regarding operations on blocked accounts. In the absence of any such special instructions, no payments into or withdrawal from blocked accounts may be made, unless prior approval of the State Bank has been obtained.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	Imports may be made against all modes of payment, subject to the procedures prescribed by the SBP. Instructions for private sector importers to enter into commodities exchange agreements, imports by public sector agencies, and imports under loans, credits, or bilateral assistance are given in Paragraph 3 (2, 3, 4) of the Import Policy Order (IPO) 2022.
Minimum financing requirements	No.	
Advance payment requirements	Yes.	As of March 19, 2020, ADs are allowed to make advance payment up to US$25,000 (previously US$10,000) or equivalent an invoice without the requirement of LC or bank guarantee from the supplier for the import of raw materials spare parts and machinery on behalf of manufacturing and industrial concerns for their own use. As of January 28, 2020, ADs are allowed to effect import advance payment against irrevocable LC, up to 100% (previously 50%) of the value of LC, for import of plant, machinery, spare parts, and raw material on behalf of manufacturing concerns for their own use only. ADs were allowed to effect: (1) advance payment up to US$10,000, or equivalent thereof, an invoice for import of: (a) Essential medicines and devices; (b) Aircraft/ship/port-related spare parts/components; (c) Lab equipment/instruments imported by educational institutions for their own use; (d) Newspapers, magazines, periodicals, books, etc. (2) import advance payment against irrevocable LC, up to 100% of the value of LC, for import of plant, machinery, spare parts, and raw material on behalf of manufacturing concerns for their own use only. ADs were allowed to effect advance payment up to US$25,000, or equivalent in other currencies, an invoice on behalf of manufacturing and industrial concerns and commercial importers for import of raw material, spare parts, and machinery, for ultimate use by manufacturing and industrial concerns.

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		ADs may make advance payment up to US$50,000 or equivalent per invoice for import of life-saving medicines & devices. ADs may make advance payment up to 100% of the value of imports, on behalf of federal and provincial government departments and organizations, public and private sector hospitals or their approved agents, charitable organizations, and commercial importers for the import of medical equipment, medicines, and ancillary items for the medical treatment of COVID-19 epidemic. Advance payment can be made on the basis of LC/standby LC, registered contract, proforma invoice, etc., using any incoterm as per the International Chamber of Commerce's (ICC's) latest publication, without any mandatory requirement of advance payment guarantee/performance bond. However, the importer may require advance payment guarantee/performance bond to secure the advance payment. On January 30, 2024, the above instructions have been amended and now Advance Payment up to 100% is allowed without SBP approval against irrevocable LCs or invoices.
Advance import deposits	No.	There was a 100% CMR on the import of items as listed in the SBP circulars. Effective April 7, 2022, CMR was introduced on additional 177 items, taking the total number of items subject to CMR to 703. The April 7 announcement clarified that cash margins on all items are non-remunerative. CMR on items introduced on April 7 was initially set to lapse on December 31, 2022, but was extended to lapse on March 31, 2023 effective December 31, 2022. Effective August 5, 2022, the requirement of obtaining 100% cash margin was relaxed for cases where the credit terms of import are more than 90 days, that is, for cases where the term of payment for import is 91–180 days, CMR must be 25%. Similarly, for cases where the term of payment for import is 181 days and above, CMR must be 0%. Effective March 31, 2023, CMR on import items was withdrawn.
Documentation requirements for release of foreign exchange for imports	Yes.	Clean-on-board shipped bills of lading and other documentation as stipulated by contracts or LCs are required. To strengthen the monitoring of import payments from Pakistan, All trade-related transactions are performed through PSW. It is an automated platform that provides a facility to all importers to electronically submit an integrated declaration at the time of imports of goods. Import-related transactions are executed through FIs issued by the ADs. With the introduction of PSW, a FI is required for payment to be made against the import of goods.
Domiciliation requirements	No.	
Preshipment inspection	Yes.	There is a requirement of preshipment inspection from preshipment agencies notified vide Appendices D, H, and O of the IPO 2022, for import clearance of agricultural products (mainly food items), plant, machinery, specialized machinery, equipment, and other mechanical and engineering goods, and pesticides/chemicals, respectively.
Letters of credit	No.	LC is one of the modes and not the only mode for import payments, importers may use other modes of payments such as open account, contract, documentary collection or advance payments.
Import licenses used as exchange licenses	No.	
Other	Yes.	Effective May 20, 2022, SBP announced that ADs must seek prior

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		permission from Foreign Exchange Operations Department (FEOD) relating to payments before initiating transactions for import of items listed in Chapters 84, 85, and certain items of Chapter 87 of Harmonized System (HS) Codes. Effective January 2, 2023, the previous instruction was withdrawn. Further, effective June 23, 2023, all restrictions on import have been withdrawn vide Exchange Policy Division (EPD) Circular Letter No. 10 dated June 23, 2023. All trade-related transactions are performed through PSW. PSW is an automated platform that provides a facility to all importers to electronically submit an integrated declaration at the time of imports of goods. Import-related transactions are executed through FIs issued by the ADs.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	Generally, there is no positive list for trade. As per the scheme of IPO, things can be divided into three categories, that is, prohibited, restricted, and/or freely importable. The items listed on Appendices A and C of IPO are banned/prohibited for import. Items on Appendices B and N are restricted, that is, importable subject to the conditions specified therein. Things not specifically provided in either of the Appendices of the IPO are freely importable.
Negative list	Yes.	A total of 45 goods/class of goods under various HS codes are on the negative list (Appendix-A), which is compiled on the basis of products banned for religious and health reasons and products banned as a result of Pakistan's commitment to international agreements Effective April 22, 2022, some 52 classes of goods (which includes the previous 45 items prohibited under IPO 2020) under various HS codes are placed on the negative list of IPO 2022. These items are prohibited for import into Pakistan and are listed under Appendix-A of IPO. This list is compiled on religious and health grounds and/or as a result of Pakistan's commitment to international agreements. Effective May 19, 2022, as a temporary measure, 33 goods/class of goods under various HS codes were added to the negative list on the basis of being deemed luxury and non-essential, to curtail rising current account deficit. However, these restrictions were lifted effective August 19, 2022.
Open general licenses	No.	
Licenses with quotas	Yes.	The importation of ozone-depleting substances (Sr. No. 15, Part-I, Appendix-B of IPO) is subject to policy and quota allocations to be laid down by the Ministry of Climate Change from time to time. There is also a quantitative restriction in case of chemicals notified via S. Nos. 10–39 of Appendix-B (Part-I) of the IPO 2022.
Other nontariff measures	Yes.	Effective April 22, 2022, import of the items given under Appendix-B (Restricted Items) is allowed on meeting the restrictions or conditions specified therein. Appendix-B has six Parts (lists), that is, Part-I, Part-II, Part-III and Part-IV, Part-V and Part-VI, and one Annex-B-1. Appendices K, L, and M provides list of Scheduled Chemicals, which are importable subject to strict monitoring and control of the Disarmament Cell of the Ministry of Foreign Affairs. Appendix-N maintains a list of some 159 items/class of goods whose import is allowed subject to conformity with the designated Pakistan Standard, notified by Pakistan Standards & Quality Control Authority. Since 2019 as per SRO No. 927 there is a ban on direct and indirect trade with India. A ban on trade with Israel is in place since long and

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		is maintained under IPO 2022.
Import taxes and/or tariffs	Yes.	The following changes have been incorporated with regard to withholding taxes on import under Section 148 of the Ordinance. Pursuant to Finance Act 2020, 2021, and 2022, the rates of advance income tax used for collection by the Collector of Customs under Section 148 are as follows: (1) 1% of the import value, as increased by customs-duty, sales tax, and federal excise duties by person, of goods classified in Part-I of the Twelfth Schedule to Income Tax Ordinance 2001. (2) 2% of the import value, as increased by customs duty, sales tax, and federal excise duty for industrial enterprise. Effective July 1, 2022, 3.5% of the import value, as increased by customs duty, sales tax, and federal excise duty for commercial importer, of goods classified in Part II of Twelfth Schedule to Income Tax Ordinance, 2001. (3) 5.5% of the import value, as increased by customs duty, sales tax, and federal excise duty, of goods classified in Part III of the Twelfth Schedule and 6% of the import value as increased by customs duty, sales tax and federal excise duty in case of a commercial importer of goods classified in Part III of the Twelfth Schedule (effective July 1, 2023). (4) 1% of the import value, as increased by customs-duty, sales tax, and federal excise duty, of item imported by manufacturer which covered under rescinded Notification No. SRO 1125(I)2011 dated December 31, 2012. (5) 4% of import value as increased by customs-duty, sales tax, and federal excise duty, of finished pharmaceutical products that are not manufactured otherwise in Pakistan, as certified by the Drug Regulatory Authority of Pakistan. (6) Tax collectible under Section 148 on import is minimum tax in case of commercial importer and adjustable tax in case of industrial enterprise importing for own use. (7) Tax collectible under Section 148 on import of edible oil, packaging material, paper and paper board, and plastics has been made minimum tax whether imported by an industrial enterprise for own use or by a commercial importer. (8) The rate of tax on import of mobile phones by any person is based on the cost and freight (c.f.r.) value of mobile phone in US dollars as follows: (1) Rs. 70 for those up to US$30; (2) Rs. 100 for those exceeding US$30 and up to US$100; (3) Rs. 930 for those exceeding US$100 and up to US$200; (4) Rs. 970 for those exceeding US$200 and up to US$350; (5) Rs. 5,000 for those exceeding US$350 and up to US$500; (6) Rs. 11,500 for those exceeding US$500; the following additional categories: (7) Rs. 100 for smart phone up to US$100; (8) Rs. 3000 for mobile phone exceeding US$350 and up to US$500 in complete knocked down (CKD)/semi knocked down (SKD) condition; (9) Rs. 5,200 for mobile phones exceeding US$500 in CKD/SKD condition. The provisions of Section 148 do not apply to mobile phones brought in personal baggage under the Baggage Rules 2006 (under Clause (60E) of Part IV of the Second Schedule to the Income Tax Ordinance

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2001).

(9) These tax rates are increased by 100% for persons whose names do not appear in the active taxpayers' list under Rule 1 of the Tenth Schedule to the Income Tax Ordinance 2001.

(10) No advance on import of goods is collected which take place within jurisdiction of Border sustenance market in Table-I of clause (12N) of Second Schedule.

(11) As temporary import relief measures taken in the wake of COVID-19 Pandemic and to address including wheat and sugar shortages, no advance tax is collected on import of wheat, sugar, oxygen gas, medical equipment, micron sprays for anti-locust and other oxygen items subject to conditions specified in clauses of Part IV of Second Schedule respectively as follows:

(12F), import of 1.5 million tons of wheat; (12G), import of 300,000 metric tons of white sugar; (12H), import of oxygen items; (12I), import of 83 X Micron sprayers for Anti-Locust Operation; (12J), import of three hundred thousand metric tons of wheat; (12K), import of Cryogenic Tanks (for oxygen gas) for a period of three months; (12L), import and subsequent supply of five hundred thousand metric tons of white sugar; and (12M), import of oxygen items for a period of 180 days. The tax withheld on import of medical and testing equipment for COVID-19 outbreak was exempted for specific period.

(12) No advance tax is collected on import subject to conditions specified in clauses of Part IV of Second Schedule as follows:

(1) Since October 29, 2021, (12O) import of drones donated by Ministry of Agriculture and Rural Affairs (MARA), Government of China to Pakistan through Sea Route; and

(2) effective July 1, 2022, (12P) import of machinery and equipment as listed in S. No. 32 of Part-I of the Fifth Schedule to the Customs Act, 1969, subject to the same conditions and limitations as specified therein.

(3) (60DA) import of the capital equipment as defined in Special Technology Zones Authority Act, 2021 (XVII of 2021).
(a) Zone developers as defined in Special Technology Zones Authority Act, 2021 (XVII of 2021) for consumption in the special technology zones for the period of ten years commencing from the date of signing the development agreement;

(b) Zone enterprises as defined in Special Technology Zones Authority Act, 2021 (XVII of 2021) for a period of ten years from the date of issuance of license by the Special Technology Zone Authority; and

(c) Special Technology Zones Authority established under Special Technology Zones Authority Act, 2021 (XVII of 2021).

(13) No advance tax on imports of tillage and seedbed preparation equipment, seeding or planting equipment, irrigation, drainage, and agrochemical application equipment, harvesting, threshing, and storage equipment, postharvest handling and processing, and miscellaneous machinery, as specified in Clause (91) (Annex-1) of

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		Part-IV of the Second Schedule to the Income Tax Ordinance 2001, is levied under Section 148. (14) The provisions of Section 148 do not apply to items (various aviation and aviation-related items) mentioned in Clause (92) (Annex-II) of Part-IV of the Second Schedule to the Income Tax Ordinance 2001. (15) All items in Chapter 27 of Pakistan Customs Tariff are taxable, except items in Sub-clause (56) (Annex-III) of Part IV of the Second Schedule to the Income Tax Ordinance 2001. (16)The withholding tax under Section 148 on import of hybrid cars that were collected at the following reduced rates (provided vide clause (28A) of Part II of the Second Schedule to the Income Tax Ordinance, 2001): 100% for cars with engine capacity of up to 1200 cc, 50% for 1201–1800 cc, and 25% for 1801–2500 cc was eliminated. The tax withheld on import from a commercial importer is a minimum tax. The policy for income and tax changed from a "final tax regime" to a "minimum tax regime" to improve the realization of the tax potential and reduce domestic and international transfer pricing for tax purposes. Persons involved in certain transactions were not required to pay tax on actual profit, maintain books of accounts, or undergo audit. Instead, the tax deducted or collected on these transactions was treated as final tax. The said provision became effective from the date of issuance of the SRO 1407(i)/2021 dated October 29, 2021.
Taxes collected through the exchange system	No.	
State import monopoly	No.	The Trading Corporation of Pakistan imports basic commodities, that is, wheat, sugar, and urea, to meet the demand and supply gap as and when directed by the federal government.

Exports and Export Proceeds

Repatriation requirements	Yes.	Effective January 5, 2022, proceeds against all exports (including hand knotted carpets) must be repatriated through an AD by the due date or within 120 days (previously six months) of the date of shipment, whichever is earlier. Exporters may retain export proceeds, including advance payments in foreign currency, with an AD for three working days and sell them to ADs, who keep the retained proceeds in special exporters' accounts. In cases where export proceeds (fully or partially) are realized after the prescribed period the AD must mark a lien on the amount of export proceeds realized by the exporter, as mentioned below: For export proceeds that are up to 30 days delayed, the percentage of amount to be marked under lien is 3%; from 31 to 60 days, 6%; for beyond 60 days, 9%. In case the exporter presents a tenable justification for delay in realization of export proceeds, the lien is released after due adjudication process. SBP has issued a regulatory framework during the review period for Business-to-Consumer (B2C) e-Commerce exports. Under this framework, an exporter can send an export consignment up to US$5,000 without "Electronic Export Form." For these exports, the repatriation period allowed is 90 days.

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Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Exporters are required to sell export proceeds in the interbank market within three working days. Exporters may retain between 2% and 15% of the free-on-board (f.o.b.) value in their net FE accounts to effect foreign payments for such expenses as advertising, purchases of designs and patterns, market studies, and bona fide export claims and to cover export proceeds, without SBP approval. For software and service sector exports, this limit has been increased to 50% from 35% effective October 23, 2023 vide EPD Circular Letter No. 17 of 2023. Exporters reporting an increase of more than 10% in export earnings may also keep 50% of the additionally earned amount in FE accounts.
Financing requirements	Yes.	Foreign currency financing is available for a maximum of 180 days. All FE loans against intended exports may be settled only through export proceeds or remittances from abroad. However, to facilitate exporters, SBP has modified the above policy covering all aspects of foreign currency financing requirements from the issuance of loans till their final settlements. Further, ADs have been delegated powers to settle outstanding export loans up to US$50,000 (or equivalent in other foreign currencies) themselves through interbank market.
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	As per S. No. 6, Schedule II of the Export Policy Order 2022, the export of rice is subject to the conditions and procedures specified by the Ministry of Commerce. At the moment, no specific procedure has been specified by the Ministry of Commerce. Whereas, as per S. No. 17, Schedule II of the Export Policy Order 2022, the export of surgical instruments is subject to certificate/test report to be issued by the Sialkot Material Testing Laboratory. The Department of Plant Protection regulates the trans-border management of consignments of plant and plant material under the Pakistan Plant Quarantine Act, 1976, and Rules, 1967, and International Standards for Phytosanitary Measures developed under the International Plant Protection Convention through its plant quarantine outposts established at all exit/entry points, the department issues phytosanitary certificates. Imports and exports of animal products are regulated through the Pakistan Animal and Quarantine Department (Import and Export of Animals and Animal Products) Ordinance, 1979 (Ordinance No. XLIXX of 1979). The Marine Fisheries Department enforces Pakistan Fish Inspection and Quality Control Act, 1997, and issues certificates of quality for fish and fish products for exportation.
Other	Yes.	The documents required are a firm order, invoices, goods declaration, transport document of goods (bills of lading, airway bill (AWB)), and Form E. The goods declaration is filed by the exporter during the clearance of goods at ports/airports, etc. The Form E requirement does not apply to exports of textbooks for schools and colleges for Pakistani students and other institutions operating under embassies abroad. This exemption also applies to

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		literary, religious, educational, and general books if the value of individual shipments does not exceed US$10,000 or its equivalent. B2C E-Commerce Exports: SBP has issued a regulatory framework to facilitate B2C e-Commerce exports from Pakistan. Under the new regulatory framework, the mandatory requirement of "Export" form has been done away with and now an exporter can export E-Commerce goods up to US$5,000 a consignment without the requirement of "Export" Form. Remittances can be received through banking channel using any international payment scheme/gateway.
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	Yes.	An export development surcharge at 0.25% of export value is deducted under Section 11 of Finance Act 2019 by commercial banks from the FE proceeds realized on exports.
Other export taxes	Yes.	Taxes apply as follows: (1) FE proceeds on exports of goods at 1% rate of tax collected under Section 154; (2) Effective July, 1 2022, tax rate on FE proceeds on account of an indenting commission at 5% under section 154 was eliminated; (3) FE proceeds on inland back-to-back LCs or related arrangements at 1% rate of tax collected under Section 154; (4) exports of goods by an industrial enterprise in an EPZ at 1% rate of tax collected under Section 154; (5) deduction by a direct exporter on payment to an indirect exporter at 1% rate of tax collected under Section 154; (6) Effective July 1, 2022, exports of computer software, information technology (IT) services, and IT-enabled services at 0.25% rate of tax collected under Section 154A. Effective July 1, 2022, the clause that the tax on exports of computer software, IT services, and IT-enabled services (if tax credit under Section 65F is not available and 0% if the credit under 65F is available provided 80% export proceeds is brought into Pakistan through banking channel) was eliminated. The following are exempt from export taxes: (1) Exporters who are also manufacturers and registered for sales tax as exporters/manufacturers and are engaged in the manufacture of carpet, leather, and related articles; surgical goods; sporting goods; and textiles and related goods – are exempt from tax on their monthly electric bills under Section 235; and (2) Exporters of cooking oil and/or vegetable ghee to Afghanistan, if tax under Section 148 on imports of edible oil has already been paid. The following services are covered at 1% rate of tax collected under Section 154A: (1) Export proceeds on account of services or technical services rendered outside Pakistan. (2) Royalty, commission, fee derived by resident company from foreign enterprise. (3) constructor contract executed outside Pakistan. (4) foreign commission because of an indenting commission agent

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		(effective July 1, 2022); (5) other services rendered outside Pakistan as notified by Board. (6) No advance tax from export of goods within border sustenance market as specified in Table I, II of clause (12N) of Part IV of Second Schedule. (7) No advance on goods temporarily imported into Pakistan for subsequent exportation in terms of Notification 492(1)2009 dated June 13, 2019. (8) Export proceeds of Small and medium-sized enterprises (SME) are subject to collection advance final tax at the rates of 0.25% and 0.5% if turnover is less than 100 (million) or more than 100 (million), respectively, as per Rule (4) of 14th Schedule.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	ADs may issue foreign-currency-denominated traveler's checks for any purpose, provided they are paid for with an equivalent amount of foreign currency. ECs may also transfer funds abroad on behalf of individuals, subject to related rules and regulations.
Trade-related payments	Yes.	Pursuant to Finance Act 2019, the tax rate on brokerage or commission fee is 10% of the amount of the payment in the case of advertising agents; 8% of the amount of the payment in the case of life insurance agents where commission received is less than Rs. 0.5 million an annum; and 12% of the amount of payment in all other cases. There is a rate of tax of 5% on online marketplace under clause (28C) of Part II of the Second Schedule to the Ordinance. These tax rates are increased by 100% if the person's name is not appearing in the active taxpayers' list. Exemptions under Part IV of the Second Schedule to the Income Tax Ordinance of 2001 apply to (1) special-purpose vehicles for securitization (Clause 38); (2) venture capital companies (Clause 38A); (3) payments to the International Finance Corporation under the International Finance Corporation Act of 1956 (XXVII of 1956, Clause 67); (4) payments to the Asian Development Bank under the Asian Development Bank Ordinance of 1971 (IX of 1971, Clause 69); and (5) payments to the Economic Cooperation Organization (ECO) Trade and Development Bank (Clause 72).
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Indicative limits or bona fide tests apply to the payment of commissions.
Investment-related payments	Yes.	Remittance of dividends/profits by a company is subject to a tax of: (1) 7.5% in the case of dividends paid by Independent Power Procedures where such dividend is a pass through items under an Implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be reimbursed by Central Power Purchasing (CPPA-G) or its predecessor or successor entity; and (2) 25% in case of a person receiving dividend from a company where no tax is payable by such company, because of exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III; (3) 15% in case of cases not covered under (1) and (2) above, and for the Real Estate Investment Trusts (REIT). Prior to 2021 as per Division III of Part I of the First Schedule to the

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		Income Tax Ordinance, 2001 "Rate of Dividend Tax" The rate of tax imposed under Section 5 on dividend received from a company must be: (a) 7.5% in the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects; and 1 [(b) 15%, in cases other than mentioned in clauses (a) and (c); (c) 12.5% in case of dividend received by a person from a mutual fund 1 [if the amount of dividend is above 2.5 million and 10% if the amount of dividend is less than or equal to 2.5 million, provided the dividend received by a person from a stock fund must be taxed at the rate of 12.5% for tax year 2015 and onward, if dividend receipts are less than capital gains: Provided further that the dividend received by a company from a collective investment scheme (CIS) ["REIT Scheme"] or a mutual fund, other than a stock fund, must be taxed at the rate of 15 for tax year 2015 and onward. Provided also that if a Developmental REIT Scheme with the object of development and construction of residential buildings is set up by thirtieth day of June, 1 [2020], tax imposed on dividend received by a person from such Developmental REIT Scheme must be reduced by 50% for three years from [the date of setting up of the said scheme.
Prior approval	No.	
Quantitative limits	Yes.	Caps on interest rates were prescribed, according to the purpose of the loan raised from abroad as follows: (1) Project Financing 3–5 years: Benchmark rate + 350 bps. (2) Project Financing above 5 years: Benchmark rate + 600 bps. (3) Working Capital Financing 6–12 months: Benchmark rate + 200 bps. (4) Bridge Financing 6–12 months: Benchmark rate + 200 bps. (5) Import Loans 2–5 years: Benchmark rate + 350 bps. (6) Export Loans up to 240 days: Benchmark rate + 200 bps.
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Pakistan nationals resident in Pakistan are entitled to Private Travel Exchange Quota (PTEQ) of US$50 a day a person, subject to a maximum of US$2,100 a calendar year for countries other than Bangladesh and Afghanistan. This quota may be drawn from ADs (Inter-Bank Market) in accordance with instructions contained in subsequent sub-paragraphs in lump sum or in instalments over a period of one calendar year. Children below the age of 2 years are entitled to 10% of the PTEQ mentioned above, while children over 2 years of age but below 12 years of age are entitled to draw 50% of the PTEQ. Any person (resident or nonresident) is allowed to take out of Pakistan US dollars or its equivalent in other foreign currencies, subject to the following limits (a person a visit, effective November 8, 2022, and a person a year, effective November 8, 2023, respectively): (1) 5,000 (previously 10,000) and 30,000 (previously 60,000) for individuals aged 18 years and above; and (2) 2,500 (previously 5,000) and 15,000 (previously 30,000) for individuals

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		below 18 years old. The above limits apply to foreign currency purchased from kerb market. The limits under PTEQ are applicable for ADs/banks while selling the foreign currency to an individual intending to travel abroad. These limits are prescribed in terms of FE Regulations. The second limit is applicable on individuals, issued through Notification, which prescribe the limits to carry cash foreign currency by an individual while travelling abroad. This limit is independent from source of foreign currency, that is, whether purchased from a bank, EC or withdrawn from individuals' own foreign currency account. However, for individuals traveling to Afghanistan, a person a visit limit is US$1,000/-, while a person an annum limit is US$6,000/-. Prior to October 06, 2021, foreign currency cash carrying limits for travel to Afghanistan were same as was applicable for other countries. ADs may remit FE on behalf of the Hajj Group Organizers (HGOs) to vendors/service providers in Saudi Arabia under certain conditions. Total remittances a pilgrim into account of HGO/direct payments to vendors in Saudi Arabia must not exceed 80% of the Hajj Package being offered to the individual pilgrim. In case aggregate remittance against all services by an HGO on any given day exceeds US$100,000, the concerned HGO will approach the Exchange Policy Department, SBP, along with related details through the concerned AD for prior approval. To facilitate the HGOs to make arrangements of Maktab, housing, catering, transportation, guides, etc., in Saudi Arabia, the ADs have been allowed to make advance remittances on behalf of HGOs up to 30% of the individual Hajj Package through interbank market. ADs can make remittances on behalf of the Umrah Organizers directly to vendors/service providers in Saudi Arabia on account of booking of hotels, transport, and other associated purpose(s), if any.
Indicative limits/bona fide test	No.	
Personal payments	Yes.	ECs are authorized to effect outward remittances only on personal account of individuals, that is, personal financial transactions and not those related to an individual's trade or business requirements. ADs may remit in FE up to US$50,000 a transaction on behalf of resident Pakistanis for medical treatment. ADs may also remit to educational institutions abroad on behalf of Pakistani students up to US$70,000 a student a calendar year. For amounts in excess of these limits, ADs may submit the requests to the SBP with supporting documentation.
Prior approval	Yes.	Prior permission is required for personal payments, except transfer of funds that are delegated to ADs under the following categories: (1) ADs may remit in FE up to US$50,000 a transaction on behalf of resident Pakistanis for medical treatment. ADs may also remit to educational institutions abroad on behalf of Pakistani students up to US$70,000 a student a calendar year. For amounts in excess of these limits, ADs may submit the requests to the SBP with supporting documentation. ECs may make outward remittance transactions on account of personal financial transactions up to US$10,000 per day (or equivalent in other currencies) without SBP approval; The limit was imposed on December 19, 2021 and it is per person per day limit.

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		(2) ADs are allowed to remit FE on behalf of the HGOs to vendors/service providers in Saudi Arabia under certain conditions. In case aggregate remittance against all services by an HGO on any given day exceeds US$100,000, the concerned HGO will approach the Exchange Policy Department, SBP, along with related details through the concerned AD for prior approval; (3) ADs may remit FE on behalf of the Umrah Organizers (Travel Agents) subject to certain terms and condition, in case intended aggregate remittance(s) by an Umrah Organizer on any given day exceeds US$30,000 or equivalent, the concerned AD will approach Exchange Policy Department, SBP, Karachi, along with related documents for prior approval.
Quantitative limits	Yes.	ADs are allowed to remit FE on behalf of the HGOs to vendors/service providers in Saudi Arabia under certain conditions. Total remittances a pilgrim into account of HGO/direct payments to vendors in Saudi Arabia must not exceed 80% of the Hajj Package being offered to the individual pilgrim.
Indicative limits/bona fide test	Yes.	ADs may remit in FE up to US$50,000 a transaction on behalf of resident Pakistanis for medical treatment. ADs may also remit to educational institutions abroad on behalf of Pakistani students up to US$70,000 a student a calendar year. For amounts in excess of these limits, ADs may submit the requests to the SBP with supporting documentation. ADs may remit FE on behalf of the HGOs to vendors/service providers in Saudi Arabia under certain conditions. In case aggregate remittance against all services by an HGO on any given day exceeds US$100,000, the concerned HGO will approach the Exchange Policy Department, SBP, along with related details through the concerned AD for prior approval. The instructions were effective August 11, 2015.
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	Yes.	ADs may remit lease payments by airlines incorporated in Pakistan up to the guaranteed hours; payments for time over the guaranteed hours require SBP approval. SBP approval is required for ECs to make outward remittances or sale of foreign currency to customers of more than US$10,000 or its equivalent.
Quantitative limits	Yes.	ADs may release FE up to a maximum of US$100,000 an invoice with respect to payments for IT services on behalf of companies incorporated in Pakistan and branches of foreign companies that operate in Pakistan.

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		ADs may release FE up to US$25,000 against acquisition of services from abroad by resident companies. ADs may release FE up to a maximum of US$400,000 per year, on behalf of companies/firms/sole proprietorships incorporated/established in Pakistan, on account of commercial payments pertaining to digital services in favor of 62 companies included in whitelist published by SBP and up to US$40,000 a year to digital services provider companies not included in the said whitelist. For remittance above this threshold, the underlying agreement is required to be registered with FE Operations Department, SBP Banking Services Commission.
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	The proceeds from invisible earnings have to be repatriated to Pakistan; however, there is no deadline for it.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds of FE earnings must be sold to an AD. It is permissible for exporters to retain the export proceeds, including advance payments in foreign currency, with an AD in Pakistan for three working days and to sell them within this period to any AD. Further, exporters are allowed to retain certain percentage (depending on the sector in which company is operating) of their export proceeds in their special foreign currency account.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Profit, Dividends, capital gains, and disinvestment proceeds from the sale of equity investments abroad must be repatriated to Pakistan. There is no specific time frame for repatriation of proceeds from outward direct investment. The investors are required to repatriate the profit, dividend, disinvestments proceeds (including capital gains) as and when profit/dividend is announced or investment is liquidated.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Repatriated foreign currency must be sold to ADs immediately.
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	As per Foreign Exchange Manual, nonresidents are allowed to trade freely in the shares/units of fund quoted on stock exchanges in Pakistan. For this purpose, a nonresident will be required to open

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		SCRA with any AD in Pakistan. Nonresidents may also subscribe securities issued by companies through public offer. A company may allocate up to 20% of a public offering to overseas Pakistanis as per Regulation 5.4.2 of Chapter 5 of Rule Book of PSX Limited. NRPs are also allowed for investment in the shares and units of funds quoted on the Stock Exchange(s) in Pakistan by using funds available in their "NRVA" opened with any ADs in Pakistan.
Sale or issue locally by nonresidents	Yes.	Prior approval by SBP is required for residents investing in equity issued by nonresidents. Nonresidents companies may solicit subscriptions of securities from public in Pakistan by the way of Prospectus with prior approval of the SECP (Section 446 of the Companies Act 2017). Moreover, Securities of nonresident companies may be offered for sale to public by way of the prospectus but with the prior approval of SECP (Section 446 of the Companies Act 2017). All foreign companies – companies incorporated or formed outside Pakistan, which establish a place of business within Pakistan – are subject to Chapter XII of the Companies Act 2017.
Purchase abroad by residents	Yes.	Resident individuals are allowed to acquire shares of companies abroad subject to observance of terms and conditions of the policy. For Investment in listed securities, the maximum investment amount for a calendar year is US$25,000 and percentage of shareholding in investee company must not exceed 1% shares of investee company. Similarly, for investment in stock options plans, the maximum threshold in a calendar year is US$50,000 provided shareholding in investee company does not exceed 3% of its shareholding. Residents are also allowed to acquire shares of a company aboard against their efforts and services, without any monetary consideration provided their shareholding in investee company does not exceed 20%. In terms of Category A of the policy, export-oriented firms and companies can acquire shares of a company abroad up to 10% of their average annual export earnings of last three calendar years or US$100,000 whichever is higher. However, acquisition of shares by resident firms and companies under Category C of the policy requires prior regulatory approval of SBP. Further, locally established mutual funds are allowed to invest abroad for the purposes of diversifying their asset classes or portfolios up to 30% of the aggregate funds mobilized (including foreign currency funds) in permissible categories, subject to a cap of US$15 million or its equivalent at any given time. Approval of the SBP and the SECP is required (FE Circular No. 11 of August 12, 2005). Substantial shareholders or officers of companies having shareholding in a foreign company or corporate body must report to the company their shareholding in specified manner. Companies must report to the Commission the information received during the year, along with the annual return.
Sale or issue abroad by residents	Yes.	Residents may sell or issue securities abroad with SECP approval under Section 95 of Securities Act 2015. The proceeds of these issues must be repatriated to Pakistan as indicated in the SBP FE Manual and FE circulars issued by the SBP from time to time. Funds may be transferred to service these securities.
Bonds or other debt securities	Yes.	

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Purchase locally by nonresidents	No.	No controls on purchase of bonds/debt instruments locally by nonresidents. Nonresidents are allowed to invest and trade freely in registered corporate debt instruments and bonds listed on the stock exchange, federal investment bonds, Pakistan investment bonds, and market treasury bills through SCRAs maintained with designated banks. Foreign bank branches in Pakistan and foreign-controlled investment banks may invest in registered, listed corporate debt instruments in the primary and secondary markets as prescribed by the SBP from time to time. Nonresidents may also subscribe corporate debt securities issued by companies through public offer. There is no minimum holding period requirement for bonds or debt securities. The US-dollar-denominated Pakistan Banao Certificates (launched by GOP) was mainly for overseas Pakistanis. Investment in these certificates could only be made by eligible investors against remittance from abroad through the banking channel, from investor's own account maintained abroad. Pakistan Banao Certificates are not being issued since the introduction of Naya Pakistan Certificates (NPCs) in September 2020 . GOP introduced conventional and Islamic variants of NPCs, denominated in both foreign currencies (US Dollar, GBP, and Euro) and PKR, specifically for NRP individuals and POC holders. The NPCs can be subscribed through FCVA or NRVA fed with funds remitted from abroad NPCs can be purchased by residents having assets abroad, duly declared in the latest tax return files with GOP. Nonresidents having national identity card for overseas Pakistanis, foreigners having POC, officials of government posted abroad who are eligible to open FCVA or NRVA may invest in NPC.
Sale or issue locally by nonresidents	Yes.	Prior approval of SBP will be required. Nonresidents companies may solicit subscriptions of securities from public in Pakistan, by the way of Prospectus with prior approval of the SECP (Section 446 of the Companies Act 2017) read with regulations 3(18) of the Public Offering Regulations, 2017 and Chapter 5B of PSX Rule Book. All foreign companies – companies incorporated or formed outside Pakistan, which establish a place of business within Pakistan – are subject to Chapter XII of the Companies Act 2017.
Purchase abroad by residents	Yes.	SBP approval is required for investment abroad by residents. Locally established mutual funds are allowed to invest abroad for the purposes of diversifying their asset classes or portfolios up to 30% of the aggregate funds mobilized (including foreign currency funds) in permissible categories, subject to a cap of US$15 million or its equivalent at any given time. Approval of the SBP and the SECP is required (FE Circular No. 11 of August 12, 2005).
Sale or issue abroad by residents	Yes.	Prior approval of SBP is required for the issuance of debt securities abroad. Residents companies may sell or issue securities with SECP approval, under Section 95 of Securities Act 2015. The proceeds must be remitted through an AD as indicated in FE Manual.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	No controls apply to the purchase of certificates of investment, market treasury bills, or term finance certificates by nonresidents.
Sale or issue locally by nonresidents	Yes.	Prior approval of SBP will be required.

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		Nonresident companies may solicit subscriptions of securities from public in Pakistan, by the way of Prospectus with prior approval of the SECP (Section 446 and 447 of the Companies Act 2017).
		All foreign companies – companies incorporated or formed outside Pakistan which establish a place of business within Pakistan – are subject to Chapter XII of the Companies Act 2017 read with regulation 3(18) of the Public Offering Regulations, 2017 and Chapter 5B of PSX Rulebook.
Purchase abroad by residents	Yes.	Prior approval of SBP will be required.
Sale or issue abroad by residents	Yes.	Residents may sell or issue money market instruments after obtaining approval from the SECP under Section 95 of Securities Act, 2015. Subject to the approval of the SBP, the proceeds associated with these issues must be repatriated to Pakistan as indicated in the SBP FE Manual and FE circulars issued by the SBP. Funds may be transferred to service these securities issues.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	Nonresidents are allowed to invest in CISs.
		Further, the SBP notified revisions to Chapter 20 of the FE Manual, duly recognizing units of private funds (PFs) as an allowable investment avenue for foreign investors whereby issue, transfer, and export of units of PFs on repatriation basis has been allowed under general exemption.
		Before February 10, 2021, nonresident investors were not allowed to invest in local/ private CISs.
		From Foreign Exchange angle, no barriers such as prior approval requirement, tax, registration, etc. are in effect on investment by nonresident in CISs.
Sale or issue locally by nonresidents	Yes.	Prior approval of SBP will be required. Nonresidents companies may solicit subscriptions in Pakistan with SECP approval.
Purchase abroad by residents	Yes.	Resident individuals are allowed to purchase listed securities (including collective investment securities) up to US$25,000 in a calendar year while observing maximum threshold of 1% shareholding in the investee company. In all other cases, prior approval of SBP is required.
Sale or issue abroad by residents	Yes.	Prior approval of SBP will be required. Residents may sell or issue securities with SECP approval, under Section 95 of Securities Act 2015. The proceeds must be remitted through an AD as indicated in FE Manual.
Controls on derivatives and other instruments	Yes.	Banks that are authorized derivatives dealers may engage in financial derivatives transactions, including foreign currency options, forward rate agreements, and interest rate swaps, as provided for in the FDBR; for all other structured derivatives, the SBP's approval is required. Currently, single stock futures contracts (deliverable and cash settled) stock/sectoral index futures contracts are available for trading on PSX which is regulated by the SECP. Regulatory framework for single stock option contracts and index options was introduced at PSX. Further, Exchange Traded Funds are now also listed for trading on PSX. PMEX offers diverse range of futures contracts based on different commodities, including gold, silver, crude oil, currency pairs, as well as local agricultural products including cotton, wheat, rice and spices on its platform. Moreover, Electronic Warehouse Receipt-based commodity futures

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		contracts for local agricultural commodities such as rice, paddy and maize have also been listed at PMEX, which requires SECP's approval. To list a futures contract, PMEX solicits comments from public and submits the contract specifications of futures contract for SECP's approval in terms of section 14 of the Futures Market Act, 2016.
Purchase locally by nonresidents	Yes.	Nonresidents may purchase derivatives instruments listed on the PSX and the PMEX through SCRAs with designated banks. Capital gains and proceeds may be credited to these accounts for remittance abroad without SBP approval. No restrictions apply to derivatives trading at PSX. However, Schedule IV of Chapter 12 of National Clearing Company of Pakistan Limited Regulations 2015 sets position limits applicable to all investors for risk management purposes.
Sale or issue locally by nonresidents	Yes.	Nonresidents are treated the same way as residents. They are allowed to sell derivatives instruments listed on PSX and PMEX through SCRAs maintained with a designated bank. However, other than these listed derivatives instruments, residents will require prior approval from SBP for purchasing any derivative instrument from nonresidents.
Purchase abroad by residents	Yes.	Only authorized derivatives dealers are permitted to enter into derivatives transactions abroad to cover their positions for permissible categories without SBP approval.
Sale or issue abroad by residents	Yes.	Residents may issue/sell such securities with SBP and/or SECP approval.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Credits of up to four months (120 days) are permitted with respect to exported goods. Pursuant to Section 199 of the Companies Act 2017, Section 199 - deals with investment in associated companies irrespective of its status as resident or nonresident. Banking companies duly licensed by the SBP, to the extent of investments made in the ordinary course of its business, excluding equity investments are exempt from the requirements of Section 199(1) of the Companies Act, 2017, credits to associated resident or nonresident companies, including banking companies, require the approval of members in a general meeting. Regulation No. 5(7) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 specifies that a company may not extend to an associated company or associated undertaking any loan or advance as running finance, revolving line of credit, or any other similar facility for a period beyond one year. Members may approve renewal of such loans or advances, pursuant to Section 199 of the Act.
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Residents are not allowed to extend loans to nonresidents with the exception that Banks may extend rupee loans to NRPs and resident foreign nationals. Pursuant to Section 199 of the Companies Act 2017 Section 199 deals with investment in associated companies irrespective of its status as resident or nonresident. Banking companies duly licensed by the SBP, to the extent of investments made in the ordinary course of its business, excluding equity investments are exempt from the requirements of Section 199(1) of the Companies Act, 2017 credits

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		to associated resident or nonresident companies, including banking companies, require the approval of members in a general meeting. Regulation No. 5(7) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 specifies that a company may not extend to an associated company or associated undertaking any loan or advance as running finance, revolving line of credit, or any other similar facility for a period beyond one year. Members may approve renewal of such loans or advances, pursuant to Section 199 of the Act.
To residents from nonresidents	Yes.	Foreign currency loans could only be raised from abroad within the defined maximum spread over relevant benchmark and tenor of the loan. However, few loan parameters such as relaxing borrowing cost ceiling on loan by companies, restricting individuals to raise loans from abroad and prescribing limit of US$1 million up to which ADs can register loans by themselves were revised as of November 29, 2018.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Prior approval of SBP is required for the issuance of guarantee by residents in favor of nonresidents, except guarantees related to performance/bid bond and offshore foreign currency loans. Guarantees, securities, and financial backup facilities issued by companies to nonresident directors of companies are subject to compliance with Section 182 of the Companies Act 2017, which prescribes that guarantees, loans, and securities to directors (residents or nonresident) granted after the transaction has been approved by a resolution of the members of the company. However, in case of listed companies, approval of the SECP would also be required before sanctioning such loan. Provisions of Section 182 are in force from May 31, 2017.
To residents from nonresidents	Yes.	In case a Pakistani bank issues guarantee on behalf of nonresident in favor of resident, prior approval from FE Operations Department, SBP Banking Services Commission will be required. These transactions are subject to compliance with other credit controls.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	SBP defines the following categories of outward direct investment for firms and companies: Category A: Establishment of subsidiary/branch office abroad by export-oriented companies/firms for promoting exports. Category B: Establishment of Holding Company (HoldCo) abroad by residents for raising capital from abroad. Category C: Investment abroad by resident companies/firms for expansion of business. Category D: Investment abroad by Resident Individuals. Under Categories A and B & D of the policy, firms, companies and individuals can make outward direct investment without prior regulatory approval of SBP provided they fulfill the requirement of respective category, whereas investment under Category C for expansion of business abroad requires prior approval of SBP. Previously, outward direct investment by firms and companies required prior approval of SBP. Proceeds from such investments must be repatriated to Pakistan. Investments in companies/undertakings are subject to compliance with Section 199 of the Companies Act 2017, which requires prior

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		approval of members in a general meeting through special resolution. Substantial shareholders or officers of companies having shareholding in a foreign company or corporate body must report to the company their shareholding in specified manner. Companies must report to the Commission the information received during the year, through the annual return.
Inward direct investment	Yes.	Approval is not required for investment in the manufacturing, agriculture, infrastructure, social, and services sectors, except the banking sector. There is no minimum foreign equity investment requirement in any sector except banking. There is no upper limit on the share of foreign equity, except in specific sectors, including airlines, banking, agriculture, and media. Investment in arms and ammunition, security, printing, currency and minting, high explosives, and radioactive substances requires approval. New investment in the production of alcoholic beverages is prohibited.
Controls on liquidation of direct investment	No.	The disinvestment proceeds emerging from outward FDI are required to be repatriated to Pakistan through normal banking channels. There are no controls on the disinvestment proceeds due to be repatriated in terms of the inward FDI and it is allowed to be freely remitted from Pakistan.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Residents are not permitted to purchase real estate abroad.
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	Family remittances and other remittances by nonresidents to residents less than the equivalent of US$10,000 are exempt from the filing requirement, but must be declared to an AD.
Loans	Yes.	
By residents to nonresidents	Yes.	Residents may not lend to nonresidents abroad.
To residents from nonresidents	Yes.	Individuals are not allowed to raise loans from abroad.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Prior approval of SBP is required.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Prior approval of SBP is required.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Prior approval of SBP is required.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Remittance is not allowed.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks are required to maintain domestically not less than 80% of their assets against time and demand liabilities. Foreign-controlled investment banks are permitted to borrow locally for their working capital requirements up to 100% of their paid-up capital, reserves, etc., Subject to nonbanking Finance Companies (NBFCs)

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		(Establishment and Regulation) Rules, 2003. Aggregate liabilities, excluding contingent liabilities and security deposits, of a non-deposit-taking NBFC may not exceed ten times of its equity. Contingent liabilities of a NBFC may not exceed the following maximum limits based on credit rating: 2 times of equity for AA− and above; 1.5 times of equity for A− to A+; and 0.5 times of equity for BBB+. A deposit-taking NBFC is required to maintain a capital adequacy ratio (CAR) of 8% for the first two years from coming into force of amendments made in NBFC and Notified Entities Regulations 2008 through SRO of November 25, 2015, and 10% for subsequent years following the criteria in Schedule IX A of NBFC and Notified Entities Regulations 2008.
Borrowing abroad	Yes.	Banks are allowed to raise foreign currency loans from international financial institutions only for liquidity management. The following requirements apply: (1) Banks are allowed to raise loans up to 100% of unimpaired capital. (2) Banks may deploy the loan proceeds locally in the interbank market including financing of trade transactions. (3) Banks may raise these loans on Benchmark rate + 350 bps. (4) The tenor of loan may be from one month to one year.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	ADs have general permission to grant loan to individual NRPs and Nonresident POC holders in local currency, subject to the observance of certain rules and regulations. Except that, nonresidents are not allowed to borrow in local currency without the special permission of the State Bank. Further, ADs are not allowed to grant any loans or provide overdraft facility in foreign currencies in or outside Pakistan, whether secured or unsecured, except FE-25 loans without prior approval of the State Bank.
Lending locally in foreign exchange	Yes.	ADs are not allowed to grant any loans or provide overdraft facility in foreign currencies in or outside Pakistan, whether secured or unsecured, except trade loans without prior approval of the State Bank.
Purchase of locally issued securities denominated in foreign exchange	Yes.	There is no regular issuance of foreign-currency-denominated securities in the domestic market. ADs are not allowed to use FE-25 deposits for foreign-currency-denominated instruments below investment grade.
Differential treatment of deposit accounts in foreign exchange	Yes.	All bank and nonbank financial institutions that accept foreign currency deposits may use deposited funds freely in Pakistan. Any other use is subject to prudential regulations.
Reserve requirements	Yes.	For local currency deposits, the cash reserve requirement (CRR) for all banks is a fortnightly average of 6% (subject to a daily minimum of 4%) on total demand liabilities and time deposits with a tenor of less than one year. Time liabilities (excluding time deposits with a tenor of less than one year) are exempt from the CRR. DFIs must maintain a CRR of 1% of their total time and demand liabilities during the reserve maintenance period. The reserve maintenance period for banks and DFIs is two weeks, starting on a Friday and ending on a Thursday. Liabilities subject to the statutory reserve requirement as of close of business on Friday (the first day of the reserve maintenance period) are taken into account for determination of the required CRR. MFBs must keep a CRR equivalent to 5% of deposits (including demand deposits and time deposits with a tenor of less than one year). Foreign currency deposits raised under FE Circular No. 25 of 1998 are subject to the CRR and a special cash reserve requirement (SCRR). The CRR on foreign currency deposits of commercial banks is 5%. The SCRR is 10%. The CRR on foreign currency deposits of Islamic banks is 5%; the SCRR is 6%. There is

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		no system of averaging period being adopted for the reserve requirement on foreign currency deposits. The reserve maintenance week starts from Friday and ends the following Thursday. For this reserve maintenance period, all the relevant ratios are required to be maintained on daily basis, based on foreign currency balances as of previous Friday (that is, with lag of one week). Deposit-taking NBFCs must keep 15% of their customer deposits (excluding deposits of financial institutions) in government securities or instruments or investments prescribed by the Commission. Such investments or instruments must be valued at cost or market value whichever is lower and any shortfall in the value of such investments or instruments must be immediately made up. Provided these instruments or investments are for the benefit of the depositors only, such instruments must be kept unencumbered and disclosed separately in the financial statements of the NBFC. This condition also applies to a deposit-taking NBFC whose permission to raise deposits has been suspended or cancelled until all deposits have been repaid.
Liquid asset requirements	Yes.	For applicable demand and time liabilities other than FE-25 (foreign currency) deposits, the liquid asset requirements are as follows: The Statutory liquidity requirement (SLR) for all banks is 19% of total demand liabilities and time deposits with tenors of less than one year. Time liabilities (excluding time deposits with a tenor of less than one year) are not subject to the SLR. SLR for Islamic banks/Islamic banking branches is 14%. The DFIs must keep 15% of their total time and demand liabilities as SLR. MFBs must keep an SLR equivalent to 10% of total demand liabilities and time liabilities with a tenor of less than one year. FE-25 (foreign currency) deposits are not subject to liquid asset requirement.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks accepting foreign currency deposits may not invest these funds in foreign-currency- or local-currency-denominated instruments below investment grade. They may not invest or place such deposits in fund management plans of other banks, DFIs, or NBFCs in Pakistan or abroad. The investing bank may not place in a single institution an amount exceeding 25% of the total investable funds, available with the investing bank, under the FE-25 Deposit Scheme. Banks must comply with all other relevant prudential regulations.
In banks by nonresidents	Yes.	Investment by nonresidents is allowed in banks. However, 5% or more shareholding is subject to SBP approval.
Open foreign exchange position limits	Yes.	The foreign exchange exposure limit (FEEL) is applicable on overall basis, irrespective of resident or nonresident status of assets and

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		liabilities.
On resident assets and liabilities	Yes.	The FEEL is applicable on overall basis, irrespective of resident or nonresident status of assets and liabilities. The aggregate FEEL for each bank is 25% (increased from 20%) of its audited paid-up capital (free of losses) based on their share in FE market volumes. The maximum cap on FEEL is PRs. 5.0 billion. However, the SBP reserves the right to assign reduced FEEL to any AD keeping in view of its behavior in the FE market.
On nonresident assets and liabilities	Yes.	The FEEL is applicable on overall basis, irrespective of resident or nonresident status of assets and liabilities. The aggregate FEEL for each bank is 25% (increased from 20%) of its audited paid-up capital (free of losses) based on its share in FE market volumes. The maximum cap on FEEL is PRs. 5.0 billion. However, the SBP reserves the right to assign reduced FEEL to any AD keeping in view of its behavior in the FE market.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	The SBP, in consultation with SECP, allowed local insurance companies to issue US-dollar-denominated insurance policies on a notional basis to meet the condition of foreign lenders for foreign currency loans. Issuers must obtain a recommendation letter from the SECP for each issuance proposal as prescribed in the SECP Circular of December 11, 2017. However, premium and claims are required to be paid in PKR only.
Limits (max.) on securities issued by nonresidents	Yes.	Nonresidents' issuance of securities in the local market requires SECP approval. Resident insurance companies may purchase securities issued by nonresidents, if these securities have been approved by the SECP, on their own behalf with no restrictions. However, these investments may or may not be admissible for determining the solvency of an insurance company, depending on whether the company in question has exceeded the limits under Section 32 of Insurance Ordinance 2000 read with Rule No. 12 of the Insurance Rules 2017. Investment for the purpose as per Section 32(6) of the Insurance Ordinance 2000 includes all forms of shares, debentures, bonds, deposits, and other securities and derivatives instruments, and includes immovable property whether or not occupied by the insurer.
Limits (max.) on investment portfolio held abroad	Yes.	As per Insurance Ordinance 2000, resident insurance companies may invest abroad on their own behalf with no restrictions. However, these investments may or may not be admissible for determining the solvency of an insurance company, depending on whether the company in question has exceeded the limits under Section 32 of Insurance Ordinance 2000 read with Rule No. 12 of the Insurance Rules 2017. Prior approval of SBP is required.
Limits (min.) on investment portfolio held locally	Yes.	Under Section 35 read with Rule No. 16 of the Insurance Rules 2017, 30% of the shareholder or statutory fund of a life insurer other than the portion with investment-linked policies alone must be invested in government securities. An additional 10% must be invested in a combination of government securities and other approved securities. Approved securities are defined in Section 2(iii) of the Insurance Ordinance as government securities and other securities based on the revenues of the federal government or of a provincial government, guaranteed fully as regards principal and profit or return (however called or designated) by the federal government or a provincial government, and debentures and other securities issued under the authority of an act of the federal legislature or any provincial legislature by or on behalf of the trustees of the port of Karachi; securities issued under the authority of any act of parliament or of a provincial assembly; and securities specified as approved for the

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		purpose of this ordinance by the federal government by notification in the official gazette. Insurers are also required to keep minimum deposits with the SBP under Section 29 of Insurance Ordinance 2000, which must be higher of 10 million rupees or 10% of the insurers paid-up capital, provided the Commission may, subject to achievement of levels of solvency as required by this ordinance, abolish the requirement for deposits specified by this section by reducing the required minimum amount to 0.
Currency-matching regulations on assets/liabilities composition	Yes.	If a life insurer is engaged in life insurance business in a currency other than the local currency where its liabilities – including policy holder liabilities – are, then all assets pertaining to those policies must be in that currency for the purpose of determining solvency as stated under Section 35(5) of the Insurance Ordinance of 2000 read with Rule No. 14 of the Insurance Rules 2017. Section 14(6) of the Insurance Ordinance of 2000 requires a separate statutory fund for policies issued outside Pakistan. Section 32(4) of the Insurance Ordinance of 2000 allows shares of a company incorporated outside Pakistan to be included for the purpose of determining the solvency of an insurance company, depending on whether the company has exceeded the limits under Section 32 of the Insurance Ordinance of 2000 read with Rule No. 12 of the Insurance Rules 2017. Accounting of such transactions falls under IAS 21.
Pension funds	Yes.	Only locally incorporated life insurance companies and asset management companies are allowed to offer pension funds. Pension funds may invest in local equity, debt, money markets, and commodity future contracts traded on the PMEX. Other investments, including overseas investment, are subject to SECP and SBP approval.
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds may invest in local equity, debt, money markets, and commodity future contracts traded on the PMEX. Other investments, including overseas investment, are subject to SECP approval.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds may invest in local equity, debt, and money markets. Other investments, including overseas investment, are subject to SECP approval.
Limits (min.) on investment portfolio held locally	Yes.	Pursuant to Circular No. 12 of 2021, investments are only allowed in securities listed on a stock exchange in Pakistan, and the same for debt/money market investments. Portfolio held abroad is not allowed. The full portfolio is required to be invested locally.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	For purposes of diversifying their asset classes or portfolios, locally established mutual funds are allowed to invest abroad up to 30% of aggregate funds (including foreign currency funds) in permissible categories, subject to a cap of US$15 million or its equivalent at any given time. Approval of the SBP and the SECP is required.
Limits (max.) on investment portfolio held abroad	Yes.	The SBP approves investment abroad and imposes limits on investment amounts. For purposes of diversifying their asset classes or portfolios, locally established mutual funds are allowed to invest abroad up to 30% of aggregate net assets of a fund (including foreign currency funds) in permissible categories, subject to a cap of US$15 million or its equivalent at any given time. Approval of the SBP and the SECP is required.
Limits (min.) on investment portfolio held locally	Yes.	CISs are not allowed to invest more than 10% of their total net assets in a single entity; 25% in securities of a single sector, as classified by the stock exchange; and 35% in a single group, with a 10% limit for

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		listed group companies of the asset management company managing the fund. However, separate exposure limits have been defined for certain types of CISs. Regulation 55 of NBFC Regulations 2008 stipulates specific exposure limits for different types of funds. In terms of Circular No. 7 of 2009; it is mandatory for an Equity Scheme to maintain an exposure of 70% of its net assets in listed equity securities during the year based on quarterly average investment calculated on daily basis. Further, for a Balance Scheme, it is mandatory to keep at least 30% of net assets invested in listed equity securities, for an Index Tracker Scheme, it is necessary to remain fully invested in accordance with the stated index, or at least 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on daily basis, for Income Scheme, at least 25% of the net assets must be invested in cash and near cash instruments, and for Aggressive Income Scheme, at least 10% must be invested in cash/or near cash instruments. Further, subsequent circulars on Categorization of CISs prescribes further investment limits and controls for different categories of CIS including Equity Scheme, Income Scheme, Money Market Scheme, and others.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	Like many CBs, SBP is also currently exploring or researching central bank digital currency (CBDC) from various aspects such as policy choices, impact on current payment system, design choices, legal and regulatory approaches, and infrastructure choices etc. At present, there is no specific law that covers the areas of CBDC and digital currencies.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	

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Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	SBP vide BPRD Circular No. 3 dated 2018 dated April 6, 2018 and FE Circular No. 03 dated April 18, 2018, prohibited its regulated entities in dealing in virtual currencies/tokens. SBP advised that regulated entities will not facilitate customers/account holders to transact in virtual currencies (VCs)/initial coin offering (ICO) Tokens. Any transaction in this regard must immediately be reported to Financial Monitoring Unit (FMU) as a suspicious transaction.
Acquisition by residents	Yes.	Through its public advisory issued in 2018, SBP advised general public that money transfer services in Pakistan are regulated by SBP under the applicable laws. No entity is currently licensed or authorized by SBP to offer money remittance services and products in Pakistan using Virtual Currencies. Therefore, persons using Virtual Currencies/ Coins/Tokens for the purpose of transferring value are subject to prosecution as per the applicable laws. General Public was advised to be cautious of and refrain from indulging in activities relating to cryptocurrency.
Use among residents	Yes.	Under above advisory, SBP advised general public to be cautious of and refrain from activities which also included exchanging, transferring value, of Virtual Currencies
Between residents and nonresidents	Yes.	Under SBP's circular and advisories, financial institutions are prohibited to allow transactions in virtual currencies, and there are no crypto exchanges listed in Pakistan. Therefore, use of tokens for transactions is not allowed
For current transaction	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
For capital transactions	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Transactions in capital and money market instruments	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Transactions in derivatives and other instruments	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.

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Credit operations	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Controls on utility and security tokens	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Acquisition by residents	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Use among residents	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Between residents and nonresidents	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
For current transaction	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
For capital transactions	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Transactions in capital and money market instruments	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Transactions in derivatives and other instruments	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Credit operations	Yes.	Financial institutions are prohibited from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies. Further, there are no crypto exchanges listed in Pakistan under any law.
Controls on stablecoins	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on crypto exchanges and	n.r.	There are no crypto exchanges listed in Pakistan under any law.

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trading platforms

Domestic exchanges	n.r.	There are no crypto exchanges listed in Pakistan under any law.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Classification

Other managed arrangement	*01/01/2022*	From May 2021, the exchange rate has been marked by periods of stability, with shorter periods of fluctuations. Therefore, the de facto exchange rate was reclassified to other managed from floating, as of May 6, 2021. The change is reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's Annual Report on Exchange Arrangements and Exchange Restrictions.

Monetary policy framework

Other monetary framework	*01/23/2022*	State Bank of Pakistan raised the policy rate to 9.75% (previously 8.75%).
	04/07/2022	State Bank of Pakistan raised the policy rate from 9.75% to 12.25%.
	05/23/2022	State Bank of Pakistan raised the policy rate from 12.25% to 13.75%.
	07/07/2022	State Bank of Pakistan raised the policy rate from 13.75% to 15%.
	10/30/2022	State Bank of Pakistan raised the policy rate from 15% to 22%.
	11/25/2022	State Bank of Pakistan lowered the policy rate from 22% to 16%.
	01/23/2023	State Bank of Pakistan raised the policy rate from 16% to 17%.
	03/02/2023	State Bank of Pakistan raised the policy rate from 17% to 20%.
	04/04/2023	State Bank of Pakistan raised the policy rate from 20% to 21%.
	06/26/2023	State Bank of Pakistan raised the policy rate from 21% to 22%.

Foreign exchange market

Spot exchange market	*02/03/2022*	Exchange companies are required to surrender 100% of foreign currency received on account of inward home remittances, in the interbank market on the same day.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

For current transactions and payments	*04/22/2022*	Domestic currency is allowed to settle payments on export of certain goods to Afghanistan as contained in Export Policy Order issued by Ministry of Commerce.

Controls on exports and imports of banknotes

On exports

Foreign currency	*11/08/2022*	Any person (resident or nonresident) is allowed to take out of Pakistan, US dollars or its equivalent in other foreign currencies, subject to the following limits a person a visit: (1) 5,000 (previously 10,000) for individuals aged 18 years and above; and (2) 2,500 (previously 5,000) for individuals below 18 years old.
	11/08/2023	Any person (resident or nonresident) is allowed to take out of

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Pakistan, US dollars or its equivalent in other foreign currencies, subject to the following limits a person a year: (1) 30,000 (previously 60,000) for individuals aged 18 years and above; and (2) 15,000 (previously 30,000) for individuals below 18 years old.

Imports and Import Payments

Financing requirements for imports		
Advance import deposits	*04/07/2022*	Cash margin requirement was imposed on additional 177 items.
	08/05/2022	Requirements for obtaining 100% cash margin were relaxed for cases where the credit terms of import are more than 90 days. For cases where the term of payment for import is 91–180 days, cash margin requirement (CMR) must be 25%. Similarly, for cases where the term of payment for import is 181 days and above, CMR must be 0%.
	12/31/2022	Cash margin requirement on the 177 items introduced as per BPRD Circular Letter No. 9 of 2022 (dated April 7, 2022)was extended to lapse on March 31, 2023. Originally, it was intended to last until December 31, 2022.
	03/31/2023	Cash margin requirement on import items was withdrawn.
Documentation requirements for release of foreign exchange for imports		
Other	*05/20/2022*	State Bank of Pakistan announced that ADs must seek prior permission from Foreign Exchange Operations Department relating to payments before initiating transactions for import of items listed in Chapters 84, 85 and certain items of Chapter 87 of Harmonized System (HS) Codes.
	01/02/2023	The permission requirement related to payments of transactions for import of items listed in Chapters 84, 85 and certain items of Chapter 87 of Harmonized System (HS) Codes (according to Exchange Policy Division Circular Letter No. 11 of 2022 dated July 5, 2022) was withdrawn.
	06/23/2023	All restrictions on import have been withdrawn vide Exchange Policy Division Circular Letter No. 10 dated June 23, 2023.
Import licenses and other nontariff measures		
Negative list	*04/22/2022*	Some 52 classes of goods (which includes the previous 45 items prohibited under import policy order (IPO) 2020) under various Harmonized System (HS) codes are placed on the negative list of IPO 2022. These items are prohibited for import into Pakistan and are listed under Appendix-A of IPO. This list is compiled on religious and health grounds and/or as a result of Pakistan's commitment to international agreements.
	05/19/2022	As a temporary measure, 33 goods/class of goods under various Harmonized System (HS) codes were added to the negative list on the basis of being deemed luxury and non-essential, to curtail rising current account deficit.
	08/19/2022	The 33 goods/class of goods temporarily placed on the negative list of imports were removed from the list.
Other nontariff measures	*04/22/2022*	Import of the items given under Appendix-B (Restricted Items) is allowed on meeting the restrictions or conditions specified therein. Appendix-B has six Parts (lists), that is, Part-I, Part-II, Part-III and Part-IV, Part-V and Part-VI, and one Annex-B-1. Appendices K, L, and M provides list of Scheduled Chemicals, which are importable subject to strict monitoring and control of the Disarmament Cell of the Ministry of Foreign Affairs. Appendix-N maintains a list of some 159 items/class of goods whose import is allowed subject to conformity with the designated Pakistan Standard, notified by Pakistan Standards & Quality Control Authority.

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Import taxes and/or tariffs	*07/01/2022*	3.5% of the import value, as increased by customs duty, sales tax, and federal excise duty for commercial importer, of goods classified in Part II of Twelfth Schedule to Income Tax Ordinance, 2001.
	07/01/2022	No advance tax is collected on import of machinery and equipment as listed in S. No. 32 of Part-I of the Fifth Schedule to the Customs Act, 1969, subject to the same conditions and limitations as specified therein.
	07/01/2023	6% of the import value as increased by customs duty, sales tax and federal excise duty in case of a commercial importer of goods classified in Part III of the Twelfth Schedule.

Exports and Export Proceeds

Repatriation requirements	*01/05/2022*	Proceeds must be repatriated through an AD by the due date or within 120 days (previously six months) of the date of shipment, whichever is earlier. Exporters may retain export proceeds, including advance payments in foreign currency, with an AD for three working days and sell them to ADs, who keep the retained proceeds in special exporters' accounts.
Surrender requirements		
Surrender to authorized dealers	*10/23/2023*	For software and service sector exports, the limit exporters may retain in their net FE accounts has been increased to 50% from 35% vide Exchange Policy Division Circular Letter No. 17 of 2023.
Export taxes		
Other export taxes	*07/01/2022*	Exports of computer software, information technology (IT) services, and IT-enabled services at 0.25% rate of tax collected under Section 154A.
	07/01/2022	The clause that the tax on exports of computer software, information technology (IT) services, and IT-enabled services (if tax credit under Section 65F is not available and 0% if the credit under 65F is available provided 80% export proceeds is brought into Pakistan through banking channel) was eliminated.
	07/01/2022	Foreign commission because of an indenting commission agent is covered at 1% rate of tax collected under Section 154A.
	07/01/2022	Tax rate on foreign exchange proceeds on account of an indenting commission at 5% under Section 154 was eliminated.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers		
Payments for travel		
Quantitative limits	*11/08/2022*	Any person (resident or nonresident) is allowed to take out of Pakistan US dollars or its equivalent in other foreign currencies, subject to the following limits a person a visit: (1) 5,000 (previously 10,000) for individuals aged 18 years and above; and (2) 2,500 (previously 5,000) for individuals below 18 years old. The above limits apply to foreign currency purchased from kerb market.
	11/08/2023	Any person (resident or nonresident) is allowed to take out of Pakistan US dollars or its equivalent in other foreign currencies, subject to the following limits a person a year: (1) 30,000 (previously 60,000) for individuals aged 18 years and above; and (2) 15,000 (previously 30,000) for individuals below 18 years old. The above limits apply to foreign currency purchased from kerb market.

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PALAU

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 16, 1997.
Article VIII	Yes.	Date of acceptance: December 16, 1997
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Palau is the US dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. The currency of Palau is the US dollar, which circulates freely.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The US dollar is the legal tender and circulates freely in Palau.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		

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Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	Yes.	Remittance outflows by foreign workers working in Palau are subject to a 4% tax.
Exchange subsidy	No.	
Foreign exchange market	No.	
Spot exchange market	No.	
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	There are no limitations on the use of domestic currency in international payments for current or capital transactions.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Foreign exchange may be used freely among residents.
Payments arrangements	Yes.	

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Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Palau is in the process of negotiating its participation in PACER and PICTA. Palau has signed on to PACER; however, it has not ratified it. There is another subsidiary arrangement called PACER Plus which Palau has yet to sign or ratify. As for PICTA, Palau has signed on to Trade in Services (TIS) but has not yet ratified it, while it is yet to sign Trade in Goods (TIG). Palau does support the regional efforts and introductions of PACER and PICTA for Pacific island economies to develop their private sector's ability to trade and enter new markets but is limited in its participation because of its MFN clause under Palau–US Compact of Free Association. At the moment, Palau continues to receive funding assistance from Pacific Islands Forum Secretariat (PIFS), Australia and New Zealand, to improve institutions, facilities and for the National Government to implement PACER and PICTA when Palau does eventually sign and ratify said agreements.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	No restrictions apply to exports or imports of banknotes; however, transactions that exceed the equivalent of US$10,000 and appear suspicious must be reported under the provisions of the Money-Laundering Act.
On exports	No.	No restrictions apply to exports or imports of banknotes; however, transactions that exceed the equivalent of US$10,000 and appear suspicious must be reported under the provisions of the Money-Laundering Act.
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	No restrictions apply to exports or imports of banknotes; however, transactions that exceed the equivalent of US$10,000 and appear suspicious must be reported under the provisions of the Money-Laundering Act.
Domestic currency	No.	
Foreign currency	No.	

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Resident Accounts

Foreign exchange accounts permitted	Yes.	There are no limitations on residents' accounts with domestic banks. However, in practice, domestic banks do not offer foreign exchange accounts.
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	No restrictions, balances can be transferred abroad freely.
Approval required	No.	
Domestic currency accounts	Yes.	No restrictions, balances can be transferred abroad freely.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Import licenses are issued by the Bureau of Revenue & Taxation Office.
Positive list	No.	
Negative list	Yes.	The importation of controlled substances, guns, ammunition, non-

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		quarantined fruits, live plants, and animals is restricted.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The tariff on general imports is 3%; government, diplomat, personal, medical, and food imports are exempt. The tariff on cigarettes is US $5 per cigarette pack, and all other tobacco products is US$294.12 per kilo. Cosmetics and toiletries are subject to a tariff of 25%; carbonated soft drinks, US$0.10 for 12 ounces; beer, US$0.03 an ounce; liquor, US$0.30 an ounce; wine, US$0.20 an ounce; wine coolers, US$0.05 an ounce; liquid fuel, US$0.05 a gallon; and vehicles, 5% ad valorem plus US$250. An ad valorem tax of 25% applies to bottled water.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are issued by the Bureau of Revenue & Taxation Office. Fish, recycling bottles, scrap metals, woods, and any other legal goods exported abroad require export licenses.
With quotas	No.	
Export taxes	Yes.	The export tax on fish is US$0.35 a kilogram.
Collected through the exchange system	No.	
Other export taxes	Yes.	The export tax on fish is US$0.35 a kilogram.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	

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Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	Yes.	Remittance outflows by foreign workers working in Palau are subject to a 4% tax.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	

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Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.

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Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Under the Palau National Code, all foreign investment must be approved by the Foreign Investment Board. Foreign nationals, except those who invest jointly with a Palau national, may not invest in certain categories. The 2011 Foreign Investment Regulations detail the restricted and semi-restricted sectors. The following businesses are reserved solely for Palauan citizens: (1) wholesale or retail sale of goods; (2) all land transportation including bus services, taxi services, and car rentals; (3) tour guides, fishing guides, diving guides, and any other form of water transportation services; (4) travel and tour agencies; and (5) commercial fishing for other than highly migratory species. While these businesses are officially closed to foreign investment, there is a prevalent use of partnership companies in several categories, in which the foreign investor owns less than 50%. The retail sector, as well as travel- and tour-related businesses, currently has numerous foreign investors via such partnership companies. In semi-restricted sectors (pursuant to regulations from 2010), businesses can include foreign ownership as long as a Palauan citizen also has an ownership interest. There are no minimum or maximum requirements for percentage ownership for the foreign investor as long as the monetary and/or Palauan-employment minimums for all foreign investments are met. These semi-restricted businesses are: (1) handicraft and gift shops; (2) bakeries; (3) bar services; (4) operations/selling products being produced by wholly Palauan-owned manufacturing enterprise; (5) equipment rentals for both land and water within the Republic, including equipment for purpose of tourism; and (6) any such other businesses, as the Foreign Investment Board may determine. Sectors not listed as either closed

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		or semi-restricted are presumed to be open for foreign investment. The Foreign Investment Board may, however, amend the semi-restricted sector list for "any such other businesses as the Board may determine."
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	According to the constitution, only Palau nationals and corporations wholly owned by Palau nationals may acquire title to land or waters in Palau.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.	Specific provisions apply only to the National Development Bank of Palau, a government-owned bank that is not involved in commercial banking.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Limits are imposed on the Civil Service Pension Plan for risk-management purposes – "The assets of the Fund may be invested in stocks, bonds, negotiable instruments, real properties, or such other financial instruments or other assets as the Agent may determine, provided all the assets must be invested with the highest standard of care to ensure the preservation of the principal of the Fund. Investment in speculative ventures of any kind or nature is expressly prohibited."
Limits (max.) on securities issued by nonresidents	No.	No restrictions.
Limits (max.) on investment portfolio held abroad	No.	No restrictions.
Limits (min.) on investment portfolio held locally	No.	No restrictions.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	There are no investment firms licensed to operate in Palau. However, the Bank of Hawaii provides investment services to the Compact of Free Association Trust Fund, under the regulations contained therein. Such activity is not prohibited.
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.

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Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

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No significant changes occurred in the exchange and trade system.

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PANAMA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		March 14, 1946.
Article VIII	Yes.	Date of acceptance: November 26, 1946.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Panama is the Panamanian balboa. It is the unit of account and is limited to coins.
Other legal tender	Yes.	The US dollar is legal tender and circulates freely in Panama.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an arrangement with no separate legal tender. The balboa is pegged to the US dollar at par.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	No.	

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Monetary policy framework

Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The US dollar is legal tender and circulates freely in Panama, as does the Panamanian balboa, which is a unit of account limited to coins and pegged to the US dollar at par.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		

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Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	In Panama, foreign exchange flows are unrestricted. There are no restrictions on operations. The number of authorized foreign exchange bureaus is unavailable; however, they only buy and sell banknotes.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	All institutions may participate freely in the foreign exchange market. No limits are set on the bid-ask spread or on commissions for market participants. There are 55 banks with a general banking license that may operate on the interbank market.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	

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Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Imports and exports of gold by residents other than the monetary authorities in any form, other than jewelry carried as personal effects by travelers, require a license. Exports of unworked gold produced in Panama are subject to an export duty of 1% ad valorem, and exports of gold coins (other than US coins, which are exempt) are subject to a duty of 0.5%.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	The Federal Reserve Bank (FRB) verifies payment amounts, deposits, status of banknotes, and inventory and makes arrangements with shippers handling international cash with regard to the date of delivery to the shipper and the date on which the currency is deposited with the FRB. A SWIFT message is sent by the FRB International Department confirming the date, amount, and denominations to deliver (in US dollars only), and the shipper provides proof of delivery to the FRB once the shipment is delivered. The FRB then credits the account with the amount of the deposit.
Domestic currency	Yes.	The following controls apply: (1) FRB approval by three administrative officers and the executive security manager is required. (2) The International Department carries out monthly reconciliation and whenever there is a transaction. (3) No more than B 60 million may be exported, and the number and weight of bags are restricted. The following prohibitions apply: (1) Transactions will not be carried out unless there is a SWIFT message with the FRB. (2) Deposits that do not comply with the FRB's operational circulars are returned to the bank. (3) Transshipment by shipping companies is not permitted. (4) Contracts must be on door-to-door terms (from the FRB to the National Reserve, and vice versa). (5) Deposits from the FRB must be received during normal business hours. (6) No action may be taken unless security is present. (7) Nothing may be dispatched to banks or branches unless the order is in writing (originals in the case of banks and emailed spreadsheets in the case of branches). (8) Payment will not be made unless the documents

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		match the agreements with banks and branches. (9) Only the National Reserve may authorize repacking of a bag and must later receive an audit memorandum from the shipper.
Foreign currency	Yes.	The following controls apply: (1) FRB approval by three administrative officers and the executive security manager is required. (2) The International Department carries out monthly reconciliation and whenever there is a transaction. (3) No more than B 60 million may be exported, and the number and weight of bags are restricted. The following prohibitions apply: (1) Transactions will not be carried out unless there is a SWIFT message with the FRB. (2) Deposits that do not comply with the FRB's operational circulars are returned to the bank. (3) Transshipment by shipping companies is not permitted. (4) Contracts must be on door-to-door terms (from the FRB to the National Reserve, and vice versa). (5) Deposits from the FRB must be received during normal business hours. (6) No action may be taken unless security is present. (7) Nothing may be dispatched to banks or branches unless the order is in writing (originals in the case of banks and emailed spreadsheets in the case of branches). (8) Payment will not be made unless the documents match the agreements with banks and branches. (9) Only the National Reserve may authorize repacking of a bag and must later receive an audit memorandum from the shipper.
On imports	Yes.	The FRB verifies the payment amounts, deposits, status of banknotes, and inventory and makes arrangements with shippers handling international cash, with regard to the date of delivery to the shipper and the date on which the currency is deposited with the FRB. The International Department sends a SWIFT message confirming the date and amount and denominations to deliver (in US dollars only). Import operations are authorized by the executive manager for operations and the manager of the National Reserve Area. The shipper sends a message on receipt of the packages of various denominations delivered by the FRB, and the FRB debits the designated account (with the amount of the deposit) managed by the International Department.
Domestic currency	Yes.	
Foreign currency	Yes.	

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Approval required	No.
Held abroad	Yes.
Approval required	No.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	No.

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Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	No.	No import licenses are required in Panama. A contingent mechanism was negotiated under a WTO agreement to facilitate the exchange of phytosanitary permits for rice products, pork, poultry, and tomato paste and puree, allowing imports of these products at preferential tariff rates.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Tariff rates are calculated on an ad valorem basis and assessed on the c.i.f. value of imports. Trade reform has resulted in simplified tariff bands of 0%, 3%, 5%, 10%, and 15%. Exceptions to the maximum tariff of 15% are automobiles (17%) and sugar (50% on imports exceeding a historical average price range). Also excluded are other products (mainly foodstuffs) whose tariffs are the maximum (and declining) levels negotiated with the WTO, including dairy products (50%–155%); rice (90%); onions (90%); beef (40%); pork (70%–90%); boneless and whole hams (83%); some poultry (300%); cabbages, carrots, celery, and lettuce (32.5%); cooking oils (20%–30%); margarine (15%); salt (87%); ketchup (70%); and tomato paste and puree (87%). Imports into the Colón Free Zone and the newly established EPZs are exempt from duty. There is a FTA in effect between Panama and the United States. It aims to (1) reduce

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		tariffs on 88% of US imports to 0%, (2) phase out the remaining tariffs over the course of 10 years, (3) increase agricultural import quotas, (4) simplify and harmonize sanitary requirements, and (5) clarify market access for public procurement (including by Panama Canal authorities).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	There are phytosanitary export licenses required to export certain goods from Panama (such as grain and fresh fruit and vegetables). Exports of certain drugs, firearms, and ammunition are prohibited or restricted. In addition, exports of certain plants and animals in danger of extinction in accordance with CITES are prohibited. Wood requires an export permit issued by the National Environment Authority (ANAM), in accordance with Executive Decree No. 57 of June 5, 2002, governing wood exports; non-ferrous scrap requires a special license granted by the Directorate-General of Customs (DGA) (Executive Decree No. 32 of February 8, 1991). Any product (including raw materials and machinery) may be imported into the Colón Free Zone and stored, modified, processed, assembled, repackaged, and reexported without being subject to customs procedures.
Without quotas	Yes.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Exports of some marine species, flammable products, and weapons are subject to a permit or compliance with special formalities. For reasons of sustainability and to boost national value added, exports of wood in slabs and blocks or simply planed are prohibited. Panama does not apply any export taxes except on products manufactured from native woods. Domestic taxes are not imposed on exports.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

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Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	

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	No.
Sale or issue abroad by residents	No.
Controls on derivatives and other instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on credit operations	No.
Commercial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Financial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Guarantees, sureties, and financial backup facilities	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Controls on direct investment	No.
Outward direct investment	No.
Inward direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Purchase abroad by residents	No.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.
Controls on personal capital transactions	No.
Loans	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.

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To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Borrowing abroad	No.
Maintenance of accounts abroad	No.
Lending to nonresidents (financial or commercial credits)	No.
Lending locally in foreign exchange	No.
Purchase of locally issued securities denominated in foreign exchange	No.
Differential treatment of deposit accounts in foreign exchange	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Differential treatment of deposit accounts held by nonresidents	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Investment regulations	No.
Abroad by banks	No.
In banks by nonresidents	No.
Open foreign exchange position limits	No.
On resident assets and liabilities	No.
On nonresident assets and liabilities	No.
Provisions specific to institutional investors	No.
Insurance companies	No.

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Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Pension funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.

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Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.

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Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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PAPUA NEW-GUINEA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		October 9, 1975.
Article VIII	Yes.	Date of acceptance: December 4, 1975.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV and the Staff Monitored Program with Papua New Guinea states that as of May 25, 2022, Papua New Guinea maintains the following exchange restrictions subject to IMF approval under Article VIII, Section 2(a) of the IMF's Articles of Agreement arising from: (1) the requirement to obtain a tax clearance certificate (TCC) evidencing the payment of all taxes prior to making payments or transfers for certain current international transactions; and (2) the rationing of foreign exchange, which results in undue delays and arrears in current international payments. Papua New Guinea also maintains the following MCPs subject to IMF approval under Article VIII, Section 3: an MCP arising from the potential spread deviation of more than 2% between the rates set by the Bank of Papua New Guinea (BPNG) for its foreign exchange transactions with the government and embassies, and the rates used by AFEDs in transactions with their clients and an MCP arising from the spread of more than 2% between the rates set by the BPNG for its foreign exchange allocations to AFEDs and the rates used by AFEDs in transactions with their clients. (Country Report No. 22/305, Country Report No. 20/95).
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Papua New Guinea is the Papua New Guinea kina.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual		
Multiple	Yes.	There is a multiple exchange rate structure as a result of MCPs arising (1) from the spread of more than 2% between the rates set by the BPNG for its foreign exchange allocations to AFEDs and the rates used by AFEDs in transactions with their clients and (2) from the potential spread deviation of more than 2% between the rates set by the BPNG for its foreign exchange transactions with the government and embassies and the rates used by AFEDs in

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		transactions with their clients.
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is floating. The exchange rate of the kina is determined in the interbank market, in which ADs participate. The BPNG intervenes in the foreign exchange market to smooth extreme fluctuations. On June 4, 2014, the BPNG introduced an exchange rate trading margin with a kina buying rate within 75 basis points (bps) above the interbank midrate and a kina selling rate within 75 bps below the midrate. The de facto exchange rate arrangement is classified as stabilized. The BPNG publishes the intervention data in its annual report and semi-annual monetary policy statement.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate is the interbank market midrate which is determined by the interaction between demand for foreign currency (offer) and supply of foreign currency (bid) by the ADs, including the BPNG. The live price at the close of trading becomes the official rate. The BPNG publishes official exchange rates based on the closing interbank US dollar–kina rate for use by government departments and institutions as well as the ADs. There is small margin on trades done for US dollar–kina rate for use by government departments and institutions as well as the ADs. The official exchange rate for other currencies is determined by crossing the other currencies with kina/US dollar official rate and applying the trading margin as specified in the operational guidelines agreed to with the commercial banks.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	Monetary policy is conducted within the reserve money framework. The BPNG announces the policy rate—the kina facility rate—monthly and use open market operations to implement monetary policy. It also uses direct instruments from time to time,

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including cash reserve requirement, to assist in the conduct of monetary policy (liquidity management). Low inflation is a key operational objective, although there is no immediate target or numerical target.

Under the Central Banking Act 2000, the objective of price stability is for the Bank to strive for low interest rates, low inflation and stable exchange rate. The formulation of monetary policy is broadly guided by analysis of the main factors that affect price stability and an understanding of their economic consequences. The BPNG sets annual growth projections, in line with its monetary policy stance, on monetary aggregates in its semi-annual monetary policy statements, released in March 31 and September 30. The BPNG does not pursue inflation targeting.

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

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Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The BPNG is the exchange control authority. ADs deal in foreign exchange in house with exporters and importers and buy and sell excess foreign exchange in the interbank market. The BPNG may buy or sell foreign exchange in the interbank market, if necessary, to smooth out exchange rate volatility.
Spot exchange market	Yes.	ADs, which consist of four commercial banks and two nonbank financial institutions, provide foreign exchange service to customers, including spot transactions. ADs publish buying and selling rates for customers and may determine their own commissions with their clients. They may trade in kina against US dollars, but within a trading margin of 75 basis points above or below the official reference rate determined in the interbank market. To enhance competition in the foreign exchange market, nine currency exchange bureaus are licensed by the BPNG to deal in physical notes and coins and cash traveler's checks. The BPNG clearance must be obtained before additional products are offered to customers. Exchange bureaus may not maintain foreign currency accounts (FCAs) for their customers. The currency exchange bureaus are allowed to freely set their purchase and sale exchange rates. There are no limits set by the BPNG. The bureaus set their own rates and commissions because they need to cover for associated costs such as transportation, insurance, security, and storage.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	Yes.	The BPNG intervenes in the foreign exchange market to sell or buy foreign exchange to smooth the kina exchange rate fluctuations. To buy foreign exchange from ADs, the BPNG offers a matching competitive price to the one quoted for sale in the interbank market. To sell foreign exchange, the BPNG offers foreign exchange to ADs at an offer price based on the price quoted in the interbank market.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	ADs participate in the interbank market. There are no limits on the bid and offer spreads. The BPNG may buy or sell foreign exchange in the interbank market, if necessary, to smooth out exchange rate

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		volatility. The BPNG executes deals at the rates quoted by the ADs. If there is only a bid and no offer or vice versa, the BPNG as a market participant may place a counterbid or offer.
Over the counter	Yes.	Customers may engage in OTC transactions with licensed ADs. Customers include individuals, businesses, and other organizations.
Brokerage	Yes.	The BPNG acts as a broker for ADs under the current arrangement. There are no brokerage fees charged.
Market making	Yes.	ADs continuously make a market for their major customers.
Forward exchange market	Yes.	Exporters and importers may engage in forward cover transactions with the four commercial banks at market-determined rates. Each commercial bank is subject to a prudential limit on its uncovered forward position. Currently, commercial banks may not bring a forward cover order to the interbank market. They may deal with forward orders in house with their own resources (foreign currency) but may not use BPNG intervention (which is for spot orders only) to fund forward orders. The BPNG may participate in the forward market with commercial banks but not directly with their clients. The BPNG issued a directive for a temporary suspension on all forward transactions, on July 16, 2020.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Contractual commitments to persons residing outside Papua New Guinea and expressed in foreign currency may be paid in the same foreign currency. Export proceeds may be received in any foreign currency.
Controls on the use of domestic currency	Yes.	Since March 2015, all outward remittances (telegraphic transfers and drafts) must be in foreign currency and done through an AFED.
For current transactions and payments	Yes.	Since March 2015, all outward remittances (telegraphic transfers and drafts) must be in foreign currency and done through an AFED.
For capital transactions	Yes.	Since March 2015, all outward remittances (telegraphic transfers and drafts) must be in foreign currency and done through an AFED.
Transactions in capital and money market instruments	Yes.	Since March 2015, all outward remittances (telegraphic transfers and drafts) must be in foreign currency and done through an AFED.
Transactions in derivatives and other instruments	Yes.	Since March 2015, all outward remittances (telegraphic transfers and drafts) for derivatives and other instruments must be in foreign currency and done through an AFED.
Credit operations	Yes.	Since March 2015, all outward remittances (telegraphic transfers and drafts) must be in foreign currency and done through an AFED. Residents of PNG cannot conduct credit operations with nonresidents in kina.
Use of foreign exchange among residents	Yes.	An agreement by a resident that creates an obligation in favor of another resident in a foreign currency (domestic transaction) requires a prior BPNG approval. All domestic transactions involving two resident parties must be settled in kina; if one of the two parties has foreign currency, it must be converted to kina for the settlement.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There is a bilateral payments agreement with Fiji, which is operational.
Inoperative	No.	

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Regional arrangements	Yes.	Papua New Guinea participates in the Economic Partnership Agreement (EPA) with the EU and African, Caribbean, and the Pacific (ACP) countries and is a signatory to South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA), PICTA, Melanesian Spearhead Group Trade Agreement (MSGTA); Asia-Pacific Economic Cooperation (APEC); and the WTO. The bilateral, regional, sub-regional, and multilateral trade agreements in which Papua New Guinea participates are consistent with WTO agreements and provisions. These agreements also contain provisions regarding intellectual property rights.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The overall policy is determined by the government with advice from the BPNG. The BPNG has delegated considerable power to ADs to deal with foreign exchange transactions. All current and capital account transactions, government transactions, and current and capital account contracts (agreements) are exempt from obtaining a prior authorization of the BPNG. However, the capital and current account transactions and contracts are subject to the BPNG's reporting requirement and tax clearance certificate (TCC) requirement of the Internal Revenue Commission (IRC).
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Exportation or importation of gold is regulated.
On domestic ownership and/or trade	No.	Residents may trade gold freely within Papua New Guinea.
On external trade	Yes.	The exportation or importation of gold requires a license from the BPNG.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Removal or export of more than K20,000 in kina banknotes and coins by residents and nonresidents requires a prior BPNG approval. It is also required for exports for numismatic purposes. For the purpose of AML/CFT, entities or individuals are obliged to report currency, monetary instruments and precious metals, and precious stones, the individual value or combined value of which is K20,000.00 or more in value to the Financial Analysis and Supervision Unit (FASU).
Foreign currency	Yes.	Removal or export of foreign currency banknotes and coins in excess of K20,000.00 by residents and nonresidents requires a prior approval of the BPNG. For the purpose of AML/CFT, entities or individuals are obliged to report currency, monetary instruments and precious metals, and precious stones, the individual value or combined value of which is K20,000.00 or more in value to the FASU.
On imports	No.	

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Domestic currency	No.	For the purpose of AML/CFT, entities or individuals are obliged to report currency, monetary instruments and precious metals, and precious stones, the individual value or combined value of which is K20,000.00 or more in value to the FASU.
Foreign currency	No.	For the purpose of AML/CFT, entities or individuals are obliged to report currency, monetary instruments and precious metals, and precious stones, the individual value or combined value of which is K20,000.00 or more in value to the FASU.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	Yes.	The ADs were directed to cease opening any new FCAs for PNG residents as of March 5, 2015. Thereafter, only a prior approval of BPNG is required to open a FCA for PNG residents.
Held abroad	Yes.	There are two categories of FCAs. The first category is those accounts covered under the project development agreements which usually involve movement of large and lumpy foreign exchange, which may cause significant kina exchange rate volatility if these flows are allowed to enter the domestic foreign exchange market. The second category is those FCAs which are not covered by project development agreements but are required to receive foreign currency income and to settle contractual obligation to nonresidents abroad. With a prior BPNG approval, residents may open FCAs of both categories outside Papua New Guinea. Account holders must submit a Monthly Foreign Currency Account Report to the BPNG.
Approval required	Yes.	These accounts may be held abroad, but a prior BPNG approval is required. Accounts of ADs that are not nostro or vostro accounts require a prior approval of the BPNG.
Accounts in domestic currency held abroad	No.	Since March 5, 2015, residents cannot maintain domestic currency accounts held abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Since March 5, 2015, BPNG approval is required to convert kina accounts held with ADs into FCAs. Funds in domestic accounts denominated in kina can be converted to foreign currency and repatriated abroad without approval, except for removal of kina in excess of K20,000.00 in physical notes and coins.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	ADs may open nonresident FCAs in accordance with BPNG guidelines. The ADs must report nonresident FCA balances to the BPNG. ADs can transfer funds abroad from balances of domestic accounts.
Approval required	No.	
Domestic currency accounts	Yes.	Since March 5, 2015, nonresident expatriates domiciled or living in PNG under foreign embassy and consulate arrangements or multilateral arrangements, including such institutions, can operate kina accounts. ADs may hold such accounts in PNG under correspondent banking arrangements for nonresidents.

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		All other nonresidents cannot open and operate kina accounts. All kina deposited into vostro accounts of foreign banks have to be from conversion of foreign currency to kina through an AFED.
Convertible into foreign currency	Yes.	Conversion to foreign currency is permitted.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	Since April 2017, all new trade finance loans provided by ADs must be approved by the BPNG.
Minimum financing requirements	No.	
Advance payment requirements	No.	There are no restrictions on import payments. For imports that have not arrived in PNG, a Customs Entry Declaration Form 15 (Form 15) must be submitted to an AD, within 60 days from the date of making the import payment in advance. For imports that have arrived in PNG, it is a requirement that Form 15 is submitted at the time of making the payment.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	A prior approval of the BPNG is required for ADs to issue LCs in favor of nonresidents as guarantees. The BPNG's approval is not required when such credits are from nonresidents in favor of residents.
Import licenses used as exchange licenses	No.	
Other	Yes.	ADs may process and remit import payments abroad. Payments must be supported with summary commercial invoices, customs forms, and duly completed balance of payments (BOP) reporting forms (BOP Forms) and a TCC issued by the IRC if required. Payments exceeding K10,000.00 must be reported to the BPNG on BOP Form for imports, by an AD. Import payments between K5,000.00 and K10,000.00 must be reported to the BPNG on an aggregate BOP Form for imports, by an AD. For import payments below K5,000.00, ADs may process import payments without submitting their reports to the BPNG. An AD is obliged to provide details of these transactions on request. The BPNG issued some of the foreign exchange reports in 2017 to get more visibility into the other trades that are done by ADs that fall outside the threshold of K3.0 million. This is to facilitate the capture of all transactions and currency of trade, reported to the CB. The

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		BPNG is now monitoring all SWIFT transactions through a SWIFT enhancement, namely the "Swift Scope" which has been in operation since early 2017.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The purpose of these measures is to restrict or prohibit the importation of certain goods to protect health, security, bio-security, and morals.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	There are four major ad valorem tariff rates (0, 15%, 25%, and 40%) and some additional specific tariff rates, including 70% on sugar and 20% on mackerel. To assist local industries, the following measures apply: (1) the tariff on canned dark tuna is 20% and (2) the tariff on canned baked beans is 25%. In line with the theme of connecting PNG, the government introduced an overall reduction on the import excise rate by 56% on imported vehicles. The duty rate for brand new vehicles (60%) and used vehicles (80%) with lower engine capacity is reduced to 20%. The duty rate for sporting and luxury vehicles is reduced from 110% for new vehicles and 120% for used vehicles.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	A state import monopoly applies to the importation of military equipment.

Exports and Export Proceeds

Repatriation requirements	Yes.	Since March 5, 2015, all exporters not covered by a project agreement must repatriate all export proceeds and convert them into kina or deposit into onshore FCAs. The repatriation must be done within three months from the shipment date of export. Any offset against offshore liabilities is not permitted. For an exporter with an approved offshore FCA, any surplus funds in the account after meeting offshore liabilities must be repatriated to PNG within three months from the shipment date of export and converted to kina or deposited into a domestic FCA. Those exporters covered under a project agreement are required to repatriate any surplus funds after meeting their 3 months forward commitments to offshore suppliers of goods and services. The surplus funds can be converted to kina or held in domestic FCAs.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Since March 5, 2015, the surplus funds in the offshore FCA of exporters must be brought onshore and deposited in the kina account at the local ADs.
Financing requirements	Yes.	Since April 2017, ADs cannot provide trade finance loans in any currency except with a prior authorization of the BPNG.
Documentation requirements	Yes.	

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Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Customs documentation must be submitted to an AD after each shipment. ADs may process export receipts without submitting them to the BPNG. A BOP form must be completed for export proceeds exceeding K10,000 or its equivalent.
Export licenses	Yes.	
Without quotas	Yes.	Licenses are required for exports of logs, pearls, fishery and marine products, wood chips, sandalwood, rattan, coffee, cocoa, and copra. Log export licenses are issued based on minimum export price guidelines. For gold exports, a license from the BPNG is required.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Export taxes apply to logs, mineral ores and concentrates (except gold, silver, and copper), sandalwood, and crocodile skins. There is a flat 28.5% export tax on logs. The capture of resource rent on the export of unprocessed old – growth logs increased progressively from the current duty rate average of 32.0% to an average of 50.0%.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Current account transactions are exempted from exchange controls and may be made without limit. Remittances to a tax haven require a TCC from the IRC. Remittances to other countries in excess of K500,000 require a TCC from the IRC, where applicable. The BPNG's reporting requirements must be met for current account transactions.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A bona fide test is applied, in the form of a documentation requirement. Contractual documents such as loan agreements, lease agreements, and consultancy agreements and commercial invoices must be presented to an AD for payments abroad.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Service payments on foreign debt may be made through an AD. A bona fide test is applied. For dividends, a signed copy of company

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		directors' declaration to pay dividends must be provided, together with a completed BOP Form. For interest payments, commercial invoices, a copy of signed and executed loan agreement, and completed BOP Forms must be provided. Dividends and interest may be remitted through an AD, subject to the provision of a TCC from the IRC for payments in excess of K500,000 (or the foreign currency equivalent) and submission of the relevant BOP Forms.
Payments for travel	Yes.	
Prior approval	Yes.	Removal or export of more than K20,000 in kina banknotes and coins by residents and nonresidents for travel abroad requires a prior BPNG approval. It is also required for exports for numismatic purposes.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A bona fide test is applied, in the form of documentation requirement. Identity and travel itinerary must be presented, together with a completed BOP Form where required.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A bona fide test is applied, in the form of documentation requirement. Relevant supporting documents, a TCC from the IRC, together with a completed BOP Form, may be required for a remittance abroad.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A bona fide test is applied, in the form of documentation requirement. Relevant supporting documents, together with a completed BOP Form, may be required for a remittance abroad.
Credit card use abroad	No.	Credit cards or other similar cards may be used for payment of travel and travel-related expenses.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	A bona fide test is applied, in the form of documentation requirement. Other relevant documents and commercial invoices, and a TCC from the IRC, must be submitted together with a completed BOP Form.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	No controls apply to invisible receipts and transfers, but the BPNG reporting requirements apply.
Surrender requirements	No.	Proceeds may be converted to domestic currency on receipt or

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		maintained in an approved domestic or offshore FCA.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Government and private capital account transactions and contracts (agreements) are exempt from exchange controls, unless specified.
Repatriation requirements	No.	Government and private capital inflows have been liberalized. Funds may be converted to kina or kept in approved onshore or offshore FCAs.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	Approval of the BPNG is not required to purchase, sell, or redeem capital and money market instruments, provided there is an underlying written agreement.
On capital market securities	No.	Transfers of securities from a domestic register to a foreign register do not require BPNG's approval.
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	The BPNG issued a directive for a temporary suspension on all forward transactions, on July 16, 2020.
Sale or issue locally by nonresidents	Yes.	The BPNG issued a directive for a temporary suspension on all forward transactions, on July 16, 2020.
Purchase abroad by residents	Yes.	The BPNG issued a directive for a temporary suspension on all forward transactions, on July 16, 2020.
Sale or issue abroad by residents	Yes.	The BPNG issued a directive for a temporary suspension on all forward transactions, on July 16, 2020.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Approval of the BPNG is not required for credit operations, provided there is an underlying written agreement. Residents of PNG cannot conduct credit operations with nonresidents in kina.
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Approval of the BPNG is not required for credit operations, provided there is an underlying written agreement. Residents of PNG cannot conduct credit operations with nonresidents in kina.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	A prior approval of the BPNG may be required for guarantees issued in favor of nonresidents based on activities or transactions that do not benefit the residents of Papua New Guinea.
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	Yes.	Accounts that are not nostro or vostro accounts require a prior approval of the BPNG.
Lending to nonresidents (financial or commercial credits)	No.	Bank lending to companies controlled by nonresidents has been liberalized.
Lending locally in foreign exchange	Yes.	These transactions and contracts must be approved by the BPNG, and settlement must be in kina.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Securities denominated in foreign currency may not be issued locally, unless approved by the BPNG. Settlement must be made in kina.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	ADs are required to distinguish between resident and nonresident accounts; however, there is no differential treatment.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Foreign currency exposure limits are 15% of capital for all currencies combined and 10% of capital for a single currency.

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On resident assets and liabilities	Yes.	Foreign currency exposure limits are 15% of capital for all currencies combined and 10% of capital for a single currency.
On nonresident assets and liabilities	Yes.	Foreign currency exposure limits are 15% of capital for all currencies combined and 10% of capital for a single currency.
Provisions specific to institutional investors	Yes.	In general, institutional investors are required to meet prudential requirements.
Insurance companies	No.	Life insurance companies must formulate an investment objective and strategy. The BPNG only supervises life insurance companies and brokers; general insurers are regulated by the Office of the Insurance Commissioner. Life Insurance Prudential Standard No. 7/2008 and Life Insurance Companies Investments prescribe investment objectives and strategies for life insurance companies and insurance brokers.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	There are no limits on local investments; however, life insurance companies must ensure that their investments are in line with their objectives and investment strategy. Investment concentration risk is limited to 2% of total assets, and all investments must be made at arm's length.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	There are four licensed pension (superannuation) funds in Papua New Guinea. Among the top two, Nambawan Super was originally for public (civil) sector employees but is now open to employees of private businesses and Nasfund was for private sector employees but is now open to the public sector. Pension funds must have an investment objective and strategy.
Limits (max.) on securities issued by nonresidents	No.	Pension funds must maintain a balanced portfolio.
Limits (max.) on investment portfolio held abroad	Yes.	The investment framework provides that offshore investments are limited to a maximum of 35% of the total value of the assets of the authorized superannuation fund (ASF) at any time. Where an ASF wishes to exceed the maximum of 35%, the Trustee Board must request prior approval in writing from the BPNG.
Limits (min.) on investment portfolio held locally	No.	There are no limits on local investments, but the exposure (concentration) risk to a single entity or a group is set at no more than 5% of total assets. An investment must be made in line with the investment objectives and strategy of the fund.
Currency-matching regulations on assets/liabilities composition	No.	All ASFs must develop, document, and maintain a currency risk management policy in consultation with its investment manager and include the policy in the investment framework. There is no explicit currency matching requirement imposed by the legal framework
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	

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Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	BPNG has not approved any crypto currency to be used PNG.
Wholesale	No.	BPNG has not approved any crypto currency to be used PNG.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	Yes.	
Acquisition by residents	Yes.	BPNG has not approved any crypto currency to be used PNG.
Use among residents	Yes.	BPNG has not approved any crypto currency to be used PNG.
Between residents and nonresidents	Yes.	BPNG has not approved any crypto currency to be used PNG.
For current transaction	Yes.	BPNG has not approved any crypto currency to be used PNG.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	BPNG has not approved any crypto currency to be used PNG.
Transactions in derivatives and other instruments	Yes.	BPNG has not approved any crypto currency to be used PNG.
Credit operations	Yes.	BPNG has not approved any crypto currency to be used PNG.
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	BPNG has not approved any crypto currency to be used PNG.
Acquisition by residents	Yes.	BPNG has not approved any crypto currency to be used PNG.
Use among residents	Yes.	BPNG has not approved any crypto currency to be used PNG.

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Between residents and nonresidents	Yes.	BPNG has not approved any crypto currency to be used PNG.
For current transaction	Yes.	BPNG has not approved any crypto currency to be used PNG.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	BPNG has not approved any crypto currency to be used PNG.
Transactions in derivatives and other instruments	Yes.	BPNG has not approved any crypto currency to be used PNG.
Credit operations	Yes.	BPNG has not approved any crypto currency to be used PNG.
Controls on utility and security tokens	Yes.	
Acquisition by residents	Yes.	BPNG has not approved any crypto currency to be used PNG.
Use among residents	Yes.	BPNG has not approved any crypto currency to be used PNG.
Between residents and nonresidents	Yes.	BPNG has not approved any crypto currency to be used PNG.
For current transaction	Yes.	BPNG has not approved any crypto currency to be used PNG.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	BPNG has not approved any crypto currency to be used PNG.
Transactions in derivatives and other instruments	Yes.	BPNG has not approved any crypto currency to be used PNG.
Credit operations	Yes.	BPNG has not approved any crypto currency to be used PNG.
Controls on stablecoins	Yes.	
Acquisition by residents	Yes.	BPNG has not approved any crypto currency to be used PNG.
Use among residents	Yes.	BPNG has not approved any crypto currency to be used PNG.
Between residents and nonresidents	Yes.	BPNG has not approved any crypto currency to be used PNG.
For current transaction	Yes.	BPNG has not approved any crypto currency to be used PNG.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	BPNG has not approved any crypto currency to be used PNG.
Transactions in derivatives and other instruments	Yes.	BPNG has not approved any crypto currency to be used PNG.
Credit operations	Yes.	BPNG has not approved any crypto currency to be used PNG.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	BPNG has not approved any crypto currency to be used PNG.
Access to crypto exchange/trading platform by residents	Yes.	BPNG has not approved any crypto currency to be used PNG.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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PARAGUAY

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 28, 1945.
Article VIII	Yes.	Date of acceptance: August 23, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Paraguay is the guaraní.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is classified as floating. The exchange rate is determined by supply and demand. In accordance with the Organic Charter in Article No. 3 of Law No. 489/95, the objective of the Central Bank of Paraguay (BCP) under Article 3 of Law No. 489/95 is to preserve and safeguard the stability of the

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currency and promote the efficiency, integrity, and stability of the financial system. Similarly, Article 47 states the following: “Within the framework of the national government’s economic policy and laws, the BCP shall administer the legal provisions and their regulations that set the exchange rate regime, as well as the control measures over current foreign collections and payments and capital movements that are only adopted by the Powers of the State in circumstances of exceptional national emergency.

Foreign exchange operations shall be carried out on the free foreign exchange market which, for the purposes of this Law, is made up of entities authorized to operate in the foreign exchange market. Anyone may engage in foreign exchange operations. The exchange rate shall be that freely agreed on by the parties involved, in accordance with supply and demand.” Article 50 establishes the following: “The free foreign exchange market shall operate with foreign currency and other documents, checks, drafts, or foreign exchange transfer securities derived from the export and import of goods, services, and capital movements, except in cases of specific prohibitions established by the Law or by provisions founded by the Executive Branch. The BCP shall operate in the foreign exchange market to ensure its normal, competitive, and balanced operation and to respect the fundamental trends in the supply and demand of foreign currency. Foreign currency trading by the BCP shall aim to mitigate the effects of seasonal fluctuations in supply and demand and offset erratic capital flows and speculative movements that could disrupt the market or exchange rate.”
The BCP, in its capacity as a financial agent of the government (Article 71 of its Organic Charter – Law No. 489), buys US dollars from the government, received by the latter in the form of disbursements and compensation paid by bi-national hydroelectric entities, in exchange for guaraníes. These dollars purchased from the public sector are returned to the market via sales to the financial system.

During 2022, net purchases (purchases less sales) of the BCP with the financial system were US$863.70 million, while net purchases with the public sector were US$1,129.93 million. Foreign exchange sales to the Financial Sector were made by the BCP to moderate any abrupt exchange rate volatility that does not respond to market fundamentals, within the compensatory and complementary sales regime. When the monthly amount sold to the financial sector is equal to or less than the net amount purchased from the MOF during a given month, the accumulated monthly amounts represent compensatory sales. When the monthly amount of these sales is greater than the net amount purchased from the MOF, the difference between the two represents the complementary sales. Therefore, in 2022, compensatory sales amounted to US$447.80 million, while complementary sales amounted to US$415.90 million.

The BCP manages this flow of net purchases made to the MOF, selling these dollars to the Financial System, without these sales disturbing or generating strong volatilities in the foreign exchange free market, in accordance with the provisions of Article 50 of Law 489: “The BCP shall operate in the foreign exchange market to ensure its normal functioning, competitive and balanced and respecting fundamental trends in the supply and demand of foreign currency.”

Since January 2022, the exchange rate stabilized within a 2% band

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		against the US dollar with one realignment in April 2022 then increased its flexibility in September 2022. Accordingly, the de facto exchange rate arrangement was reclassified twice: 1) to stabilized from floating, effective January 5, 2022, and 2) to floating from stabilized, effective September 8, 2022. Every week, the BCP published daily data on exchange operations (with the public sector and with the financial sector) on its institutional website. Additionally, operations are also published according to classification, either compensatory or complementary
Free floating		
Official exchange rate	Yes.	Resolution No. 7, Minute No. 86 of December 19, 2019, "Regulation on Open Market Operations and Standing Facilities and Regulation on Exchange Operations, Annex II," states the following in Article 14(e), Publication of the Fluctuating and Benchmark Exchange Rate: "The Board of Directors shall determine the method for calculating the benchmark exchange rate for the day. The latter rate shall be noted in the minutes of the Monetary Committee meeting, which shall, in this case, require the Board of Directors to participate." The benchmark exchange rate for the US dollar against the guaraní determined by the BCP equals the weighted average of interbank operations carried out in the spot market. This benchmark exchange rate is published daily on the BCP website at 1:00 p.m. The operations that serve as a basis for the calculation of the benchmark exchange rate are recorded by financial institutions on a platform called DATATEC, and the exchange rates calculated in this manner are published on the BCP website every 30 minutes from 8:30 a.m. to 1:00 p.m. The cumulative exchange rate at the final 30-minute cutoff is the benchmark exchange rate. The benchmark exchange rate is used to close public sector operations with the BCP and to settle foreign exchange forward contracts at maturity. As of August 3, 2020, the method for calculating the benchmark exchange rate is the one established by Minute No. 14/2020 of the Markets Committee as described above.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The BCP adopted an inflation-targeting framework according to Resolution No. 22, Minute No. 31, of May 18, 2011.
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee	Yes.	The Monetary Operations Executive Committee (Comité Ejecutivo de Operaciones Monetarias – CEOMA) became the MPC (Comité de Política Monetaria – CPM), in accordance with Resolution No. 8,

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Minute No. 86 of December 19, 2019.

The aim of the CPM within the framework of inflation targets is to establish the monetary policy rate (MPR) and the guidelines, mechanisms, and instruments for monetary policy implementation to maintain price stability.

The CPM is responsible for:
(1) Analyzing and assessing information, submissions, and documents presented during the meeting and used as a basis for making monetary policy decisions.
(2) Determining the MPR value.
(3) Establishing the interest rates of standing deposit facilities and liquidity facilities and the financial conditions for the early cancellation and early redemption of monetary regulation instruments.
(4) Providing information to the Markets Committee (Comité de Mercados – CM) on the general guidelines (guidelines, mechanisms, and instruments) for implementing the monetary policy to align the interbank rate with the MPR.
(5) Providing information to the CM on the general guidelines for implementing the exchange rate policy.
Decisions: Decisions to be adopted by the CPM are based on the following:
(1) Technical criteria to be presented by Economic Studies.
(2) Analysis of prevailing economic conditions by Committee members, with the latter being able to have their dissenting opinions reflected in the minutes, if they so wish.
(3) The final decision must be adopted by simple majority of the voting members, based on the first and second points of this paragraph. In the event of a tie, the CPM Chair must decide with a double vote. The decisions taken by the CPM members must be recorded in the minutes.

The CB's CPM is made up of the chairman and four incumbent full members of the Board, who have the right to speak and vote. The CPM is chaired by the incumbent president of the BCP.
CPM participants:
The following members are, in the performance of their duties, permanent participants of the CPM with the right to speak but not vote:
(1) Chief Economist;
(2) Director of the External Sector Statistics Department;
(3) Director of the Real Sector Statistics Department;
(4) Director of the Macroeconomic Statistics Department;
(5) Director of the Macroeconomic Research and Analysis Department;
(6) Director of the Macroeconomic Modelling Department;
(7) Superintendent of Banks;
(8) Deputy General Manager of Financial Operations;
(9) Market Manager;
(10) Director of the Open Market Department;
(11) General Manager.

Central Bank Board

Other

Government and Central Bank

Inflation target Yes. Board Resolution by which the inflation targets scheme is officially

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		implemented.
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The inflation target for 2020 and beyond is 4%. Tolerance band of +/−2%.
Band/Range		
Target measure	Yes.	
CPI	Yes.	Total inflation is used as the indicator. The Lowe formula (modified Laspeyres) is used to calculate the index.
Core inflation		
Target horizon	No.	
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The BCP's operational monetary policy objective is the Interbank Loan Interest Rate. The Interbank Loan Interest Rate should fluctuate around the MPR. The MPR increased from 5.25% to 8.50% in 2022.
Target corridor band	Yes.	The cap of the corridor band is the Standing Liquidity Facility (Facilidad Permanente de Liquidez), and the floor is the Standing Deposit Facility (Facilidad Permanente de Depósito – FPD). The corridor is structured as follows: Facilidad Permanente de Liquidez = target interest rate of the monetary policy of the BCP (tasa de interés objetivo de políticia monetaria del BCP – TPM) + 25 bps; Facilidad Permanente de Depósito = TPM – 25 bps.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	No.	
Other	Yes.	The BCP submits a quarterly report to the national Congress.
Transparency	Yes.	
Publication of votes	Yes.	Votes are confidential in nature.
Publication of minutes	Yes.	The minutes are confidential.
Publication of inflation forecasts	No.	
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set the exchange rate in transactions with their clients.
Spot exchange market	Yes.	As of December 31, 2022, there were 17 banks (1 bank in process of merger), 6 financial institutions, and 26 exchange houses licensed by the BCP to operate in the foreign exchange market. Article 5 of Law No. 2794/05 of July 21, 2005, states the following: "Authorization for the operation of exchange bureaus. No individual

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		or legal entity, whether public or private, local or foreign, may operate in the Free Foreign Exchange Market without the prior and express authorization of the Central Bank of Paraguay." The BCP conducts its operations on the foreign exchange market with the sole aim of managing its balance sheet (programmed sales) and occasionally to prevent market volatility.
Operated by the central bank	Yes.	The BCP conducts its operations on the foreign exchange market with the sole aim of managing its balance sheet (programmed sales) and occasionally to prevent market volatility. Compensatory sales of US dollars to the financial system offset the US dollars purchased from the government (MOF).
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	Foreign exchange operations (whether compensatory sales or supplementary operations) generally take place through competitive auctions, awarded at multiple prices, for both purchases and sales of US dollars. Participants registered in the Registry of Participants in Exchange Operations may participate in BCP exchange operations (purchase/sale of foreign currency). The Open Market Department will record, at the request and on the prior approval of the BCP Board of Directors, banking institutions that can participate in exchange operations (purchase and/or sale of foreign currency) with the BCP. If it is found that the financial institution has not complied with the operating rules of the BCP, the operation will be canceled and the authorities will be informed of the situation at the close of daily operations. A financial institution that fails to settle the operation because of either insufficient funds or another operational deficiency by the established settlement date will be unable to operate with the Office of the Market Manager for a period of ten business days. The BCP does not require the auction participants to finance specific international transactions with the foreign exchange obtained at the auction (retail auction).
Fixing	No.	
Interbank market	Yes.	The interbank market is understood to mean transactions carried out between banks only. There were 17 banks participating in the interbank market as of December 31, 2021. These banks do not need to be licensed to participate in the interbank market because all banks licensed by the BCP automatically form part of the interbank market. There are no limits on the bid-ask spread of market participants.
Over the counter	Yes.	The interbank market is reported on through DATATEC, an electronic platform supplied by a private firm.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Commercial and Financial banks may conduct forward transactions for trade operations on terms freely negotiated with customers. Financial institutions may conduct forward transactions with residents and nonresidents. Net long or short positions on forward transactions with residents

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		have an applicable limit. Such positions may not exceed the smaller of: (1) twice the average volume of the banks' banking operations for the last three months, or (2) 80% of the previous month's effective net assets converted to U.S. dollars. In the case of forward transactions with nonresidents, it is considered that): (1) The current purchase volume of forward transactions carried out in US dollars with nonresidents may not exceed 3% of the effective net worth in the previous month converted to US dollars. (2) The sales volume of forward transactions carried out in US dollars with nonresidents may not exceed 3% of the effective net worth in the previous month converted to US dollars. Forward transactions that do not involve the guaraní are exempt from that limit. (Resolution No. 19, Minute No. 2 of January 12, 2023).
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Purchases of goods and services made by taxpayers of the Tax on Income from Commercial, Industrial or Service Activities (IRACIS); of the Tax on Income from Agricultural Activities (IRAGRO); of the Tax on Income of Small Taxpayers (IRPC); and of the Tax on Income from Personal Service (IRP), which are equal to or greater than G 50,000,000, or its equivalent in foreign currency, whether these are carried out individually or if the monthly operations between the same parties total said sum, provided they are paid in full or in part in cash, must be communicated to the Undersecretary of State for Taxation of the MOF, within the period, in the manner and under the conditions provided for therein.
For capital transactions	Yes.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	Yes.	Forward transactions carried out in US dollars with nonresidents, which involve the guaraní, may not exceed 3% of the effective net worth in the previous month converted to US dollars.
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	Since October 26, 2015, the BCP and the Central Bank of Uruguay have had an agreement on the local currency payments system (SML). In April 2016, the Republic of Paraguay and Brazil entered into an agreement on the local currency payments system. The operational implementation of the SML with Uruguay was on December 20, 2017, and on July 7, 2018, with Brazil. In October 2019, entered into an agreement on the local currency

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		payments system (SML). On June 22, 2021, the agreement on the local currency payments system (SML) between the Republic of Paraguay and Argentina entered into force.
Inoperative	No.	
Regional arrangements	Yes.	Paraguay is a member of the LAIA.
Clearing agreements	Yes.	Paraguay is a member of the LAIA.
Barter agreements and open accounts	No.	
Administration of control	No.	Under Law No. 489/95 (Organic Law of the BCP), the BCP may operate on the foreign exchange market to smooth rate fluctuations, but it may not prevent or delay payments to or from Paraguay (Article 50).
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	Under Resolution No. 3, Minute 25 of May 4, 2017, Section a.1.1, which governs Law No. 861/96, Article 58, as amended by Law No. 5787, banks are subject to limits with respect to their effective net worth. Banks may hold up to 20% in precious metals (ingots or coins) and precious stones, but no more than 5% in silver.
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with the provisions of the International Convention for the Suppression of the Financing of Terrorism and Other Illicit Acts and BCP provisions on the transportation and physical remittance of banknotes, banks and exchange houses that remit foreign exchange abroad must, on the day following the transaction, notify the Superintendency of Banks and the office of the BCP Economic Crime Department, for statistical purposes, of the type of currency, the amount, and the geographic destination. The remitting entity must ensure that the currency is transported securely within Paraguay and must insure the instruments transported until they reach their destination. All capital flows legitimately covered by the legal framework in effect are guaranteed, but there are administrative and security controls under Law No. 2381/04.
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	Imports of banknotes are not restricted, provided they comply with the existing legal framework (Law No. 2381/04), except for imports of banknotes for issuance, over which the BCP has exclusive legal authority (Law No. 489/95).
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	Law No. 861/96, General Law on Banks, Finance Companies, and

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		Other Credit Institutions: Article 40. Operations. Receive sight and time savings deposits in local and foreign currency and conclude bank current account agreements.
Held domestically	Yes.	Accounts may be held without restriction. Article 40 (1) of Law No. 861/96 authorizes banks to receive cash and term savings deposits in national and foreign currency and to conclude bank current account contracts.
Approval required	No.	
Held abroad	Yes.	Accounts may be held without restriction and usually operate as deposit accounts. Account holders may conduct all operations through the local banking system or deal with a nonresident bank. There are no restrictions on the transfer of balances to the country of origin.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Accounts may be held without restriction and usually operate as deposit accounts. Account holders may conduct all operations through the local banking system or deal with a nonresident bank.
Accounts in domestic currency convertible into foreign currency	Yes.	There are no rules in effect limiting convertibility.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Article 40 (1) of Law No. 861/96 authorizes banks to receive cash and term savings deposits in national and foreign currency and to conclude bank current account contracts.
Approval required	No.	Nonresidents do not require approval to hold foreign exchange accounts. Some banks have internal requirements in connection with temporary residence or the reason for the stay.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.
Letters of credit	No.
Import licenses used as exchange licenses	No.

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Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	The following items such as apparel, fuels, and steel products are mentioned in the positive list.
Negative list	Yes.	The following items such as tripolyphosphates, used clothing, and used cars more than ten years old are mentioned in the negative list.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	As a member of MERCOSUR, Paraguay applies its CET composed of 24 rates ranging up to 30%. Under the agreed transitional implementation of the CET, Paraguay maintains a number of waivers of the CET for computer equipment, telecommunications equipment, processed foods, textiles, clothing, and shoes. Paraguay benefits from a waiver of the increase in MERCOSUR's CET from 20% to 35% for shoes and clothing and from 18% to 26% for textiles.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	A large share of military equipment and supplies is imported by state agencies, as are diesel fuel and banknotes for issuance. Internet services continue to be partially liberalized.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Some export licenses are required for environmental reasons (for example, for some species of animals and trees in danger of extinction); however, these do not affect exchange inflows.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	

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Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	For prudential regulatory purposes, Law No. 861/96, Article 30, states that credit institutions, whether domestic or foreign, may distribute their annual profits with authorization from the Annual General Meeting of Shareholders or their parent company and subject to the opinion of the Superintendency of Banks, provided the said opinion is issued within 120 days of the close of the fiscal year. If this deadline expires and the Superintendency has issued no opinion, the profits may be distributed.
Quantitative limits	Yes.	According to Article 30 of Law No. 861/96, it is expressly prohibited to distribute anticipated or provisional profits, or those whose distribution results in the breach of the terms established in this law. No bank, financial institution, or other credit institution may distribute profits before having amortized at least 20% of the expenses of incorporation, including those of organization, and the total commissions for the sale of shares, accumulated losses and other expenses not represented in its tangible assets.
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	As an AML control and prudential supervision measure, entities supervised by the Superintendency of Banks may not sell, assign, or transfer their shares to individuals or legal entities domiciled in countries deemed to be tax havens.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Article 40 Number 17 of the Banking Law of June 24, 1996, authorizes the purchase of shares in foreign banks or other institutions that operate in financial intermediation or in the stock market, or are auxiliaries of one or the other, for the purpose of achieving international scope for their activities. For this purpose, it must seek, on a case-by-case basis, authorization from the BCP, provided: (1) external institutions have external audits satisfactory to the Superintendency of Banks of Paraguay and (2) national financial institutions undertake to submit financial statements, with those of external institutions, that allow the conclusion that capital contributions in individual companies are free of debts or credits of

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		any nature.
Sale or issue abroad by residents	Yes.	As an AML control and prudential supervision measure, entities supervised by the Superintendency of Banks may not sell, assign, or transfer their shares to individuals or legal entities domiciled in countries deemed to be tax havens.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Banks, except certain financial institutions regulated by Law No. 861/96, General Law on Banks, Finance Companies, and Other Credit Institutions, may hold no more than 20% of their effective net worth in bonds and other securities issued by multilateral credit institutions of which the country is a member. Article 40 of Law No. 861 Numeral 18 authorizes banks to buy, hold, and sell bonds of multilateral credit organizations of which the country is a member. They cannot buy bonds from nonresident natural or legal persons.
Sale or issue abroad by residents	Yes.	Pursuant to General Law No. 861 on "Banks, Financial Institutions and Other Credit Institutions" of June 24, 1996, Article 40, Paragraph 2, authorizes the issuance and placement of promissory notes and bonds in local or foreign currency. Article 78: Bond issuance, establishes that financial entities must have prior authorization from the Superintendency of Banks to issue bonds, but are not required to provide specific guarantees to back them. Article 79: Characteristics of subordinated bonds, establishes that subordinated bonds must have the following characteristics: (1) Their term may not be less than four years; (2) Their issuance must necessarily be made by public offering; (3) They may not be paid before their maturity, nor may they be redeemed by drawing lots; (4) They must be issued in local or foreign currency; (5) They must be converted to shares in the event that it is necessary to reach the minimum capital required by law or to replace capital losses; and (6) In the event of dissolution and liquidation of the issuing financial entity, their payment will be subordinated to the order of priority established in Article 131 of this law.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	There are no restrictions.
Sale or issue locally by nonresidents	No.	There are no regulations enabling the sale or issuance in the country by nonresidents.
Purchase abroad by residents	Yes.	Pursuant to the provisions of General Law No. 861 on "Banks, Financial Institutions and Other Credit Institutions" of June 24, 1996, which does not mention the purchase of foreign money market instruments in Articles 40 and 73. Therefore, financial institutions cannot acquire them.
Sale or issue abroad by residents	No.	

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On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresident agents may conduct forward foreign exchange operations. Forward transactions carried out in US dollars with nonresidents may not exceed 3% of the effective net worth in the previous month converted to US dollars. Forward transactions that do not involve the guaraní are exempt from that limit. Resolution No. 15, Minute No. 67 of October 18, 2018.
Sale or issue locally by nonresidents	Yes.	Nonresident agents may conduct forward foreign exchange selling operations. Forward transactions carried out in US dollars with nonresidents may not exceed 3% of the effective net worth in the previous month converted to US dollars. Forward transactions that do not involve the guaraní are exempt from that limit. Resolution No. 15, Minute No. 67 of October 18, 2018.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Loans granted by a bank in Paraguay to a foreign bank or financial institution and deposits incorporated therein, together with collateral securities and other guarantees, may not exceed 20% of the bank's assets.
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Loans granted by a bank in Paraguay to a foreign bank or financial institution and deposits incorporated therein, together with collateral securities and other guarantees, may not exceed 20% of the bank's assets. This ceiling may be increased to 50% for Tier 1 banks and 70% if the excess in each of the preceding cases is represented by issued LCs. For these purposes, LCs payable under the LAIA Reciprocal Payments and Credit Agreement are not taken into account. Section b.2 of Resolution No. 3, Minute No. 25 of May 4, 2017 (Regulating Law No. 5787 amending Law No. 861). Banks' credits, contingent credits, and financial leasing operations to individuals and corporations abroad, with certain exceptions, may not exceed 5% of effective net worth. This ceiling may be increased to 20% with a sufficient guarantee that it can back the transaction in an amount equal at least to the excess over the aforementioned ceiling.
To residents from nonresidents	No.	
Guarantees, sureties, and financial	Yes.	

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backup facilities		
By residents to nonresidents	Yes.	Controls apply in cases when the limits established in Law No. 861/96 (General Law on Banks, Finance Companies, and Other Financial Institutions) are exceeded by banks, finance companies, and other credit institutions.
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	These transactions are permitted, except that foreigners may not purchase land within 50 kilometers of the border, as provided under Law No. 2532/05, Establishing the Border Security Zone of the Republic of Paraguay.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	Pursuant to Law No. 861/96, banks and finance companies may conduct credit operations with domestic and foreign banks and finance companies, and make deposits with each other. Pursuant to Law No. 489/95 (Article 56), supervised institutions that contract credit operations abroad must report them to the BCP, with the exception of ordinary banking operations.
Maintenance of accounts abroad	Yes.	Section b.2 of Resolution No. 3, Minute No. 25 of May 4, 2017

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		(Regulating Law No. 5787 amending Law No. 861). Loans granted by a bank in Paraguay to a foreign bank or financial institution and deposits incorporated therein, together with collateral securities and other guarantees, may not exceed 20% of the bank's assets. This ceiling may be increased to 50% for Tier 1 banks and 70% if the excess in each of the preceding cases is represented by issued LCs. For these purposes, LCs payable under the LAIA Reciprocal Payments and Credit Agreement are not taken into account.
Lending to nonresidents (financial or commercial credits)	Yes.	Section b.2 of Resolution No. 3, Minute No. 25 of May 4, 2017 (Regulating Law No. 5787 amending Law No. 861). Loans granted by a bank in Paraguay to a foreign bank or financial institution and deposits incorporated therein, together with collateral securities and other guarantees, may not exceed 20% of the bank's assets. This ceiling may be increased to 50% for Tier 1 banks and 70% if the excess in each of the preceding cases is represented by issued LCs. For these purposes, LCs payable under the LAIA Reciprocal Payments and Credit Agreement are not taken into account. Section b.4 of Resolution No. 3, Minute No. 25 of May 4, 2017 (Regulating Law No. 5787 amending Law No. 861). Banks' credits, contingent credits, and financial leasing operations to individuals and corporations resident abroad, with certain exceptions, may not exceed 5% of effective net worth. This ceiling may be increased to 20% with a sufficient guarantee that it can back the transaction in an amount equal at least to the excess over the aforementioned ceiling.
Lending locally in foreign exchange	Yes.	These transactions must comply with the bank's net position limit.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Permitted operations are authorized for the purchase of securities without differentiating the foreign currency. These transactions must comply with the bank's net position limit.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The following reserve requirements apply to deposits in foreign currency: (1) 24% for terms of up to 360 days (including sight deposits); (2) 16.5% for terms of 361 days to 540 days; (3) 0% for terms above 541 days.
Liquid asset requirements	No.	A (non-compulsory) guide for managing liquidity (liquid assets/short-term deposits) is in effect. The guide establishes different coverages for foreign and local currency.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks may invest up to 20% of their effective net worth in shares of

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		financial institutions abroad, with the prior authorization of the BCP, in addition to the other considerations set out in Law No. 861/96. Article 40 Number 17 authorizes the purchase of shares in foreign banks or other institutions that operate in financial intermediation or in the stock market, or are auxiliaries of one or the other, for the purpose of achieving international scope for their activities.
In banks by nonresidents	No.	As an AML control and prudential oversight measure, entities supervised by the Superintendency of Banks may not sell, assign, or transfer their shares to individuals or legal entities domiciled in countries deemed to be tax havens.
Open foreign exchange position limits	Yes.	The following ratio categories are established for the foreign currency position. Resolution No. 2, Minute No. 34 of May 13, 2019, on effective net worth: (1) Category A: liability position of 10% to asset position of 15%. (2) Category B: asset position of 40% to asset position of 50%. (3) Category C: asset position of 90% to asset position of 100%. Resolution No. 3, Minute 34 of May 13, 2019, also amends the daily net operating foreign exchange position from US$3 million to US$5 million. The daily net operating foreign exchange position is defined as the (negative or positive) difference in the net aggregate foreign currency position from one day to the next, which may not exceed US$5 million, for both long and short positions. A financial institution that exceeds the limit must deposit in its account with the BCP, within 24 hours of the BCP notice to the financial institution, an amount equal to the excess over the established limit. This amount will remain unavailable in the US dollar account that the financial institution holds with the BCP for 15 business days. Net long or short positions on forward transactions with residents have an applicable limit. Such positions may not exceed the smaller of: (1) two times the average volume of banking operations of banks in the last three months or (2) 80% of the effective net worth in the previous month converted to US dollars. In the case of forward transactions with nonresidents, it is considered that (modified from Resolution No. 11, Minute No. 34 of May 31, 2018): (1) The current purchase volume of forward transactions carried out in US dollars with nonresidents may not exceed 3% of the effective net worth in the previous month converted to US dollars. (2) The sales volume of current forward transactions carried out in US dollars with nonresidents may not exceed 3% of the effective worth in the previous month converted to US dollars. Forward transactions that do not involve the guaraní are exempt from that limit (Resolution No. 15, Minute No. 67 of October 18, 2018).
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	

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Insurance companies	Yes.	As of June 30, 2021, there were 35 insurance companies authorized by the Superintendency of Insurance to operate in the market. (However, Universo S.A. de Seguros has stopped issuing policies because of a deficit in its Guarantee Fund.) Pursuant to Article 4 of Law No. 827/96 on Insurance, the BCP's Superintendency of Insurance is responsible for authorizing the operation of insurance companies.
Limits (max.) on securities issued by nonresidents	Yes.	There is no defined limit. To represent technical reserves, the insurer must obtain authorization from the Superintendency of Insurance, in which consideration is given to the qualifications of the issuing body and/or the instruments issued and the profitability identified or anticipated. Without such authorization, the securities issued by nonresidents are not part of the investible funds stipulated by the Superintendency of Insurance. They are therefore deducted from net equity to obtain the technical equity.
Limits (max.) on investment portfolio held abroad	Yes.	There is no defined limit. To represent technical reserves, the insurer must obtain authorization from the Superintendency of Insurance, in which consideration is given to the qualifications of the issuing body and/or the instruments issued and the profitability identified or anticipated. Without such authorization, the securities issued by nonresidents are not part of the investible funds stipulated by the Superintendency of Insurance. They are therefore deducted from net equity to obtain the technical equity.
Limits (min.) on investment portfolio held locally	No.	There are no minimum limits, but maximum limits exist for the investments allowed, both by type of Assets and by Issuer, as established in Articles 6 to 9 of Resolution SS.SG. No. 132/2015.
Currency-matching regulations on assets/liabilities composition	No.	Foreign currency assets and liabilities must be based on the end-of-month exchange rate.
Pension funds	No.	Because there is no pension regulator, there are no general regulations on portfolio allocations. However, there are eight special pension funds (cajas), each created under a specific law (which outlines rules for administration, contributions, benefits, investments, accounting, and supervision). These laws do not set any investment limits. There are also 10 private social insurance funds, the operations of which are not regulated.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail	No.	The BCP has not yet issued central bank digital currencies (CBDCs) in any of its models. However, there is BCP's Digital Currency

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and/or wholesale		Working Group, to monitor the different international initiatives on CBDCs, as well as analyze the implications of an eventual implementation of some type of CBDC in Paraguay.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	As CBDCs are not yet issued and there are no regulations on it, there are no controls on their use.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	No.	There was a Bill to regulate the marketing and administration of cryptocurrencies, which was totally objected to by the Executive Branch and the bill was shelved in December 2022.
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	

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For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Stabilized arrangement	*01/05/2022*	The de facto exchange rate arrangement was reclassified to stabilized from floating.
Floating	*09/08/2022*	The de facto exchange rate arrangement was reclassified to floating

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from stabilized.

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PERU

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 31, 1945.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	
Other security restrictions	Yes.	In accordance with the relevant UNSC resolutions, restrictions have been imposed on financial transactions and accounts belonging to individuals and organizations associated with terrorism.

Exchange Arrangement

Currency	Yes.	The currency of Peru is the sol.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are floating. The exchange rate is determined by supply and demand. The Central Reserve Bank of Peru (BCRP) intervenes in the foreign exchange market to limit volatility without altering the exchange rate trend.

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		BCRP interventions can also be conducted through dollar-indexed bonds and foreign exchange swaps. The BCRP publishes daily information about its intervention operations (prices and amounts) on its website in real time. The exchange rate between January 2022 and April 2023 was influenced by high uncertainty in the international financial markets because of: (i) fears of a global recession; (ii) bank tensions in the United States; (iii) the uncertain trajectory of monetary policy rates; (iv) uncertainty over the debt ceiling in the United States; and (v) the risk of weaker economic growth in China.
Free floating		
Official exchange rate	No.	The legal framework of the floating exchange rate system is established by Executive Decree No. 268-91-EF (March 26, 1991), which states that the exchange rate for foreign currency operations is determined in the foreign exchange market by the free interaction of supply and demand. Consequently, there is no official exchange rate. For private contracts involving transactions with foreign currency, Article 1237 of the Civil Code establishes that the exchange rate for valuation in domestic currency of obligations denominated in foreign currency is the ask exchange rate at the due or payment date of the contract. The Economic Studies Department of the Superintendence of Banks, Insurance Companies, and Pension Funds (SBS), within its role of promoting the transparent flow of information in the financial system (Article 32 of SBS Resolution No. 4027-2011), proposes the methodology for recording the exchange rate and interest rates (both freely determined). To contribute to the provision of information and for statistical purposes, the SBS publishes the daily exchange rate on its website. The daily exchange rate is registered as the bid and ask prices for banking operations recorded on DATATEC.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee		
Central Bank Board	Yes.	According to the Constitution of Peru, the BCRP is a public autonomous entity whose role is to preserve monetary stability. The BCRP is responsible for regulating the money supply and credit in the financial system, for managing the country's international reserves, and for reporting on the nation's finances. The CB's inflation target is aimed at anchoring inflation expectations at a similar level to the inflation rate observed in developed economies

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		and reflects the BCRP's permanent commitment with monetary stability. Decisions are taken by majority vote. In case of a tie, the vote of the governor of the BCRP is the decisive vote.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band		
Band/Range	Yes.	The BCRP has a continuous inflation target range between 1% and 3%.
Target measure	Yes.	
CPI	Yes.	Inflation is defined as the year-on-year (y-o-y) percentage change in the Metropolitan Lima CPI. Headline inflation is the CPI inflation, and this is the reference for the inflation-targeting regime accountability.
Core inflation		
Target horizon	No.	The inflation target range must be met on a continuous basis.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The overnight interbank interest rate is the operating target of monetary policy, at 7.25% in October 2023, 7.50% in September 2023, 7.75% in August 2023 (since January 2023), 7.50% in December 2022, 7.25% in November 2022, 7.00% in October 2022, 6.75% in September 2022, and 6.50% in August 2022 (after having remained at 0.25%, its all-time low, since April 2020 and having been gradually raised since August 2021). CDs issued in local currency by the BCRP are the main monetary instrument for open-market operations. The BCRP also issues CDs indexed to the policy rate, and charges a commission on transfers of these CDs to resident and nonresident institutions, except between resident financial institutions. The commission is currently 4%. Time deposits in the BCRP are also used as a sterilization instrument. In addition, CDs indexed to the exchange rate and denominated in local currency continue to be used as a monetary regulatory instrument to mop up liquidity in the financial system. They are also used by private banks as part of their exchange position. The BCRP issues CDs redeemable in US dollars, which facilitate its intervention in the spot foreign exchange market. Similarly, the BCRP participates in foreign exchange swap auctions with financial institutions.
Target corridor band	Yes.	The BCRP sets interest rates related to permanent facility operations in domestic currency with financial entities (as at October 31): (1) Overnight deposits: 4.50% annual. (2) Direct security/currency repo and rediscount operations: (a) 7.75% annual for the first 10 operations in the past three months; and (b) the interest rate established by the Monetary and Exchange Operations Committee for operations in addition to these 10 operations in the past three months. Moreover, the Monetary and Exchange Operations Committee will be able to establish higher rates based on the operation amount.
Other	No.	

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Accountability	No.	
Open letter	No.	
Parliamentary hearings	No.	
Other	No.	
Transparency	Yes.	
Publication of votes	No.	
Publication of minutes	No.	
Publication of inflation forecasts	Yes.	The BCRP quarterly publishes the Inflation Report where the inflation forecasts among other macroeconomic variable forecasts are presented.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	All lending institutions (including banks and microfinance institutions) are licensed to deal in foreign exchange with the public. The SBS is the official institution in charge of granting licenses to exchange bureaus and moneychangers. There were 1,498 exchange bureaus as of October 31, 2023. Exchange bureaus and moneychangers are not allowed to make transactions directly with the CB, and their operations are limited to the purchase and sale of banknotes or transfers between accounts in the financial system.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The foreign exchange market in Peru operates on two platforms: (1) DATATEC and (2) Reuters. All banks are licensed to participate in the interbank foreign exchange market. There were 17 commercial banks as of October 31, 2023. Licenses are granted by the SBS. There are no limits on bid-ask spreads. However, all banks are subject to a daily ceiling according to the risk policy of the banking institution. The BCRP intervenes in the market via DATATEC at its quoted rates or by proposing its own prices. The BCRP may launch auctions of CDs indexed to the exchange rate. Auctions are not conducted on a regular basis. Auction participants who default on their obligations may be temporarily barred from participation. All lending institutions (including banks and microfinance entities) are eligible to participate. Auction results are published on the BCRP's website and DATATEC, Reuters, and Bloomberg terminals. Transactions in the foreign exchange market by private pension funds (Administradoras Privadas de Fondos de Pensiones) may not exceed a daily limit of 0.75% of the value of the fund and of 1.75% for the preceding five days (SBS Resolution No. 561-2013).

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Over the counter	Yes.	Dealing takes place through Reuters, which allows direct negotiation between two counterparties.
Brokerage	Yes.	
Market making	Yes.	Participants bid and ask anonymously (based on a market-making agreement) through DATATEC.
Forward exchange market	Yes.	The BCRP does not participate in the forward foreign exchange market. The BCRP participates in foreign exchange swap auctions with financial institutions.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There is a bilateral payments arrangement between the BCRP and Bank Negara Malaysia (Malaysian Central Bank).
Inoperative	No.	
Regional arrangements	Yes.	Payments between Peru and the other LAIA countries may be made through quarterly multilateral clearing based on the balances of bilateral reciprocal lines of credit granted by the CBs.
Clearing agreements	Yes.	
Barter agreements and open accounts	No.	
Administration of control	No.	There are no restrictions on exchange transactions, including holding, using, buying, and selling foreign exchange.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	

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On exports	No.
Domestic currency	No.
Foreign currency	No.
On imports	No.
Domestic currency	No.
Foreign currency	No.

Resident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions on exchange transactions, including holding, using, buying, and selling foreign exchange.
Held domestically	Yes.	These accounts are permitted and balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	These accounts are permitted and balances may be transferred to the home country freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	No.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Approval required	No.
Blocked accounts	No.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.

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Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports may be prohibited for social, health, or security reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The tariff structure consists of three levels: 0%, 6%, and 11%. The customs tariff schedule is based on the Fifth Amendment to the Harmonized Commodity Description and Coding System developed by the World Customs Organization. Peru has trade agreements with Australia, Canada, Chile, China, Costa Rica, Cuba, Japan, Honduras, Korea, Mexico, Panama, Singapore, Thailand, the EU, Venezuela, United States and United Kingdom, as well as with four trading blocs (the Andean Community, the EFTA, the Pacific Alliance, and MERCOSUR). Peru is a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Agreements with Brazil and Guatemala are scheduled to go into effect shortly, as are the Pacific Alliance-Singapore Free Trade Agreement (PASFTA), the Accession of the UK to the CPTPP, and the TPP. The Trade in Services Agreement (TiSA) and agreements with Doha, El Salvador, Hong Kong, India, Nicaragua, and Turkey are still in the negotiation phase. Peru is a member of the WTO and the Asia-Pacific Economic Cooperation Forum.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	

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Other	No.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.

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Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on derivatives and other instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on credit operations	No.
Commercial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Financial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Guarantees, sureties, and financial backup facilities	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Controls on direct investment	No.
Outward direct investment	No.
Inward direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Purchase abroad by residents	No.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.

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Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	These accounts are permitted, but capital income from investment abroad is subject to income tax.
Lending to nonresidents (financial or commercial credits)	No.	Lending by resident financial institutions to nonresident financial institutions, individuals, and enterprises is subject to the same prudential limits that apply to lending to residents.
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	For financial stability purposes, deposit accounts in domestic and foreign currency are treated differently: Domestic currency: The minimum current account requirement is 1% of the total liabilities subject to reserve requirements (TOSE). The reserve requirement ratio (RRR) in domestic currency is the greater of: (1) the RRR resulting from applying the reserve rate for the base period (July 2021) to the liabilities subject to reserve requirements up to the base period level and a marginal reserve rate of 25% on the increase in the TOSE relative to the base period and (2) the minimum legal reserve requirement (5.0% effective January 1, 2022—previously 4.75%, 5.25% effective February 1, 2022, 5.5% effective March 1, 2022, and 5.75% effective April 1, 2022, and 6.0% effective May 2022) for the assessment period. In addition, there is a maximum average reserve requirement equal to 6.0% of the TOSE flow for the assessment period. A special reserve requirement of 35% is applied to obligations in

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domestic currency that are indexed to foreign exchange variations.

Foreign currency:
There is a minimum reserve requirement rate (RRR) of 9%, but for macroprudential purposes, the BCRP requires additional reserves, which are determined based on a marginal reserve rate and a cap on the average reserve rate, both currently at 35%. Foreign-exchange-indexed obligations are subject to a special RRR of 9%.

The RRR with average maturities equal to or less than 2 years with foreign financial entities subject to the special regime is, effective July 1, 2023, 35% for obligations contracted as of July 1, 2023, while obligations contracted up to June 30, 2023, will have a rate of 9% until the originally agreed maturity date.

Coverage of legal reserve requirements includes liabilities of foreign branches. The general reserve rate requirement applies to the following operations: (1) foreign-exchange-indexed obligations; (2) obligations with nonresident institutions with maturities of two years or more that exceed certain limits and operations; and (3) obligations derived from credit with nonresident institutions.
Effective July 1, 2023, there is an additional foreign exchange reserve requirement based on the evolution of total credit. When the financial entity has an average daily balance of credits less than US$200 million as at June 2023, the limit will be US$200 million.
Effective July 1, 2023, when the financial entity has an average daily balance of credits greater than or equal to US$200 million as at June 2023, the limit applied will be that in effect during the June 2023 reserve period, which is the average daily balance of credits in foreign currency of December 2018 plus 30% of the accumulated flow compared to December 2018 of the average credit in domestic currency. The additional reserve is equal to 30% of the percentage excess. The additional reserve is applied to total liabilities in foreign currency.
This limit will be increased by the amount equal to 30% of the accumulated flow of average daily credit in domestic currency relative to June 2023, provided it is positive.
The calculation of the total average daily balance of credits in foreign currency must not include credits for foreign trade or those granted as of January 1, 2015, with a term greater than three years and an amount above US$10 million.
Also excluded from the calculation of the total average daily balance of credits in foreign currency, up to a balance of US$500 million, are credits granted as of July 1, 2023, with a term greater than one year and an amount above US$5 million. The maximum amount of US$500 million does not include credits classified in the exempted categories previously defined in the paragraph above.
The calculation of the accumulated flow of the average credit in domestic currency must not include credit under the Reactiva Perú program or mortgage, consumer, and foreign trade credit. The accounting exchange rate from the end of the June 2023 period, published by the SBS, will be used to convert this flow to dollars.

Financial entities whose average daily balance of total vehicle and mortgage consumer loans exceeds, effective December 1, 2023, 75% (previously 80% effective December 1, 2022; and 85% before that) of the balance reached as of December 31, 2018, or 5% of their ultimate effective equity, whichever is greater, are subject to an additional reserve requirement equal to 15% of the percentage excess. The additional reserve is applied to total liabilities in foreign

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		currency. A type of repo operation is used to inject soles; this operation allows the BCRP to provide soles to financial institutions in exchange for an equivalent amount of foreign currency reserve funds, which is deducted from their dollar reserve requirements up to an amount equal to 20% of their obligations subject to foreign currency reserve requirements (an expansionary operation). Another new type of repo operation was implemented to support the conversion to domestic currency of loans granted by financial institutions in foreign currency. Under the terms of the operation, the CB sells foreign currency to the financial institution on the spot date to finance this conversion (a currency substitution operation). Synthetic forwards are also included in the calculation used for limits on foreign exchange derivatives.
Liquid asset requirements	Yes.	As a prudential measure, a liquid asset requirement as a percentage of short-term liabilities (20% in foreign currency and 8% in domestic currency) is applied. These ratios increase to 25% and 10%, respectively, if concentration (measured as the percentage of liabilities with the largest 20 depositors) is higher than 25%. The short-term LCR is 100% (SBS Resolution No. 6694-2015). From March 16, 2020, the limits of LCRs in domestic currency (RCL-MN) and in foreign currency (RCL-ME) temporarily stopped applying, until further notice, as per Oficio Multiple No. 11148-2020 issued by the SBS. By way of Oficio Multiple No. 05830-2022-SBS (of February 11, 2022), the SBS re-established the 100% requirement for the RCL-MN and RCL-ME effective April 1, 2022. SBS Resolution No. 03296-2022 of October 2022, effective January 2024, introduces various amendments to align the local regulations with the Basel III standard. The RCL-MN is reduced from 100% to 80%, while the RCL-ME is maintained at 100%, with a global LCR for both domestic and foreign currency (MN + ME) of 100%. The full 100% of reserves required in domestic currency is considered to be part of high quality liquid assets (HQLA) (to date, the equivalent of 25% of the average reserve requirement has been reduced). The weightings will reflect the implicit funding risk by client type and may even vary according to the type of currency. Deposits from natural persons will receive a lower weighting, while those of legal entities will increase. The notion of operational deposit is introduced for legal entities, which are considered to be more stable and therefore receive a lower weighting. The possibility of a temporary conversion for regulatory compliance by currency is eliminated.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	Obligations in foreign currency with nonresident institutions with maturities of two years or less are subject to a special RRR of 35% effective July 1, 2023, for obligations contracted as of July 1, 2023, while obligations contracted up to June 30, 2023, will have a RRR of 9% until the originally agreed maturity date. Effective July 1, 2023, foreign loans used to finance foreign trade operations with maturities shorter than or equal to two years up to the equivalent of 40% of the financial entity's effective equity are not subject to a reserve requirement. The excess is subject to a RRR of 35%. Previously, it was 9%.
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	In absolute value, the net foreign exchange derivatives' short and long positions cannot exceed the maximum between: (1) US$1,500 million and (2) 80% of the company's effective equity. (SBS Resolution 2628-2020, in force since October 28, 2020). Effective November 2, 2022, the BCRP applies an additional reserve requirement in domestic currency to the excess of the limit on sales of derivative instruments (forwards and swaps). The RRR will increase when: (1) weekly sales of foreign exchange derivatives exceed US$770 million (previously, US$675 million); (2) the balance of sales of foreign exchange derivatives exceeds the greater of the limit in effect in September 2022, 140% of the average daily balance of foreign exchange derivatives as at September 2022 (previously, 135%), or US$1,335 million (previously, US$1,170 million). (Circular No. 025-2022-BCRP). Effective February 8, 2023, new limits were established for the overall foreign currency position: (1) Limit on the overall short position: The overall short position may not be greater than 10% of effective equity. (2) Limit on the overall long position: The overall long position may not be greater than 10% of effective equity. (SBS Resolution No. 0066-2023) Previously, it was 10% of net equity for overall short position and 50% of net equity for overall long position.
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investment in instruments issued by foreign corporations, or issued in the context of foreign securitization operations, may not exceed 50% of technical liabilities.
Limits (max.) on investment portfolio held abroad	Yes.	Investment in instruments issued by foreign corporations may not exceed 50% of technical liabilities.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Transactions in the foreign exchange market by private pension funds (Administradoras Privadas de Fondos de Pensiones—Private Administrators of Pension Funds) may not exceed a daily limit of 0.75% of the value of the fund and of 1.75% for the preceding five days.
Limits (max.) on securities issued by nonresidents	Yes.	The operational limit on private pension funds' investment in foreign securities issued by governments and financial and nonfinancial

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		institutions abroad, from September 1, 2018, was increased to 50% from 49.5% of their portfolio.
Limits (max.) on investment portfolio held abroad	Yes.	The operational limit on private pension funds' investment in foreign securities issued by governments and financial and nonfinancial institutions abroad is 50% of their portfolio.
Limits (min.) on investment portfolio held locally	No.	Investment in sovereign and CB instruments is capped at 30% each. Total portfolio investment in sovereign and CB instruments may not exceed 40%.
Currency-matching regulations on assets/liabilities composition	Yes.	Article 178 of the General Law on the Financial System and Insurance System and the Superintendence of Banks and Insurance Companies establishes that companies in the financial system must ensure sufficient, but not necessarily exact, matching of the maturities of their lending and borrowing operations and their deposit-taking and investments.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by	n.r.

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another jurisdiction	
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on utility and security tokens	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Controls on stablecoins	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.

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For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	n.r.	Although there is no specific regulator or supervisor on crypto assets, on July 27, 2023, the Ministry of Justice issued Supreme Decree No. 006-2023-JUS which establishes that virtual asset service providers (VASPs) are under the scope of the Financial Intelligence Unit (UIF-Peru) in the field of prevention of money laundering and terrorist financing.
Domestic exchanges	n.r.	
Access to crypto exchange/trading platform by residents	n.r.	

Changes during 2022 and 2023

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*01/01/2022*	The reserve requirement rate (RRR) in domestic currency is the greater of: (1) the RRR resulting from applying the reserve rate for the base period (July 2021) to the liabilities subject to reserve requirements up to the base period level and a marginal reserve rate of 25% on the increase in the total liabilities subject to reserve requirements relative to the base period and (2) the RRR resulting from applying the minimum average reserve rate of 5% (previously 4.75%).
	02/01/2022	The reserve requirement rate (RRR) in domestic currency is the greater of: (1) the RRR resulting from applying the reserve rate for the base period (July 2021) to the liabilities subject to reserve requirements up to the base period level and a marginal reserve rate of 25% on the increase in the total liabilities subject to reserve requirements relative to the base period and (2) the RRR resulting from applying the minimum average reserve rate of 5.25% (previously 5.00%).
	03/01/2022	The reserve requirement rate (RRR) in domestic currency is the greater of: (1) the RRR resulting from applying the reserve rate for the base period (July 2021) to the liabilities subject to reserve requirements up to the base period level and a marginal reserve rate of 25% on the increase in the total liabilities subject to reserve requirements relative to the base period and (2) the RRR resulting from applying the minimum average reserve rate of 5.5% (previously 5.25%).
	04/01/2022	The reserve requirement rate (RRR) in domestic currency is the greater of: (1) the RRR resulting from applying the reserve rate for the base period (July 2021) to the liabilities subject to reserve requirements up to the base period level and a marginal reserve rate of 25% on the increase in the total liabilities subject to reserve requirements relative to the base period and (2) the RRR resulting from applying the minimum average reserve rate of 5.75%

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		(previously 5.50%).
	05/01/2022	The reserve requirement rate (RRR) in domestic currency is the greater of: (1) the RRR resulting from applying the reserve rate for the base period (July 2021) to the liabilities subject to reserve requirements up to the base period level and a marginal reserve rate of 25% on the increase in the total liabilities subject to reserve requirements relative to the base period and (2) the RRR resulting from applying the minimum average reserve rate of 6% (previously 5.75%).
	12/01/2022	Financial entities whose average daily balance of total vehicle and mortgage consumer loans exceeds 80% (previously 85%) of the balance reached as of December 31, 2018, or 5% of their ultimate effective equity, whichever is greater, will be subject to an additional reserve requirement equal to 15% of the percentage excess. The additional reserve is applied to total liabilities in foreign currency.
	07/01/2023	The reserve requirement rate with average maturities equal to or less than 2 years with foreign financial entities subject to the special regime is 35% for obligations contracted as of July 1, 2023, while obligations contracted up to June 30, 2023, will have a rate of 9% until the originally agreed maturity date.
	07/01/2023	There is a foreign exchange reserve requirement based on the evolution of total credit. When the financial entity has an average daily balance of credits less than US$200 million as at June 2023, the limit will be US$200 million.
	07/01/2023	There is a foreign exchange reserve requirement based on the evolution of total credit. When the financial entity has an average daily balance of credits greater than or equal to US$200 million as at June 2023, the limit applied will be that in effect during the June 2023 reserve period, which is the average daily balance of credits in foreign currency of December 2018 plus 30% of the accumulated flow compared to December 2018 of the average credit in domestic currency. The additional reserve is equal to 30% of the percentage excess. The additional reserve is applied to total liabilities in foreign currency. This limit will be increased by the amount equal to 30% of the accumulated flow of average daily credit in domestic currency relative to June 2023, provided it is positive.
	12/01/2023	Financial entities whose average daily balance of total vehicle and mortgage consumer loans exceeds 75% (previously 80%) of the balance reached as of December 31, 2018, or 5% of their ultimate effective equity, whichever is greater, will be subject to an additional reserve requirement equal to 15% of the percentage excess. The additional reserve is applied to total liabilities in foreign currency.
Liquid asset requirements	*04/01/2022*	LCRs of 100% (separately for domestic and foreign currency) came back into effect. (They were suspended since March 16, 2020.)
Differential treatment of deposit accounts held by nonresidents		
Reserve requirements	*07/01/2023*	The reserve requirement rate with average maturities equal to or less than 2 years with foreign financial entities subject to the special regime is 35% for obligations contracted as of July 1, 2023, while obligations contracted up to June 30, 2023, will have a rate of 9% until the originally agreed maturity date.
	07/01/2023	Foreign loans used to finance foreign trade operations with maturities shorter than or equal to two years up to the equivalent of 40% of the financial entity's effective equity are not subject to a reserve requirement. The excess is subject to a reserve requirement rate of 35%. Previously, it was 9%.
Open foreign exchange position limits		
On resident assets and liabilities	*11/02/2022*	The Central Reserve Bank of Peru applies an additional reserve requirement in domestic currency to the excess of the limit on sales

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	of derivative instruments (forwards and swaps). The reserve requirement rate will increase when: (1) weekly sales of foreign exchange derivatives exceed US$770 million (previously, US$675 million); (2) the balance of sales of foreign exchange derivatives exceeds the greater of the limit in effect in September 2022, 140% of the average daily balance of foreign exchange derivatives as at September 2022 (previously, 135%), or US$1,335 million (previously, US$1,170 million).
02/08/2023	New limits were established for the overall foreign currency position: (1) Limit on the overall short position: the overall short position may not be greater than 10% of effective equity. (2) Limit on the overall long position: The overall long position may not be greater than 10% of effective equity. Previously, it was 10% of net equity for overall short position and 50% of net equity for overall long position.

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PHILIPPINES

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: September 8, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Philippines' Anti-Money Laundering Council (AMLC) issued TF Resolution No. 35, s. 2021, issuing a standing Sanctions Freeze Order in relation to UNSC resolution No. 1267 and successor resolutions. The AMLC has likewise issued several Sanctions Freeze Order in relation to designations made by the Anti-Terrorism Council pursuant to Section 25 of Republic Act (R.A.) No. 11479 or the Anti-Terror Act of 2020. With respect to sanctions imposed on Democratic People's Republic of Korea and Iran, AMLC issued Targeted Financial Sanctions (TFS) related to Proliferation of Weapons of Mass Destructions and Proliferation Financing, from February 1, 2021. This is pursuant to UNSC resolution Nos. 1718 (2005) and 2231 (2015).

Exchange Arrangement

Currency	Yes.	The currency of the Philippines is the Philippine peso (PHP).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The Bangko Sentral ng Pilipinas (BSP) adheres to a market-determined exchange rate policy with some scope for occasional participation in the market solely to prevent potentially disruptive sharp fluctuations in the exchange rate that may have an adverse impact on the inflation outlook and inflation expectations. The BSP does not target or support a given level of exchange rate; it allows the value of the peso to be determined by the demand for and supply of foreign currencies. The BSP may participate in the USD/PHP market directly with market participants or via market makers and does not disclose foreign exchange intervention data. In 2022, the peso depreciated by 9.6% against the US$ from an average of P49.3/US$1 in 2021 to P54.5/US$1 in 2022. The peso reached an all-time low of P59.0/US$1 in October 2022 on broad dollar gains amid monetary policy tightening by the United States Federal Reserve (US Fed). This led to the narrowing of interest rate differential between the Philippines and the United States (US) from 175–200 basis points (bps) in end-2021 to 100–125 bps in end-2022, reinforcing safe-haven trade toward the USD. The peso depreciation likewise stemmed from dampened market sentiment because of rising global inflation, as the conflict between Russia and Ukraine resulted in a surge in commodity prices. For the period January 1, 2022, to April 30, 2023, the peso depreciated due to broad US dollar strength amid signals by US Fed officials on the need to bring inflation back to the government target through additional monetary policy tightening. Moreover, announcement of oil output cut by the Organization of the Petroleum Exporting Countries and allies (OPEC+) as well as global financial stability concerns amid delayed negotiations on the lifting of the US debt ceiling and stress in the US and European banking sector likewise contributed to the decline in the peso. On the domestic front, dampened market sentiment amid widening trade deficit and rising National Government outstanding debt also weighed down the peso. The de facto exchange rate arrangement is classified as floating.
Free floating		
Official exchange rate	Yes.	The BSP publishes reference rates daily based on the Bankers Association of the Philippines (BAP)-weighted US dollar (USD)/PHP average rate, with Bloomberg as its calculating agent, and on the Reuters Eikon system foreign exchange previous day's New York closing price for other currencies. These are used to determine the value of foreign currency vis-à-vis the US dollar, euro, and peso.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		

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Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The Philippines adopted inflation targeting in January 2002.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The Development Budget Coordination Committee (DBCC), in consultation with the BSP, sets a fixed inflation target over a multi-year period to promote a longer-term view on inflation, help anchor inflation expectations, and foster greater flexibility in economic decisions. On approval by the DBCC, the BSP announces the inflation target to the public. The DBCC is composed of the principals of the four member agencies, namely Department of Budget and Management, Department of Finance, National Economic and Development Authority, and the Office of the President (OP). The BSP was invited to join the DBCC as a resource institution to provide inputs on monetary measures and policies. Although the responsibility of achieving the inflation target rests primarily with the BSP, the joint announcement of the inflation target reflects active government participation in achieving the goal of price stability. In practice, the agreements reached by the DBCC members are typically made through a consensus decision. The BSP sits in the DBCC as a resource institution to ensure close coordination on real, fiscal monetary and external sectors of the economy. While the BSP has no vote during DBCC meetings, the BSP is tasked with providing recommendations on a set of medium-term macroeconomic assumptions that are used in setting domestic growth and fiscal targets. Other member agencies also propose targets or assumptions under their purview. For instance, the National Economic and Development Authority recommends the medium-term GDP growth targets, while the Department of Budget and Management and the Department of Finance endorse the medium-term fiscal and financing programs, that are, in turn, used in the preparation of the NG budget. The DBCC also serves as an important venue for presentation and discussion among economic managers of other important matters, for example, setting of inflation targets, proposals for tax legislation, and mitigating measures against economic shocks.
Inflation target	Yes.	
Target number	Yes.	
Point target		

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Target with tolerance band	Yes.	The BSP has employed fixed multi-year inflation targets in replacement of the previous variable annual inflation target, approved by the DBCC in July 2010. The National Government's inflation target has a tolerance interval of ±1 percentage point (pp) around the target. It is measured in terms of the average year-on-year change in the CPI over the calendar year: 2011: 4.0% ± 1 pp (3.0%–5.0%); 2012–2014: 4.0% ± 1 pp (3.0%–5.0%); 2015–2016: 3.0% ± 1 pp (2.0%–4.0%); 2017–2018: 3.0% ± 1 pp (2.0%–4.0%); and 2019–2020: 3.0% ± 1 pp (2.0%–4.0%) and 2021–2022: 3.0% ± 1 pp (2.0%–4.0%). During the DBCC meeting on December 5, 2022, the DBCC in consultation with the BSP, decided to retain the inflation target of 3.0% ± 1.0 pp for 2023 – 2024 and set the same inflation target for 2025–2026. This announcement of the medium-term inflation target is in line with the BSP's commitment to transparency and accountability as well as the forward-looking approach in the conduct of monetary policy.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The primary objective of the BSP monetary policy is "to promote price stability conducive to a balanced and sustainable growth of the economy and employment." The government's inflation target is defined in terms of the average year-on-year change in the CPI over the calendar year and is set two years ahead in consultation with the BSP.
Core inflation		
Target horizon	Yes.	The BSP adopts a two-year policy horizon (current and one year ahead) in setting the medium-term inflation targets.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	Effective September 8, 2023, the BSP shifted to a variable-rate format with a pre-determined offer volume in the auction for the overnight (ON) reverse repurchase facility. In executing this shift to a variable-rate auction format, two key changes have been implemented: The BSP's monetary policy rate shall be called the "Target RRP Rate". The BSP will signal its monetary policy stance through the Target RRP Rate. Similar to the prevailing practice, the Target RRP Rate shall be set after each meeting of the Monetary Board (MB) on the BSP's monetary policy stance, and the RRP facility remains the BSP's primary monetary policy instrument. The BSP will also be introducing a formal operational target, which will be called the "ON RRP Rate". An operational target is a market-determined, short-term interest rate that CBs can guide on a day-to-day basis using their monetary instruments to reflect the prevailing monetary policy stance. Previously, the BSP's primary monetary policy instrument was its ON reverse repurchase rate.
Target corridor band	Yes.	The overnight lending facility (OLF) and the ON deposit facility rates form the upper and lower bounds of the corridor, which are set at 50 bps around the Target RRP Rate.
Other	No.	
Accountability	Yes.	
Open letter	Yes.	To ensure accountability in cases where the BSP fails to achieve the

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		inflation target, the BSP Governor issues an Open Letter to the President outlining the reasons why actual inflation did not fall within the target, along with the steps that would be taken to bring the inflation toward the target. The Open Letter contains explanation clauses, a predefined set of acceptable circumstances under which the BSP failed to achieve its inflation target. Open Letters to the President were issued January 16, 2004, January 18, 2005, January 25, 2006, January 19, 2007, January 14, 2008, January 26, 2009, January 28, 2016, January 27, 2017, January 25, 2019, January 18, 2022, and January 24, 2023.
Parliamentary hearings	Yes.	Detailed report on economic developments is submitted to the President and Congress, on a quarterly and annual basis. These reports are released to the public as the BSP's Report on Economic and Financial Developments and Annual Report.
Other	No.	
Transparency	Yes.	
Publication of votes	No.	The decisions of the MB concerning monetary policy are determined by consensus. No attribution of votes to individual Board members is made to emphasize the collegial and consensus-based nature of the decision-making process.
Publication of minutes	Yes.	As part of its efforts to promote greater transparency and accountability under the inflation-targeting framework, the BSP publishes the highlights of each MB meeting on the monetary policy stance, with a lag of four weeks. The highlights of each MB meeting contain the MB's monetary policy decision as well as key considerations in the formulation of the said monetary policy stance, including the inflation outlook, output, and domestic liquidity and credit conditions. The schedule of MB meeting highlights' publication is posted on the BSP website (Schedule of Monetary Policy Meetings, Inflation Report Press Conference, and Publication of MB Highlights, and Monetary Policy Report (MPR)). Starting 2022, the BSP has replaced the Inflation Report with the MPR. The MPR serves as the flagship BSP publication on monetary policy that provides the public a detailed view of the BSP's forecasts and guidance on the likely direction of monetary policy over the next two years. The report conveys to the public the overall thinking behind the BSP's decisions on monetary policy. The greater part of the report is devoted to the forward-looking discussions on inflation and the key macroeconomic variables that affect inflation as well as the risks and uncertainty surrounding the BSP's inflation forecasts.
Publication of inflation forecasts	Yes.	The BSP discloses updated baseline inflation forecasts after each MB meeting on the monetary policy stance (which is held eight times a year). In addition, the BSP also publishes in greater detail the inflation outlook using a fan chart in its MPR. The fan chart depicts the probability of different inflation outcomes based on the central projection (corresponding to the baseline forecast of the BSP) and the risks surrounding the inflation outlook.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set their exchange rates and margins in transactions with their clients.
Spot exchange market	Yes.	Universal and commercial banks (U/KBs) licensed by the BSP to

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		operate in the Philippines may engage in spot foreign exchange transactions in pesos and US dollars and in other third-currency transactions. Member banks of the BAP may trade in the peso–US dollar spot market via the Bloomberg trading platform. As of December 31, 2022, the BAP is the lead organization of U/KBs in the Philippines consisting of 44 member banks; of which 20 are local banks and 24 are foreign bank branches. Residents may purchase foreign exchange from foreign exchange dealers (FXDs) and money changers (MCs) for outward investment in any amount. The BSP Financial Markets does not deal with MCs. Thrift banks (TBs), rural banks, and cooperative banks may buy and sell foreign exchange under the pertinent foreign exchange rules and regulations.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Interbank trading is conducted among BAP member banks and between these banks and the BSP. As of December 31, 2022, the BAP is the lead organization of U/KBs in the Philippines consisting of 44 member banks; of which 20 are local banks and 24 are foreign bank branches. Member banks may also deal through brokers. Only banks authorized for foreign exchange operations by the BSP and members of the BAP may engage in peso–US dollar trading with the BSP and among themselves. Trading among banks takes place on the Bloomberg trading platform. The USD/PHP trading takes place from 9:00 a.m. to 4:00 p.m. daily without a trading break. The system allows participants to share information electronically and conduct business. A party requesting quotes enters the dealing code of the quoting party, the value date, and the volume of the transaction. The quoting party enters the exchange rate. Only the BSP has access to the database showing full details of individual trades on any day. Banks may view only statistics such as the day's open, high, low, close, average, volume, and bank quotes. Banks may also view their own completed transactions. There are no limits on the bid-ask spreads or commissions of market participants. The BSP may participate in the domestic interbank foreign exchange market directly and/or via market makers.
Over the counter	Yes.	Commercial banks may deal over the counter after the close of official trading at 4:00 p.m. These transactions, along with transactions involving institutions that are not members of the BAP, are not included in the BAP statistics for the day.
Brokerage	Yes.	Commercial banks may deal via brokers but must enter such transactions through the electronic platform provided by Bloomberg. At present, there are four foreign exchange brokers: Tullett Prebon (Philippines), Inc., GFI Group Philippines Inc., Tradition Financial Services Philippines, Inc., and Amstel Philippines Inc.
Market making	Yes.	
Forward exchange market	Yes.	Universal banks, commercial banks, and other banks with limited user authority may engage in foreign exchange forwards with

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counterparties and customers if the latter are hedging market risks or covering funding requirements. TBs with existing authority to issue foreign LCs and pay, accept, and negotiate import and export drafts and bills of exchange are allowed to apply for Type 2 derivatives authority to operate as a dealer, broker, and end-user of deliverable foreign exchange forwards, subject to certain conditions. Forward transactions involving the sale of foreign exchange to nonresidents without full delivery of principal no longer require BSP approval. The BSP participates in the swap market for its monetary and exchange rate operations. Data on currency swaps settled in local and foreign currencies and non-deliverable foreign exchange forwards (NDFs) settled in domestic currency are reported monthly in Sections II and IV, respectively, of the Data Template on International Reserves and Foreign Currency Liquidity, which is posted on the BSP website.

The BSP's derivatives framework allows supervised financial institutions to offer or engage in non-complex derivatives activities without prior BSP approval. These activities are called generally authorized derivatives activities (GADA). BSP-Supervised Financial Institutions (BSFIs), however, are expected to undergo the licensing process prior to offering or engaging in more complex derivatives instruments. The amendments to the derivatives regulations under BSP Circular No. 1119 (Amendments to Derivatives Regulations of Banks, Quasi-Banks, and Trust Corporations) involve:
(1) Removing the tenor limits on instruments currently classified as GADA of U/KBs;
(2) Including NDFs as GADA under a dealer capacity for U/KBs as opposed to requiring at least a Type 2 limited dealer authority, while maintaining (a) the existing regulatory limit anchored on capital to prevent the buildup of systemic risks and (b) the applicable documentary, reporting, and other requirements under the Foreign Exchange Manual;
(3) Aligning the derivatives authorities of trust corporations with trust departments of U/KBs, and allowing trust departments of U/KBs, quasi-banks, and nonbank financial institutions (NBFIs) to transact as institutional counterparties on behalf of their trustor/principal/s in: (a) any financial derivatives instrument for hedging purposes; (b) deliverable foreign exchange forwards, foreign exchange swaps and currency swaps; (c) products being offered by U/KBs as dealers as GADA (on notification to the BSP); and (d) specific structured products and credit-linked notes; and
(4) Streamlining the licensing process by subjecting variants of and structures involving stand-alone derivatives products that are under a BSFI's existing authority to notification and pre-qualification requirements (that is, will form part of type "C" activities) instead of another licensing process (that is, reserved for type "A" applications).

Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments for exports may be made in foreign currency declared convertible with the BSP as indicated in the BSP Reference Exchange Rate Bulletin posted at the BSP website.
Controls on the use of domestic currency	Yes.	The use of domestic currency for international payments and receipts is generally allowed subject to the PHP 50,000 limit on cross-border transfer of local currency under domestic regulations. Amounts in excess of the PHP 50,000 limit require prior written authorization

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		from the BSP. The BSP, however, allows cross-border transfer of local currency in excess of the limit only for the following purposes: (1) testing/calibration/configuration of money counting/sorting machines; (2) numismatics (collection of currency); and (3) currency awareness.
For current transactions and payments	Yes.	The use of domestic currency for international payments and receipts is generally allowed subject to the PHP 50,000 limit on cross-border transfer of local currency under domestic regulations. Amounts in excess of the PHP 50,000 limit require prior written authorization from the BSP. The BSP, however, allows cross-border transfer of local currency in excess of the limit only for the following purposes: (1) testing/calibration/configuration of money counting/sorting machines; (2) numismatics (collection of currency); and (3) currency awareness.
For capital transactions	Yes.	The use of domestic currency for international payments and receipts is generally allowed subject to the PHP 50,000 limit on cross-border transfer of local currency under domestic regulations. Amounts in excess of the PHP 50,000 limit require prior written authorization from the BSP. The BSP, however, allows cross-border transfer of local currency in excess of the limit only for the following purposes: (1) testing/calibration/configuration of money counting/sorting machines; (2) numismatics (collection of currency); and (3) currency awareness.
Transactions in capital and money market instruments	Yes.	Transactions in capital and money market instruments are subject to the PHP 50,000 limit on cross-border transfer of local currency under domestic regulations. Amounts in excess of the PHP 50,000 limit must require prior written authorization from the BSP. The BSP, however, allows cross-border transfer of local currency in excess of the limit only for the following purposes: (1) testing/calibration/configuration of money counting/sorting machines; (2) numismatics (collection of currency); and (3) currency awareness.
Transactions in derivatives and other instruments	Yes.	Customers may hedge their market risks arising from foreign exchange obligations and/or exposures through foreign exchange forwards (deliverable and non-deliverable) and foreign exchange swaps with Authorized Agent Banks (AABs), provided the underlying transaction is eligible for servicing using foreign exchange resources of AABs or AAB foreign exchange corporations. All NDF contracts by banks with residents must be settled in Philippine pesos. The nature of this control may be classified as prescription on the eligible underlying transaction since the allowability to avail foreign exchange forwards is subject to the eligibility of the underlying transaction.
Credit operations	Yes.	Banks may extend peso financing to nonresidents to fund the following: (1) Without prior BSP approval – specific cases allowed under the Manual of Regulations for Banks (MORB); or (2) Subject to prior BSP approval – for use in projects/programs/purposes that are: (a) not covered by Item (1) above; and (b) legitimate and not contrary to laws, regulations, public order, public health, public safety, or public policy. Offshore issuances by nonresidents of peso-denominated bonds/notes and similar debt instruments (whether to be settled in foreign or local currency) must be registered with the BSP to be eligible for servicing

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		using foreign exchange resources of AABs/AAB-foreign exchange corporationss, where the transaction will involve: (1) inward remittance of foreign exchange to the Philippines by the nonresident issuer/investor; or (2) participation of a resident enterprise or any of its offshore offices, branches, subsidiaries, and affiliates as issuer, guarantor, or beneficiary under the transaction. The transaction must comply with the rules on cross-border transfer of Philippine currency as well as pertinent rules and regulations of other government agencies/entities.
Use of foreign exchange among residents	Yes.	There are no restrictions on the use of foreign exchange among residents, provided the sale of foreign exchange by AAB/AAB-foreign exchage corporations is: (1) supported by documentation (regardless of amount involved); and (2) will fund eligible resident-to-resident transactions. Residents may also purchase any amount of foreign exchange from FXDs and MCs, subject to the following documentary requirements: (1) application to sell/purchase foreign currency; and (2) supporting documents for purchase of foreign exchange if the amount exceeds US$10,000 for non-trade current account purposes or for all other purposes, regardless of the amount involved. FXDs/MCs must only be allowed to sell foreign currencies in an amount not exceeding US$10,000 or its equivalent a transaction, and not exceeding US$50,000 or its equivalent a month a customer. Exemption or higher limits may be granted by the appropriate department of the BSP Financial Supervision Sector (FSS) if justified by the business model of the MC/FXD. FXDs'/MCs' pay-outs of more than PHP 500,000 or its foreign currency equivalent in any single transaction with customers or counterparties must only be made via check payment or direct credit to deposit accounts.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	The Philippines is a member of ASEAN.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Foreign exchange regulations are administered by the BSP on the basis of existing laws and policy decisions adopted by the MB of the BSP.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Gold and gold-bearing metals may be freely bought and sold, except gold produced by small-scale miners, including panned gold, which must be sold to the BSP.
On external trade	Yes.	The importation of gold in any form is allowed without any restriction, except for: (1) coin blanks essentially of gold with

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		diameter of less than 30.00 mm and weight of less than 11.50 grams a piece; (2) Nordic Gold coin metal with a diameter of 33.55 mm +/- 0.05 mm and weight of 15 grams a piece, which both require prior BSP written authorization; and (3) any goods manufactured in whole or in part of gold, silver, or other precious metals or alloys whose stamp, brand, or mark does not indicate their actual fineness of quality, which are prohibited to be imported/exported. The exportation of gold in any form is likewise allowed, except as mentioned in item 3 above, as well as for gold from small-scale mining, including panned gold, which must be sold to the BSP.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	The maximum amount of domestic currency that can be exported without prior BSP written authorization is up to PHP 50,000. For amounts exceeding PHP 50,000, resident and nonresident travelers must: (1) obtain prior written authorization from the BSP; and (2) in case of physical cross-border transfer of Philippine currency, declaration of the whole amount taken out of the Philippines using the prescribed Currencies Declaration Form. Said form may also be accomplished online. The BSP, however, allows cross-border transfer of local currency in excess of the limit only for the following purposes: (1) testing/calibration/configuration of money counting/sorting machines; (2) numismatics (collection of currency); and (3) currency awareness.
Foreign currency	No.	There is no limit on the cross-border transfer of foreign currency. However, for amounts exceeding US$10,000.00 or its equivalent, declaration of the whole amount brought into the Philippines is required using the prescribed Currencies Declaration Form. Said form may also be accomplished online.
On imports	Yes.	
Domestic currency	Yes.	The maximum amount of domestic currency that can be imported without prior BSP authorization is up to PHP 50,000. For amounts exceeding PHP 50,000, resident and nonresident travelers must: (1) obtain prior written authorization from the BSP; and (2) in case of physical cross-border transfer of Philippine currency, declaration of the whole amount brought into the Philippines using the prescribed Currencies Declaration Form. Said form may also be accomplished online. The BSP, however, allows cross-border transfer of local currency in excess of the limit only for the following purposes: (1) testing/calibration/configuration of money counting/sorting machines; (2) numismatics (collection of currency); and (3) currency awareness.
Foreign currency	No.	There is no limit on the cross-border transfer of foreign currency. However, for amounts exceeding US$10,000.00 or its equivalent, declaration of the whole amount brought into the Philippines is required using the prescribed Currencies Declaration Form. Said form may also be accomplished online.

Resident Accounts

Foreign exchange accounts permitted	Yes.	

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Held domestically	Yes.	Foreign exchange accounts held domestically are permitted and may be funded with own foreign exchange or foreign exchange remitted from abroad. These accounts may also be funded with foreign exchange purchased from AABs and/or AAB-foreign exchange corporationss, subject to submission of applicable documentation and compliance with the applicable rules based on the underlying transaction.
Approval required	No.	
Held abroad	Yes.	Foreign exchange accounts held abroad are permitted but may not be funded with foreign exchange purchased from AABs and/or AAB-foreign exchange corporations which are not related to eligible underlying transactions. Balances may be freely transferred into the Philippines, subject to rules on cross-border transfer of foreign currency cited in Item IV.F.2.b hereof.
Approval required	No.	
Accounts in domestic currency held abroad	No.	There are no regulations prohibiting the opening of peso accounts abroad. It is understood, however, that such accounts must still be subject to the limit of PHP50,000 on cross-border transfer of domestic currency. For amounts exceeding PHP 50,000, residents and nonresidents must: (1) obtain prior written authorization from the BSP; and (2) in case of physical cross-border transfer of Philippine currency, declaration of the whole amount taken out of the Philippines using the prescribed Currencies Declaration Form. Said form may also be accomplished online. The BSP, however, allows cross-border transfer of local currency in excess of the limit only for the following purposes: (1) testing/calibration/configuration of money counting/sorting machines; (2) numismatics (collection of currency); and (3) currency awareness.
Accounts in domestic currency convertible into foreign currency	Yes.	These conversions to foreign exchange of amounts in these resident accounts are subject to the applicable rules on foreign exchange transactions under the Manual of Regulations on Foreign Exchange Transactions (MORFXT) (Foreign Exchange Manual).

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	An offshore banking unit (OBU) may freely engage in all normal banking transactions with nonresidents and/or with other OBUs, involving any currency other than the Philippine peso. There are no restrictions on the withdrawal by the depositor of his deposit or on the transfer of the same abroad, except those arising from the contract between the depositor and the bank. Any person, natural or juridical, may deposit foreign currencies with Philippine banks authorized to operate a foreign currency deposit unit (FCDU) or expanded FCDU (EFCDU). There is no restriction on the withdrawal by the depositor of his foreign currency deposit or on the transferability of the same abroad, except those arising from the contract between the depositor and the bank. The foreign exchange account may be funded by own foreign exchange or foreign exchange remitted from abroad.
Approval required	No.	
Domestic currency accounts	Yes.	These accounts are allowed if they are funded as follows and documented (regardless of amount involved):

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		(1) peso proceeds from conversion of inward remittances of convertible foreign exchange; (2) peso receipts of nonresidents from, or peso sales proceeds of: (a) BSP-registered inward investments; and (b) properties in the Philippines that may allowed to be owned by nonresidents under existing laws; (3) onshore peso receipts of nonresidents from residents for: (a) services rendered by nonresident to residents; and (b) effective September 13, 2021, trade transactions; (4) peso receipts of expatriates working in the Philippines for less than one year representing salary/allowance/other benefits; (5) from September 13, 2021, peso funds of: (a) foreign students enrolled for at least one (1) school term in the Philippines; and (b) nonresident Filipinos; (6) cash collateral used for investments under Securities Borrowing and Lending or similar arrangements; (7) from September 13, 2021, peso receipts of nonresidents from residents for payment of private sector foreign loans/borrowings and other loan-/borrowing-related transactions that are duly approved by/registered with/reported to the BSP (as applicable); (8) peso proceeds from the onshore sale by nonresident issuers of their equity and debt securities; and (9) from September 13, 2021, peso funds returned to nonresidents for excess pesos arising from unrealized investments; (10) from September 13, 2021, peso receipts of nonresidents representing refund of taxes or erroneously withheld taxes related to BSP-registered investments; and (11) from September 13, 2021, onshore peso receipts for underwriting/brokerage services (involving Philippine shares) rendered to nonresidents by another nonresident acting as: (a) underwriter, bookrunner, or foreign broker-dealer for initial public offering/follow-on offering and (b) bookrunner and/or manager for the private placement/secondary block trade of listed securities.
Convertible into foreign currency	Yes.	This is permitted for peso deposit accounts funded by eligible funds and subject to compliance with Section 3.2 of the Foreign Exchange Manual.
Approval required	No.	
Blocked accounts	Yes.	Banks are prohibited from dealing with nonresidents who are designated and covered by freeze orders under relevant AMLC resolutions. The Anti-Terrorism Council may designate an individual, groups of persons, organization, or association, whether domestic or foreign, on a finding of probability that the individual, groups of persons, organization, or association commit, or attempt to commit, or conspire in the commission of the acts defined and penalized under Sections 4, 5, 6, 7, 8, 9, 10, 11, and 12 of R.A. No. 11479. The assets of the designated individual, groups of persons, organization, or association above mentioned must be subject to the authority of the AMLC to freeze, pursuant to Section 11 of R.A. No. 10168. Any person who, not being an accomplice under Section 6 or accessory under Section 7 of R.A. No. 10168 in relation to any property or fund: (1) deals directly or indirectly, in any way and by any means, with any property or fund that he knows or has reasonable ground to believe is owned or controlled by a designated person, organization, association, or group of persons, including funds derived or generated from property or funds owned or controlled, directly or indirectly, by a designated person,

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organization, association, or group of persons or (2) makes available any property or funds, or financial services or other related services to a designated and/or identified person, organization, association, or group of persons, must suffer the penalty of reclusion temporal in its maximum period to reclusion perpetua and a fine of not less than five hundred thousand pesos (PHP 500,000) not more than one million pesos (PHP 1,000,000).

If the offender is a corporation, association, partnership, or any juridical person, the penalty must be imposed on the responsible officers, as the case may be, who participated in, or allowed by their gross negligence, the commission of the crime or who should have knowingly permitted or failed to prevent its commission. If the offender is a juridical person, the court may suspend or revoke its license. If the offender is an alien, the alien must, in addition to the penalties herein prescribed, be deported without further proceedings after serving the penalties herein prescribed.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	No.	This is allowed subject only to the applicable documentation.
Advance import deposits	Yes.	Foreign exchange purchased from AABs/AAB-foreign exchange corporations for advance payment of imports must either be: (1) remitted directly to the intended beneficiary's account, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), on the date of purchase; or (2) credited to the resident foreign exchange purchaser's FCDU with the same or another AAB for eventual remittance to the intended beneficiary, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), for settlement of import obligation provided, that the foreign exchange purchaser certifies that: (a) the foreign exchange must be used for the declared purpose; (b) funds credited to the FCDU account must eventually be remitted to the intended beneficiary on or before due date; and (c) the foreign exchange purchaser must include the purpose of the remittance in the remittance instructions to the remitting bank.
Documentation requirements for release of foreign exchange for imports	Yes.	Foreign exchange sale by AABs and/or AAB-foreign exchange corporations and BSP-registered FXDs and MCs for payments of imports are allowed, subject only to the applicable documentation. AABs and AAB-foreign exchange corporations may sell foreign exchange to residents for payment of importations, subject to submission of the following to the foreign exchange selling institution: (1) For foreign exchange sale not exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished Application to Purchase (ATP) foreign exchange form; (2) For foreign exchange sale exceeding US$500,000 (for

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		individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency a client a day: Duly accomplished ATP form and supporting documents listed under existing rules; and (3) From September 13, 2021, for foreign exchange sale (regardless of amount) to settle transactions involving netting arrangements [which may: (a) cover trade in goods and services, but not those involving foreign/foreign currency loans/borrowings and investments; and (b) involve related or unrelated parties] and/or digital payments through e-commerce market participants: Duly accomplished ATP form and supporting documents listed under existing rules. Foreign exchange purchased from AABs/AAB-foreign exchange corporations for payment of imports must either be: (1) remitted directly to the intended beneficiary's account, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), on the date of purchase; or (2) credited to the resident foreign exchange purchaser's FCDU with the same or another AAB for eventual remittance to the intended beneficiary, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), for settlement of import obligation provided, that the foreign exchange purchaser certifies that: (a) the foreign exchange must be used for the declared purpose; (b) funds credited to the FCDU account must eventually be remitted to the intended beneficiary on or before due date; and (c) the foreign exchange purchaser must include the purpose of the remittance in the remittance instructions to the remitting bank. The BSP, under Circular No. 1124, permanently allowed the: (1) use of e-signatures/digital signatures for duly accomplished forms and other documentary requirements requiring signature/s and (2) submission of electronically generated documents without signature [for example, digitized ATP foreign exchange (Annex A of the Foreign Exchange Manual)], provided such documents explicitly state that "This form is electronically generated and does not require signature. The said Circular also allowed the submission of alternative/equivalent documents for sale of foreign exchange for trade transactions.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	LCs must be opened on or before the date of shipment. Only one LC may be opened for each import transaction; amendments do not require BSP approval.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The importation of certain products is regulated or prohibited for reasons of public health and safety, environmental considerations, national security, international commitments, or the development and

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		rationalization of local industries.
Open general licenses	Yes.	Commodity imports are classified into three categories: (1) freely importable, (2) regulated, and (3) prohibited. Imports of regulated products require a clearance certificate or permit from the appropriate government regulatory agency or office; imports of prohibited commodities are not allowed under existing laws.
Licenses with quotas	Yes.	Tariff quota licenses are issued for some sensitive agricultural products.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The tariff structure clusters around four tariff rates: 0%, 1%, 3%, and 5%. The number of tariff lines dutiable at these rates accounts for more than 56% of the total tariff lines. The Philippines is a party to the common effective preferential tariff of the AFTA. On January 21, 2023, through the OP Executive Order (EO) No. 13 issued on same date, the temporary modification is maintained until December 31, 2024, on rates of import duty on certain agricultural products under Section 1611 of R.A. No. 10863 (Customs Modernization and Tariff Act). Effective February 20, 2023, through the OP EO No. 12 dated January 21, 2023, the rates of import duty on electric vehicles, parts, and components under Section 1611 of R.A. No. 10863 (Customs Modernization and Tariff Act) are temporarily modified. Specifically, the MFN tariff rates on the articles of goods covered are reduced for a period of five years. Effective June 2, 2023, through the OP EO No. 25 dated May 20, 2023, the Philippine schedule of tariff commitments under the Regional Comprehensive Economic Partnership (RCEP) Agreement is implemented and the rates of import duty on certain imported articles are modified accordingly. Effective December 11, 2023, through the OP EO No. 46 dated November 11, 2023, the rate of import duty on natural gypsum and anhydrite under Section 1611 of R.A. No. 10863 (Customs Modernization and Tariff Act) is temporarily modified. Specifically, the MFN tariff rate on goods covered is reduced which must be subject to an annual review after December 31, 2024. OP EO No. 50 dated December 28, 2023, maintained the temporary modification of rates of import duty on rice, corn and meat of swine (fresh, chilled or frozen) under Section 1611 of R.A. No. 10863 (Customs Modernization and Tariff Act). Specifically, the reduced MFN tariff rates on goods covered are maintained until December 31, 2024. All tariff schedules of the Philippines and Philippine tariff rates on specific products categorized through ASEAN Harmonized Tariff Nomenclature (AHTN) Codes can be readily viewed through the Philippine Tariff Finder (PTF) 2.0.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	All export shipments must be covered by an Export Declaration using the prescribed form. AABs or OBUs must require submission, for record purposes, of a copy of the duly accomplished Export Declaration form if the export negotiation or payment of the pertinent export shipment is coursed through them.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	For selected items, preshipment inspection is conducted by specialized government agencies.
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	A few export items are regulated for reasons of health, security, national interest, or environmental protection; such exports require a clearance certificate or permit from the appropriate government regulatory agency or office.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	AAB/AAB-foreign exchange corporations may sell foreign exchange to residents to cover payments for non-trade current account purposes (excluding foreign/foreign currency loans and investments), subject to the submission of the following to the foreign exchange selling institution: (1) For foreign exchange sale not exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP foreign exchange form; (2) For foreign exchange sale exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP form and supporting documents required under

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		existing rules; and (3) From September 13, 2021, for foreign exchange sale (regardless of amount) to settle transactions involving netting arrangements [which may: (a) cover trade in goods and services, but not those involving foreign/foreign currency loans/borrowings and investments; and (b) involve related or unrelated parties] and/or e-commerce market participants: Duly accomplished ATP form and supporting documents listed under existing rules. Foreign exchange purchased from AABs/AAB-foreign exchange corporations for non-trade current account transactions must either be: (1) remitted directly to the intended beneficiary's account, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), on the date of purchase; or (2) credited to the resident foreign exchange purchaser's FCDU (with the same or another AAB) for eventual remittance to the intended beneficiary, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), for the declared purpose provided, that the foreign exchange purchaser certifies that: (a) the foreign exchange must be used for the declared purpose; (b) funds credited to the FCDU account must eventually be remitted to the intended beneficiary on or before due date; and (c) the foreign exchange purchaser must include the purpose of the remittance in the remittance instructions to the remitting bank. BSP-registered FXDs and MCs may sell foreign exchange for payment of non-trade current account purposes, subject to documentation requirement regardless of amounts. From February 14, 2017, FXDs/MCs have been allowed to sell foreign exchange currencies in an amount not exceeding US$10,000 or its equivalent a transaction, and not exceeding US$50,000 or its equivalent a month a customer. Exemption or higher limits may be granted by the appropriate department of the BSP-FSS if justified by the business model of the MC/FXD. FXD/MCs' pay-outs of more than PHP 500,000 or its foreign currency equivalent in any single transaction with customers or counterparty must only be made via check payment or direct credit to deposit accounts.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Remittance of profits, dividends, and earnings related to BSP-registered foreign investments may be fully affected using foreign exchange purchased from AABs and/or AAB-foreign exchange corporations. BSP-registered FXDs and MCs may sell foreign exchange for payment of non-trade current account purposes, subject to documentation requirement regardless of amounts. From February 14, 2017, FXDs/MCs are only allowed to sell foreign exchange in an amount not exceeding US$10,000 or its equivalent transaction and not exceeding US$50,000 or its equivalent a month a customer. Exemption or higher limits may be granted by the appropriate department of the BSP-FSS if justified by the business model of the MC/FXD. FXD/MCs' pay-outs of more than PHP

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		500,000 or its foreign currency equivalent in any single transaction with customers or counterparty must only be made via check payment or direct credit to deposit accounts.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	AAB/AAB-foreign exchange corporations may sell foreign exchange to residents to cover payments for non-trade current account purposes (excluding foreign/foreign currency loans and investments) such as travel, subject to the submission of the following to the foreign exchange selling institution: (1) For foreign exchange sale not exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP foreign exchange form; (2) For foreign exchange sale exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP form and supporting documents required under existing rules; and (3) From September 13, 2021, for foreign exchange sale (regardless of amount) to settle transactions involving netting arrangements [which may: (a) cover trade in goods and services, but not those involving foreign/foreign currency loans/borrowings and investments; and (b) involve related or unrelated parties] and/or e-commerce market participants: Duly accomplished ATP form and supporting documents listed under existing rules. Foreign exchange purchased from AABs/AAB-foreign exchange corporations for non-trade current account transactions must either be: (1) remitted directly to the intended beneficiary's account, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), on the date of purchase; or (2) credited to the resident foreign exchange purchaser's FCDU (with the same or another AAB) for eventual remittance to the intended beneficiary, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), for the declared purpose, provided, that the foreign exchange purchaser certifies that: (a) the foreign exchange must be used for the declared purpose; (b) funds credited to the FCDU account must eventually be remitted to the intended beneficiary on or before due date; and (c) the foreign exchange purchaser must include the purpose of the remittance in the remittance instructions to the remitting bank. BSP-registered FXDs and MCs may sell foreign exchange for payment of non-trade current account purposes, subject to documentation requirement regardless of amounts. From February 14, 2017, FXDs/MCs are only allowed to sell foreign exchange in an amount not exceeding US$10,000 or its equivalent transaction, and not exceeding US$50,000 or its equivalent a month a customer. Exemption or higher limits may be granted by the

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		appropriate department of the BSP-FSS if justified by the business model of the MC/FXD. FXD/MCs' pay-outs of more than PHP 500,000 or its foreign currency equivalent in any single transaction with customers or counterparty must only be made via check payment or direct credit to deposit accounts.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	AAB/AAB-foreign exchange corporations may sell foreign exchange to residents to cover payments for non-trade current account purposes (excluding foreign/foreign currency loans and investments), subject to the submission of the following to the foreign exchange selling institution: (1) For foreign exchange sale not exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP foreign exchange form; (2) For foreign exchange sale exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP form and supporting documents required under existing rules; and (3) From September 13, 2021, for foreign exchange sale (regardless of amount) to settle transactions involving netting arrangements [which may: (a) cover trade in goods and services, but not those involving foreign/foreign currency loans/borrowings and investments; and (b) involve related or unrelated parties] and/or e-commerce market participants: Duly accomplished ATP form and supporting documents listed under existing rules. Foreign exchange purchased from AABs/AAB-foreign exchange corporations for non-trade current account transactions must either be: (1) remitted directly to the intended beneficiary's account, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), on the date of purchase; or (2) credited to the resident foreign exchange purchaser's FCDU (with the same or another AAB) for eventual remittance to the intended beneficiary, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), for the declared purpose: provided, that the foreign exchange purchaser certifies that: (a) the foreign exchange must be used for the declared purpose; (b) funds credited to the FCDU account must eventually be remitted to the intended beneficiary on or before due date; and (c) the foreign exchange purchaser must include the purpose of the remittance in the remittance instructions to the remitting bank. As of February 14, 2017, FXDs/MCs are only allowed to sell foreign exchange in an amount not exceeding US$10,000 or its equivalent transaction, and not exceeding US$50,000 or its equivalent a month a customer. Exemption or higher limits may be granted by the appropriate department of the BSP-FSS if justified by the business model of the MC/FXD. FXD/MCs' pay-outs of more than PHP

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		500,000 or its foreign currency equivalent in any single transaction with customers or counterparty must only be made via check payment or direct credit to deposit accounts.
Foreign workers' wages	Yes.	All foreign nationals seeking employment in the Philippines must obtain employment permit from the Department of Labor and Employment. However, the following categories of foreign nationals are exempted from securing an employment permit: (1) All members of the diplomatic service and foreign government officials accredited by and with reciprocity arrangement with the Philippine government. (2) Officers and staff of international organizations of which the Philippine government is a member and their legitimate spouses desiring to work in the Philippines. (3) All foreign nationals granted exemption by law. (4) Owners and representatives of foreign principals whose companies are accredited by the Philippine Overseas Employment Administration (POEA), who come to the Philippines for a limited period and solely for the purpose of interviewing Filipino applicants for employment abroad. (5) Foreign nationals who come to the Philippines to teach, present, and/or conduct research studies in universities and colleges as visiting, exchange, or adjunct professors under formal agreements between the universities or colleges in the Philippines and foreign universities or colleges; or between the Philippine government and foreign government, provided the exemption is on a reciprocal basis. (6) Permanent resident foreign nationals and probationary or temporary resident visa holders under Section 13 of the Philippine Immigration Act of 1940. Nonresidents are allowed to open/maintain peso deposit accounts with AABs funded by peso receipts of expatriates working in the Philippines for less than one year representing salary/allowance/other benefits, subject to applicable documentation. foreign exchange may be purchased from AABs/AAB-foreign exchange corporations for salary/bonus/dividends/other benefits of foreign nationals, subject to submission of the applicable documents depending on the amount involved.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	AAB/AAB-foreign exchange corporations may sell foreign exchange to residents to cover payments for non-trade current account purposes (excluding foreign/foreign currency loans and investments), subject to the submission of the following to the foreign exchange selling institution: (1) For foreign exchange sale not exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP foreign exchange form; (2) For foreign exchange sale exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP form and supporting documents required under existing rules; and (3) From September 13, 2021, for foreign exchange sale (regardless of amount) to settle transactions involving netting arrangements [which may: (a) cover trade in goods and services, but not those involving foreign/foreign currency loans/borrowings and investments; and (b) involve related or unrelated parties] and/or e-

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		commerce market participants: Duly accomplished ATP form and supporting documents listed under existing rules. Foreign exchange purchased from AABs/AAB-foreign exchange corporations for non-trade current account transactions must either be: (1) remitted directly to the intended beneficiary's account, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), on the date of purchase; or (2) credited to the resident foreign exchange purchaser's FCDU (with the same or another AAB) for eventual remittance to the intended beneficiary, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), for the declared purpose provided, that the foreign exchange purchaser certifies that: (a) the foreign exchange must be used for the declared purpose; (b) funds credited to the FCDU account must eventually be remitted to the intended beneficiary on or before due date; and (c) the foreign exchange purchaser must include the purpose of the remittance in the remittance instructions to the remitting bank. As of February 14, 2017, FXDs/MCs must only be allowed to sell foreign exchange currencies in an amount not exceeding US$10,000 or its equivalent transaction, and not exceeding US$50,000 or its equivalent a month a customer. Exemption or higher limits may be granted by the appropriate department of the BSP-FSS if justified by the business model of the MC/FXD. FXD/MCs' pay-outs of more than PHP 500,000 or its foreign currency equivalent in any single transaction with customers or counterparty must only be made via check payment or direct credit to deposit accounts.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	AAB/AAB-foreign exchange corporations may sell foreign exchange to residents to cover payments for non-trade current account purposes (excluding foreign/foreign currency loans and investments), that is, foreign exchange obligations of Philippine credit card companies to international credit card companies/nonresident merchants, subject to the submission of the following to the foreign exchange selling institution: (1) For foreign exchange sale not exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day, a duly accomplished ATP form; (2) For foreign exchange sale exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP form and supporting documents required under existing rules; and (3) From September 13, 2021, for Foreign exchange sale (regardless of amount) to settle transactions involving netting arrangements [which may: (a) cover trade in goods and services, but not those involving foreign/foreign currency loans/borrowings and investments; and (b) involve related or unrelated parties] and/or e-

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		commerce market participants: Duly accomplished ATP form and supporting documents listed under existing rules. Foreign exchange purchased from AABs/AAB-foreign exchange corporations for non-trade current account transactions must either be: (1) remitted directly to the intended beneficiary's account, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), on the date of purchase; or (2) credited to the resident foreign exchange purchaser's FCDU (with the same or another AAB) for eventual remittance to the intended beneficiary, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), for the declared purpose: provided, that the foreign exchange purchaser certifies that: (a) the foreign exchange must be used for the declared purpose; (b) funds credited to the FCDU account must eventually be remitted to the intended beneficiary on or before due date; and (c) the foreign exchange purchaser must include the purpose of the remittance in the remittance instructions to the remitting bank. BSP-registered FXDs and MCs may sell foreign exchange for non-trade current account purposes up to US$10,000 or its equivalent without supporting documents. Larger amounts require supporting documents. From February 14, 2017, FXDs/MCs must only be allowed to sell foreign exchange currencies in an amount not exceeding US$10,000 or its equivalent transaction, and not exceeding US$50,000 or its equivalent a month a customer. Exemption or higher limits may be granted by the appropriate department of the BSP-FSS if justified by the business model of the MC/FXD. FXD/MCs' pay-outs of more than PHP 500,000 or its foreign currency equivalent in any single transaction with customers or counterparty must only be made via check payment or direct credit to deposit accounts.
Other payments	Yes.	AAB/AAB-foreign exchange corporations may sell foreign exchange to residents to cover payments for non-trade current account purposes (excluding foreign/foreign currency loans and investments), subject to the submission of the following to the foreign exchange selling institution: (1) For foreign exchange sale not exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP foreign exchange form; (2) For foreign exchange sale exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP form and supporting documents required under existing rules; and (3) From September 13, 2021, for foreign exchange sale (regardless of amount) to settle transactions involving netting arrangements [which may: (a) cover trade in goods and services, but not those involving foreign/foreign currency loans/borrowings and investments; and (b) involve related or unrelated parties] and/or e-commerce market participants: Duly accomplished ATP form and supporting documents listed under existing rules. Foreign exchange purchased from AABs/AAB-foreign exchange corporations for non-trade current account transactions must either

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		be: (1) remitted directly to the intended beneficiary's account, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), on the date of purchase; or (2) credited to the resident foreign exchange purchaser's FCDU (with the same or another AAB) for eventual remittance to the intended beneficiary, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), for the declared purpose: provided, that the foreign exchange purchaser certifies that: (a) the foreign exchange must be used for the declared purpose; (b) funds credited to the FCDU account must eventually be remitted to the intended beneficiary on or before due date; and (c) the foreign exchange purchaser must include the purpose of the remittance in the remittance instructions to the remitting bank. From February 14, 2017, FXDs/MCs must only be allowed to sell foreign exchange currencies in an amount not exceeding US$10,000 or its equivalent transaction, and not exceeding US$50,000 or its equivalent a month a customer. Exemption or higher limits may be granted by the appropriate department of the BSP-FSS if justified by the business model of the MC/FXD. FXD/MCs' pay-outs of more than PHP 500,000 or its foreign currency equivalent in any single transaction with customers or counterparty must only be made via check payment or direct credit to deposit accounts.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	AAB/AAB-foreign exchange corporations may sell foreign exchange to residents to cover payments for non-trade current account purposes (excluding foreign/foreign currency loans and investments), subject to the submission of the following to the foreign exchange selling institution: (1) For foreign exchange sale not exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day: Duly accomplished ATP foreign exchange form; (2) For foreign exchange sale exceeding US$500,000 (for individuals) and US$1,000,000 (for corporates/other entities) or its equivalent in other foreign currency a per client a per day: a Duly accomplished ATP form and supporting documents required under existing rules; and (3) From September 13, 2021, for foreign exchange sale (regardless of amount) to settle transactions involving netting arrangements [which may: (a) cover trade in goods and services, but not those involving foreign/foreign currency loans/borrowings and investments; and (b) involve related or unrelated parties] and/or e-commerce market participants: Duly accomplished ATP form and supporting documents listed under existing rules. Foreign exchange purchased from AABs/AAB-foreign exchange corporations for non-trade current account transactions must either be: (1) remitted directly to the intended beneficiary's account, regardless

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		if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), on the date of purchase; or (2) credited to the resident foreign exchange purchaser's FCDU (with the same or another AAB) for eventual remittance to the intended beneficiary, regardless if resident or nonresident (including payment/treasury centers/hubs, collection agents, and e-commerce market participants), for the declared purpose: provided, that the foreign exchange purchaser certifies that: (a) the foreign exchange must be used for the declared purpose; (b) funds credited to the FCDU account must eventually be remitted to the intended beneficiary on or before due date; and (c) the foreign exchange purchaser must include the purpose of the remittance in the remittance instructions to the remitting bank. From February 14, 2017, FXDs/MCs must only be allowed to sell foreign exchange in an amount not exceeding US$10,000 or its equivalent transaction, and not exceeding US$50,000 or its equivalent a month a customer. Exemption or higher limits may be granted by the appropriate department of the BSP-FSS if justified by the business model of the MC/FXD. FXD/MCs' pay-outs of more than PHP 500,000 or its foreign currency equivalent in any single transaction with customers or counterparty must only be made via check payment or direct credit to deposit accounts.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Foreign loans and investments approved by, registered with, or reported to the BSP (as applicable) may be serviced using foreign exchange purchased from AABs, AAB-foreign exchange corporations, and BSP-registered FXDs and MCs, subject to documentary requirements.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Securities sold by banks or NBFIs without recourse or subject of quasi-banking activities are required to be delivered to the purchaser's/lender's designated BSP-accredited custodian or the other options available for delivery of securities involving local purchases from banks or NBFIs under BSP supervision which were expanded to include Securities and Exchange Commission (SEC)-authorized central securities depositories. The BSP approved the amendments to the regulations on securities

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		custodianship and securities registry operations under Circular No. 1121, which aim to simplify the licensing process and expand both the client base and the number of financial institutions offering said services. The new rules aim to attract more players in the industry while ensuring that only BSFIs with robust risk management and governance systems as well as appropriate information technology infrastructure will offer securities custodianship and securities registry services. It will also complement the existing initiatives to expand investment opportunities for the public and at same time ensure that their interests are adequately protected.
On capital market securities	Yes.	As a general rule, no securities may be sold or offered for sale to the public within the country, unless such securities have been registered with and are permitted to be sold by the SEC.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	If at least one of the parties in a securities transaction is a bank or a NBFI under BSP supervision, securities purchased must be held by a BSP-accredited securities custodian or registry or SEC-authorized central securities depository that is a third party – that is, with no subsidiary or affiliate relationship with the issuer or seller of the securities. However, if the purchaser is a nonresident who is a party to an existing global custody agreement governed by foreign laws and conventions under which the bank or NBFI is designated as custodian or subcustodian, the requirement for a third-party BSP-accredited custodian or SEC-registered central securities depository does not apply. The BSP approved the amendments to the regulations on securities custodianship and securities registry operations under Circular No. 1121, which aim to simplify the licensing process and expand both the client base and the number of financial institutions offering said services. The rules aim to attract more players in the industry while ensuring that only BSFIs with robust risk management and governance systems as well as appropriate information technology infrastructure will offer securities custodianship and securities registry services. It also complements the existing initiatives to expand investment opportunities for the public and at same time ensure that their interests are adequately protected. Domestic purchases of equities by nonresidents are subject to applicable foreign equity limitations for selected entities/industries/sectors pursuant to applicable laws, rules, and regulations (for example, the “Regular Foreign Investment Negative List”). Registration of inward investments with the BSP or registering banks (on behalf of the BSP) is at the option of nonresident investors. It is required only if the foreign exchange needed to fund the repatriation of capital and the remittance of related earnings which accrue thereon will be purchased from AABs/AAB foreign exchange corporations. The BSP (or the registering banks, on behalf of BSP) will issue a BSRD evidencing the registration of inward investments. Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for

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		applications/requests for various foreign exchange transactions.
Sale or issue locally by nonresidents	Yes.	The shares or securities issued or sold by nonresidents are subject to the same SEC approval and registration requirements as those issued by local companies. Payment for redemption of such shares or securities must not, however, involve the purchase of foreign exchange from AABs and/AAB-foreign exchange corporations. Foreign firms whose securities are listed and traded on a local stock exchange must designate a transfer agent and registrar in the Philippines. Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval if funded by: (1) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (2) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation. Nonresident issuances of notes/bonds or similar instruments in the domestic market must require BSP approval before execution.
Purchase abroad by residents	Yes.	Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval if funded by: (1) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (2) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation. Residents may also purchase foreign exchange from FXDs and MCs for outward investments, regardless of the amount, subject to documentation. Banks' investments in subsidiaries and affiliates abroad are subject to BSP approval.
Sale or issue abroad by residents	Yes.	Private sector foreign loans/borrowings may be freely obtained, provided there is no guarantee from the government sector. Public sector/publicly-guaranteed foreign/foreign currency loans/borrowings require prior BSP approval. Private sector foreign loans/borrowings must be registered with the BSP if these will ultimately be serviced with foreign exchange resources of AABs/AAB foreign exchange corporations. Banks that wish to issue unsecured subordinated debt must secure the approval of the BSP.

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		Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	Registration of inward investments with the BSP or registering banks (on behalf of the BSP) is at the option of nonresident investors. It is required only if the foreign exchange needed to fund the repatriation of capital and the remittance of related earnings which accrue thereon will be purchased from AABs/AAB foreign exchange corporations. The BSP (or the registering banks, on behalf of BSP) will issue a BSRD evidencing the registration of inward investments.
Sale or issue locally by nonresidents	Yes.	Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions. Nonresidents may issue bonds and other debt securities locally after approval or license to do business in the country is secured from the appropriate government agency. Nonresidents' issuance of notes and bonds or similar instruments in the domestic market requires BSP approval before execution. Philippine branches and subsidiaries of foreign banks must inform the BSP if their parent bank and/or branches abroad of their parent bank offer or market products in the Philippines that are duly registered. When products are being offered, they must submit to the BSP the list of products offered/marketed, the corresponding manuals containing the policies and procedures, the flowchart of transaction, and the risk management system for each product.
Purchase abroad by residents	Yes.	Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval if funded by: (1) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (2) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation. Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval if funded by: (1) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (2) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or

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		per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation. Residents may also purchase foreign exchange from FXDs and MCs for outward investment, including investment in bonds and notes of the Philippines and of other Philippine entities requiring settlement in foreign currency, regardless of the amount, with proper documentation.
Sale or issue abroad by residents	Yes.	Private sector foreign loans/borrowings may be freely obtained, provided there is no guarantee from the government sector. Public sector/publicly-guaranteed foreign/foreign currency loans/borrowings require prior BSP approval. Private sector foreign loans/borrowings must be registered with the BSP if these will ultimately be serviced with foreign exchange resources of AABs/AAB foreign exchange corporations. Banks that wish to issue unsecured subordinated debt must secure the approval of the BSP. Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Banks are prohibited from investing in the BSP special deposit accounts facility funds sourced from nonresidents. Special deposit account was replaced by Term Deposit Facility. Registration of inward investments with the BSP or registering banks (on behalf of the BSP) is at the option of nonresident investors. It is required only if the foreign exchange needed to fund the repatriation of capital and the remittance of related earnings which accrue thereon will be purchased from AABs/AAB foreign exchange corporations. The BSP (or the registering banks, on behalf of BSP) will issue a BSRD evidencing the registration of inward investments. Inward investments in peso time deposits with an AAB must have a maturity of at least 90 days to be eligible for registration and conversion of proceeds to foreign exchange using resources of AABs/AAB foreign exchange corporations. Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Sale or issue locally by nonresidents	Yes.	Approval or license to issue money market instruments must be

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		secured from the appropriate government agency. Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval if funded by: (1) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (2) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation. Nonresident issuances of notes/bonds or similar instruments in the domestic market must require BSP approval before execution.
Purchase abroad by residents	Yes.	Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval if funded by: (1) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (2) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation. Residents may also purchase foreign exchange from FXDs and MCs for outward investment, including investment in bonds and notes of the Philippines and of other Philippine entities requiring settlement in foreign currency, regardless of the amount, with documentation.
Sale or issue abroad by residents	Yes.	Private sector foreign loans/borrowings may be freely obtained, provided there is no guarantee from the government sector. Public sector/publicly-guaranteed foreign/foreign currency loans/borrowings require prior BSP approval. Private sector foreign loans/borrowings must be registered with the BSP if these will ultimately be serviced with foreign exchange resources of AABs/AAB foreign exchange corporations. Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Registration of inward investments with the BSP or registering banks (on behalf of the BSP) is at the option of nonresident investors. It is required only if the foreign exchange needed to fund the repatriation of capital and the remittance of related earnings which accrue thereon will be purchased from AABs/AAB foreign exchange

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		corporations. The BSP (or the registering banks, on behalf of BSP) will issue a BSRD evidencing the registration of inward investments. Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated 27 March 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Sale or issue locally by nonresidents	Yes.	Approval or license to issue money market instruments must be secured from the appropriate government agency. Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval if funded by: (1) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (2) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation.
Purchase abroad by residents	Yes.	Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval if funded by: (1) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (2) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation. Residents may also purchase foreign exchange from FXDs and MCs for outward investment, including investment in bonds and notes of the Philippines and of other Philippine entities settled in foreign currency, regardless of the amount, with documentation. Unit investment trust funds may invest in units/shares in collective investment schemes (CIS) issued abroad, subject to conditions.
Sale or issue abroad by residents	Yes.	Private sector foreign loans/borrowings may be freely obtained, provided there is no guarantee from the government sector. Public sector/publicly-guaranteed foreign/foreign currency loans/borrowings require prior BSP approval. Private sector foreign loans/borrowings must be registered with the BSP if these will ultimately be serviced with foreign exchange resources of AABs/AAB foreign exchange corporations. Effective May 9, 2023, the BSP adopted as permanent policy under

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		Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Controls on derivatives and other instruments	Yes.	Derivatives are considered securities under the Securities Regulation Code and are being administered by the SEC. Banks may engage in GADA without BSP approval, provided they follow the risk management guidelines for derivatives transactions and comply with laws, rules, and regulations for this activity. BSP approval is required for banks to engage in all financial derivatives activities not expressly classified as "generally authorized." Since February 5, 2008, U/KBs may act as dealer of forward foreign exchange contracts, subject to BSP licensing requirements and compliance with sales and marketing guidelines. On the other hand, all banks may apply for limited user (to transact as end-user) or special broker (to facilitate transactions) authority for forward foreign exchange transactions, subject to BSP regulations. Since February 5, 2008, universal banks, commercial banks, and other banks with limited user derivatives authority may engage only in foreign exchange forwards and swap transactions with other banks and nonresidents if the latter are hedging market risk or covering funding requirements. Foreign exchange regulations and documentary requirements for derivatives apply. TBs authorized to issue foreign LCs and pay, accept, and negotiate import and export drafts and bills of exchange may apply for Type 2 derivatives authority to be a dealer, broker, and end-user of deliverable foreign exchange forwards, subject to certain conditions. The total notional amount of banks' NDFs involving Philippine pesos is limited to 20% and 100%, respectively, of the capital of domestic banks and local branches of foreign banks. AML laws, rules, and regulations; relevant SEC rules; foreign exchange regulations; and documentary requirements for derivatives also apply. The BSP's derivatives framework allows supervised financial institutions to offer or engage in non-complex derivatives activities without prior BSP approval. These activities are called GADA. BSFIs, however, are expected to undergo the licensing process prior to offering or engaging in more complex derivatives instruments. The amendments to the derivatives regulations under BSP Circular No. 1119 (Amendments to Derivatives Regulations of Banks, Quasi-Banks, and Trust Corporations) involve: (1) Removing the 3-year tenor limits on instruments currently classified as GADA of U/KBs; (2) Including NDFs as GADA under a dealer capacity for U/KBs as opposed to requiring at least a Type 2 limited dealer authority, while maintaining (a) the existing regulatory limit anchored on capital to prevent the buildup of systemic risks and (b) the applicable documentary, reporting and other requirements under the Foreign Exchange Manual; (3) Aligning the derivatives authorities of trust corporations with trust departments of U/KBs, and allowing trust departments of U/KBs, quasi-banks, and NBFIs to transact as institutional counterparties on behalf of their trustor/principal/s in: (a) any financial derivatives instrument for hedging purposes; (b) deliverable foreign exchange forwards, foreign exchange swaps and currency swaps; (c) products being offered by U/KBs as dealers as GADA (on

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		notification to the BSP); and (d) specific structured products and credit-linked notes and (4) Streamlining the licensing process by subjecting variants of and structures involving stand-alone derivatives products that are under a BSFI's existing authority to notification and pre-qualification requirements (that is, will form part of type "C" activities) instead of another licensing process (that is, reserved for type "A" applications). BSP Circular No. 1154, on October 8, 2022, expanded the coverage of regulations to include digital banks. Digital banks may offer and engage in GADA and other derivatives instruments in the same authority/activities as allowed for a TB, rural bank (RB)/Coop Bank.
Purchase locally by nonresidents	Yes.	Since February 5, 2008, U/KBs may act as dealer of forward foreign exchange contracts, subject to BSP licensing requirements and compliance with sales and marketing guidelines. Nonresidents may, through foreign exchange forwards, hedge their market risks arising from foreign exchange obligations and/or exposures; Provided, that forward sale of foreign exchange may only be used when the underlying transaction (for example, BSP-registered investments) is eligible for servicing using foreign exchange resources of AABs or AAB foreign exchange corporations. Nonresidents may, likewise, cover their funding requirements through foreign exchange swaps.
Sale or issue locally by nonresidents	Yes.	No securities may be sold or offered for sale to the public within the country, unless such securities have been registered with and are permitted to be sold by the SEC. Derivatives fall under the definition of securities. Since February 5, 2008, U/KBs may act as dealer of forward foreign exchange contracts, subject to BSP licensing requirements and compliance with sales and marketing guidelines. On the other hand, all banks may apply for limited user (to transact as end-user) or special broker (to facilitate transactions) authority for forward foreign exchange transactions subject to BSP regulations. Nonresidents' derivatives transactions involving local currency require BSP approval.
Purchase abroad by residents	Yes.	Foreign exchange contracts that do not involve local currency are unrestricted. Contracts involving local currency are subject to restrictions on the importation and exportation of local currency. Banks that wish to engage in derivatives transactions not considered generally authorized are required to secure license from the BSP.
Sale or issue abroad by residents	Yes.	Foreign exchange contracts that do not involve local currency are unrestricted. Contracts involving local currency are subject to restrictions on the importation and exportation of local currency. Banks that wish to engage in derivatives transactions not considered generally authorized are required to secure license from the BSP.
Controls on credit operations	Yes.	R.A. No. 3765, the Truth in Lending Act, requires the disclosure of finance charges in connection with extensions of credit.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	These transactions may be freely undertaken, provided they do not involve foreign exchange purchased from AABs and/or AAB-foreign exchange corporations. Banks may extend peso financing to nonresidents to fund the following:

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		(1) Without prior BSP approval – specific cases allowed under the MORB; or (2) Subject to prior BSP approval – for use in projects/programs/purposes that are: (a) not covered by Item (1) above and (b) legitimate and not contrary to laws, regulations, public order, public health, public safety, or public policy.
To residents from nonresidents	Yes.	Private sector foreign loans/borrowings may be freely obtained, provided there is no guarantee from the government sector. Public sector/publicly-guaranteed foreign/foreign currency loans/borrowings require prior BSP approval. Private sector foreign loans/borrowings must be registered with the BSP if these will ultimately be serviced with foreign exchange resources of AABs/AAB foreign exchange corporations. Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Financial credits	Yes.	Loans by nonresidents from EFCDUs, regardless of maturity, do not require BSP approval, provided: (1) they are not guaranteed by the government sector; (2) they are serviced with foreign exchange purchased outside AABs and/or AAB-foreign exchange corporations; and (3) relevant banking regulations are followed, including the single borrower limit.
By residents to nonresidents	Yes.	These transactions may be freely undertaken if they do not involve foreign exchange purchased from AABs and/or AAB-foreign exchange corporations.
To residents from nonresidents	Yes.	Private sector foreign loans/borrowings may be freely obtained, provided there is no guarantee from the government sector. Public sector/publicly-guaranteed foreign/foreign currency loans/borrowings require prior BSP approval. Private sector foreign loans/borrowings must be registered with the BSP if these will ultimately be serviced with foreign exchange resources of AABs/AAB foreign exchange corporations. Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Guarantees for public sector accounts or similar arrangements that may give rise to actual foreign obligation of the public sector to nonresidents, and those issued by government-owned and government-controlled corporations [excluding public sector banks and NBFIs with quasi-banking functions (NBQBs)] in favor of nonresidents require BSP approval. Guarantees issued by resident banks (including public sector banks) and NBQBs that cover foreign obligations for account of

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		nonresidents /private sector residents (for example, payment guarantees and guarantees to secure foreign obligations of private sector residents which do not partake the nature of a foreign loan must neither require prior BSP approval nor registration, but must be reported to the BSP to be eligible for servicing using foreign exchange to be purchased from AABs and/or AAB-foreign exchange corporations.
To residents from nonresidents	Yes.	Guarantees that are related to foreign/foreign currency loans/borrowings that require BSP approval/registration must already form part of the loan terms submitted for BSP approval/registration (as applicable). In case of a call on such guarantee: (1) The borrower/guarantor must submit a written notification to the BSP prior to target date of settlement of the call on the guarantee to allow servicing using foreign exchange resources of AABs/AAB-foreign exchange corporations and (2) the borrower must comply with pertinent rules covering the underlying obligation (including reportorial requirements). Guarantees by nonresident banks and financial institutions as well as other nonresident entities to cover private sector peso loans/foreign currency loans from banks operating in the Philippines and NBFIs with quasi-banking functions must neither require prior BSP approval nor registration, but must be reported to the BSP to be eligible for servicing with foreign exchange to be purchased from AABs and/or and AAB-foreign exchange corporations.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval if funded by: (i) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (ii) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation. Residents may also purchase foreign exchange from FXDs and MCs for outward investment, including investment in bonds and notes of the Philippines and other Philippine entities requiring settlement in foreign currency, regardless of the amount, provided such purchases are supported by documentation.
Inward direct investment	Yes.	Investments must comply with all applicable laws, rules and regulations (for example, foreign equity restrictions on certain investment areas or activities), including those issued by the BSP (for example, prohibition against nonresident investments, whether directly or indirectly, in the BSP term deposit facility). Foreign inward investments registered with the BSP may be serviced using foreign exchange purchased from AABs, AAB-foreign exchange corporations, and BSP-registered FXDs and MCs, subject to documentary requirements. Inward FDIs may be registered with BSP. A BSP Registration Document (BSRD) will be issued by the BSP as evidence of the investment. For the purpose of registration, Foreign exchange funding for cash investments must be remitted to the Philippines but need not be converted to pesos, except for the

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		cases cited in Section 36.3 of the Foreign Exchange Manual. Foreign investments need not be registered with the BSP, unless the foreign exchange needed to service repatriation of capital and remittance of dividends, profits, and earnings is purchased from AABs or and AAB-foreign exchange corporations. Foreign exchange may be purchased from AABs and AAB-foreign exchange corporations for outward remittance for the equivalent of the peso sales/divestment proceeds (including dividends, profits, and earnings) of BSP-registered foreign investments in accordance with prescribed procedures and supported by prescribed documents. Registering banks for foreign investments may sell for outward remittance the equivalent foreign exchange of excess pesos funded with inward remittance of foreign exchange as follows: peso proceeds of foreign exchange inwardly remitted minus the peso amount actually used for BSP-registered investments; and interest earned on the excess pesos, subject to certain conditions. Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Controls on liquidation of direct investment	No.	Registration is required only if the foreign exchange for capital repatriation and remittance of profits and earnings will be purchased from AABs and/or and AAB-foreign exchange corporations.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Residents may invest in any instrument, including real estate, requiring settlement in foreign exchange without prior BSP approval if funded by: (1) their own foreign exchange deposited in their foreign currency deposit account (whether onshore or offshore); and/or (2) foreign exchange purchased from sources other than AABs/AAB foreign exchange corporations. Further, residents may freely purchase up to US$60 million or its equivalent in foreign currency (per investor per year or per fund per year) from the banking system for outward investment in foreign-currency-denominated instruments, including real estate, issued by nonresidents, subject to documentation. Residents may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to 15-banking day prior notification to the BSP and documentation.
Purchase locally by nonresidents	Yes.	Purchases are subject to constitutional and legal limits. Under the Philippine Constitution, foreign nationals and foreign companies are not allowed to directly own land. Ownership of private lands in the Philippines is reserved for Philippine citizens and corporations that are considered Philippine nationals. The Philippine Foreign Investment Act allows foreign nationals and companies to indirectly own land by acquiring up to 40% ownership of a corporation that is considered a Philippine national, that is qualified to own land (corporations that are considered Philippine nationals are those corporations or partnerships with at least 60% of the capital stock outstanding owned by Filipinos). Foreign nationals and foreign companies may also acquire condominium units and shares in condominium corporations up to not more than 40% of the total and outstanding capital stock of a Filipino-owned or controlled condominium corporation, subject to the rules under the Condominium Act of the Philippines.

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Sale locally by nonresidents	Yes.	Nonresidents are not allowed to own private lands in the Philippines and thus cannot sell them the same locally. The Philippine Condominium Act provides that each condominium owner also has the absolute right to sell or dispose of his condominium, unless the master deed contains a requirement that the property be first offered to the condominium owners within a reasonable period of time before the same is offered to outside parties.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Loans are permitted, provided foreign exchange is not purchased from AABs and/or and AAB-foreign exchange corporations. Banks may extend peso financing to nonresidents to fund the following: (1) Without prior BSP approval – specific cases allowed under the MORB; or (2) Subject to prior BSP approval – for use in projects/programs/purposes that are: (a) not covered by Item (1) above and (b) legitimate and not contrary to laws, regulations, public order, public health, public safety, or public policy. In reference to Item (1) above, banks are allowed to extend peso consumer loans to Overseas Filipino Workers, embassy officials and employees, and foreign nationals holding valid visas issued by relevant Philippine authorities (subject to conditions) without prior BSP approval.
To residents from nonresidents	Yes.	Banks that wish to issue unsecured subordinated debt must secure the approval of the BSP. Private sector foreign loans/borrowings may be freely obtained, provided there is no guarantee from the government sector. Public sector/publicly-guaranteed foreign/foreign currency loans/borrowings require prior BSP approval. Private sector foreign loans/borrowings must be registered with the BSP if these will ultimately be serviced with foreign exchange resources of AABs/AAB foreign exchange corporations. Effective May 9, 2023, the BSP adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Private land may not be transferred or conveyed, except to individuals, corporations, or associations qualified to acquire or hold land in the public domain.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	

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Transfer of gambling and prize earnings	Yes.	Transfers are subject to appropriate supporting documents. The use of domestic currency for international payments and receipts is generally allowed. It is understood, however, that such transactions must still be subject to the limit of PHP50,000 on cross-border transfer of domestic currency. For amounts exceeding PHP 50,000, residents and nonresidents must: (1) obtain prior written authorization from the BSP; and (2) in case of physical cross-border transfer of Philippine currency, declaration of the whole amount taken out of the Philippines using the prescribed Currencies Declaration Form. Said form may also be accomplished online. The BSP, however, allows cross-border transfer of local currency in excess of the limit only for the following purposes: (1) testing/calibration/configuration of money counting/sorting machines; (2) numismatics (collection of currency); and (3) currency awareness.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks with foreign exchange trading corporations as subsidiaries or affiliates must make available daily the names of counterparties and other details of purchases and sales of foreign exchange. Banks authorized to operate an FCDU may engage in the following in any acceptable currency: (1) accept deposits and trust accounts from residents and nonresidents; (2) deposit funds, regardless of maturity, at foreign banks abroad, OBUs, and other FCDUs/EFCDUs; (3) invest in readily marketable foreign-currency-denominated debt instruments; (4) grant short-term foreign currency loans as allowed by BSP regulations; (5) borrow at any maturity from EFCDUs, foreign banks abroad, and OBUs and short term from other FCDUs; (6) engage in foreign currency–foreign currency swaps with the BSP, OBUs, and other FCDUs/EFCDUs; (7) engage in securities lending activities as a lender, subject to certain conditions; (8) engage in repo agreements involving foreign-currency-denominated government securities; (9) purchase foreign-currency-denominated government securities under resale agreements from other banks' FCDUs/EFCDUs, nonresident financial institutions, and OBUs; (10) issue hybrid Tier 1 capital instruments; (11) engage in US-dollar-denominated repo agreements with the BSP; and (12) invest in foreign-currency-denominated structured products issued by banks and special-purpose vehicles of high credit quality. In addition, banks authorized to operate EFCDUs may engage in the following: (1) invest in foreign-currency-denominated debt instruments; (2) grant foreign currency loans as allowed by the BSP; (3) borrow from other FCDUs/EFCDUs and from nonresidents and OBUs, as permitted by foreign borrowing rules; (4) engage in foreign currency–foreign currency swaps; (5) engage in foreign exchange trading and, with BSP approval, in financial futures and options trading; (6) on request/instructions of a foreign correspondent bank, issue LCs for a nonresident importer in favor of a nonresident exporter, and pay, accept, or negotiate drafts/bills of exchange under the LC; and (7) engage in direct purchases of export bills of resident exporters. Meanwhile, pursuant to BSP Circular No. 1134, Universal banks, Commercial banks and Islamic banks may operate an EFCDU, while TBs and digital banks may operate an FCDU subject to bank notification to BSP (Type C license). Rural banks and cooperative banks may operate an FCDU subject to BSP approval of bank application (Type A license). The said banks should also comply with the prudential criteria, the pre-

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		qualification requirements for the corresponding license type under Section 111 and Appendix 5 of the MORB and other documentary requirements as provided in the said Circular.
Borrowing abroad	Yes.	Banks' foreign borrowing is subject to the MORB, as well as other applicable laws, rules, and regulations. EFCDUs may borrow from nonresidents and OBUs, subject to existing rules on foreign borrowing. FCDUs of thrift, rural, and cooperative banks may borrow from foreign banks abroad and OBUs, regardless of maturity and from other FCDUs, on short-term maturity. Banks' foreign borrowing exceeding one year and intended for relending does not require BSP approval. Banks that wish to issue unsecured unsubordinated debt abroad must secure the approval of the BSP.
Maintenance of accounts abroad	No.	Banks may generally have accounts with foreign banks abroad and OBUs, except for peso-denominated accounts.
Lending to nonresidents (financial or commercial credits)	Yes.	Banks may grant commercial credit to nonresidents, provided foreign exchange is not purchased from AABs and/or AAB-foreign exchange corporations to service the loan. As of January 15, 2018, per Circular No. 984 dated December 22, 2017, AABs may extend peso financing to nonresidents to fund the following: (1) Without prior BSP approval – specific cases allowed under the MORB; or (2) Subject to prior BSP approval – for use in projects/programs/purposes that are: (a) not covered by Item (1) above and (b) legitimate and not contrary to laws, regulations, public order, public health, public safety, or public policy.
Lending locally in foreign exchange	Yes.	Banks with EFCDU license of U/KBs are authorized to grant foreign currency loans as allowed by the BSP. Banks with FCDU license are authorized to grant only short-term foreign currency loans. Regular Banking Units (RBUs) of universal, commercial, and TBs may engage in trade-related loan transactions, subject to the regulations on trade transactions. FCDU or EFCDU of banks may lend to the RBU only for trade purposes. The amount of FCDU/EFCDU loans to RBU should not exceed the lower of the total outstanding amount of RBU on-balance foreign currency trade assets or 30% of the E/FCDU deposit liabilities. Moreover, tenor of the FCDU or EFCDU loans to the RBU should not exceed one year. Under BSP Circular No. 1134, effective January 17, 2022, FCDU or EFCDU of a bank may lend to the RBU (for trade or non-trade purpose), provided the conditions under Circular No. 1134 are complied with such as the following: (1) interest income may not be charged by the E/FCDU on the lending transaction; (2) the balance of E/FCDU loan to RBU should be settled on gross basis by the way of actual transfer of foreign currency assets from the RBU books to the E/FCDU books; and (3) no gain or loss should be recorded on the transfer of foreign currency assets from the RBU to the E/FCDU representing settlement of E/FCDU loans to RBU.
Purchase of locally issued securities denominated in foreign exchange	Yes.	EFCDUs of U/KBs may invest in foreign-currency-denominated securities, regardless of maturity. However, FCDUs of TBs or rural and cooperative banks may invest only in foreign-currency-denominated debt instruments that are readily marketable. RBUs of banks may generally invest in locally issued securities denominated in foreign exchange, subject to regulations, particularly on risk management.
Differential treatment of deposit accounts in foreign exchange	Yes.	

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Reserve requirements	Yes.	There is no reserve requirement for deposit accounts in foreign exchange. However, banks are required to have 100% asset cover on foreign currency deposits and the requirement of maintaining 30% of asset cover in the form of liquid assets was lifted. The liquidity and statutory reserve requirements for peso deposits and deposit substitute liabilities of U/KBs are unified into a single, combined reserve requirement of 16%, except for long-term negotiable CDs, which are subject to lower reserve requirement of 4%. Reserve requirements for bonds are 3% for U/KBs, TBs, and NBQBs. Reserve requirements for deposit and deposit substitute liabilities of U/KBs were reduced from 14% to 12% since April 3, 2020. Reserve requirements for deposit and deposit substitute liabilities of NBQBs were reduced from 14% to 12% since April 3, 2020. Reserve requirements for deposit and deposit substitute liabilities of TBs were reduced from 4% to 3% since July 31, 2020. Reserve requirements for deposit and deposit substitute liabilities of rural and cooperative banks were reduced from 3% to 2% since July 31, 2020. Effective October 14, 2022, reserve requirements against deposit and deposit substitutes liabilities of 8% and 3% for bonds for digital banks were added under BSP Circular No. 1154. The reserve requirements for deposit and deposit substitute liabilities of digital banks were subsequently reduced from 8% to 6% effective June 30, 2023, as provided under BSP Circular Nos. 1175 and 1176. Reserve requirements for deposit and deposit substitutes liabilities of U/KBs and NBQBs were reduced from 12% to 9.5% since June 30, 2023, as provided under BSP Circular Nos. 1175 and 1176. Reserve requirements for deposit and deposit substitutes liabilities of TBs were reduced from 3% to 2% since June 30, 2023, as provided under BSP Circular No. 1175. Reserve requirements for deposit and deposit substitutes liabilities of RB/Coop Banks were reduced from 2% to 1% since June 30, 2023 as provided under BSP Circular No. 1175.
Liquid asset requirements	Yes.	Depository banks with FCDUs and EFCDUs must maintain at all times 100% asset cover for their foreign currency liabilities, except for US-dollar-denominated repo agreements with the BSP. From February 15, 2018, the requirement of at least 30% of the cover for these liabilities to be in liquid assets was lifted. From February 15, 2018, the requirement for EFCDUs of U/KBs, of at least 70% of the cover must be in the same currency as the deposit liability, and up to 30% in other acceptable foreign currencies was lifted. The requirement of FCDUs of TBs and rural and cooperative banks to maintain foreign currency cover in the same currency as the deposit liability was likewise lifted. Under the BSP framework on LCR, banks are expected to be able to meet their liquidity needs in each currency, although the framework only requires the LCR to be met and reported in a "single currency" (that is, in peso terms). Meanwhile, effective January 12, 2022, the amendments under BSP Circular No. 1134 include the recognition of the following eligible

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		asset cover: accounts receivable in general (not only those arising from the sale of financial assets under trade date accounting) and the loans to RBU by E/FCDU (regardless of tenor).
Interest rate controls	No.	[.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	The establishment or acquisition by a bank of subsidiaries or affiliates abroad requires BSP approval. A bank subsidiary may invest in a foreign subsidiary, subject to the following: (1) The investment of a bank subsidiary in the equity of a subsidiary abroad is subject to BSP approval. (2) The bank subsidiary may invest in the subsidiary if it meets the pre-qualification requirements of the BSP. (3) The application for authority of the requesting bank subsidiary must be accompanied by a certified true copy of the resolution authorizing the investment by the board of directors of the parent bank and the bank subsidiary, feasibility study indicating among other things the economic justification for investment and the proposed organizational structure. (4) The applicant parent subsidiary must comply with the licensing requirements of the host country, and the necessary license must be secured from the appropriate government agency of the host country. (5) The proposed subsidiary may invest in another subsidiary with BSP approval. (6) Outward investment representing initial capital and other outlays is subject to the regulations. (7) At least 50% of the yearly net profits of the proposed subsidiary must be declared and paid as cash dividends to the parent subsidiary. (8) The proposed subsidiary is subject to BSP reporting and supervision requirements, and the cost of such examination is chargeable to the parent bank. (9) Additional funding or advances of the parent bank in the Philippines to its subsidiaries abroad require BSP approval.
In banks by nonresidents	Yes.	Qualified foreign banks may own or control up to 100% of the voting stock of a domestic bank while a foreign individual or a foreign nonbank corporation may own up to 40% of voting stock of U/KBs, and TBs and 60% of rural banks. Aggregate ownership of the voting shares of stock of foreign individuals and/or foreign nonbank corporations in U/KBs is limited to 40% of in U/KBs and 60% of in TBs and rural banks. Total resources of banks held by foreign banks may not exceed 40%. The equity investment of a cooperative in a coop bank may not exceed 40% of its subscribed capital stock. Section 122 of the MORB on the digital bank framework issued under Circular No. 1105 provides that qualified foreign banks may own or control up to 100% of the voting stock of a digital bank while a foreign individual or a foreign nonbank corporation may own up to 40% of voting stock of a digital bank. Aggregate ownership of the voting shares of stock of foreign individuals and/or foreign nonbank corporations in digital banks is limited to 40%. Section 102 of the MORB as amended by Circular No. 1069 on the establishment of

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		Islamic banks provides that the stockholding limits prescribed for a U/KB under Section 122 must apply to an Islamic bank.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The net open position (NOP) limit is the lower of 25% of qualifying capital or US$150 million. A bank's NOP represents the amount of its net assets and/or liabilities denominated in foreign currency. The BSP imposes sanctions for the violation of open position limits. The BSP prescribes the use of the "netting" method for determining banks' net open position.
On nonresident assets and liabilities	Yes.	The NOP limit is the lower of 25% of qualifying capital or US$150 million, whichever is lower. A bank's NOP represents the amount of its net assets and/or liabilities denominated in foreign currency. The BSP imposes sanctions for the violation of open position limits. The BSP prescribes the use of the "netting" method for determining banks' net open position.
Provisions specific to institutional investors	Yes.	As a general rule, a broker, dealer, or salesperson must register with the SEC to conduct business in the country.
Insurance companies	Yes.	Insurance companies are regulated by the Insurance Commission.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Qualified investors, such as insurance companies, may purchase foreign exchange from AABs and/or AAB-foreign exchange corporations to fund outward investment up to US$60 million a fund a year. Resident qualified investors may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to the 15-day prior notification to the BSP and documentation.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Pension funds are regulated by the SEC.
Limits (max.) on securities issued by nonresidents	Yes.	Qualified investors, such as pension funds, may purchase foreign exchange from AABs and/or and AAB-foreign exchange corporations to fund outward investment up to US$60 million a fund a year. Resident qualified investors may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to the 15-day prior notification to the BSP and documentation.
Limits (max.) on investment portfolio held abroad	Yes.	Qualified investors, such as pension funds, may purchase foreign exchange from AABs and/or and AAB-foreign exchange corporations to fund outward investment up to US$60 million a fund a year. Resident qualified investors may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to the 15-day prior notification to the BSP and documentation.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Investment firms, except for investment houses with quasi-banking functions, and/or trust/investment management functions, and collective investment funds are regulated by the SEC.
Limits (max.) on securities issued by	No.	Investment houses with quasi-banking functions are not subject to

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nonresidents		limits on securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	Except when authorized by the MB, total equity investments in and/or loans to any single enterprise abroad by an investment house with quasi-banking functions may not at any time exceed 15% of its net worth. Qualified investors, such as investment firms and collective investment funds, may purchase foreign exchange from AABs to fund outward investments up to US$60 million a fund a year. Resident qualified investors may purchase foreign exchange in excess of the US$60 million annual threshold without prior BSP approval, subject to the 15-day prior notification to the BSP and documentation.
Limits (min.) on investment portfolio held locally	Yes.	Equity investment in a non-allied business of an investment house with quasi-banking functions must be a minority in that enterprise, except as may be otherwise approved by the President of the Philippines.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.

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For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	The activity on the issuance of tokens is under the regulatory ambit of the SEC. There are currently no specific regulations on the issuance and controls over unbacked tokens. However, on the side of Virtual Asset Service Providers (VASPs), VASPs are expected to have in place policies and processes in due diligence, monitoring, and approvals in selecting the virtual assets (VAs) that will be listed or traded in their platform.
Acquisition by residents	Yes.	From August 10, 2021, VASPs must adopt customer awareness measures to educate their customers which includes, among others: (1) safeguarding of VA and/or fiat currency wallets, as well as protection of client information such as 1og-in credentials; (2) use of the mobile platform and wallets; (3) actual fees and charges related to the use of the mobile platform and withdrawal transactions; and (4) problem resolution procedures. From August 10, 2021, VASPs must disclose, prior to entering into an initial- transaction and on an ongoing basis, all material risks to their clients in a manner that is clear, fair and not misleading. Disclosure must provide information regarding the risks associated with the acquisition, possession, and trading of VAs. VASPS must also disclose whether they are holding VAs in custody and the attendant risks or whether the customers have full control and responsibility of protecting and safeguarding their VAs. From August 10, 2021, VASPs must establish a robust due diligence and accreditation process in selecting the VAs that will be listed or traded in their platform.
Use among residents	Yes.	From August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is, AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP.
Between residents and nonresidents	Yes.	From August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is, AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP.
For current transaction	Yes.	From August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is, AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP.
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	

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Controls on utility and security tokens	Yes.	The activity on the issuance of tokens is under the regulatory ambit of the SEC. There are currently no specific regulations on the issuance and controls over unbacked tokens. However, on the side of VASPs, VASPs are expected to have in place policies and processes in due diligence, monitoring, and approvals in selecting the VAs that will be listed or traded in their platform.
Acquisition by residents	Yes.	From August 10, 2021, VASPs must adopt customer awareness measures to educate their customers which includes, among others (1) safeguarding of VA and/or fiat currency wallets as well as protection of client information such as 1og-in credentials; (2) use of the mobile platform and wallets; (3) actual fees and charges related to the use of the mobile platform and withdrawal transactions; and (4) problem resolution procedures. From August 10, 2021, VASPs must disclose, prior to entering into an initial- transaction and on an ongoing basis, all material risks to their clients in a manner that is clear, fair and not misleading. Disclosure must provide information regarding the risks associated with the acquisition, possession, and trading of VAs. VASPS must also disclose whether they are holding VAs in custody and the attendant risks or whether the customers have full control and responsibility of protecting and safeguarding their VAs. From August 10, 2021, VASPs must establish a robust due diligence and accreditation process in selecting the VAs that will be listed or traded in their platform.
Use among residents	Yes.	Form August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is., AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP.
Between residents and nonresidents	Yes.	From August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is, AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP.
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	Yes.	From August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is, AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP. In the absence of a clear regulation, stablecoins, regardless of type, is broadly considered as VA under BSP Circular 1108 dated January 26, 2021. Further, the same set of rules and standards applicable for Electronic Money Issuers are applied in terms of fiat-backed stablecoins because these two activities are highly similar in nature and use cases.
Acquisition by residents	Yes.	From August 10, 2021, VASPs must adopt customer awareness measures to educate their customers which includes, among others

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		(1) safeguarding of VA and/or fiat currency wallets as well as protection of client information such as 1og-in credentials; (2) use of the mobile platform and wallets; (3) actual fees and charges related to the use of the mobile platform and withdrawal transactions; and (4) problem resolution procedures. From August 10, 2021, VASPs must disclose, prior to entering into an initial- transaction and on an ongoing basis, all material risks to their clients in a manner that is clear, fair and not misleading. Disclosure must provide information regarding the risks associated with the acquisition, possession, and trading of VAs. VASPS must also disclose whether they are holding VAs in custody and the attendant risks or whether the customers have full control and responsibility of protecting and safeguarding their VAs. From August 10, 2021, VASPs must establish a robust due diligence and accreditation process in selecting the VAs that will be listed or traded in their platform.
Use among residents	Yes.	From August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is, AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP. In the absence of a clear regulation, stablecoins, regardless of type, is broadly considered as VA under BSP Circular No. 1108 dated January 26, 2021. Further, the same set of rules and standards applicable for Electronic Money Issuers are applied in terms of fiat-backed stablecoins because these two activities are highly similar in nature and use cases.
Between residents and nonresidents	Yes.	From August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is, AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP.
For current transaction	Yes.	From August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is, AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP. In the absence of a clear regulation, stablecoins, regardless of type, is broadly considered as VA under BSP Circular No. 1108 dated January 26, 2021.
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	The regulations covering the activities of VASPs are set under BSP Circular No. 1108 dated January 26, 2021, while the specific steps on the licensing of VASPs can be found in the BSP Citizen's Charter 2023. The BSP aims to strike a balance between promoting innovation in the financial sector and ensuring that associated risks remain within manageable levels. In this light, the BSP recognizes that as virtual assets offer opportunities to promote greater access to financial

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		services at reduced costs, they also pose varied risks that may undermine financial stability. In this regard, the regular application window for new VASP licenses was closed for three years, starting September 1, 2022, subject to re-assessment based on market developments. Meanwhile, existing BSFIs who wish to expand operations by offering VASP services, including non-custodial VASPs who wish to offer safekeeping and/or custodial services, may still apply for a VASP license subject to certain conditions as provided in the BSP Memorandum No. M-2022-035.
Access to crypto exchange/trading platform by residents	Yes.	From August 10, 2021, VASP customers, whether resident or nonresidents, must be subjected to the same level of controls (that is, AML/CFT, fund transfers) so long as they are using the services of a BSP-supervised VASP.

Changes during 2022 and 2023

Exchange Arrangement

Monetary policy framework

Inflation-targeting framework

Operating target (policy rate)

Policy rate	*09/08/2023*	The Bangko Sentral ng Pilipinas (BSP) shifted to a variable-rate format with a pre-determined offer volume in the auction for the overnight (ON) reverse repurchase (RRP) facility. In executing this shift to a variable-rate auction format, two key changes have been implemented: The BSP's monetary policy rate shall be called the "Target RRP Rate". The BSP will signal its monetary policy stance through the Target RRP Rate. Similar to the prevailing practice, the Target RRP Rate shall be set after each meeting of the Monetary Board on the BSP's monetary policy stance, and the RRP facility remains the BSP's primary monetary policy instrument. The BSP will also be introducing a formal operational target, which will be called the "ON RRP Rate". An operational target is a market-determined, short-term interest rate that CBs can guide on a day-to-day basis using their monetary instruments to reflect the prevailing monetary policy stance. Previously, the BSP's primary monetary policy instrument was its ON RRP rate.

Imports and Import Payments

Import taxes and/or tariffs	*02/20/2023*	Through the Office of the President Executive Order No. 12 dated January 21, 2023, the rates of import duty on electric vehicles, parts, and components under Section 1611 of Republic Act No. 10863 (Customs Modernization and Tariff Act) are temporarily modified. Specifically, the MFN tariff rates on the articles of goods covered are reduced for a period of five years.
	06/02/2023	Through the Office of the President Executive Order No. 25 dated May 20, 2023, the Philippine schedule of tariff commitments under the Regional Comprehensive Economic Partnership Agreement is implemented and the rates of import duty on certain imported articles are modified accordingly.
	12/11/2023	Through the Office of the President Executive Order No. 46 dated November 11, 2023, the rate of import duty on natural gypsum and anhydrite under Section 1611 of Republic Act No. 10863 (Customs Modernization and Tariff Act) is temporarily modified. Specifically,

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		the MFN tariff rate on goods covered is reduced which must be subject to an annual review after December 31, 2024.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase locally by nonresidents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Sale or issue abroad by residents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Bonds or other debt securities		
Purchase locally by nonresidents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Sale or issue abroad by residents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
On money market instruments		
Purchase locally by nonresidents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Sale or issue abroad by residents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
On collective investment securities		
Purchase locally by nonresidents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the

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		operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Sale or issue abroad by residents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Controls on credit operations		
Commercial credits		
To residents from nonresidents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Financial credits		
To residents from nonresidents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Controls on direct investment		
Inward direct investment	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.
Controls on personal capital transactions		
Loans		
To residents from nonresidents	*05/09/2023*	The Bangko Sentral ng Pilipinas adopted as permanent policy under Circular No. 1171 dated March 29, 2023, the majority of the operational relief measures for foreign exchange transactions initially introduced in response to the COVID-19 pandemic under Circular No. 1080 dated March 27, 2020. These measures include, among others, the lifting of the applicable processing fee for applications/requests for various foreign exchange transactions.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending locally in foreign exchange	*01/17/2022*	Foreign currency deposit unit (FCDU) or expanded foreign currency deposit unit (EFCDU) of a bank may lend to the Regular Banking Unit (RBU) (for trade or non-trade purpose; previously was just for trade and the following conditions did not apply), provided the conditions under Circular No. 1134 are complied with such as the

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		following: (1) interest income may not be charged by the E/FCDU on the lending transaction; (2) the balance of E/FCDU loan to RBU should be settled on gross basis by the way of actual transfer of foreign currency assets from the RBU books to the E/FCDU books; and (3) no gain or loss should be recorded on the transfer of foreign currency assets from the RBU to the E/FCDU representing settlement of E/FCDU loans to RBU.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*10/14/2022*	Reserve requirements against deposit and deposit substitutes liabilities of 8% and 3% for bonds for digital banks were added under Bangko Sentral ng Pilipinas Circular No. 1154.
	06/30/2023	The reserve requirements for deposit and deposit substitute liabilities of digital banks were reduced from 8% to 6%. Reserve requirements for deposit and deposit substitutes liabilities of universal and commercial banks and NBQBs were reduced from 12% to 9.5%. Reserve requirements for deposit and deposit substitutes liabilities of thrift banks were reduced from 3% to 2%. Reserve requirements for deposit and deposit substitutes liabilities of RB/Coop Banks were reduced from 2% to 1%.
Liquid asset requirements	*01/12/2022*	The amendments under Bangko Sentral ng Pilipinas Circular No. 1134 include the recognition of the following eligible asset cover: accounts receivable in general (not only those arising from the sale of financial assets under trade date accounting) and the loans to Regular Banking Unit by expanded foreign currency deposit unit/foreign currency deposit unit (regardless of tenor).

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POLAND

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		June 12, 1986.
Article VIII	Yes.	Date of acceptance: June 1, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Poland maintains certain exchange restrictions in accordance with EU regulations solely for the preservation of national and international security. These include the freezing of funds and economic resources of certain persons, entities, and groups. The EU's economic and financial sanctions are based on Article 215 of the Treaty on Functioning of the European Union and decisions adopted in the framework of the Common Foreign and Security Policy.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Poland is the Polish zloty.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		

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Floating		
Free floating	Yes.	The de jure and de facto exchange rate arrangement are free floating; the exchange rate of the zloty is determined on the basis of supply and demand in the foreign exchange market, and the zloty is traded freely against all currencies. Narodowy Bank Polski (NBP, National Bank of Poland), however, may intervene in the foreign exchange market if necessary to ensure domestic macroeconomic and financial stability. As in previous years, MOF exchanged foreign currencies in the CB and the state-owned development bank, Bank Gospodarstwa Krajowego (BGK). The procedures related to exchange of foreign currencies into zlotys by the MOF in the NBP have not changed. Every year, the MOF publishes on its website information on any transactions conducted by the MOF on the financial market. As regards NBP, it publishes general information about purchase of foreign currencies from the MOF and limits on foreign exchange transactions with MOF in Annual Reports of Banking Sector Liquidity and Monetary Policy Instruments of NBP. The NBP intervened in the foreign exchange market twice in the first half of 2022 (between March 1 and 2 and on March 4) because of the unprecedented volatility of the zloty after a Russian large-scale military invasion on Ukraine.
Official exchange rate	Yes.	Exchange rates are freely determined by the market. The NBP calculates and publishes daily rates for convertible currencies. Euro rates fixing is based on foreign exchange market rates as quoted on trading platforms between 10:55 and 11:00 a.m. local time (average foreign exchange market rates between specified periods of time). Exchange rates for other major currencies are calculated from cross-currency rates against the euro as quoted on trading platforms. The NBP daily rates are mainly used for statistical and accounting purposes. In general for accounting purposes, these rates are used to recalculate amounts and cash flow in foreign currency into zloty. The rates are also used by businesses to price foreign-exchange-denominated assets and liabilities as well as settlement rates for exchange-traded derivatives. As regards financial markets, the rates are used as the fixing price in the settlement of derivatives (options, etc.).
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	Monetary policy is based on flexible inflation targeting. Within this framework, the Monetary Policy Council (MPC) sets the inflation target and adjusts monetary instruments (predominantly the NBP policy interest rates) to keep headline inflation close to the target in the medium term. Since 2004, the NBP has pursued a medium-term inflation target of 2.5% with a symmetrical band of deviations of ±1 pp (percentage point). The medium-term orientation of the target does not involve any definition or guidance about the time-specific

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		horizon of inflation returning to target in case of deviation. The NBP's inflation-targeting framework is laid down in Monetary Policy Guidelines, which – in line with the constitution of the Republic of Poland – are presented to the lower chamber of the Polish parliament (Sejm) on an annual basis. The constitution also imposes an obligation on the MPC to present a Report on Implementation of the Guidelines to Sejm each year. These are the main annual documents informing the public about the causes and nature of the shocks behind inflation target misses. The MPC, however, retains a large degree of discretion over the reaction to shocks. In addition, the implementation of the Monetary Policy Guidelines is assessed by the Polish Supreme Audit Office, also on an annual basis.
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee	Yes.	According to the Polish Constitution, the NBP shall be responsible for the value of Polish currency. The Act on NBP states that "the basic objective of the activity of NBP shall be to maintain price stability, while supporting the economic policy of the Government, insofar as this does not constrain the pursuit of the basic objective of NBP." In line with the abovementioned legal guidelines, the numerical value of the inflation target was set by the MPC in "Monetary Policy Strategy beyond 2003" published in February 2003 . The target is confirmed each year in Monetary Policy Guidelines, published annually. Monetary policy decisions are taken by majority vote with the presence of at least five members of the MPC, including Chairperson (the Governor of the NBP), who has the deciding vote in case of a tie. Inflation target is set by the MPC which has the right to modify the target.
Central Bank Board		
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	Since 2004, the NBP has pursued a medium-term inflation target of 2.5% with a symmetrical band of deviations of ±1 pp.
Band/Range		
Target measure	Yes.	
CPI	Yes.	Target measure refers to the annual change in the consumer price inflation. The consumer price inflation (the overall price index of consumer goods and services) is computed and published by the Statistics Poland (GUS – the Central Statistical Office of Poland). The target is set at 2.5% with a symmetric band for deviations of +/ −1 pp in the medium term. (Thus, it is a continuous target, not an end-year target.)
Core inflation		

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Target horizon	Yes.	The target horizon is medium term. The Council flexibly determines the time necessary for inflation to return to the target depending on the character of the shock, its persistence, and the overall assessment of risks posed by the shock to both price stability and broadly understood macroeconomic stability in the medium term.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The key instrument of monetary policy is the NBP interest rates. The NBP reference rate determines the yield obtainable on the NBP main open market operations, while at the same time affecting the level of short-term market interest rates, in particular unsecured interbank deposits. The NBP lombard rate determines the interest on the lombard credit offered by NBP, allowing to obtain funds from the CB on an overnight basis. The NBP deposit rate determines the interest rate on deposits, allowing to deposit funds with NBP on an overnight basis. Both of the above-mentioned NBP rates define the width of the so-called NBP interest rate corridor, which sets the band for the movements of the overnight rate determined in the interbank market
Target corridor band	Yes.	The NBP started the process of increasing the NBP reference rates on October 7, 2021, when the main reference rate was set at 0.50%, the deposit rate at 0.00%, and the lombard rate at 1.00%. From this moment, the NBP interest rate corridor defined by the deposit rate and the lombard rate was symmetric to the reference rate (-0.50 pp/ +0.50 pp). The process was continued, and the MPC raised the rates eleven times in a row. Since September 8, 2022, till September 6, 2023 the deposit rate has been standing at 6.25%, the lombard rate at 7.25% and the reference rate at 6.75%. Effective September 7, 2023, MPC decreased interest rates by 0.75 pp to the levels: reference rate at 6.00%, deposit rate at 5.50%, and lombard rate at 6.50%. Effective October 4, 2023, MPC further decreased interest rates by 0.25 pp to the levels: reference rate at 5.75%, deposit rate at 5.25%, and lombard rate at 6.25%. The deposit rate and the lombard rate set the fluctuation band for overnight interest rates in the interbank market, which is symmetric with respect to the reference rate.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	Once a year, the Governor of the NBP attends the parliamentary hearing to present the NBP's Annual Report.
Other	Yes.	The key communication instruments include the cyclical publications: Information from the meeting of the MPC (with the accompanying press conferences, which usually take place on the day following each MPC decision-making meeting), Minutes of the MPC decision-making meetings, and Inflation Reports. Once a year, the NBP also publishes its Annual Report, Report on Monetary Policy Implementation, Monetary Policy Guidelines, and Banking Sector Liquidity – Monetary Policy Instruments of NBP.
Transparency	Yes.	
Publication of votes	Yes.	Pursuant to the decision of the MPC, the NBP publishes on its website the motions relating to interest rates, together with a breakdown of votes cast by individual MPC members. The rules for publishing are as follows: If the motion was not passed – after the lapse of 6 weeks from the date of voting, at 14.00 hours; if the

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		resolution on interest rates was adopted – after the results of voting on the resolution have been published in Monitor Sądowy i Gospodarczy (Court and Commercial Gazette). If, in addition to adopting a resolution on interest rates, other motions were voted at the MPC meeting which did not receive a majority vote, the results of voting on such motions are posted on the NBP website after the announcement of voting results on the adopted resolution in the Court and Commercial Gazette.
Publication of minutes	Yes.	Minutes of the previous decision-making meeting are approved on the next decision-making meeting and published 2 days later. Content of the Minutes: main issues discussed by the MPC and arguments raised during the discussion; the decision on monetary policy instruments, including interest rates; no individual views (no names of individual MPC members). Minutes are approximately 3–4 pages long.
Publication of inflation forecasts	Yes.	NBP projections are prepared three times a year and published in March, July, and November Inflation Reports. In addition to the publication of the Inflation Report, a separate press conference is held to present current projections. The press conference – together with the accompanying presentation – is available on the NBP website. The projection covers economic developments up to three years ahead from the publication date.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Banks may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Banks may deal in foreign exchange without a separate license. As of June 30, 2023, there are also 4572 foreign exchange offices (kantors) allowed to provide foreign exchange services to the public; kantors do not need a special permit but must be registered in the register of kantors. Kantors do not conclude foreign exchange transactions with the NBP. They may conclude transactions with other banks, cantors, and retail customers. Their operations are limited to the purchase and sale of banknotes; they may not make foreign currency payments and transfers on behalf of their clients. In their business activity, they may not maintain accounts abroad. Foreign exchange offices may not provide payment services as defined in Directive 2015/2366 on payment services (money transfers).
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Market makers are market participants who continuously quote bid and ask prices to other market participants. No additional license is required for a bank to operate in the foreign exchange market. There are no limits on the bid-ask spreads or commissions of market participants. In recent years, the NBP intervened directly with market participants at their quoted rates. Domestic commercial banks have direct access to the interbank foreign exchange market; however, activity in this market is relatively concentrated (with almost 90% of

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		turnover generated by 10 banks).
Over the counter	No.	
Brokerage	Yes.	The foreign exchange market is based on a market-making agreement as well as a brokerage system.
Market making	Yes.	The foreign exchange market is based on a market-making agreement as well as a brokerage system.
Forward exchange market	Yes.	The NBP does not participate in the foreign exchange derivatives market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	Credit agreements with Sudan, Mozambique, and Cuba remain in force but are inactive. Sudan: The liabilities result from two trade credits granted by Polish companies to Sudanese companies (1976 and 1977), consolidated afterward in the agreement from 1986 between the MOF of Poland and the MOF of Sudan. The liabilities resulting from the agreement have not been paid since its signing. Mozambique: The liabilities result from trade credit agreement signed in 1979. Cuba: The liabilities result from two trade credit agreements dated 1975 and 1979. The agreement has been inoperative since 1991, when transfers in XTR were liquidated.
Regional arrangements	Yes.	Poland is a member of the EU.
Clearing agreements	Yes.	There is an outstanding debt from Cuba resulting from an unsettled balance on a liquidation account created for clearing trade transactions between Poland and Cuba. There is no agreement on settling the debt. The agreement has been inoperative since 1991, when transfers in XTR were liquidated.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Polish parliament has the legislative authority to amend the Foreign Exchange Law. As regards executive acts to the Law, regulations are issued by the Minister of Finance (MoF) in cooperation with the President of the NBP. General foreign exchange

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		permits are granted by the MoF; individual foreign exchange permits are granted by the NBP in the form of administrative decisions. Those decisions are subject to appeal to the appropriate regional administrative court. The NBP exercises control over foreign exchange permits, exchange office activities, and collects submissions to be provided by residents as regards their banking statistics for the purpose of compiling balance of payments data and the external assets and liabilities position of the country.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may hold gold in any form. Trading in gold, other than in jewelry form, is a regulated economic activity and requires registration with the President of the NBP.
On external trade	Yes.	The exportation of foreign gold (gold coins) is subject to declaration procedures (written declaration at the border).
Controls on exports and imports of banknotes	No.	On June 3, 2021, Regulation (EU) No. 2018/1672 of the European Parliament and of the Council of October 23, 2018, on controls on cash entering or leaving the Union entered into force and repealed Regulation (EC) No. 1889/2005. In accordance with Regulation (EU) No. 2018/1672, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying cash of a value of €10,000 or more are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information. The national FIU has direct access to CIS+ Cash module in automated fingerprint identification system (AFIS), where all the cash declarations and cash disclosure declarations are introduced at the border and kept. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, the person is subject to a fine for tax offense pursuant to Article 106f or 106h of the Act of September 10, 1999, Penal Fiscal Code (Journal of Laws of 2020, Item 19); there is a possibility of retaining undeclared cash as part of activities carried out under the procedure of Article 308 of the Code of Criminal Procedure and then handing it over to the Public Prosecutor's Office. The regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the regulation; the regulation only harmonizes the system for the EU's external borders.

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On exports	No.	The exportation of foreign or domestic banknotes with a total value amounting to or exceeding the equivalent of €10,000 is subject to declaration procedures (written declaration at the border).
Domestic currency	No.	The exportation of foreign or domestic banknotes with a total value amounting to or exceeding the equivalent of €10,000 is subject to declaration procedures (written declaration at the border).
Foreign currency	No.	The exportation of foreign or domestic banknotes with a total value amounting to or exceeding the equivalent of €10,000 is subject to declaration procedures (written declaration at the border).
On imports	No.	The importation of domestic or foreign banknotes amounting to or exceeding the equivalent of €10,000 is subject to written declaration at the border.
Domestic currency	No.	The importation of domestic or foreign banknotes amounting to or exceeding the equivalent of €10,000 is subject to written declaration at the border.
Foreign currency	No.	The importation of domestic or foreign banknotes amounting to or exceeding the equivalent of €10,000 is subject to written declaration at the border.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Depositing funds in a foreign exchange account is permitted and balances may be transferred abroad freely, subject to specific regulations.
Approval required	No.	
Held abroad	Yes.	Residents (individuals and enterprises) are allowed to maintain accounts in the member countries of the EU, EEA, and OECD without permission. Accounts in other countries may be maintained only for settlements with nonresidents. Controls apply to deposits of funds with nonresident institutions by a privately managed occupational pension fund. The allocation of assets of insurance companies is not subject to limits but must remain consistent with prudent person principle specified in Article 276 of the Act of September 11, 2015, on insurance and reinsurance activity which is based on the Solvency II Directive. According to Article 276 of the Act of September 11, 2015, on insurance and reinsurance activity, assets of insurance and reinsurance companies should be invested according to prudent person principle. This act is an implementation of Directive 2009/138/EC of November 25, 2009, on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and prudent person principle is provided in Article 132 of this directive. The main principles are: (1) With respect to the whole portfolio of assets, insurance and reinsurance companies must only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. (2) All assets, in particular those covering the minimum capital requirement and the solvency capital requirement, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole. In addition, the localization of those assets must be such as to ensure their availability. (3) Assets held to cover the technical provisions must also be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. The limit on open pension funds' investments in assets denominated

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		in a currency other than the national one is 30%. The total value of open pension fund assets invested in assets denominated in currency other than the national one may not exceed 30%. For occupational pension funds, the value of assets denominated in a currency other than the national one may not exceed 30% of a fund's total assets. Assets of pension funds may be invested in assets denominated in currencies of EU, EEA, and OECD member countries. For Employee Capital Plans (PPK), the value of assets denominated in a currency other than the national one may not exceed 30% of total assets.
Approval required	Yes.	
Accounts in domestic currency held abroad	Yes.	The regulations for foreign exchange accounts held abroad also apply to these accounts. The allocation of assets of insurance companies is not subject to limits but must remain consistent with prudent person principle specified in Article 276 of the Act of September 11, 2015, on insurance and reinsurance activity which is based on the Solvency II Directive. For occupational pension funds, the value of assets denominated in a currency other than the national one may not exceed 30% of a fund's total assets. Assets of pension funds may be invested in assets denominated in currencies of EU, EEA, and OECD member countries. For PPK, the value of assets denominated in a currency other than the national one may not exceed 30% of total assets.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	Domestic currency accounts may or may not pay interest, depending on the agreement with the bank, and they may be credited with funds from any source that is in compliance with foreign exchange regulations.
Convertible into foreign currency	Yes.	These accounts may be converted to foreign currency.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	

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Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	These transactions are subject to EU regulations.
Positive list	No.	
Negative list	Yes.	A list of goods that may not be imported is determined on the basis of relevant EU regulations (for example, asbestos and articles containing asbestos, some ozone-depleting substances, and some dangerous chemicals are prohibited).
Open general licenses	No.	
Licenses with quotas	Yes.	The EU regulations apply.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The EU Common Customs Tariff applies.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	These transactions are subject to EU regulations.
Without quotas	Yes.	Licenses are required for exports of certain goods following relevant EU regulations (for example, radioactive materials and strategic goods, drug precursors, and cultural goods).
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the purchase of shares and other securities of a participating nature, which may be affected by regulations on FDI. Acquisition of shares representing defined substantial block of shares in public companies with sales revenue in one from two recent years at level of 10,000,000 EUR should be notified to President of Office of Competition and Consumer Protection. President of Office of Competition and Consumer Protection is entitled to issue a decision authorizing the purchase or refusing the purchase. Information must be provided to the Polish Financial Supervision Authority (KNF), to the issuer, and to the public if certain thresholds in voting power or stock purchase are exceeded.
Sale or issue locally by nonresidents	Yes.	Under the EU uniform rule, public offerings of securities in Poland generally require approval of a prospectus by the competent authority of the issuer's EU home member state (in general EU country of issuer's incorporation). Only in case of public offers with small value and/or addressed to certain investors (for example, qualified investors or limited number of individual investors), there is no obligation to publish a prospectus and a lighter information document is required. In case of issuer from a member state other than Poland, if a public offering or admission to trading on a regulated market takes place in Poland as a host member state, the prospectus approved by the supervision authority of a home member state is valid (prospectus passporting), provided European Securities and Markets Authority (ESMA) and the KNF receive appropriate notification and the prospectus is drawn up either in a language accepted by the KNF or in a language customary in international finance. In case the issuer's country of incorporation is not an EU country, prospectus must be approved by the KNF.
Purchase abroad by residents	Yes.	Controls apply to the purchase of securities issued by nonresidents from countries other than EU, EEA, and OECD and countries with which Poland has not entered into agreements for the promotion and protection of investments.

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Controls apply to the purchase of securities issued by nonresidents from countries other than EU, EEA, and OECD by privately managed pension funds. The allocation of assets of insurance companies is not subject to limits but must remain consistent with prudent person principle specified in Article 276 of the Act of September 11, 2015, on insurance and reinsurance activity which is based on the Solvency II Directive. According to Article 276 of the Act of September 11, 2015, on insurance and reinsurance activity, assets of insurance and reinsurance companies should be invested according to prudent person principle. This Act is an implementation of Directive 2009/138/EC of November 25, 2009, on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), and prudent person principle is provided in Article 132 of this directive. The main principles are: (1) With respect to the whole portfolio of assets, insurance and reinsurance companies must only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. (2) All assets, in particular those covering the minimum capital requirement and the solvency capital requirement, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole. In addition, the localization of those assets must be such as to ensure their availability. (3) Assets held to cover the technical provisions must also be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective open pension funds may invest up to 30% of their assets in assets denominated in a currency other than the national one. The total value of open pension fund assets invested in assets denominated in currency other than the national one may not exceed 30%. For occupational pension funds, the value of assets denominated in a currency other than zlotys may not exceed 30% of a fund's total assets. Pension fund assets may be invested in assets denominated in zlotys or currencies of EU, EEA, and OECD countries. These assets may be invested in the following capital market securities of a participation nature with an original maturity of more than one year: (1) shares of companies listed on a regulated market and bonds convertible to the shares of such companies, as well as preemptive rights and rights to shares listed on that market; (2) shares, preemptive rights, and rights to shares for public offer; (3) participation units of closed-end collective investment institutions, as follows: (a) whose sole objective is collective investment of funds collected through public or private offering of their participation units in securities, money market instruments, and other property rights; (b) that are authorized by the financial market supervisory authorities in the country in which they are established or whose operations require notification to those authorities, if according to their articles of incorporation their participation units are not offered publicly, traded on a regulated market, or admitted to the alternative trading system and they can be purchased by individuals only in a single purchase of not less than €40,000; (c) that are under the direct supervision of the financial market supervisory authorities in the country in which they are established; (d) that in accordance with the law of the country of their establishment are required to have a depository holding the assets of the institution; and (e) that are managed by entities whose activities are authorized by the financial market supervisory authorities in the country in which they are established; (4) participation units issued by open-end collective investment

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		institutions, as follows: (a) whose sole objective is collective investment of funds collected through public or private offering of their participation units in securities, money market instruments, and other property rights; (b) that are authorized by the financial market supervisory authorities in the country in which they are established, or whose operations require notification to those authorities; (c) that are under the direct supervision of the financial market supervisory authorities in the country in which they are established; (d) that in accordance with the law of the country of their establishment are required to have a depository holding the assets of the institution; and (e) that are managed by entities whose activities are authorized by the financial market supervisory authorities in the country in which they are established; and (5) depository receipts admitted to trading on the regulated market. Please see category XII.B. "Provisions specific to institutional investors." For PPK, the value of assets denominated in a currency other than the national one may not exceed 30% of total assets.
Sale or issue abroad by residents	Yes.	Under the EU uniform rules, any public offering of securities in a member state other than Poland generally requires approval of a prospectus by the KNF, notification of ESMA and the host member state's competent authority, and publication of the prospectus in the host member state. Moreover, the prospectus must be drawn up either in a language accepted by the competent authorities of host member states or in a language customary in international finance. Only in case of public offers with small value and/or addressed to certain types of investors (for example, qualified investors or limited number of investors), there is no obligation to publish a prospectus, and a lighter information document can be required. Issuer/offeror can be also subject to specific legal regulations of the country in which such offer takes place, especially in case of private placement.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the purchase of bonds or other debt securities, which may be affected by regulations on FDI.
Sale or issue locally by nonresidents	Yes.	Under the EU uniform rule, public offerings of securities in Poland generally require approval of a prospectus by the competent authority of the issuer's EU home member state (in general EU country of issuer's incorporation). Only in case of public offers with small value and/or addressed to certain investors (for example, qualified investors or limited number of individual investors), there is no obligation to publish a prospectus, and a lighter information document is required. In case of issuer from a member state other than Poland, if a public offering or admission to trading on a regulated market takes place in Poland as a host member country, the prospectus approved by the supervision authority of a home member state is valid (prospectus passporting), provided ESMA and the PFSA receive appropriate notification and the prospectus is drawn up either in a language accepted by the PFSA or in a language customary in international finance. In case the issuer's country of incorporation is not an EU country, the prospectus must be approved by the PFSA. Bonds, mortgage bonds, and investment certificates of closed-end investment funds may only be issued in a dematerialized form and be registered with the National Depository for Securities (KDPW). For some offers, the intermediation of an issue agent is also required.
Purchase abroad by residents	Yes.	Controls apply to the purchase of securities issued by nonresidents from countries other than EU, EEA, and OECD and countries with which Poland has not entered into agreements for the promotion and protection of investments.

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Controls apply to the purchase of securities issued by nonresidents from countries other than EU, EEA, and OECD countries by privately managed pension funds. The allocation of assets of insurance companies is not subject to limits but must remain consistent with prudent person principle specified in Article 276 of the Act of September 11, 2015, on insurance and reinsurance activity.

Open pension funds may invest up to 30% of their assets in assets denominated in a currency other than the national one. The total value of open pension fund assets invested in assets denominated in currency other than the national one may not exceed 30%. For occupational pension funds, the value of assets denominated in a currency other than zlotys may not exceed 30% of a fund's total assets. Pension fund assets may be invested in assets denominated in zlotys or currencies of EU, EEA, or OECD members. These assets may be invested in the following debt securities with an original maturity of more than one year: (1) bonds and other securities issued by the governments or the CBs as well as loans and credits made to the aforesaid entities; (2) bonds and other debt securities representing the issuer's pecuniary obligation, which are guaranteed or backed by the governments or the CBs, and deposits, credit, and loans guaranteed or backed by the aforesaid entities; (3) deposits in banks or credit institutions authorized by the financial market supervisory authorities – acquisition of currency is permissible solely for settlement of the current liabilities of the pension fund as a result of acquisition or disposal of investments within the pension fund's investment policy; (4) bonds and other debt securities, subject to public offer, issued by regional or local public authorities; (5) bonds and other debt securities, other than subject to public offer, issued by regional or local public authorities; (6) debt securities whose issuer may limit liability for the obligations arising from them to the amount of income or value of the property of the project to which the bondholder has priority over other creditors and whose issuer is one of the following: (a) appropriate regional or local public authorities; (b) banks or credit institutions, particularly implementing government programs, including using funds from the EU and international financial institutions, government infrastructure programs, and government programs for development of small and medium enterprises; (c) government funds providing financial support for capital funds investing in businesses; (d) companies in which the entities listed in (a) have shares that give those entities more than 50% of the total votes, unless the sole objective of the company is to meet the needs of local communities or to perform tasks related to public utility; (e) companies whose sole objective is to perform tasks related to public utility on the basis of agreements with the entities listed in (a) that will perform these tasks at least for a period equal to the period of maturity of securities issued for this purpose; and (f) companies that will perform tasks related to public utility or will provide services in the field of transportation or communication as well as maintenance and development of the communication infrastructure or the transportation infrastructure, as authorized by law or based on concession or permit, at least for a period equal to the period of maturity of securities issued for this purpose; (7) bonds and other debt securities subject to public offer issued by entities other than regional or local public authorities, which are secured for their full nominal value and possible interest rate; (8) bonds and other debt securities, other than subject to public offer, issued by entities other than regional or local public authorities that are secured in an amount corresponding to the full nominal value and possible interest rate; (9) other bonds and other debt securities

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		subject to public offer; and (10) bonds and other debt securities of companies listed on the regulated market. Please see category XII.B. "Provisions specific to institutional investors." For PPK, the value of assets denominated in a currency other than the national one may not exceed 30% of total assets.
Sale or issue abroad by residents	Yes.	Under the EU uniform rules, any public offering of securities in a member state other than Poland generally requires approval of a prospectus by the PFSA, notification of ESMA and the host member state's competent authority, and publication of the prospectus in the host member state. Moreover, the prospectus must be drawn up either in a language accepted by the competent authorities of host member states or in a language customary in international finance. Only in case of public offers with small value and/or addressed to certain types of investors (for example, qualified investors or limited number of investors), there is no obligation to publish a prospectus, and a lighter information document can be required. Issuer/offeror can be also subject to specific legal regulations of the country in which such offer takes place, especially in case of private placement.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	NBP bills issued for the purpose of conducting open market operations may be purchased only by domestic banks, branches of foreign banks, branches of foreign credit institutions, the Bank Guarantee Fund, and the National Association of Cooperative Savings and Credit Unions.
Sale or issue locally by nonresidents	Yes.	No controls apply to the sale of instruments previously acquired by nonresidents.
Purchase abroad by residents	Yes.	Controls apply to residents' purchase of short-term securities outside EU, EEA, or OECD countries. The allocation of assets of insurance companies is not subject to limits but must remain consistent with prudent person principle specified in Article 276 of the Act of September11, 2015, on insurance and reinsurance activity which is based on the Solvency II Directive. Open pension funds may invest up to 30% of their assets in assets denominated in currency other than the national one. For occupational pension funds, the value of assets denominated in a currency other than zlotys may not exceed 30% of a fund's total assets. Pension funds' assets may be invested in assets denominated in zlotys or in currencies of EU, EEA, or OECD members. These assets may be invested in particular in the following money market instruments with an original maturity of one year or less: (1) bonds, bills, and other securities issued by the governments or the CBs as well as loans and credits made to the aforesaid entities; (2) bonds and other debt securities representing the issuer's financial obligation that are guaranteed or backed by the governments or the CBs as well as deposits, credits, and loans guaranteed or backed by the aforesaid entities; (3) deposits in banks or credit institutions authorized by the financial market supervisory authorities – acquisition of currency may occur solely for the settlement of the current liabilities of the pension fund arising from acquisition or disposal of investments within the pension fund's investment policy; (4) bonds and other debt securities subject to public offer issued by regional or local public authorities; (5) bonds and other debt securities other than subject to public offer, issued by regional or local public authorities; (6) bonds and other debt securities subject to public offer, issued by entities other than regional or local public authorities, secured for the full nominal value and possible interest rate; and (7) bonds and other debt securities, other than subject to public offer, issued by entities other than regional or local public authorities that are secured for the full

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		nominal value and possible interest rate. Please see category XII.B. "Provisions specific to institutional investors." For PPK, the value of assets denominated in a currency other than the national one may not exceed 30% of total assets.
Sale or issue abroad by residents	Yes.	Controls apply to the issuance of short-term securities by residents in countries other than EU, EEA, and OECD.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Coordinated procedures from UCITS and the AIFMD 2011/61/E apply.
Purchase abroad by residents	Yes.	For UCITS, the coordinated procedures from UCITS Directive apply. Controls apply to the purchase of collective investment securities issued by nonresidents in countries other than EU, EEA, and OECD and countries with which Poland has not entered into agreements for the promotion and protection of investments. The allocation of assets of insurance companies is not subject to limits but must remain consistent with prudent person principle specified in Article 276 of the Act of September 11, 2015, on insurance and reinsurance activity based on the Solvency II Directive. No specific limits apply also to unit linked assets composition apart of the prudent person principle to be followed. Open pension funds may invest up to 30% of their assets in assets denominated in a currency other than the national one. The total value of open pension fund assets invested in assets denominated in currency other than the national one may not exceed 30%. For occupational pension funds, the value of assets denominated in a currency other than zlotys may not exceed 30% of a fund's total assets. Pension fund assets may be invested in assets denominated in zlotys or in currencies of member countries of the EU, EEA, or OECD. These assets may be invested in the following collective investment securities: (1) participation units issued by closed-end collective investment institutions, as follows: (a) whose sole objective is collective investment of the funds collected through public or private offering of their participation units in securities, money market instruments, and other property rights; (b) that are authorized by the financial market supervisory authorities in the country in which they are established or whose operations require notification to those authorities, if under their articles of incorporation their participation units are not offered publicly or admitted to trading on a regulated market or the alternative trading system, and they can be purchased by individuals solely in a single purchase of not less than €40,000; (c) they operate under the direct supervision of the financial market supervisory authorities in the country in which they are established; (d) in accordance with the law of the country of their establishment they are required to have a depository holding the assets of the institution; and (e) they are managed by entities authorized by the financial market supervisory authorities in the country in which they are established; (2) participation units issued by open-end collective investment institutions, as follows: (a) whose sole objective is collective investment of the funds collected through public or private offering of their participation units in securities, money market instruments, and other property rights; (b) that are authorized by the financial market supervisory authorities in the country in which they are established, or whose operations require notification of those authorities; (c) that are under the direct supervision of the financial market supervisory authorities in the country in which they are established; (d) that in accordance with the law of the country of their establishment they are required to have a depository holding the

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		assets of the institution; and (e) that they are managed by entities whose activities are authorized by the financial market supervisory authorities in the country in which they are established. Please see category XII.B. "Provisions specific to institutional investors." For PPK, the value of assets denominated in a currency other than the national one may not exceed 30% of total assets.
Sale or issue abroad by residents	No.	Coordinated procedures from UCITS and AIFMD apply.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	No specific controls apply to the sale of derivatives, although their creation process (and subsequent sale) is subject to product governance rules under the Markets in Financial Instruments Directive II aimed at i.a. avoiding misselling practices. Under the EU uniform rule, public offerings of securities (also with embodied derivative features) in Poland generally require approval of a prospectus by the competent authority of the issuer's EU home member state (in general EU country of issuer's incorporation). Only in case of public offers with small value and/or addressed to certain investors (for example, qualified investors or limited number of individual investors), there is no obligation to publish a prospectus and a lighter information document is required. In case of issuer from a member state other than Poland, if a public offering or admission to trading on a regulated market takes place in Poland as a host member country, the prospectus approved by the supervision authority of a home member state is valid (prospectus passporting), provided ESMA and the PFSA receive appropriate notification and the prospectus is drawn up either in a language accepted by the PFSA or in a language customary in international finance. In case the issuer's country of incorporation is not an EU country, prospectus must be approved by the PFSA.
Purchase abroad by residents	Yes.	Controls apply to the purchase of derivatives and other instruments issued by nonresidents in countries other than EU, EEA, and OECD. The allocation of assets of insurance companies is not subject to limits but must remain consistent with prudent person principle specified in Article 276 of the Act of September 11, 2015, on insurance and reinsurance activity based on the Solvency II Directive. As regards derivatives according to Article 276 of the Act of September 11, 2015, on insurance and reinsurance activity, insurance companies may invest in derivatives provided (only if) they are purchased to reduce risk or to facilitate sufficient risk management.
Sale or issue abroad by residents	Yes.	The regulations governing offering of shares or other equity instruments are generally applicable in case of issuing other transferable securities. Controls apply to the issuance of derivatives and other instruments by residents in countries other than EU, EEA, and OECD. Creation of financial instruments (including derivatives) in the EU is subject to product governance rules under the Markets in Financial Instruments Directive II.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Pension funds are not allowed to grant credits and loans. Insurance companies are not allowed to grant credits, but they are allowed to grant loans. UCITS are not allowed to grant credits and loans. AIFs are allowed to grant loans up to 50% of their assets.

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To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Pension funds are not allowed to grant credits and loans. Insurance companies are not allowed to grant credits, but they are allowed to grant loans. UCITS are not allowed to grant credits and loans. AIFs are allowed to grant loans up to 50% of their assets; however, the amount of a loan granted to one entity may not exceed 20% of the value of the fund's assets.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	An NBP permit is required for direct investment, with the exception of the purchase of shares and interests in companies based in Bilateral Investment Treaty countries. No controls apply to investments in EU, EEA, or OECD countries.
Inward direct investment	Yes.	Controls apply to (1) the provision of asset management services by branches of nonresident investors to domestic pension funds; (2) the acquisition of land reserved for agriculture or forests, and acquisition of water areas, unless authorization is granted; (3) investment in airlines established in the country that must be majority owned and effectively controlled by EU members and/or nationals of EU members, unless otherwise provided for through an international agreement to which the EU is a signatory; (4) investment in a broadcasting company, if it raises foreign ownership of the share capital above 33%; (5) investment in an enterprise operating in the gambling and betting sector, except through an enterprise incorporated in Poland in which foreign ownership of the share capital is 49% or less; (6) investment in a registered vessel, except through an enterprise incorporated in Poland; (7) the extent that under Directive 2009/65/EC a depository must either have its registered office or be established in the home EU member state of the UCITS and under Directive 2011/61/EU a depository must have its registered office or branch in the home EU member state of the AIF; and (8) the operation of a branch as a mortgage bank to the extent that a mortgage bank is defined under Polish law as an institution authorized to issue mortgage securities in domestic markets, and thereby reserved for financial institutions incorporated under domestic law. A bank may open a branch in Poland; however, it may not issue mortgage bonds on its territory; the single EU passport principle does not apply to them. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Pension funds are not allowed to invest directly in real estate. Pension fund assets may be invested in assets denominated in zlotys

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		or in currencies of member countries of the EU, EEA, or OECD. The allocation of assets of insurance companies is not subject to limits but must remain consistent with prudent person principle specified in Article 276 of the Act of September11, 2015, on insurance and reinsurance activity based on the Solvency II Directive.
Purchase locally by nonresidents	Yes.	Nonresidents may acquire real estate or other immovable property in Poland only with permission from the Ministry of the Interior, except if it is inherited. Under the Law on Acquisition of Real Estate by Foreigners, foreigners may also acquire real estate without a permit if (1) the real estate is an apartment; (2) the foreigner has lived in Poland for at least five years since obtaining a permanent residence visa; (3) the foreigner has been married to a Polish citizen for at least two years (the purchased real estate must constitute part of matrimonial community property); or (4) the real estate is purchased by nonresident juridical persons for statutory purposes, and the real estate is no larger than 4,000 square meters if it is in an urban area. The Council of Ministers may issue a regulation defining other cases for which a permit is not required, provided the size of the acquired real estate does not exceed 4,000 square meters in urban and 10,000 square meters in rural areas. The Council of Ministers may also extend the area to be acquired without a permit to 12,000 square meters in urban and 30,000 square meters in rural areas. Poland maintained rules until 2009 regarding the acquisition of secondary residences by foreigners other than nationals of EU member countries and nationals of countries that are parties to the EEA and who have been legal residents of Poland continuously for four years. Rules regarding the acquisition of agricultural land and forests are in effect until 2016. Under these rules, nationals of another EU member country or of a country that is party to the EEA who want to establish themselves as self-employed farmers and who have been legally resident and leasing land continuously in Poland as a natural or legal person for at least three years are not subject to any procedures other than those that apply to nationals of Poland; in some western and northern “voivods” (state administrations), the residence and leasing period is for a minimum of seven years.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize	No.	

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earnings

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	According to Article 23 of the Directive 2014/17/EU in case of loans granted in currency different from the one in which borrower receives income, member states should provide proper regulations ensuring that there are arrangements in place mitigating currency risk that the borrower is exposed to. According to Article 6 paragraph 1 of the Act of March 23, 2017, on Mortgage Loan and on Supervision over Credit Intermediaries and Appointed Representatives, mortgage loans may be granted only in the currency or be indexed to the currency in which the consumer receives most of his income or holds most of his funds or other assets valued in the currency of mortgage loan or in the currency to which the mortgage loan is indexed. Additionally, Recommendation S – which is a non-legally binding act but issued based on the Banking Act – concerning good practices with regard to mortgage credit exposures require banks to assume a 50% depreciation of currencies other than the currency in which the borrower receives the highest part of his income (if one receives income in more than one currency) for the purposes of creditworthiness assessment (KNF Resolution No. 492/2019 of the KNF of December 3, 2019, as further amended by the Resolution No. 173/2020 and Resolution No. 242/2023). Recommendation T concerning good practices with regard to risk management of retail credit exposures requires banks in case of loans granted in currency different from the one in which borrower receives income, to disclose comprehensive pre-contractual information regarding foreign exchange risk and apply stricter creditworthiness standards (KNF Resolution No. 59/2013). According to the Regulation of the Minister of Development and Finance of May 25, 2017, on a higher risk weight for exposures secured by mortgages on immovable properties, the risk weight applicable to exposures secured by mortgage on residential immovable property located in Poland in case of which installments depend on exchange rates relating to currency other than the one in which the borrower receives income amounts to 150% (this regulation concerns banks using the Standardized Approach for determining capital requirement). Effective March 29, 2022, the Regulation was amended (on the basis of the Financial Stability Committee (FSC) Resolution of September 28, 2021) until September 30, 2023, to allow for lower risk weights (50%, 75%, and 100%) to be assigned to loans, provided (1) the bank informed the borrowers that it would enter into arbitration proceedings resulting in the elimination of the relationship between the value of loan installments and foreign exchange rates and (2) the bank created provisions for these loans in the amount corresponding to at least 35%, 28%, or 20%, respectively, of loan gross value. According to amendment effective September 22, 2023, the expiry date of the lower risk weights regulation was extended until September 30, 2025. The application of lower risk weights for foreign currency

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		loans portfolio is extended until September 30, 2025, according to the Regulation of the Minister of Finance amending Regulation on a Higher Risk Weight for Exposures Secured by Mortgages on Immovable Properties. The Regulation implements the FSC recommendation of July 6, 2023 (FSC Resolution No. 69/2023).
Purchase of locally issued securities denominated in foreign exchange	Yes.	According to Article 500a (1) CRR, the risk weight applied to the exposures to central governments and CBs denominated in the domestic currency of another EU Member State is multiplied by: 0% until the end of 2022, 20% in 2023, and 50% in 2024 and diminished to this value. This instrument has been introduced in response to the COVID-19 pandemic through Regulation (EU) No. 2020/873, which entered into force on June 27, 2020.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	Since March 31, 2022, the required reserve ratio is 3.5%. On July 8, 2022, the remuneration of the required reserves was set to 6.5% (the reference rate level). On October 4, 2023, the remuneration of the required reserves amounted to 5.75% % (the NBP reference rate level). The required reserve ratio and remuneration rate are the same for both residents and nonresidents.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	The relevant Polish regulations, which implemented the requirements on the calculation of own funds for foreign exchange risk provided in EC Directives 2006/48/EC and 2006/49/EC, are now superseded by the CRD V/CRR II package. According to its provisions, banks are subject to large exposure limits, which apply to exposures to both residents and nonresidents. There is no binding direct limit on open foreign exchange positions. However, in accordance with the CRR if the sum of the overall net foreign exchange position and net gold position exceeds 2% of total own funds, banks must calculate own funds requirements for foreign exchange risk.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	In compliance with EU directives and the Polish Act on Insurance and Reinsurance Activity, a KNF's permission is required for each

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		entity to set up an insurance company in the territory of Poland; insurance companies located in the EU may operate under the FOS or FOE treaty freedoms subject to the general provisions of EU and domestic law. The KNF must be notified of investment transactions that would result in the acquisition of one-tenth, one-fifth, one-third or one-second of shares or voting power or in an increase beyond of one-tenth, one-fifth, one-third or one-second total shares or voting power. The KNF must also be notified whenever a given entity intends to become a parent company (either directly or indirectly) of an insurance or reinsurance company (currently, Article 82 of the Act on Insurance and Reinsurance Activity). The KNF may object to the transaction within a 60-working-day period
Limits (max.) on securities issued by nonresidents	No.	New regulations concerning the allocation of assets of insurance companies are consistent with prudent person principle resulting from the implementation of the Solvency II Directive. According to Article 276 of the Act of September11, 2015, on insurance and reinsurance activity, assets of insurance and reinsurance companies should be invested according to prudent person principle. This Act is an implementation of Directive 2009/138/EC of November 25, 2009, on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and prudent person principle is provided in Article 132 of this directive. The main principles are: (1) With respect to the whole portfolio of assets, insurance and reinsurance companies must only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. (2) All assets, in particular those covering the minimum capital requirement and the solvency capital requirement, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole. In addition, the localization of those assets must be such as to ensure their availability. (3) Assets held to cover the technical provisions must also be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. With respect to assets other than assets held in respect of life insurance contracts where the investment risk is borne by the policy holders: (1) the use of derivative instruments must be possible insofar as they contribute to a reduction of risks or facilitate efficient portfolio management, (2) investment and assets which are not admitted to trading on a regulated financial market must be kept to prudent levels, (3) assets must be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of companies, or geographical area and excessive accumulation of risk in the portfolio as a whole, (4) investments in assets issued by the same issuer, or by issuers belonging to the same group, may not expose the insurance companies to excessive risk concentration. The absence of regulatory limits on investments does not mean that companies can take investment decisions without any regard to prudence and to the interests of policyholders. The insurance and reinsurance companies are obliged to possess the risk-management system. According to Article 57 of the Act of insurance and reinsurance activity, the risk management system must cover investments, in particular derivatives. The requirements concerning the risk management system are laid down in the Act of insurance and reinsurance activity, which implements appropriate regulations

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		of the Solvency II Directive. When companies have a material investment in other currencies, the insurance company must properly identify and manage the currency risk. Furthermore, the currency risk is taking into account when the companies calculate solvency capital requirement. In short, the higher the currency risk exposure, the more the solvency capital requirement.
Limits (max.) on investment portfolio held abroad	No.	The regulations concerning the allocation of assets of insurance companies are consistent with prudent person principle resulting from the implementation of the Solvency II Directive. According to Article 276 of the Act of September11, 2015, on insurance and reinsurance activity, assets of insurance and reinsurance companies should be invested according to prudent person principle. This Act is an implementation of Directive 2009/138/EC of November 25, 2009, on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and prudent person principle is provided in Article 132 of this directive. The main principles are: (1) With respect to the whole portfolio of assets, insurance and reinsurance companies must only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. (2) All assets, in particular those covering the minimum capital requirement and the solvency capital requirement, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole. In addition, the localization of those assets must be such as to ensure their availability. (3) Assets held to cover the technical provisions must also be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. With respect to assets other than assets held in respect of life insurance contracts where the investment risk is borne by the policy holders: (1) the use of derivative instruments must be possible insofar as they contribute to a reduction of risks or facilitate efficient portfolio management, (2) investment and assets which are not admitted to trading on a regulated financial market must be kept to prudent levels, (3) assets must be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of companies, or geographical area and excessive accumulation of risk in the portfolio as a whole, (4) investments in assets issued by the same issuer, or by issuers belonging to the same group, may not expose the insurance companies to excessive risk concentration. The absence of regulatory limits on investments does not mean that companies can take investment decisions without any regard to prudence and to the interests of policyholders. The insurance and reinsurance companies are obliged to possess the risk management system. According to Article 57 of Act on insurance and reinsurance activity, the risk management system must cover investments, in particular derivatives. The requirements concerning the risk management system are laid down in the Act of insurance and reinsurance activity, which implements appropriate regulations of the Solvency II Directive. When companies have a material investment in other currencies, the insurance company must properly identify and manage the currency risk. Furthermore, the currency risk is taking into account when the companies calculate solvency capital requirement.
Limits (min.) on investment portfolio	No.	

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held locally		
Currency-matching regulations on assets/liabilities composition	No.	The regulations concerning the allocation of assets of insurance companies are consistent with prudent person principle resulting from the implementation of the Solvency II Directive. According to Article 276 of the Act of September11, 2015, on insurance and reinsurance activity, assets of insurance and reinsurance companies should be invested according to prudent person principle. This Act is an implementation of Directive 2009/138/EC of November 25, 2009, on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and prudent person principle is provided in Art. 132 of this directive. The main principles are: (1) With respect to the whole portfolio of assets, insurance and reinsurance companies must only invest in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report, and appropriately take into account in the assessment of its overall solvency needs. (2) All assets, in particular those covering the minimum capital requirement and the solvency capital requirement, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole. In addition, the localization of those assets must be such as to ensure their availability. (3) Assets held to cover the technical provisions must also be invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. With respect to assets other than assets held in respect of life insurance contracts where the investment risk is borne by the policy holders: (1) the use of derivative instruments must be possible insofar as they contribute to a reduction of risks or facilitate efficient portfolio management, (2) investment and assets which are not admitted to trading on a regulated financial market must be kept to prudent levels, (3) assets must be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of companies, or geographical area and excessive accumulation of risk in the portfolio as a whole, (4) investments in assets issued by the same issuer, or by issuers belonging to the same group, may not expose the insurance companies to excessive risk concentration. The absence of regulatory limits on investments does not mean that companies can take investment decisions without any regard to prudence and to the interests of policyholders. The insurance and reinsurance companies are obliged to possess the risk-management system. According to Article 57 of the Act of insurance and reinsurance activity, the risk management system must cover investments, in particular derivatives. The requirements concerning the risk management system are laid down in Act on insurance and reinsurance activity, which implements appropriate regulations of the Solvency II Directive. When companies have a material investment in other currencies, the insurance company must properly identify and manage the currency risk. Furthermore, the currency risk is taking into account when the companies calculate solvency capital requirement. The Act on Insurance and reinsurance activities specified also how to take into account currency risk when determining risk-free rate used for the calculation of (re)insurance liabilities expressed in foreign currencies. In addition to the above regulations based on Solvency II regime, under the local accounting regulation for statutory purposes there are certain provisions which require a kind of matching of actual yields

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		on investments with the technical rate to calculate the technical provisions (long term insurance liabilities) which also apply to assets in foreign currencies.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Open pension funds are allowed to invest up to 30% of their assets in assets denominated in a currency other than the national one, and such investments may be only in assets denominated in currency of countries that are member countries of the EU, EEA, or OECD. A list of asset categories in which open pension fund may invest is mentioned in Article 141 of the Polish Act on the Organization and Operation of Pension Funds.
Limits (max.) on investment portfolio held abroad	Yes.	Open pension funds may invest up to 30% of their assets in assets denominated in a currency other than the national one. For occupational pension funds, the value of assets denominated in a currency other than zlotys may not exceed 30% of a fund's total assets. Assets of pension funds (both occupational and open) may be invested in assets denominated in zlotys or in currencies of the member countries of the EU, EEA, or OECD. A list of asset categories in which pension funds may invest is mentioned in Article 141 of the Polish Act on the Organization and Operation of Pension Funds: (1) bonds, bills, and other securities issued by the governments or the CBs as well as loans and credits made to the aforesaid entities; (2) bonds and other debt securities representing the issuer's financial obligation that are guaranteed or backed by the governments or the CBs as well as deposits, credits, and loans guaranteed or backed by the aforesaid entities; (3) deposits in banks or credit institutions authorized by the financial market supervisory authorities – acquisition of currency may occur solely for the settlement of the current liabilities of the pension fund arising from acquisition or disposal of investments within the pension fund's investment policy; (4) shares of companies listed on the regulated market and bonds convertible to the shares of such companies, as well as preemptive rights and rights to shares listed on that market; (5) shares, preemptive rights, and rights to shares subject to public offer; (6) participation units issued by closed-end collective investment institutions, as follows: (a) whose sole objective is collective investment of the funds collected through public or private offering of their participation units in securities, money market instruments, and other property rights; (b) that are authorized by the financial market supervisory authorities in the country in which they are established, or whose operation requires notification to those authorities, if according to their articles of incorporation their participation units are not offered publicly or admitted to trading on a regulated market or the alternative trading system, and they can be purchased by individuals, solely in a single purchase of not less than €40,000; (c) that operate under the direct supervision of the financial market supervisory authorities in the country in which they are established; (d) that in accordance with the law of the country of their establishment are required to have a depository holding the assets of the institution; and (e) that are managed by entities authorized by the financial market supervisory authorities in the country in which those entities are established; (7) participation units issued by open-end collective investment institutions, as follows: (a) whose sole object of their activity is collective investment of the funds collected through the public or private offering of their participation units in securities, money market instruments, and other property rights; (b) that are authorized by the financial market supervisory authorities in the country in which they are established, or their operation requires notification to those authorities; (c) that

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operate under the direct supervision of the financial market supervisory authorities in the country in which they are established; (d) that in accordance with the law of the country of their establishment are required to have a depository holding the assets of the institution; and (e) that are managed by entities authorized by the financial market supervisory authorities in the country in which those entities are established; (8) bonds and other debt securities subject to public offer issued by the appropriate regional or local public authorities; (9) bonds and other debt securities other than subject to public offer issued by the appropriate regional or local public authorities; (10) debt securities, the issuer of which may limit liability for the obligations arising from them to the amount of income or value of the property of the project to which the bondholder has the priority right over other creditors of the issuer and the issuers of which may be the following entities: (a) appropriate regional or local public authorities; (b) banks or credit institutions, implementing particularly government programs, including government programs implemented using funds from the EU and international financial institutions, infrastructural government programs, and government programs related to the development of the sector of small and medium enterprises; (c) state funds implementing activity providing financial support to capital funds investing in businesses; (d) companies, in which the entities listed in (a) have the number of shares that provides those entities with more than 50% of the total number of votes in these companies, unless the sole object of the activity of the company is to meet the needs of local communities or to perform tasks related to public utility; (e) companies whose sole objective are tasks related to public utilities on the basis of agreements with the entities listed in Item (a) and that will perform these tasks at least for a period equal to the period of maturity of securities issued for this purpose; and (f) companies that will perform tasks related to public utilities or will provide services in the field of transportation or communication as well as maintenance and development of the communication infrastructure or the transportation infrastructure, pursuant to the authorization contained in the law or on the basis of the concession or the permit, at least for a period equal to the period of maturity of securities issued for this purpose; (11) bonds and other debt securities subject to public offer issued by entities other than the appropriate regional or local public authorities that have been secured in the amount corresponding to the full nominal value and possible interest rate; (12) bonds and other debt securities other than subject to public offer issued by entities other than the appropriate regional or local public authorities, which have been secured in the amount corresponding to the full nominal value and possible interest rate; (13) other bonds and other debt securities subject to the public offer; (14) bonds and other debt securities for which the entities required to meet the benefits are companies listed on the regulated market; (15) debt securities issued by a credit institution subject to special public supervision designed to protect the holders of those securities, provided the amounts received from the issuance of these securities are invested by the issuer in assets that throughout the period until redemption ensure fulfillment of all cash benefits resulting from these securities and that in the event of insolvency of the issuer have priority in the recovery of all cash benefits resulting from these securities; and (16) depository receipts admitted to trading on the regulated market. According to paragraph 2 of the aforementioned Article 141, open pension funds are not allowed to invest in asset categories listed in Points 1–2.

Limits (min.) on investment portfolio No.

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held locally		
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	There are no specific limitations on investment activities in securities issued by nonresidents; however, in case of open-ended investment funds, investments in securities and/or money market instruments traded on an organized market, as well as in securities and money market instruments whose admission to such trading is ensured in a country other than Poland and/or an OECD member country require the KNF's consent. The KNF may also consent to investments of open-end funds' assets in deposits with a foreign bank.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	In terms of security tokens, the Polish Financial Supervision Authority distinguished four types of investment tokens in its position. Depending on the type of issuer and the rights that the given tokens carry, investment tokens can be divided into: 4 groups including: (1) tokens that incorporate rights identical to those incorporated in the securities valuable; (2) tokens which, because of the rights incorporated in them, fully correspond to or partial way to rights (rights) to participate in collective enterprises investing (investment fund, alternative investment company); (3) tokens that are financial instruments other than those listed in points (1) and (2) above; (4) investment tokens incorporating rights corresponding to the rights attached to shares in a limited liability company, other than those specified in point (2). Investment tokens listed in point (4) do not constitute financial instruments within the meaning of the Act on Trading in Financial Instruments, and their trading is not subject to the supervision of the Polish Financial Supervision Authority. Depending on which type of token we are dealing with, the Act on Trading in Financial Instruments and the Act on counteracting money laundering and terrorism financing may apply.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	

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For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	The cryptocurrency market is not a regulated market in Poland. The Polish Financial Supervision Authority does not license, register, or supervise cryptocurrency exchanges. However, it must be pointed that as a result of the amendment to the Act on counteracting money laundering and terrorism financing, which also covers issues related to cryptocurrency trading. Entrepreneurs conducting business related to the exchange or storage of cryptocurrencies must meet certain requirements and register in the register of entities conducting such activities.
Domestic exchanges	Yes.	The cryptocurrency market is not a regulated market in Poland. The Polish Financial Supervision Authority does not license, register, or supervise cryptocurrency exchanges. However, it must be pointed that as a result of the amendment to the Act on counteracting money laundering and terrorism financing, which also covers issues related to cryptocurrency trading. Entrepreneurs conducting business related to the exchange or storage of cryptocurrencies must meet certain requirements and register in the register of entities conducting such activities.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Monetary policy framework

Inflation-targeting framework

Operating target (policy rate)

Target corridor band	*09/07/2023*	The Monetary Policy Council decreased interest rates by 0.75 pp to the levels: reference rate at 6.00%, deposit rate at 5.50%, and lombard rate at 6.50%.

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	10/04/2023	The Monetary Policy Council further decreased interest rates by 0.25 pp to the levels: reference rate at 5.75%, deposit rate at 5.25%, and lombard rate at 6.25%.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending locally in foreign exchange	*03/29/2022*	The Regulation of the Minister of Development and Finance of May 25, 2017, on a higher risk weight for exposures secured by mortgages on immovable properties was amended until September 30, 2023, to allow for lower risk weights (50%, 75%, and 100%) to be assigned to loans, provided (1) the bank informed the borrowers that it would enter into arbitration proceedings resulting in the elimination of the relationship between the value of loan installments and foreign exchange rates and (2) the bank created provisions for these loans in the amount corresponding to at least 35%, 28%, or 20%, respectively, of loan gross value.
	09/22/2023	The expiry date of the lower risk weights regulation was extended until September 30, 2025. The application of lower risk weights for foreign currency loans portfolio is extended until September 30, 2025.

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PORTUGAL

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		March 29, 1961.
Article VIII	Yes.	Date of acceptance: September 12, 1988.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Pursuant to Executive Board Decision No. 144-(52/51), Portugal implements UNSC resolutions (UNSCRs) that approve restrictive measures (related to freezing of funds and other economic resources) directly and immediately by way of Article 8(3) of the Constitution of the Portuguese Republic, and Law No. 97/2017 of August 23 as amended by Law No. 58/2020 of August 31, and does so for the preservation of international security. As a full-fledged member of the EU, decisions and regulations of the Council of the EU implementing UNSCRs that approve restrictive measures related to freezing of funds and other economic resources, as well as those imposing restrictive measures of EU initiative are binding in its entirety and directly applicable in Portugal. Portugal has all of the rights and obligations stemming from its membership at the EU. Therefore, all directly applicable EU legislation applies in Portugal including all decisions adopted in the framework of the Common Foreign and Security Policy (CFSP) and all regulations based on Article 215 of the Treaty on the Functioning of the EU. Details on these restrictive measures are available on the following websites: www.un.org/sc/suborg/en/sanctions/information; finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures/overview-sanctions-and-related-tools_en; www.sanctionsmap.eu.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Portugal is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Portugal participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes foreign exchange reference rates that are usually updated around 16:00 Central European Time on every working day, except on TARGET closing days. They are based on a regular daily concertation procedure between CBs across Europe, which normally takes place at 14:10 Central European Time.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		

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Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Union with a view to contributing to the achievement of the objectives of the Union." These include a "high level of employment" and "sustainable and non-inflationary growth." On July 8, 2021, the Governing Council adopts new monetary policy strategy of symmetric 2% inflation target over medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients. However, in accordance with Notice No. 8/2009, customers must be informed of fees and charges before the sale of products and services, and the list of fees and charges must be visible and easily accessible to customers in all branches.
Spot exchange market	Yes.	Banks are allowed to deal in foreign exchange under their license. Foreign exchange bureaus and payment institutions are licensed by

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		the Bank of Portugal (Banco de Portugal—BdP —see Articles 6, 4/1/e), 8/4.e); 174-A of Legal Framework of Credit Institutions and Financial Companies (RGICSF); 13/2/e) of Decree-Law No. 91/2018 – Legal Framework for Payment Services and Electronic Money). As of December 31, 2022, there were 25 banks and 12 registered foreign exchange bureaus and payment institutions that operate on the spot exchange market. Their main purpose is the purchase and sale of foreign banknotes and coins or traveler's checks. They may also purchase and sell gold and silver bars and coins. They may not make foreign exchange transactions directly with the CB.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	All credit institutions and financial companies registered with the BdP may participate in the foreign exchange market. As of December 31, 2022, there were 25 banks participating in the interbank market. There are no limits on the bid-ask spreads and commissions of market participants. The BdP does not intervene directly with market participants.
Over the counter	Yes.	The market operates over the counter.
Brokerage	Yes.	There are foreign exchange brokers in the euro market.
Market making	Yes.	There are market makers in the euro market who continuously quote buying and selling prices; however, they do not do so under a formal agreement.
Forward exchange market	Yes.	The BdP also carries out operations in the foreign exchange derivatives market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Operations in foreign exchange are permitted. Transactions between residents and nonresidents must be conducted through the banking system.
Payments arrangements	No.	
Bilateral payments arrangements	No.	

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Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	There are no exchange controls. Foreign trade policy is implemented by the Ministry of Economy. The Tax and Customs Authority within the MOF is responsible for administering trade controls and for issuing import and export licenses, declarations, and certificates.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	In accordance with EU legal acts, there is a ban on trade in gold, precious metals, and diamonds with the government of the Democratic People's Republic of Korea (DPRK) (as of May 2016, as amended) and Syrian public agencies (as of June 2013, as amended).
Controls on exports and imports of banknotes	No.	In accordance with EC Regulation No. 2018/1672 and Decree-Law No. 61/2007 of March 14, 2007, there is a mandatory declaration system for cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EC regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EC regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EC regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the EC regulation; the EC regulation only harmonizes the system for the EU's external borders. According to Decree-Law No. 61/2007 of March 14, 2007, when required by the Portuguese customs authorities, a similar declaration must be presented when cash is transported within the EU. The single European Cash Declaration Form is used for declaration. The form allows the identification of a person or legal entity by its tax ID number. In accordance with EC regulations, there

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		is a ban on the provision of new DPRK banknotes and coins to or for the benefit of the CB of the DPRK (as of May 2016, as amended) and a ban on the provision of new Syrian banknotes and coins (as of June 2013, as amended).
On exports	No.	
Domestic currency	No.	In accordance with EC Regulation No. 2018/1672 and Decree-Law No. 61/2007 of March 14, there is a mandatory declaration system for cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	In accordance with EC Regulation No. 2018/1672 and Decree-Law No. 61/2007 of March 14, there is a mandatory declaration system for cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
On imports	No.	
Domestic currency	No.	In accordance with EC Regulation No. 2018/1672 and Decree-Law No. 61/2007 of March 14, there is a mandatory declaration system for cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	In accordance with EC Regulation No. 2018/1672 and Decree-Law No. 61/2007 of March 14, there is a mandatory declaration system for cash entering or leaving the EU with a value of €10,000 or more. Travelers entering or leaving the EU and carrying more than €10,000 are required to make a declaration to the relevant authorities of the member country through which they enter or leave the EU.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Resident Accounts may be subject to restrictions adopted in decisions and regulations of the Council of the EU implementing the UNSCRs that approve restrictive measures, as well as imposing restrictive measures of EU initiative. Obliged Entities must possess the means and mechanisms necessary to ensure full compliance with any restrictive measures adopted by the UN or EU.
Held domestically	Yes.	The balances in domestic accounts may be freely transferred abroad through the banking system.
Approval required	No.	
Held abroad	Yes.	The balances in accounts abroad may be freely transferred home through the banking system.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents may open and operate accounts with nonresident institutions. Resident Accounts may be subject to restrictions adopted in decisions and regulations of the Council of the EU implementing the UNSCRs that approve restrictive measures, as well as imposing restrictive measures of EU initiative. Obliged Entities must possess the means and mechanisms necessary to ensure full compliance with any restrictive measures adopted by the UN or EU.
Accounts in domestic currency convertible into foreign currency	Yes.	Residents may open and operate accounts denominated in euros or foreign currency in authorized institutions.

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		Resident Accounts may be subject to restrictions adopted in decisions and regulations of the Council of the EU implementing the UNSCRs that approve restrictive measures, as well as imposing restrictive measures of EU initiative. Obliged Entities must possess the means and mechanisms necessary to ensure full compliance with any restrictive measures adopted by the UN or EU.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open and operate accounts denominated in foreign currency in authorized institutions. Nonresident Accounts may be subject to restrictions adopted in decisions and regulations of the Council of the EU implementing the UNSCRs that approve restrictive measures, as well as imposing restrictive measures of EU initiative. Obliged Entities must possess the means and mechanisms necessary to ensure full compliance with any restrictive measures adopted by the UN or EU.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident Accounts may be subject to restrictions adopted in decisions and regulations of the Council of the EU implementing the UNSCRs that approve restrictive measures, as well as imposing restrictive measures of EU initiative. Obliged Entities must possess the means and mechanisms necessary to ensure full compliance with any restrictive measures adopted by the UN or EU.
Convertible into foreign currency	Yes.	Nonresidents may open and operate accounts denominated in euros or foreign currency in authorized institutions.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Imports of certain products are subject to an import license and are allowed under specific conditions. For agricultural products covered by the CAP, an import certificate may be required. Imports from Iran

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		of certain goods and technologies are subject to an import license (as of July 2010, as amended).
Negative list	Yes.	Imports of certain products are prohibited for reasons of health, public order, or the prevention of commercial fraud. Portugal implements UNSCRs that approve restrictive measures directly and immediately by way of Article 8(3) of the Constitution of the Portuguese Republic, and Law No. 97/2017 of August 23 as amended by Law No. 58/2020 of August 31. As a full-fledged member of the EU, decisions and regulations of the Council of the EU implementing UNSCRs that approve restrictive measures, as well as those imposing restrictive measures of EU initiative, are binding in its entirety and directly applicable in Portugal. Portugal has all of the rights and obligations stemming from its membership at the EU. Therefore, all directly applicable EU legislation applies in Portugal including all decisions adopted in the framework of the CFSP and all regulations based on Article 215 of the Treaty on the Functioning of the EU. Details on these restrictive measures are available on the following websites: www.un.org/sc/suborg/en/sanctions/information; finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures/overview-sanctions-and-related-tools_en; www.sanctionsmap.eu.
Open general licenses	No.	
Licenses with quotas	Yes.	Imports subject to quantitative restrictions require an import license. Generally, licenses are valid for six months for customs clearance purposes.
Other nontariff measures	Yes.	Certain measures are imposed for environmental, health, safety, sanitary, and phytosanitary reasons.
Import taxes and/or tariffs	Yes.	Portugal applies the EU Common Customs Tariff.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.
Other	No.

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Export licenses	Yes.	
Without quotas	Yes.	For agricultural products covered by the CAP, an export certificate may be required. Chemical precursors may be subject to export licensing. Dual-use goods as well as arms are subject to export licenses. Portugal implements UNSCRs that approve restrictive measures directly and immediately by way of Article 8(3) of the Constitution of the Portuguese Republic, and Law No. 97/2017 of August 23 as amended by Law No. 58/2020 of August 31. As a full-fledged member of the EU, decisions and regulations of the Council of the EU implementing UNSCRs that approve restrictive measures, as well as those imposing restrictive measures of EU initiative, are binding in its entirety and directly applicable in Portugal. Portugal has all of the rights and obligations stemming from its membership at the EU. Therefore, all directly applicable EU legislation applies in Portugal including all decisions adopted in the framework of the CFSP and all regulations based on Article 215 of the Treaty on the Functioning of the EU. Details on these restrictive measures are available on the following websites: www.un.org/sc/suborg/en/sanctions/information; finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures/overview-sanctions-and-related-tools_en www.sanctionsmap.eu.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	Some capital movements and transactions may be subject to restrictions adopted in the framework of the EU CFSP, specifically decisions and regulations of the Council of the EU implementing the UNSCRs that approve restrictive measures related to freezing of funds and other economic resources, as well as imposing restrictive measures of EU initiative. Obliged Entities must possess the means and mechanisms necessary to ensure full compliance with any restrictive measures adopted by the UN or EU.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	

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Controls on capital and money market instruments	Yes.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	There are requirements concerning the information to be disclosed to the public by the buyer of shares admitted to trading on a regulated market when such purchases occur through a public takeover bid (Article 173 of the Securities Code). The current regime has been in effect since January 30, 2022, following a revision of the Securities Code. Such public offers are subject to prior registration with the Portuguese Securities Markets Commission (Comissão do Mercado de Valores Mobiliários—CMVM), which includes the approval of a prospectus, pursuant to Articles 108, 114, 118, and 176-A of the Securities Code. Qualifying holdings in listed companies are subject to disclosure based on the EU Transparency Directive: Articles 16 et seq. of the Securities Code lay down the framework for disclosure triggered by a ladder of holding thresholds, starting at 5%. Prospectuses approved by the appropriate authority of another EU country, pertaining to public offerings of takeover bids of shares admitted to trading in Portugal, are recognized by the CMVM, subject to translation into Portuguese and provided the CMVM receives the necessary documentation (Article 176-D of the Securities Code).
Sale or issue locally by nonresidents	No.	There are requirements concerning the information to be disclosed to the public by the issuers of shares or other securities of a participating nature that are offered to the public in Portugal, for which the Regulation (EU) No. 2017/1129 on the prospectus to be published when securities are offered to the public applies. The prospectus is required and subject to approval by the competent authority of the Member State of the issuer, or of CMVM in the case of an issuer from a third country, and to public disclosure (Articles 108, 109, and 114 of the Securities Code).
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	There are requirements concerning the information to be disclosed to the public for issues of shares or other securities of a participating nature that are offered to the public in other EU Member States. The Regulation (EU) No. 2017/1129 applies. The prospectus is required and subject to approval by CMVM in the case of Portuguese issuers and subject to public disclosure (Article 108 of the Securities Code). The current regime has been in effect since January 30, 2022, following a revision of the Securities Code, which became better aligned with the Regulation (EU) No. 2017/1129.
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	Under the current regime, effective January 30, 2022, following a revision of the Securities Code, there are no requirements of registration nor of a prospectus to be approved by the CMVM for bids to buy bonds or other debt securities (Articles 108, 109, 114, and 173 of the Securities Code). Previously, a prospectus was required also for public offers to buy bonds or other debt securities.
Sale or issue locally by nonresidents	No.	There are requirements concerning the information to be disclosed to the public before bonds and other debt securities are offered to the public in Portugal, for which the Regulation (EU) No. 2017/1129 on the prospectus to be published when securities are offered to the public applies. The prospectus is required and subject to approval by the competent authority of the Member State of the issuer, or of

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		CMVM in the case of an issuer from a third country, and to public disclosure (Articles 108, 109, and 114 of the Securities Code). The current regime has been in effect since January 30, 2022, following a revision of the Securities Code, which became better aligned with the Regulation (EU) No. 2017/1129.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	There are requirements concerning the information to be disclosed to the public for issues of bonds or other debt securities that are offered to the public in other EU Member States. The Regulation (EU) No. 2017/1129 applies. Therefore, the prospectus is required and subject to approval and to public disclosure (Article 108 of the Securities Code). The current regime has been in effect since January 30, 2022, following a revision of the Securities Code, which became better aligned with the Regulation (EU) No. 2017/1129.
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	There are requirements concerning the information to be disclosed to the public. Pursuant to Article 12(2) of Decree-Law No. 69/2004 of March 25, 2004, before commercial paper is offered to residents, the issuer must prepare an information document for CMVM approval. Furthermore, according to Article 17(8), an issuance of commercial paper for which a prospectus is produced, although being optional, is subject to the same requirements as public offers for which a prospectus is mandatory under the securities law. CMVM Regulation No. 2/2014 of November 4, 2014, provides additional guidance related to the issuance of commercial paper.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The revised national regime on EU-harmonized funds in transferable securities UCITS (resulting from Directive 2009/65/EC) and AIFs (resulting from the Directive 2011/61/EU), Venture Capital, Social Entrepreneurship, and Specialized Investment Funds, was enacted by the Decree-Law No. 27/2023 of April 28 (this Asset Management Regime repealed the previous General Framework of Collective Investment Schemes and the Legal Frameworks of Venture Capital, Social Entrepreneurship, and Specialized Investment). The marketing and sale of units in AIFs to local retail investors require CMVM authorization (Article 161). The sale and issuance of units of UCITS are allowed, subject to a notification to CMVM from the home country competent authority (Article 149). The sale and issuance of units of by EU management companies of AIFs distributed only to professional investors are allowed, subject to a notification to CMVM from the home country competent authority (Article 155). The sale and issuance of units of third-country AIFs distributed only to professional investors will be allowed, subject to CMVM's authorization or to a notification to CMVM by the competent EU authority, whichever the case, after the date to be specified on the delegated act to be adopted by the Commission pursuant to Article 67(6) of AIFMD.

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	Under the above-mentioned Asset Management Regime, the UCITS funds (pursuant to the UCITS Directive), the CMVM, as the home country authority, sends passport notifications to the relevant authority in the EU host country where the units are to be marketed. Management companies authorized in the EEA may also establish UCITS in another member country. In accordance with the AIFMD, EEA management companies authorized by their home country authority may manage, market, and sell to professional investors, under an EU passport, units of EU and third-country AIFs in other EEA countries. Marketing and sale of such units to retail investors are subject to host-country laws.
Controls on derivatives and other instruments	No.	As a special case because of the high risk involved in certain types of contracts for differences (CFDs) and in certain types of binary options, their marketing, distribution, or sale to retail investors was prohibited throughout the territory of the EU, following temporary decisions by the European Securities and Markets Authority (ESMA). Such restrictions were implemented as permanent measures in Portugal by the Regulation CMVM No. 5/2019. These prohibitions apply to the marketing, distributing, or selling the specific types of financial instruments either by Portuguese firms to resident and to nonresident retail investors and by non-Portuguese firms to resident retail investors. Apart from these special cases related to the information required to be disclosed to the buyer and to the high level of risk that makes the financial instrument not adequate to retail investors, the transactions of derivative instruments can generally be undertaken.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Nondiscriminatory prudential rules apply to the authorization of

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		credit institutions and financial companies. Controls apply to (1) establishment of branches of credit institutions or financial companies owned or controlled by non-EU investors, for which earmarked capital is required in an amount equal to the minimum required by Portuguese law for credit institutions or financial companies of the same type with their headquarters in Portugal; (2) establishment of branches of foreign insurers and reinsurers originating in non-EU member countries, for which a special deposit and financial guarantee are required and whose parent company must have been authorized to exercise such an activity for at least five years; (3) ownership of Portuguese flag vessels other than through an enterprise incorporated in Portugal or in an EU country; (4) investments in airlines established in the country that must be majority owned and effectively controlled by EU countries and/or nationals of EU states, unless otherwise provided for through an international agreement to which the EU is a signatory; (5) establishment of travel agencies by non-EU investors, except through an enterprise incorporated in Portugal; and (6) the extent that under UCITS Directive and AIFMD, a depository of a UCITS must either have its registered office in the same EU country as that of the enterprise or be established in the EU country if its registered office is in another EU country. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Restrictions apply to the acquisition of real estate located outside Portugal if the asset in question is to cover part of the minimum capital requirement of a local branch of a non-EU insurance or reinsurance company or to the acquisition of real estate located outside the EU for assets exceeding the minimum capital requirement.
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	

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Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Restrictions may apply to the activity of commercial banks and other credit institutions resulting from decisions and regulations of the Council of the EU implementing the UNSCRs that approve restrictive measures, as well as imposing restrictive measures of EU initiative. As Obliged Entities, commercial banks and other credit institutions must possess the means and mechanisms necessary to ensure full compliance with any restrictive measures adopted by the UN or EU.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Nondiscriminatory prudential rules apply to (1) the establishment of branches abroad, which requires notification to and approval from the BdP; (2) the establishment of subsidiaries in non-EEA countries, which requires notification to and approval from the BdP; (3) the acquisition of qualifying holdings in foreign credit institutions, which requires notification to the BdP; and (4) taking effect January 1, 2018, for less significant institutions and from January 1, 2016, for significant institutions, limits on other investments outside the financial sector (for example, capital holdings in a company exceeding 15% of a bank's own funds, or the total amount of qualifying holdings exceeding 60% of a bank's own funds, whichever is higher, are subject to a risk weight of 1250%—in both cases, these limits are not applied to shareholdings in companies supervised on a consolidated basis with the shareholding bank).

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In banks by nonresidents	Yes.	Nondiscriminatory prudential rules apply to the authorization of credit institutions and financial companies and to the acquisition of qualifying holdings in credit institutions. Controls apply to establishment of branches of credit institutions owned or controlled by non-EU investors or financial companies owned or controlled by foreign investors, which requires earmarked capital in an amount equal to the minimum required by Portuguese law for credit institutions or financial companies of the same type with their headquarters in Portugal.
Open foreign exchange position limits	Yes.	No absolute limits apply. However, prudential minimum own funds requirements apply on a nondiscriminatory basis to credit institutions, according to EU rules envisaged in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms. These requirements are applied to resident and nonresident assets and liabilities.
On resident assets and liabilities	Yes.	No absolute limits apply. However, prudential minimum own funds requirements apply on a nondiscriminatory basis to banks and other credit institutions, according to EU rules envisaged in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms.
On nonresident assets and liabilities	Yes.	No absolute limits apply. However, prudential minimum own funds requirements apply on a nondiscriminatory basis to banks and other credit institutions, according to EU rules envisaged in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Nondiscriminatory prudential rules apply to foreign insurance companies (non-EEA) in the following situations: (1) setting up a subsidiary, which requires approval by the Portuguese Insurance and Pension Funds Supervisory Authority (Autoridade de Supervisão de Seguros e Fundos de Pensões—ASF); (2) forming a branch requires ASF approval; (3) acquisition of an insurance supplier already established in the host country, which requires ASF approval; and (4) acquisition of qualifying holdings in insurance companies.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Restrictions apply to the acquisition of assets located outside Portugal if the asset in question is to cover part of the minimum capital requirement of a local branch of a non-EU insurance company or to the acquisition of assets located outside the EU for assets exceeding the minimum capital requirement.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	The currency-matching requirement for insurance companies is 80%, not including assets covered by adequate methodologies of exchange rate coverage.
Pension funds	Yes.	Pension funds may be managed either by entities set up specifically for this purpose or designated as pension fund management companies or by insurance companies that are part of the “life assurance” class and are established in Portugal. The establishment of pension fund management companies is subject to ASF authorization.
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	The currency-matching requirement for pension funds is 70%.
Investment firms and collective investment funds	Yes.	(1) Following the transposition of the Investment Firms Directive (Directive (EU) 2019/2034), the business of investment firms is regulated by the Investment Firms' Regime approved by the Decree-Law No. 109-H/2021 of December 10, 2021, effective February 1, 2022, and by the Securities Market Code. This specific prudential regime is applicable to investment firms which are not systemic by virtue of their size and interconnectedness with other financial and economic actors. Systemic investment firms remain subject to the existing prudential framework under Regulation (EU) No. 575/2013 and Directive 2013/36/EU and do not benefit from dedicated exemptions from any of their requirements. The investment firms' prudential regime is calibrated in a manner proportionate to the type of investment firm, the best interests of the clients of that type of investment firm and the promotion of the smooth and orderly functioning of the markets in which that type of investment firm operates. The main nondiscriminatory prudential rules applicable are: (a) an authorization from CMVM is required to start the business and a minimum initial capital which depends on the type of activities and the investment services to be provided; (b) the establishment of subsidiaries and branches in non-EEA countries also requires authorization from the CMVM, while the establishment of branches in EEA countries requires notification to the CMVM, which in turn notifies the host Member State authority of its favorable decision; the authorization requirement is also applied to the establishment of branches in Portugal of third countries' investment firms; (c) investment firms must comply at all time with the prudential minimum own funds required by the Regulation (EU) No. 2019/2033; certain investment firms, because of their dimension, may have to comply instead with the prudential rules enacted by the Regulation (EU) No. 575/2013; (d) qualified holdings are subject to permanent supervision, concerning the adequacy of their holders, and information has to be provided to the CMVM whenever there are changes below or above the defined thresholds; and (e) limits on investments outside the financial sector may be imposed by the CMVM in accordance with the Regulation (EU) No. 2019/2033 or the Regulation (EU) No. 575/2013, whichever applicable to the specific investment firm. (2) The revised national regime on EU-harmonized funds in transferable securities UCITS (resulting from Directive 2009/65/EC) and AIFs (resulting from the Directive 2011/61/EU), Venture Capital, Social Entrepreneurship, and Specialized Investment Funds, was enacted by the Decree-Law No. 27/2023 of April 28 (this Asset Management Regime repealed the previous General Framework of Collective Investment Schemes and the Legal Frameworks of Venture Capital, Social Entrepreneurship, and Specialized Investment). There are two types of management companies, depending on the activity, management companies of undertakings for collective investment undertakings and venture capital companies. The commencement of any management company's activity is subject to authorization from the Securities Market Commission (CMVM). In the case of collective investment undertakings managing companies, a minimum initial capital is mandatory, as well as the maintenance of a minimum level of own

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		funds related to the volume of assets under management. The adequacy of holders of qualified holdings is evaluated by the CMVM. As part of its supervision and of mandatory information that is required from the supervised entities. Several thresholds on the composition of the portfolios and constraints related to assets and liabilities of either UCITS or AIFs, particularly real estate funds, are established in the Asset Management Regime and in the CMVM Regulation No. 2/2015. The activity in Portugal of managing companies of non-EEA countries is subject to authorization.
Limits (max.) on securities issued by nonresidents	Yes.	For investment firms to which Regulation (EU) No. 2019/2033 applies on June 26, 2021 (the Investment Firms Regulation), the CMVM may prohibit these investment firms from having qualifying holdings outside the financial sector where the amount of those holdings exceeds the percentages of the required own funds according to the rules established in Article 10 of the Investment Firms Regulation. The limits on investments outside the financial sector in accordance with Article 89 of Regulation (EU) No. 575/2013 apply to certain investment firms that, according to their dimension, will follow prudential rules established in that Regulation.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.

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Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.

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For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	Certain activities with virtual assets can only be carried out in the Portuguese territory by entities that obtain a prior registration with BdP – more specifically, the following economic activities when performed in the name, or on behalf of a customer: • Exchange services between virtual assets and fiat currencies; • Exchange services between one or more virtual assets; • Virtual assets transfer services; • Safekeeping and/or administration of virtual assets or instruments enabling control over virtual assets, including private cryptographic keys. These entities are considered "obliged entities" for AML/CFT purposes and are subject to the terms of Law No. 83/2017 of August 18, regulated by BdP Notice No. 1/2023, of January 24.
Domestic exchanges	Yes.	[please refer to our previous answer]
Access to crypto exchange/trading platform by residents	Yes.	As referred, the above-mentioned entities are considered "obliged entities" for AML/CFT purposes, and therefore must comply with a number of obligations in relation to, namely, their clients (for example, Know Your Customer).

Changes during 2022 and 2023

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Bonds or other debt securities		
Purchase locally by nonresidents	*01/30/2022*	There are no requirements of registration nor of a prospectus to be approved by the Portuguese Securities Markets Commission (Comissão do Mercado de Valores Mobiliários) for bids to buy bonds or other debt securities. Previously, a prospectus was required also for public offers to buy bonds or other debt securities.

Provisions Specific to the Financial Sector

Provisions specific to institutional investors		
Investment firms and collective investment funds	*02/01/2022*	Following the transposition of the Investment Firms Directive (Directive (EU) 2019/2034), the business of investment firms is regulated by the Investment Firms' Regime approved by the Decree-Law No. 109-H/2021 of December 10, 2021, and by the Securities Market Code. The main nondiscriminatory prudential rules applicable are: (1) an authorization from Portuguese Securities Markets Commission (Comissão do Mercado de Valores Mobiliários—CMVM) is required by to start the business and a minimum initial capital which depends on the type of activities and

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the investment services to be provided; (2) the establishment of subsidiaries and branches in non-EEA countries also requires authorization from the CMVM, while the establishment of branches in EEA countries requires notification to the CMVM, which in turn notifies the host Member State authority of its favorable decision; the authorization requirement is also applied to the establishment of branches in Portugal of third countries' investment firms; (3) investment firms must comply at all time with the prudential minimum own funds required by the Regulation (EU) No. 2019/2033; certain investment firms, because of their dimension, may have to comply instead with the prudential rules enacted by the Regulation (EU) No. 575/2013; (4) qualified holdings are subject to permanent supervision, concerning the adequacy of their holders, and information has to be provided to the CMVM whenever there are changes below or above the defined thresholds; and (5) limits on investments outside the financial sector may be imposed by the CMVM in accordance with the Regulation (EU) No. 2019/2033 or the Regulation (EU) No. 575/2013, whichever applicable to the specific investment firm.

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QATAR

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 8, 1972.
Article VIII	Yes.	Date of acceptance: June 4, 1973.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with the relevant UNSC resolutions, measures have been taken to freeze the accounts and assets of listed individuals, groups, and organizations associated with terrorism.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Qatar is the Qatari riyal.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The de jure and de facto exchange rate arrangements are conventional pegged arrangements vis-à-vis the US dollar. The targeted peg was officially authorized by Amiri Decree No. 34 of 2001 issued in July 2001, replacing the de jure exchange rate policy of pegging to the SDR, which had been in effect since 1975. The Qatar Central Bank (QCB) does not publish data on its interventions.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		

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Floating		
Free floating		
Official exchange rate	Yes.	The riyal is pegged to the US dollar at QR 3.64 per US dollar. The official rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework aims at maintaining fixed parity between the QR and the US dollar at QR 3.64 per US dollar. QCB's monetary policy is drawn and implemented to manage the short-term interbank rates with a view to sustain the fixed parity between the QR and the US dollar. The current QCB interest rates framework focuses on the average overnight interbank rate as the operating target. The aim is to align the average overnight interbank rate within the QCB deposit rate (QCBDR) through liquidity management operations.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		

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Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Exchange rates of commercial banks for transactions in US dollars are based on the buying and selling rates of the QCB. The buying and selling rates of commercial banks for other currencies are based on the QCB's rates for the US dollar and on the market rates for the other currency against the US dollar. A spread of QR 0.0085 is applied to exchange transactions with the public. Thirty-five institutions are licensed by the QCB to deal in foreign exchange with the public. These institutions consist of 15 commercial banks and 20 foreign exchange bureaus, which are allowed to operate subject to licensing by the QCB. Foreign exchange bureaus do not engage in foreign exchange transactions directly with the QCB, but they may maintain accounts abroad. Their operations are not limited to the purchase and sale of banknotes; they may also make foreign currency payments and transfers on behalf of their clients. Commercial banks trade US dollars domestically based on the price determined by the QCB, plus a margin of 0.24% when dealing with the public. Commercial banks trade other currencies based on the QCB-determined exchange rates of riyals against US dollars and market-determined rates of other currency against the US dollar. Commercial banks have a margin of 0.24% for US dollar trades and trade other currencies through the US dollar.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The QCB buys and sells foreign currency at the announced rates every business day from 8:00 a.m. to 1:00 p.m., unless it decides otherwise. The QCB purchases US dollars at a fixed rate of QR 3.6385 and sells US dollars at a fixed rate of QR 3.6415 to banks in Qatar. The QCB does not deal directly either with the government or with other public entities.
Allocation	No.	

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Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks are allowed to trade foreign exchange among themselves. All commercial banks (15) participate in the interbank market. There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	The interbank foreign exchange market is based on a market-making agreement.
Forward exchange market	Yes.	Commercial banks are permitted to offer foreign exchange forward transactions to their clients considering their internal risk management policy.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	There are no other prescribed currency requirements.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	Qatar has payments agreements with Egypt and Lebanon. Following an MoU with the China Banking Regulatory Commission and the People's Bank of China (PBC), to allow Qatar to be a center for renminbi clearing and settlement, direct payments with China and Hong Kong SAR in renminbi have been reported.
Inoperative	No.	
Regional arrangements	Yes.	Qatar is a member of the GCC Customs Union.
Clearing agreements	Yes.	Qatar has clearing agreements with GCC countries.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The QCB is the exchange control authority, but there is no exchange control legislation. Import licenses are issued by the Ministry of Commerce and Industry.
Payments arrears	No.	
Official	No.	

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Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	For trading purposes, purchases and sales of gold and precious metals require import licenses and are subject to customs duty. Transactions with Israel are prohibited.
Controls on exports and imports of banknotes	No.	
On exports	No.	Amounts above QR 100,000 must be declared.
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	There is no distinction between accounts of residents and nonresidents. Resident accounts are those of foreign employees with contracts of one year or longer who work for government institutions, national companies, or individuals; branches of foreign companies and institutions permanently operating in Qatar in which foreign companies and institutions and their foreign employees have economic interests; foreign nonprofit institutions (except embassies, consulates, representative offices of international institutions, etc.) operating in Qatar for more than one year; foreign investors with shares in national companies and a permanent residence in Qatar; branches of foreign shipping and airway companies; national institutions and companies; and Qatari residents.
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	These accounts have always been permitted.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There is no distinction between accounts of residents and nonresidents. These (nonresident) accounts include accounts of embassies, consulates, representative offices of international and regional institutions, and agencies and their foreign employees; foreigners with a visitor visa for less than one year; students who come to Qatar mainly to study; foreigners who come for treatment in national hospitals; foreign employees on official business in Qatar for no more than one year; foreign companies licensed abroad and fully or partially owned by companies or institutions in Qatar that do

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		not do business in Qatar for more than one year; and foreign companies on contract with the government or other residents for less than one year.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	These accounts may be converted, but approval is required.
Approval required	No.	The opening of nonresident domestic currency accounts does not require approval.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports of alcoholic beverages, firearms, ammunition, and certain drugs are subject to licensing for reasons of health or public safety.
Positive list	No.	
Negative list	Yes.	Imports from Israel are prohibited. Pork/pork items are available for eligible consumers through a specialized agency.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	In accordance with the GCC Customs Union, a maximum CET of 5% is applied on most dutiable goods. The customs tariff on steel is 20% and on alcohol and tobacco, 100%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

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Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.
Other	No.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Per Law No. 1 of 2019, non-Qataris can own more than 49% in Qatar

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		Exchange listed companies, subject to approval of Ministry of Economy and Commerce.
Sale or issue locally by nonresidents	Yes.	These transactions are subject to approval by the QCB.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	Additional Tier 1 (AT1) issuance by local banks in international markets in total is limited to 50% of the paid capital and retained earnings and is limited to the US dollar currency.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	These transactions are subject to approval by the QCB.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	QCB approval is required for bond issuance by local banks for the purpose of borrowing. AT1 issuance by local banks in international markets in total is limited to 50% of the paid capital and retained earnings and is limited to the US dollar currency.
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	These transactions are subject to approval by the QCB.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Noncitizens may engage in simple crafts as well as in commerce, industry, and agriculture. The new FDI law allows up to 100% foreign ownership in almost all sectors except for banking and finance (Law No. 1 of 2019). Foreign investment in the banking and insurance sectors needs approval of the cabinet.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Real estate ownership is restricted to GCC nationals, with some exceptions; however, nationals of other countries (including GCC members) may own real estate in specified areas. This right is subject to renewal.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	Yes.	These transactions are subject to approval by the QCB.
Transfer abroad by emigrants	Yes.	These transactions are subject to approval by the QCB.
Transfer into the country by immigrants	Yes.	These transactions are subject to approval by the QCB.
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	On January 7, 2015, the Foreign Account Tax Compliance Act (FATCA) related to intergovernmental agreement was signed. The Model 1 intergovernmental agreement is considered in effect by the

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		US Treasury. On November 10, 2017, Qatar signed the Common Reporting Standard Multilateral Competent Authority Agreement that will enable the automatic exchange of financial account information pursuant to the OECD/G20 Common Reporting Standard.
Borrowing abroad	Yes.	There are no limits on direct borrowing from abroad; however, QCB approval is required for bond issuance for the purpose of borrowing. For the purpose of calculating credit ratios, borrowing from foreign banks and issuance of debt securities are limited to 100% of a bank's Tier 1 capital. Borrowing from foreign banks is limited to 50% of Tier 1 capital. AT1 issuance in international markets in total is limited to 50% of the paid capital and retained earnings and is limited to the US dollar currency.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	Banks are required to comply with the sound banking norms while granting credit facilities in foreign currencies as per the customers' actual requirements, cash flows, sources of repayments, and banks credit policy and pricing policy taking into account interest/return rate gap risk, foreign exchange rate risk, and open position risk. In addition, banks are required to take prior approval of QCB before granting of any credit facility in foreign currency.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	Investment Regulations: Investment ceilings with respect to bank's capital and reserves are as follows: (1) Total ceilings on securities portfolio (equity, debt, and Sukuk) are 25%. (2) Total ceilings of securities held outside Qatar are 15%. (3) Total ceilings of unlisted securities inside Qatar are 10% and outside Qatar 5%. (4) Ceiling on investments in a single entity, which do not exceed total (investment and credit) risk exposure determined by the QCB for a single customer or single financial institution, is 5%.

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		Exemptions to the above limits are as follows: (1) Debt securities and Sukuk issued or guaranteed by Qatari Government or issued by QCB. (2) Debt securities and Sukuk issued by national banks licensed by QCB. (3) Zero percent risk-weighted debt securities and Sukuk according to Basel II framework inside or outside Qatar. Such debt securities and Sukuk must be eligible for inclusion in Level 1 of high-quality liquid assets under the LCR. Total (investment and credit) risk exposure in a single entity (a financial institution or customer) should not exceed the credit concentration limit as determined by QCB. (4) Ceiling for investment in associates: 35% total ceiling for all associates (including participations, finance, and risk exposures) and 25% ceiling for a single company similar as for all associates. (5) Ceiling for investment in real estates for Islamic banks: All types of investments in real estate limit at 10% of banks capital and reserves, which include: (a) owned real estates for the purpose of investment (for purposes of leasing or trading); (b) participation in unlisted real estate mutual funds; and (c) unlisted real estate Sukuk which is a common ownership in a real estate.
Abroad by banks	Yes.	Investment Regulations: Investment ceilings with respect to bank's capital and reserves are as follows: (1) Total ceilings on securities portfolio (equity, debt, and Sukuk) are 25%. (2) Total ceilings of securities held outside Qatar are 15%. (3) Total ceilings of unlisted securities inside Qatar are 10% and outside Qatar 5%. (4) Ceiling on investments in a single entity, which do not exceed total (investment and credit) risk exposure determined by the QCB for a single customer or single financial institution, is 5%. Exemptions to the above limits are as follows: (1) Debt securities and Sukuk issued or guaranteed by Qatari Government or issued by QCB. (2) Debt securities and Sukuk issued by national banks licensed by QCB. (3) Zero percent risk-weighted debt securities and Sukuk according to Basel II framework inside or outside Qatar. Such debt securities and Sukuk must be eligible for inclusion in Level 1 of high-quality liquid assets under the LCR. Total (investment and credit) risk exposure in a single entity (a financial institution or customer) should not exceed the credit concentration limit as determined by QCB. (4) Ceiling for investment in associates: 35% total ceiling for all associates (including participations, finance, and risk exposures) and 25% ceiling for a single company similar as for all associates. (5) Ceiling for investment in real estates for Islamic banks: All types of investments in real estate limit at 10% of banks capital and reserves, which include: (a) owned real estates for the purpose of investment (for purposes of leasing or trading); (b) participation in unlisted real estate mutual funds; and (c) unlisted real estate Sukuk which is a common ownership in a real estate.
In banks by nonresidents	Yes.	Foreign investment in the banking and insurance sectors requires approval of the cabinet.
Open foreign exchange position limits	Yes.	There is a cap on the net open position equal to 25% of bank's capital and reserves for US dollars, 5% for other currencies with an overall limit of 30%.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	

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Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	
Pension funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	Yes.	The maximum limit for investments by a Qatar-based Investment firms is 100% of the capital and reserve of the company. Maximum limit in a single entity is 10% of the capital and reserve of the Investment firm.
Limits (min.) on investment portfolio held locally	Yes.	The maximum limit for investments by a Qatar-based Investment firms is 100% of the capital and reserve of the company. Maximum limit in a single entity is 10% of the capital and reserve of the Investment firm. There is no minimum limit.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.

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For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Between nonresidents	n.a.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Acquisition by residents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Use among residents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Between residents and nonresidents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial

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		business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
For current transaction	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
For capital transactions	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Transactions in capital and money market instruments	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Transactions in derivatives and other instruments	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Credit operations	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Controls on utility and security tokens	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual

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		assets and currencies, where these currencies are currently known or which can be issued in the future.
Acquisition by residents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Use among residents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Between residents and nonresidents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
For current transaction	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
For capital transactions	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Transactions in capital and money market instruments	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Transactions in derivatives and other instruments	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others.

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		Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Credit operations	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Controls on stablecoins	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Acquisition by residents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Use among residents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Between residents and nonresidents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
For current transaction	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or

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		which can be issued in the future.
For capital transactions	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Transactions in capital and money market instruments	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Transactions in derivatives and other instruments	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Credit operations	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Controls on crypto exchanges and trading platforms	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Domestic exchanges	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.
Access to crypto exchange/trading platform by residents	Yes.	Any natural or legal person may not be granted a license to provide Virtual Asset Services and Virtual Currency Services as commercial business for own benefit or on behalf of others. Financial institutions may not, until further notice, allow any person

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to use the accounts or services of the financial institution to deal in Virtual Assets and currencies and may not send or receive financial transfers for the purposes of buying, selling, or dealing in virtual assets and currencies, where these currencies are currently known or which can be issued in the future.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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ROMANIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 15, 1972.
Article VIII	Yes.	Date of acceptance: March 25, 1998.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Although there is in place a legal framework for the implementation of unilateral sanctions taken by Romania, no such measures have been adopted. Consequently, should any such unilateral restrictions be adopted in the future, they will be notified pursuant to Executive Board Decision No.144-(52/51). Article 1 Paragraph (2) and Article 4 Paragraph (4) of the Emergency Ordinance No. 202/2008 on the Implementation of International Sanctions, approved with Amendments by Law No. 217/2009, with Subsequent Amendments and Additions. A presentation of the sanctions regimes in force, which refers to UN sanctions as well as to EU restrictive measures, is available on the website of the Ministry of Foreign Affairs: www.mae.ro/en/node/2124.
Other security restrictions	Yes.	For the preservation of national and international security, Romania implements restrictive measures adopted by UNSC resolutions, or other acts adopted on the basis of Article 41 of the United Nations Charter (1945), in accordance with Articles 25, 52, and 53 of the same Charter, as well as EU regulations and decisions, in accordance with Article 288 of the Treaty on the Functioning of the EU. Thus, all directly applicable EU legislation applies in Romania, including all regulations based on Article 215 of Treaty on the Functioning of the European Union and all decisions adopted in the framework of the Common Foreign and Security Policy of the European Union. A presentation of the sanctions regimes in force, which refers to UN sanctions as well as to EU restrictive measures, is available on the website of the Ministry of Foreign Affairs: www.mae.ro/en/node/2124.

Exchange Arrangement

Currency	Yes.	The currency of Romania is the Romanian leu.
Other legal tender	Yes.	The transferable ruble continues to be used as a unit of account for outstanding balances of the former CMEA.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		

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Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is managed floating; the exchange rate of the leu is determined in the interbank foreign exchange market. The National Bank of Romania (NBR) may intervene to smooth excessive exchange rate fluctuations. There is no formal definition of excessive exchange rate fluctuations: The assessment is based on domestic and international market circumstances and on prevailing macroeconomic conditions. The NBR intervenes either directly with market participants at their quoted rates or via market makers. The NBR does not publish information on its interventions. From September 2021, the leu has stabilized within a 2% band against the euro. Therefore, the de facto exchange rate was reclassified retroactively to stabilized from crawl-like, effective September 9, 2021. The de facto methodology for classification of exchange rate regimes is based on a backward-looking statistical approach that relies on past exchange rate movement and historical data. Therefore, this reclassification does not imply statements or views on future or intended policies nor does imply a policy commitment on the part of the country authorities.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The NBR quotes rates for 29 foreign currencies and the SDR. The exchange rates are based on the quotes of 10 local banks licensed to perform foreign exchange transactions. These banks are selected by the NBR, taking into consideration their participation in the interbank foreign exchange market. The use of exchange rates listed by the NBR is not compulsory for foreign exchange transactions and accounting records.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		

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Inflation-targeting framework	Yes.	
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The inflation target is set by the CB in consultation with the government. Within the NBR, the inflation target is adopted through a decision of the NBR Board.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	Flat multi-annual inflation target of 2.5%±1 percentage point is adopted.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The flat multi-annual inflation target is defined in terms of the annual change in the CPI (that is, year-on-year (y-o-y) headline inflation). The CPI is based on the national definition.
Core inflation		
Target horizon	Yes.	A flat multi-annual inflation target is adopted.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	As of October 12, 2023, the policy rate is 7.00%, in place since January 11, 2023. The policy rate was adjusted 8 times in 2022 and once in 2023, from 1.75% to 2.00% effective January 11, 2022, to 2.50% effective February 10, 2022, to 3.00% effective April 6, 2022, to 3.75% effective May 11, 2022, to 4,75% effective July 7, 2022, to 5.5% effective August 8, 2022, to 6.25% effective October 6, 2022, to 6.75% effective November 9, 2022, to 8.00% effective January 11, 2023. The monetary policy interest rate is the interest rate on NBR's main open-market operations, which normally have a maturity of one week.
Target corridor band	Yes.	The interest rates on the NBR's standing facilities, that is, the deposit facility and the lending facility, were set at ±1.0 percentage points around the monetary policy rate. (The interest corridor was narrowed to ±0.5 percentage points in March 2020 and was brought back to the standard amplitude of ±1 percentage point in two steps, in November 2021 and January 2022.) As of October 12, 2023, these interest rates stood at 6.00% (deposit facility) and 8.00% (lending facility).
Other	No.	
Accountability	Yes.	
Open letter	No.	

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Parliamentary hearings	No.	
Other	Yes.	According to NBR's Statute (Article 35(4)), on behalf of the Board, the governor must submit to the parliament, until June 30 of the following year, the NBR's annual report, which covers the NBR's activities, annual financial statements, and the auditor's report, subject to debate, but not voted in the joint session of the two Chambers of parliament.
Transparency	Yes.	NBR's monetary policy decisions are communicated and explained to the public via press releases and press briefings following the decisions, inflation reports (presented in detail in press conferences), publication of minutes, and annual reports.
Publication of votes	No.	
Publication of minutes	Yes.	Starting with the NBR Board meeting of September 30, 2016, the account (minutes) of discussions underlying monetary policy decisions are published in the "Monetary Policy" section on the NBR website within seven calendar days after each Board meeting dedicated to monetary policy issues. The aim is to provide the general public with the rationale and economic data behind monetary policy decisions. The minutes include the outcome of the vote but the voting results are not attributed.
Publication of inflation forecasts	Yes.	In the context of the inflation-targeting framework, the NBR updates and publishes its medium-term inflation forecast on a quarterly basis within the inflation report.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The foreign exchange market – buying/selling of foreign currency may be performed by foreign exchange market intermediaries, as follows: credit institutions other entities authorized for foreign exchange activity: foreign exchange offices (for transactions in cash with natural persons) entities that perform foreign exchange activity based on specific legal provisions as a service related to their core activity (nonbank financial institutions, payment institutions, electronic money institutions, and financial investment services companies). Residents and nonresidents have access to the foreign exchange market. Legal entities, other than authorized credit institutions, may buy or sell currency through intermediaries. Individuals can buy or sell foreign currency either through intermediaries or through currency exchange offices authorized by the MOF. All the intermediaries are free to set both exchange rates and commissions in transactions with their customers. Article 26 Paragraph (1) lit. b) and d) and Article 30 Paragraph (1) from Law No. 129/2019 for the Prevention and Combating of Money Laundering and the Financing of Terrorism, as well as for the Amendment and Completion of Some Normative Acts, with Subsequent Amendments and Additions.
Spot exchange market	Yes.	Foreign exchange offices conduct transactions with foreign currency banknotes and accept traveler's checks denominated in those currencies. They may also conduct transactions with foreign currencies that are not quoted. Licensing and control of foreign exchange offices/bureaus are performed by the Ministry of Public Finance (MPF). Foreign exchange offices are not allowed to perform

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		payments and transfers on behalf of their clients, because the payment services may only be legally performed in Romania by credit institutions, payment institutions, and electronic money institutions. Foreign exchange offices may maintain accounts abroad.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Credit institutions are authorized within their scope of activity to participate in the interbank market as intermediaries and on their own behalf. There are no limits on the bid-ask spreads or commissions of market participants. As of June 30, 2023, 24 Romanian legal banks and 8 branches of foreign banks participated in the interbank foreign exchange market. The NBR can intervene both directly and via market makers in the interbank market. Public data on interbank foreign exchange market are available on a monthly basis on NBR's website.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	The foreign exchange market operates based on market makers.
Forward exchange market	Yes.	Euro–leu and US dollar–leu futures contracts are traded on the Sibiu Monetary Financial and Commodities Exchange. Banks and clients also conduct forward transactions in the interbank foreign exchange market. The NBR has participated in the forward foreign exchange market only twice and has not participated since 2009.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	Current and capital transactions are performed freely between residents and nonresidents in foreign currency and lei.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Use of foreign exchange among residents for trading in goods and services as well as remuneration of work performed regardless of the legal relationship framework governing them is prohibited, with certain exceptions.
Payments arrangements	Yes.	Payments to and from countries with which Romania has bilateral payments arrangements are made only in convertible currencies and in accordance with the procedures set forth in those arrangements.
Bilateral payments arrangements	Yes.	

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Operative	Yes.	There are arrangements with the Democratic Republic of the Congo, Guinea, Iraq, and Mozambique.
Inoperative	Yes.	There is an arrangement with the Democratic People's Republic of Korea.
Regional arrangements	Yes.	Romania is a member of the EU. Through Law No. 129/2019 have been implemented the Directive (EU) 2015/849 of the European Parliament and of the Council and Directive (EU) 2018/843 of the European Parliament and Council.
Clearing agreements	No.	There are no operative clearing arrangements currently in effect.
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Economic operators or traders who perform precious metals activities are authorized by the National Authority for Consumer Protection. Traders in precious metals and stones become reporting entities according to the Law No. 129/2019 to the extent that they perform cash transactions in the limit of lei equivalent of 10000 euro, regardless whether the transaction is executed through a single operation or through more related operations. In case they become reporting entities, the competence of supervision and oversight with regard to AML/CFT lies with the National Office for the Prevention and Combating Money Laundering.
On domestic ownership and/or trade	Yes.	Economic operators or traders who perform precious metals activities are authorized by the National Authority for Consumer Protection.
On external trade	Yes.	Economic operators or traders who perform precious metals activities are authorized by the National Authority for Consumer Protection.
Controls on exports and imports of banknotes	No.	NBR regulations (NBR Regulation No. 4/2005 on the Foreign Exchange Regime), republished, as subsequently amended and supplemented, do not stipulate controls on exports and imports of banknotes, but in accordance with Regulation (EC) No. 1672/2018, cash controls require mandatory declaration of cash entering or leaving the EU equivalent to €10,000 or more. Travelers entering or leaving the EU and carrying cash of a value equivalent to €10,000 or more must make a declaration to the relevant authorities of the member country through which they enter or leave the EU. The authorities must keep a record of such information and report it to their national FIU. Thus, in accordance with the requirements to declare cash under Regulation (EC) No. 1672/2018 on controls of cash entering or leaving the Community and based on the Article 7 Paragraph 6 of Law No. 129/2019 on the Prevention and Combating of Money Laundering and Terrorism Financing, as well as on the modification and completion of some normative acts, the National Agency for Fiscal Administration (NAFA) is required to communicate to the National Office for Prevention and Control of Money Laundering (NOPCML) (FIU Romania), all the information it holds regarding declarations by natural persons of cash in domestic or foreign currency equal to or above €10,000, within the time limit established through the Regulation (EC) No. 1672/2018, according to a Methodology approved by joint Order of the President of the

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		NAFA and the president of the NOPCML. In addition, Law No. 129/2019 on the Prevention and Combating of Money Laundering and Terrorism Financing, as well as on the modification and completion of some normative acts stipulates that NAFA will immediately send a report to the NOPCML when, in the application of the Regulation (EC) No. 2018/1672, from the data held, knows, suspects, or has reasonable grounds to suspect that the goods/funds come from crimes or are related to the financing of terrorism or that the persons has violated the obligations established by this Regulation. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance with the regulation, the national authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash may be confiscated. The EC regulation requires member countries to impose penalties for failure to comply with the declaration obligation. If there are indications that cash is related to illegal activity, authorities of one member country may exchange information with authorities in other member countries, and the information must be transmitted to the EC. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EC regulation may also be communicated to a third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. The EC regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of the EC regulation; the EC regulation only harmonizes the system for the EU's external borders.
On exports	No.	
Domestic currency	No.	NBR regulations (NBR Regulation No. 4/2005 on the Foreign Exchange Regime), republished, as subsequently amended and supplemented, do not stipulate controls on exports and imports of banknotes, but in accordance with Regulation (EC) No. 1672/2018, cash controls require mandatory declaration of cash entering or leaving the EU equivalent to €10,000 or more. Travelers entering or leaving the EU and carrying cash of a value equivalent to €10,000 or more must make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
Foreign currency	No.	NBR regulations (NBR Regulation No. 4/2005 on the Foreign Exchange Regime), republished, as subsequently amended and supplemented do not stipulate controls on exports and imports of banknotes, but in accordance with Regulation (EC) No. 1762/2018, cash controls require mandatory declaration of cash entering or leaving the EU equivalent to €10,000 or more. Travelers entering or leaving the EU and carrying cash of a value equivalent to €10,000 or more must make a declaration to the relevant authorities of the member country through which they enter or leave the EU.
On imports	No.	
Domestic currency	No.	NBR regulations (NBR Regulation No. 4/2005 on the Foreign Exchange Regime), republished, as subsequently amended and supplemented do not stipulate controls on exports and imports of banknotes, but in accordance with Regulation (EC) No. 1762/2018, cash controls require mandatory declaration of cash entering or leaving the EU equivalent to €10,000 or more. Travelers entering or leaving the EU and carrying cash of a value equivalent to €10,000 or more must make a declaration to the relevant authorities of the member country through which they enter or leave the EU.

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Foreign currency	No.	NBR regulations (NBR Regulation No. 4/2005 on the Foreign Exchange Regime) republished, as subsequently amended and supplemented do not stipulate controls on exports and imports of banknotes, but in accordance with Regulation (EC) No. 1672/2018, cash controls require mandatory declaration of cash entering or leaving the EU equivalent to €10,000 or more. Travelers entering or leaving the EU and carrying cash of a value equivalent to €10,000 or more must make a declaration to the relevant authorities of the member country through which they enter or leave the EU.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open and keep accounts in both foreign and national currencies with credit institutions or other similar institutions. The amounts in lei and in quoted currencies held by residents may be converted in the foreign exchange market.
Approval required	No.	
Held abroad	Yes.	Residents may open and maintain accounts in both foreign and national currencies with credit institutions or other similar institutions. The amounts in lei and in quoted currencies held by residents may be converted in the foreign exchange market.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open and hold accounts in foreign currency with credit institutions, payments institutions and electronic money institutions. Nonresidents may repatriate and transfer financial assets.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open and hold accounts in domestic currency (leu) with credit institutions, payments institutions and electronic money institutions. Nonresidents may repatriate and transfer financial assets.
Convertible into foreign currency	Yes.	The amounts in domestic currency (leu) and in quoted currencies held by nonresidents may be converted on the foreign exchange market.
Approval required	No.	
Blocked accounts	Yes.	Accounts are blocked in accordance with international security restrictions.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.

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Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Romania applies the trade policy of the EU, including the common rules for imports, regulated by Regulation (EU) No. 2015/755 of the European Parliament and of the Council of April 29, 2015, on common rules for imports from certain third countries and Regulation (EU) No. 2015/478 of the European Parliament and of the Council of March 11, 2015, on common rules for imports.
Positive list	No.	
Negative list	Yes.	Romania applies the trade policy of the EU.
Open general licenses	No.	
Licenses with quotas	Yes.	Council Regulation (EC) No. 717/2008 of July 15, 2008, applies, establishing an EU procedure for quotas.
Other nontariff measures	Yes.	Romania applies the trade policy of the EU.
Import taxes and/or tariffs	Yes.	Romania applies the common customs tariff of the EU. Since April 2020, certain goods used in the prevention and treatment of COVID-19 may be admitted free of import duties and exempted of VAT, provided they are used by national bodies or distributed free of cost. On April 19, 2021, this exemption was as of effective May 1, 2021, until December 31, 2021. Effective January 1, 2022, this exemption of import duties and VAT no longer applied. Effective July 18, 2022, temporary trade-liberalization measures in the form of additional tariff-free quotas on some agricultural products imported in the EU from the Republic of Moldova still subject to duty-free tariff rate quotas (TRQs) were introduced. These measures must apply until July 24, 2023. Effective May 30, 2022, tariffs for some industrial and agricultural products originating in Ukraine will be suspended until June 5, 2023 (Regulation (EU) 2022/870). Also, effective May 30, 2022, the anti-dumping duties on imports originating in Ukraine made during the application of the Regulation (EU) 2022/870 may not be collected at any point in time, including after the expiry of this Regulation. Effective May 30, 2022, the imports originating in Ukraine shall temporarily be exempted from the application of Regulation (EU) 2015/478 (on common rules for imports).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Romania applies the trade policy of the EU, including the Common Rules for Export, regulated by Regulation (EU) No. 2015/479 of the European Parliament and of the Council of March 11, 2015, on common rules for exports.
Without quotas	Yes.	Romania applies the trade policy of the EU (export of cultural goods – Council Regulation (EC) No. 116/2009).
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	There are no controls on these transactions, they can be performed freely between residents and nonresidents, in foreign currency and domestic currency (leu); however, payments and transfers are subject to supporting documents requirement.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	There are no repatriation requirements according to NBR Regulation No. 4/2005, republished, as subsequently amended and supplemented
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	There are no restrictions according to NBR Regulation No. 4/2005, republished, as subsequently amended and supplemented

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	Yes.
On capital market securities	Yes.

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Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The assets of pension funds may be invested in shares and rights traded on regulated markets in Romania, EU members, or EEA countries up to 50%. Pension funds may not invest in shares of third countries (that is, countries that are not EU or EEA members).
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The assets of pension funds may be invested in government bonds issued by countries that are not EU or EEA members, traded on regulated markets in Romania, EU members, or EEA countries, up to 15% (private pension funds)/20% (occupational pension funds); municipal bonds and other securities issued by local authorities of countries that are not EU or EEA members, traded on regulated markets in Romania, EU members, or EEA countries, up to 10%; bonds issued by the World Bank, EBRD, and EIB or other foreign nongovernmental institutions, and traded on regulated markets in Romania, EU members, or EEA countries, up to 20%; and corporate bonds, except those that embed derivatives, up to 30% (private pension funds)/50% (occupational pension funds).
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The assets of pension funds may be invested in money market instruments up to 20% with the following sublimits: (1) current accounts in RON or foreign currency in banks authorized to operate in Romania, EU members, or EEA countries up to 5% (private pension funds)/20% (occupational pension funds); (2) bank deposits in lei or foreign currency in banks authorized to operate in Romania, EU members, or EEA countries up to 20% (private pension funds)/30% (occupational pension funds); (3) treasury bills traded on regulated markets or on a secondary market in Romania, EU members, or EEA countries up to 20% (private pension funds)/30% (occupational pension funds); and (4) reverse repo agreements with credit institution counterparties up to 5% (private pension funds)/10% (occupational pension funds). Pension funds may not invest in money market instruments of third countries (that is, countries that are not EU or EEA members).
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	Yes.	The assets of pension funds may be invested in UCITS, including exchange-traded funds, in Romania or EU members up to 5% (private pension funds)/20% (occupational pension funds). Pension funds may not invest in collective investment securities of third countries (that is, countries that are not EU or EEA members).
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The assets of pension funds may be invested in exchange-traded commodities and non-UCITS traded on regulated markets in Romania, EU members, or EEA countries up to 3% (private pension funds)/10% (occupational pension funds), and in private equity shares or bonds issued by companies in Romania, EU members or EEA countries or units issued by private equity funds from EU members or EEA countries up to 10%. Pension funds may not invest in derivatives and other instruments of third countries (that is, countries that are not EU or EEA members).
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	According to NBR Regulation No.4/2005, current and capital transactions are performed freely between residents and nonresidents in foreign currency and lei.
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	According to NBR Regulation No.4/2005, there are no restrictions to the granting of financial credits by nonresidents to residents. However, if lending activity is carried out on Romania's territory on a professional basis, there are some specific requirements. According to Law No.93/2009 on nonbank financial institutions, lending activity must be performed on Romania's territory on a professional basis by credit institutions and financial institutions referred to in Section 2, Chapter IV, Title I, Part I of the Government Emergency Ordinance (GEO) No. 99/2006 as approved with amendments and supplements by Law No. 227/2007, as further amended and supplemented, by EU payment service providers which provide credits for payment services based on the freedom to provide services or the right of establishment, according to the provisions of the Law No. 209/2019 and by nonbank financial institutions, under the conditions established by Law No. 93/2009. Financial institutions from abroad (nonresidents) cannot provide financial credit services directly in Romania. To perform this activity, they have to establish a branch. Branches established in Romania of the foreign financial institutions have to be registered as nonbank financial institutions, based on the provisions of the Law

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		No. 93/2009. According to GEO No. 99/2006, Credit Institutions (CIs) having their registered office in third countries may provide banking services on Romania's territory (including granting financial credits) by establishing a branch with the condition that these branches must be authorized by NBR. CIs from EU may provide banking services on Romania's territory either by establishing a branch (through physical presence, permanently) or by providing services (without physical presence, temporary) based on single European passport.
Guarantees, sureties, and financial backup facilities	Yes.	According to NBR Regulation No. 4/2005 current and capital transactions are performed freely between residents and nonresidents in foreign currency and lei.
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	According to NBR Regulation No.4/2005 current and capital transactions are performed freely between residents and nonresidents in foreign currency and lei. However, if lending activity (thus, also the issuing of guarantees) is carried out on Romania's territory on a professional basis, there are some specific requirements. According to Law No. 93/2009 on nonbank financial institutions, lending activity (thus, also the issuing of guarantees) shall be performed on Romania's territory on a professional basis by credit institutions and financial institutions referred to in Section 2, Chapter IV, Title I, Part I of the GEO No. 99/2006 as approved with amendments and supplements by Law No. 227/2007, as further amended and supplemented, by EU payment service providers which provide credits for payment services based on the freedom to provide services or the right of establishment, according to the provisions of the Law No. 209/2019, and by nonbank financial institutions, under the conditions established by Law No. 93/2009. Financial institutions from abroad (nonresidents) cannot offer guarantees directly in Romania. To perform this activity, they have to establish a branch. Branches established in Romania of the foreign financial institutions have to be registered as nonbank financial institutions, based on the provisions of the Law No. 93/2009. According to GEO No. 99/2006, CIs having their registered office in third countries, may provide banking services on Romania's territory (including issuing of guarantees) by establishing a branch with the condition that these branches must be authorized by NBR. CIs from EU may provide banking services on Romania's territory either by establishing a branch (through physical presence, permanently) or by providing services (without physical presence, temporary) based on single European passport.
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	For reasons of national security, the government may refuse the granting of concession and execution of oil operations for the exploration, development, and exploitation of an oil field to legal persons from countries other than the EU. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European

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		Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	Real estate transactions are performed through notaries public who authenticate the contracts regarding the transfer of property or regarding other real rights, according to the legal provisions in force. Also, considering the provisions of the Law No. 70/2015 regarding fiscal discipline, there are limitations on the value of cash payments, thus the payment is performed most of the times through bank transfer. At the same time, when a real estate transaction is performed, the transfer of the right is registered in the land registry, the National Agency for Cadastre and Real Estate Publicity being the institution that manages the registers for cadastre and real estate publicity, which thus allows keeping a strict evidence of the buildings and the rights over them to rule out the risk to perform fictitious transactions with buildings. It is worth mentioning that both notaries public and banks are reporting entities according to the Law No. 129/2019, being supervised by the National Office for the Prevention and Combating of Money Laundering and by the NBR, respectively; they are thus required to comply with the legislation on AML/CFT and apply customer due diligence measures according to the laws in force. From the point of view of AML/CFT, real estate agents and real estate developers, which are involved in certain real estate transactions are reporting entities according to Article 5 of the Law No. 129/2019, being supervised and overseen by the National Office for the Prevention and Combating of Money Laundering, they also apply customer due diligence measures according to the law in force.
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Citizens of the EU and of the EEA can acquire property rights under the same conditions as Romanian citizens. Third-country nationals can acquire property rights only if international treaties have been concluded between Romania and that state. However, according to Article 6 of Law No. 312/2005, foreign citizens, stateless persons, and legal entities from third countries cannot acquire property rights over land under more favorable conditions than those that apply to citizens of a Member State and legal persons established in accordance with the legislation of a Member State. The provisions of Law No. 312/2005 do not apply for foreign citizens and stateless persons acquiring property rights over land by way of legal inheritance.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by	No.	

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immigrants	
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	As an EU Member State, the Romanian legal framework for credit institutions was developed in accordance with EU acquis in this area. The provisions of Directive 2013/36/EU (CRD) were transposed at the national level in GEO No. 99/2006, as subsequently amended and supplemented (primary legislation) and NBR Regulation No. 5/2013, as subsequently amended and supplemented (secondary legislation). GEO No. 99/2006 lays down the conditions concerning the taking up and pursuit of banking activity within Romania's territory, the prudential supervision of credit institutions and financial investment services companies, as well as supervision of payment systems and financial instruments settlement systems. NBR Regulation No. 5/2013 lays down the prudential requirements for credit institutions. Also, for the purpose of this subject, is relevant NBR Regulation No. 12/2020, as subsequently amended and supplemented (secondary legislation). NBR Regulation No. 12/2020 lays down the procedure, documentation, and condition regarding the authorization of credit institution.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	NBR Regulation No. 5/2013 (as amended and supplemented) requires that credit institutions have in place policies and processes for the identification, measurement, evaluation, monitoring, reporting, and control or decreasing of country risk and transfer risk. Credit institutions must set limits on country exposures. The credit institution's management body approves the strategies, processes, and policies on the management of country risk and transfer risk to ensure that these policies and processes are implemented effectively and are fully integrated into the overall risk management of the credit institution.
Lending locally in foreign exchange	Yes.	Capital requirements addressing foreign exchange risk, indirectly affecting local lending in foreign exchange, are included in Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012. This regulation is directly applicable across the EU. Article 351 of Regulation (EU) No. 575/2013 requires banks whose overall net foreign exchange position exceeds 2% of their own funds to calculate capital requirements for foreign exchange risk. According to NBR Regulation No. 17/2012, subsequently amended and supplemented, creditors must warn unhedged clients of the consequences of exchange rate depreciation on debt obligations and establish the maximum debt levels (debt-to-income ratio – DTI) for consumer loans. NBR Regulation No. 17/2012 provides for an aggregate DSTI ceiling of 40% of which the maximum DSTI for loans denominated or indexed in a foreign currency granted to debtors exposed to foreign exchange risk is 20%. The maximum

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		levels of DSTI are increased by 5 percentage points in case of a mortgage loan contracted by the debtor for the purchase of the first residential property to be occupied by the debtor (including Prima Casa loans). The caps on the DSTI have been set including taking into account the impact of the currency risk, the interest rate risk, and the risk of decrease of the eligible income available during the period of the credit life. The regulation provides also for an exemption from the maximum level of the aggregate DSTI, under certain conditions, for up to 15% of the loans granted by a creditor. LTV ratios apply to foreign currency consumer loans (75%) and for foreign currency credit agreements secured by mortgages as follows: (1) 85% for lei; (2) 75% for euros, for unhedged borrowers; (3) 60% for other foreign currency, for unhedged borrowers; and (4) 80% for foreign currency credit, for hedged borrowers. Effective April 1, 2022, the applicable LTV ratio limits were reduced by 10 percentage points for those debtors who own a house at the time of the loan request. Following the entry into force of the CRD IV package in 2014, the requirements for credit institutions were incorporated into NBR Regulation No. 5/2013 on prudential requirements for credit institutions. In accordance with NBR Regulation No. 11/2020 (amending and supplementing Regulation No. 5/2013 on prudential requirements for credit institutions), credit institutions must set their own risk limits for approving foreign currency loans and have in place policies and procedures adequate to the volume and complexity of their activity to accurately identify and assess the risks arising from the foreign currency lending of debtors not covered at foreign exchange risk and for their reflection both at the level of the processes of internal evaluation of the price of risks related to loans and at the level of the internal process of capital adequacy to risks. Also, credit institutions must assess the existence and significance of the additional credit risk associated with foreign currency credit exposures of debtors not covered at foreign exchange risk and, in particular, any non-linear relationship between market risk and credit risk where exchange rates (market risk) can have a disproportionate impact on the credit risk of an institution’s foreign currency loan portfolio.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Minimum reserve requirement ratios can differ according to the currency and residual maturity involved. The minimum reserve requirement ratio on leu-denominated liabilities of credit institutions is 8%. The minimum reserve requirement ratio on foreign-currency-denominated liabilities is 5%. The minimum reserve ratio on leu- and foreign-currency-denominated liabilities with a residual maturity of over two years without early withdrawal, transfer, or repayment clauses is 0.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Following the entry into force of the CRD IV package, all its requirements for credit institutions were incorporated into NBR Regulation No. 5/2013 on prudential requirements for credit institutions. According to the amended regulation, for qualifying holdings (direct or indirect holdings in an enterprise that represent 10% or more of the capital or of the voting rights or that make it possible to exercise significant influence over the management, except financial sector entities or enterprises deemed by the relevant authority to be engaged in the following: (1) direct extension of banking; (2) activities ancillary to banking; and (3) leasing, factoring, management of unit trusts, management of data processing services, or similar activity) for the purpose of calculating the capital requirement, Romanian credit institutions must apply a risk weight of 1.250% to the greater of the following: (1) the amount of qualifying holdings in excess of 15% of eligible capital or (2) the total amount of qualifying holdings that exceed 60% of the eligible capital of the institution (NBR Regulation No. 5/2013 on prudential requirements for credit institutions and Regulation No. 575 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (CRR)). According to GEO No. 99/2006, credit institutions, Romanian legal persons may not acquire shares in a nonfinancial entity, either resident or nonresident, if that results in control over that entity. In addition, NBR approval is needed if a bank intends to acquire a qualifying holding in a financial entity outside the EU, if this entity will be included in the scope of the bank's prudential consolidation. Qualifying holdings, other than those subject to the prior approval of the NBR, as it was mentioned before, shall be notified to the NBR by the credit institution, Romanian legal person (GEO No. 99/2006 regarding Credit Institutions and Capital Adequacy, approved by Law No. 227/2007, as subsequently amended and supplemented).
In banks by nonresidents	Yes.	Advance NBR notification is required for investments by residents or nonresidents of 10% or more in a bank's capital. The NBR may oppose the acquisition within (generally) 60 working days of notification.
Open foreign exchange position limits	Yes.	Foreign exchange risk capital requirements are included in Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012. This regulation is directly applicable across the EU. Article 351 of Regulation (EU) No. 575/2013 requires banks whose overall net foreign exchange position exceeds 2% of their own funds to calculate capital requirements for foreign exchange risk.
On resident assets and liabilities	Yes.	Article 351 of Regulation (EU) No. 575/2013 requires banks whose overall net foreign exchange position exceeds 2% of their own funds to calculate capital requirements for foreign exchange risk.
On nonresident assets and liabilities	Yes.	Article 351 of Regulation (EU) No. 575/2013 requires banks whose overall net foreign exchange position exceeds 2% of their own funds to calculate capital requirements for foreign exchange risk.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Insurance/reinsurance companies are licensed and supervised under

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		the Law No. 237/2015 on the authorization and supervision of the business of insurance and reinsurance, which transposes the EU Directive (EC) No. 2009/138 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), with subsequent completions. The regulatory framework is completed by the European Commission's Regulations (Commission Delegated Regulation No. 2015/35 and all the other Regulations laying down implementing/regulatory technical standards with regard to different area of the Directive), which are binding in their entirety and directly applicable in all Member States, and by the secondary legislation issued by the Romanian Financial Supervisory Authority (FSA) to implement the European Insurance and Occupational Pensions Authority (EIOPA) Guidelines or to regulate other aspects not covered by the legislative acts previously mentioned. Solvency II is a risk-based supervision regime, imposing for the insurance/reinsurance companies to determine their solvency capital requirements (SCR) and minimum capital requirements (MCR) depending on the risks associated to their businesses, using the standard formula provided by the Directive or their own internal models approved by the FSA, and to cover them with eligible own funds. The regulatory framework establishes detailed rules for insurance/reinsurance companies related to their system of governance, classification of own funds in three tiers, eligibility criteria of own funds for covering of SCR, methodologies to calculate technical provisions, etc. The Solvency II regime does not apply to specific insurance companies which fulfill certain conditions (such as gross written premiums under €5 million, technical reserves under €25 million, locally business only, non-underwriting of liability, and credit and suretyship risks). For this category of insurance companies, member states are allowed to impose their own licensing and supervision conditions. In Romania, for this category of insurance companies, the FSA decided to maintain the former supervision regime, with some improvements mainly related to the qualitative requirements (such as those related to system of governance and public disclosure). Consequently, for the insurance companies falling out the scope of Solvency II regime, there are no significant changes in legal requirements related to available and minimum solvency margin, minimum guarantee fund, methodology to calculate the technical reserves, assets admitted to cover the technical reserves and other quantitative requirements) comparing to those applicable before January 1, 2016, the former provisions being included in the Rule No. 25/2002 regarding the authorization of insurance companies and the pursuing of insurance and reinsurance activity except the reporting templates and prudential indicators which are included in Rule no. 28/2015. In addition, under the national regime of Rule No. 28/2015 provisions of Articles 24 (1) and 26 is applicable currently to one insurance company and thus is of limited scope.
Limits (max.) on securities issued by nonresidents	Yes.	With the implementation of the Solvency II regime, there are no investment restrictions. The insurance/reinsurance companies invest all their assets in accordance with the "prudent person" principle (in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report; all assets, in particular those covering the MCR and the SCR, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole and the localization of those assets must be such as to ensure their availability). The absence of regulatory limits on investments does not mean that undertakings can take investment decisions without any regard to prudence and to the interests of policyholders. The requirements of Solvency II and of

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		the Commission Delegated Regulation No. 2015/35 cover extensively some of the main aspects of the prudent person principle, such as asset-liability management, investment in derivatives, liquidity risk management, and concentration risk management. For the insurance companies falling out the scope of Solvency II regime, the FSA Rule No. 28/2015 provides that the assets that cover gross technical provisions must be placed in Romania. These insurers may invest gross technical provisions in (1) government bonds and treasury bills; (2) debt securities, bonds, and other money and capital market instruments traded in supervised markets; (3) shares and other variable yield participations traded in supervised markets; and (4) units in UCITS and other investment funds.
Limits (max.) on investment portfolio held abroad	Yes.	With the implementation of the Solvency II regime, there are no investment restrictions. The insurance/reinsurance companies invest all their assets in accordance with the "prudent person" principle (in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report; all assets, in particular those covering the MCR and the SCR, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole and the localization of those assets must be such as to ensure their availability). Investment risk management policy – FSA Rule No. 35/2015: In its risk management policy, the undertaking should cover at least the following information with regard to investments: (1) the level of security, quality, liquidity, and profitability the undertaking is aiming for with regard to the whole portfolio of assets and how it plans to achieve this; (2) its quantitative limits on assets and exposures, including off-balance-sheet exposures, that are to be established to help to ensure the undertaking achieves its desired level of security, quality, liquidity, profitability, and availability for the portfolio; (3) the level of availability the undertaking is aiming for with regard to the whole portfolio of assets and how it plans to achieve this; (4) consideration of the financial market environment; (5) the conditions under which the undertaking can pledge or lend assets; (6) the link between market risk and other risks in adverse scenarios; (7) the procedure for appropriately valuing and verifying the investment assets; (8) the procedures to monitor the performance of the investments and review the policy when necessary; (9) how the assets are to be selected in the best interest of policyholders and beneficiaries. For the insurance companies falling out the scope of Solvency II regime, the FSA Rule No. 28/2015 provides that the assets that cover gross technical provisions must be placed in Romania. These insurers may invest gross technical provisions in (1) government bonds and treasury bills; (2) debt securities, bonds, and other money and capital market instruments traded in supervised markets; (3) shares and other variable yield participations traded in supervised markets; and (4) units in UCITS and other investment funds.
Limits (min.) on investment portfolio held locally	Yes.	With the implementation of Solvency II, for firms falling under the Solvency II regime, there are no investment restrictions. The insurance/reinsurance companies invest all their assets in accordance with the "prudent person" principle (in assets and instruments whose risks the company concerned can properly identify, measure, monitor, manage, control, and report; all assets, in particular those covering the MCR and the SCR, must be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole and the localization of those assets must be such

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		as to ensure their availability). Investment risk management policy – FSA Rule No. 35/2015: In its risk management policy, the undertaking should cover at least the following information with regard to investments: (1) the level of security, quality, liquidity, and profitability the undertaking is aiming for with regard to the whole portfolio of assets and how it plans to achieve this; (2) its quantitative limits on assets and exposures, including off-balance-sheet t exposures, that are to be established to help to ensure the undertaking achieves its desired level of security, quality, liquidity, profitability, and availability for the portfolio; (3) the level of availability the undertaking is aiming for with regard to the whole portfolio of assets and how it plans to achieve this; (4) consideration of the financial market environment; (5) the conditions under which the undertaking can pledge or lend assets; (6) the link between market risk and other risks in adverse scenarios; (7) the procedure for appropriately valuing and verifying the investment assets; (8) the procedures to monitor the performance of the investments and review the policy when necessary; (9) how the assets are to be selected in the best interest of policyholders and beneficiaries. For the insurance companies falling out of the scope of Solvency II regime, the FSA Rule No. 28/2015 provides the following maximum limits of the investments covering gross technical provisions: (1) 50% in shares, bonds, and other instruments traded in a regulated and supervised capital market and in debt securities in companies for collective investment in securities, according to the provisions of point (2); (2) 5% in shares and other negotiable securities treated as shares, bonds, debt certificates, and other money and capital market instruments and in debt securities in companies for collective investment in securities issued by the same company; (3) 20% in land and buildings (agricultural land and land outside built-up areas may not cover technical provisions); (4) 10% in a single land or building investment or in multiple land and building investments close enough together to be considered one investment; and (5) 90% in deposits and accounts in credit institutions, with no more than 20% of the gross technical provisions in a single credit institution. The above maximum limits apply to the total value of the technical gross provisions and are similar for life and non-life activity. For both non-life-insurance and life insurance activity, the assets covering the technical provisions must be evaluated on a prudential basis, taking into account the minimum between the book value and the market value. If a certain asset does not have rules regarding maximum limits, the FSA may restrict the use of that asset.
Currency-matching regulations on assets/liabilities composition	Yes.	With the implementation of Solvency II regime, there are no currency-matching rules. For the insurance companies falling out of the scope of Solvency II regime, Article 28 of the FSA Rule No. 28/2015 provides matching rules for assets covering technical provisions as follows: (1) The insurers must comply with the principle of matching assets, which refers to the coverage of the obligations subscribed in a certain currency with assets expressed or realizable in the same currency. (2) The insurers' obligations are deemed to be paid in the currency in which the commitments in the contract were expressed. (3) If the insurers' obligations provided in the contract are not expressed in a certain currency, the insurers' commitments are deemed to be payable in Romanian leu. (4) By way of exception from Paragraph (3), the insurers may opt for the currency in which the premiums are collected if there is an adequate

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		framework for adopting such a solution; this is possible if, starting from the entry into force of the contract, it is likely that a claim is paid in the currency in which the premium is collected, and not in Romanian leu. (5) If the insurers reported a claim that may be paid in a currency other than that resulting from the implementation of the procedures mentioned in this article, the insurers' commitments must be paid in that currency and, particularly, in the currency established by the court of law or by a settlement concluded between the insurer and the contractor. (6) If a claim is requested which is expressed in a currency known in advance by the insurers but which is different from the currency resulting from the implementation of the procedures mentioned in this article, the insurers' commitments may be paid in that currency. (7) The insurers may choose not to cover the technical reserves with matching assets if the implementation of the procedures provided by this article results in their obligation to keep the assets in a currency not exceeding 7% of the assets expressed in other currency, to comply with the principle of matching assets. (8) If the commitments may be paid in a currency of a third country, if the investments in such currency are regulated, if the currency is subject to transfer restrictions or if, for similar reasons, the currency is not appropriate to cover technical reserves, the insurers do not have the obligation to comply with the principle of matching assets. (9) The insurers may hold assets that are not matching to cover an amount not exceeding 20% of their obligations in a certain currency.
Pension funds	Yes.	Pension funds are governed by Law No. 411/2004 regarding privately administered pension funds, recast as amended, Law No. 204/2006 on voluntary pension funds, as amended, and Law No. 1/2020 on occupational pension as amended. The Private Pensions Guarantee Fund was established under Law No. 187/2011 to guarantee the rights of members and beneficiaries of the private pension system. Annual contributions that private pension funds' management companies make to the Private Pensions Guarantee Fund are computed based on provisions of Norm No. 2/2013. As a first measure for guaranteeing the rights of members and beneficiaries, privately administered pension fund management companies are required to establish a technical provision based on the provisions of Norm No. 13/2012 and voluntary pension fund management companies are required to establish a technical provision based on the provisions of Norm No. 26/2015. The market regulator is the FSA–The Private Pensions Sector, formerly known as the Private Pension System Supervisory Commission.
Limits (max.) on securities issued by nonresidents	Yes.	Laws and other regulations do not set different limits on securities issued by residents and nonresidents from the EU or the EEA. Some regulations refer to specific securities issued by countries that are not EU or EEA members traded on regulated markets in Romania, EU members, and EEA countries. There are general rules for portfolio diversification established by the primary law provisions (Article 25 of Law No. 411/2004, Article 87 of Law No. 204/2006 and Article 98 of Law No. 1/2020) and secondary legislation (Norm No. 11/2011 on the investment and evaluation of private pension fund assets, as amended, Norm No. 22/2020 on the temporary modification of the limit on government bonds investments of private pension funds and Norm No. 16/2020 on the investment of occupational pension funds) (Provision of Norm No. 22/2020 are still in place until 3 April 2024). Regarding the Norm No. 11/2011, the assets of pension funds may be invested in (1) money market instruments up to 20% with the following sublimits: (a) current accounts in lei or foreign currency in banks authorized to operate in Romania, EU members, or EEA countries up to 5%; (b) bank deposits in lei or foreign currency in banks authorized to operate in Romania, EU members, or EEA

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countries up to 20%; (c) treasury bills traded on regulated markets or on a secondary market in Romania, EU members, or EEA countries up to 20%; and (d) reverse repo agreements with credit institution counterparties up to 5%;
(2) government bonds (including treasury bills designated in (1) (c) issued by the MPF, EU members, or EEA countries up to 70%; (3) municipal bonds and other securities issued by local authorities in Romania, EU members, or EEA countries and traded on regulated markets in Romania, EU members, or EEA countries up to 30%;
(4) securities traded on regulated markets in Romania, EU members, or EEA countries up to 50% with the following sublimits: (a) shares and rights traded on regulated markets in Romania, EU members, or EEA countries up to 50% and (b) corporate bonds, except those that embed derivatives up to 30%;
(5) government bonds issued by countries that are not EU or EEA members, traded on regulated markets in Romania, EU members, or EEA countries up to 15%;
(6) municipal bonds and other securities issued by local authorities of countries that are not EU or EEA members, traded on regulated markets in Romania, EU members, or EEA countries up to 10%;
(7) bonds issued by the World Bank, EBRD, and EIB and traded on regulated markets in Romania, EU members, or EEA countries up to 15%;
(8) bonds issued by foreign nongovernmental institutions, except as indicated in (7) traded on regulated markets in Romania, EU members, or EEA countries up to 5%;
(9) UCITS including exchange-traded funds in Romania or EU members up to 5%;
(10) exchange-traded commodities and non-UCITS traded on regulated markets in Romania, EU members, or EEA countries up to 3%;
(11) in shares and bonds of public private partnerships issued in accordance with GEO No. 39/2018 regarding public private partnerships or in infrastructure investment funds up to 15%;
(12) financial instruments traded on regulated markets and issued by real estate investment funds or companies undertaking real estate activities such as real estate development or marketing, purchasing and selling own real estate, letting and sub-letting activities, and facility management up to 3%;
(13) private equity investments in the form of shares in companies in Romania, in EU countries or in countries belonging to the EEA or in the form of units in private equity investment funds in Romania, in EU countries or in countries belonging to the EEA, up to 1% of the total value of the pension fund’s assets; if the Romanian State holds shares or holdings in these entities, the administrator may invest in these financial instruments up to 3%; this percentage may be increased up to 5% if the Romanian State holds shares or participations in these entities, the private equity funds invested in are financed from funds allocated by the National Recovery and Resilience Plan and the areas of investment are subject to the approval of the Financial Supervision Authority and the Ministry of European Investment and Projects; for investments in financial instruments in which the Romanian State holds shares or participations in private equity investment funds financed from funds allocated under the National Recovery and Resilience Plan, the rules on the conditions/criteria for the for making equity investments shall be established by joint order of the Minister of European Investment and Projects and the President of the FSA, to be published in the Official Gazette of Romania, Part I (This provision was introduced by GEO No, 174/2022 amending and supplementing certain legal

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		acts in the field of private pensions, in December 2022.) Regarding the Norm No. 16/2020 on the investment of occupational pension funds, the asset of pension funds may be invested in (1) current accounts in lei or foreign currency in banks authorized to operate in Romania, EU members, or EEA countries up to 20%; (2) bank deposits in lei or foreign currency in banks authorized to operate in Romania, EU members, or EEA countries up to 30%; (3) treasury bills traded on regulated markets or on a secondary market in Romania, EU members, or EEA countries up to 30%; (4) reverse repo agreements with credit institution counterparties up to 10%; (5) government securities issued by the MPF, EU members, or EEA countries up to 70%; (6) government bonds issued by countries that are not EU or EEA members, traded on regulated markets in Romania, EU members, or EEA countries up to 20%; (7) municipal bonds and other securities issued by local authorities in Romania, EU members, or EEA countries and traded on regulated markets in Romania, EU members, or EEA countries up to 30%; (8) corporate bonds, except those that embed derivatives up to 50%; (9) municipal bonds and other securities issued by local authorities of countries that are not EU or EEA members, traded on regulated markets in Romania, EU members, or EEA countries up to 10%; (10) bonds issued by the World Bank, EBRD, and EIB or other foreign nongovernmental institutions and traded on regulated markets in Romania, EU members, or EEA countries up to 20%; (11) securities traded on regulated markets in Romania, EU members, or EEA countries up to 50%; (12) UCITS including exchange-traded funds in Romania or EU members up to 20%; (13) exchange-traded commodities and non-UCITS traded on regulated markets in Romania, EU members, or EEA countries up to 10%; (14) securities and bonds issued by project companies in accordance with GEO No. 39/2018 regarding public private partnerships or in infrastructure investment funds up to 15%; (15) private equity shares or bonds issued by companies in Romania, EU members, or EEA countries or units issued by private equity funds from EU members or EEA countries up to 10%.
Limits (max.) on investment portfolio held abroad	No.	Laws and other regulations do not set different limits on securities held abroad or locally, issued by residents or nonresidents. Some provisions of Norm No. 11/2011 refer to limits for specific securities issued by countries that are not EU or EEA members (third countries) traded on regulated markets in Romania, EU members, and EEA countries.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	There are no maximum limits on securities issued by nonresidents set by Law No. 243/2019 regarding alternative investment funds, GEO No. 32/2012 on UCITS and investment management companies and amending and supplementing Capital Market Law No. 297/2004 as amended and completed, Law No. 126/2018 on Markets in Financial Instruments or FSA regulations for investment firms or collective investment schemes (UCITS and non-UCITS).

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Limits (max.) on investment portfolio held abroad	No.	There are no maximum limits on investment portfolio held abroad set by Law No. 243/2019 regarding alternative investment funds Law No. 126/2018 on Markets in Financial Instruments, GEO No. 32/2012 as further amended and supplemented, and Law No. 74/2015 as further amended and supplemented) or by FSA regulations for investment firms or collective investment schemes (UCITS and non-UCITS).
Limits (min.) on investment portfolio held locally	No.	There are no minimum limits on investment portfolio held locally set by the capital market laws (Law No. 243/2019 regarding alternative investment funds, Law No. 126/2018 on Markets in Financial Instruments, GEO No. 32/2012 as further amended and supplemented, and Law No. 74/2015 as further amended and supplemented) or by ASF/NSC regulations for investment firms or collective investment schemes (UCITS and non-UCITS).
Currency-matching regulations on assets/liabilities composition	No.	There are no relevant regulations for investment firms or collective investment schemes.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.

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For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	No.	
Use among residents	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents is prohibited.
Between residents and nonresidents	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
For current transaction	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
For capital transactions	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Transactions in capital and money market instruments	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Transactions in derivatives and other instruments	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited
Credit operations	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Controls on utility and security tokens	Yes.	
Acquisition by residents	No.	
Use among residents	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents is prohibited.
Between residents and nonresidents	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
For current transaction	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
For capital transactions	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital

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		transactions is prohibited.
Transactions in capital and money market instruments	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Transactions in derivatives and other instruments	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Credit operations	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Controls on stablecoins	Yes.	
Acquisition by residents	No.	
Use among residents	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents is prohibited.
Between residents and nonresidents	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
For current transaction	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
For capital transactions	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Transactions in capital and money market instruments	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Transactions in derivatives and other instruments	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Credit operations	Yes.	From the perspective of the foreign exchange regime crypto-assets are not assimilated to a currency, therefore their usage for payments between residents and nonresidents for current and capital transactions is prohibited.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	According to Article 2, letter t1 of Law No. 129/2019, “virtual currencies” means a digital representation of value that is not issued or guaranteed by a CB or a public authority, is not necessarily attached to a legally established currency and does not possess a legal status of currency or money, but is accepted by natural or legal persons as a means of exchange and which can be transferred, stored and traded electronically. According to Article 2, letter t2 of Law No. 129/2019, “custodian wallet provider” means an entity that provides services to safeguard private cryptographic keys on behalf of its customers, to hold, store, and transfer virtual currencies.

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		According to Article 5, Paragraph (1), letter g1 and g2 and Article 301 of Law No. 129/2019, the providers of exchange services between virtual currencies and fiat currencies and the custodian wallet providers are subject to authorization or registration by the MOF and are obliged entities under the same law.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Classification

Stabilized arrangement	*01/01/2022*	From September 2021, the leu has stabilized within a 2% band against the euro. Therefore, the de facto exchange rate was reclassified to stabilized from crawl-like, as of September 9, 2021. The change is reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's Annual Report on Exchange Arrangements and Exchange Restrictions.

Monetary policy framework

Inflation-targeting framework

Operating target (policy rate)

Policy rate	*01/11/2022*	The policy rate was adjusted from 1.75% to 2.00%.
	02/10/2022	The policy rate was adjusted from 2.00% to 2.50%.
	04/06/2022	The policy rate was adjusted from 2.50% to 3.00%.
	05/11/2022	The policy rate was adjusted from 3.00% to 3.75%.
	07/07/2022	The policy rate was adjusted from 3.75% to 4.75%.
	08/08/2022	The policy rate was adjusted from 4.75% to 5.50%.
	10/06/2022	The policy rate was adjusted from 5.50% to 6.25%.
	11/09/2022	The policy rate was adjusted from 6.25% to 6.75%.
	01/11/2023	The policy rate was adjusted from 6.75% to 8.00%.

Imports and Import Payments

Import taxes and/or tariffs	*01/01/2022*	The relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of the COVID-19 no longer applied.
	05/30/2022	Tariffs for some industrial and agricultural products originating in Ukraine will be suspended until June 5, 2023. Also, the anti-dumping duties on imports originating in Ukraine made during the application of the Regulation (EU) 2022/870 may not be collected at any point in time, including after the expiry of this Regulation.
	05/30/2022	The anti-dumping duties on imports originating in Ukraine made during the application of the Regulation (EU) 2022/870 may not be collected at any point in time, including after the expiry of this Regulation.
	05/30/2022	The imports originating in Ukraine shall temporarily be exempted from the application of Regulation (EU) 2015/478 (on common rules for imports).
	07/18/2022	Temporary trade-liberalization measures in the form of additional tariff-free quotas on some agricultural products imported in the EU

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		from the Republic of Moldova still subject to duty-free tariff rate quotas were introduced. These measures must apply until July 24, 2023.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Lending locally in foreign exchange	*04/01/2022*	The applicable LTV ratio limits were reduced by 10 percentage points for those debtors who own a house at the time of the loan request (Regulation No. 3/2022 amending National Bank of Romania Regulation No. 17/2012).

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RUSSIA

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		June 1, 1992.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Pursuant to UNSC Resolution No. 1373 of 2001, the following obligations were established: (1) to freeze without delay funds and other financial assets or economic resources of persons who commit or attempt to commit terrorist acts, participate in the commission of terrorist acts, or facilitate the commission of such acts, and of organizations directly or indirectly owned or controlled by such persons, as well as persons and organizations acting on behalf of or at the direction of such persons or organizations, including funds received or acquired with the aid of property directly or indirectly owned or controlled by such persons and persons and organizations related to them; (2) to prohibit nationals or any persons and organizations within the country's territory from making any funds, financial assets, or economic resources, or financial or other related services, directly or indirectly, available to persons who commit or attempt to commit terrorist acts, or facilitate or participate in the commission of such acts, and to organizations directly or indirectly owned or controlled by such persons, as well as persons and organizations acting on behalf of or at the direction of such persons. In accordance with UNSC resolutions and Russian legislative acts, restrictions have been imposed on current international transactions for reasons of national and international security with respect to the following organizations and countries: Al-Qaida, the Taliban movement, and the Islamic State of Iraq and the Levant (ISIL, Da'esh) (freezing without delay of the funds and other financial assets of the organizations' members, prohibition against all operations).
Other security restrictions	Yes.	Restrictive measures provided for by UNSC resolutions come into force from the day the relevant resolutions are adopted. The restrictive measures, their introduction, amendment, suspension, or cancelation are binding on all Russian state and local government bodies, as well as organizations and individuals under the jurisdiction of Russia. These measures are applied during the period established by the UNSC resolutions. If there is no indication in the resolutions on the period of application of the measures, such measures remain in effect until they are canceled by the relevant UNSC resolutions. Certain commercial and financial transactions with the Central African Republic (CAR) are prohibited. There is a requirement to freeze funds and a prohibition on certain commercial and financial operations in accordance with UNSC

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Resolution No. 1596 (2005) concerning the Democratic Republic of the Congo.
Certain commercial and financial operations with the Islamic Republic of Iran are prohibited.
Certain commercial and financial operations with the Democratic People's Republic of Korea are prohibited in accordance with UNSC Resolution No. 1718 (2006).
There is a requirement to freeze funds or other assets and a prohibition on certain commercial and financial operations in accordance with UNSC Resolution No. 1970 (2011) concerning Libya.
There is a requirement to freeze funds and other assets in accordance with UNSC Resolution No. 2140 (2014) concerning Yemen.
There is a requirement to freeze funds or other assets in accordance with UNSC Resolution No. 2206 (2015) concerning South Sudan.
There is a prohibition against the provision of financial support related to military activities and the provision, maintenance, or use of any arms and related materiel in accordance with UNSC Resolution No. 2428 (2018) concerning South Sudan.
Effective June 30, 2023, measures with respect to Mali were terminated in accordance with UNSC Resolution 2690 (2023).
There is a requirement to freeze funds or other assets in accordance with UNSC Resolution No. 1483 (2003) concerning Iraq.
There is a requirement to freeze funds or other assets in accordance with UNSC Resolution No. 1591 (2005) concerning Sudan.
There is a requirement to freeze funds or other assets and a prohibition on financial assistance in accordance with UNSC Resolution No. 1844 (2008) concerning Somalia.
Effective October 21, 2022, there is a requirement to freeze funds or other property and a ban on certain commercial and financial transactions pursuant to UNSC Resolution 2653 (2022) concerning Haiti.

Exchange Arrangement

Currency	Yes.	The currency of Russia is the Russian ruble.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal		

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bands Other managed arrangement		
Floating		
Free floating	Yes.	The de jure and de facto exchange rate arrangements are free floating. Under the free-floating arrangement, the exchange rate of the ruble is determined by market factors. The BR did not perform interventions in the domestic foreign exchange market for the purpose of maintaining a certain exchange rate or determining the speed at which it changes. After the introduction of capital controls in 2022, it is determined by foreign trade terms to a greater extent than before. It is more influenced by the ratio of importers' demand for foreign exchange in the market to the foreign exchange supply received as payment for Russian exports. As the economy adapts to the external sanctions, the impact of capital flows on the exchange rate increases. The BR could perform operations with foreign currency in the domestic market in the event of a threat to financial stability and also in line with the budget rule by the Russian MOF. The restrictions because of the sanctions imposed at the end of February 2022 triggered significant volatility in the financial market and an increase in devaluation and inflation expectations. On February 24, 2022, the BR announced a number of measures to stabilize situation on the financial market, including interventions in the foreign exchange market (on February 24 and 25 for a total amount of $1.2 billion). Subsequently, a set of anti-crisis measures was adopted to maintain price and financial stability. Among them, restrictions on capital movements were introduced as an emergency temporary measure. Because of the anti-crisis measures, the acute phase of the crisis was already over by April. The Russian financial market restored stable functioning and the ruble appreciated. Risks to financial and price stability began to diminish. The appreciation of the ruble since mid-March 2022 was because of high exports due to higher export prices, as well as low imports against the backdrop of sanctions and restrictions by foreign companies on the supply of goods to Russia and, as a consequence, lower demand for foreign currency by importers. 2023 saw a U-turn in sentiment, with the active economic recovery driving imports in a noticeable way. In the first half of 2022, imports of goods amounted to $127bn, while in the first half of 2023, they increased by 19% to $151bn. Over the same period, exports were down by 32% from $306bn to $209bn. It was driven by the deterioration of the global economic conditions amid expectations of weaker global economic growth and tighter sanctions. Accordingly, exports revenues dropped, while ruble demand for imports, on the contrary, was actively growing, both because of income growth and growth of ruble lending. As a result, the current account surplus in the first half of 2023 was $23bn vs. $148bn in the same period of 2022, which led to a weaker exchange rate. Effective February 28, 2022, in line with Resolution of the Government of the Russian Federation No. 321 February 28, 2022, on Suspension of Certain Provisions of the Regulations on Measures to Ensure Execution of the Federal Budget, certain provisions of the fiscal rules related to the use of additional oil and gas revenues of the

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		federal budget were suspended until December 31, 2023. Effective December 30, 2022, in line with Amendments to Resolution of the Government of the Russian Federation No. 2549 of December 30, 2022, to ensure flexibility when investing funds of the National Welfare Fund, it is stipulated that the actual minimum shares of each asset in the new structure can take zero values, and the maximum shares are limited as follows: Chinese yuan – 60%, non-cash gold – 40% (previously, the shares of yuan and gold were 30% and 20%, respectively). Effective January 13, 2023, the BR resumed mirroring transactions by the Russian MOF with the funds from the National Welfare Fund in the domestic market as part of the fiscal rule to finance the part of the budget deficit that comes from lost oil and gas revenue (the difference between actual and baseline equivalent oil and gas revenue).
Official exchange rate	Yes.	The BR establishes official exchange rates for a number of foreign currencies against the ruble. These rates may be used in calculating state budget revenues and expenditures for payments and settlements by state administrative agencies with businesses, organizations, and individuals and for taxation and accounting. Regulation of the use of the official exchange rates of foreign currencies against the ruble for various purposes, including the areas of their mandatory use, is not within the BR's purview. Official exchange rates are set every business day and on non-business days announced in Russia (for example, related to quarantine), with the exception of non-business days that are weekends or official holidays, and take effect the next calendar day. Information on official rates is published on the BR's website the day they are set and in the next edition of the BR Bulletin. The official rate for each currency applies until the next official rate becomes effective. The official US dollar–ruble exchange rate is calculated on the basis of quotes for this currency pair in the domestic foreign exchange market. Effective April 25, 2022, the US dollar/ruble exchange rate is calculated on the basis of the Moscow Exchange data on the weighted average USD/RUB exchange rate for transactions carried out from 10:00 to 15:30 Moscow time. Previously, the calculation period was from 10:00 to 16:30 Moscow time. Effective April 25, 2022, a similar approach is applied to the official exchange rates of the euro and the yuan against the ruble. The official rates of other foreign currencies against the ruble are calculated on the basis of quotations of these currencies against the US dollar on the world currency market and the official rate of the US dollar against the ruble. Effective October 3, 2022, the BR announced additional procedures for setting official exchange rates of foreign currencies against the ruble to reflect the situation in the markets more accurately. Exchange rates are calculated based on data from extra alternative sources, such as bank reporting and OTC platforms, if conditions in terms of MOEX trading data are not met.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		

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Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The BR is pursuing monetary policy within an inflation-targeting framework. The principal objective of the monetary policy is to ensure price stability, which means achieving a low inflation rate and keeping inflation consistently low.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The inflation target (its level and type) is established in the Key Elements of the Uniform State Monetary Policy, which are drafted by the BR and presented to the Russian government and the State Duma of Russia for consideration.
Inflation target	Yes.	
Target number	Yes.	
Point target	Yes.	The monetary policy goal is to keep annual inflation close to 4%. The target is in place on an ongoing basis. The wording “close to 4%” reflects the acceptability of small fluctuations in inflation around 4%. These fluctuations are natural, emerging because of an ongoing re-calibration of relative prices.
Target with tolerance band		
Band/Range		
Target measure	Yes.	The inflation target is set on the basis of the CPI calculated by Rosstat, reflecting the rate of growth in consumer prices in relation to the corresponding month of the previous year.
CPI	Yes.	The CPI measures the change over time of the cost of a consumer basket – a set of food, non-food items, and services consumed by the average household.
Core inflation		
Target horizon	No.	The inflation target is applied on an ongoing basis. If inflation deviates from the target, the BR will take appropriate action on the key rate. Given the lags of monetary policy transmission, the BR can ensure that inflation returns to the target on a horizon of approximately 1–1.5 years.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The main monetary policy rate (the key rate) is set by the BR Board of Directors. This rate corresponds to the minimum interest rate at the BR 1-week repo auctions and the maximum interest rate at the BR 1-week deposit auctions. Under the BR operating procedure, the aim is for the one-day rate in the interbank credit market to be close to the key rate.
Target corridor band	No.	

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Other	No.	
Accountability	Yes.	
Open letter	No.	Reporting on inflation targets is not done in the form of open letters.
Parliamentary hearings	Yes.	The Chairman of the BR presents to the State Duma of the Annual Report of the BR and Key Elements of the Uniform State Monetary Policy.
Other	No.	
Transparency	Yes.	
Publication of votes	No.	
Publication of minutes	No.	The minutes of meetings of the BR Board of Directors are not published on the official website of the BR. Following the meetings of the BR Board of Directors, an official statement of the key rate is published (at 1:30 p.m. on the same day Moscow time). After meetings, press conferences are held with the participation of the Chairman of the BR (at 3:00 p.m. on the same day Moscow time). After supporting (quarterly) meetings, a new issue of the Monetary Policy Report is published (six business days after the decision on the key rate).
Publication of inflation forecasts	Yes.	Inflation forecasts are published on a quarterly basis after meetings of the BR Board of Directors (at 1:30 p.m. on the day the decision on the key rate is made), in addition to the Monetary Policy Report (six business days after the decision on the key rate).
Other monetary framework		
Exchange tax	No.	Effective March 3, 2022, a commission applies to the purchase by individuals of foreign currencies through brokers in the amount of 30% of the transaction. Effective March 4, 2022, the commission was reduced to 12% for individuals and set to 12% for legal entities. Effective April 11, 2022, the requirement to charge a commission was removed.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Effective March 9, 2022, sales of cash foreign currencies were temporarily prohibited. The measure was intended to be in effect until September 9, 2022. Effective April 18, 2022, banks may sell available foreign currency but only that obtained after April 9, 2022. Effective May 20, 2022, banks may sell any foreign currency cash to citizens without restrictions except US dollars and euros. Restrictions on the US dollar and the euro cash sales remain in force, and until September 9, 2022, citizens may buy only those US dollars and euros that have been received at banks' cash desks after April 9, 2022. Effective September 10, 2022, these measures were extended until March 9, 2023. Effective March 10, 2023, these measures were extended until September 9, 2023. Effective September 10, 2023, these measures were extended until March 9, 2024. Effective March 27, 2022, the purchase of foreign currency in the domestic foreign exchange market of Russia by nonresident legal entities from unfriendly countries is carried out in the amount of US$0 or other foreign currency. Effective July 19, 2022, nonresident banks from unfriendly countries may buy and sell one foreign currency in exchange for another, as well as to conclude deliverable foreign exchange forward and swap contracts in the Russian foreign exchange market. But the prices in these contracts may not deviate by more than 2% from the prices for

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		similar instruments in Russian on-exchange trading and international markets at the time of their conclusion. This ban is still valid for ruble transactions, as well as for nonresidents other than banks. Previously, all nonresidents from unfriendly countries were prohibited to buy and sell foreign currency for both rubles and other foreign currencies.
Spot exchange market	Yes.	Pursuant to Federal Law No. 86-FZ of July 10, 2002, on the Central Bank of the Russian Federation, the BR licenses credit institutions to handle banking transactions (paragraph 8 of Article 4). Branches may handle all or some of the banking operations (including purchase and sell foreign exchange cash) that are provided for under the banking license of the credit institution (and the regulation on the branch) and delegated to them. Internal structural subdivisions that purchase and sell foreign exchange cash must also handle other transactions delegated to them by the credit institution. Operations with foreign exchange cash are performed in accordance with relevant BR regulations. Pursuant to Articles 8.8 and 8.9 of BR Instruction No. 135-I of April 2, 2010, basic and universal banking licenses, as provided for by annexes 29, 30, 32, 42–44 and annexes 34, 36, 45, and 46 of said Instruction, respectively, allow credit institutions created through incorporation to carry out operations in foreign currency. As of January 1, 2023, the number of credit institutions licensed to perform banking operations in foreign exchange was 359. As of June 30, 2023, the number of professional participants in the securities market having a broker, dealer, or fiduciary management license (excluding client brokers) was 354.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The system of BR instruments contains daily operations in the domestic market, which include overnight foreign exchange swap transactions to provide rubles and foreign currency. The currency swap as a permanent instrument was introduced in September 2002. As a result, credit institutions were able to raise liquidity from the BR on a daily basis for a period of 1 day in exchange for US dollars (the ruble–US dollar instrument). Since October 2005, a similar ruble–euro instrument was put in place. The currency swap as a tool to support Russian credit institutions with dollar liquidity was introduced in September 2014, which allowed credit institutions to raise US dollars daily from the BR for a period of 1 day in exchange for rubles. Effective February 24, 2022, a similar instrument was introduced to provide liquidity in euros in exchange for rubles. Effective January 1, 2022, the rates for BR currency swap operations are set equal to: (1) The Secured Overnight Financing Rate (SOFR) (previously LIBOR USD O/N) for the foreign exchange part of operations involving the purchase of US dollars for rubles, with their subsequent sale, and the key rate of the BR plus 1 percentage point for the ruble part; (2) The Euro Short-Term Rate (ESTR) (previously LIBOR EUR Overnight (O/N)) for the foreign exchange part of operations involving the purchase of euros for rubles, with their subsequent sale, and the key rate of the BR plus 1 percentage point for the ruble part; (3) SOFR (previously LIBOR USD O/N) plus 1.5 percentage points for the foreign exchange part of operations involving the sale of US dollars for rubles, with their subsequent sale, and the key rate of the BR minus 1 percentage point for the ruble part. Information about the parameters is posted on the BR's website. Since February 25, 2022, such operations have not been carried out.

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		Effective January 19, 2023, the BR launched a new standing facility to provide yuan, that is, swap transactions for the sale of yuan for rubles with their subsequent purchase for a term of 1 day with settlement of the first leg of the transaction on the date of its conclusion and settlement of the second leg of the transaction on the next business day. The daily maximum limit for this instrument is set at 10 billion yuan. If necessary, the BR may adjust this limit. Transactions are concluded during organized trading on Moscow Exchange in the mode of non-addressed transactions on working days. When calculating the swap difference, the interest rate for yuan is O/N SHIBOR (Overnight Shanghai Interbank Offered Rate) increased by 2.5 percentage points, while the interest rate for rubles is the key rate of the BR reduced by 1 percentage point.
Allocation	No.	
Auction	Yes.	To supply Russian credit institutions with foreign currency, there are 1-week, 28-day, and 12-month repo auctions in US dollars and euros (the possibility of holding 12-month repo auctions was suspended as of April 1, 2016); the BR applies the minimum interest rates on these operations. The spreads with respect to the LIBOR rate for 1-week and 28-day repo operations are 2 percentage points. The maximum debt of credit institutions to the BR under repo operations in foreign currency in 2020 was set on December 18, 2019, at the equivalent of US$15 billion. The BR has not performed the relevant operations since October 2017. As a result, no move has been made to replace LIBOR with SOFR or ESTR as a benchmark for determining the rate for the instrument.
Fixing	No.	
Interbank market	Yes.	The interbank market operates on the Moscow Exchange Open Joint-Stock Company and over the counter. As of December 30, 2022, 49 credit institutions had claims in US dollars, euros and yuan under interbank loans, including repo operations; of which 22 credit institutions had claims in yuan, 38 credit institutions had outstanding debt under interbank loans, including repo, in US dollars and euros and yuan, of which 10 had outstanding debt in yuan. The number of credit institutions with dealer licenses as of January 1, 2022, was 182. The number of credit institutions with dealer licenses as of June 30, 2023, was 180.
Over the counter	Yes.	Almost the entire volume of unsecured interbank lending transactions is carried out through the OTC market, while repo transactions are for the most part conducted through an organized trading at the Moscow Exchange Public Joint-Stock Company (PJSC). The volume of repo transactions in foreign currency through the OTC market is small.
Brokerage	Yes.	As of September 30, 2023, the number of institutions with a broker license was 253.
Market making	Yes.	There were three institutions with market-making status in the foreign exchange market of the MMVB-RTS Moscow Stock Exchange Public Joint-Stock Company as of September 30, 2023: two credit institutions, one institution with a broker license.
Forward exchange market	Yes.	Forward transactions are concluded by authorized banks. Trading in futures contracts is performed in currency exchanges, with most trading concentrated in the Moscow Exchange Open Joint-Stock Company. The BR does not participate in the domestic currency derivatives market, but it uses swap operations as a tool to provide ruble and foreign exchange liquidity. Since February 25, 2022, the BR has not conducted “currency swap” operations to provide rubles or foreign

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		currency for USD/ruble and euro/ruble pairs; however, as of January 19, 2023, the BR launched a new standing facility to provide yuan, that is, swap transactions for the sale of yuan for rubles with their subsequent purchase for a term of 1 day with settlement of the first leg of the transaction on the date of its conclusion and settlement of the second leg of the transaction on the next business day. In accordance with the legislation of Russia on the securities market, currency swaps for a period of 1 day conducted by the BR are not considered financial derivatives.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Effective April 1, 2022, natural gas transactions executed after this date that involve resident companies taking part in foreign economic activities that have exclusive rights to export natural gas must be made in rubles under the foreign trade contracts with foreign entities if the natural gas supplies are sent to foreign states that commit unfriendly actions as regards to Russia and Russian legal and physical entities. The same procedure applies to contracts for natural gas supplies signed with foreign entities and registered in the above foreign states. Effective December 30, 2022, settlements between a Russian supplier and a foreign buyer for gas may be made in foreign currency if the Russian supplier takes action to recover arrears from the foreign buyer or the foreign buyer pays off arrears to the Russian supplier.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Settlements between residents in foreign exchange are regulated by law. Foreign exchange transactions in foreign currency between residents are prohibited, except for a limited list of foreign exchange transactions provided for under Federal Law No. 173-FZ of

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		December 10, 2003, on Foreign Exchange Regulation and Foreign Exchange Control.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There are interbank agreements with the CIS countries, Bulgaria, China, Mongolia, and Vietnam. Effective September 21, 2023, Agreement No. BR-D-45/1191 on Interaction of Payment Systems in Cross-Border Remittances of Instant and Rapid Payments was concluded with the National Bank of the Republic of Belarus.
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BR's functions include the enforcement of foreign exchange control regulations, supervision and monitoring of operations by authorized banks, and regulation of banks' open foreign exchange positions. In addition to the BR, federal executive government authorities (as authorized by the government and within the limits of their jurisdiction) exercise control over foreign exchange operations, except those performed by credit institutions and noncredit financial institutions performing the types of activities indicated in Federal Law No. 86-FZ of July 10, 2002, on the Central Bank of the Russian Federation.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	Information on transactions with precious metals and precious stones subject to obligatory control in accordance with the requirements of Russian legislation on combating money laundering and the financing of terrorism must be reported to the Federal Financial Monitoring Service (Rosfinmonitoring). In accordance with Article 5, part 3, paragraph 4, and Article 5, part 4, of the Federal Law on Banks and Banking, a credit institution has the right to perform transactions with precious metals and coins made of precious metals manufactured using natural diamonds in accordance with the legislation of Russia; banking operations and other transactions with precious metals are performed with refined gold, silver, platinum, and palladium in ingots and/or with gold, silver, platinum, and palladium recorded on bank accounts in precious metals, and with coins made of precious metals.
On external trade	Yes.	Residents (including banks) must be licensed by the Ministry of Industry and Trade to export gold.
Controls on exports and imports of banknotes	Yes.	Foreign and domestic banknotes may be exported and imported by residents and nonresidents in accordance with procedures established by law. A uniform procedure has been established for imports into and exports from Russia of both foreign and domestic currency by residents and nonresidents.
On exports	Yes.	

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Domestic currency	No.	Residents and nonresidents may export cash rubles from the customs territory of the EAEU (Armenia, Belarus, Kazakhstan, the Kyrgyz Republic, and Russia) without restriction. For single exports of domestic currency exceeding the equivalent of US$10,000, a written customs declaration by the individual is required indicating the total amount being exported. Single exports of rubles by resident and nonresident legal entities must be declared in writing to the customs authorities, regardless of the amount.
Foreign currency	Yes.	Residents and nonresidents may export foreign exchange cash from the customs territory of the EAEU (Armenia, Belarus, Kazakhstan, the Kyrgyz Republic, and Russia) without limitation. For single exports of foreign exchange cash exceeding the equivalent of US$10,000, a written customs declaration by the individual is required indicating the total amount being exported. Single exports of foreign currency by resident and nonresident legal entities must be declared in writing to the customs authorities, regardless of the amount. Effective March 2, 2022, to ensure financial stability, a temporary ban was introduced on the export of cash foreign currency from Russia in an amount exceeding the equivalent of US$10,000. Effective October 15, 2022, the BR was granted the authority to issue permits to export foreign currency in cash from Russia in an amount exceeding the equivalent of USD 10,000. Effective November 21, 2022, the BR established that authorized banks and State Corporation VEB.RF may export foreign currency in cash in an amount exceeding USD 10,000 if such foreign currency represents banknotes used in foreign states that are: (1) declared by the issuer of the respective foreign state to be withdrawn from circulation, as well as withdrawn by the issuer from circulation, which are accepted for exchange on the territory of the foreign state; (2) damaged banknotes subject to exchange on the basis of the terms and conditions of acceptance and exchange of damaged banknotes by their issuers; (3) in other cases not related to settlements for foreign trade transactions in foreign currency and/or to the issue and repayment of loans. Such export activities are allowed if the same amount of foreign currency is returned in cash to Russia. Also, they require notification of the BR.
On imports	No.	
Domestic currency	No.	Residents and nonresidents may import rubles into the customs territory of the EAEU (Armenia, Belarus, Kazakhstan, the Kyrgyz Republic, and Russia) without limitation. For single imports of domestic currency exceeding the equivalent of US$10,000, a written customs declaration by the individual is required indicating the total amount being imported. Single imports of rubles by resident and nonresident legal entities must be declared in writing to the customs authorities, regardless of the amount.
Foreign currency	No.	Residents and nonresidents may import foreign exchange cash into the customs territory of the EAEU (Armenia, Belarus, Kazakhstan, the Kyrgyz Republic, and Russia) without limitation. For single imports of domestic currency exceeding the equivalent of US$10,000, a written customs declaration by the individual is required indicating the total amount being imported. Single imports of foreign currency by resident and nonresident legal entities must be declared in writing to the customs authorities, regardless of the amount.

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Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open foreign exchange accounts with authorized banks without restriction, unless otherwise stipulated by Federal Law No.173 of December 10, 2003 (as amended). Foreign exchange accounts for residents are opened, maintained, and closed following the same procedure as for domestic currency accounts opened by authorized banks on the basis of a bank account or deposit agreement. Accounts of residents in foreign currency opened with authorized banks may be used for any operations, with the exception of operations in foreign currency between residents that are not listed in Article 9 of Federal Law No. 173-FZ that contains the list of foreign currency operations that are permitted between residents. Residents are not required to submit documents to an authorized bank in accordance with BR Instruction No. 181-I of August 16, 2017 (as amended), related to the performance of foreign exchange transactions under any contracts with nonresidents if the amount of obligations under them does not exceed, effective May 31, 2022, 600,000 rubles (previously 200,000 rubles). Effective February 28, 2022, credit institutions may open an account for a natural person without his/her personal presence (or that of a legal representative) in case of transfer by this natural person of funds from an account opened at one credit institution to another credit institution, if simultaneously with making such a transfer, the credit institution carrying out the transfer also transmits to the other credit organization information identifying the natural person. Effective March 1, 2022, during a calendar month, resident individuals may transfer no more than US$5,000 or an equivalent amount in another currency from their accounts with Russian banks to another individual abroad who is a resident (excluding resident relatives) or any nonresident. When money transfers are made through companies providing such services without opening an account, the monthly limit is also US$5,000 or an equivalent amount in foreign currency. Effective March 1, 2022, with respect to unfriendly countries, there is a ban on residents transferring foreign currency to their accounts opened with banks and other financial market organizations located outside the territory of Russia, as well as transferring funds without opening a bank account using electronic means of payment provided by foreign payment service providers. Effective March 9, 2022, banks may not charge fees on individuals for withdrawing foreign currency from deposits or accounts regardless of the currency of the account, or fees for foreign currency conversion into US dollars if the conversion is carried out for subsequent cash withdrawal. The measure was intended to be in effect until September 9, 2022. Effective September 10, 2022, the measure was extended until March 9, 2023. Effective March 10, 2023, the measure was extended until September 9, 2023. Effective September 10, 2023, the measure was extended until March 9, 2024.

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Effective March 9, 2022, resident account holders of foreign currency accounts may withdraw up to US$10,000 in cash, and any amount above that may be withdrawn in rubles at the market rate on the day of withdrawal. The currency is issued in US dollars regardless of the currency of the accounts. Converting other currencies to US dollar takes place at the market rate on the day of issue. Residents may open new foreign currency accounts, but withdrawal from them is possible in rubles at the market rate on the day of withdrawal. Banks may not sell cash currency to citizens. Changing cash foreign currency for rubles may be done at any time and in any volume. The measure was intended to be in effect until September 9, 2022. Effective April 11, 2022, withdrawal from foreign currency accounts may be done not only in US dollars but also in euros. Effective April 18, 2022, banks may sell available foreign currency but only that obtained after April 9, 2022. Effective May 20, 2022, banks may sell any foreign currency cash to citizens without restrictions except US dollars and euros. Restrictions on the US dollar and the euro cash sales remain in force, and until September 9, 2022, citizens may buy only those US dollars and euros that have been received at banks' cash desks after April 9, 2022. Effective September 10, 2022, these measures were extended until March 9, 2023. Effective March 10, 2023, these measures were extended until September 9, 2023.

Effective March 12, 2022, for funds received as a transfer from a bank outside of Russia as well as for funds from electronic wallets, withdrawals are made exclusively in rubles. The conversion must be made at the banks' exchange rates and the amount paid may not be lower than the amount calculated as of the payment date at the BR official foreign currency exchange rates against the ruble for the conversion of other currencies. The measure was no longer in force effective September 10, 2022.

Effective July 5, 2022, the ban on residents crediting foreign currency to their accounts opened with banks and other financial market organizations located outside the territory of Russia applies only to foreign exchange and transfers of funds received as dividends on shares of Russian joint stock companies or as the distribution of profits of Russian limited liability companies, business partnerships, and production co-operatives.

Effective April 1, 2022, during a calendar month, resident individuals may transfer no more than US$10,000 or an equivalent amount in another currency from their accounts with Russian banks to their foreign accounts or to another individual abroad (resident or nonresident), resident individuals of friendly countries, and resident individuals of unfriendly countries who receive wages or payments for services in Russia. When money transfers are made through companies providing such services without opening an account, the monthly limit is US$5,000 or an equivalent amount in foreign currency.

Effective May 16, 2022, during a calendar month, residents of Russia and nonresidents from friendly countries may transfer no more than US$50,000 or an equivalent amount in another currency from their accounts with Russian banks to their foreign accounts or to another individual abroad (resident or nonresident). Resident individuals of friendly and unfriendly countries who receive wages or payments for services in Russia may transfer the total amount of their compensation through their account or without opening an account.

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		When money transfers are made through companies providing such services without opening an account, the monthly limit is US$5,000 or an equivalent amount in foreign currency. Effective June 8, 2022, during a calendar month, Russian resident individuals may transfer up to US$150,000 or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad (resident or nonresident). When money transfers are made through companies providing such services without opening an account, the monthly limit is US$10,000 or an equivalent amount in foreign currency. Effective July 1, 2022, during a calendar month, Russian resident individuals may transfer up to US$1 million or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad (resident or nonresident). This measure was set to be in force until September 30, 2022. Effective October 1, 2022, it was extended until March 31, 2023. Effective April 1, 2023, this measure was extended until September 30, 2023. Effective October 1, 2023, this measure has been extended until March 31, 2024. Effective March 10, 2022, resident legal entities and individual proprietors may receive cash in US dollars, Japanese yen, British pounds, and euros in an amount not exceeding US$5,000 and only to cover expenses for foreign business trips. For any other currencies, they may receive cash on the grounds provided for by Russian laws, without any restrictions, at the market exchange rate on the withdrawal date. The measure was set to be in effect until September 9, 2022. Effective September 10, 2022, the measure was extended until March 9, 2023. Effective March 10, 2023, the measure was extended until September 9, 2023. Effective September 10, 2023, the measure was extended until March 9, 2024, but the US$5,000 limit was removed.
Approval required	No.	
Held abroad	Yes.	Residents, except as indicated under Federal Law No. 79-FZ of May 7, 2013, on Prohibiting Certain Categories of Persons from Opening and Maintaining Accounts (Deposits) and Holding Cash and Valuables at Foreign Banks Located Outside the Territory of the Russian Federation and Holding and/or Using Foreign Financial Instruments (this law concerns government employees), may without restriction open accounts (deposits) in foreign currency and in rubles at banks and other financial market institutions located outside the territory of Russia, in accordance with the private law of such institutions that have the right to provide services related to the attraction from residents and placement of funds or other financial assets for safekeeping, management, investment, and/or the performance of other transactions in the interests of a resident or directly or indirectly on behalf of a resident. Residents must notify the tax authorities where they are registered of the opening and closing of these accounts and of any change in account details no later than one month after opening or closing an account or a change in account details, and residents must also provide reports, on the movement of funds and other financial assets on accounts (deposits) at banks and other institutions in the financial market located outside the territory of Russia. If resident individuals are abroad for a total of more than 183 days in

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a calendar year, then they are exempted for the period of their stay abroad from submitting a notice to the tax authority. When returning to Russia (if the period of the stay abroad was less than a total of 183 days in a calendar year), such an individual must notify the tax authority of accounts abroad before June 1 of the year following the reporting year and must also submit to tax authorities with which he is registered reports on the movement of funds on accounts (deposits) at banks located outside Russia.

Transfers by resident legal entities of funds to their accounts with banks outside Russia from their accounts with authorized banks require, at the time of the first transfer, presentation to the authorized bank of the notification provided to the tax authority where the resident legal entity is registered and acknowledgment of receipt of that notification.

Resident authorized banks licensed to engage in ruble and foreign exchange transactions may maintain correspondent accounts with nonresident banks. They may also open accounts with nonresident banks to service the activities of their representative offices abroad, subject to notification requirements. Foreign branches of authorized banks may freely maintain accounts with nonresident banks subject to the permission of the parent bank.

Pursuant to Federal Law No. 92-FZ of May 1, 2017, on Amending Certain Legislative Acts of the Russian Federation, two types of banks were defined: those with a basic license and those with a universal license. A bank with a basic license is not permitted to open bank (correspondent) accounts at foreign banks, with the exception of the opening of an account at a foreign bank for the purpose of participating in a foreign payment system. A bank with a basic license does not have the right to provide loans to foreign legal entities, to foreign organizations that are not legal entities under foreign law, or to individuals subject to the private law of a foreign state (Federal Law No. 92-FZ of May 1, 2017). A bank with a universal license that has obtained the status of a bank with a basic license or that has changed its status to that of a nonbank credit institution, or a bank with a basic license that has changed its status to that of a nonbank credit institution, is required to abrogate a bank (correspondent) account agreement with a foreign bank within one year of the date such status is acquired. This restriction does not apply to cases in which an account is opened at a foreign bank for the purpose of participating in a foreign payment system.
The crediting of funds to accounts (deposits) of residents opened at financial market institutions and the debiting of funds from such accounts (deposits) are performed in all cases without restriction.

Residents may transfer to their accounts with banks outside Russia funds from their accounts with authorized banks or from other accounts with banks abroad. Any types of foreign exchange transactions on accounts (deposits) opened with banks abroad are allowed between residents that stay outside the territory of Russia for a total of more than 183 days in a calendar year.

Residents' accounts at banks outside Russia may be credited with: (1) interest earned on the balance of such accounts; (2) a minimum deposit required by the rules of the respective bank when opening an account (deposit); (3) cash placed in an account (deposit); (4) funds received as a result of conversion operations using funds credited to such accounts (deposits); (5) taxes refunded by competent authorities

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of the state visited by the resident; (6) funds received by resident individuals as wages, reimbursement for business travel expenses, and other payments made in foreign currency outside Russia under labor agreements concluded by them with resident legal entities providing for the performance by such resident individuals of their official duties outside Russia; (7) transfers in rubles from the accounts of other residents in Russia and from the accounts of other residents abroad; (8) transfers in connection with execution of Russia budget; (9) transfers for the purpose of carrying out the activities of diplomatic missions and consular institutions of Russia, permanent missions of Russia to international (interstate, intergovernmental) organizations, other official representative offices of Russia and representative offices of federal executive government bodies located outside Russia; (10) transfers of foreign currency by Russian resident individuals that do not exceed in one business day through one authorized bank the equivalent of US$5,000 at the official BR exchange rate on the date the funds are debited; (11) transfers under settlements between transportation entities and individuals abroad, as well as with branches, representative offices, and other subdivisions of legal entities, under passenger transportation agreements; (12) transfers by residents from their accounts with authorized banks to accounts of related residents (spouse or close relative – direct forebear or descendant: parent, child, brother, sister, grandparent, grandchild, full-blooded or half-blooded, with a common father or mother, adoptive parent, adopted child); (13) transfers of foreign exchange from accounts with authorized banks (opened by federal executive branch authorities performing functions related to their activities outside Russia through their representatives or representative offices, organizations that are entitled on the basis of federal law to use the accounts of said official representative offices and permanent missions of Russia, and organizations that have concluded agreements with federal executive government bodies managing the activities of trade representative offices of Russia in foreign states regarding the employment conditions for representatives at trade representative offices of Russia in foreign states) to the accounts of diplomatic missions and consular institutions of Russia, permanent missions of Russia to international (interstate, intergovernmental) organizations, other official representative offices of Russia and representative offices of federal executive government bodies located outside Russia for the payment of wages and other payments related to the maintenance of their representatives or personnel of their representative offices located outside Russia, and also for payment and/or reimbursement of business travel expenses; (14) settlements performed outside Russia between resident individuals who have spent a total of more than 183 days in a calendar year outside Russia and resident legal entities that are Russian public higher education institutions or branches thereof, located outside the territory of Russia, under education contracts; (15) payment of wages to resident individuals and other payments made in foreign currency outside Russia under labor agreements concluded by them with resident legal entities providing for the performance by such resident individuals of their official duties outside Russia; (16) the receipt of foreign exchange assets through inheritance and the transfer of foreign exchange assets in a deceased person’s estate to beneficiaries of the estate; (17) transfers of foreign currency by resident individuals from their accounts at authorized banks to pay for goods delivered to them, work performed for them, services provided to them, information and intellectual property provided to them, including exclusive rights thereto, by resident individuals who have spent a total of more than 183 days outside

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Russia in a calendar year and who are engaged in entrepreneurial activity without incorporation as a legal entity in accordance with the legislation of the foreign state in which they are located, to accounts (deposits) of such individuals opened at banks located outside Russia; (18) settlements with resident individuals located abroad, with the branches, representative offices, and other subdivisions of legal entities established under Russian law, as well as with nonresident individuals, under contracts for the transportation of passengers, and settlements in foreign exchange and rubles by resident individuals abroad and with nonresident individuals, under contracts for the transportation of freight by individuals for personal, family, household, and other noncommercial needs; (19) payments by nonresidents of wages and other payments to resident individuals related to the performance of their official duties outside Russia under labor agreements (contracts) with nonresidents, and in the form of payment for and/or reimbursement of expenses incurred by such resident individuals in connection with official business travel abroad; (20) payments by nonresidents to resident individuals in accordance with rulings of courts of foreign states, with the exception of decisions by international commercial arbitration bodies; (21) payments by nonresidents of pensions, scholarships, child support, and other payments of a social nature to resident individuals; (22) insurance payments to resident individuals made by nonresident insurers; (23) payments by nonresidents to resident individuals made in the process of returning funds previously paid by resident individuals, including the return of funds transferred in error, the refunding of money for a product previously purchased by a resident individual from a nonresident and subsequently returned, or for a service for which a nonresident was paid by a resident; (24) a gift of foreign exchange assets made by a resident individual to a spouse or close relatives and a bequest of foreign exchange assets or the receipt of foreign exchange assets through an inheritance or as a beneficiary of an estate; (25) income from the sale of precious metals recorded on residents' accounts opened at banks located outside Russia and paid by nonresidents by virtue of the requirements of the legislation of a foreign state, bypassing accounts at authorized banks; (26) crediting of foreign currency or rubles to the accounts of resident legal entities or third parties at banks outside Russia – for the purpose of fulfilling the obligations of resident legal entities under credit facilities and loan agreements with nonresident organizations that are agents of governments of foreign states, and also under credit facilities and loan agreements concluded with residents of EAEU member states or with residents of foreign states (territories) with which there is automatic exchange of financial information, for a term of more than two years; (27) payment or reimbursement by (nonresident) contracting authorities and/or (nonresident) third parties for local expenses of residents under agreements (contracts) concluded by them with nonresidents in the performance of activity by said residents, arising in connection with the construction, reconstruction, or modernization by residents of facilities located outside the territory of Russia – for the period of the construction, reconstruction, or modernization, on the conclusion of which the remaining funds must be transferred to residents' accounts opened at authorized banks; (28) the receipt of foreign currency by residents from exhibitions and sports, cultural, and other similar events abroad (must be used to cover expenses of such events for the duration of the event); (29) the crediting of foreign currency or rubles to the accounts of resident transportation entities with banks abroad for payment of aerial navigation, airport, and port fees and other fees in foreign countries; expenses associated with the servicing of aircraft,

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river and marine vessels, and other means of transport of such transportation entities and their passengers abroad; and expenses for the activities of branches, representative offices, and other offices of such transportation entities located abroad; (30) funds in foreign currency and rubles under foreign trade agreements (contracts) concluded by such residents with nonresidents, with respect to which the repatriation requirement has been lifted; (31) a refund by a nonresident of funds previously paid by a representative office or branch of a resident legal entity for goods purchased from a nonresident and being returned by the representative office or branch of a resident legal entity, for a service for which the representative office or branch of a resident legal entity made payment to the nonresident in the event that the service was not performed or was not properly performed, under transactions related to the performance of activities of the representative office or branch of a resident legal entity, with the exception of transactions that entail the performance of foreign trade activity; (32) a refund by a nonresident of funds previously offered by a representative office or branch of a resident legal entity as security under a real estate lease; (33) funds paid by a nonresident to a representative office or branch of a resident legal entity under a purchase and sale agreement for a motor vehicle and/or other property which the resident legal entity allocated to its representative office or branch, with the exception of transactions that entail the performance of foreign trade activity; (34) insurance payments made by nonresident insurers to a representative office or branch of a resident legal entity; (35) funds received from nonresidents may be credited without restriction to accounts (deposits) of resident individuals opened at banks located outside the territory of Russia on the condition that these banks are located within the territory of an EAEU member state or within a foreign state (territory) with which there is automatic exchange of financial information.
The foreign currency credited in accordance with Items (26) and (28) above to the accounts of residents or third parties with banks abroad must be used to meet the residents' obligations as specified under said items or transferred to accounts with authorized banks.

In cases when regulatory legal acts of the BR or the legislation of a foreign state or association of foreign states require the provision of security for the fulfillment of obligations under financial agreements concluded with nonresidents, the following funds from nonresidents may be credited to the accounts of resident legal entities that are qualified investors or professional participants in the securities market, which have been opened at banks located outside Russia: (1) those provided as security for the fulfillment of obligations under financial agreements; (2) those paid as a refund for funds previously paid by such residents, including the return of funds transferred in error and the return of funds when they are no longer serving as security for the fulfillment of obligations under financial agreements; (3) those paid in the form of interest, coupon income, dividends, or other income on funds or other assets offered as security for the fulfillment of obligations under financial agreements or recorded on the resident's accounts after the funds and/or other assets were posted to these accounts in accordance with this federal law; (4) those paid in the form of proceeds from the sale of security for fulfillment of obligations under financial agreements when collection action is taken; (5) those paid on securities provided as collateral for fulfillment of obligations under financial agreements or recorded on the resident's accounts after they were posted to these accounts in accordance with this federal law, in the form of redemption (or

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		partial redemption) of securities, as well as income from the buyback of securities by their issuer, from the sale of securities on the basis of a voluntary offer, including a competitive offer, a compulsory offer, or the compulsory conveyance of securities on another basis, or from the distribution of the assets of a company undergoing liquidation among the shareholders.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents have the right to open accounts (deposits) in rubles at banks and other financial market institutions abroad in accordance with the private law of such institutions that have the right to provide services related to the attraction from residents and placement of funds or other financial assets for safekeeping, management, investment, and/or the performance of other transactions in the interests of a resident or directly or indirectly on the account of a resident, without limitation. Exceptions are established by Federal Law No. 79-FZ of May 7, 2013, on Prohibiting Certain Categories of Persons from Opening and Maintaining Accounts (Deposits) and Holding Cash and Valuables at Foreign Banks Located Outside the Territory of the Russian Federation, and Holding and/or Using Foreign Financial Instruments (as amended). The procedure for opening a ruble account by residents at banks abroad and the grounds for the performance of foreign currency operations on these accounts are the same as those established for accounts (deposits) in foreign currency opened by residents at banks abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents have the right to open bank accounts (bank deposits) in foreign currency only at authorized banks within Russia. They may carry out any operations on their accounts in foreign currency and in Russian rubles. Nonresidents have the right without restriction to transfer foreign currency from their bank accounts (bank deposits) at authorized banks to their own accounts (deposits) at banks abroad. The requirements of Instruction No. 181-I of August 16, 2017, apply to nonresidents except individuals only with regard to their presentation to an authorized bank of the settlement document for the given operation when performing an operation that involves the debiting of rubles from their bank account (with the exception of cases referred to in paragraphs 2 through 6 of Item 2.18 of Instruction No. 181-I); the document must contain in the entry "Purpose of payment" the code for the type of operation, which corresponds to the name of the operation indicated in Annex 1 to Instruction No. 181-I. Federal Law No. 92-FZ of May 1, 2017, on Amendments to Certain Legislative Acts of the Russian Federation, defined two types of banks: those with a basic license and those with a universal license. A bank with a basic license is not permitted to open bank (correspondent) accounts at foreign banks, with the exception of the opening of an account at a foreign bank for the purpose of participating in a foreign payment system. A bank with a basic license does not have the right to provide loans to foreign legal entities, to foreign organizations that are not legal entities under foreign law, or to individuals subject to the private law of a foreign state (Federal Law No. 92-FZ of May 1, 2017).

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Effective March 1, 2022, transfers of funds outside of Russia by persons (both legal entities and individuals) that are residents of sanctioning countries were suspended, and a limit on transfers by nonresident individuals who are residents of any non-sanctioning foreign countries of up to US$5,000 or the equivalent in other foreign currencies per month was introduced.

Effective March 9, 2022, banks may not charge fees on individuals for withdrawing foreign currency from deposits or accounts regardless of the currency of an account, or fees for foreign currency conversion into US dollars if the conversion is carried out for subsequent cash withdrawal. The measure is in force until September 9, 2022. Effective September 10, 2022, the measure was extended until March 9, 2023. Effective March 10, 2023, the measure was extended until September 9, 2023. Effective September 10, 2023, the measure was extended until March 9, 2024.

Effective March 31, 2022, during a calendar month, nonresident individuals from countries not supporting the sanctions and nonresidents from sanctioning countries who receive wages or compensation for services in Russia may transfer no more than US$10,000 or an equivalent amount in another currency from their accounts with Russian banks to their foreign accounts or to another individual abroad. When money transfers are made through companies providing such services without opening an account, the monthly limit is US$5,000 or an equivalent amount in foreign currency. Transfers of funds outside of Russia by persons (both legal entities and individuals) that are residents of unfriendly countries are suspended. Money transfers from Russian brokers' accounts by nonresident individuals and legal entities from countries supporting the sanctions were suspended for six months as well. Effective October 1, 2022, this measure was extended until March 31, 2023. Effective April 1, 2023, this measure was extended until September 30, 2023. Effective October 1, 2023, this measure was extended until March 31, 2024.

Effective May 16, 2022, nonresidents from friendly countries may transfer up to US$50,000 or the equivalent in any other foreign currency per calendar month from their accounts with Russian banks to their accounts or other individuals abroad. Nonresidents from unfriendly and friendly countries who receive wages or payments for services in Russia may transfer funds from their Russian accounts abroad in rubles or foreign currency in the amount of wages or payment received for services.

Effective June 8, 2022, during a calendar month, nonresidents from friendly countries may transfer up to US$150,000 or the equivalent in other foreign currencies to their foreign accounts. When money transfers are made through companies providing such services without opening an account, the monthly limit is US$10,000 or an equivalent amount in foreign currency. Effective July 1, 2022, during a calendar month, nonresident individuals from friendly countries may transfer up to US$1 million or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad. Effective October 1, 2022, this measure was extended until March 31, 2023. Effective April 1, 2023, this measure was extended until September 30, 2023. Effective October 1, 2023, the measure was extended until March 31, 2024.

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		Effective March 10, 2022, nonresident legal entities and nonresident individual proprietors may not receive cash in US dollars, Japanese yen, British pounds, and euros. For any other currencies, they may receive funds from their accounts without any restrictions at the market exchange rate on the withdrawal date. The measure was in force until September 10, 2022. Effective September 11, 2022, the measure was extended until March 9, 2023. Effective March 10, 2023, this measure was extended until September 9, 2023. Effective September 10, this measure was extended until March 9, 2024.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may without restriction make transfers of rubles between their accounts and from accounts abroad to accounts at authorized banks or from accounts at authorized banks to accounts abroad or at other authorized banks. Foreign exchange operations between residents and nonresidents are performed without restrictions, except transactions listed in Article 11 of Federal Law FZ-173. Nonresidents, except individuals, in the performance of a foreign exchange operation involving the debiting of rubles from the nonresident's own bank account opened at an authorized bank in rubles must submit to the authorized bank a settlement document for a foreign exchange operation, indicating (except for certain cases) the code for the type of foreign exchange operation corresponding to the purpose of the payment. Follow-up monitoring of the performance of the aforementioned operations is performed within the context of monitoring residents who are parties to such operations. Effective March 1, 2022, transfers of funds outside of Russia by persons (both legal entities and individuals) that are residents of sanctioning countries were suspended, and a limit on transfers by nonresident individuals who are residents of any non-sanctioning foreign countries of up to US$5,000 or the equivalent in other foreign currencies per month was introduced. Effective March 5, 2022, ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective March 31, 2022, during a calendar month, nonresident individuals from countries not supporting the sanctions and nonresidents from sanctioning countries who receive wages or compensation for services in Russia may transfer no more than US$10,000 or an equivalent amount in another currency from their accounts with Russian banks to their foreign accounts or to another individual abroad. When money transfers are made through companies providing such services without opening an account, the monthly limit is US$5,000 or an equivalent amount in foreign currency. Transfers of funds outside of Russia by persons (both legal entities and individuals) that are residents of unfriendly countries are suspended. Money transfers from Russian brokers' accounts by nonresident individuals and legal entities from countries supporting the sanctions were suspended for six months as well. Effective May 16, 2022, nonresidents from friendly countries may transfer up to US$50,000 or the equivalent in any other foreign currency per calendar month from their accounts with Russian banks to their accounts or other individuals abroad. Nonresidents from unfriendly and friendly countries who receive wages or payments for services in Russia may transfer funds from their Russian accounts abroad in rubles or foreign currency in the amount of wages or payment received for services.

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		Effective June 8, 2022, during a calendar month, nonresidents from friendly countries may transfer up to US$150,000 or the equivalent in other foreign currencies to their foreign accounts. When money transfers are made through companies providing such services without opening an account, the monthly limit is US$10,000 or an equivalent amount in foreign currency. Effective July 1, 2022, during a calendar month, nonresident individuals from friendly countries may transfer up to US$1 million or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad. Effective October 1, 2022, this measure was extended until March 31, 2023. Effective April 1, 2023, this measure was extended until September 30, 2023. Effective October 1, 2023, this measure was extended until March 31, 2024.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	The requirement concerning the importation of goods into Russia after a resident has made an advance payment for imports within the deadline established by a foreign trade agreement (contract) is provided for by the foreign exchange legislation of Russia. Thus, when performing foreign trade activity residents are required, within the deadlines specified by foreign trade agreements (contracts), to either import the goods into Russia or provide for the return to Russia of the funds paid to nonresidents as an advance payment. When performing foreign trade activity residents are required to provide information to authorized banks about the deadlines for nonresidents' fulfillment of obligations under foreign trade agreements (contracts) through the transfer of goods to residents based on the advance payments made by the residents, and the deadlines for the return of said advance payments in accordance with the terms of the foreign trade agreements (contracts). In the event that goods are not imported into Russia and an advance payment is not returned, this information is forwarded by the authorized bank to the foreign exchange control body (the Russian Federal Customs Service), which applies administrative enforcement measures against the resident for violation of the repatriation requirement. Effective March 27, 2022, advance payment by residents (with the exception of individuals who are not individual entrepreneurs, Russian credit institutions, the state development corporation) in favor of nonresident legal entities and individuals is carried out within 30% of the amount of obligations stipulated under contracts for the provision of services by a nonresident, and contracts the terms of which provide for the performance of work by a nonresident, the transfer by a nonresident of information, the results of intellectual

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		activity, including exclusive rights to them, subject to certain exceptions. Effective April 2, 2022, the 30% limit on advance payments was removed for some contracts amounting to less than $15,000 made with nonresidents, including for delivery of services, performance of work, transfer of information and copyright products, services rendered under foreign trade agreements related to goods transportation, other transport services, logistics, and use of transport infrastructure. Effective April 16, 2022, the 30% limit on advance payments was removed for foreign trade contracts for the provision of travel, building and equipment renovation, and maintenance services, for exhibition services provided by nonresidents from friendly countries or for nonresidents' services in organizing exhibitions, fairs, and congresses in friendly countries. Effective July 20, 2022, the 30% limit on advance payments in favor of nonresident banks under import contracts for providing services, performing works, and transferring intellectual property in force since April 2022, was removed. Effective August 8, 2022, the requirement to repatriate the funds paid to nonresidents in the form of advance payment for non-imported goods is not applied.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Residents are not required to submit documents to an authorized bank related to the performance of foreign exchange transactions under any contracts with nonresidents if the amount of obligations under them does not exceed, effective May 31, 2022, 600,000 rubles (previously 200,000 rubles). In the case of a contract that contains obligations exceeding the equivalent of 600,000 rubles but not exceeding the equivalent of 3,000,000 rubles, when debiting foreign currency from its account a resident must submit to an authorized bank documents related to the performance of the transaction, together with the order to debit the foreign currency. In the case of an import contract containing obligations equal to or greater than the equivalent of 3,000,000 rubles, a resident must register the contract with an authorized bank. The following are subject to registration with an authorized bank: (1) agreements, including agency agreements, commission agreements, and trust agreements providing for the importation of goods into Russia in the performance of foreign trade activity; (2) agreements providing for the purchase and/or performance of services related to the purchase within Russia (or outside Russia) of fuel and lubricants (bunker fuel), food, material and technical supplies, and other goods (with the exception of spare parts and equipment) necessary to

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		ensure the operation and maintenance of vehicles, regardless of their type and purpose, en route or at intermediate stopping points or parking areas; (3) agreements, including agency agreements, commission agreements, and trust agreements, with the exception of agreements referred to under Points (1), (2), and (4), which provide for the performance of work, delivery of services, or the transfer of information and intellectual property, including exclusive rights thereto; and (4) agreements providing for the transfer of movable and/or real property under a rental agreement or financial lease agreements (leasing). To register a contract, a resident importer must present to an authorized bank an import contract (excerpt from a contract) containing information needed by the authorized bank for registration of the contract and the performance of foreign exchange control, including oversight of the resident's compliance with repatriation requirements, as well as other information needed by the authorized bank.
Import licenses and other nontariff measures	Yes.	Russia, the Republic of Armenia, the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Belarus are parties to the Treaty on the EAEU of May 29, 2014 (Treaty). In accordance with Article 46 of the Treaty, when conducting trade with third countries, the EAEU applies the following unified measures of non-tariff regulation: (1) a ban on the import and (or) export of goods; (2) quantitative restrictions (quotas) on the import and (or) export of goods; (3) the exclusive right on the basis of an exclusive license to export and (or) import goods; (4) automatic licensing (monitoring) of exports and (or) imports of goods (automatic licensing (monitoring) is a temporary measure introduced to monitor the changes in the export and (or) import of certain types of goods); (5) authorization procedure for the import and (or) export of goods (authorization procedure for the import and (or) export of goods is implemented through the introduction of licensing or the application of other administrative measures for regulating foreign trade activities). Non-tariff regulation measures are introduced and applied on the basis of the principles of transparency and non-discrimination in accordance with Appendix No. 7 to the Treaty (Protocol on Non-Tariff Regulation Measures in Relation to Third Countries) which defines the grounds for the introduction of non-tariff regulation measures, the nature of non-tariff regulation measures, and describes the procedure for introducing such measures. In accordance with Appendix No. 7, Russia may apply unilateral measures of non-tariff regulation in the manner and on the grounds specified in Appendix No. 7. The Decision of the Eurasian Economic Commission (EEC) Board No. 30 of April 21, 2015, on measures of non-tariff regulation, established the authorization procedure for the import into the customs territory of the EAEU of the following goods included in the list provided for in Appendix No. 2: (1) ozone-depleting substances; (2) plant protection products (pesticides); (3) hazardous waste; (4) precious stones; (5) precious metals and commodities containing precious metals; (6) narcotic drugs, psychotropic substances, and their precursors; (7) poisonous substances that are not precursors of narcotic drugs and psychotropic substances;

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		(8) medicines; (9) radio electronic means and (or) high-frequency devices for civil purposes, including those incorporated or included in other goods; (10) special technical means designed to secretly obtain information; (11) encryption (cryptographic) tools; (12) human organs and tissues, blood and its components, samples of human biological materials. The concept of "open general license" is not established by the law of the EAEU. Appendix No. 7 to the Treaty establishes the following concepts: (1) general license – a license that grants a participant in foreign trade activities the right to export and (or) import a certain type of licensed product in the quantity specified by the license; (2) single license – a license issued to a participant in foreign trade activities on the basis of a foreign trade transaction involving a licensed product, and granting the right to export and (or) import a certain quantity of this product; (3) exclusive license – a license that grants a participant in foreign trade activities the exclusive right to export and (or) import a particular type of product.
Positive list	No.	
Negative list	Yes.	Appendix No. 1 to the Decision of the EEC Board No. 30 of April 21, 2015, on measures of non-tariff regulation contains a list of goods which are banned for import into the customs territory of the EAEU and (or) export from the customs territory of the EAEU, including: (1) ozone-depleting substances and products containing ozone-depleting substances prohibited for import and export; (2) hazardous waste prohibited for import; (3) information on printed, audiovisual, and other information media prohibited for import and export; (4) plant protection products and other persistent organic pollutants prohibited for import; (5) service and civilian weapons, their main parts and cartridges for them, prohibited for import and (or) export; (6) tools for the extraction (catching) of aquatic biological resources prohibited for import; (7) products from harp seals and harp seal pups prohibited for import; (8) live sables prohibited for export; (9) effective July 22, 2023, whales, dolphins, and porpoises (mammals of the order Cetacea) prohibited for export.
Open general licenses	No.	
Licenses with quotas	Yes.	Licenses are issued within the framework of establishing import quotas for substances that deplete the ozone layer. In 2022, the permitted volume of Russia's consumption of substances included in sublist F of the list of substances that deplete the ozone layer, in pure form and in mixtures, is 46,292,794 tons of CO2 equivalent.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Import customs duties are contained in the Common Customs Tariff of the Eurasian Economic Union (EAEU CCT), which is approved by the EEC. The structure of the EAEU CCT is as follows: import duty rates below 10% make up about 47% of the total number of EAEU CCT items (there are more than 13,000 10-digit items in the EAET CCT);

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rates ranging from 10 to 20% make up about 30%; rates from 20 to 50% make up about 2%; rates higher than 50% make up about 1%; and zero duty rates make up about 17%.
The EEC also establishes tariff incentives in the form of exemption from payment of import duties when certain goods are imported into the customs territory of the EAEU.
The EEC also approves the rates of import customs duties for certain types of goods originating from the Socialist Republic of Vietnam, the Republic of Serbia, and the Islamic Republic of Iran, in accordance with bilateral international agreements between the EAEU and these countries.
Imports of certain types of goods originating from the developing countries included in the list of developing countries-users of the unified system of tariff preferences of the EAEU are subject to a customs duty at a level of 75% from the applicable rate.
Imports of certain types of goods originating from the least developed countries included in the list of least developed countries-users of the EAEU unified system of tariff preferences are subject to zero customs duty. The lists of goods originating from developing countries or from the least developed countries that receive tariff preferences when imported into the customs territory of the EAEU are approved by the EEC.
As a temporary measure, effective December 15, 2022 (for certain goods effective August 1, 2023), until December 31, 2023, Russia introduced increased rates of import customs duties on certain categories of perfumes and cosmetics, weapons, their parts and ammunition, wine, glycerin, etc., originating from unfriendly states.

Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	In the case of foreign trade contracts for raw materials exports (with the exception of timber and timber materials, as well as contracts concluded by budget organizations), the lifting of the repatriation requirement for Russian currency is scheduled to take place in several stages from January 1, 2020, to January 1, 2024: on January 1, 2020 – applicable to 10% of the contract amount; on January 1, 2021 – applicable to 30% of the contract amount; effective January 1, 2022 – applicable to 50% of the contract amount; effective January 1, 2023 – applicable to 70% of the contract amount; as of January 1, 2024 – applicable to the entire contract amount. Under contracts for which the repatriation requirement has been lifted, export earnings may be posted without restriction to residents' accounts opened at banks outside Russia, and there are no restrictions on the methods for fulfillment or termination of obligations under such contracts. In other cases, when performing foreign trade activity (under contracts for which the repatriation requirement is still in place, such as those involving raw material exports, prepayment for imports, repayment of loans), residents must credit to their accounts at authorized banks, within the time periods specified in the foreign trade contracts or loan agreements, funds in foreign currency or rubles because of them under the terms of said contracts, except in the following cases: (1) when foreign currency or currency of Russia is credited to accounts of resident legal entities or third parties with

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banks outside the territory of Russia to fulfill the obligations of resident legal entities under credit facilities and loan agreements with nonresident organizations that are agents of foreign governments and under credit facilities and loan agreements with residents of EAEU members or with residents of foreign states (territories) with which there is automatic exchange of financial information, for a period exceeding two years; (2) in the case of payment or reimbursement by (nonresident) contracting authorities and/or (nonresident) third parties for local expenses of residents under agreements (contracts) concluded by them with nonresidents in the performance of activity by said residents, arising in connection with the construction, reconstruction, or modernization by residents of facilities located outside the territory of Russia – for the period of the construction, reconstruction, or modernization, on the conclusion of which the remaining funds must be transferred to residents' accounts opened at authorized banks; (3) when foreign currency obtained from exhibitions and sports, cultural, and other similar events abroad is used for expenses of such events, for the duration of the event; (4) when foreign currency is used to offset counterclaims for obligations (a) between resident and nonresident entities that conduct fishing operations abroad and provide services abroad under agency agreements with residents; (b) between resident and nonresident transportation entities performing services abroad for residents under agreements with them; or (c) between resident and nonresident transportation entities if settlement takes place through specialized entities established by international organizations in the area of international transportation and of which such resident transportation entities are members; (d) in the event that settlements between resident and nonresident transportation entities are performed in accordance with rules adopted by international organizations in the area of international shipments, which establish the procedure for the performance of mutual settlements and related services; (5) when foreign currency is used to offset counterclaims for obligations resulting from reinsurance agreements or service agreements connected with reinsurance agreements between nonresidents and resident insurance entities or insurance brokers; (6) when foreign currency proceeds are credited to the accounts of resident transportation entities with banks abroad to pay for the expenses of such transportation entities abroad in connection with the payment of aerial navigation, airport and port fees and other mandatory fees abroad; expenses associated with the servicing of aircraft, river and marine vessels, and other means of transport and their passengers abroad; and expenses connected with branches, representative offices, and other offices located abroad; (7) when there is offsetting of counterclaims on obligations arising from agreements concluded between residents engaged in exports of natural gas in the gaseous state and nonresidents that provide for the purchase and sale of natural gas in the gaseous state, and agreements under which nonresidents have obligations to residents in connection with the transit of natural gas in the gaseous state across the territory of foreign states; (8) when counterclaims on obligations arising from agreements on the provision of international telecommunications services, including international roaming services, are offset between a nonresident and a resident that are international telecommunications operators, including situations in which settlements between them are performed through specialized settlement organizations registered within member states of the International Telecommunication Union; (9) when crediting foreign currency or currency of Russia to accounts opened at banks located outside the territory of Russia by Russian public higher education

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institutions and their branches located outside the territory of Russia, under education contracts with nonresident individuals that provide for the delivery of educational services outside the territory of Russia; (10) in the event of the posting of funds to their own accounts at authorized banks in the form of insurance payments from resident insurance companies under insurance contracts to cover the risk of default by a nonresident on obligations under foreign trade export contracts; (11) in the event of the posting of funds to their own accounts at authorized banks under a bank guarantee issued to nonresidents in favor of residents to secure fulfillment of a nonresident's obligations under a foreign trade contract.

The foreign currency credited in accordance with Items (1) and (3) above to the accounts of residents or third parties with banks abroad must be used to meet the residents' obligations as specified under said items or transferred to accounts with authorized banks.

In connection with the easing of liability measures with respect to participants in foreign economic activity for violation of the repatriation requirement, which reduces the number of grounds on which residents may face administrative liability, residents may credit to foreign accounts funds from nonresidents that are subject to repatriation to an account with an authorized bank on the condition that these funds are subsequently transferred within 45 days to an account at an authorized bank.

Residents fulfill the repatriation requirement if they have arranged for: (1) receipt in their bank account of payment under a contract insuring against a nonresident's failure to fulfill obligations under a foreign trade contract as specified in Federal Law No. 164-FZ of December 8, 2003, on the Principles of Government Regulation of Foreign Trade Activity, for activities related to insuring export loans and investments against business and/or political risks, provided the ratio in the insurance contract between the insurance amount and the insured value (level of indemnification) equals or exceeds the value established by law; (2) receipt in their bank accounts opened at authorized banks and/or bank accounts that have been opened at authorized banks by a resident who is the beneficiary, of foreign currency or Russian currency under a transaction ensuring the fulfillment of a nonresident's obligations under a foreign trade agreement (contract) and provided for by the procedure established by the Russian government in accordance with Federal Law No. 164-FZ of December 8, 2003, on the Principles of Government Regulation of Foreign Trade Activity for the performance of activities related to insuring and securing export credits and investments against business and/or political risks, on the condition that the monetary amount received is equal to or greater than the value established by said procedure, in line with the procedure and deadlines provided for by the relevant transaction.

A resident who is a recipient of funds in accordance with the terms of a transferable letter of credit, when performing settlements under a foreign trade agreement (contract) concluded with a nonresident for goods transferred to the nonresident, work performed for him, services provided to him, information and intellectual property transferred to him, including exclusive rights thereto, is considered to have fulfilled the repatriation requirement if he has ensured, within the deadlines specified by the given agreement (contract), in accordance with the terms of the transferable letter of credit from a bank located outside the territory of Russia or from the authorized

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		bank to which the instruction was given to transfer the transferable letter of credit (the executing bank), the receipt of foreign currency and/or Russian currency in his bank accounts at authorized banks and/or in bank accounts at authorized banks of the second resident recipient of funds (or second resident recipients of funds) to whom the execution of the transferable letter of credit is to be performed in accordance with the terms of the agreement concluded between the resident recipient of the funds and the second recipient(s) of the funds. Foreign exchange operations related to settlements in foreign currency within the framework of financing agreements concluded between residents against the assignment of a monetary claim (factoring), under which monetary claims in foreign currency or rubles owed to residents by nonresidents on foreign trade contracts are assigned to residents who are financial agents (factors), are performed without restriction. For the purpose of ensuring compliance with the obligation on the part of residents to repatriate funds when performing foreign trade activity, a resident who has entered into a foreign trade contract with a nonresident and who has assigned the monetary claim under the contract to a resident factor, is required to ensure that funds are received from the nonresident according to the general rule – within the time period specified by the foreign trade contract. Monitoring of residents' compliance with the repatriation requirement is carried out within the framework of monitoring performed in accordance with BR Instruction No. 181-I of August 16, 2017, on the Procedure for the Submission of Supporting Documents and Information by Residents and Nonresidents to Authorized Banks in the Performance of Foreign Exchange Operations, on Standard Accounting and Reporting Forms for Foreign Exchange Operations, and the Procedure and Deadlines for their Submission. Effective July 9, 2022, resident exporters were exempt from the requirement to repatriate foreign currency. The full amount of foreign currency earnings under export contracts may be put in accounts abroad without the obligation to subsequently transfer them to a Russian bank account. Effective August 8, 2022, the requirement to repatriate foreign currency and the currency of Russia when carrying out foreign trade activities and (or) when providing and repaying loans by Russian legal entities and individual entrepreneurs is not applied (parts 1 and 2 of Article 19 of Federal Law No. 173-FZ were temporarily suspended).
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	Effective February 28, 2022, mandatory sale of 80% of foreign exchange earnings by exporters in the domestic market to increase the supply of foreign currency was introduced. Russian residents are required to sell 80% of foreign currency proceeds under their foreign trade contracts with nonresidents within three business days from the date the proceeds are credited. Effective April 19, 2022, exporters in the non-commodity non-energy sector have the right to carry out the mandatory sale of their foreign currency earnings received on and after April 19, 2022, in the amount established by Executive Order of the President of the Russian Federation No. 79, within 60 business days to authorized banks (previously, within 3 days).

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		Effective April 21, 2022, all exporters have the right to carry out the mandatory sale of their foreign currency earnings received on and after April 19, 2022, in the amount established by Executive Order of the President of the Russian Federation No. 79, within 60 business days to authorized banks (previously, within 3 days). Effective May 24, 2022, the mandatory sale of foreign exchange earnings by exporters was reduced to 50%. Effective May 26, 2022, the mandatory sale period was increased to 120 working days. Effective June 10, 2022, the surrender requirements for all exporters were discontinued.
Financing requirements	No.	
Documentation requirements	Yes.	Residents (legal entities, other than credit institutions and the Bank for Development and Foreign Economic Activity, or Vneshekonombank), individuals who are individual entrepreneurs or persons engaged in private practice according to the procedure established by the legislation of Russia, individuals performing foreign exchange operations in foreign currency and/or the currency of Russia, related to the granting of loans to nonresidents and the repayment of such loans by nonresidents, using their own bank accounts (deposits), are not required to provide an authorized bank with documents related to the performance of foreign exchange operations under any contracts with nonresidents if the amount of obligations under them does not exceed, effective May 31, 2022, 600,000 rubles (previously 200,000 rubles). In the case of a contract the obligations under which exceed the equivalent of 600,000 rubles, a resident must provide an authorized bank with documents related to the performance of foreign exchange operations under the given contract no later than 15 business days after the date funds in fulfillment of the obligations under the given contract are credited. In the case of an export contract the obligations under which are equal to or greater than the equivalent of, effective May 31, 2022, 10,000,000 rubles (previously 6,000,000 rubles), a resident must register the contract with an authorized bank. Registration in an authorized bank is required for: (1) agreements, including agency agreements, commission agreements, and trust agreements providing for the export of goods from Russia in the course of foreign trade activity, with the exception of the export (import) of securities in documentary form; (2) agreements providing for the sale and/or performance of services related to the sale within Russia (or outside Russia) of fuel and lubricants (bunker fuel), foods, material and technical supplies, and other goods (with the exception of spare parts and equipment) necessary to ensure the operation and maintenance of vehicles, regardless of their type and purpose, en route or at intermediate stops or parking areas; (3) agreements, including agency agreements, commission agreements, and trust agreements, with the exception of agreements specified in Points (1), (2), and (4), which provide for the performance of work, provision of services, or transfer of information and intellectual property, including exclusive rights thereto; (4) agreements providing for the transfer of movable and/or real property under a rental agreement or financial lease agreements (leasing); and effective May 31, 2022, (5) agreements relating to the receipt or provision of funds in the form of a loan (borrowing), the return of funds under a loan agreement (borrowing agreement), as well as the implementation of other foreign exchange transactions related to the receipt, provision, return of funds in the form of a loan (borrowing) (with the exception of agreements (contracts) recognized by the legislation of Russia as a

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		loan or equated to a loan). A resident exporter planning to fulfill its obligations under an export contract must submit to an authorized bank information about the export contract that is necessary for its registration (referred to as information) or an excerpt from the export contract containing information necessary for the authorized bank to register the export contract and exercise foreign exchange control, including oversight of the resident exporter's compliance with repatriation requirements, and other information required by the authorized bank. The export contract must be submitted by a resident exporter to an authorized bank no later than 15 business days after the registration of the export contract by the authorized bank if information alone was provided by the resident exporter to have the export contract registered.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	A resident exporter that is planning to fulfill its obligations under an export contract must provide information to an authorized bank about the export contract that is needed for its registration (information) or the an excerpt from the export contract containing information needed by the authorized bank for registration of the export contract and the performance of foreign exchange control, including oversight of the resident exporter's compliance with repatriation requirements, and other information needed by the authorized bank. An export contract must be presented by a resident exporter to an authorized bank no later than 15 business days after the registration of the export contract by the authorized bank if information alone was provided by the resident exporter for the purpose of the contract's registration.
Other	No.	
Export licenses	Yes.	Russia, the Republic of Armenia, the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Belarus are parties to the Treaty on the EAEU of May 29, 2014 (Treaty). In accordance with Article 46 of the Treaty, when conducting trade with third countries, the EAEU applies the following unified measures of non-tariff regulation: (1) a ban on the import and (or) export of goods; (2) quantitative restrictions (quotas) on the import and (or) export of goods; (3) the exclusive right on the basis of an exclusive license to export and (or) import goods; (4) automatic licensing (monitoring) of exports and (or) imports of goods (automatic licensing (monitoring) is a temporary measure introduced to monitor the changes in the export and (or) import of certain types of goods); (5) authorization procedure for the import and (or) export of goods (authorization procedure for the import and (or) export of goods is implemented through the introduction of licensing or the application of other administrative measures for regulating foreign trade activities). Non-tariff regulation measures are introduced and applied on the basis of the principles of transparency and non-discrimination in accordance with Appendix No. 7 to the Treaty (Protocol on Non-Tariff Regulation Measures in Relation to Third Countries) which defines the grounds for the introduction of non-tariff regulation

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		measures, the nature of non-tariff regulation measures and describes the procedure for introducing such measures. In accordance with Appendix No. 7, Russia may apply unilateral measures of non-tariff regulation in the manner and on the grounds specified in Appendix No. 7.
Without quotas	Yes.	In accordance with the Decision of the EEC Board No. 30 of April 21, 2015, on non-tariff regulation measures, an authorization procedure is applied for the import into the customs territory of the EAEU and (or) export from the customs territory of the EAEU of the following goods included in the list contained in Appendix No. 2: (1) ozone-depleting substances; (2) hazardous waste; (3) collections and collectibles in mineralogy and paleontology, bones of fossil animals; (4) wild live animals, aquatic biological resources, individual wild plants, and wild herbs as a starting material for medicine preparations; (5) rare and endangered species of wild living animals and wild plants included in the red books of the member states of the EAEU; (6) precious stones; (7) precious metals and commodities containing precious metals; (8) types of mineral raw materials; (9) narcotic drugs, psychotropic substances, and their precursors; (10) special technical tools designed to secretly obtain information; (11) encryption (cryptographic) tools; (12) cultural values, documents from national archival funds, originals of archival documents; (13) human organs and tissues, blood and its components, samples of human biological materials; (14) information on the subsoil by regions and deposits of fuel-and-energy and mineral raw materials.
With quotas	Yes.	The current quantitative restrictions on the export of certain types of goods outside the territory of Russia include: - a temporary quantitative restriction on the export of certain types of fertilizers: nitrogen fertilizers (quota is 8,314,991 tons) and fertilizers containing 2 or 3 nutrients—nitrogen, phosphorus, and potassium (quota is 5,945,830 tons), effective July 1, 2022, until December 31, 2022. Effective January 1, 2023, this measure was extended until May 31, 2023, and effective June 1, 2023, until November 30, 2023, for certain types of nitrogen and nitrogen-rich fertilizers a non-tariff quota with a total amount of 16.3 million tons was established. - a temporary quantitative restriction on the export of certain types of sulfur: liquid, granular, and lump sulfur (quota is 1.1 million tons), effective August 10, 2022, to December 31, 2022; - a temporary quantitative restriction on the export of recyclable paper and cardboard (wastepaper and waste) (quota is 30,000 tons), effective September 3, 2022, to December 3, 2022.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	The tax rate for the export of goods from Russia is 0% (subparagraph 1 of paragraph 1 of Article 164 of the Tax Code of the Russian Federation). The procedure for confirming the right to apply the 0% tax rate is regulated by Article 165 of the Tax Code of the Russian Federation. Export customs duty rates are established by a resolution of the Government of Russia.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	To maintain the stability and sustainability of the insurance market in view of the potential risks of the non-payment of funds, paragraph 2 of Article 3 of Federal Law No. 55-FZ of March 14, 2022, prohibited, effective March 14, 2022, transactions between Russian insurers and insurers, reinsurers and insurance brokers that are entities of unfriendly states, as well as insurers, reinsurers, and insurance brokers controlled by entities of unfriendly states. The prohibition applies to the transfer of funds by Russian insurers to said persons under contracts entered into before the entry into force of Law No. 55-FZ. In exceptional cases, these actions could be carried out on the basis of the permission of the BR. Effective March 18, 2022, the BR allowed insurers to perform a number of previously prohibited transactions. The permission is valid until December 31, 2022.
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Effective February 28, 2022, the payment of coupons and dividends to nonresidents was banned. Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, dividend payments and debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective May 4, 2022, fulfillment of obligations to pay profits of limited liability companies, business partnerships, production cooperatives, to foreigners related to unfriendly states may be done in rubles. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Effective May 4, 2022, if a foreign lessor company from an unfriendly state has a business unit registered in Russia, payments to its account at a Russian bank will be made in rubles. If a foreign company affiliated with an unfriendly state works with Russian partners through a business unit located in a friendly state, payments will be made in the national currency of the state where the business unit is registered or in rubles.
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	In the case of foreign trade contracts for raw materials exports (with the exception of timber and timber materials, as well as contracts concluded by budget organizations), the lifting of the repatriation requirement for Russian currency is scheduled to take place in several stages from January 1, 2020, to January 1, 2024: on January 1, 2020 – applicable to 10% of the contract amount; on January 1, 2021 – applicable to 30% of the contract amount; effective January 1, 2022 – applicable to 50% of the contract amount; effective January 1, 2023 – applicable to 70% of the contract amount; as of January 1, 2024 – applicable to the entire contract amount. Under contracts for which the repatriation requirement has been lifted, export earnings may be posted without restriction to residents' accounts opened at banks outside Russia, and there are no restrictions on the methods for fulfillment or termination of obligations under such contracts. In other cases, when performing foreign trade activity (under

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contracts for which the repatriation requirements is still in place, such as those involving raw material exports, prepayment for imports, repayment of loans), residents must credit to their accounts at authorized banks, within the time periods specified in the foreign trade contracts or loan agreements, funds in foreign currency or rubles because of them under the terms of said contracts, except in the following cases: (1) when foreign currency or currency of Russia is credited to accounts of resident legal entities or third parties with banks outside the territory of Russia to fulfill the obligations of resident legal entities under credit facilities and loan agreements with nonresident organizations that are agents of foreign governments, and under credit facilities and loan agreements entered into with residents of EAEU member countries or with residents of foreign states (territories) with which there is an agreement on the automatic exchange of financial information for a period exceeding two years; (2) in the event that (nonresident) contracting organizations or (nonresident) third parties pay or provide reimbursement for the local expenses of residents under agreements (contracts) concluded by them with nonresidents in the performance of activity by said residents, arising in connection with the construction, reconstruction, or modernization by residents of facilities located outside the territory of Russia – for the period of the construction, reconstruction, or modernization, on the conclusion of which any remaining funds must be transferred to residents' accounts opened with authorized banks; (3) when foreign currency earned from exhibitions and sports, cultural, and other similar events abroad is used to cover expenses of such events, for the duration of the event; (4) when foreign currency is used to offset counterclaims for obligations between (a) resident and nonresident entities that conduct fishing operations outside Russia and that provide services outside Russia to the residents under agency agreements with them; (b) resident and nonresident transportation entities performing services abroad for the residents under agreements with them; or (c) resident and nonresident transportation entities if the settlements between them are made through specialized settlement entities established by international organizations in the area of international transportation and of which such resident transportation entities are members; (d) in the event that settlements between resident and nonresident transportation entities are performed in accordance with rules adopted by international organizations in the area of international shipments, which establish the procedure for the performance of mutual settlements and the provision of related services; (5) when foreign currency is used to offset counterclaims for obligations resulting from reinsurance agreements or service agreements connected with reinsurance agreements between nonresidents and resident insurance entities or insurance brokers; (6) when foreign currency proceeds are credited to the accounts of resident transportation entities with banks abroad to pay for their expenses abroad in connection with the payment of aerial navigation, airport and port fees, and other mandatory fees in foreign countries; expenses associated with the servicing of aircraft, river and marine vessels, and other means of transport of such transportation entities and their passengers abroad; and expenses in connection with the activities of branches, representative offices, and other offices located abroad; (7) when there is offsetting of counterclaims on obligations arising from agreements concluded between residents engaged in exports of natural gas in the gaseous state and nonresidents that provide for the purchase and sale of natural gas in the gaseous state, and agreements under which nonresidents have obligations to residents in connection with the transit of natural gas

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in the gaseous state across the territory of foreign states; (8) when counterclaims on obligations arising from agreements on the provision of international telecommunications services, including international roaming services, are offset between a nonresident and a resident that are international telecommunications operators, including situations in which settlements between them are performed through specialized settlement organizations registered within member states of the International Telecommunication Union; and (9) when foreign currency or currency of Russia is credited to accounts opened at banks located outside the territory of Russia by Russian public higher education institutions and their branches located outside the territory of Russia, under education contracts with nonresident individuals that provide for the delivery of educational services outside the territory of Russia; (10) in the event of the posting of funds to their own accounts at authorized banks in the form of insurance payments from resident insurance companies under insurance contracts to cover the risk of default by a nonresident on obligations under foreign trade export contracts; (11) in the event of the posting of funds to their own accounts at authorized banks under a bank guarantee issued to nonresidents in favor of residents to secure fulfillment of a nonresident's obligations under a foreign trade contract.

The foreign currency credited in accordance with Items (1) and (3) to the accounts of residents or third parties with banks abroad must be used to meet the residents' obligations as specified under said items or transferred to accounts with authorized banks.

In connection with the easing of liability measures with respect to participants in foreign economic activity for violation of the repatriation requirement, which reduces the number of grounds on which residents may face administrative liability, residents may credit to foreign accounts funds from nonresidents that are subject to repatriation to an account with an authorized bank on the condition that these funds are subsequently transferred within 45 days to an account at an authorized bank.

Residents fulfill the repatriation requirement if they have arranged for (1) receipt in their bank account of payment under a contract insuring against a nonresident's failure to fulfill obligations under a foreign trade contract as specified in Federal Law No. 164-FZ of December 8, 2003, on the Principles of Government Regulation of Foreign Trade Activity for activities related to insuring export loans and investments against business and/or political risks, provided the ratio in the insurance contract between the insurance amount and the insured value (level of indemnification) equals or exceeds the value established by law; (2) receipt in their bank accounts opened at authorized banks and/or bank accounts that have been opened at authorized banks by a resident who is the beneficiary, of foreign currency or Russian currency under a transaction ensuring the fulfillment of a nonresident's obligations under a foreign trade agreement (contract) and provided for by the procedure established by the Russian government in accordance with Federal Law No. 164-FZ of December 8, 2003, on the Principles of Government Regulation of Foreign Trade Activity for the performance of activities related to insuring and securing export credits and investments against business and/or political risks, on the condition that the monetary amount received is equal to or greater than the value established by said procedure, in line with the procedure and deadlines provided for by the relevant transaction.

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A resident who is a recipient of funds in accordance with the terms of a transferable letter of credit, when performing settlements under a foreign trade agreement (contract) concluded with a nonresident for goods transferred to the nonresident, work performed for him, services provided to him, information and intellectual property transferred to him, including exclusive rights thereto, is considered to have fulfilled the repatriation requirement if he has ensured, within the deadlines specified by the given agreement (contract), in accordance with the terms of the transferable letter of credit from a bank located outside the territory of Russia or from the authorized bank to which the instruction was given to transfer the transferable letter of credit (the executing bank), the receipt of foreign currency and/or Russian currency in his bank accounts at authorized banks and/or in bank accounts at authorized banks of the second resident recipient of funds (or second resident recipients of funds) to whom the execution of the transferable letter of credit is to be performed in accordance with the terms of the agreement concluded between the resident recipient of the funds and the second recipient(s) of the funds.

Foreign exchange operations related to settlements in foreign currency within the framework of financing agreements concluded between residents against the assignment of a monetary claim (factoring), under which monetary claims in foreign currency or the currency of Russia owed to residents by nonresidents on foreign trade contracts are assigned to residents who are financial agents (factors), are performed without restriction. For the purpose of ensuring compliance with the obligation on the part of residents to repatriate funds when performing foreign trade activity, a resident who has entered into a foreign trade contract with a nonresident and who has assigned the monetary claim under the contract to a resident factor, is required to ensure that funds are received from the nonresident according to the general rule – within the time period specified by the foreign trade contract. Monitoring of residents' compliance with the repatriation requirement is carried out within the framework of monitoring in accordance with BR Instruction No. 181-I of August 16, 2017, on the Procedure for the Submission of Supporting Documents and Information by Residents and Nonresidents to Authorized Banks in the Performance of Foreign Exchange Operations, on Standard Accounting and Reporting Forms for Foreign Exchange Operations, and the Procedure and Deadlines for their Submission.

Effective July 9, 2022, resident exporters are exempt from the requirement to repatriate foreign currency. The full amount of foreign currency earnings under export contracts may be put in accounts abroad without the obligation to subsequently transfer them to a Russian bank account.
Effective August 8, 2022, the requirement to repatriate foreign currency and the currency of Russia when carrying out foreign trade activities and (or) when providing and repaying loans by Russian legal entities and individual entrepreneurs is not applied (parts 1 and 2 of Article 19 of Federal Law No. 173-FZ were suspended).

Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

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Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Effective March 23, 2022, the BR set a moratorium until January 1, 2023, on the delisting of shares of foreign issuers, as well as depository receipts certifying the rights in respect of such shares admitted to organized trading by the decision of the Russian exchange pursuant to Clause 4 of Article 51.1 of Federal Law No. 39 -FZ, of April 22, 1996, in the event of the delisting of these securities on a foreign exchange.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	The Federal Law on Foreign Exchange Regulation and Foreign Exchange Control does not restrict the purchase of shares or other equity-based securities by nonresidents (either from nonresidents or from residents). Special restrictions are in place for the banking and insurance sectors. There is 50% quota for the participation of foreign capital in the Russian banking system (Federal Law No. 395-1 of December 2, 1990, “On Banks and Banking Activities”). The quota for the participation of foreign capital in the authorized capital of insurance companies is set at 50% (Article 6 of Russian Federation Law No. 4015-1 of November 27, 1992, on the Organization of the Insurance Business in the Russian Federation). The level of participation of foreign capital in the authorized capital of credit institutions licensed to perform banking operations is calculated as the ratio of foreign investments of nonresidents in the authorized capital of credit institutions licensed to perform banking operations to the total authorized capital of said credit institutions. The calculation of foreign investments in the authorized capital of credit institutions licensed to perform banking operations does not include foreign investments: (1) made in the authorized capital of credit institutions licensed to perform banking operations and financed by the profits earned by said credit institutions in Russia or repatriated to Russia from abroad; (2) made by credit institutions licensed to perform banking operations that are subsidiaries of foreign banks in the authorized capital of credit institutions licensed to perform banking operations, and all subsequent investments by said institutions in the authorized capital of credit institutions licensed to perform banking operations; (3) made before January 1, 2007, in the authorized capital of credit institutions licensed to perform banking operations; (4) made in the authorized capital of credit institutions licensed to perform banking operations that were privatized after August 22, 2012; (5) representing 51% or more of the shares (equity stakes) in the

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authorized capital of a credit institution licensed to perform banking operations and made after January 1, 2007, provided these shares (equity stakes) have been owned by the investor for 12 years or more, unless the BR has made a decision on expiration of said period to continue including said investments in the calculation and has published this decision. The procedure for the adoption of said decision by the BR and for its publication is established by the BR.

The amount of participation of foreign capital in the authorized capital of credit institutions licensed to perform banking operations is calculated by the BR following the procedure it has established as of January 1 of each year. Information about the amount of participation of foreign capital in the total authorized capital of credit institutions licensed to perform banking operations and the indicators used to calculate it are published in the Bulletin of the BR, the official publication of the BR, and they are also posted on the official website of the BR no later than February 15 of the current year.

For the purposes of said federal law, a quota is understood to mean the maximum level of participation of foreign capital in the total authorized capital of credit institutions licensed to perform banking operations, which is set at 50%.

When a quota is reached, the BR takes the following steps with respect to foreign investments:
(1) it refuses to register the credit institution with foreign investments and to issue it a license to perform banking operations;
(2) it prohibits any increase in the authorized capital of the credit institution with foreign investments at the expense of nonresidents' funds and the transfer of shares (equity stakes) in the credit institution to nonresidents if the quota will be exceeded as a result of these actions.

Shares (equity stakes) of a credit institution that are transferred (sold) in violation of such a prohibition are not voting shares and are not taken into consideration when determining a quorum at a general meeting of the credit institution's shareholders (stakeholders) during the period that the prohibition is in effect. In the event of the performance of a transaction (or transactions) to transfer (purchase) shares (equity stakes) in a credit institution in violation of said prohibition, the BR files suit to declare the relevant transaction(s) null and void.

The measures provided for under Article 18, part 6, of the Federal Law on Banks and Banking do not apply to foreign investments referred to under paragraphs 1 and 2 of part 2 of said article. The measures provided for under paragraph 2 of part 6 of said article do not apply to foreign investments intended for the authorized capital of credit institutions licensed to perform banking operations as defined in accordance with regulatory acts of the BR on the basis of international agreements of Russia.

The BR terminates the application of measures provided for under part 6 of said article in the event that the level of participation of foreign capital in the total authorized capital of credit institutions licensed to perform banking operations is less than 50%.

The BR is required to publish information about the application of measures provided for under part 6 of said article, the reasons for the application of such measures, and termination of the application of

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such measures in the Bulletin of the BR, the official publication of the BR, and also to post it on the official website of the BR.

The procedure for the application and termination of the application of measures provided for under part 6 of said article, and the procedure for the disclosure of information about the application, the reasons for the application, and termination of the application of these measures are established by regulatory acts of the BR.

Unless otherwise provided for by international agreements of Russia, the BR has the right, in consultation with the Russian government, to establish restrictions on credit institutions with foreign investments with regard to the performance of banking operations, if restrictions are applied to banks with Russian investments and branches of Russian banks in the respective foreign states with regard to their creation and activities.

The BR has the right, following the procedure established in the Federal Law on the Central Bank of the Russian Federation, to establish additional requirements for credit institutions with foreign investments in terms of their reporting procedures, approval of management personnel, and the list of banking operations performed.

The quota for the participation of foreign capital in the authorized capital of insurance companies is calculated by the BR as of January 1 following the procedure established by BR Directive No. 5878-U of August 5, 2021.
Insurance companies must obtain prior authorization of the BR for:
(1) an increase in the size of their authorized capital at the expense of funds from foreign investors;
(2) a transfer of their shares (equity stakes in their authorized capital) to foreign investors (including their sale to foreign investors).
Russian shareholders (partners) must obtain prior approval of the insurance supervisory authority for the transfer of shares (equity stakes in the authorized capital) of an insurance company held by them to foreign investors.

If the quota for the participation of foreign capital in the authorized capital of insurance companies exceeds 50%, the insurance supervisory authority will deny prior authorization (Article 6, Paragraph 3.1, Subparagraph 5 of the Law of the Russian Federation No. 4015-1 of November 27, 1992, on the Organization of the Insurance Business in the Russian Federation).

An insurance company that is a subsidiary of a foreign investor (a parent company) or in which the equity stake held by foreign investors in the authorized capital is more than 49%, which has obtained a license to perform insurance activities after August 22, 2012, has the right to perform insurance activities in Russia if the foreign investor (parent company) has been an insurance company doing business in accordance with the legislation of the relevant state for at least five years (Article 6 of Russian Federation Law No. 4015-1 of November 27, 1992, on the Organization of the Insurance Business in the Russian Federation).

Federal Law No. 343-FZ of July 2, 2021, defines conditions for the separate capitalization (a guarantee deposit) of a branch of a foreign insurance company.

Transactions between nonresidents with domestic securities in

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Russia are performed under requirements set out in the antimonopoly law, the securities market law, and the Federal Law of November 21, 2011, No. 325-FZ, on organized trading.

Transactions resulting in control by a foreign investor or group of persons over business entities that are of strategic significance (that is, defense and state security) are subject to approval by the federal executive body authorized to carry out control functions over foreign investments in Russia.

Securities market law does not provide for special types of control of transactions between nonresidents involving domestic securities.

Prior or subsequent consent (approval) by the BR is required in the event of the acquisition by a legal entity or individual or group of individuals, defined in accordance with Article 9 of Federal Law No. 135-FZ of July 26, 2006, on the Protection of Competition, through the performance of one or several transactions, including those in the secondary market, of more than 10% of the shares (equity stakes) (including those acquired previously) in a credit institution, private pension fund, insurance company, investment fund management company, mutual investment fund or private pension fund, or microfinance company.

Prior or subsequent consent (approval) by the BR is also required when a legal entity or individual (or group of individuals) establishes direct or indirect (through third parties) control (including acquisition in the secondary market) over shareholders (stakeholders) of a credit institution (private pension fund, insurance company, investment fund management company, mutual investment fund or private pension fund, or microfinance company) that hold more than 10% of the shares (equity stakes) in said organization (and also with respect to a person acquiring more than 10% of the shares (equity stakes) in a credit organization).

Effective February 28, 2022, the BR issued a temporary ban for brokerage companies to satisfy requests by foreign investors for the sale of securities. Furthermore, the payment of dividends to nonresidents was banned.

Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force.

Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to (1) transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles, and (2) transactions that give rise to ownership of additional shares of Russian legal entities by foreigners related to unfriendly states, provided such foreign entities do not acquire the right to directly or indirectly dispose of more than 25% of the shares of a Russian legal entity.

Effective August 5, 2022, a ban was imposed until December 31, 2022, on transactions that directly and/or indirectly entail the establishment, change, termination or encumbrance of the rights of possession, and use and/or disposal of shares of Russian legal entities if these securities are owned by foreigners related to unfriendly

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		states.
Sale or issue locally by nonresidents	Yes.	Under the foreign exchange law, there are no restrictions on the sale or issuance of shares or other equity securities by nonresidents. Specific aspects of the placement and trading of securities of foreign issuers in Russia are governed by the law on the securities market (specifically Article 51.1 of Federal Law No. 39-FZ of April 22, 1996, on the Securities Market), according to which: (1) Foreign financial instruments may be traded in Russia as securities of foreign issuers, provided the following conditions are met simultaneously: (a) the foreign financial instruments are assigned an international securities identification code (number) and an international financial instrument classification code and (b) the foreign financial instruments are classified as securities following the procedure established by the BR. (2) Securities of foreign issuers that meet the requirements of Paragraph 1 may be placed and/or publicly traded in Russia if the issuers are: (a) foreign entities established in countries that are OECD members, members or observers of the FATF, and/or members of the Committee of Experts on the Evaluation of Anti-Money-Laundering Measures and the Financing of Terrorism of the Council of Europe (MONEYVAL), and/or members of the Common Economic Space; (b) foreign entities established in countries that have the relevant agencies (relevant organizations) with which the federal executive agency responsible for the securities market has a cooperation agreement; (c) international financial institutions included in a list approved by the Russian government; (d) the foreign governments indicated in Points (a) and (b) and those countries' autonomous CBs and administrative–territorial units; and (e) foreign organizations whose securities are listed on a foreign stock exchange that meets the criteria established by the BR in accordance with paragraph 4, Article 51.1. (3) Foreign issuers' securities may be placed in Russia by a decision of the BR, provided the prospectus for these securities is registered by the BR. (4) Foreign issuers' securities that meet the requirements of paragraphs 1 and 2 of Article 51.1 may be traded publicly in Russia based on a decision by a Russian exchange allowing for their organized trading. Such a decision may be made by a Russian exchange if the securities, other than securities of international financial institutions, are listed on a foreign exchange that meets the criteria established by the BR and no restrictions on the securities have been established by Russian law or international law. (5) International financial institutions' securities may be publicly placed and/or traded in Russia, provided the conditions for the trading of these securities do not contain any restrictions regarding their trading among an unrestricted group of persons and/or the offering of the securities to an unrestricted group of persons. Effective February 28, 2022, the BR issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities. Furthermore, the payment of coupons to nonresidents was banned. Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force. Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to (1)

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transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles, and (2) transactions that give rise to ownership of additional shares of Russian legal entities by foreigners related to unfriendly states, provided such foreign entities do not acquire the right to directly or indirectly dispose of more than 25% of the shares of a Russian legal entity.

Effective August 5, 2022, a ban was imposed until December 31, 2022, on transactions that directly and/or indirectly entail the establishment, change, termination or encumbrance of the rights of possession, and use and/or disposal of shares of Russian legal entities if these securities are owned by foreigners related to unfriendly states.

Purchase abroad by residents — Yes. The foreign exchange legislation does not prohibit the purchase abroad of shares or other equity securities by residents.

There are certain restrictions: (1) the share of securities of foreign issuers and Russian depositary receipts in the composition of the aggregated investment portfolio consisting of funds intended for housing for military personnel may not exceed 30% (Federal Law No. 117-FZ of August 20, 2004, on the Mortgage Savings System to Provide Housing for Military Personnel); (2) nonstate pension funds that carry out compulsory pension insurance (a) may have assets in foreign currency in their portfolios in an amount not exceeding 30% of the value of the investment portfolio and (b) may have securities of international financial organizations, as well as units (stocks, shares) of foreign index investment funds (including securities receivables and/or securities to be transferred during the second part of the repo transaction) if the share of such instruments does not exceed 20% of the value of the investment portfolio (BR Regulation No. 580-P of March 1, 2017); and (3) the total share of bonds of foreign governments, securities of international financial organizations, shares and bonds of foreign issuers, and units (shares) of foreign investment funds in pension reserves cannot exceed 30% (BR Directive No. 5343-U of December 5, 2019).

BR Regulation No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers became effective January 1, 2023. In addition to insurance risks assumed by an insurer (the regulatory solvency margin), Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets.

According to Paragraph 2.2. of Regulation No. 781-P, target assets for investment in the case of the equity of an insurance company and insurance reserve funds of insurers must meet the following requirements:
2.2.1. The issuers of the securities must be created in accordance with the legislation of Russia or foreign states that are members of

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the EAEU, the OECD, or the European Union, or China, India, Brazil, or South Africa;
2.2.2. The items, other than certificated bonds and shares, must be located (physically held) within Russia.

Regulation No. 781-P does not impose any other restrictions on the purchase of the overseas assets by insurance organizations. As long as the insurer complies with the regulatory capital to incurred liabilities ratio, it is entitled to invest in any assets.

Effective January 1, 2023, in line with the decision by the Board of Directors of the BR, the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer's assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers' share in reserves) are recognized as equal to zero in determining the value of assets of the insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.

There are two types of banks: those with a basic license and those with a universal license.

Article 24 of the Federal Law on Banks and Banking states that banks with a basic license have the right to perform operations and transactions, including those involving acquisition, only with securities listed on the first (highest) list of a trading organizer in whose capital the BR holds a stake, and securities that meet the requirements of the BR established in Directive No. 4979-U. Taking into consideration the requirements for the listing of securities on the first (highest) list established by Regulation No. 534-P and the stock exchange, securities of foreign issuers as well as securities denominated in foreign currency may be included in the list.

This law does not impose restrictions on: (1) the composition of counterparties of banks with a basic license in transactions with such securities, including those based on the private law of counterparties (other than transactions in which banks with a basic license act as creditors, considering the prohibition on lending to foreign persons) and (2) the possibility of the performance of transactions by banks with a basic license with such securities outside of the relevant stock exchange.
Compliance with the established requirements is evaluated by the BR within the context of banking supervision.

Banks with a universal banking license may have subsidiaries within the territory of a foreign state with the permission of the BR and in accordance with its requirements. There is no provision granting banks with a basic license the right to open a branch and/or subsidiary within the territory of a foreign state. General licenses to perform banking operations issued before June 1, 2017, remain in effect until they are replaced following the established procedure.

The BR does not issue permits to establish a subsidiary in states (territories) that are classified according to the procedure defined by

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		Russian law as states (territories) that do not participate in international cooperation in combating money laundering and the financing of terrorism. Effective March 18, 2022, and until May 31, 2022, residents were prohibited from carrying out the following transactions without obtaining permits from the BR: (1) payment for a stake, contribution, unit in the property (authorized or share capital, share fund of a cooperative) of a nonresident legal entity; and (2) contribution to a nonresident under a simple partnership agreement with investment in the form of capital investments (joint activity agreement). Effective April 1, 2022, approval is not required if payment is made to a company from a friendly state and the payment is made in the currency of the friendly state or in rubles in an amount not to exceed 10 million rubles or an equivalent amount in foreign currency. Effective June 1, 2022, the BR granted all residents the right to pay in the currency of friendly states and rubles for stakes, contributions and units in the property of nonresidents, as well as to make a contribution to nonresidents under a simple partnership agreement without prior obtaining individual permits from the BR regardless of the amount. If the payment is made in the currency of unfriendly states, the sum is limited to an equivalent of 15 million rubles.
Sale or issue abroad by residents	Yes.	The foreign exchange law does not prohibit the sale or issuance abroad of shares or other equity securities by residents. Under the law on the securities market, the placement and trading of securities of Russian issuers abroad require authorization by the BR.
Bonds or other debt securities	Yes.	Rules similar to the rules governing transactions with shares or other equity securities apply.
Purchase locally by nonresidents	Yes.	There are no restrictions on purchases of bonds or other debt securities by nonresidents from nonresidents or residents. Transactions between nonresidents with domestic securities must adhere to the requirements of the antimonopoly law and the securities market law. Effective February 28, 2022, the BR issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities. Furthermore, the payment of coupons to nonresidents was banned. Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force. Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles. Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive

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		Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Sale or issue locally by nonresidents	Yes.	Under the foreign exchange law, there are no restrictions on the sale or issuance of bonds or other debt securities by nonresidents. Specific aspects of the placement and trading of securities of foreign issuers in Russia are governed by the law on the securities market (specifically Article 51.1 of Federal Law No. 39-FZ of April 22, 1996, on the Securities Market). Effective February 28, 2022, the BR issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities. Furthermore, the payment of coupons to nonresidents was banned. Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force. Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
Purchase abroad by residents	Yes.	The foreign exchange law of Russia does not prohibit purchases of bonds or other debt securities by residents abroad. Federal Law No. 39-FZ of April 22, 1996, on the Securities Market does not impose requirements or restrictions on the acquisition by residents of securities abroad. When transferring securities, which were acquired abroad and are intended for qualified investors under the legislation on the Russian securities market, into Russia for registration, the holder of such securities must have the status of a qualified investor (pursuant to Article 51.1, paragraph 14, of Federal Law No. 39-FZ of April 22, 1996, on the Securities Market, if the securities of foreign issuers have not be admitted for public placement and/or public circulation in Russia in accordance with this article, then the requirements and restrictions established by this Federal Law for the circulation of securities intended for qualified investors apply to the circulation of such securities. Pursuant to Article 27.6, paragraph 3, of Law No. 39-FZ, the acquisition and conveyance of securities intended for qualified investors, as well as the provision (acceptance)

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of said securities as collateral to ensure the fulfillment of obligations, may be performed only through brokers. This rule does not apply to investors who are qualified by virtue of federal law when they perform said transactions, or to cases in which a person has acquired said securities as a result of universal legal succession, conversion, including reorganization, distribution of the property of a legal entity being liquidated, as well as other cases established by the BR. Pursuant to Article 3, paragraph 5, of Law No. 39-FZ, a broker has the right to acquire securities intended for qualified investors and to enter into derivatives contracts intended for qualified investors, only if the client on whose behalf the transaction is being performed (the contract is being concluded) is a qualified investor in accordance with Article 51.2, paragraph 2, of this Federal Law or is recognized by the broker as a qualified investor in accordance with this Federal Law).

Article 24 of the Federal Law on Banks and Banking states that banks with a basic license have the right to perform operations and transactions, including those involving acquisition, only with securities listed on the first (highest) list of a trading organizer in whose capital the BR holds a stake, and securities that meet the requirements of the BR established in Directive No. 4979-U. Taking into consideration the requirements for the listing of securities on the first (highest) list established by Regulation No. 534-P and the stock exchange, securities of foreign issuers as well as securities denominated in foreign currency may be included in the list.

This law does not impose restrictions on: (1) the composition of counterparties of banks with a basic license in transactions with such securities, including those based on the private law of counterparties (other than transactions in which banks with a basic license act as creditors, considering the prohibition on lending to foreign persons) and (2) the possibility of the performance of transactions by banks with a basic license with such securities outside of the relevant stock exchange.

Compliance with the established requirements is evaluated by the BR within the context of banking supervision.

BR Regulation No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers became effective January 1, 2023. In addition to insurance risks assumed by an insurer (the regulatory solvency margin), Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets.

According to Paragraph 2.2. of Regulation No. 781-P, target assets for investment in the case of the equity of an insurance company and insurance reserve funds of insurers must meet the following requirements:
2.2.1. The issuers of the securities must be created in accordance with the legislation of Russia or foreign states that are members of the EAEU, the OECD, or the European Union, or China, India, Brazil, or South Africa;

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		2.2.2. The items, other than certificated bonds and shares, must be located (physically held) within Russia. Regulation No. 781-P does not impose any other restrictions on the purchase of the overseas assets by insurance organizations. As long as the insurer complies with the regulatory capital to incurred liabilities ratio, it is entitled to invest in any assets. Effective January 1, 2023, in line with the decision by the Board of Directors of the BR, the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer's assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers' share in reserves) are recognized as equal to zero in determining the value of assets of the insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.
Sale or issue abroad by residents	Yes.	The foreign exchange law of Russia does not prohibit the purchase or issuance of bonds or other debt securities by residents outside of Russia. According to Article 16 of Federal Law No. 39-FZ of April 22, 1996, on the Securities Market, organization of the circulation of issue-grade securities of a Russian issuer outside Russia, including circulation through the placement of securities of foreign issuers certifying rights with respect to issue-grade securities of Russian issuers in accordance with foreign law, requires authorization by the BR. Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Under the Russian foreign exchange law, there are no restrictions on purchases of money market instruments by nonresidents (from nonresidents or residents). Transactions between nonresidents with domestic securities in Russia are performed under requirements set out in the antimonopoly law and the securities market law. Pursuant to Article 27.5-1, paragraph 3, of Federal Law No. 39-FZ of April 22, 1996, on the Securities Market, the placement and

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		circulation of BR bonds are performed only among Russian credit institutions. Effective February 28, 2022, the BR issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities. The money market instruments that fall under the definition of securities are covered by Decree No. 81. Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force. Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles. Those money market instruments that are classified as credit, loans or other financial instruments, fall under the restrictions set by Presidential Decree No. 95. Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Sale or issue locally by nonresidents	Yes.	Under the foreign exchange law, there are no restrictions on the sale or issuance of bonds or other debt securities by nonresidents. Specific aspects of the placement and trading of securities of foreign issuers in Russia are governed by the law on the securities market (specifically Article 51.1 of Federal Law No. 39-FZ of April 22, 1996, on the Securities Market). Effective February 28, 2022, the BR issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities. Furthermore, the payment of coupons to nonresidents was banned.

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		The money market instruments that fall under the definition of securities are covered by Decree No. 81. Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force. Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
Purchase abroad by residents	Yes.	There are no prohibitions in the foreign exchange legislation against the purchase of money market instruments by residents outside of Russia. There are two types of banks: those with a basic license and those with a universal license. Article 24 of the Federal Law on Banks and Banking states that banks with a basic license have the right to perform operations and transactions, including those involving acquisition, only with securities listed on the first (highest) list of a trading organizer in whose capital the BR holds a stake, and securities that meet the requirements of the BR established in Directive No. 4979-U. Taking into consideration the requirements for the listing of securities on the first (highest) list established by Regulation No. 534-P and the stock exchange, securities of foreign issuers as well as securities denominated in foreign currency may be included in the list. This law does not impose restrictions on: (1) the composition of counterparties of banks with a basic license in transactions with such securities, including those based on the private law of counterparties (other than transactions in which banks with a basic license act as creditors, considering the prohibition on lending to foreign persons) and (2) the possibility of the performance of transactions by banks with a basic license with such securities outside of the relevant stock exchange. Compliance with the established requirements is evaluated by the BR within the context of banking supervision. Banks with a universal banking license may have subsidiaries within the territory of a foreign state with the permission of the BR and in accordance with its requirements. There is no provision granting banks with a basic license the right to open a branch and/or subsidiary within the territory of a foreign state. Universal licenses to perform banking operations issued before June 1, 2017, remain in effect until they are replaced following the established procedure. The BR does not issue permits to establish a subsidiary in states (territories) that are classified according to the procedure defined by Russian law as states (territories) that do not participate in international cooperation in combating money laundering and the financing of terrorism.

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		BR Regulation No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers became effective January 1, 2023. In addition to insurance risks assumed by an insurer (the regulatory solvency margin), Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets. According to Paragraph 2.2. of Regulation No. 781-P, target assets for investment in the case of the equity of an insurance company and insurance reserve funds of insurers must meet the following requirements: 2.2.1. The issuers of the securities must be created in accordance with the legislation of Russia or foreign states that are members of the EAEU, the OECD, or the European Union, or China, India, Brazil, or South Africa; 2.2.2. The items, other than certificated bonds and shares, must be located (physically held) within Russia. Regulation No. 781-P does not impose any other restrictions on the purchase of the overseas assets by insurance organizations. As long as the insurer complies with the regulatory capital to incurred liabilities ratio, it is entitled to invest in any assets. Effective January 1, 2023, in line with the decision by the Board of Directors of the BR, the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer's assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers' share in reserves) are recognized as equal to zero in determining the value of assets of the insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.
Sale or issue abroad by residents	Yes.	The foreign exchange law of Russia does not prohibit the sale or issuance of money market instruments by residents outside of Russia. According to Article 16 of Federal Law No. 39-FZ of April 22, 1996, on the Securities Market, organization of the circulation of issue-grade securities of a Russian issuer outside Russia, including circulation through the placement of securities of foreign issuers certifying rights with respect to issue-grade securities of Russian issuers in accordance with foreign law, requires authorization by the BR. Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on

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		Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
On collective investment securities	Yes.	Rules similar to the rules governing transactions with shares or other equity securities apply.
Purchase locally by nonresidents	Yes.	Under the foreign exchange law, there are no restrictions on purchases of collective investment securities by nonresidents from nonresidents or residents. Transactions between nonresidents with domestic securities in Russia are performed under the requirements in the antimonopoly law and the securities market law. The acquisition of more than 10% of the shares in private pension funds or more than 10% of the shares (equity stakes) in investment fund, mutual fund, and private pension fund management companies requires the prior consent (subsequent approval) of the BR. Effective February 28, 2022, the BR issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities. Furthermore, the payment of coupons to nonresidents was banned. The money market instruments that fall under the definition of securities are covered by Decree No. 81. Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force. Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles. Those money market instruments that are classified as credit, loans or other financial instruments, fall under the restrictions set by Presidential Decree No. 95. Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of

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		the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Sale or issue locally by nonresidents	Yes.	Under the foreign exchange law, there are no restrictions on the sale or issuance of collective investment securities by nonresidents. Specific aspects of the placement and trading of securities of foreign issuers in Russia are governed by the law on the securities market (specifically Article 51.1 of Federal Law No. 39-FZ of April 22, 1996, on the Securities Market). Effective February 28, 2022, the BR issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities. Furthermore, the payment of coupons to nonresidents was banned. The money market instruments that fall under the definition of securities are covered by Decree No. 81. Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force. Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
Purchase abroad by residents	Yes.	There are no prohibitions in the foreign exchange legislation against the purchase of collective investment securities by residents outside of Russia. Article 24 of the Federal Law on Banks and Banking states that banks with a basic license have the right to perform operations and transactions, including those involving acquisition, only with securities listed on the first (highest) list of a trading organizer in whose capital the BR holds a stake, and securities that meet the requirements of the BR established in Directive No. 4979-U. Taking into consideration the requirements for the listing of securities on the first (highest) list established by Regulation No. 534-P and the stock exchange, securities of foreign issuers as well as securities denominated in foreign currency may be included in the list. This law does not impose restrictions on: (1) the composition of counterparties of banks with a basic license in transactions with such securities, including those based on the private law of counterparties (other than transactions in which banks with a basic license act as

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creditors, considering the prohibition on lending to foreign persons) and (2) the possibility of the performance of transactions by banks with a basic license with such securities outside of the relevant stock exchange.

Compliance with the established requirements is evaluated by the BR within the context of banking supervision.

Effective March 18, 2022, and until May 31, 2022, residents were prohibited from carrying out the following transactions without obtaining permits from the BR: (1) payment for a stake, contribution, unit in the property (authorized or share capital, share fund of a cooperative) of a nonresident legal entity; and (2) contribution to a nonresident under a simple partnership agreement with investment in the form of capital investments (joint activity agreement).
Effective June 1, 2022, the BR granted all residents the right to pay in the currency of friendly states and rubles for stakes, contributions and units in the property of nonresidents, as well as to make a contribution to nonresidents under a simple partnership agreement without prior obtaining individual permits from the BR regardless of the amount. If the payment is made in the currency of unfriendly states, the sum is limited to an equivalent of 15 million rubles.

BR Regulation No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers became effective January 1, 2023. In addition to insurance risks assumed by an insurer (the regulatory solvency margin), Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets.

According to Paragraph 2.2. of Regulation No. 781-P, target assets for investment in the case of the equity of an insurance company and insurance reserve funds of insurers must meet the following requirements:
2.2.1. The issuers of the securities must be created in accordance with the legislation of Russia or foreign states that are members of the EAEU, the OECD, or the European Union, or China, India, Brazil, or South Africa;
2.2.2. The items, other than certificated bonds and shares, must be located (physically held) within Russia.

Regulation No. 781-P does not impose any other restrictions on the purchase of the overseas assets by insurance organizations. As long as the insurer complies with the regulatory capital to incurred liabilities ratio, it is entitled to invest in any assets.

Effective January 1, 2023, in line with the decision by the Board of Directors of the BR, the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer’s assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers’ share in reserves) are recognized as equal to zero in determining the value of assets of the

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		insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.
Sale or issue abroad by residents	Yes.	The foreign exchange law of Russia does not prohibit the sale or issuance of collective investment securities outside Russia. Placement and trading of securities of Russian issuers outside of Russia require authorization by the BR. Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Effective March 5, 2022, temporary measures established by Presidential Decree No. 95 apply to derivative financial instruments: liabilities in the amount exceeding RUB 10 million in a calendar month may be executed by transferring funds to a C-type account in rubles in an amount equivalent to the value of liabilities in foreign currency.
Sale or issue locally by nonresidents	Yes.	Effective March 5, 2022, temporary measures established by Presidential Decree No. 95 apply to derivative financial instruments: liabilities in the amount exceeding RUB 10 million in a calendar month may be executed by transferring funds to a C-type account in rubles in an amount equivalent to the value of liabilities in foreign currency.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Effective March 1, 2022, transactions for the provision of loans in foreign currency to any nonresident, as well as for the provision of credits (in foreign currency and rubles) and loans (in rubles) to nonresidents from unfriendly countries may be performed only based on a permit granted by the Government Commission on Monitoring Foreign Investment.

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To residents from nonresidents	Yes.	Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Financial credits	Yes.	
By residents to nonresidents	Yes.	There are two types of banks: those with a basic license and those with a universal license. A bank with a basic license may not place funds attracted for deposit with foreign legal entities, foreign organizations that are not legal entities under foreign law, or individuals who are subject to the private law of a foreign state. Such restrictions do not apply to banks with a universal license. Compliance with the established requirements is evaluated by the BR within the context of banking supervision. Effective March 1, 2022, transactions for the provision of loans in foreign currency to any nonresident, as well as for the provision of credits (in foreign currency and rubles) and loans (in rubles) to nonresidents from unfriendly countries may be performed only based on a permit granted by the Government Commission on Monitoring Foreign Investment.
To residents from nonresidents	Yes.	Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure to execute liabilities to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is executed in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	There are two types of banks: those with a basic license and those with a universal license. A bank with a basic license may not issue

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		bank guarantees (the issuing of bank guarantees is not a banking operation, but it is considered a bank transaction on the basis of Article 5(3) (8) of the Federal Law on Banks and Banking) to foreign legal entities, foreign organizations that are not legal entities under foreign law, or individuals who are subject to the private law of a foreign state; perform leasing operations with said persons; or issue sureties on behalf of said persons. Such restrictions do not apply to banks with a universal license. Compliance with the established requirements is evaluated by the BR within the context of banking supervision.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Direct investments by resident individuals and resident legal entities that are not credit institutions are permitted, provided the requirements of the foreign currency law of Russia are met (for example, those related to investments of pension funds). There are no restrictions on direct investment by resident credit institutions associated with their acquisition of stocks (equity stakes) of foreign entities except when approval from the BR must be obtained following the established procedure. Such approval must be obtained to establish a subsidiary in a foreign state, and also to acquire the status of a parent company with respect to an existing nonresident organization in which a credit institution would have the ability to determine decisions made by the given organization's management bodies by virtue of a dominant stake in the authorized capital, in accordance with an agreement that has been concluded, or in some other manner. There are two types of banks: those with a basic license and those with a universal license. Banks that have a universal license to perform banking operations and that meet the requirements of the BR may have subsidiaries (branches) abroad subject to authorization by the BR. There is no provision granting banks with a basic license the right to open a subsidiary within the territory of a foreign state. The BR does not issue authorization to establish subsidiaries in countries (in areas) that are included, in the manner specified by the laws of Russia, among those governments (areas) that do not participate in international cooperation in the area of combating money laundering and financing of terrorism. Approval from the BR is required for transactions involving the acquisition of shares issued by a Russian credit institution, the placement and/or trading of which outside Russia is carried out through their placement in accordance with the foreign securities law pertaining to foreign issuers and granting rights with regard to issued securities of Russian issuers. The threshold for participation (individually or as part of a group of individuals) in Russian credit institutions without BR approval is 10%. (This restriction also applies with respect to residents of Russia.) BR approval is also required when operations are performed that result in the establishment of control over shareholders (stakeholders) of a Russian credit institution who hold more than 10% of the shares (equity stakes) in the given credit institution. (This restriction also applies with respect to residents of Russia.)

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		In accordance with the Treaty between Russia and Belarus on the creation of the Union State, the BR has established through Regulation No. 217-P that transfers of funds in rubles and in foreign currency for participation in the authorized capital of Belarusian banks, as well as the acquisition (disposal) of shares issued by Belarusian banks and stakes in the authorized capital of Belarusian banks, are to be carried out by authorized banks in accordance with Russian legislation on banks and banking, subject to notification requirements. Authorized banks are required to notify the BR regarding participation in the authorized capital of Belarusian banks following the procedure established by regulatory acts of the BR. Effective March 18, 2022, and until May 31, 2022, residents were prohibited from carrying out the following transactions without obtaining permits from the BR: (1) payment for a stake, contribution, unit in the property (authorized or share capital, share fund of a cooperative) of a nonresident legal entity; and (2) contribution to a nonresident under a simple partnership agreement with investment in the form of capital investments (joint activity agreement). Effective April 1, 2022, approval is not required if payment is made to a company from a friendly state and the payment is made in the currency of the friendly state or in rubles in an amount not to exceed 10 million rubles or an equivalent amount in foreign currency. Effective June 1, 2022, the BR granted all residents the right to pay in the currency of friendly states and rubles for stakes, contributions and units in the property of nonresidents, as well as to make a contribution to nonresidents under a simple partnership agreement without prior obtaining individual permits from the BR regardless of the amount. If the payment is made in the currency of unfriendly states, the sum is limited to an equivalent of 15 million rubles.
Inward direct investment	Yes.	Direct investments are subject to certain limitations: (1) Requirements have been established for foreign investors and groups of persons that include a foreign investor, for their investment in the authorized capital of business entities that are of strategic significance in providing for the national defense and state security, and/or for the completion of transactions resulting in the establishment of control over such business entities. In this connection, transactions carried out by foreign governments or international organizations or organizations under their control that result in acquisition of the right directly or indirectly to control more than 25% of the total number of votes attached to voting shares (equity stakes) constituting the authorized capital of a Russian business entity, or some other ability to block decisions of such a business entity's governing authorities, are subject to approval in accordance with the procedures specified in Articles 9–12 of the Federal Law on the Procedure for Making Foreign Investments in Business Entities that are of Strategic Significance in Providing for the National Defense and State Security, except transactions in which the participants are international financial organizations established under international treaties to which Russia is a party or international financial organizations with which Russia has entered into international treaties. The list of those international financial organizations is approved by the Russian government (Resolution No. 119-R of the Russian Federation Government of February 3, 2012). (2) In accordance with Federal Law No. 372-FZ of December 14, 2015, on Amendments to Articles 16 and 18 of the Federal Law on Banks and Banking, adopted on the basis of Russia's commitments

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in connection with accession to the WTO, the level of participation of foreign capital in Russia's banking system is taken into account when considering whether the BR will issue a permit to establish a credit institution with foreign investments. Russian law does not provide for the possibility of opening branches of foreign credit institutions within the territory of Russia. In accordance with federal laws, the BR performs state accreditation of representative offices of foreign credit institutions, as well as accreditation of foreign nationals who will be working at the representative offices.

The level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations is calculated as the ratio of nonresidents' foreign investments in the authorized capital of credit institutions that are licensed to perform banking operations to the aggregate authorized capital of such credit institutions.
The procedure for calculating the level of participation of foreign capital is defined under Article 18 of the Federal Law on Banks and Banking and BR Directive No. 3948-U of January 28, 2016, on the Procedure for Calculating the Level of Participation of Foreign Capital in the Aggregate Authorized Capital of Credit Institutions Licensed to Perform Banking Operations.

The following foreign investments are not included in the calculation of foreign investments in the authorized capital of credit institutions licensed to perform banking operations (Article 18, part 2):
(1) investments made in the authorized capital from the earnings of the credit institutions received in Russia or repatriated to Russia from abroad;
(2) investments made in the authorized capital by subsidiary credit institutions of foreign banks licensed to perform banking operations, and all subsequent investments by said institutions in the authorized capital of credit institutions licensed to perform banking operations;
(3) investments made before January 1, 2007, in the authorized capital of credit institutions licensed to perform banking operations;
(4) investments made in the authorized capital of credit institutions licensed to perform banking operations, the privatization of which was performed after August 22, 2012;
(5) investments representing 51% or more of the shares (equity stakes) in the authorized capital of a credit institution licensed to perform banking operations, performed after January 1, 2007, on the condition that said shares (equity stakes) are held by an investor for 12 or more years, unless the BR has adopted a decision before the expiration of this time period to continue to include said investments in the calculation and has published this decision. The procedure for the adoption by the BR of such a decision and for its publication is established by the BR.

The maximum level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations is 50%.

When the quota is reached, the BR performs the following measures with respect to foreign investments (Article 18, part 6):
(1) it refuses to register a credit institution with foreign investments and to issue it a banking license;
(2) it imposes a ban on an increase in the authorized capital of a credit institution licensed to perform banking operations using nonresidents' funds and on the conveyance of shares (equity stakes) in the credit institution in favor of nonresidents if such actions mean

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that the quota will be exceeded. Shares (equity stakes) in a credit institution that have been conveyed (sold) in violation of such a ban are not voting shares and are not taken into account in determining a quorum at a general meeting of shareholders (stakeholders) of the credit institution for the period that such a ban is in effect. In the event that a transaction is performed to convey (acquire) shares (equity stakes) in a credit institution in violation of the ban, the BR files a petition requesting that the relevant transaction be declared null and void.

The measures provided for under the sixth part of Article 18 of the Federal Law on Banks and Banking are not applied with respect to foreign investments referred to under Items 1 and 2 of the second part of Article 18 of the Law on Banks and Banking.

The measures provided for under Item 2 of the sixth part of Article 18 of the Federal Law on Banks and Banking are not applied with respect to foreign investments intended for the authorized capital of credit institutions licensed to perform banking operations as defined in accordance with regulatory acts of the BR on the basis of international agreements of Russia.

The BR ceases to apply the measures provided for under the sixth part of Article 18 of the Federal Law on Banks and Banking in the event that the level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations is less than 50%.
The level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations is calculated by the BR following the procedure it establishes as of January 1 of each year.

Information about the level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations and about the indicators used for its calculation is subject to publication in the official publication of the BR, the Bulletin of the BR, and it is also posted on the official website of the BR no later than February 15 of the current year.

As of January 1, 2022, the level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations was 10.73%;

(3) Restrictions have been established on the use of mineral resources by foreign investors and by legal entities in which foreign investors hold a stake.

(4) Restrictions apply on certain types of activities of insurance companies that are subsidiaries of foreign investors or have a foreign ownership stake in their authorized capital of over 49%, other than insurance companies that were subsidiaries of foreign investors on the date Federal Law No. 234-FZ of July 23, 2013, went into effect, if they were previously authorized for such activity. As of January 1, 2023, the stake by foreign capital in the authorized capital of insurance companies with an insurance license was 9.58%. A quota of 50% was set on foreign capital in the authorized capital of insurance companies. If the level of (quota for) the participation of foreign capital in the authorized capital of insurance companies exceeds 50%, the insurance supervisory authority stops issuing insurance licenses to insurance companies that are subsidiaries of

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foreign investors (parent companies) or in which the equity stake held by foreign investors in the authorized capital is more than 49%. Insurance companies that are subsidiaries of foreign investors (parent companies), or in which the equity stake held by foreign investors in the authorized capital is more than 49%, may not provide personal life, health, or property insurance in Russia at the expense of funds allocated for these purposes from the budgets of the budget system of Russia to executive government authorities (insurance policy holders); insurance related to the procurement of goods, work, and services to meet state and municipal needs; or insurance for the property interests of government and municipal organizations. These restrictions do not apply to insurance companies that were subsidiaries of foreign investors on the date Federal Law No. 204-FZ of November 20, 1999, went into effect, if they were previously authorized for such activity. Payment by foreign investors for the shares (equity stakes in authorized capital) of insurance companies held by them is performed exclusively in monetary form in the currency of Russia.

Insurance companies must obtain authorization for the following: (1) an increase in their authorized capital from funds of foreign investors and (2) transfers of shares (equity stakes in authorized capital) to a foreign investor (including for sale to foreign investors). Russian shareholders (stakeholders) must obtain authorization to transfer their shares (equity stakes) to foreign investors.

The BR will deny prior authorization if the stake (quota) of foreign ownership in the authorized capital of insurance companies exceeds 50%.

Prior or subsequent consent (approval) from the BR is required in the event that a legal entity or individual, or a group of individuals defined in accordance with Article 9 of Federal Law No. 135-FZ of July 26, 2006, on the Protection of Competition, acquires more than 10% of the shares (equity stakes) in a credit institution, private pension fund, insurance company, investment fund management company, mutual investment fund or private pension fund, or microfinance company (including those previously acquired) when performing one or several transactions, including transactions in the secondary market.

Prior or subsequent consent (approval) from the BR is also required when a legal entity or individual (or group of individuals) establishes direct or indirect (through third parties) control (including acquisition in the secondary market) with respect to the shareholders (stakeholders) of a credit institution (private pension fund, insurance company, investment fund management company, mutual investment fund or private pension fund, or microfinance company) who hold more than 10% of the shares (equity stakes) of said institution.

Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force. Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to (1) transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an

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		unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles, and (2) transactions that give rise to ownership of additional shares of Russian legal entities by foreigners related to unfriendly states, provided such foreign entities do not acquire the right to directly or indirectly dispose of more than 25% of the shares of a Russian legal entity. Effective August 5, 2022, a ban was imposed until December 31, 2022, on transactions that directly and/or indirectly entail the establishment, change, termination or encumbrance of the rights of possession, and use and/or disposal of shares of Russian legal entities if these securities are owned by foreigners related to unfriendly states.
Controls on liquidation of direct investment	Yes.	Effective March 1, 2022, pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the BR on approval of the MOF. Effective May 4, 2022, the special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that give rise to ownership of additional shares of Russian legal entities by foreigners related to unfriendly states, provided such foreign entities do not acquire the right to directly or indirectly dispose of more than 25% of the shares of a Russian legal entity. Effective August 5, 2022, a ban was imposed until December 31, 2022, on transactions that directly and/or indirectly entail the establishment, change, termination or encumbrance of the rights of possession, and use and/or disposal of shares of Russian legal entities if these securities are owned by foreigners related to unfriendly states. Effective June 1, 2023, foreign exchange that residents may buy in the local market to pay to exiting foreign firms is set at US$ 1 billion a month. However, foreign firm exit from the Russian market is still very restricted and possible only under a special Government permit, requiring a sale at a half of market price and payment of one-off fee of 10% of the sale price.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Foreign citizens, foreign legal entities, persons without citizenship, and legal entities in whose authorized (share) capital the stake of foreign citizens, foreign legal entities, or persons without citizenship is over 50% may hold land parcels for agricultural use only under a leasing arrangement. Effective March 1, 2022, transactions entailing the emergence of ownership of real estate carried out with persons of unfriendly states may be performed based on a permit granted by the Government Commission for Monitoring Foreign Investment.
Sale locally by nonresidents	Yes.	Effective March 1, 2022, transactions entailing the emergence of ownership of real estate carried out with persons of unfriendly states may be performed based on a permit granted by the Government Commission for Monitoring Foreign Investment.
Controls on personal capital transactions	Yes.	
Loans	Yes.	

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By residents to nonresidents	Yes.	Effective March 1, 2022, transactions for the provision of loans in foreign currency to any nonresident, as well as for the provision of credits (in foreign currency and rubles) and loans (in rubles) to nonresidents from unfriendly countries may be performed only based on a permit granted by the Government Commission on Monitoring Foreign Investment.
To residents from nonresidents	Yes.	Effective March 5, 2022, pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles. Effective March 5, 2022, pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Effective June 22, 2022, pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	The receipt as a result of a gift (endowment) of more than 10% of the stocks (shares) of a Russian credit institution, insurance company, microfinance company, private pension fund, or investment fund, mutual fund, and private pension fund management company requires the consent of the BR. When more than 10% of the stocks (shares) of a Russian credit institution, insurance company, microfinance company, private pension fund, or investment fund, mutual fund, and private pension fund management company are received through inheritance, the consent of the BR is considered to have been obtained. The heir must confirm that his business reputation meets the requirements established by law. In addition, the heir must meet these requirements on an ongoing basis and in the established cases must confirm compliance with the requirements regarding his financial position on an annual basis. An insurance company is required to obtain authorization to transfer its shares (stakes in its authorized capital) to a foreign investor (including their sale to foreign investors). Russian shareholders (stakeholders) are required to obtain authorization to transfer shares (equity stakes) belonging to them to foreign investors and/or their subsidiaries. The BR will deny prior authorization if the stake (quota) of foreign ownership in the authorized capital of insurance companies exceeds 50%.
To residents from nonresidents	Yes.	The receipt as a result of a gift (endowment) of more than 10% of the stocks (shares) of a Russian credit institution, insurance company, microfinance company, private pension fund, or investment fund, mutual fund, and private pension fund management company requires the consent of the BR. When more than 10% of the stocks (shares) of a Russian credit institution, insurance company, microfinance company, private pension fund, or investment fund, mutual fund, and private pension fund management company are received through inheritance, the consent of the BR is considered to

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		have been obtained. The heir must confirm that his business reputation meets the requirements established by law.
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The term "credit institution" describes participants in the Russian banking sector. According to the Russian legislation, credit institutions include banks and nonbank credit institutions that carry out certain types of banking operations. The terms "nonresident bank," "foreign bank," and "foreign credit institution" are used for nonresidents. All credit institutions that perform banking operations in Russia must be residents. There are two types of banks: those with a basic license and those with a universal license. For banks with a basic license, there are restrictions with regard to the performance of activities with foreign counterparties: (1) there are restrictions on the performance of certain banking operations and transactions, for example, the issuing of credits to foreigners; (2) there are restrictions on their ability to open correspondent accounts at foreign banks; and (3) there are restrictions on their legal capacity in transactions with financial instruments (securities). At the same time, there are no provisions specific to banks with a basic license in terms of the performance of banking operations and transactions in foreign currency. In addition, there are provisions specific to cooperation by a central counterparty with foreign persons. Effective February 22, 2022, financial institutions may recognize shares and bonds in reporting at their market value as of February 18, 2022, until October 1, 2022, and credit institutions may calculate required ratios using the foreign exchange rates as of February 18, 2022, until effective October 1, 2022.
Borrowing abroad	No.	
Maintenance of accounts abroad	Yes.	Authorized banks may open correspondent accounts with banks abroad in accordance with the conditions determined by federal legislation. There are two types of banks: those with a basic license and those with a universal license. A bank with a basic license is not permitted to open bank (correspondent) accounts at foreign banks, with the exception of the opening of an account at a foreign bank for the purpose of participating in a foreign payment system. A bank with a universal license that has obtained the status of a bank with a basic license or that has changed its status to that of a nonbank credit institution, or a bank with a basic license that has changed its status to that of a nonbank credit institution, is required to abrogate a bank (correspondent) account agreement with a foreign bank within one year of the date such status is acquired. This restriction does not apply to cases in which an account is opened at a foreign bank for the purpose of participating in a foreign payment system.
Lending to nonresidents (financial or commercial credits)	Yes.	There are two types of banks: those with a basic license and those with a universal license. A bank with a basic license may not

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		perform the placement of funds attracted for deposit, attract for deposit and place precious metals, open and maintain bank accounts in precious metals and perform transfers with them, issue bank guarantees (the issuing of bank guarantees is not a banking operation, but it remains a bank transaction) to foreign legal entities, to foreign organizations that are not legal entities under foreign law, or to individuals who are subject to the private law of a foreign state. A bank with a basic license does not have the right to acquire rights of claim against, to perform leasing operations with, or to issue sureties with respect to said entities. Effective March 1, 2022, transactions for the provision of loans in foreign currency to any nonresident, as well as for the provision of credits (in foreign currency and rubles) and loans (in rubles) to nonresidents from unfriendly countries may be performed only based on a permit granted by the Government Commission on Monitoring Foreign Investment.
Lending locally in foreign exchange	Yes.	There are two types of banks: those with a basic license and those with a universal license. A bank with a basic license may not perform the placement of funds attracted for deposit, attract for deposit and place precious metals, open and maintain bank accounts in precious metals and perform transfers with them, issue bank guarantees (the issuing of bank guarantees is not a banking operation, but it remains a bank transaction) to foreign legal entities, to foreign organizations that are not legal entities under foreign law, or to individuals who are subject to the private law of a foreign state. A bank with a basic license does not have the right to acquire rights of claim against, to perform leasing operations with, or to issue sureties with respect to said entities. The Federal Law on Banks and Banking does not establish any provisions specific to the performance of operations that involve lending to Russian citizens and legal entities in foreign currency by banks with a basic license. Banks with a basic license have the right to grant credits to Russian citizens and legal entities in foreign currency if such a right is provided for by the license to perform banking operations. Higher risk ratios: Over a number of years, the BR has applied higher risk ratios for operations in foreign currency with both individuals and legal entities. Specifically, as of April 1, 2017, the risk ratio for new unsecured consumer credits in foreign currency with a total cost of credit (TCC) of 20%–25% was raised to 600%. As of May 1, 2016, the risk ratio was raised to 110% for credits (and investments in securities) in foreign currency to legal entities without a sufficient reserve of foreign currency earnings to service the debt. The risk ratio was also raised to 130% for credits to legal entities in foreign currency intended for the purchase of real estate. As of July 1, 2018, the BR raised the risk ratios for credit claims (and investments in debt securities) in foreign currency on resident legal entities that are exporters to 110%. To encourage a further decline in lending in the riskiest segment, risk ratios on credit claims for the purchase of real estate were raised to 150%. All other claims on legal entities in foreign currency are weighted with a risk ratio that was raised to 130%. There is an exception according to which the new risk ratios are not applied to credit claims with direct or indirect guarantees by Russia (specifically, credit claims in foreign currency secured by an insurance policy provided by the Russian Export Insurance Agency,

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or EKSAR).

Macroprudential (sectoral) surcharges:
In connection with the transition to the use of a new macroprudential regulatory mechanism, the BR's Board of Directors adopted a decision to apply as of October 8, 2018, risk ratio surcharges for the purpose of calculating the capital adequacy of credit institutions (macroprudential surcharges). Macroprudential surcharges were established with respect to certain types of assets in accordance with BR Directive No. 4892-U of August 31, 2018, on Types of Assets, Characteristics of Types of Assets for Which Risk Ratio Surcharges Are Established, and the Methodology for Application of Surcharges to These Types of Assets for the Purpose of the Calculation of Capital Adequacy Ratios by Credit Institutions.
Taking into consideration the introduction of risk ratio surcharges to keep the overall level of capital requirements unchanged, the values of risk ratios for assets subject to surcharges were brought into line with their standard values provided for by Basel III. Thus, the establishment of macroprudential surcharges, including those for operations in foreign currency, did not result in an increase in the overall capital adequacy requirements for credit institutions.

For the purpose of supporting the economy amid the spread of COVID-19, it was decided not to apply surcharges to risk ratios on foreign currency credits provided to companies producing medicines and materials and equipment used for medical purposes, and also on investments made during this same period in debt securities of these companies denominated in foreign currency. This is no longer valid effective January 1, 2022.

To ensure the sustainability of credit institutions under the restrictions imposed by Western countries, the BR implemented the following additional support measures:
(1) effective February 28, 2022, the accumulated macroprudential capital buffer was released for claims that arose before February 28, 2022, on loans granted to legal entities in foreign currency and on investments in debt securities denominated in foreign currency (158 billion rubles as of February 1, 2022); (2) effective February 28, 2022, add-ons to risk ratios were eliminated for banks' credit claims to legal entities in foreign currency that arose on or after February 28, 2022;
(3) effective February 28, 2022, the BR released the accumulated macroprudential capital buffer for unsecured consumer loans and mortgage loans in rubles and foreign currency (733 billion rubles as of February 1, 2022).

To minimize foreign exchange and credit risks, the BR recommended that credit institutions should enable borrowers to repay credit (loans) issued in the foreign currency of an unfriendly state in rubles or in the foreign currency of a friendly state if restrictions are introduced against the credit institution or the borrower (Information Letter No. IN-03-23/116 of the BR of September 22, 2022).

In an effort to support the downward trend in the share of foreign exchange among banks' assets, the BR's Board of Directors may set risk coefficient add-ons for claims on credit (loans) issued to legal entities in the currency of unfriendly countries, as well as for claims denominated in the currency of unfriendly countries on investments in debt securities, without the need for the BR's Board of Directors

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		to set add-ons for claims denominated in the currency of countries that do not commit unfriendly acts. Add-ons to risk coefficients may be established by the Board of Directors of the BR, if necessary, as the financial sector goes back to normal after a period regulatory forbearance.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Reserve requirements are imposed on: (1) liabilities to nonresident legal entities (including nonresident banks) in rubles and/or in foreign currency; (2) liabilities to resident and nonresident individuals in rubles and/or in foreign currency; and (3) other liabilities in rubles and/or foreign currency. Effective March 3, 2022, the required reserve ratios were set for banks with a universal license and nonbank credit institutions to 2% for liabilities to nonresident legal entities, liabilities to individuals, and other liabilities in rubles (previously 4.75%) and foreign currency (previously 8%); for banks with a basic license to 2% for liabilities to nonresident legal entities in rubles (previously 4.75%), as well as liabilities to nonresident legal entities, liabilities to individuals, and other liabilities in foreign currency (previously 8%). The reserve requirement for banks holding a basic license remained 1% for liabilities to individuals and other liabilities in domestic currency. Effective March 5, 2022, to decrease the regulatory burden related to the formation of required reserves for banks with a universal license and nonbank credit institutions on C-type accounts used in transactions pursuant to Executive Order No. 95, of March 5, 2022, these credit institutions have the right not to include liabilities in Russian rubles and foreign currency recognized in C-type accounts in calculating the required reserves. Effective April 1, 2022, the procedure for calculating and regulating the amount of required reserves was simplified. Furthermore, for banks with a basic license, the required reserves ratio was set at 1% for all categories of liabilities in rubles (previously it was 1% only for liabilities to individuals and other liabilities in domestic currency) and remained at 2% for all categories of liabilities in foreign currency. Effective May 1, 2022, the required reserve ratios for all categories of liabilities in foreign currency subject to such requirements was raised to 4% for both banks with a basic license and banks with a universal license. Effective August 1, 2022, the required reserve ratios for all categories of liabilities in rubles subject to such requirements were increased for banks with a universal license and nonbank credit institutions, as well as for all categories of liabilities of credit institutions in foreign currency subject to such requirements: for banks with a universal license and nonbank credit institutions the required reserve ratio was increased to 3% from 2% for all categories of liabilities in the national currency which are subject to reserve requirements (liabilities to nonresident legal entities and individuals, other liabilities); the required reserves ratio for banks with a basic license remained at 1% for all categories of liabilities in national currency; the required reserve ratio for liabilities of credit institutions in foreign currency is increased to 5% from 4%. Effective March 1, 2023, amid a growing structural liquidity surplus

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		and to maintain the downward trend in the share of foreign currency on credit institutions' balance sheets, the BR increased the required reserve ratios: to 4% (previously 3%) for all categories of reservable liabilities in the currency of Russia for banks with a universal license and nonbank credit institutions; to 7% (previously 5%) for all categories of reservable liabilities in foreign currency for all credit institutions. Required reserve ratios for all categories of reservable liabilities in the currency of Russia for banks with a basic license remain unchanged. Effective June 1, 2023, considering an evolution in the structural liquidity surplus and in an attempt to maintain the downward trend in the share of foreign currency on credit institutions' balance sheets, the BR increased the required reserve ratios as follows: 4.5% (previously 4%) for all categories of reservable liabilities in the currency of Russia for banks with a universal license and nonbank credit institutions; 6% (previously 5.5%) for all categories of reservable liabilities in foreign currency (excluding liabilities in currencies of unfriendly states) for all credit institutions; 8.5% (previously 7.5%) for all categories of reservable liabilities in currencies of unfriendly states for all credit institutions. Required reserve ratios for all categories of reservable liabilities in the currency of Russia for banks with a basic license remain unchanged.
Liquid asset requirements	No.	The BR established the instant (N2), current (N3), and long-term (N4) liquidity ratios, which are defined as the ratio of assets to liabilities, taking into consideration maturities, amounts, types of assets and liabilities, and other factors, and are calculated for operations in all currencies, and no requirements have been established for separate compliance with them in rubles and/or other currencies. According to Instruction No. 199-I, banks with a universal license must calculate N2, N3, and N4 ratios, whereas for banks with a basic license Instruction No. 183-I provides that they must calculate only the current liquidity ratio (N3). Developed in accordance with Basel III, the LCR for short-term liquidity is applicable to systemically important credit institutions (SICIs) on a consolidated basis in the event that an SICI is the main credit institution of a banking group, or on an individual basis if an SICI has no banking group as defined for regulatory purposes. The LCR is calculated in accordance with the procedure established by BR Regulation No. 421-P of May 30, 2014, on the Procedure for the Calculation of the liquidity coverage indicator (LCI) (Basel III), taking into account the specific aspects established by BR Regulation No. 510-P of December 3, 2015, on the Procedure for the Calculation of the LCR (Basel III) by SICIs. The LCR is set at 100%. These minimum allowable numerical values are established in Regulation No. 510-P. With the aim of establishing an effective liquidity risk management system, SICIs are required to perform separate calculations and forward information to the BR on the LCR values in rubles and in each significant foreign currency. In addition to deposits in rubles, only funds denominated in US dollars and euros, as well as funds denominated in the national currency of a foreign state (other than US dollar and euro) within the territory of which the bank's branch or a participant of the banking group is located, may be treated as

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		stable funds of individuals and small businesses with a lower outflow rate compared to funds classified as unstable, when all of the conditions for stability as defined by Basel III are met. When determining the amount of highly liquid assets (HLAs), the procedure for the calculation of the LCR also provides for limiting the amount of assets denominated in certain foreign currencies to the amount of the net expected outflow of funds in the same foreign currency as established by Basel III (the outflow is calculated in accordance with Regulation No. 421-P/Regulation No. 510-P). At the same time, considering the initial shortage in the Russian banking sector of HLAs defined in accordance with Basel III, Regulation No. 510-P allows for the inclusion of HLAs denominated in US dollars, euros, Japanese yen, pounds sterling, and Swiss francs in the LCR numerator in an amount that exceeds the expected net outflow of funds in the same foreign currency, taking into consideration the restrictions established by Regulation No. 510-P (alternative option (alternative liquidity approach (ALA) 2). No separate standards are applied in Russian banking regulation establishing requirements for coverage by liquid assets of deposits (liabilities) attracted by credit institutions in foreign or domestic currency. In accordance with the Basel III standard, HLAs may be used to cover cash outflows during periods of instability, which may lead to a decrease in the actual LCR value below the minimum allowable level which is not considered in such a case as a non-compliance with the standard. There is a structural liquidity ratio (the net stable funding ratio (NSFR)) developed in accordance with Basel III in effect for SICIs, which is applied on a consolidated basis if an SICI is the main credit institution of a banking group, or on an individual basis if a SICI has no banking group as defined for regulatory purposes. The NSFR is calculated according to the procedure established by BR Regulation No. 596-P of July 26, 2017, on the Procedure for the Calculation of the Structural Liquidity Ratio (NSFR) (Basel III) by SICIs. No separate standards establishing requirements for calculation of the NSFR in foreign or domestic currency are applied. The classification of funds of individuals and small businesses into stable and unstable, including classification based on the currency, for the purpose of calculating the NSFR, is the same as that applied to the LCR as indicated above. Effective February 25, 2022, to expand the capabilities of SICIs to manage their liquidity, the BR eases the LCR N26 (N27) applicable to these institutions. The BR will not apply sanctions against SICIs if they show a drop in the actual value of the above ratio resulted from both actual outflows of funds and depreciation of HLAs, as well as from limited opportunities to prolong fund raising agreements for longer than 30 calendar days with a simultaneous repayment of long-term obligations taken before. The measure is valid until December 31, 2022. Effective January 1, 2023, SICIs continue to be subject to (1) the extended list of conditions introduced in 2022 under which a decrease in actual LCR values below 100% is not considered a breach and (2) forbearance introduced in 2022 for non-compliance with the NSFR in case it is because of unfavorable funding conditions and other objective reasons, with the additional condition that the SICI must implement measures to gradually improve liquidity levels.
Interest rate controls	Yes.	In accordance with Federal Law No. 353-FZ, the BR calculates and publishes on a quarterly basis the average market value of the total

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cost of consumer credit (loans) (TCC) in terms of percent per annum by categories of consumer credit (loans) defined by the BR.
The TCC restriction which does not allow to exceed the TCC at the time of signing the contract by more than one third of the average market value of TCC is implemented.

The TCC may not exceed the lower of the following values: 365% per annum or the average market value of the total cost of consumer credit (loan) in percent per annum of the relevant category of consumer credit (loan) calculated by the BR and applied in the relevant calendar quarter, by more than one third.

Effective July 3, 2022, the TCC restriction applies to relations arising in connection with the provision of loans (loans) to individuals for purposes not related to their entrepreneurial activities, and where the obligations of the borrowers are secured by a mortgage.

In addition, effective July 3, 2022, consumer credits (loans) extended under government programs providing subsidies to creditors from the federal budget and (or) the budget of a constituent entity of Russia to compensate the creditors for their lost income on extended consumer credits (loans) are not taken into account when calculating the average market value of TCC.

Effective July 1, 2023, the value of the TCC may not exceed the lower of the following values: 292% a year or the average market value of the total cost of consumer credit (loan) in percent per annum of the relevant category of consumer credit (loan) calculated by the BR and applied in the relevant calendar quarter, by more than one third.

Directive No. 6077-U of February 28, 2022, established a moratorium on the application of the TCC limitation effective March 1, 2022, until June 30, 2022, because of significant changes in market conditions. Effective July 1, 2022, it is no longer in force.

BR Board of Directors Decision of August 16, 2023, established a moratorium on TCC limitation effective August 16, 2023, until December 31, 2023, because of a significant change in market conditions.

In accordance with the Federal Law on the Insurance of Bank Deposits in the Russian Federation, the BR determines and discloses to an unrestricted group of persons on a monthly basis the base rate of return on deposits (by types of deposits grouped by one or several conditions of their placement at banks of Russia on the basis of monthly information submitted by banks to the BR on the maximum rate of return on deposits attracted). The base rate of return on deposits is determined to identify banks which exceed it and therefore pay an additional rate or a higher additional rate for insurance contributions to the mandatory deposit insurance fund. Information about base rate of return on deposits was first published by the BR for May 2015.
Pursuant to Federal Law No. 163-FZ, an additional rate for insurance contributions is paid by a bank in the event that:
(1) the bank has attracted during any month of the quarter even one deposit in the currency of Russia (with the exception of deposits in the currency of Russia certified by savings certificates, the terms of which do not provide for the right of the holder of the certificate to obtain the deposit on demand) or the bank has entered into an

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agreement to change the terms of an agreement on a bank deposit in the currency of Russia offering the maximum rate of return on the deposit based on interest rates, taking into account other material gain and other terms for the attraction of the deposit in an amount that exceeds the base rate of return on deposits by more than 2 percentage points but not more than 3 percentage points per annum;
(2) the bank has attracted during any month of the quarter even one deposit in foreign currency (with the exception of deposits in foreign currency certified by savings certificates, the terms of which do not provide for the right of the holder of the certificate to obtain the deposit on demand) or the bank has entered into an agreement to change the terms of an agreement on a bank deposit in foreign currency offering the maximum rate of return on the deposit based on interest rates, taking into account other material gain and other terms for the attraction of the deposit in an amount that exceeds the base rate of return on deposits by more than 1 percentage point but not more than 1.5 percentage points per annum;
(3) the bank has attracted during any month of the quarter even one deposit in the currency of Russia certified by a savings certificate, the terms of which do not provide for the right of the holder of the certificate to obtain the deposit on demand, offering the maximum rate of return on the deposit based on interest rates, taking into account other material gain and other terms for the attraction of the deposit in an amount that exceeds the base rate of return on deposits by more than 3 percentage points but not more than 4 percentage points per annum;
(4) the bank has attracted during any month of the quarter even one deposit in foreign currency certified by a savings certificate, the terms of which do not provide for the right of the holder of the certificate to obtain the deposit on demand, offering the maximum rate of return on the deposit based on interest rates, taking into account other material gain and other terms for the attraction of the deposit in an amount that exceeds the base rate of return on deposits by more than 2 percentage points but not more than 3 percentage points per annum.

A higher additional rate for insurance contributions is paid by a bank in the event that:
(1) the bank has attracted during any month of the quarter even one deposit in the currency of Russia (with the exception of deposits in the currency of Russia certified by savings certificates, the terms of which do not provide for the right of the holder of the certificate to obtain the deposit on demand) or the bank has entered into an agreement to change the terms of an agreement on a bank deposit in the currency of Russia, offering the maximum rate of return on the deposit based on interest rates, taking into account other material gain and other terms for the attraction of the deposit in an amount that exceeds the base rate of return on deposits by more than 3 percentage points per annum;
(2) the bank has attracted during any month of the quarter even one deposit in foreign currency (with the exception of deposits in foreign currency certified by savings certificates, the terms of which do not provide for the right of the holder of the certificate to obtain the deposit on demand) or the bank has entered into an agreement to change the terms of an agreement on a bank deposit in foreign currency, offering the maximum rate of return on the deposit based on interest rates, taking into account other material gain and other terms for the attraction of the deposit in an amount that exceeds the base rate of return on deposits by more than 1.5 percentage points per annum;

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		(3) the bank has attracted during any month of the quarter even one deposit in the currency of Russia certified by a savings certificate, the terms of which do not provide for the right of the holder of the certificate to obtain the deposit on demand, offering the maximum rate of return on the deposit based on interest rates, taking into account other material gain and other terms for the attraction of the deposit in an amount that exceeds the base rate of return on deposits by more than 4 percentage points per annum; (4) the bank has attracted during any month of the quarter even one deposit in foreign currency certified by a savings certificate, the terms of which do not provide for the right of the holder of the certificate to obtain the deposit on demand, offering the maximum rate of return on the deposit based on interest rates, taking into account other material gain and other terms for the attraction of the deposit in an amount that exceeds the base rate of return on deposits by more than 3 percentage points per annum. At present, banks pay insurance premiums to the Mandatory Deposit Insurance Fund only at the basic rate (0.12% of the calculated base), as the additional and increased additional insurance premium rates are set at 0% of the basic rate as of early 2022 until the end of 2023 (Decisions of the Board of Directors of the State Corporation Deposit Insurance Agency of February 25, 2022 (Minutes No. 2), June 28, 2022 (Minutes No. 4), December 19, 2022 (Minutes No. 6), June 28, 2023 (Minutes No. 3)).
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	Effective April 1, 2023, to stimulate a change in the composition of credit institutions' foreign currency liabilities toward a higher proportion of friendly states' currencies, while maintaining conditions for a further overall decrease in the share of foreign currencies on the balance sheets of all credit institutions, the BR introduced differentiated required reserve ratios for liabilities in unfriendly states' currencies or other foreign currencies: 7.5% (previously 7%) for all categories of reservable liabilities in unfriendly states' currencies; 5.5% (previously 7%) for all categories of reservable liabilities in foreign currencies (except liabilities in unfriendly states' currencies). The amount of liabilities of banks with a basic license in unfriendly states' currencies is taken equal to zero. Other required reserve ratios remain unchanged. Effective June 1, 2023, considering an evolution in the structural liquidity surplus and in an attempt to maintain the downward trend in the share of foreign currency on credit institutions' balance sheets, the BR increased the required reserve ratios as follows: 4.5% (previously 4%) for all categories of reservable liabilities in the currency of Russia for banks with a universal license and nonbank credit institutions; 6% (previously 5.5%) for all categories of reservable liabilities in foreign currency (excluding liabilities in currencies of unfriendly states) for all credit institutions; 8.5% (previously 7.5%) for all categories of reservable liabilities in currencies of unfriendly states for all credit institutions. Required reserve ratios for all categories of reservable liabilities in the currency of Russia for banks with a basic license remain unchanged.
Liquid asset requirements	No.	

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Interest rate controls	No.	There is no difference in the methods for the regulation and monitoring of interest rates with regard to the accounts of residents and nonresidents.
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	There are two types of banks: those with a basic license and those with a universal license. There are no restrictions on direct investment by resident credit institutions associated with their acquisition of stocks (stakes) of foreign entities except when leading to the establishment of subsidiaries abroad. Banks with a universal banking license may have subsidiaries (branches) abroad subject to authorization and in accordance with BR requirements. There is no provision granting banks with a basic license the right to open a branch and/or subsidiary in a foreign state. General licenses issued before June 1, 2017, to perform banking operations remain in force until they are replaced in the prescribed manner. The BR does not authorize subsidiaries in countries (areas) designated by Russian law among those that do not participate in international cooperation to combat money laundering and the financing of terrorism. Approval from the BR is required for transactions involving the acquisition of shares and/or their receipt in trust that are issued by a Russian credit institution, the placement and/or trading of which outside Russia is carried out through their placement in accordance with the foreign securities law pertaining to foreign issuers and granting rights with regard to issued securities of Russian issuers. The threshold for participation (individually or as part of a group of individuals) in a Russian credit institution without BR consent is 10%. (This restriction applies to residents of Russia as well.) BR approval is also required when operations are performed that result in the establishment of control over shareholders (equity stakeholders) of a Russian credit institution holding more than 10% of the shares (equity stakes) in the credit institution. (This restriction applies to residents of Russia as well.) Prior or subsequent consent (approval) by the BR is required in the event of the acquisition by a legal entity or individual or group of individuals, defined in accordance with Article 9 of Federal Law No. 135-FZ of July 26, 2006, on the Protection of Competition, through the performance of one or several transactions, including those in the secondary market, of more than 10% of the shares (equity stakes) (including those acquired previously) in a private pension fund, insurance company, investment fund management company, mutual investment fund or private pension fund, or microfinance company. Prior or subsequent consent (approval) by the BR is also required when a legal entity or individual (or group of individuals) establishes direct or indirect (through third parties) control (including acquisition in the secondary market) over shareholders (stakeholders) (of a private pension fund, insurance company, investment fund management company, mutual investment fund or private pension fund, or microfinance company) that hold more than 10% of the

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		shares (equity stakes) in said organization. In accordance with the Treaty between Russia and Belarus on the creation of the Union State, the BR has established that transfers of funds in rubles and in foreign currency for participation in the authorized capital of Belarusian banks, as well as the acquisition (disposal) of shares issued by Belarusian banks, and stakes in the authorized capital of Belarusian banks, are to be carried out by authorized banks in accordance with Russian legislation on banks and banking, subject to notification requirements. Authorized banks are required to forward information to the BR regarding participation in the authorized capital of Belarusian banks following the procedure established by regulatory acts of the BR. In accordance with BR Instruction No. 199-I, investments by Russian banks abroad are included on a general basis in the calculation of required ratios limiting credit risk and concentration risk. Thus, it established the following mandatory requirements to limit investments in shares/equity stakes: (1) The ratio limiting the use of the bank's equity (capital) for the acquisition of shares (equity stakes) of other legal entities (N12): the maximum value of this ratio is set at 25%. It regulates (limits) the total risk of the bank's investments in shares (equity stakes) of other legal entities and sets the ceiling for the ratio between the amounts invested by the bank to acquire shares (equity stakes) of other legal entities and the bank's equity (capital) (however, investments in shares (equity stakes) of credit institutions that are members of their banking group are not included in the calculation of the N12 ratio). (2) In addition, to limit the concentration risk, a maximum limit of risk per borrower or a group of related borrowers (N6) and a maximum limit of risk per person connected with a bank (a group of persons connected with a bank) (N25) are established, with all claims to the counterparty, including investment in its shares/equity stakes, included in their calculation. The maximum allowable value of N6 ratio is 25%, and that of N25 ratio is 20%. The procedure for calculating N6 and N25 ratios is defined in Chapters 6 and 8 of Instruction No. 199-I. Therefore, with regard to the calculation of the mandatory ratios, specific features of the regulation of banks' investments abroad have not been established. Directive No. 1584-U of June 22, 2005, establishes requirements for setting aside bigger amounts of reserves for potential losses from operations with residents of offshore zones, based on the group in which the offshore zone is included, in accordance with Directive No. 1317-U of August 7, 2003. For operations with countries and jurisdictions that are included in the 2nd group of offshore zones, the reserve is to be established in the amount of 25%, for those included in the 3rd group – in the amount of 50%. In line with paragraphs 2.2.9, 2.4.3, 2.4.4, 3.2.3, 3.2.4. of Regulation No. 646-P, which defines the methodology for calculating the regulatory capital of credit institutions, investments by a credit institution in ordinary shares (stakes) of financial institutions (including nonresident financial institutions) are recognized as a reduction in the capital of the credit institution in the manner corresponding to Basel III standard.
In banks by nonresidents	Yes.	The requirements established by Russian law regarding the acquisition of shares (equity stakes) in credit institutions extend to all investors regardless of their country of origin.

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The acquisition and/or receipt in trust of more than 1% of the shares (equity stakes) of a credit institution resulting from the performance of one or more transactions by a single legal entity or individual, or group of persons defined in accordance with Federal Law No. 135-FZ of July 26, 2006, on the Protection of Competition, must be reported to the BR (with the exception of cases in which the shares (equity stakes) are acquired when a credit institution is being established). The threshold for participation in a Russian credit institution without BR consent is 10%. (This restriction applies to residents of Russia as well.) BR consent is also required for the establishment by a legal entity or an individual, as a result of the performance of one or more transactions, of direct or indirect (through third parties) control over shareholders (stakeholders) of a credit institution holding more than 10% of the shares (equity stakes) of the credit institution. (This restriction applies to residents of Russia as well.)

These requirements also apply to the acquisition of more than 1% of the shares (equity stakes) of a credit institution, more than 10% of the shares (equity stakes) of a credit institution, and/or the establishment of control with respect to shareholders (stakeholders) of a credit institution by a group of persons recognized as such in accordance with Federal Law No. 135-FZ of July 26, 2006, on the Protection of Competition.

The BR has the right to refuse to give its consent for the performance of a transaction (or transactions) aimed at the acquisition of more than 10% of the shares (equity stakes) of a credit institution and/or at gaining control of shareholders (stakeholders) of a credit institution if:
(1) the financial condition of the person performing the transaction (or transactions) aimed at the acquisition of more than 10% of the shares (equity stakes) of a credit institution, or at the acquisition of 10% or less of the shares (equity stakes) of a credit institution, and that is part of a group of persons acquiring (holding) more than 10% of the shares (equity stakes) of a credit institution, as well as an individual or legal entity exercising control over said legal entities, and/or at gaining control of shareholders (stakeholders) of a credit institution, is found to be unsatisfactory;
(2) the antimonopoly authority has not approved a petition for consent to a transaction (or transactions) submitted in accordance with Federal Law No. 135-FZ of July 26, 2006, on the Protection of Competition, if the transaction (or transactions) aimed at the acquisition is (are) subject to controls in accordance with the antimonopoly legislation;
(3) there is no decision regarding prior consent to a transaction or to the acquisition of control in accordance with Federal Law No. 57-FZ of April 29, 2008, on the Procedure for Making Foreign Investments in Business Entities that are of Strategic Significance in providing for the National Defense and State Security, if the transaction (or transactions) aimed at the acquisition is (are) subject to controls in accordance with said federal law;
(4) the person performing the transaction (or transactions) aimed at the acquisition of more than 10% of the shares (equity stakes) of a credit institution and/or at gaining control of shareholders (stakeholders) of a credit institution or their single-member executive bodies, has an unsatisfactory business reputation as established under Article 16, part 1, paragraph 5, of Federal Law No. 395-1 of December 2, 1990, on Banks and Banking;
(5) there are other grounds provided for under federal laws and BR

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regulations adopted in accordance with them.

The BR refuses to consent to a transaction (or transactions) aimed at the acquisition of more than 10% of the shares (equity stakes) of a credit institution and/or at gaining control of shareholders (stakeholders) of a credit institution if a court previously found the person performing the transaction aimed at the acquisition of more than 10% of the shares (equity stakes) of a credit institution and/or at gaining control of shareholders (stakeholders) of a credit institution, guilty of causing losses to any credit institution in the performance of his duties as a member of the credit institution's board of directors (or supervisory board), as the sole executive officer of the credit institution or a deputy executive officer, and/or as a member of a collegial executive body (executive board, administrative board).

Establishment of a Russian credit institution with the participation of foreign investments requires prior authorization from the BR. According to the Regulation on Specific Aspects of the Registration of Credit Institutions with Foreign Investments and the Procedure for Obtaining Prior Authorization from the BR to Increase the Authorized Capital of a Registered Credit Institution Using Funds from Nonresidents (approved by BR Order No. 02-195 of April 23, 1997), prior authorization is understood to mean obtaining consent in principle from the BR for participation by a specific nonresident in the establishment of a resident credit institution.
In accordance with Federal Law No. 372-FZ of December 14, 2015, on Amendments to Articles 16 and 18 of the Federal Law on Banks and Banking, adopted on the basis of Russia's commitments in connection with accession to the WTO, the level of participation of foreign capital in Russia's banking system is taken into account when considering whether the BR will issue a permit to establish a credit institution with foreign investments.

The level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations is calculated as the ratio of nonresidents' foreign investments in the authorized capital of credit institutions that are licensed to perform banking operations to the aggregate authorized capital of said credit institutions.
The procedure for calculating the level of participation of foreign capital is defined under Article 18 of the Federal Law on Banks and Banking and BR Directive No. 3948-U of January 28, 2016, on the Procedure for Calculating the Level of Participation of Foreign Capital in the Aggregate Authorized Capital of Credit Institutions Licensed to perform Banking Operations.
The following foreign investments are not included in the calculation of foreign investments in the authorized capital of credit institutions licensed to perform banking operations:
(1) investments made in the authorized capital of credit institutions licensed to perform banking operations that are financed at the expense of earnings of said credit institutions received in Russia or are repatriated to Russia from abroad;
(2) investments made in the authorized capital of credit institutions licensed to perform banking operations by subsidiary credit institutions of foreign banks licensed to perform banking operations, and all subsequent investments by said institutions in the authorized capital of credit institutions licensed to perform banking operations;
(3) investments made before January 1, 2007, in the authorized capital of credit institutions licensed to perform banking operations;
(4) investments made in the authorized capital of credit institutions

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licensed to perform banking operations, the privatization of which was performed after August 22, 2012;
(5) investments representing 51% or more of the shares (equity stakes) in the authorized capital of a credit institution licensed to perform banking operations, performed after January 1, 2007, on the condition that said shares (equity stakes) are held by an investor for 12 or more years, unless the BR has adopted a decision before the expiration of this time period to continue to include said investments in the calculation and has published this decision. The procedure for the adoption by the BR of such a decision and for its publication is established by the BR.

The maximum level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations is 50% (Federal Law No. 395-1 of December 2, 1990, “On Banks and Banking Activities”).

When the maximum level is reached, the BR performs the following measures with respect to foreign investments:
(1) it refuses to register a credit institution with foreign investments and to issue it a banking license;
(2) it imposes a ban on an increase in the authorized capital of a credit institution licensed to perform banking operations using nonresidents’ funds and on the conveyance of shares (equity stakes) in the credit institution in favor of nonresidents if such actions mean that the quota will be exceeded.
Shares (equity stakes) in a credit institution that have been conveyed (sold) in violation of such a ban are not voting shares and are not taken into account in determining a quorum at a general meeting of shareholders (stakeholders) of the credit institution for the period that such a ban is in effect. In the event that a transaction is performed to convey (acquire) shares (equity stakes) in a credit institution in violation of the ban, the BR files a petition requesting that the relevant transaction be declared null and void.

The measures provided for under the sixth part of Article 18 of the Federal Law on Banks and Banking are not applied with respect to foreign investments referred to under Items 1 and 2 of the second part of Article 18 of the Law on Banks and Banking.

The measures provided for under Item 2 of the sixth part of Article 18 of the Federal Law on Banks and Banking are not applied with respect to foreign investments intended for the authorized capital of credit institutions licensed to perform banking operations as defined in accordance with regulatory acts of the BR on the basis of international agreements of Russia.

The BR ceases to apply the measures provided for under the sixth part of Article 18 of the Federal Law on Banks and Banking in the event that the level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations is less than 50%.
The level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations is calculated by the BR following the procedure it establishes as of January 1 of each year.

Information about the level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations and about the indicators used for its calculation is

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		subject to publication in the official publication of the BR, the Bulletin of the BR, and it is also posted on the official website of the BR no later than February 15 of the current year. As of January 1, 2022, the level of participation of foreign capital in the aggregate authorized capital of credit institutions licensed to perform banking operations was 10.73%. BR Regulation No. 626-P of December 28, 2017, established the procedure and criteria for assessing the financial position of individuals who perform a transaction aimed at acquiring more than 10% of shares of a credit institution and/or gaining control of shareholders of the credit institution. BR Regulation No. 625-P establishes the procedure for assessing the compliance by such persons with business reputation requirements. In accordance with the BR Instruction No. 199-I, investments in banks by nonresidents are included following a common procedure (similar to residents' investments in banks) in the calculation of the maximum risk limit per person related with the bank (group of persons related with the bank) (N25) the maximum allowable numerical value of which is 20%.
Open foreign exchange position limits	Yes.	Effective February 18, 2022, the BR will not apply measures to credit institutions if they fail to comply with the fixed limits relative to open currency positions in individual foreign currencies and precious metals; total amount of all open currency positions in foreign currencies and precious metals; and the balancing position in rubles provided the said failure is caused externally, and banks do not use the above easing for speculative purposes. This measure is valid until July 1, 2022. On February 28, 2022, the BR clarified that this measure applies to banks subject to foreign sanctions. Effective July 1, 2022, the measures were extended until December 31, 2022. Banks must fully comply with the open currency positions limits by January 1, 2023. Effective May 13, 2022, the BR will not apply until December 31, 2022, measures to banks for non-compliance with the open currency position limits in US dollars and/or euros provided the positions are oppositely directed (a long position versus a short position and vice versa) and have sufficient mutual compensation (the largest in absolute value of the two positions in ruble equivalent should not exceed the smallest by more than 10%). Also, the BR will not apply measures for consequential non-compliance with the total open currency position limit unless such non-compliance exceeds 15 percentage points. This relief will allow banks to carry out internal hedging of opposite open currency positions in US dollars and euros, which will reduce the costs of regulating positions in these currencies with the capital risks to be greatly limited.
On resident assets and liabilities	Yes.	The absolute values of the net open foreign exchange positions (OFXP) of a credit institution in individual foreign currencies and precious metals and the balancing position in rubles for all foreign currencies and precious metals (aggregate OFXP) are limited to 10% of the value of the credit institution's equity (capital). The absolute value of the total of all long (short) net open foreign exchange positions of a credit institution in individual foreign currencies and precious metals is limited to 20% of the value of the credit institution's equity (capital). The OFXP limits are subject to calculation and compliance on a daily basis. Effective August 10, 2023, until December 31, 2023, exceeding the limits of the short OFXP is not considered a violation of the

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		regulatory ratio if it (1) emerges through no fault of the credit organization (as a result of ruble redemption/conversion of foreign exchange assets, provisioning and (or) appreciation of the exchange rates) and (2) is observed for no more than 15 days of operations by the credit organization (of the last 40 days). The calculation of the value of open foreign exchange positions includes balance-sheet assets and liabilities, as well as off-balance-sheet claims and liabilities of a credit institution, the amount (value) of which depends on changes in the exchange rates of foreign currencies against the ruble set by the BR and/or the prices for precious metals, when a foreign exchange revaluation of these assets (claims) and liabilities has a direct current or deferred impact on the amount of the credit institution's equity (capital) (regardless of the jurisdiction of the counterparty). Open foreign exchange position limits must also be complied with at the level of a banking group.
On nonresident assets and liabilities	Yes.	The absolute values of the net open foreign exchange positions of a credit institution in individual foreign currencies and precious metals and the balancing position in rubles for all foreign currencies and precious metals are limited to 10% of the value of the credit institution's equity (capital). The absolute value of the total of all long (short) net open foreign exchange positions of a credit institution in individual foreign currencies and precious metals is limited to 20% of the value of the credit institution's equity (capital). The limits are subject to calculation and observance on a daily basis. The calculation of the value of open foreign exchange positions includes balance-sheet assets and liabilities, as well as off-balance-sheet claims and liabilities of a credit institution, the amount (value) of which depends on changes in the exchange rates of foreign currencies against the ruble set by the BR and/or the prices for precious metals, when a foreign exchange revaluation of these assets (claims) and liabilities has a direct current or deferred impact on the amount of the credit institution's equity (capital) (regardless of the jurisdiction of the counterparty). Open foreign exchange position limits must also be observed at the level of a banking group.
Provisions specific to institutional investors	Yes.	Temporary measures, including regulatory forbearance, by the BR to ensure financial stability and continuity of operations of financial institutions under conditions of materialization of sanctions risks are published on the official website of the BR.
Insurance companies	Yes.	Restrictions apply to certain types of activities of insurance companies that are subsidiaries of foreign investors or have a foreign ownership stake in their authorized capital of over 49%, other than insurance companies that were subsidiaries of foreign investors on the date Federal Law No. 234-FZ of July 23, 2013, went into effect, if they were previously authorized for such activity. Thus, said insurance companies may not provide personal life, health, or property insurance in Russia at the expense of funds allocated for these purposes from the respective budget to federal executive government authorities (insured parties); insurance related to the procurement of goods, work, and services to meet state and municipal needs; or insurance for the property interests of government and municipal organizations. A quota of 50% is set on foreign capital in the authorized capital of insurance companies pursuant to Federal Law No. 267-FZ of December 25, 2012. If this percentage is exceeded, the insurance supervisory authority stops

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		issuing licenses for the performance of insurance activities to insurance companies that are subsidiaries of foreign investors or have a foreign ownership stake in their authorized capital over 49%. As of January 1, 2023, the stake by foreign capital in the authorized capital of insurance companies with an insurance license was 9.58% (the BR calculates and publishes this indicator on its official website on an annual basis in accordance with Article 6, paragraph 3, of Law No. 4015-1). Insurance companies must obtain authorization for the following: (1) an increase in their authorized capital from funds of foreign investors and/or their subsidiaries and (2) transfers of shares (equity stakes in authorized capital) to a foreign investor (including for sale to foreign investors). Russian shareholders (stakeholders) must obtain authorization to transfer their shares (equity stakes) to foreign investors and/or their subsidiaries. The BR will deny prior authorization if the stake (quota) of foreign ownership in the authorized capital of insurance companies exceeds 50%.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	BR Regulation No. 781-P became effective January 1, 2023. In addition to of insurance risks assumed by an insurer (the regulatory solvency margin), BR Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets. According to Paragraph 2.2. of Regulation No. 781-P, target assets for investment in the case of the equity of an insurance company and insurance reserve funds of insurers must meet the following requirements: 2.2.1. The issuers of the securities must be created in accordance with the legislation of Russia or foreign states that are members of the EAEU, the OECD, or the European Union, or China, India, Brazil, or South Africa; 2.2.2. The items, other than certificated bonds and shares, must be located (physically held) within Russia. Regulation No. 781-P does not impose any direct restriction on the size of the overseas investment portfolio for insurance organizations. As long as the insurer complies with the regulatory capital to incurred liabilities ratio, it is entitled to invest in any assets. Effective January 1, 2023, in line with the decision by the Board of Directors of the BR, the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer's assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers' share in reserves) are recognized as equal to zero in determining the value of assets of the insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the

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		Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.
Limits (min.) on investment portfolio held locally	No.	There are no minimum requirements for investments locally.
Currency-matching regulations on assets/liabilities composition	No.	There are no net currency-matching regulations on assets/liabilities composition. There is only an overall indirect indicator – the regulatory ratio of equity (capital) to liabilities assumed by an insurance company, which takes into account foreign exchange risk.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	For nonstate pension funds carrying the mandatory pension insurance, (1) assets denominated in a foreign currency must make up no more than 30% of the value of the investment portfolio and (2) securities of international financial institutions, as well as participation units (shares, stakes) of foreign index investment funds (including securities expected to be obtained and/or subject to transfer under the second part of a repurchase agreement) must, together, constitute no more than 20% of the value of the investment portfolio. The total share accounted for by bonds of foreign states, securities of international financial institutions, bonds of foreign issuers, shares of foreign issuers, and units (shares, stakes) of foreign investment funds may constitute no more than 30% of pension reserves (resources intended for fulfilling obligations under voluntary insurance agreements).
Limits (max.) on investment portfolio held abroad	Yes.	For nonstate pension funds carrying the mandatory pension insurance, (1) assets denominated in a foreign currency must make up no more than 30% of the value of the investment portfolio and (2) securities of international financial institutions, as well as participation units (shares, stakes) of foreign index investment funds (including securities expected to be obtained and/or subject to transfer under the second part of a repurchase agreement) must, together, constitute no more than 20% of the value of the investment portfolio. The total share of bonds of foreign states, securities of international financial organizations, bonds of foreign issuers, shares of foreign issuers, and participation shares (shares, equity stakes) of foreign investment funds may constitute no more than 30% of pension reserves (resources intended for fulfilling obligations under voluntary insurance agreements).
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	There are no maximum limits on the investments by investment firms and collective investment funds abroad, in securities issued by nonresidents, or minimum requirements for investments locally.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

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Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	As of August 1, 2023, Federal Law No. 339-FZ on Amending Articles 128 and 140 of Part One, Part Two and Articles 1,128 and 1,174 of Part Three of the Civil Code of the Russian Federation and Federal Law No. 340-FZ on Amending Certain Laws of the Russian Federation introduced the Digital Ruble, transactions with which are conducted on the Digital Ruble Platform. The digital ruble is recognized as the currency of Russia. The BR serves as the operator of the Digital Ruble Platform. Both individuals and legal entities can become users of the platform. Users interact with the Digital Ruble Platform through credit organizations who are participants of the platform, rather than directly with the platform operator. Individuals and legal entities may access the Digital Ruble Platform through the remote banking system of any credit organization that is a member of the platform, where they have a bank account or a personalized electronic means of payment. User may top up their digital ruble balance by transferring funds from their account or personalized electronic means of payment. Currently, the Digital Ruble Platform is being piloted on a limited number of users and participants of the Digital Ruble Platform. The pilot includes C2C, C2B transactions, and simple smart contracts.
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	Yes.	The legislation of Russia defines the digital currency of a foreign central bank as the national monetary unit of a foreign state (group of foreign states) issued in digital form by the national central bank of a foreign state (group of foreign states) or other body of a foreign state (group of foreign states), whose functions include the issue of such monetary units, a unit that is in circulation and is a legal tender on the territory of the respective foreign country and is recognized as a foreign currency. Therefore, central bank digital currency (CBDC) introduced by another jurisdiction and currently in circulation faces requirements on the territory of Russia that are identical to those applied to foreign currency in terms of foreign exchange regulation and foreign exchange control.
Retail	Yes.	Legislation on foreign exchange regulation and foreign exchange control does not provide for the division of CBDC into retail and wholesale. Therefore, both wholesale and retail CBDC, which was introduced in another jurisdiction and is currently in circulation, fall under the definition of foreign currency pursuant to Federal Law No. 173-FZ of December 10, 2003, on Foreign Exchange Regulation and Foreign Exchange Control.
Wholesale	Yes.	Legislation on foreign exchange regulation and foreign exchange control does not provide for the division of CBDC into retail and wholesale. Therefore, both wholesale and retail CBDC, which was introduced in another jurisdiction and is currently in circulation, fall under the definition of foreign currency pursuant to Federal Law No. 173-FZ of December 10, 2003, on Foreign Exchange Regulation and Foreign Exchange Control.
Controls on the use of domestic CBDC—retail and/or wholesale	Yes.	Legislation provides for a limited list of authorized types of transactions with the digital ruble: (1) transfer of digital rubles; (2) increasing the balance of digital rubles by transferring funds from bank (correspondent) accounts or decreasing the balance of electronic money, with personalized or corporate electronic means of

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		payment provided to enable transactions; (3) decreasing the balance of digital rubles by transferring funds to bank (correspondent) accounts or increasing the balance of electronic money, with personalized or corporate electronic means of payment provided to enable transactions.
Use among residents	No.	Restrictions are identical to those for non-cash ruble transactions.
Between residents and nonresidents	Yes.	Effective August 1, 2023, Federal Law No. 340-FZ of July 24, 2023, on Amending Certain Laws of the Russian Federation, classifies transactions with the digital ruble between nonresidents as foreign exchange transactions. There are no additional control measures for the use of the digital ruble in transactions between nonresidents. At the moment, the digital ruble platform is being piloted on a limited number of users and participants of the digital ruble platform. During the pilot, no transactions involving nonresidents may be conducted with the digital ruble.
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	Yes.	From August 1, 2023, Federal Law No. 340-FZ of July 24, 2023, on Amending Certain Laws of the Russian Federation, classifies transactions with the digital ruble between nonresidents as foreign exchange transactions. There are no additional control measures for the use of the digital ruble in transactions between nonresidents. Currently, the digital ruble platform is being piloted on a limited number of users and participants of the digital ruble platform. During the pilot, no transactions involving nonresidents may be conducted with the digital ruble.
Controls on CBDC launched by another jurisdiction	Yes.	The requirements are identical to those for foreign currencies.
Acquisition by residents	Yes.	The requirements are identical to those for foreign currencies.
Use among residents	Yes.	The requirements are identical to those for foreign currencies.
Between residents and nonresidents	Yes.	The requirements are identical to those for foreign currencies.
For current transaction	Yes.	The requirements are identical to those for foreign currencies.
For capital transactions	Yes.	The requirements are identical to those for foreign currencies.
Transactions in capital and money market instruments	Yes.	The requirements are identical to those for foreign currencies.
Transactions in derivatives and other instruments	Yes.	The requirements are identical to those for foreign currencies.
Credit operations	Yes.	The requirements are identical to those for foreign currencies.
Crypto assets	Yes.	The legislation of Russia provides for the concepts of such digital rights as digital financial assets and utility digital rights.

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		Digital currency is defined as a set of electronic data (digital code or designation) stored in an information system, which is offered and (or) may be accepted as a means of payment other than the official monetary unit of Russia, a monetary unit of a foreign state and (or) an international monetary or settlement unit, and (or) as an investment, and in respect of which there is no person accountable to each holder of such electronic data, except for the operator and (or) nodes of the information system that must ensure compliance of the issuance procedures of these electronic data and actions to make (modify) entries in this information system with its own rules. Therefore, unbacked tokens fall under the definition of digital currency.
Controls on unbacked tokens	Yes.	Russian law prohibits the acceptance of digital currency as consideration for goods, services, or work by Russian legal entities or stand-alone branches of international organizations and foreign legal entities established on the territory of Russia, as well as by individuals who stay on the territory of Russia for at least 183 days within 12 consecutive months. Currently, bills are being drafted to regulate the digital currencies market and mining activities. Pursuant to Article 14, Part 4 of Federal Law No. 259-FZ of July 31, 2020, on Digital Financial Assets, Digital Currency and on Amendments to Certain Legislative Acts of the Russian Federation, activities to arrange for an issuance and (or) the issuance itself, activities to maintain circulation of digital currency in Russia are regulated in line with federal laws. However, federal laws to regulate these activities have not yet been adopted. Controls over the purchase of unbacked tokens are part of the AML/CFT framework. In particular, credit organizations must identify cases of transfers of cash, electronic funds between individuals using payment cards, and other electronic means of payment via the Internet to conduct transactions at cryptocurrency exchange offices that may fall under the framework.
Acquisition by residents	No.	AML/CFT regulations apply.
Use among residents	Yes.	Russian law prohibits the acceptance of digital currency as consideration for goods, services, or work by Russian legal entities or stand-alone branches of international organizations and foreign legal entities established on the territory of Russia, as well as by individuals who stay on the territory of Russia for at least 183 days within 12 consecutive months.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Russian law prohibits the acceptance of digital currency as consideration for goods, services, or work by Russian legal entities or stand-alone branches of international organizations and foreign legal entities established on the territory of Russia, as well as by individuals who stay on the territory of Russia for at least 183 days within 12 consecutive months.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Russian law prohibits the acceptance of digital currency as consideration for goods, services, or work by Russian legal entities or stand-alone branches of international organizations and foreign legal entities established on the territory of Russia, as well as by individuals who stay on the territory of Russia for at least 183 days within 12 consecutive months.
Transactions in derivatives and other instruments	Yes.	Russian law prohibits the acceptance of digital currency as consideration for goods, services, or work by Russian legal entities

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		or stand-alone branches of international organizations and foreign legal entities established on the territory of Russia, as well as by individuals who stay on the territory of Russia for at least 183 days within 12 consecutive months.
Credit operations	Yes.	Russian law prohibits the acceptance of digital currency as consideration for goods, services, or work by Russian legal entities or stand-alone branches of international organizations and foreign legal entities established on the territory of Russia, as well as by individuals who stay on the territory of Russia for at least 183 days within 12 consecutive months.
Controls on utility and security tokens	Yes.	The legislation of Russia provides for the concepts of such digital rights as digital financial assets and utility digital rights. A ban on the use of digital rights as a means of payment is in place. The issue, recording, and circulation of digital financial assets is regulated by Federal Law No. 259-FZ of July 31, 2020, while the issue, accounting, and circulation of utility digital rights is regulated by Federal Law No. 259-FZ of August 2, 2019.
Acquisition by residents	No.	
Use among residents	Yes.	A ban on the use of digital rights as a means of payment is in place.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	A ban on the use of digital rights as a means of payment is in place.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	A ban on the use of digital rights as a means of payment is in place.
Transactions in derivatives and other instruments	Yes.	A ban on the use of digital rights as a means of payment is in place.
Credit operations	Yes.	A ban on the use of digital rights as a means of payment is in place.
Controls on stablecoins	No.	Stablecoins, as defined internationally, are not regulated by the current legislation of Russia. Nevertheless, some transactions to purchase stablecoins may be detected by banks and fall under the general definition of cryptocurrency transactions within the AML/CFT framework. As with digital currency, credit organizations must identify cases of transfers of cash, electronic funds between individuals using payment cards, and other electronic means of payment via the Internet to conduct transactions at cryptocurrency exchange offices that may fall under the framework.
Acquisition by residents	No.	AML/CFT regulations apply.
Use among residents	No.	AML/CFT regulations apply.
Between residents and nonresidents	No.	
For current transaction	No.	AML/CFT regulations apply.
For capital transactions	No.	
Transactions in capital and money market instruments	No.	AML/CFT regulations apply.
Transactions in derivatives and other instruments	No.	AML/CFT regulations apply.
Credit operations	No.	AML/CFT regulations apply.
Controls on crypto exchanges and trading platforms	Yes.	

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Domestic exchanges	Yes.	There are no provisions in the legislation of Russia regulating the operations of exchanges related to the exchange of cryptocurrencies. Circulation of utility digital rights is regulated by Federal Law No. 259FZ, of August 2, 2019, on Fundraising via Investment Platforms and on Amendments to Certain Laws of the Russian Federation. The laws of Russia have introduced the concepts of the Information System Operator and the Digital Financial Asset Exchange Operator, which organize the circulation of digital financial assets. The BR exercises supervision over the activities of Information System Operators that issue digital financial assets (DFAs), and over Digital Financial Asset Exchange Operators. Services in the DFA market on issuance and execution of transactions with DFAs are provided by dedicated organizations only (Information System Operator and DFA Exchange Operator), listed in the specific registers of the BR.
Access to crypto exchange/trading platform by residents	No.	There are no provisions in the legislation of Russia regulating the operations of exchanges related to the exchange of cryptocurrencies. Services on issuance and execution of transactions with DFAs are available to registered users only. User registration rules (identification, setting up a personal account, etc.) may be found in the Information System Rules of the Information System Operator and the DFA Exchange Rules.

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*10/21/2022*	There is a requirement to freeze funds or other property and a ban on certain commercial and financial transactions pursuant to UNSC Resolution 2653 (2022) concerning Haiti.
	06/30/2023	Measures with respect to Mali were terminated in accordance with UNSC Resolution 2690 (2023).

Exchange Arrangement

Classification		
Free floating	*02/28/2022*	Certain provisions of the fiscal rules related to the use of additional oil and gas revenues of the federal budget were suspended until December 31, 2023.
	12/30/2022	To ensure flexibility when investing funds of the National Welfare Fund, it is stipulated that the actual minimum shares of each asset in the new structure can take zero values, and the maximum shares are limited as follows: Chinese yuan – 60%, non-cash gold – 40% (previously, the shares of yuan and gold were 30% and 20%, respectively).
	01/13/2023	The Bank of Russia resumed mirroring transactions by the Russian Ministry of Finance with the funds from the National Welfare Fund in the domestic market as part of the fiscal rule to finance the part of the budget deficit that comes from lost oil and gas revenue.
Official exchange rate	*04/25/2022*	The official euro–ruble and yuan–ruble exchange rates are calculated on the basis of quotes for each currency pair in the domestic foreign exchange market.
	04/25/2022	The US dollar/ruble exchange rate is calculated on the basis of the Moscow Exchange data on the weighted average USD/RUB exchange rate for transactions carried out from 10:00 to 15:30 Moscow time. Previously, the calculation period was from 10:00 to 16:30 Moscow time.
	10/03/2022	The Bank of Russia announced additional procedures for setting official exchange rates of foreign currencies against the ruble to

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		reflect the situation in the markets more accurately. Exchange rates are calculated based on data from extra alternative sources, such as bank reporting and OTC platforms, if conditions in terms of MOEX trading data are not met.
Exchange tax	*03/03/2022*	A commission applies to the purchase by individuals of foreign currencies through brokers in the amount of 30% of the transaction.
	03/04/2022	The commission was reduced to 12% from 30% for individuals.
	03/04/2022	A commission applies to the purchase by legal entities of foreign currencies through brokers in the amount of 12% of the transaction.
	04/11/2022	The requirement to charge a commission of 12% was removed.
Foreign exchange market	*03/09/2022*	Sales of cash foreign currencies were temporarily prohibited. The measure was intended to be in effect until September 9, 2022.
	03/27/2022	The purchase of foreign currency in the domestic foreign exchange market of Russia by nonresident legal entities from unfriendly countries is carried out in the amount of US$0 or other foreign currency.
	04/18/2022	Banks may sell available foreign currency but only that obtained after April 9, 2022.
	05/20/2022	Banks may sell any foreign currency cash to citizens without restrictions except US dollars and euros. Restrictions on the US dollar and the euro cash sales remain in force, and until September 9, 2022, citizens may buy only those US dollars and euros that have been received at banks' cash desks after April 9, 2022.
	07/19/2022	Nonresident banks from unfriendly countries may buy and sell one foreign currency in exchange for another, as well as to conclude deliverable foreign exchange forward and swap contracts in the Russian foreign exchange market. But the prices in these contracts may not deviate by more than 2% from the prices for similar instruments in Russian on-exchange trading and international markets at the time of their conclusion. This ban is still valid for ruble transactions, as well as for nonresidents other than banks. Previously, all nonresidents from unfriendly countries were prohibited to buy and sell foreign currency for both rubles and other foreign currencies.
	09/10/2022	The conditions for sale of foreign currency in force since May 20, 2022, were extended until March 9, 2023.
	03/10/2023	The conditions for sale of foreign currency in force since May 20, 2022, were further extended until September 9, 2023.
	09/10/2023	The conditions for sale of foreign currency in force since May 20, 2022, were further extended until March 9, 2024.
Spot exchange market		
Operated by the central bank		
Foreign exchange standing facility	*01/01/2022*	SOFT replaced LIBOR USD O/N and ESTR replaced LIBOR EUR O/N.
	02/24/2022	Credit institutions may raise euros daily from the Bank of Russia for a period of 1 day in exchange for rubles.
	01/19/2023	The Bank of Russia (BR) launched a new standing facility to provide yuan, that is, swap transactions for the sale of yuan for rubles with their subsequent purchase for a term of 1 day with settlement of the first leg of the transaction on the date of its conclusion and settlement of the second leg of the transaction on the next business day. The daily maximum limit for this instrument is set at 10 billion yuan. If necessary, the BR may adjust this limit. Transactions are concluded during organized trading on Moscow Exchange in the mode of non-addressed transactions on working days. When calculating the swap difference, the interest rate for yuan is O/N SHIBOR (Overnight Shanghai Interbank Offered Rate) increased by 2.5 percentage points, while the interest rate for rubles is the key rate of the BR reduced by

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1 percentage point.

Arrangements for Payments and Receipts

Prescription of currency requirements		
Controls on the use of domestic currency		
For current transactions and payments	*04/01/2022*	Natural gas transactions executed after this date that involve resident companies taking part in foreign economic activities that have exclusive rights to export natural gas must be made in rubles under the foreign trade contracts with foreign entities if the natural gas supplies are sent to foreign states that commit unfriendly actions as regards to Russia and Russian legal and physical entities. The same procedure applies to contracts for natural gas supplies signed with foreign entities and registered in the above foreign states.
	12/30/2022	Settlements between a Russian supplier and a foreign buyer for gas may be made in foreign currency if the Russian supplier takes action to recover arrears from the foreign buyer or the foreign buyer pays off arrears to the Russian supplier.
For capital transactions		
Transactions in capital and money market instruments	*03/05/2022*	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	03/05/2022	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Payments arrangements		
Bilateral payments arrangements		
Operative	*09/21/2023*	Agreement No. BR-D-45/1191 on Interaction of Payment Systems in Cross-Border Remittances of Instant and Rapid Payments was concluded with the National Bank of the Republic of Belarus.
Controls on exports and imports of banknotes		
On exports		
Foreign currency	*03/02/2022*	To ensure financial stability, a temporary ban was introduced on the export of cash foreign currency from Russia in an amount exceeding the equivalent of US$10,000.
	10/15/2022	The Bank of Russia was granted the authority to issue permits to export foreign currency in cash from Russia in an amount exceeding the equivalent of USD 10,000.
	11/21/2022	The Bank of Russia (BR) established that authorized banks and State Corporation VEB.RF may export foreign currency in cash in an amount exceeding USD 10,000 if such foreign currency represents banknotes used in foreign states that are: (1) declared by the issuer of the respective foreign state to be withdrawn from circulation, as well as withdrawn by the issuer from circulation, which are accepted for

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		exchange on the territory of the foreign state; (2) damaged banknotes subject to exchange on the basis of the terms and conditions of acceptance and exchange of damaged banknotes by their issuers; (3) in other cases not related to settlements for foreign trade transactions in foreign currency and/or to the issue and repayment of loans. Such export activities are allowed if the same amount of foreign currency is returned in cash to Russia. Also, they require notification of the BR.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*02/28/2022*	Credit institutions may open an account for a natural person without his/her personal presence (or that of a legal representative) in case of transfer by this natural person of funds from an account opened at one credit institution to another credit institution, if simultaneously with making such a transfer, the credit institution carrying out the transfer also transmits to the other credit organization information identifying the natural person.
	03/01/2022	During a calendar month, resident individuals may transfer no more than US$5,000 or an equivalent amount in another currency from their accounts with Russian banks to another individual abroad who is a resident (excluding resident relatives) or any nonresident. When money transfers are made through companies providing such services without opening an account, the monthly limit is also US$5,000 or an equivalent amount in foreign currency.
	03/01/2022	With respect to unfriendly countries, there is a ban on residents transferring foreign currency to their accounts opened with banks and other financial market organizations located outside the territory of Russia, as well as transferring funds without opening a bank account using electronic means of payment provided by foreign payment service providers.
	03/09/2022	Resident account holders of foreign currency accounts may withdraw up to US$10,000 in cash, and any amount above that may be withdrawn in rubles at the market rate on the day of withdrawal. The currency is issued in US dollars regardless of the currency of the accounts. Converting other currencies to US dollar takes place at the market rate on the day of issue. Residents may open new foreign currency accounts, but withdrawal from them is possible in rubles at the market rate on the day of withdrawal. Banks may not sell cash currency to citizens. Changing cash foreign currency for rubles may be done at any time and in any volume. The measure is in force until September 9, 2022.
	03/09/2022	Banks may not charge fees on individuals for withdrawing foreign currency from deposits or accounts regardless of the currency of the account, or fees for foreign currency conversion into US dollars if the conversion is carried out for subsequent cash withdrawal. The measure is in force until September 9, 2022.
	03/10/2022	Resident legal entities and individual proprietors may receive cash in US dollars, Japanese yen, British pounds, and euros in an amount not exceeding US$5,000 and only to cover expenses for foreign business trips. For any other currencies, they may receive cash on the grounds provided for by Russian laws, without any restrictions, at the market exchange rate on the withdrawal date. The measure is in force until September 9, 2022.
	03/12/2022	For funds received as a transfer from a bank outside of Russia as well as for funds from electronic wallets, withdrawals are made exclusively in rubles. The conversion must be made at the banks' exchange rates and the amount paid may not be lower than the

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	amount calculated as of the payment date at the BR official foreign currency exchange rates against the ruble for the conversion of other currencies.
04/01/2022	During a calendar month, resident individuals may transfer no more than US$10,000 or an equivalent amount in another currency (previously US$5,000) from their accounts with Russian banks to their foreign accounts or to another individual abroad (resident or nonresident), resident individuals of friendly countries, and resident individuals of unfriendly countries who receive wages or payments for services in Russia.
04/11/2022	Withdrawal from foreign currency accounts may be done not only in US dollars but also in euros.
04/18/2022	Banks may sell available foreign currency but only that obtained after April 9, 2022.
05/16/2022	During a calendar month, residents of Russia and nonresidents from friendly countries may transfer no more than US$50,000 or an equivalent amount in another currency (previously US$10,000) from their accounts with Russian banks to their foreign accounts or to another individual abroad (resident or nonresident). Resident individuals of friendly and unfriendly countries who receive wages or payments for services in Russia may transfer the total amount of their compensation through their account or without opening an account.
05/20/2022	Banks may sell any foreign currency cash to citizens without restrictions except US dollars and euros. Restrictions on the US dollar and the euro cash sales remain in force, and until September 9, 2022, citizens may buy only those US dollars and euros that have been received at banks' cash desks after April 9, 2022.
05/31/2022	Residents are not required to submit documents to an authorized bank related to the performance of foreign exchange transactions under any contracts with nonresidents if the amount of obligations under them does not exceed 600,000 rubles (previously 200,000 rubles).
06/08/2022	During a calendar month, Russian resident individuals may transfer up to US$150,000 or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad (resident or nonresident). When money transfers are made through companies providing such services without opening an account, the monthly limit is US$10,000 or an equivalent amount in foreign currency (previously US$5,000).
07/01/2022	During a calendar month, Russian resident individuals may transfer up to US$1 million or the equivalent in other foreign currencies (previously US$150,000) from their Russian bank accounts to their accounts abroad or to another individual abroad (resident or nonresident). This measure was set to be in force until September 30, 2022.
07/05/2022	The ban on residents crediting foreign currency to their accounts opened with banks and other financial market organizations located outside the territory of Russia applies only to foreign exchange and transfers of funds received as dividends on shares of Russian joint stock companies or as the distribution of profits of Russian limited liability companies, business partnerships, and production co-operatives.
09/10/2022	The measure on resident legal entities and individual proprietors cash withdrawals in force since March 10, 2022, was extended until March 9, 2023.
09/10/2022	The measure that for funds received as a transfer from a bank outside of Russia as well as for funds from electronic wallets, withdrawals are made exclusively in rubles, is no longer in force.
09/10/2022	The restrictions on banks' sale of US dollars and euros were extended until March 9, 2023.

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	09/10/2022	The measure on the charging by banks of fees on individuals for US dollar withdrawals from foreign currency accounts regardless of the currency of an account, and fees for foreign currency conversion into US dollars when it is made to then withdraw cash in US dollars in force since March 9, 2022, was extended until March 9, 2023.
	10/01/2022	The measure where during a calendar month, Russian resident individuals may transfer up to US$1 million or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad (resident or nonresident) was extended until March 31, 2023.
	03/10/2023	The measure on the charging by banks of fees on individuals for US dollar withdrawals from foreign currency accounts regardless of the currency of an account, and fees for foreign currency conversion into US dollars when it is made to then withdraw cash in US dollars in force since March 9, 2022, was extended until September 9, 2023.
	03/10/2023	The measure on resident legal entities and individual proprietors cash withdrawals in force since March 10, 2022, was extended until September 9, 2023.
	03/10/2023	The restrictions on banks' sale of US dollars and euros were extended until September 9, 2023.
	04/01/2023	The measure where during a calendar month, Russian resident individuals may transfer up to US$1 million or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad (resident or nonresident) was extended until September 30, 2023.
	09/10/2023	The measure on the charging by banks of fees on individuals for US dollar withdrawals from foreign currency accounts regardless of the currency of an account, and fees for foreign currency conversion into US dollars when it is made to then withdraw cash in US dollars in force since March 9, 2022, was extended until March 9, 2024.
	09/10/2023	The measure on resident legal entities and individual proprietors cash withdrawals in force since March 10, 2022, that may receive cash in US dollars, Japanese yen, British pounds, and euros in an amount not exceeding US$5,000 and only to cover expenses for foreign business trips was extended until March 9, 2024, but the US$5,000 limit was removed.
	09/10/2023	The restrictions on banks' sale of US dollars and euros were extended until March 9, 2024.
	10/01/2023	The measure where during a calendar month, Russian resident individuals may transfer up to US$1 million or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad (resident or nonresident) was extended until March 31, 2024.

Nonresident Accounts

Foreign exchange accounts permitted	*03/01/2022*	Transfers of funds outside of Russia by persons (both legal entities and individuals) that are residents of sanctioning countries were suspended, and a limit on transfers by nonresident individuals who are residents of any non-sanctioning foreign countries of up to US $5,000 or the equivalent in other foreign currencies per month was introduced.
	03/09/2022	Banks may not charge fees on individuals withdrawing foreign currency from deposits or accounts regardless of the currency of an account, or fees for foreign currency conversion into US dollars if the conversion is carried out for subsequent cash withdrawal. The measure is in force until September 9, 2022.
	03/10/2022	Nonresident legal entities and nonresident individual proprietors may not receive cash in US dollars, Japanese yen, British pounds, and euros. For any other currencies, they may receive funds from their

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	accounts without any restrictions at the market exchange rate on the withdrawal date. The measure is in force until September 10, 2022.
03/31/2022	During a calendar month, nonresident individuals from countries not supporting the sanctions and nonresidents from sanctioning countries who receive wages or compensation for services in Russia may transfer no more than US$10,000 (previously US$5,000) or an equivalent amount in another currency from their accounts with Russian banks to their foreign accounts or to another individual abroad.
03/31/2022	Money transfers from Russian brokers' accounts by nonresident individuals and legal entities from countries supporting the sanctions were suspended for six months. The measures are valid until September 30, 2022.
05/16/2022	Nonresidents from friendly countries may transfer up to US$50,000 (previously US$10,000) or the equivalent in any other foreign currency per calendar month from their accounts with Russian banks to their accounts or other individuals abroad. Nonresidents from unfriendly and friendly countries who receive wages or payments for services in Russia may transfer funds from their Russian accounts abroad in rubles or foreign currency in the amount of wages or payment received for services.
06/08/2022	During a calendar month, nonresidents from friendly countries may transfer up to US$150,000 (previously US$50,000) or the equivalent in other foreign currencies to their foreign accounts. When money transfers are made through companies providing such services without opening an account, the monthly limit is US$10,000 or an equivalent amount in foreign currency.
07/01/2022	During a calendar month, nonresident individuals from friendly countries may transfer up to US$1 million (previously US$150,000) or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad. This measure is in force until September 30, 2022.
09/10/2022	The measure on the charging by banks of fees on individuals for US dollar withdrawals from foreign currency accounts regardless of the currency of an account, and fees for foreign currency conversion into US dollars when it is made to then withdraw cash in US dollars in force since March 9, 2022, was extended until March 9, 2023.
09/11/2022	The measure on nonresident legal entities and nonresident individual proprietors cash withdrawals in force since March 10, 2022, was extended until March 9, 2023.
10/01/2022	The measures on transfers by nonresidents from sanctioning countries were extended until March 31, 2023.
10/01/2022	The measures on transfers from Russian brokers' accounts by nonresident individuals and legal entities from countries supporting the sanctions were extended until March 31, 2023.
10/01/2022	The measures on transfers by nonresidents from friendly countries were extended until March 31, 2023.
03/10/2023	The measure on the charging by banks of fees on individuals for US dollar withdrawals from foreign currency accounts regardless of the currency of an account, and fees for foreign currency conversion into US dollars when it is made to then withdraw cash in US dollars in force since March 9, 2022, was extended until September 9, 2023.
03/10/2023	The measure on nonresident legal entities and nonresident individual proprietors cash withdrawals in force since March 10, 2022, was extended until September 9, 2023.
04/01/2023	The measures on transfers by nonresidents from sanctioning countries were extended until September 30, 2023.
04/01/2023	The measures on transfers from Russian brokers' accounts by nonresident individuals and legal entities from countries supporting

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		the sanctions were extended until September 30, 2023.
	04/01/2023	The measures on transfers by nonresidents from friendly countries were extended until September 30, 2023.
	09/10/2023	The measure on the charging by banks of fees on individuals for US dollar withdrawals from foreign currency accounts regardless of the currency of an account, and fees for foreign currency conversion into US dollars when it is made to then withdraw cash in US dollars in force since March 9, 2022, was extended until March 9, 2024.
	09/10/2023	The measure on nonresident legal entities and nonresident individual proprietors cash withdrawals in force since March 10, 2022, was extended until March 9, 2024.
	10/01/2023	The measures on transfers by nonresidents from sanctioning countries were extended until March 31, 2024.
	10/01/2023	The measures on transfers from Russian brokers' accounts by nonresident individuals and legal entities from countries supporting the sanctions were extended until March 31, 2024.
	10/01/2023	The measures on transfers by nonresidents from friendly countries were extended until March 31, 2024.
Domestic currency accounts	*03/01/2022*	Transfers of funds outside of Russia by persons (both legal entities and individuals) that are residents of sanctioning countries were suspended, and a limit on transfers by nonresident individuals who are residents of any non-sanctioning foreign countries of up to US $5,000 or the equivalent in other foreign currencies per month was introduced.
	03/05/2022	Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	03/31/2022	During a calendar month, nonresident individuals from countries not supporting the sanctions and nonresidents from sanctioning countries who receive wages or compensation for services in Russia may transfer no more than US$10,000 (previously US$5,000) or an equivalent amount in another currency from their accounts with Russian banks to their foreign accounts or to another individual abroad.
	03/31/2022	Money transfers from Russian brokers' accounts by nonresident individuals and legal entities from countries supporting the sanctions were suspended for six months as well. The measures are valid until September 30, 2022.
	05/16/2022	Nonresidents from friendly countries may transfer up to US$50,000 (previously US$10,000) or the equivalent in any other foreign currency per calendar month from their accounts with Russian banks to their accounts or other individuals abroad. Nonresidents from unfriendly and friendly countries who receive wages or payments for services in Russia may transfer funds from their Russian accounts abroad in rubles or foreign currency in the amount of wages or payment received for services.
	06/08/2022	During a calendar month, nonresidents from friendly countries may transfer up to US$150,000 (previously US$50,000) or the equivalent in other foreign currencies to their foreign accounts. When money transfers are made through companies providing such services without opening an account, the monthly limit is US$10,000 or an equivalent amount in foreign currency.
	07/01/2022	During a calendar month, nonresident individuals from friendly countries may transfer up to US$1 million (previously US$150,000) or the equivalent in other foreign currencies from their Russian bank accounts to their accounts abroad or to another individual abroad. This measure is in force until September 30, 2022.
	10/01/2022	The measure on transfers by nonresident individuals from friendly countries was extended until March 31, 2023.

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	04/01/2023	The measure on transfers by nonresident individuals from friendly countries was extended until September 30, 2023.
	10/01/2023	The measure on transfers by nonresident individuals from friendly countries was extended until March 31, 2024.

Imports and Import Payments

Financing requirements for imports		
Advance payment requirements	*03/27/2022*	Advance payment by residents (with the exception of individuals who are not individual entrepreneurs, Russian credit institutions, the state development corporation) in favor of nonresident legal entities and individuals is carried out within 30% of the amount of obligations stipulated under contracts for the provision of services by a nonresident, and contracts the terms of which provide for the performance of work by a nonresident, the transfer by a nonresident of information, the results of intellectual activity, including exclusive rights to them, subject to certain exceptions.
	04/02/2022	The 30% limit on advance payments was removed for some contracts amounting to less than $15,000 made with nonresidents, including for delivery of services, performance of work, transfer of information and copyright products, services rendered under foreign trade agreements related to goods transportation, other transport services, logistics, and use of transport infrastructure.
	04/16/2022	The 30% limit on advance payments was removed for foreign trade contracts for the provision of travel, building and equipment renovation, and maintenance services, for exhibition services provided by nonresidents from friendly countries or for nonresidents' services in organizing exhibitions, fairs, and congresses in friendly countries.
	07/20/2022	The 30% limit on advance payments in favor of nonresident banks under import contracts for providing services, performing works, and transferring intellectual property in force since April 2022, was removed.
	08/08/2022	The requirement to repatriate the funds paid to nonresidents in the form of advance payment for non-imported goods is not applied.
Documentation requirements for release of foreign exchange for imports		
Other	*05/31/2022*	Residents are not required to submit documents to an authorized bank related to the performance of foreign exchange transactions under any contracts with nonresidents if the amount of obligations under them does not exceed 600,000 rubles (previously 200,000 rubles).
Import licenses and other nontariff measures		
Negative list	*07/22/2023*	Whales, dolphins, and porpoises (mammals of the order Cetacea) prohibited for export from the customs territory of the EAEU.
Import taxes and/or tariffs	*12/15/2022*	As a temporary measure until December 31, 2023, Russia introduced increased rates of import customs duties on certain categories of goods originating from unfriendly states.
	08/01/2023	As a temporary measure until December 31, 2023, Russia introduced increased rates of import customs duties on certain categories of goods originating from unfriendly states.

Exports and Export Proceeds

Repatriation requirements	*01/01/2022*	For foreign trade contracts for raw materials exports (with the exception of timber and timber materials, as well as contracts concluded by budget organizations), the repatriation requirement for Russian currency was lifted on 50% from 30% of the contract amount, with the rest scheduled to take place in stages.

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	07/09/2022	Resident exporters were exempt from the requirement to repatriate foreign currency. The full amount of foreign currency earnings under export contracts may be put in accounts abroad without the obligation to subsequently transfer them to a Russian bank account.
	08/08/2022	The requirement to repatriate foreign currency and the currency of Russia when carrying out foreign trade activities and (or) when providing and repaying loans by Russian legal entities and individual entrepreneurs is not applied (parts 1 and 2 of Article 19 of Federal Law No. 173-FZ were temporarily suspended).
	01/01/2023	For foreign trade contracts for raw materials exports (with the exception of timber and timber materials, as well as contracts concluded by budget organizations), the repatriation requirement for Russian currency was lifted on 70% from 50% of the contract amount, with the rest scheduled to take place in stages.
Surrender requirements		
Surrender to authorized dealers	*02/28/2022*	Mandatory sale of 80% of foreign exchange earnings by exporters in the domestic market to increase the supply of foreign currency was introduced. Russian residents are required to sell 80% of foreign currency proceeds under their foreign trade contracts with nonresidents within three business days from the date the proceeds are credited.
	04/19/2022	Exporters in the non-commodity non-energy sector have the right to carry out the mandatory sale of their foreign currency earnings received on and after April 19, 2022, in the amount established by Executive Order of the President of the Russian Federation No. 79, within 60 business days to authorized banks (previously, within 3 days).
	04/21/2022	All exporters have the right to carry out the mandatory sale of their foreign currency earnings received on and after April 19, 2022, in the amount established by Executive Order of the President of the Russian Federation No. 79, within 60 business days to authorized banks (previously, within 3 days).
	05/24/2022	The mandatory sale of foreign exchange earnings by exporters was reduced to 50% from 80%.
	05/26/2022	The mandatory sale period was increased to 120 working days from 60 days.
	06/10/2022	The surrender requirements for all exporters were discontinued. Surrender requirements may be set by the Government Commission on Foreign Investments with a timeframe set by the Bank of Russia.
Documentation requirements	*05/31/2022*	Registration in an authorized bank is required for agreements relating to the receipt or provision of funds in the form of a loan (borrowing), the return of funds under a loan agreement (borrowing agreement), as well as the implementation of other foreign exchange transactions related to the receipt, provision, return of funds in the form of a loan (borrowing) (with the exception of agreements (contracts) recognized by the legislation of Russia as a loan or equated to a loan).
	05/31/2022	The amount of obligations in respect of which residents are not required to submit to the authorized bank documents related to foreign exchange transactions under any contracts with nonresidents was increased to 600,000 rubles from 200,000 rubles, and the amount of obligations under an export contract on reaching which a resident must register such contract with an authorized bank was increased to 10,000,000 rubles from 6,000,000 rubles.
Export licenses		
With quotas	*07/01/2022*	A temporary quantitative restriction applies on the export of certain types of fertilizers: nitrogen fertilizers (quota is 8,314,991 tons) and fertilizers containing 2 or 3 nutrients—nitrogen, phosphorus, and potassium (quota is 5,945,830 tons) until December 31, 2022.

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	08/10/2022	A temporary quantitative restriction applies on the export of certain types of sulfur: liquid, granular, and lump sulfur (quota is 1.1 million tons) until December 31, 2022.
	09/03/2022	A temporary quantitative restriction applies on the export of recyclable paper and cardboard (wastepaper and waste) (quota is 30,000 tons) until December 3, 2022.
	01/01/2023	The temporary quantitative restriction applies on the export of certain types of fertilizers was extended until May 31, 2023.
	06/01/2023	A non-tariff quota with a total amount of 16.3 million tons was established for certain types of nitrogen and nitrogen-rich fertilizers until November 30, 2023.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

Quantitative limits	*03/14/2022*	To maintain the stability and sustainability of the insurance market in view of the potential risks of the non-payment of funds, paragraph 2 of Article 3 of Federal Law No. 55-FZ of March 14, 2022, prohibited transactions between Russian insurers and insurers, reinsurers and insurance brokers that are entities of unfriendly states, as well as insurers, reinsurers, and insurance brokers controlled by entities of unfriendly states. The prohibition applies to the transfer of funds by Russian insurers to said persons under contracts entered into before the entry into force of Law No. 55-FZ. In exceptional cases, these actions may be carried out on the basis of the permission of the Bank of Russia.
	03/18/2022	The Bank of Russia allowed insurers to perform a number of previously prohibited transactions. The permission is valid until December 31, 2022.

Investment-related payments

Quantitative limits	*02/28/2022*	The payment of coupons to nonresidents was banned.
	02/28/2022	The payment of dividends to nonresidents was banned.
	03/05/2022	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions. Previously, all payments of coupons and dividends to nonresidents was banned.
	03/05/2022	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, dividend payments and debt repayment to nonresidents from unfriendly countries is done in rubles. Previously, all payments of coupons and dividends to nonresidents was banned.
	05/04/2022	Fulfillment of obligations to pay profits of limited liability companies, business partnerships, production cooperatives, to foreigners related to unfriendly states may be done in rubles.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.

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Other payments

Quantitative limits	*05/04/2022*	If a foreign lessor company from an unfriendly state has a business unit registered in Russia, payments to its account at a Russian bank will be made in rubles. If a foreign company affiliated with an unfriendly state works with Russian partners through a business unit located in a friendly state, payments will be made in the national currency of the state where the business unit is registered or in rubles.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	*01/01/2022*	For foreign trade contracts for raw materials exports (with the exception of timber and timber materials, as well as contracts concluded by budget organizations), the repatriation requirement for Russian currency was lifted to 50% from 30% of the contract amount, with the rest scheduled to take place in stages.
	07/09/2022	Resident exporters were exempt from the requirement to repatriate foreign currency. The full amount of foreign currency earnings under export contracts may be put in accounts abroad without the obligation to subsequently transfer them to a Russian bank account.
	08/08/2022	The requirement to repatriate foreign currency and the currency of Russia when carrying out foreign trade activities and (or) when providing and repaying loans by Russian legal entities and individual entrepreneurs is not applied (parts 1 and 2 of Article 19 of Federal Law No. 173-FZ were suspended).
	01/01/2023	For foreign trade contracts for raw materials exports (with the exception of timber and timber materials, as well as contracts concluded by budget organizations), the repatriation requirement for Russian currency was lifted on 70% from 50% of the contract amount, with the rest scheduled to take place in stages.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments	*03/23/2022*	The Bank of Russia set a moratorium until January 1, 2023, on the delisting of shares of foreign issuers, as well as depository receipts certifying the rights in respect of such shares admitted to organized trading by the decision of the Russian exchange pursuant to Clause 4 of Article 51.1 of Federal Law No. 39-FZ, of April 22, 1996, in the event of the delisting of these securities on a foreign exchange.
On capital market securities		
Shares or other securities of a participating nature		
Purchase locally by nonresidents	*02/28/2022*	The Bank of Russia issued a temporary ban for brokerage companies to satisfy requests by foreign investors for the sale of securities.
	03/01/2022	Pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of

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		March 1, 2022, is not applied to transactions that give rise to ownership of additional shares of Russian legal entities by foreigners related to unfriendly states, provided such foreign entities do not acquire the right to directly or indirectly dispose of more than 25% of the shares of a Russian legal entity.
	08/05/2022	A ban was imposed until December 31, 2022, on transactions that directly and/or indirectly entail the establishment, change, termination or encumbrance of the rights of possession, and use and/or disposal of shares of Russian legal entities if these securities are owned by foreigners related to unfriendly states.
Sale or issue locally by nonresidents	*02/28/2022*	The Bank of Russia issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities.
	03/01/2022	Pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, from February 28, 2022, and it is no longer in force.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that give rise to ownership of additional shares of Russian legal entities by foreigners related to unfriendly states, provided such foreign entities do not acquire the right to directly or indirectly dispose of more than 25% of the shares of a Russian legal entity.
	08/05/2022	A ban was imposed until December 31, 2022, on transactions that directly and/or indirectly entail the establishment, change, termination or encumbrance of the rights of possession, and use and/or disposal of shares of Russian legal entities if these securities are owned by foreigners related to unfriendly states.
Purchase abroad by residents	*03/18/2022*	Until May 31, 2022, residents were prohibited from carrying out the following transactions without obtaining permits from the Bank of Russia: (1) payment for a stake, contribution, unit in the property (authorized or share capital, share fund of a cooperative) of a nonresident legal entity; and (2) contribution to a nonresident under a simple partnership agreement with investment in the form of capital investments (joint activity agreement).
	04/01/2022	Prior Bank of Russia approval is not required if payment is made to a company from a friendly state and the payment is made in the currency of the friendly state or in rubles in an amount not to exceed 10 million rubles or an equivalent amount in foreign currency.
	06/01/2022	The Bank of Russia (BR) granted all residents the right to pay in the currency of friendly states and rubles for stakes, contributions and units in the property of nonresidents, as well as to make a contribution to nonresidents under a simple partnership agreement without prior obtaining individual permits from the BR regardless of the amount. If the payment is made in the currency of unfriendly states, the sum is limited to an equivalent of 15 million rubles.
	01/01/2023	The Bank of Russia Regulation No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers entered into force. In addition to insurance risks assumed by an insurer (the regulatory solvency margin), Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with

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		its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets.
	01/01/2023	In line with the decision by the Board of Directors of the Bank of Russia (BR), the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer's assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers' share in reserves) are recognized as equal to zero in determining the value of assets of the insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.
Bonds or other debt securities		
Purchase locally by nonresidents	*02/28/2022*	The Bank of Russia issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities.
	03/01/2022	Pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, from February 28, 2022, and it is no longer in force.
	03/05/2022	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	03/05/2022	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Sale or issue locally by nonresidents	*02/28/2022*	The Bank of Russia issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities.
	03/01/2022	Pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of

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		ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, from February 28, 2022, and it is no longer in force.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
Purchase abroad by residents	*01/01/2023*	Bank of Russia Regulation No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers entered into force. In addition to insurance risks assumed by an insurer (the regulatory solvency margin), Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets.
	01/01/2023	In line with the decision by the Board of Directors of the Bank of Russia (BR), the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer's assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers' share in reserves) are recognized as equal to zero in determining the value of assets of the insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.
Sale or issue abroad by residents	*03/05/2022*	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	03/05/2022	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
On money market instruments		
Purchase locally by nonresidents	*02/28/2022*	The Bank of Russia issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities.
	03/01/2022	Pursuant to Presidential Decree No. 81, a special procedure was

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		established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, from February 28, 2022, and it is no longer in force.
	03/05/2022	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	03/05/2022	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Sale or issue locally by nonresidents	*02/28/2022*	The Bank of Russia issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities.
	03/01/2022	Pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, from February 28, 2022, and it is no longer in force.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
Purchase abroad by residents	*01/01/2023*	In line with the decision by the Board of Directors of the Bank of Russia (BR), the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer's assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers' share in reserves) are recognized as equal to zero in determining the value of assets of the insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.

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	01/01/2023	Bank of Russia Regulation No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers entered into force. In addition to insurance risks assumed by an insurer (the regulatory solvency margin), Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets.
Sale or issue abroad by residents	*03/05/2022*	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	03/05/2022	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
On collective investment securities		
Purchase locally by nonresidents	*02/28/2022*	The Bank of Russia issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities.
	03/01/2022	Pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, from February 28, 2022, and it is no longer in force.
	03/05/2022	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	03/05/2022	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal

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		Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Sale or issue locally by nonresidents	*02/28/2022*	The Bank of Russia issued a temporary ban for brokerage companies, to satisfy requests by foreign investors for the sale of securities.
	03/01/2022	Pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, from February 28, 2022, and it is no longer in force.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
Purchase abroad by residents	*03/18/2022*	Until May 31, 2022, residents were prohibited from carrying out the following transactions without obtaining permits from the Bank of Russia: (1) payment for a stake, contribution, unit in the property (authorized or share capital, share fund of a cooperative) of a nonresident legal entity; and (2) contribution to a nonresident under a simple partnership agreement with investment in the form of capital investments (joint activity agreement).
	06/01/2022	The Bank of Russia (BR) granted all residents the right to pay in the currency of friendly states and rubles for stakes, contributions and units in the property of nonresidents, as well as to make a contribution to nonresidents under a simple partnership agreement without prior obtaining individual permits from the BR regardless of the amount. If the payment is made in the currency of unfriendly states, the sum is limited to an equivalent of 15 million rubles.
	01/01/2023	Bank of Russia Regulation No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers entered into force. In addition to insurance risks assumed by an insurer (the regulatory solvency margin), Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets.
	01/01/2023	In line with the decision by the Board of Directors of the Bank of Russia (BR), the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer's assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers' share in reserves) are recognized as equal to zero in determining the value of assets of the insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.

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Sale or issue abroad by residents	*03/05/2022*	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	03/05/2022	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Controls on derivatives and other instruments		
Purchase locally by nonresidents	*03/05/2022*	Temporary measures established by Presidential Decree No. 95 apply to derivative financial instruments: liabilities in the amount exceeding RUB 10 million in a calendar month may be executed by transferring funds to a C-type account in rubles in an amount equivalent to the value of liabilities in foreign currency.
Sale or issue locally by nonresidents	*03/05/2022*	Temporary measures established by Presidential Decree No. 95 apply to derivative financial instruments: liabilities in the amount exceeding RUB 10 million in a calendar month may be executed by transferring funds to a C-type account in rubles in an amount equivalent to the value of liabilities in foreign currency.
Controls on credit operations		
Commercial credits		
By residents to nonresidents	*03/01/2022*	Transactions for the provision of loans in foreign currency to any nonresident, as well as for the provision of credits (in foreign currency and rubles) and loans (in rubles) to nonresidents from unfriendly countries may be performed only based on a permit granted by the Government Commission on Monitoring Foreign Investment.
To residents from nonresidents	*03/05/2022*	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	03/05/2022	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Financial credits		
By residents to nonresidents	*03/01/2022*	Transactions for the provision of loans in foreign currency to any nonresident, as well as for the provision of credits (in foreign currency and rubles) and loans (in rubles) to nonresidents from

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		unfriendly countries may be performed only based on a permit granted by the Government Commission on Monitoring Foreign Investment.
To residents from nonresidents	*03/05/2022*	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	03/05/2022	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of the Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2) Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.
Controls on direct investment		
Outward direct investment	*03/18/2022*	Until May 31, 2022, residents were prohibited from carrying out the following transactions without obtaining permits from the Bank of Russia: (1) payment for a stake, contribution, unit in the property (authorized or share capital, share fund of a cooperative) of a nonresident legal entity; and (2) contribution to a nonresident under a simple partnership agreement with investment in the form of capital investments (joint activity agreement).
	04/01/2022	Prior Bank of Russia approval is not required if payment is made to a company from a friendly state and the payment is made in the currency of the friendly state or in rubles in an amount not to exceed 10 million rubles or an equivalent amount in foreign currency.
	06/01/2022	The Bank of Russia (BR) granted all residents the right to pay in the currency of friendly states and rubles for stakes, contributions and units in the property of nonresidents, as well as to make a contribution to nonresidents under a simple partnership agreement without prior obtaining individual permits from the BR regardless of the amount. If the payment is made in the currency of unfriendly states, the sum is limited to an equivalent of 15 million rubles.
Inward direct investment	*03/01/2022*	Pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that entail the emergence of ownership of shares or bonds of Russian legal entities and of which an entity from an unfriendly state is a party, and which are part of the same group of entities with Russian legal entities on the grounds provided for in paragraph 1 of part 1 of Article 9 Federal Law No. 135-FZ of July 26, 2006, provided the payment for the shares or bonds is made in rubles.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that give rise to ownership of additional shares of Russian legal entities by foreigners related to unfriendly states, provided such foreign entities do not acquire the right to directly or indirectly dispose of more than 25% of the shares of a Russian legal entity.

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	08/05/2022	A ban was imposed until December 31, 2022, on transactions that directly and/or indirectly entail the establishment, change, termination or encumbrance of the rights of possession, and use and/or disposal of shares of Russian legal entities if these securities are owned by foreigners related to unfriendly states.
Controls on liquidation of direct investment	*03/01/2022*	Pursuant to Presidential Decree No. 81, a special procedure was established for performing transactions that entail the emergence of ownership of securities carried out with persons of unfriendly states. Such transactions may be performed based on a permit granted by the Bank of Russia on approval of the MOF. This replaced the ban for brokerage firms, and it is no longer in force.
	05/04/2022	The special procedure established by Presidential Decree No. 81 of March 1, 2022, is not applied to transactions that give rise to ownership of additional shares of Russian legal entities by foreigners related to unfriendly states, provided such foreign entities do not acquire the right to directly or indirectly dispose of more than 25% of the shares of a Russian legal entity.
	08/05/2022	A ban was imposed until December 31, 2022, on transactions that directly and/or indirectly entail the establishment, change, termination or encumbrance of the rights of possession, and use and/or disposal of shares of Russian legal entities if these securities are owned by foreigners related to unfriendly states.
	06/01/2023	Foreign exchange that residents may buy in the local market to pay to exiting foreign firms is set at US$ 1 billion a month. However, foreign firm exit from the Russian market is still very restricted and possible only under a special Government permit, requiring a sale at a half of market price and payment of one-off fee of 10% of the sale price.
Controls on real estate transactions		
Purchase locally by nonresidents	*03/01/2022*	Transactions entailing the emergence of ownership of real estate carried out with persons of unfriendly states may be performed based on a permit granted by the Government Commission for Monitoring Foreign Investment.
Sale locally by nonresidents	*03/01/2022*	Transactions entailing the emergence of ownership of real estate carried out with persons of unfriendly states may be performed based on a permit granted by the Government Commission for Monitoring Foreign Investment.
Controls on personal capital transactions		
Loans		
By residents to nonresidents	*03/01/2022*	Transactions for the provision of loans in foreign currency to any nonresident, as well as for the provision of credits (in foreign currency and rubles) and loans (in rubles) to nonresidents from unfriendly countries may be performed only based on a permit granted by the Government Commission on Monitoring Foreign Investment.
To residents from nonresidents	*03/05/2022*	Pursuant to Presidential Decree No. 95 on the temporary procedure for fulfilling obligations to certain foreign creditors, debt repayment to nonresidents from unfriendly countries is done in rubles.
	03/05/2022	Pursuant to Executive Order No. 95, of March 5, 2022, on debt repayment, (1) creditors who are residents of Russia and creditors from countries that have not joined sanctions against Russia may receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the exchange rate as of the moment of the repayment or, provided there is a special permit, in the currency of the debt. The Executive Order does not restrict the use of rubles received by creditors, including with regard to foreign exchange transactions. (2)

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		Ruble repayments on debt obligations to creditors from the countries that have imposed sanctions against Russia will be credited into C-type accounts opened with Russian and foreign credit institutions.
	06/22/2022	Pursuant to Presidential Decree No. 394, payment on foreign currency debt (Eurobonds) may be done in rubles.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	*02/22/2022*	Financial institutions may recognize shares and bonds in reporting at their market value as of February 18, 2022, until October 1, 2022, and credit institutions may calculate required ratios using the foreign exchange rates as of February 18, 2022, until October 1, 2022.
	10/01/2022	The measure where credit institutions could use a fixed exchange rate for accounting and valuation is no longer in force.
Lending to nonresidents (financial or commercial credits)	*03/01/2022*	Transactions for the provision of loans in foreign currency to any nonresident, as well as for the provision of credits (in foreign currency and rubles) and loans (in rubles) to nonresidents from unfriendly countries may be performed only based on a permit granted by the Government Commission on Monitoring Foreign Investment.
Lending locally in foreign exchange	*01/01/2022*	The COVID-19-related decision announced on March 13, 2020, not to apply surcharges to risk ratios on foreign currency credits provided from March 1, 2020, through September 30, 2020, and extended until December 31, 2021, to companies producing medicines and materials and equipment used for medical purposes, and also on investments made during this same period in debt securities of these companies denominated in foreign currency, is no longer valid.
	02/28/2022	Add-ons to risk ratios were eliminated for banks' credit claims to legal entities in foreign currency that arose on or after February 28, 2022.
	02/28/2022	The accumulated macroprudential capital buffer was released for claims that arose before February 28, 2022, on loans granted to legal entities in foreign currency and on investments in debt securities denominated in foreign currency.
	02/28/2022	The Bank of Russia released the accumulated macroprudential capital buffer for unsecured consumer loans and mortgage loans in rubles and foreign currency.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*03/03/2022*	The required reserve ratios were set for banks with a universal license and nonbank credit institutions to 2% for liabilities to nonresident legal entities, liabilities to individuals, and other liabilities in rubles (previously 4.75%) and foreign currency (previously 8%); for banks with a basic license to 2% for liabilities to nonresident legal entities in rubles (previously 4.75%), as well as liabilities to nonresident legal entities, liabilities to individuals, and other liabilities in foreign currency (previously 8%).
	03/05/2022	To decrease the regulatory burden related to the formation of required reserves for banks with a universal license and nonbank credit institutions on C-type accounts used in transactions pursuant to Executive Order No. 95, of March 5, 2022, these credit institutions have the right not to include liabilities in Russian rubles and foreign currency recognized in C-type accounts in calculating the required reserves.
	04/01/2022	The procedure for calculating and regulating the amount of required reserves was simplified. Furthermore, for banks with a basic license, the required reserves ratio was set at 1% for all categories of liabilities in rubles (previously it was 1% only for liabilities to individuals and other liabilities in domestic currency).
	05/01/2022	The required reserve ratios for all categories of liabilities in foreign

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		currency subject to such requirements was raised to 4% from 2% for both banks with a basic license and banks with a universal license.
	08/01/2022	The required reserve ratios for all categories of liabilities in rubles subject to such requirements were increased for banks with a universal license and nonbank credit institutions, as well as for all categories of liabilities of credit institutions in foreign currency subject to such requirements: for banks with a universal license and nonbank credit institutions the required reserve ratio is increased to 3% from 2% for all categories of liabilities in the national currency which are subject to reserve requirements (liabilities to nonresident legal entities and individuals, other liabilities); the required reserve ratio for liabilities of credit institutions in foreign currency is increased to 5% from 4%.
	03/01/2023	Amid a growing structural liquidity surplus and to maintain the downward trend in the share of foreign currency on credit institutions' balance sheets, the Bank of Russia increased the required reserve ratios: to 4% (previously 3%) for all categories of reservable liabilities in the currency of Russia for banks with a universal license and nonbank credit institutions; to 7% (previously 5%) for all categories of reservable liabilities in foreign currency for all credit institutions. Required reserve ratios for all categories of reservable liabilities in the currency of Russia for banks with a basic license remain unchanged.
	06/01/2023	Considering an evolution in the structural liquidity surplus and in an attempt to maintain the downward trend in the share of foreign currency on credit institutions' balance sheets, the Bank of Russia increased the required reserve ratios as follows: 4.5% (previously 4%) for all categories of reservable liabilities in the currency of Russia for banks with a universal license and nonbank credit institutions; 6% (previously 5.5%) for all categories of reservable liabilities in foreign currency (excluding liabilities in currencies of unfriendly states) for all credit institutions; 8.5% (previously 7.5%) for all categories of reservable liabilities in currencies of unfriendly states for all credit institutions.
Liquid asset requirements	*02/25/2022*	To expand the capabilities of systemically important credit institutions (SICIs) to manage their liquidity, the Bank of Russia (BR) eases the LCR N26 (N27) applicable to these institutions. The BR will not apply sanctions against SICIs if they show a drop in the actual value of the above ratio resulted from both actual outflows of funds and depreciation of highly liquid assets, as well as from limited opportunities to prolong fund raising agreements for longer than 30 calendar days with a simultaneous repayment of long-term obligations taken before. The measure is valid until December 31, 2022.
	01/01/2023	Systemically important credit institutions (SICIs) continue to be subject to (1) the extended list of conditions introduced in 2022 under which a decrease in actual LCR values below 100% is not considered a breach and (2) forbearance introduced in 2022 for non-compliance with the net stable funding ratio in case it is because of unfavorable funding conditions and other objective reasons, with the additional condition that the SICI must implement measures to gradually improve liquidity levels.
Interest rate controls	*03/01/2022*	Directive No. 6077-U of February 28, 2022, established a moratorium on the application of the total cost of credit limitation until June 30, 2022, because of significant changes in market conditions.
	07/01/2022	The moratorium on the application of the total cost of credit limitation ended. Consumer credits (loans) extended under government programs

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	07/03/2022	providing subsidies to creditors from the federal budget and (or) the budget of a constituent entity of Russia to compensate the creditors for their lost income on extended consumer credits (loans) are not taken into account when calculating the average market value of total cost of credit.
	07/03/2022	The total cost of credit restriction applies to relations arising in connection with the provision of loans (loans) to individuals for purposes not related to their entrepreneurial activities, and where the obligations of the borrowers are secured by a mortgage.
	07/01/2023	The value of the total cost of credit may not exceed the lower of the following values: 292% a year or the average market value of the total cost of consumer credit (loan) in percent per annum of the relevant category of consumer credit (loan) calculated by the Bank of Russia and applied in the relevant calendar quarter, by more than one third.
	08/16/2023	Bank of Russia Board of Directors Decision of August 16, 2023, established a moratorium on total cost of credit limitation until December 31, 2023, because of a significant change in market conditions.
Differential treatment of deposit accounts held by nonresidents		
Reserve requirements	*04/01/2023*	To stimulate a change in the composition of credit institutions' foreign currency liabilities toward a higher proportion of friendly states' currencies, while maintaining conditions for a further overall decrease in the share of foreign currencies on the balance sheets of all credit institutions, the Bank of Russia introduced differentiated required reserve ratios for liabilities in unfriendly states' currencies or other foreign currencies: 7.5% (previously 7%) for all categories of reservable liabilities in unfriendly states' currencies.
	04/01/2023	To stimulate a change in the composition of credit institutions' foreign currency liabilities toward a higher proportion of friendly states' currencies, while maintaining conditions for a further overall decrease in the share of foreign currencies on the balance sheets of all credit institutions, the Bank of Russia introduced differentiated required reserve ratios for liabilities in unfriendly states' currencies or other foreign currencies: 5.5% (previously 7%) for all categories of reservable liabilities in foreign currencies (except liabilities in unfriendly states' currencies).
	06/01/2023	Considering an evolution in the structural liquidity surplus and in an attempt to maintain the downward trend in the share of foreign currency on credit institutions' balance sheets, the Bank of Russia increased the required reserve ratios as follows: 4.5% (previously 4%) for all categories of reservable liabilities in the currency of Russia for banks with a universal license and nonbank credit institutions; 6% (previously 5.5%) for all categories of reservable liabilities in foreign currency (excluding liabilities in currencies of unfriendly states) for all credit institutions; 8.5% (previously 7.5%) for all categories of reservable liabilities in currencies of unfriendly states for all credit institutions.
Open foreign exchange position limits	*02/18/2022*	The Bank of Russia will not apply measures to credit institutions if they fail to comply with the fixed limits relative to open currency positions in individual foreign currencies and precious metals; total amount of all open currency positions in foreign currencies and precious metals; and the balancing position in rubles provided the said failure is caused externally, and banks do not use the above easing for speculative purposes. This measure is valid until July 1, 2022.

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	05/13/2022	The Bank of Russia (BR) will not apply until December 31, 2022, measures to banks for non-compliance with the open currency position limits in US dollars and/or euros provided the positions are oppositely directed (a long position versus a short position and vice versa) and have sufficient mutual compensation (the largest in absolute value of the two positions in ruble equivalent should not exceed the smallest by more than 10%). Also, the BR will not apply measures for consequential non-compliance with the total open currency position limit unless such non-compliance exceeds 15 percentage points. This relief will allow banks to carry out internal hedging of opposite open currency positions in US dollars and euros, which will reduce the costs of regulating positions in these currencies with the capital risks to be greatly limited.
	07/01/2022	The decision from February 18, 2022, not to apply measures to credit institutions if they fail to comply with the fixed limits relative to open currency positions was extended until December 31, 2022.
On resident assets and liabilities	*08/10/2023*	Until December 31, 2023, exceeding the limits of the short OFXP is not considered a violation of the regulatory ratio if it (1) emerges through no fault of the credit organization (as a result of ruble redemption/conversion of foreign exchange assets, provisioning and (or) appreciation of the exchange rates) and (2) is observed for no more than 15 days of operations by the credit organization (of the last 40 days).

Provisions specific to institutional investors

Insurance companies

Limits (max.) on investment portfolio held abroad	*01/01/2023*	Bank of Russia Regulation No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers entered into force. In addition to insurance risks assumed by an insurer (the regulatory solvency margin), Regulation No. 781-P also takes into account the volume of risks assumed by an insurer in connection with its investment activity. An assessment of the impact of risks is performed for a one-year horizon, and it is estimated as the aggregate impact of concentration risk, the risk of a change in the credit spread, the risk of a change in interest rates, the risk of a change in share value, the risk of a change in the foreign exchange rate, the risk of a change in real estate prices, credit risk, and the risk of a change in prices for other assets.
	01/01/2023	In line with the decision by the Board of Directors of the Bank of Russia (BR), the value of shares and bonds, units of foreign investment funds that are issued by (or make liable) a resident of a non-friendly country, not accounted for as part of the insurer's assets as of February 25, 2022, as well as claims to residents of non-friendly countries (except for the reinsurers' share in reserves) are recognized as equal to zero in determining the value of assets of the insurer that made a decision to pay dividends after January 1, 2023. If the insurer has not decided to pay dividends after January 1, 2023, it will amortize the value of the above assets over 10 years. The policy is set forth in the regulation on a permanent basis in the BR's Directive No. 6513-U of August 21, 2023, on Amendments to the Regulation of the BR No. 781-P of November 16, 2021, on Financial Soundness and Solvency Requirements for Insurers.

Digital Currencies and Crypto Assets

Controls on the use of domestic CBDC—retail and/or wholesale

Between residents and nonresidents	*08/01/2023*	Federal Law No. 340-FZ of July 24, 2023, on Amending Certain Laws of the Russian Federation, classifies transactions with the digital ruble between nonresidents as foreign exchange transactions.

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RWANDA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 30, 1963.
Article VIII	Yes.	Date of acceptance: December 10, 1998.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Rwanda is the Rwandan franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. The National Bank of Rwanda (BNR) has intervened directly to prevent undue fluctuations in the exchange rate. The de facto exchange rate arrangement is classified as a crawl-like arrangement. The BNR discloses to the public data on its foreign exchange interventions in the Monetary Policy and Financial Stability Statement (MPFSS).
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		

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Free floating		
Official exchange rate	Yes.	The BNR's official rate is based, effective January 1, 2022, on the simple average of transactions/sales in US dollars of at least US $100,000 by commercial banks with clients during the previous day. Previously, the BNR's official rate was based on the weighted average of the previous day's market rates of foreign exchange interbank and BNR intervention transactions, if any. The BNR shifted the methodology from weighted average of all selling transactions in USD to simple average of transactions of at least US $100,000 to converge to the EAC community protocol, which stipulates that all EAC Central Banks should use the simple average of interbank foreign exchange transactions. In the case of inactive foreign exchange interbank market, the BNR uses transactions done by commercial banks with their clients. The rate is determined every morning and is the basis for financial institutions' valuation of their financial assets.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The BNR follows a price-based monetary policy. The MPC sets the monetary policy stance and announces the Central Bank Rate. The operational target is the seven-day interbank rate that must be within a band of ±1% around the Central Bank Rate. The objective of BNR is to keep headline consumer price inflation within the band of 2% and 8%, with a focus of having it close to 5% in the medium term.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		

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Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries freely set their exchange rates and commissions in transactions with their clients.
Spot exchange market	Yes.	As of June 30, 2023, there were 15 banks, including 10 commercial banks, 3 microfinance banks, 1 development bank and 1 cooperative bank; 458 microfinance institutions, including 416 savings and credit cooperatives, 19 public limited companies, and 23 Non-Umurenge savings and credit cooperatives; and 78 foreign exchange bureaus licensed by the BNR. The foreign exchange bureaus do not enter into transactions with the BNR and may not open accounts abroad. They may only purchase and sell banknotes and may not make foreign currency payments and transfers on behalf of their clients. The minimum capital requirement for foreign exchange bureaus is FRW 50 million for foreign exchange bureaus in Category I and FRW 25 million for those in Category II. The BNR placed a moratorium on licensing new foreign exchange bureaus on February 22, 2017.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	Yes.	When market assessment indicates undue volatility in the market, the BNR announces to market participants its intention to intervene in the market.
Auction	No.	

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Fixing	No.	
Interbank market	Yes.	The interbank market operates on the basis of direct transactions between banks. As of June 30, 2022, there were 11 commercial banks licensed by the BNR to participate in the foreign exchange interbank market. Pursuant to Regulation No. 42/2022 effective April 18, 2022, governing foreign exchange operations, microfinance institutions are allowed to participate in the foreign exchange market but they are not currently active. There are no limits on the bid-ask spreads or commissions for market participants. The CB intervenes directly with market participants (commercial banks) at the preannounced intervention rate based on the market rate.
Over the counter	Yes.	The market operates over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	A forward exchange market in which banks may take forward positions of 1 to 12 months on behalf of exporters and importers has been authorized but is not yet operational. The CB does not participate in the forward foreign exchange market. However, the BNR has entered into long-term foreign exchange swaps with commercial banks.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Residents may only trade in the domestic currency.
Payments arrangements	Yes.	Regulation No. 42/2022 of April 13, 2022, governing foreign exchange operations, applies.
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Payments to and from COMESA member countries are made through the Regional Payment and Settlement System (REPS), while payments with East African countries are made through the East African Payment System (EAPS). Both payment systems are operational.
Clearing agreements	Yes.	Rwanda participates in the COMESA and EAC clearing agreements.
Barter agreements and open accounts	Yes.	An arrangement exists with Uganda, but it is not operational.

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Administration of control	Yes.	Foreign exchange authority is vested in the BNR, which has delegated the authority to authorized banks and foreign exchange bureaus.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Trading is restricted to dealers approved by the relevant authorities. The approvals are granted by the Ministry of Trade and Industry. There are no controls on domestic ownership of gold (coins and/or bullion). Under anti-money-laundering legislation, gold dealers (dealers in precious stones) are considered reporting entities under the control of the Financial Intelligence Center.
On external trade	Yes.	Imports and exports of gold must be reported. Gold mining, refining, trade, and export is a regulated business that requires a license which is issued by the Rwanda Mines, Petroleum, and Gas Board (RMB) as the responsible regulatory authority, a requirement of the Mining Law. This requirement is not restricted to gold alone, but rather applicable to all other minerals as well. The RMB has two types of Mineral Export Certificates. The ICGLR Mineral Exports Certificate is governed by the Regional Certification Mechanism (RCM) to support the "Bag & Tag" system established to determine the chain of custody of the 3Ts (Tin, Tantalum, and Tungsten) to fight against illegal exploitation of these minerals in the Great Lakes region. The Rwanda Mineral Export Certificate is the national initiative to ensure proper reporting, demand due diligence, and transparency in non-3T minerals, including gold, which is issued by the RMB.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	No.	There are no controls with respect to resident and nonresident individuals on domestic currency. The amount of cash or the value of the negotiable instruments that a person may carry leaving the territory of Republic of Rwanda without need to make declaration is US$10,000 or equivalent in other currencies.
Foreign currency	Yes.	Commercial banks that need to export banknotes must request approval from the BNR in accordance with Regulation No. 42/2022 of April 13, 2022, governing foreign exchange operations. There are no quantitative limits. The amount of cash or the value of the negotiable instruments that a person may carry leaving the territory of Republic of Rwanda without need to make declaration is US $10,000 or equivalent in other currencies.
On imports	No.	
Domestic currency	No.	There are no controls with respect to resident and nonresident individuals on domestic currency. The amount of cash or the value of the negotiable instruments that a person may carry entering the territory of Republic of Rwanda without need to make declaration is US$10,000 or equivalent in other currencies.
Foreign currency	No.	There are no controls with respect to resident and nonresident individuals, but banks must inform the BNR of the amount imported. The amount of cash or the value of the negotiable instruments that a person may carry entering the territory of Republic of Rwanda

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without need to make declaration is US$10,000 or equivalent in other currencies.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange accounts may be freely debited and credited in accordance with banking practices and national law. For statistical purposes, the reason for withdrawals must be documented. Balances may be transferred abroad freely.
Approval required	No.	Commercial banks may freely open and manage foreign exchange accounts for residents.
Held abroad	Yes.	Licensed banks may open accounts abroad, provided they comply with BNR prudential rules on foreign currency holdings. Other residents may also transfer funds to an account abroad. For statistical purposes, licensed intermediaries must report those transfers. Export proceeds may also be held in accounts with foreign banks abroad. Balances may be transferred to the home country freely.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Holders of domestic currency accounts may freely request the bank to debit their account for external payment using the prevailing exchange rate.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Commercial banks may freely open and manage foreign exchange accounts for nonresident individuals and institutions. Balances may be transferred abroad freely.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident individuals and institutions may open domestic currency accounts with local banks. Balances may be transferred abroad freely.
Convertible into foreign currency	Yes.	Nonresidents may convert the balances in their domestic currency accounts to foreign currency and transfer the proceeds abroad.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	Yes.
Domiciliation requirements	No.
Preshipment inspection	No.

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Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Import payments are generally made after delivery, but authorized banks may make advance payments on presentation of supporting documentation.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of narcotics are prohibited. Certain categories of imports, including explosives and weapons, require approval from the relevant authorities, regardless of the origin and value. For public health reasons, the importation of human and veterinary medicines, disinfectants, and other toxic or potentially toxic chemicals is subject to the approval of the relevant pro forma invoices by the Ministry of Health.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	No.	
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exporters must provide the Rwanda Development Board (RDB) with the required information. A license is required in certain cases specified by law, such as exporting minerals and precious stones.
With quotas	No.	

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Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Licensed banks may freely transfer foreign exchange to cover payments for standard invisible transactions, such as dividends, directors' and managers' fees, professional allowances, copyrights, royalties, cost of goods' repair, interest, credit card payments to foreign companies, reinsurance bonuses, reimbursement of expenses because of foreign airlines, advertising costs, hiring and leasing costs, sea–road–air transportation and transit costs, newspapers and periodicals, membership in trade and professional associations, expenses for correspondence courses and books, and VAT refunds.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Intermediaries must conduct a bona fide test of applications through know-your-customer (KYC) guidelines.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Intermediaries must conduct a bona fide test of applications through KYC guidelines.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Intermediaries must conduct a bona fide test of applications through KYC guidelines.
Credit card use abroad	No.	
Prior approval	No.	

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Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	No.	Portfolio investment transactions between residents and nonresidents have been fully liberalized. The key components of these transactions are as follows: (1) equities and debt securities in the form of bonds or other loan stocks and (2) money market instruments and derivatives, such as options.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents		

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	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	Capital transactions on commercial credits are fully liberalized.
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	Capital transactions on financial credits are fully liberalized. Resident financial institutions may lend to nonresidents according to the banking regulatory framework. There are reporting requirements for statistical purposes.
To residents from nonresidents	No.	Residents may freely contract loans in foreign currency from nonresident banks and international financial institutions to finance their activities, but they need to take into consideration the interest rate risks and ensure that the foreign exchange risk is mitigated. Effective April 13, 2022, banks must record information related to the repayment of offshore borrowing for reporting purposes. Previously, for statistical purposes, the loan agreement had to be recorded with the BNR together with the following information: (1) contract identification number; (2) date of contract; (3) amount of loan; (4) loan currency; (5) reason for the loan; (6) interest rate; (7) commissions; (8) repayment period; (9) grace period; (10) maturity period; (11) frequency of payment; and (12) existence of guarantee.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Controls on direct investment	No.	Inward and outward transactions on direct investment are fully liberalized. The key components of these transactions are (1) participation in a new or existing enterprise with a view to establishing or maintaining lasting economic links; (2) establishment and extension of branches or new enterprises belonging solely to the person providing the capital and the acquisition in full of existing enterprises; and (3) reinvestment of profits with a view to maintaining lasting economic links. Before repatriation, licensed intermediaries authorized to transfer foreign currency must request relevant supporting documents. There are some requirements for statistical purposes.
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	Repatriation of current income relating to local investments, as well as the net profit from liquidation of capital invested by transfers of foreign currency to the country, may be freely carried out by licensed banks with supporting documents.
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	Licensed banks may approve applications from Rwandan resident entities related to personal transactions on the basis of the transaction's documentary evidence. The key components of those transactions include the following: (1) loans, gifts, and endowments; (2) dowries; (3) inheritances and legacies; (4) settlement of debts by persons in their previous country of residence; (5) transfers of residents' assets in the event of emigration at the time of their move and during their period of stay abroad; (6) transfers, during their period of stay, of persons' savings to their previous country of residence; (7) death taxes; (8) damages; and (9) refunds in the case of cancellation of contracts and refunds of uncalled for payments. Licensed banks must be satisfied with the documentary evidence of payment due. The KYC principle must be observed at all times.
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	

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Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Commercial banks' borrowing is subject to the same provisions as borrowing by natural or legal entities, provided the prudential standards are observed. Banks may freely contract loans in foreign currency from abroad, but they need to take into consideration the interest rate and ensure that the foreign exchange risk is mitigated. Effective April 13, 2022, a copy of the loan agreement no longer needs to be registered with the BNR for statistical purposes.
Maintenance of accounts abroad	Yes.	Commercial banks may open accounts abroad and maintain credit balances in accordance with prudential rules established by the BNR on the limits on foreign currency holdings. For statistical purposes, licensed intermediaries authorized to transfer foreign currency must provide the BNR information on the foreign currency transferred on overseas accounts.
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	Pursuant to Regulation No. 42/2022 of April 13, 2022, governing foreign exchange operations, the governor of the BNR determines through directives the conditions for granting loans in foreign currency. Pursuant to Directive 09-2018, resident banks may grant loans in foreign currency to residents and nonresidents subject to the following conditions: (1) The eligible borrower is a legal entity with a turnover of over FRW 50 million or its equivalent in foreign currency; (2) the borrower's income stream in foreign currency is derived from businesses permitted to generate foreign currency; (3) income stream generated by the business in foreign currency is not less than 150% of the annual or total installments; (4) repayment will be in the currency being borrowed until the maturity of the loan; (5) the foreign exchange risk is mitigated; (6) the collateral pledged by nonresidents is valued at 150% of the total amount of the loan; and (7) they comply with other prudential rules on related parties' transactions, credit concentration, and large exposure limits.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve requirement applies to both local and foreign currency deposits. There is no reserve requirement maintained in foreign currency. Effective January 1, 2023, the reserve requirement ratio increased back to 5% from 4%, and applies to liabilities in local currencies and foreign currencies since June 2, 2022. The previous reduction was one of the measures taken to mitigate the economic impact of the COVID-19 pandemic.
Liquid asset requirements	No.	Banks must maintain high-quality liquid assets equal to at least 100% of the net outflow for the 30-day period and for significant foreign currency on a weekly basis.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	

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Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	Commercial banks' investments are subject to the prudential standards observed (foreign and local investment, exchange exposure limits, and the KYC principle).
Abroad by banks	Yes.	Regulation No. 2310/2019 – 00022 [614] of March 19, 2019, of the BNR on Major Investments and Placements of Banks applies. All major equity investments domestically and abroad require approval. A major investment is defined as a holding by a bank in an entity that represents at least 5% of the equity capital of the entity or a shareholding that exceeds 5% of the core capital of the bank. The aggregate investment in equity shares of other companies by a bank may not at any time exceed 25% of bank's core capital.
In banks by nonresidents	Yes.	Regulation No. 42/2022 of April 13, 2022, governing foreign exchange operations and Regulation No. 2310/2019 – 00023 [614] of March 19, 2019, of the BNR on Shareholding, Acquisition, and Amalgamation of Banks apply. The approval from the CB is required, and a natural person cannot exceed 25% of the shares.
Open foreign exchange position limits	Yes.	Long and short foreign exchange positions are subject to limits of ±20% of banks' capital and reserves. Banks' foreign exchange positions may not exceed the limit for two consecutive business days.
On resident assets and liabilities	Yes.	Open foreign exchange position limits apply for both resident and nonresident assets and liabilities. Long and short foreign exchange positions are subject to limits of ±20% of banks' capital and reserves. Banks' foreign exchange positions may not exceed the limit for two consecutive business days.
On nonresident assets and liabilities	Yes.	Open foreign exchange position limits apply for both resident and nonresident assets and liabilities. Long and short foreign exchange positions are subject to limits of ±20% of banks' capital and reserves. Banks' foreign exchange positions may not exceed the limit for two consecutive business days.
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	The Insurance Law and regulations related to insurance supervision apply.
Limits (max.) on securities issued by nonresidents	No.	No applicable regulation.
Limits (max.) on investment portfolio held abroad	No.	No applicable regulation.
Limits (min.) on investment portfolio held locally	No.	Regulation No. 05/2009 of July 29, 2009, on licensing requirements and other requirements for carrying out insurance business applies. Article 20 on investments operations sets limits on asset allocation for various investment classes as percentage of total assets. The regulation does not provide for a minimum investment portfolio to be held locally.
Currency-matching regulations on assets/liabilities composition	No.	No applicable regulation.
Pension funds	Yes.	Regulation No. 05/2016 of September 26, 2016, of the BNR established operational and other requirements for pension schemes.
Limits (max.) on securities issued by nonresidents	Yes.	A pension scheme may not invest more than 15% of the total value of its assets outside Rwanda (Regulation No. 05/2016, of September

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		26, 2016, Article 26).
Limits (max.) on investment portfolio held abroad	Yes.	A pension scheme may not invest more than 15% of the total value of its assets outside Rwanda (Regulation No. 05/2016, of September 26, 2016, Article 26).
Limits (min.) on investment portfolio held locally	No.	No such limits apply.
Currency-matching regulations on assets/liabilities composition	No.	No currency-matching regulations apply.
Investment firms and collective investment funds	No.	No restrictions as long as they comply with Law No. 40/2011 of September 20, 2011, which regulates collective investment funds in Rwanda. Collective investment funds are regulated by the Capital Market Authority. Residents and nonresidents are treated the same.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	BNR does not have central bank digital currency (CBDC) yet. It is in a research phase.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	

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Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	n.a.	The BNR has issued a public notice warning that consumers and investors engaging in crypto assets are not protected by any law or competent authority in Rwanda.
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on stablecoins	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	

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Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on crypto exchanges and trading platforms	No.	BNR issued a public notice warning that consumers and investors engaging in crypto assets are not protected by any law or competent authority in Rwanda.
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*01/01/2022*	The National Bank of Rwanda's (BNR's) official rate is based on the simple average of transactions/sales in US dollars of at least US $100,000 by commercial banks with clients during the previous day. Previously, the BNR's official rate was based on the weighted average of the previous day's market rates of foreign exchange interbank and BNR intervention transactions, if any.
Foreign exchange market		
Spot exchange market		
Interbank market	*04/18/2022*	Pursuant to Regulation No. 42/2022, governing foreign exchange operations, microfinance institutions are allowed to participate in the foreign exchange market.

Capital Transactions

Controls on capital transactions		
Controls on credit operations		
Financial credits		
To residents from nonresidents	*04/13/2022*	Banks must record information related to the repayment of offshore borrowing for reporting purposes. Previously, for statistical purposes, the loan agreement had to be recorded with the National Bank of Rwanda together with the following information: (1) contract identification number; (2) date of contract; (3) amount of loan; (4) loan currency; (5) reason for the loan; (6) interest rate; (7) commissions; (8) repayment period; (9) grace period; (10) maturity period; (11) frequency of payment; and (12) existence of guarantee.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Borrowing abroad	*04/13/2022*	A copy of the loan agreement no longer needs to be registered with the National Bank of Rwanda for statistical purposes.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*01/01/2023*	The reserve requirement ratio increased back to 5% from 4% and applies to liabilities in local currencies and foreign currencies since June 2, 2022. The previous reduction was one of the measures taken to mitigate the economic impact of the COVID-19 pandemic.

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SAMOA

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 28, 1971.
Article VIII	Yes.	Date of acceptance: October 6, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Samoa is the Samoan tala (SAT).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The Central Bank of Samoa (CBS) Act of 2015 states that the CBS is responsible for setting the exchange rate. The de jure and de facto exchange rate arrangements are a conventional peg vis-à-vis a currency composite of currencies of its major trading partners. Currencies in the Samoan tala basket are the US dollar, New Zealand dollar, Australian dollar, and euro. Quarterly reviews of the currency weights in the tala basket began in June 2020 quarter during the COVID-19 pandemic and reflect the payment pattern of Samoa's trade in goods and travel receipts in the twelve months to the reviewed quarter. The tala fluctuates with the movement of the currencies in the basket. The CBS stands ready to maintain the stability of the nominal value of the tala through a direct adjustment, if necessary and relevant. This is considered only when the authorities identify a significant adverse economic impact on the Samoan economy from any unforeseen major event (externally or domestically).

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Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The tala continues to be pegged to a basket of the currencies of Samoa's main trading partners—Australia, New Zealand, the United States, and the Euro area. The Currency Basket Weights are monitored closely and reviewed on a quarterly basis, taking into account Samoa's distribution of trade and travel transactions between Samoa and its main trading partners. The CBS Board of Directors endorses the outcomes of these regular reviews. At its June 2022 quarterly review of the currency basket weights, the CBS Board of Directors endorsed as of July 1, 2022, that the weights that applied since July 1, 2021, remains valid for use. At its June 2023 quarterly review of the currency basket weights, the CBS Board of Directors endorsed as of June 26, 2023, that the weights that applied since March 6, 2023, remain valid for use. The exchange rate may be adjusted within a ±2% range at the discretion of the Governor; however, for adjustments greater than ±2%, the approval of the CBS Board is necessary. Only the CBS may decide on a change in the exchange rate arrangement, if it is deemed necessary after extensive study. The official exchange rate is used for accounting and valuation purposes.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The CBS primary monetary policy objective is price stability while ensuring sustained economic growth and adequate foreign exchange reserves. Operationally, the CBS targets reserve money (primarily, commercial banks' excess reserves; that is, commercial banks' demand deposit balances at the CBS, private sector credit growth, and M2), using the level of CBS securities to influence liquidity. Monetary policy is implemented through open-market operations with CBS securities with tenors ranging from 14 to 365 days. But the turnover is low. There is no secondary market for CBS securities. Interbank trading in securities and foreign exchange is very limited, and the local money market remains shallow. The CBS monitors inflation (to ensure it does not exceed 3%), private sector credit growth, and foreign exchange reserves, with the exchange rate policy offering a complementary role to ensure imported inflation is contained and the competitiveness of Samoa's external sector, where necessary, given the small size of the economy.

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Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.
Exchange subsidy	No.

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Foreign exchange market	Yes.	Authorized banks may freely determine their bid-ask spreads and foreign exchange commissions, except for the US dollar, with their clients. A bid-ask spread of 170 basis points is set for the US dollar by the CBS, within which commercial banks may determine their spreads and commissions. Other participants in the foreign exchange market—namely, authorized money changers—may freely determine their bid-ask spreads and foreign exchange commissions. The CB, however, collects and monitors these data to ensure the exchange rates offered to the public are consistent with those by authorized banks.
Spot exchange market	Yes.	There were 4 commercial banks and 14 authorized foreign exchange dealers (AFEDs) as of June 30, 2023. Of the 14 AFEDs, 13 are authorized for both money exchange and money transfer services; 1 is solely a money changer authorized to purchase and sell foreign currency banknotes. Unlike those of authorized commercial banks, the types of operations authorized for money transfer operators (MTOs) and money changers are limited. Authorized MTOs may conduct some foreign exchange transactions similar to those of authorized commercial banks (for example, payments between Samoa and the rest of the world). Authorized money changers are licensed by the CBS only to buy and sell foreign currency banknotes (in exchange for tala) in Samoa. The minimum capital requirement for authorized money changers is SAT 30,000; for MTOs it is SAT 100,000 (since January 1, 2015). Authorized money exchange businesses may not conduct foreign exchange transactions directly with the CBS. Only commercial banks may buy and sell US dollars directly with the CBS. There is no capital market in foreign currencies yet.
Operated by the central bank	Yes.	When dealing with commercial banks, the CBS deals at the spot exchange rate valued two business days later.
Foreign exchange standing facility	Yes.	The CBS sells and buys foreign currency—specifically, only US dollars currently—in the foreign exchange market at the request of commercial banks. The bid-spread is 20 basis points around the official mid-rate. Aside from local commercial banks, the CBS also sells and buys US dollars from World Bank finance institutions ([IBRD] and the International Development Association). The CBS also transacts with the government, as its bank: the CBS may buy foreign currency funds relating to government and sell tala in exchange and provide payment services for foreign exchange payments abroad. Effective March 3, 2022, with the heightened geopolitical concerns from the Russian/Ukraine war and implications on SWIFT, the CBS requires the prior submission of documentations from commercial banks wishing to buy USD in excess of US$500,000 from the CBS, to verify any major transaction request before a foreign exchange (USD) sale is conducted. Where a major transaction includes a CBS-approved overseas capital payment, it is verified by reference to the Exchange Control approval, if any. Overseas capital payments sometimes have a set payment date, so the actual timing and occurrence of these flows may be verified. However, most overseas capital payments, including dividend repatriation (to parent companies or headquarters offices abroad), may be made anytime within 30 days of CBS approval, so timing and occurrence cannot be verified. Commercial banks may sometimes service these flows with their own foreign currency holdings rather than by purchasing US dollars from the CBS. Some flows (for example, forward exchange contracts) are expected to be self-sourced and do not require US dollar purchases from the CBS.
Allocation	No.	

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Auction	No.	
Fixing	No.	
Interbank market	Yes.	Commercial banks may buy and sell foreign exchange among themselves. If they cannot obtain or sell their foreign exchange in the interbank market, they may buy from or sell (US dollars only) to the CBS. Interbank market participants are the four licensed commercial banks (ANZ Bank, Bank of South Pacific, National Bank of Samoa, and Samoa Commercial Bank). The CBS does not Impose limits on the bid-ask spread for foreign exchange trade in the interbank market.
Over the counter	Yes.	Among themselves, commercial banks deal on the spot and settle/value the deal two days later.
Brokerage	No.	Commercial banks deal directly with each other in the interbank market; there is no broker between the buyer and seller.
Market making	Yes.	The interbank market operates under an arrangement whereby the transacting participants mutually agree to a single exchange rate at which they may trade foreign exchange. For instance, commercial banks might agree to use the CBS mid-rate for US dollars to buy or sell US dollars among themselves.
Forward exchange market	Yes.	Commercial banks are permitted to make forward exchange contracts. The CBS does not participate in the foreign exchange derivatives market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	The domestic use of foreign currency is subject to CBS approval.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Samoa participates in PACER Plus, PICTA, and the South Pacific Regional Trade and Economic Cooperation Agreement. Samoa is a member of the WTO.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBS has overall responsibility for the administration of foreign

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		exchange control: it delegates some authority to AD banks and selected foreign exchange dealers. In principle, all capital payments to nonresidents require CBS approval; however, commercial banks and foreign exchange dealers (MTOs) may approve most current payments without limits, with supporting documentation, usual due diligence, and compliance with anti-money-laundering requirements. There is no limit on money transfer companies' transfers for current payments. Banks and money transfer companies may transfer unlimited amounts for advance payments and import payments, with documentation. Other current transactions are still subject to specified limits. For example, AFEDs and commercial banks may purchase and sell foreign exchange cash equivalent to up to SAT 20,000 an individual for travel purposes. Larger amounts to be hand carried during travel abroad require CBS approval.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	The CBS is permitted to trade in gold under the CBS Act 2015.
On domestic ownership and/or trade	No.	The CBS Act 2015 permits the CB to buy, sell, and deal in gold coins and/or bullion, but it does not regulate domestic ownership and/or trading of gold.
On external trade	No.	The CBS Act 2015 does not regulate external trade in gold.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	CBS Exchange Control approval is required for any amount of domestic currency to be exported.
Foreign currency	Yes.	Through AFEDs, residents may hand carry the equivalent of SAT 20,000 in foreign currency a person a trip for overseas travel. Higher amounts require CBS approval. Nonresidents may export as much foreign currency as they brought into Samoa. Commercial banks and authorized money changers require CBS approval to export excess foreign currency banknotes.
On imports	No.	Customs declaration is required for amounts exceeding SAT 20,000.
Domestic currency	No.	
Foreign currency	No.	Amounts in excess of the equivalent of SAT 20,000 must be declared at the port of entry.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Subject to CBS approval, residents who earn foreign exchange may open a foreign currency deposit account if there is a need to settle overseas commitments.
Held domestically	Yes.	
Approval required	Yes.	Residents who earn foreign exchange in the normal course of their business may open, with CBS approval, foreign currency deposit accounts with one of the four AD banks, subject also to the banks' due diligence processes. CBS approval is granted, subject to appropriate documentation, only to those who are genuine earners of foreign exchange and have a genuine need to settle overseas commitments with foreign exchange.

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		CBS approval is required for the transfer of funds abroad for capital transactions and some current payments (namely, management fees, dividends to foreign shareholders, insurance and/or reinsurance premiums of CBS-licensed institutions). A balance of payments (BOP) form authorized by the CBS must be submitted to the commercial banks and/or MTOs for processing of payment. If funds are moved for current payments (for example, imports), CBS-delegated AD banks and MTOs may effect payment and complete foreign exchange payment details on their respective telegraphic transfer form, for later submission electronically through the foreign exchange payments report to the CBS with the appropriate supporting documentation at the beginning of the next month (that is, within five working days of the beginning of the next month).
Held abroad	Yes.	If foreign exchange accounts held abroad are for the purpose of investments in those countries, CBS approval is required as part of Exchange Control regulations relating to capital payment transactions. In the case of residents with dual citizenship, however, this can be difficult to monitor or ascertain. Resident individuals and businesses may freely establish bank accounts abroad.
Approval required	Yes.	CBS approval is required to hold foreign exchange accounts abroad mainly if they relate to investments overseas by residents.
Accounts in domestic currency held abroad	No.	Exports of domestic currency are subject to Exchange Control regulations. However, there is no specific clause in the regulations indicating whether accounts denominated in tala may or may not be held abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	CBS approval is required to convert funds from domestic currency accounts to foreign currency only in the case of capital payment transactions. In other cases, funds from a domestic currency account in Samoa may be converted to foreign currency as authorized for AD banks.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents who earn foreign exchange may open a foreign currency deposit account with any of the commercial banks without CBS approval. Funds from these accounts may be freely transferred abroad for any current international transaction. CBS approval is required only when foreign exchange accounts of nonresidents held in Samoan banks are closed and funds are requested to be transferred overseas. Transfers up to the equivalent of SAT 50,000 from a closed foreign exchange account of a nonresident may be authorized and processed by commercial banks. Amounts in excess of SAT 50,000 require CBS approval.
Approval required	No.	
Domestic currency accounts	Yes.	External accounts are accounts in tala with authorized banks under Exchange Control purposes held by individuals, organizations, or entities regarded as nonresident. Domestic currency accounts do not require CBS approval, but there are restrictions on the types of funds in tala that may be credited to these accounts. External accounts may be credited with funds from the following: (1) interest on the account; (2) payments from other external accounts; (3) payments by residents of Samoa permitted either under authority delegated to the banks in an Exchange Control notice or specifically by the CB; (4) proceeds of sale of foreign currency by the account holder sourced externally or remaining from travel funds; (5) proceeds of tala notes received from an account holder leaving Samoa after a temporary visit, provided the bank is reasonably

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		satisfied that the notes were obtained in Samoa by the sale of foreign currency or by debiting an external account or were brought into the country by the traveler; (6) salaries and wages from employment in Samoa. External accounts may be debited with (1) payments to residents of Samoa; (2) payments to other external accounts; (3) payments in cash in Samoa; (4) the cost of foreign exchange facilities for travel purchased in accordance with EC Notice 9; (5) the cost of foreign currency purchased by the account holder in accordance with EC Notice 5; and (6) payments in foreign currency to nonresidents. Banks may debit an external account without limits within their delegated authority, except for capital transactions, which require CBS approval. An Exchange Control BOP2 form is to be completed at all times, as required by the CBS. There is an exemption from these exchange control requirements for official accounts of diplomatic corps (for example, embassies, delegations, consulates, offices of high commissioners, and UN agencies).
Convertible into foreign currency	Yes.	Balances may be freely converted for current international transactions. For capital transactions, they are referred to the CBS.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	Yes.	The following documents are required before a bank or MTO may process an import payment. For goods already arrived and cleared by Samoa Customs, original suppliers' invoices stating the value of imported goods, an original bill of lading or airway bill with details of the current shipment/cargo, and relevant original customs documents on receipt of goods in Samoa. There is no limit on the amount. For advance import payments, prior to shipment of goods, a pro forma invoice from the supplier requesting payment prior to shipment of goods and original Customs Entry (as per Customs Act 2014) also referred to as Customs Single Administrative Document (SAD) is to be stamped within 30 days of arrival of goods in Samoa. There is no limit on the amount.
Letters of credit	Yes.	Commercial banks may accept invoices from importers in addition to LCs.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	

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Positive list	Yes.	There are some restrictions on the importation of meat and meat products from Asia, alcohol, cigarettes, some equipment used with animals/fish/plants, chemicals, and selected fresh/dried fruits. The importation of any pornographic material, drugs and firearms, narcotics, and unlawful weapons is also restricted. The importation of selected types of lights, air-conditioning units, and refrigeration appliances is now in place with the commencement of the Samoa Energy Efficiency Act 2017 as of December 21, 2017. The energy efficiency regulation took effect at various times for different products. Household refrigerators and freezers imported into Samoa must meet minimum energy performance standards (MEPS) and carry standard energy labels. The test standards, MEPS, and energy labeling rules are set out in the regulations. Air conditioners imported into Samoa must meet MEPS and carry standard energy labels. The test standards, MEPS, and energy labeling rules are set out in the regulations. Lighting products (incandescent lamps, fluorescent lamps, and ballasts) imported into Samoa must meet MEPS. The test standards and MEPS rules are set out in the regulations. Duty concessionary rates apply to energy-efficient devices such as LED lights and solar panels.
Negative list	Yes.	The importation of some products is prohibited or restricted for reasons of security or health. Importation of refrigerators that use chlorofluorocarbons is prohibited for environmental reasons. Honey is also prohibited for reasons of biosecurity and the protection of the local industry. Single-use plastics are banned or prohibited from importation. There are prohibitions on the type of packaging that imported goods need to comply with such as for certain food items (such as tinned/canned fish and tinned/canned corned beef) consistent with government directives from time to time. Imports of 24-packs of 12-ounce corned beef cans are prohibited with the exception of two specific premium brands. “Palm” and “Pacific,” as of March 1, 2020. Imports of 12-tin boxes of fish are prohibited; only 8-tin boxes are allowed. The maximum package size allowed for imports of 3-pound corned beef cans was 2-pack. This packaging restriction does not apply to the two specific premium brands, as of March 1, 2020.
Open general licenses	Yes.	Imports of meat, meat products, livestock, and plants and plant products in commercial consignments are usually covered under OGLs. Private consignments are limited, but flexible, depending on why an applicant requests more than necessary for private individual consumption.
Licenses with quotas	No.	Most licenses for general imports do not have quantitative limits. The government may allow importers to bring in goods up to a certain value free of duty. Imports exceeding this value are subject to the usual duty rates.
Other nontariff measures	Yes.	Imports of motor vehicles more than 10 years old are prohibited. Importation of these vehicles are determined by the Ministry of Customs and Revenue (MCR) under the relevant determination orders. Effective August 25, 2023, as per Customs Prohibited Import Order (No. 1) 2023, exempted the prohibition of 4-wheel drive pick-up trucks, land cruiser pick-up and light weight trucks that have been manufactured no more than 20 years prior to the date such vehicle enters Samoa and imported into Samoa by an individual for farming purposes.

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		Imports of eggs without expiration dates on their carton. For regulated imports (for example, eggs, meat, meat products, livestock, plants, and plant products), the exporting country must comply with Samoa Quarantine Service requirements. Regulated imports of meat and meat products must have a health certificate from the exporting country to obtain a Samoa Quarantine Service import permit. For plants and plant products, a phytosanitary certificate is required.
Import taxes and/or tariffs	Yes.	Import duties are levied on an ad valorem basis on the CIF value. There are four general rates of duty—0%, 5%, 8%, and 20%. Duty on machinery and agricultural imports is 8% and 5%, respectively; there is no longer duty on motor vehicles, but an excise tax is imposed according to the vehicle's manufacture year and engine capacity. In addition, as of July 25, 2016, there is an import excise tax on imports of alcohol, snacks including sweet biscuits, sugar and sugar products, soft drinks, tobacco, and petroleum. Companies that produce for export may receive full or partial exemption from duty and excise taxes on inputs and capital equipment. Amendments to the Customs Act of 2014 have been passed and came into force July 1, 2014, to ensure compliance with WTO requirements and for other related purposes. A value-added goods and services tax of 15% applies both to imported and locally produced goods and services and is added to the price of taxable goods and services. Businesses with annual turnover of SAT 130,000 or more from taxable activities must register with the MCR to pay the tax and submit tax returns at a bi-monthly intervals. The increase in the threshold was a result of the Value Added Goods and Services Tax (VAGST) Act amendment in the year 2015. The new threshold for VAGST commenced on November 5, 2015. An excise tax was placed on July 1, 2019, on foodstuffs with high sugar, salt, and fat content. These products include, among others, sugar, syrup, snacks, noodles, meat products (pork and lamb), chocolate, and bubble gum. The Excise Tax Rate Act Amendment 2016 No. 13 provides the excise rates for sugar and sugary products, cocoa and cocoa products, instant noodles, crispbread, biscuits, snacks, salt, and an increase in excise rates for water and spirits. The effective date is July 1, 2016. Amendment No. 12 in 2017 pertains to an increase in cigarette and tobacco rates only. Amendment No. 3 of 2018 involves an increase in excise rates on soft drinks, beer, wine, and petroleum products. Amendment No. 10 of 2018 repealed the previous classification of different alcohol strengths for spirits, consolidating them into a single rate of excise for all. Amendment No. 9 of 2018 imposed and increased duties and excise rates on meat and carcasses, chicken, and turkey tails. Amendment No. 17 of 2017 provided for the imposition of excise tax on motor vehicles, tractors, and other related products, along with rate increases. Effective January 1, 2023, the import duty rates for fruits such as fresh apples, pears, and grapes were reduced to zero or free from 8% (Customs Amendment Bill 2022). Effective January 1, 2023, the import duty rates for macadamia and wall nuts were reduced to 15% from 20% (Customs Amendment Bill 2022).

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		Effective January 1, 2023, the import duty rates on vegetables that are not locally produced, such as broccoli, asparagus, cauliflower, and garlic were reduced to 10% from 20% (Customs Amendment Bill 2022).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds (of individuals or businesses) must be received no later than two months from shipment date if exporting to countries other than American Samoa, and within one month of shipment date if going to American Samoa. All export proceeds must be realized through an AFED (that is, authorized commercial bank or MTO). Export proceeds may not, for any purpose, be used and/or retained abroad for an extended period, without CBS approval. The CBS allows exporters (individuals, businesses) to credit their foreign currency accounts with export proceeds and to debit them to make import payments and meet other business-related commitments as approved by the CB at the time of application for such accounts. Exporters may sell to the banks any foreign currency from their accounts for tala. Confirmation of receipts of export proceeds may be in the form of a bank statement from the authorized bank stating credit of proceeds or receipt of funds received through an MTO.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	In addition to LCs, commercial invoices, certificates of value and origin, and bills of lading are now accepted by commercial banks for documentation requirements.
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	The Customs Division of the MCR examines export documents. The Samoa Quarantine Service may inspect and certify items for export if a phytosanitary or a health certificate is required by the country to which the goods are exported.
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exporters must be registered with the CBS and issued with an export permit prior to any shipments departing from Samoa. Exports of certain agricultural products may be prohibited by the Minister of Agriculture and Fisheries for low quality or by order of the Head of State to alleviate domestic shortages or for any reasons deemed necessary from time to time. A Minister of Agriculture and Fisheries quarantine export license has been issued (and renewed annually) to

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		commercial exporters of agricultural products since July 1, 2010. This does not apply to private/individual exporters of agricultural products. Effective August 1, 2023, any export of goods valued in excess of SAT 500 (previously SAT 300) requires an export permit from the CBS. Notwithstanding this minimum value for a permit, any export of domestically produced goods from Samoa must be reported to and cleared by the MCR Division.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	CBS approval is required for certain current transaction payments abroad for services. These include payments overseas of management fees, insurance/reinsurance premiums by CBS-licensed institutions (for example, banks, MTOs, insurance companies), and dividends.
Trade-related payments	Yes.	ADs may approve these payments, provided applicants submit relevant documentary proof.
Prior approval	Yes.	Remittance of a freight company's excess receipts/income (from operations in Samoa) to their overseas head office requires CBS approval for amounts exceeding SAT 1.0 million. Lesser amounts are delegated to the AFEDs.
Quantitative limits	Yes.	Delegated limits for the remittance of a freight company's excess receipts/income to their head office are SAT 1.0 million; larger amounts require CBS approval.
Indicative limits/bona fide test	Yes.	Applicants must submit documentary proof.
Investment-related payments	Yes.	
Prior approval	Yes.	There may be limits on the amount that may be remitted abroad, subject to prevailing liquidity and economic conditions in Samoa. Resident individuals or companies remitting investment-related payments abroad must obtain CBS approval and provide documentary proof for the amount of such payments. Single transactions large enough to severely affect the CB's level of foreign reserves must be made in installments. Approval for transfer abroad of investment funds withdrawn by individuals from local nonbank financial institutions (for example, investments with the Unit Trust of Samoa, contribution funds with the Samoa National Provident Fund); as part of migration overseas is delegated to commercial banks and MTOs for amounts up to SAT 30,000. Larger amounts require CBS approval.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	There are no indicative limits, and approval is granted if documentation requested by the CB is provided. Single transactions large enough to severely affect the CB's level of foreign reserves must be made in installments.
Payments for travel	Yes.	
Prior approval	Yes.	Amounts exceeding SAT 20,000 (equivalent in foreign currency) a

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		person a trip may be purchased with CBS approval, if travelers are hand carrying the foreign funds while crossing borders. No prior approval is required if travel funds are to be transferred through the banks or MTOs.
Quantitative limits	Yes.	Residents and expatriates traveling overseas may purchase from commercial banks foreign currency equivalent to SAT 20,000 a person a trip. Larger amounts may be purchased with CBS approval if travelers are hand carrying the foreign funds across borders.
Indicative limits/bona fide test	Yes.	Valid travel documents, such as a return airline ticket, passport, and visa, are required.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required only if payment for family support exceeds SAT 100,000 an applicant a year. Family support refers to assistance with daily living expenses for family overseas. It does not cover family alimony/maintenance.
Quantitative limits	Yes.	Payment for family support up to SAT 100,000 an applicant a year does not require CBS approval. CBS approval is required for higher amounts. Family support refers to assistance with daily living expenses for family overseas. It does not cover family alimony/maintenance.
Indicative limits/bona fide test	Yes.	There is no specific limit on costs for study abroad, but the amount requested must be supported by documentary evidence that the beneficiary is enrolled at an educational institution abroad and that the costs are in line with the prevailing costs in the country of study. Medical payments are fully delegated to the AFEDs. No further delegated limits nor CBS approval is needed for the remittance of funds relating to payment for medical services abroad. Relevant supporting documents must be submitted to the AFEDs.
Foreign workers' wages	Yes.	
Prior approval	Yes.	Expatriate workers with local contracts of one year and longer are considered residents; however, they are not required to obtain CBS approval if they wish to repatriate their net earnings during their contract period. Earnings not repatriated during the contract period may be repatriated at the end of the contract period. Regulations on nonresident domestic currency accounts apply. Prior CBS approval is required when foreign exchange accounts of nonresidents held in Samoan banks are closed (for example, at the end of a foreign worker’s contract) and funds are requested to be transferred overseas. Transfers up to the equivalent of SAT 50,000 from a closed foreign exchange account of a nonresident may be authorized and processed by the commercial banks. Amounts in excess of SAT 50,000 equivalent require prior CBS approval.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Foreign workers who wish to remit wages abroad must confirm to the AD banks that they are expatriates and provide supporting documents, such as an employment permit or visa, confirmation of the salary earned, other employment documents that verify the legitimacy of the source of the income, or documents to support the purpose of the remittance abroad.
Credit card use abroad	No.	The CBS does not regulate the use of credit cards, which is typically up to commercial banks.
Prior approval	No.	If a credit card were used for a foreign capital payment, CBS approval would be required. However, because of known limits on credit cards, it is unlikely that a credit card would be used for capital payments.

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Quantitative limits	No.	The CBS places no quantitative limits on credit card use abroad. However, because AD banks issue credit cards, it is their responsibility to ensure that their use complies with the foreign exchange limits on outward transfers under the Exchange Control regulations.
Indicative limits/bona fide test	No.	Verification of the use of credit cards is the responsibility of the commercial banks that issue them.
Other payments	Yes.	
Prior approval	No.	These are delegated to AD banks and MTOs to process and do not require prior CBS approval.
Quantitative limits	No.	There are no quantitative limits. However, the applicant must satisfy the CBS' request for relevant supporting documentation.
Indicative limits/bona fide test	Yes.	There are no specific limits on subscriptions and membership fees; amounts requested must be supported by documentary evidence.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	There is no specific deadline for repatriation to Samoa of proceeds from invisible transactions and transfers. Generally, exports of services require the receipt of funds into the Samoan banking system immediately after the service is rendered. Otherwise, the rules for exports of goods apply. Specifically, export proceeds must be received no later than two months from shipment for exports to countries other than American Samoa and within one month of shipments to American Samoa. The CBS allows exporters (individuals or businesses) to credit their foreign currency accounts with export proceeds and to debit them to meet import payments and other business-related commitments as approved by the CB at the time of application for such accounts. Exporters may sell to banks any foreign currency from their accounts in tala.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	On their return, resident travelers must sell to banks all unused foreign exchange they bring into Samoa. There is no deadline for the sale of unused foreign exchange by resident travelers.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Most capital transfers and payments require CBS approval. Local money markets remain shallow. There is currently no capital market in foreign currencies in Samoa.
Repatriation requirements	Yes.	There is no deadline for the repatriation of proceeds from capital transactions abroad by a resident. However, any potential dividend flows from the approved capital investment abroad are expected to be repatriated to Samoa.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	There is no deadline for the surrender to an AD of proceeds from capital transactions abroad by a resident. However, residents must sell their foreign exchange receipts to commercial banks or authorized money changers.
Controls on capital and money market instruments	Yes.	

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On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Investments in banks by nonresidents are subject to CBS approval.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	These transactions are subject to CBS approval.
Sale or issue abroad by residents	Yes.	These transactions are subject to CBS approval.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	These transactions are subject to CBS approval. There is no minimum holding period requirement for bonds.
Sale or issue locally by nonresidents	Yes.	These transactions are subject to CBS approval.
Purchase abroad by residents	Yes.	These transactions are subject to CBS approval.
Sale or issue abroad by residents	Yes.	These transactions are subject to CBS approval.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	These transactions are subject to CBS approval.
Sale or issue abroad by residents	Yes.	These transactions are subject to CBS approval.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	These transactions are subject to CBS approval.
Sale or issue abroad by residents	Yes.	These transactions are subject to CBS approval.
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	These transactions are subject to CBS approval.
By residents to nonresidents	Yes.	These transactions are subject to CBS approval.

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To residents from nonresidents	Yes.	These transactions are subject to CBS approval.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	These transactions are subject to CBS approval.
Inward direct investment	Yes.	The Ministry of Commerce, Industry and Labour exercises control over inward FDI and registers and monitors these investments.
Controls on liquidation of direct investment	Yes.	These transactions are subject to CBS approval.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These transactions are subject to CBS approval.
Purchase locally by nonresidents	Yes.	These transactions are subject to CBS approval.
Sale locally by nonresidents	Yes.	These transactions are subject to CBS approval.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	These transactions are subject to CBS approval. Approval of regular repayments of overseas debts by resident individuals (for example, overseas student loans, preexisting debts while resident in other countries) is delegated to authorized commercial banks and MTOs, subject to documentation requirements. The following exceptions apply and still require CBS approval: (1) payment for the settlement of an overseas loan; (2) refinancing of an overseas debt or mortgage; (3) repayment of foreign currency loans with local banks; and (4) new external loans while resident of Samoa.
To residents from nonresidents	Yes.	These transactions are subject to CBS approval.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	These transactions are subject to CBS approval where amounts exceed the delegated limits. Payments by individuals for gifts remitted to another individual abroad up to SAT 20,000 an applicant a calendar year have been delegated to the AFEDs since August 1, 2019. Higher amounts require CBS approval.
To residents from nonresidents	Yes.	These transactions are subject to CBS approval.
Settlement of debts abroad by immigrants	Yes.	These transactions are subject to CBS approval.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Effective August 1, 2023, transfers by emigrants for amounts up to SAT 50,000 was delegated to authorized banks and MTOs. Amounts greater than SAT 50,000 requires CBS approval. Previously, all amounts required CBS approval.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Individuals must provide documentary proof of the source and

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		destination of funds. Remittance of any amount requires CBS approval because all capital transactions require approval.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	These transactions are subject to CBS approval.
Maintenance of accounts abroad	Yes.	These transactions are subject to CBS approval.
Lending to nonresidents (financial or commercial credits)	Yes.	These transactions are subject to CBS approval.
Lending locally in foreign exchange	Yes.	These transactions are subject to CBS approval.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These transactions are subject to CBS approval.
Differential treatment of deposit accounts in foreign exchange	Yes.	The CBS does not impose reserve requirements, liquid asset requirements, or interest on foreign exchange deposit accounts at commercial banks and credit institutions. However, approval from the CBS is required for residents intending to open and hold domestically any foreign currency account, as well as in the case of foreign currency loans by residents.
Reserve requirements	Yes.	The CBS does not impose reserve requirements on foreign exchange deposit accounts at commercial banks and credit institutions, but it imposes a 4.5% reserve requirement on commercial banks' domestic currency deposit accounts.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	The liberalization of the financial sector led to the elimination of all direct CBS controls on credit operations. Commercial banks now implement and monitor their own credit operations. However, prior CBS approval is required in the case of foreign currency loans by residents.
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	All domestic currency deposit accounts are captured in the 4.5% reserve requirement imposed by the CBS on commercial banks' domestic currency deposit accounts, even if an account holder is a nonresident. However, foreign currency accounts of nonresidents are not included in the 4.5% reserve requirement.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	The liberalization of the financial sector led to the elimination of all direct CBS controls on credit operations. Commercial banks must now regulate and monitor their own credit operations.
Investment regulations	Yes.	
Abroad by banks	Yes.	These transactions are subject to CBS approval.
In banks by nonresidents	Yes.	These transactions are subject to CBS approval.
Open foreign exchange position limits	Yes.	Commercial banks generally set their own limits on open foreign exchange positions for each currency; however, these limits must be approved by the CBS. Commercial banks do not have different limits

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		for resident and nonresident assets and liabilities.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	The Insurance Act, 2007, authorizes the CBS to carry out prudential supervision of insurance companies.
Limits (max.) on securities issued by nonresidents	Yes.	These limits are not specifically defined. However, investment involving the outflow of foreign exchange is subject to the Exchange Control Regulations, 1999, and may therefore require CBS approval and documentation.
Limits (max.) on investment portfolio held abroad	Yes.	Although the Insurance Act, 2007, does not specify a maximum for insurance companies' investments held abroad, any investment involving the outflow of foreign exchange is subject to the Exchange Control Regulations, 1999, and may therefore require CBS approval and documentation.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	These limits are not specifically defined. However, investment involving the outflow of foreign exchange is subject to the Exchange Control Regulations, 1999, and may therefore require CBS approval and documentation.
Limits (max.) on investment portfolio held abroad	Yes.	Investments held abroad require CBS approval under the Exchange Control Regulations, 1999. Documentation is required.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	There are no limits on these investments, but they are subject to CBS exchange control regulations.
Limits (max.) on securities issued by nonresidents	Yes.	These limits are not specifically defined. However, investment involving the outflow of foreign exchange is subject to the Exchange Control Regulations, 1999, and may therefore require CBS approval and documentation.
Limits (max.) on investment portfolio held abroad	Yes.	These limits are not specifically defined; however, how much these investment firms may hold in portfolios abroad depends on prevailing liquidity conditions in the financial system and is subject to CBS exchange control regulations.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	

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CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Prior CBS approval is required if any individual or entity plans to promote cryptocurrency in Samoa. This comes under the Money Laundering Prevention Act, in its 2018 Amendments that took effect July 1, 2018. Similarly, any acquisition of crypto assets (of any kind) by Samoan residents for investment purposes comes under existing Exchange Control Regulations (specifically, prior CBS approval is needed). Otherwise, there are no specific controls or regulations on unbacked tokens at the moment.
Acquisition by residents	Yes.	If foreign currency is obtained to acquire or purchase a cryptocurrency, this is considered an investment transaction and comes under prevailing Exchange Control Regulations, which requires prior CBS approval.
Use among residents	No.	
Between residents and nonresidents	Yes.	

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For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Only where it relates to investment purposes, which therefore comes under prevailing Exchange Control Regulations. Otherwise, there are no controls specifically on crypto assets at the moment.
Transactions in derivatives and other instruments	Yes.	Only where it relates to investment purposes, which therefore comes under prevailing Exchange Control Regulations. Otherwise, there are no controls specifically on crypto assets at the moment.
Credit operations	Yes.	Only where it relates to investment purposes, which therefore comes under prevailing Exchange Control Regulations. Otherwise, there are no controls specifically on crypto assets at the moment.
Controls on utility and security tokens	Yes.	
Acquisition by residents	Yes.	Where security tokens are purchased by foreign currency and held by Samoan residents for the purposes of investments, this will be subject to prevailing Exchange Control Regulations, which require prior CBS approval. Otherwise, there are no specific controls or regulations on these types of tokens.
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Only where it relates to investment purposes, which therefore comes under prevailing Exchange Control Regulations. Otherwise, there are no controls specifically on these types of token assets at the moment.
Transactions in derivatives and other instruments	Yes.	Only where it relates to investment purposes, which therefore comes under prevailing Exchange Control Regulations. Otherwise, there are no controls specifically on these types of token assets at the moment.
Credit operations	Yes.	Only where it relates to investment purposes, which therefore comes under prevailing Exchange Control Regulations. Otherwise, there are no controls specifically on these types of token assets at the moment.
Controls on stablecoins	Yes.	
Acquisition by residents	Yes.	Where a stablecoin is purchased in foreign currency and is held by Samoan residents for the purposes of investments, this will be subject to prevailing Exchange Control Regulations, which require prior CBS approval. Otherwise, there are no specific controls or regulations on these types of tokens at the moment.
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Only where it relates to investment purposes, which therefore comes under prevailing Exchange Control Regulations. Otherwise, there are no controls specifically on stablecoins at the moment.
Transactions in derivatives and other instruments	Yes.	Only where it relates to investment purposes, which therefore comes under prevailing Exchange Control Regulations. Otherwise, there are no controls specifically on stablecoins at the moment.
Credit operations	Yes.	Only where it relates to investment purposes, which therefore comes

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		under prevailing Exchange Control Regulations. Otherwise, there are no controls specifically on stablecoins at the moment.
Controls on crypto exchanges and trading platforms	Yes.	No current regulation but this type of services or transactions is not allowed to be undertaken in Samoa at the moment.
Domestic exchanges	Yes.	There is currently no legal and regulatory framework to authorize or regulate crypto exchanges and trading platforms in Samoa but such services are not allowed until such time there is a proper regulatory framework in place.
Access to crypto exchange/trading platform by residents	Yes.	In the event the access to an international exchange/trading platform is to acquire, hold and trade crypto currencies which would be considered as an investment transaction abroad by a resident, this then comes under prevailing Exchange Control Regulations (thus requiring prior CBS approval).

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Spot exchange market

Operated by the central bank

Foreign exchange standing facility	*03/03/2022*	The Central Bank of Samoa requires prior submission of documentations from commercial banks wishing to buy USD in excess of US$500,000 from the CB to verify any major transaction request before a foreign exchange (USD) sale is conducted.

Imports and Import Payments

Import licenses and other nontariff measures

Other nontariff measures	*08/25/2023*	As per Customs Prohibited Import Order (No. 1) 2023, exempted the prohibition of 4-wheel drive pick-up trucks, land cruiser pick-up and light weight trucks that have been manufactured no more than 20 years prior to the date such vehicle enters Samoa and imported into Samoa by an individual for farming purposes.
Import taxes and/or tariffs	*01/01/2023*	The import duty rates for fruits such as fresh apples, pears, and grapes were reduced to zero or Free from 8% (Customs Amendment Bill 2022).
	01/01/2023	The import duty rates for macadamia and wall nuts were reduced to 15% from 20% (Customs Amendment Bill 2022).
	01/01/2023	The import duty rates on vegetables that are not locally produced, such as broccoli, asparagus, cauliflower, garlic were reduced to 10% from 20% (Customs Amendment Bill 2022).

Exports and Export Proceeds

Export licenses

Without quotas	*08/01/2023*	Any export of goods valued in excess of SAT 500 (previously SAT 300) requires an export permit from the Central Bank of Samoa. Notwithstanding this minimum value for a permit, any export of domestically produced goods from Samoa must be reported to and cleared by the Ministry of Customs and Revenue Division.

Capital Transactions

Controls on capital transactions

Controls on personal capital transactions

Transfer of assets

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Transfer abroad by emigrants	*08/01/2023*	Transfers by emigrants for amounts up to SAT 50,000 was delegated to authorized banks and money transfer operators. Amounts greater than SAT 50,000 requires Central Bank of Samoa (CBS) approval. Previously, all amounts required CBS approval.

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SAN MARINO

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 23, 1992.
Article VIII	Yes.	Date of acceptance: September 23, 1992.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with EU regulations and the relevant UNSC resolutions, San Marino maintains exchange and/or payment restrictions for the preservation of national or international security.
Other security restrictions	Yes.	Law No. 92 of June 17, 2008, and subsequent amendments, adopted in compliance with the international obligations assumed by San Marino to combat money laundering, terrorism, financing of terrorism, and activities that threaten international peace and security, provides for the adoption of restrictive measures conforming to the resolutions of the UNSC or one of its committees. The restrictive measures include the following: (1) the freezing of funds and economic resources held or controlled, directly or indirectly, by persons, entities, or groups included in the list drawn up by the appropriate UN committee; (2) commercial restrictions, including commercial restrictions on imports or exports, and arms embargoes; (3) restrictions of a financial nature, including financial restrictions or financial assistance and prohibition against providing financial services; and (4) restrictions of any other nature, including restrictions on technical assistance, flight prohibitions, prohibition against entry or transit, diplomatic sanctions, the suspension of cooperation, and the boycotting of sporting events. Effective April 7, 2022, Decree-Law No. 59 (“Restrictive measures of a commercial nature implementing the Council Decision (EU) 2014/512/CFSP and subsequent amendments and the Council Regulation (EU) no. 833/2014 of 31 July 2014 and subsequent amendments.”) provides for the following restrictive measures with regard to Russia: 1. The prohibition of selling, supplying, transferring or exporting, directly or indirectly, dual-use goods, even if not originating in the Republic of San Marino, to any natural or legal person, entity or body in Russia or for use in Russia. 2. The prohibition on providing, directly or indirectly, technical assistance, services of brokerage or other services related to dual-use goods and the supply, manufacture, maintenance and use of such goods and technologies, to any natural or legal person, entity or organism in Russia or for use in Russia. 3. The prohibition on selling, supplying, transferring or exporting, directly or indirectly, to any natural or legal person, entity or body in Russia, or for use in Russia, dual-use goods listed in Annex VII of the Regulation, even if not originating in the Republic of San

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Marino, which can contribute to military and technological strengthening or the development of the defense and security sector of Russia.

Decree-Law No. 60 of April 8, 2022 (“Restrictive financial measures implementing the Council Decision (EU) 2014/512/CFSP and subsequent amendments and the Council Regulation (EU) no. 833/2014 of 31 July 2014 and subsequent amendments.”) moreover provides for restrictive measures concerning the prohibition of any direct or indirect transaction (purchase, sale, trade-in, collateralization/underwriting, issuance assistance, etc.) involving financial instruments with counterparties listed in the Decision (EU) 2014/512/CFSP of the Council of the EU of July 31, 2014, and subsequent amendments, regarding restrictive measures in view of Russia’s actions destabilizing the situation in Ukraine.

In both cases, these are restrictive measures, in the form of sanctions related to the Ukrainian War, that San Marino decided to apply in March 2022 in full alignment with the EU position.

Exchange Arrangement

Currency	Yes.	The currency of San Marino is the euro.
Other legal tender	Yes.	Although the gold scudo is legal tender, it is not used in transactions because its numismatic value exceeds its defined legal value of €37.50 a scudo. Euro collector coins and gold scudi are not used in transactions because their numismatic value exceeds their nominal value.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. On March 27, 2012, San Marino signed a Monetary Agreement with the EU repealing the previous one of November 29, 2000. The agreement authorizes San Marino to use the euro as its official currency, grant legal tender status to euro banknotes and coins, and issue limited quantities of euro coins. San Marino undertakes to adopt the relevant EU legislation (on euro banknotes and coins; combating fraud and counterfeiting; banking and financial legislation, including the prevention of money laundering and statistical reporting requirements) within the deadlines specified by that agreement. The list of legal acts to be implemented and the deadlines for their transposition are reviewed annually by a “Joint Committee” as provided by Articles 8 and 11 of the Monetary Agreement.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The euro is legal tender and circulates freely in San Marino. Although the gold scudo is also legal tender, it is not used in transactions. San Marino does not have its own monetary policy—the use of the euro as official currency is provided for by the Monetary Agreement with the EU.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		

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Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Foreign exchange transactions are conducted through banks without restriction at rates quoted in international markets.
Spot exchange market	Yes.	No foreign exchange bureaus have been authorized.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	A broker-based interbank foreign exchange market is in place. As of November 30, 2023, four banks are authorized by the Central Bank of San Marino (CBSM) and are operating. The number of banks decreased from five to four because of the end of a resolution program for BNS—Banca Nazionale Sammarinese—and the revocation of its banking license. The CBSM does not intervene with market participants.
Over the counter	No.	
Brokerage	Yes.	The system is broker-based; therefore, any bank authorized for exchange intermediation may trade currencies for its own account or on behalf of its clients. There are no limits on the bid-ask spreads and commissions of market participants.
Market making	No.	
Forward exchange market	Yes.	Forward exchange transactions may be conducted through banks without restriction at rates quoted in international markets. The CBSM does not participate in the forward foreign exchange market.

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Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Settlements with foreign countries on foreign accounts are made in convertible currencies or in euros.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Currently, all Sammarinese banks are authorized to carry out cross-border transactions. Authorized banks are required to provide statistical information to the CBSM. Residents of San Marino are allowed to freely conduct cross-border transactions.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	The CBSM is the sole agency entitled to carry out transactions in unrefined gold. The CBSM may authorize operators to buy unrefined gold for manufacturing purposes under the necessary controls. Currently, there is no unrefined gold trade in San Marino.
On domestic ownership and/or trade	Yes.	The CBSM may authorize operators to buy unrefined gold for manufacturing purposes under the necessary controls. Once authorized, operators must report periodically to the CBSM details on the manufacturing activity.
On external trade	Yes.	San Marino economic operators may be authorized to purchase unrefined gold only for goods manufacturing purposes. Statistical reporting to the CBSM is required. No economic operators have yet been authorized. Authorized operators have to submit to CBSM, each year and using a format defined by the Regulation 2006-04, the description of the

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		activity carried out in the period relating to unrefined gold. Specifically, operators have to report the purchases of unrefined gold, the produced goods and inventories (at the beginning and end of the period).
Controls on exports and imports of banknotes	No.	To combat money laundering, transactions in cash or bearer securities when the value of the transaction, even fractional, is equal to or higher than €10,000 must be made through banks. Moreover, a declaration system applies to the cross-border transportation of cash and similar instruments. Travelers, banks, and other financial institutions are required to declare the importation and exportation of banknotes and coins in euros and foreign currency in amounts greater than €10,000 or the equivalent value. Import and export control at the borders is generally handled by the police forces in conjunction with routine control operations. Banks must ask for the customers' declarations of cross-border transportation, if they deem that the cash is of cross-border origin.
On exports	No.	
Domestic currency	No.	Exports exceeding the amount of €10,000 of cash and similar instruments must be declared.
Foreign currency	No.	Exports of foreign banknotes or coins or similar instruments when the amount exceeds €10,000 or the equivalent value must be declared.
On imports	No.	
Domestic currency	No.	Imports of cash and similar instruments exceeding the amount of €10,000 must be declared.
Foreign currency	No.	Imports of foreign banknotes or coins or similar instruments when the amount exceeds €10,000 or the equivalent value must be declared.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Residents may maintain any type of deposit account in national or foreign currency, locally or abroad, without limit or restriction and without authorization of the supervisory authority. Financial institutions may not maintain anonymous accounts or accounts in fictitious names.
Held domestically	Yes.	Residents may have foreign exchange accounts in San Marino. Law n. 183/2021 repealed periodic reporting submission to CBSM because of the use of Euro in San Marino. Previously, transfers abroad of amounts and balances equal to or exceeding the equivalent of €15,500 had to be reported to the CBSM for statistical purposes.
Approval required	No.	
Held abroad	Yes.	Residents may have foreign exchange accounts abroad. Law n. 183/2021 repealed previous periodic reporting submission to CBSM because of the use of Euro in San Marino.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may hold foreign exchange accounts in San Marino.

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		Financial institutions may not maintain anonymous accounts or accounts in fictitious names (Article 30 of the Anti-Money Laundering–Combating the Financing of Terrorism (AML–CFT) Law, Law No. 92 of June 17, 2008).
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	No.	A general business license is required to engage in trade transactions. Imports from the EU are not subject to restrictions; imports from non-EU countries are subject to EU regulations.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Customs duties on imports from outside the EU are collected by EU customs authorities on behalf of San Marino. A tax is levied by San Marino on imports at the time of entry. The structure of this tax corresponds closely to the Italian VAT, but the average effective rate is about 5% lower. Taxes levied on imports are rebated when the goods are re-exported. Aircraft registered in San Marino are exempt from import duties or VAT if their maximum take-off weight exceeds 5,700 kg. Ships over 10 meters long owned by foreign entities and stationed outside the territorial waters of countries with which San Marino has stationing and port usage agreements are not

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		subject to import tax.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	The importation of tobacco, electricity, gas, and water is reserved for the public sector.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	Only a general business license is required to engage in trade transactions. Exports to the EU are not subject to restrictions; exports to non-EU countries are governed by EU regulations.
Without quotas	No.	Customs clearance of exports of arms, works of art, and precursor and dual-use products must be carried out at the customs offices identified by the EU–San Marino Cooperation Committee.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	There are no controls on these transfers. Law n. 183/2021 repealed periodic reporting submission to CBSM because of the use of Euro in San Marino. Previously, transfers abroad of amounts and balances equal to or exceeding the equivalent of €15,500 had to be reported to the CBSM for statistical purposes.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	There are no controls on these transfers. Law n. 183/2021 repealed periodic reporting submission to CBSM because of the use of Euro in San Marino. Previously, transfers abroad of amounts and balances equal to or exceeding the equivalent of €15,500 had to be reported to the CBSM for statistical purposes.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

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Capital Transactions

Controls on capital transactions	Yes.	Any public offering of financial instruments must be authorized by the CBSM and may be carried out only by banks or other financial companies authorized for the activity, as provided by Annex 1, Letter D, of Law No. 165/2005.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	Any public offering of financial instruments must be authorized by the CBSM and may be carried out only by banks or other financial companies authorized for the activity, as provided by Annex 1, Letter D, of Law No. 165/2005.
Shares or other securities of a participating nature	Yes.	In addition to the general rule, irrespective of the investor's residence, the purchase of securities of a participating nature exceeding 2% of a Sammarinese bank's capital and exceeding 5% of a Sammarinese financial company's capital must be authorized by the CBSM.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Any public offering of financial instruments must be authorized by the CBSM and may be carried out only by banks or other financial companies authorized for the activity, as provided by Annex 1, Letter D, of Law No. 165/2005.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Any public offering of financial instruments must be authorized by the CBSM and may be carried out only by banks or other financial companies authorized for the activity, as provided by Annex 1, Letter D, of Law No. 165/2005.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Any public offering of financial instruments must be authorized by the CBSM and may be carried out only by banks or other financial companies authorized for the activity, as provided by Annex 1, Letter D, of Law No. 165/2005.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Any public offering of financial instruments must be authorized by the CBSM and may be carried out only by banks or other financial companies authorized for the activity, as provided by Annex 1, Letter D, of Law No. 165/2005. In addition, Regulation No. 2006-03 issued by the CBSM applies.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Any public offering of financial instruments must be authorized by the CBSM and may be carried out only by banks or other financial companies authorized for the activity, as provided by Annex 1, Letter D, of Law No. 165/2005.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	The granting of financial credit to a person or a company is subject to the provisions of the banking law as well as to those of the CBSM. Under these provisions, banks and other credit institutions are required to periodically submit information on credit operations to the CBSM. This provision applies to all types of credit operations. In addition, the average interest rates applied by the financial system are monitored, and maximum rates are established to prevent usury (Article 207 of the Penal Code). Loans and guarantees granted by banks, financial companies, and loan funds, as well as collateral received, should be reported to the Central Credit Registry held by the CBSM.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	The granting of financial credit to a person or a company is subject to the provisions of the banking law as well as to those of the CBSM. Under these provisions, banks and other credit institutions are required to periodically submit information on credit operations to the CBSM. This provision applies to all types of credit operations. In addition, the average interest rates applied by the financial system are monitored, and maximum rates are established to prevent usury. Loans and guarantees granted by banks, financial companies, and loan funds, as well as collateral received, should be reported to the Central Credit Registry held by the CBSM.
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	The granting of a financial credit to a person or a company is subject to the provisions of the banking law as well as to those of the CBSM. Under these provisions, banks and other credit institutions are required to periodically submit information on credit operations to the CBSM. This provision applies to all types of credit operations. In addition, the average interest rates applied by the financial system are monitored, and maximum rates are established to prevent usury. Loans and guarantees granted by banks, financial companies, and loan funds, as well as collateral received, should be reported to the

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		Central Credit Registry of the CBSM.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Residents and nonresidents may not establish companies in some specific economic sectors without the Government's approval. Decree No. 176/2018 (December 2018), ratified on March 26, 2019, by Decree No. 50/2019, abolished the preliminary permission ("nulla osta") of the Congress of State (Government) for authorizations by the supervisory authority, or changes in its authorization, for the exercise of reserved activities related to activities in Sections A (banking), C (fiduciary activity), D (investment services), E (collective investment services), G (insurance), and H (reinsurance) of Attachment 1 of Law No. 165/2005. The following sectors are also regulated and subject to specific authorization by the Government or the authorities: (1) gambling (including entrepreneurial activities); (2) socio-healthcare activities; (3) the economic and commodity sectors in accordance with Delegated Decree No. 116 of December 12, 2007, as amended and completed (Delegated Decree No. 17 of February 12, 2009, and Delegated Decree No. 122 of August 31, 2009), whose entrepreneurial activities are subject to government authorization.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Purchases by domestic companies and foreign citizens (residents and nonresidents) no longer require approval of the Council of Twelve (Delegated Decree No. 105/2019). The number of real estate assets that can be purchased without Council of Twelve's approval is limited to 2 for physical persons and 10 for companies. Exclusions apply to real estate companies and purchases of properties classified as having "monumental value." Foreign companies are not allowed to buy real estate assets.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	San Marino regulations do not preclude loans to nonresidents. Sammarinese banks and financial companies may grant loans to nonresidents. However, San Marino banks and financial companies may carry out and offer financial services only within the territory of San Marino. This means that San Marino banks and financial companies may grant loans to nonresidents only if nonresidents approach the bank or financial company on their own initiative. CBSM Regulation No. 2007-07 and CBSM Regulation No. 2011-03 govern, respectively, the collection of savings and banking activities

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		and the financing operations of financial companies.
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Foreign citizens (residents and nonresidents) in some cases are not allowed to accept real estate by inheritance, endowment, or legacy without approval of the Council of Twelve, according to Article 25 of Law No. 118/2010. However, the liberalization introduced by Delegated Decree No. 105/2019 also applies in some cases. Council of Twelve's approval is not necessary if a foreigner, direct descendant, or foreign spouse of a San Marino citizen or of a deceased resident alien is an heir by legitimate or testamentary succession, as provided by Article 25 of Law No. 118/2010.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	CBSM Regulation No. 2007-07 governs the collection of savings and banking activities, as amended several times since the first release. CBSM Regulation No. 2011-03 governs the financing operations of financial companies, as amended several times since the first release. Decree Law No. 162/2009 establishes requirements on liquidity reserves for banks. Law 165/2005 establishes operations for the protection of savings and tools to protect savings and banking system stability in case of banks' compulsory liquidation. Deposits in banks under suspension of payment are also protected under the law. Under the provisions of Decree Law 186/2011, the Oversight Committee of the bank, at the behest of the commissioners and with the approval of the CBSM's Supervision Committee, may permit banks in extraordinary administration whose payments are suspended to allow depositors to withdraw cash and/or make payment arrangements to satisfy essential and urgent needs. Regarding extraordinary administration and suspension of payment, please also refer to CBSM Regulation No. 2021-02. CBSM Circular No. 2012-01 introduced a new obligation to detect

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changes in cash at banks exceeding the limit subject to registration in the Anti-Money-Laundering Computer Archive. CBSM and Agenzia di Informazione Finanziaria (AIF) (The FIU in charge of AML CFT matters for San Marino has defined a revision of the reporting system to allow AIF to receive data on cash transactions).

CBSM Regulation No. 2013-05 for entry into the Single Euro Payments Area (SEPA) aims to harmonize the national payment system with rules introduced at the EU level for SEPA implementation.

CBSM Regulation No. 2016-01 on the guarantee fund for depositors.
CBSM Regulation No. 2016-02 on the annual accounts and consolidated accounts of banks and other financial institutions.

Law No. 102 of June 14, 2019, “Bank Resolution Law” (adopting the principles of the Bank Recovery and Resolution Directive).

CBSM Regulation No. 2020-04 governs payment services and issuance of electronic money (payment institutions and electronic money institutions).

Regarding COVID-19 pandemic, the Government introduced the following measures regarding the financial system (in addition to other specific measures aimed at supporting households’ income and firms’ revenues):
Decree-Law No. 91/2020 (ratification of Decree-Law No. 63/2020): measures to support households, enterprises, the self-employed, and freelancers to address the COVID-19 emergency (state guarantee on loans by banks to households and firms), in force from April 2020 to June 30, 2021.

Decree-Law No. 66/2020 (ratification of Decree-Law No. 62/2020): urgent measures to contain and to manage the COVID-19 emergency (moratorium on loan repayments for households and firms plus provisions for state guarantees on loans by the CBSM, in force from April 2020 to April 30, 2021 (firms) and May 31, 2021 (households).

On the same matter, the CBSM took additional measures to support banks during pandemic period.

Effective November 28, 2022, CBSM issued 2 Regulations to implement certain aspects of the SM Law No. 157/2021:
Regulation No. 2022-04 on securitizations and related servicers;
Circular No. 2022-01 on prudential requirements of asset backed securities (ABS) issued under the system securitization that will take place at the end of 2023.

Effective May 9, 2023, CBSM issued 2 Regulations relating the

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		existing stock of NPLs (compliant to the EU II Pillar Calendar Provisioning) and the future stock of NPLs (compliant to EU I pillar Calendar Provisioning): Regulation No. 2023-02 updating supervisory provisions on credit exposures (EU I pillar CP) and also with the introduction of new definitions and classification categories for credit exposures, into the SM supervisory regulation framework, aligned to the EU ones. Circular No. 2023/01 on minimum coverage of banks' non performing exposures (EU II Pillar CP).
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Regardless of the borrower's residence, limits apply to lending. In particular, pursuant to Part VII, Title IV, Article 2, of Regulations No. 2007-07 and 2011-03, (1) banks and other credit institutions (financial companies) may not lend to any counterparty or group of related counterparties more than 25% of their regulatory capital (individual limit), and (2) such exposure may not exceed eight times regulatory capital.
Lending locally in foreign exchange	Yes.	Pursuant to Part VII, Title IV, Article 2, of Regulations No. 2007-07 and 2011-03, (1) banks and other credit institutions (financial companies) may not lend to any counterparty or group of related counterparties more than 25% of their regulatory capital (individual limit), and (2) such exposure may not exceed eight times regulatory capital. These limits apply regardless of the currency denomination of the lending. Lending activity in foreign exchange is not significant.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	A protocol, Parliament Decree No. 7 of January 22, 2016 – Ratification of the Protocol, amending the agreement between the European Community and the Republic of San Marino providing for measures equivalent to those in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments is in force. Accordingly, there is no withholding tax on EU residents' account holder interest income.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	The acquisition of shares in the capital of a bank or financial company above certain thresholds requires CBSM authorization.
Abroad by banks	Yes.	The purchase of securities of a participating nature exceeding 10% in foreign financial or nonfinancial companies by Sammarinese banks

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		and financial companies must be authorized by the CBSM.
In banks by nonresidents	Yes.	Regardless of the investor's residence, the purchase of securities of a participating nature exceeding 2% of a Sammarinese bank's capital or 5% of a Sammarinese financial company's capital must be authorized by the CBSM.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Insurance companies are regulated under Law No. 165/2005 and implementing CBSM Regulation No. 2008-01. The latter, which provides the general regulatory framework for life insurance business. Currently, it is not possible to conduct non-life-insurance or reinsurance business in San Marino.
Limits (max.) on securities issued by nonresidents	Yes.	There are no limits on the aggregate amount of investments in securities issued by nonresidents. CBSM Regulation No. 2008-01 provides limits for specific categories of securities.
Limits (max.) on investment portfolio held abroad	Yes.	Financial assets representing technical provisions must be kept in a bank authorized by the CBSM to carry out banking activity in San Marino. The CBSM may allow insurance companies to hold investment portfolios abroad on request. These restrictions do not apply to portfolios that do not make up technical provisions (Article 83, CBSM Regulation No. 2008-01).
Limits (min.) on investment portfolio held locally	Yes.	Financial assets representing technical provisions must be kept in a bank authorized by the CBSM to carry out banking activity in San Marino. The CBSM may allow insurance companies to hold investment portfolios abroad on request (Article 83 of CBSM Regulation No. 2008-01).
Currency-matching regulations on assets/liabilities composition	Yes.	Exchange risk exposure must be reported to the CBSM.
Pension funds	No.	Private pension funds are not regulated under Sammarinese law, so no Sammarinese private pension funds are active in San Marino. However, foreign private pension funds may be placed in San Marino. Law No. 191/2011 (on Reforming Social Security) established a mandatory public complementary pension fund. The public pension fund has an internal regulation defined by the administrative body. The mandatory public complementary pension fund is regulated by the abovementioned law, which defines a specific limit related to the asset class of the investment (for example, shares, corporate bonds, etc.) and not to the residency of the issuer.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Law No. 165/2005 provides for specific rules for investment firms, and the related CBSM implementing regulation is under preparation. Collective investment services are regulated under Law No.

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		165/2005 and implementing CBSM Regulation No. 2006-03.
Limits (max.) on securities issued by nonresidents	Yes.	Collective investment services are not limited in holding securities issued by nonresidents. CBSM Regulation No. 2006-03 determines limits on the allowed investments and diversification. These limits depend on the type of fund and do not discriminate with respect to the residence of the issuer. Other limits may be autonomously established by fund rules approved by the CBSM.
Limits (max.) on investment portfolio held abroad	Yes.	Assets and securities of a collective investment service must be kept in a bank authorized by the CBSM. The depository bank must be a fully authorized bank in San Marino or an authorized bank in an OECD country that complies with the requirements in CBSM Regulation No. 2006-03. Other limits may be autonomously established by the fund rules approved by the CBSM.
Limits (min.) on investment portfolio held locally	Yes.	Assets and securities of a collective investment service must be kept in a bank authorized by the CBSM. The depository bank must be a fully authorized bank in San Marino or an authorized bank in an OECD country that complies with the requirements in CBSM Regulation No. 2006-03. Other limits may be autonomously established by fund rules approved by the CBSM.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.

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Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Under the new San Marino Law on crypto assets, the CBSM has to authorize the setup of a crypto exchange. The CBSM will issue the relevant draft regulation in the coming months.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*04/07/2022*	Decree-Law No. 59 ("Restrictive measures of a commercial nature implementing the Council Decision (EU) 2014/512/CFSP and subsequent amendments and the Council Regulation (EU) no. 833/2014 of 31 July 2014 and subsequent amendments.") provides for the following restrictive measures with regard to Russia: 1. The prohibition of selling, supplying, transferring or exporting, directly or indirectly, dual-use goods, even if not originating in the Republic of San Marino, to any natural or legal person, entity or body in Russia or for use in Russia. 2. The prohibition on providing, directly or indirectly, technical assistance, services of brokerage or other services related to dual-use goods and the supply, manufacture, maintenance and use of such goods and technologies, to any natural or legal person, entity or organism in Russia or for use in Russia. 3. The prohibition on selling, supplying, transferring or exporting, directly or indirectly, to any natural or legal person, entity or body in Russia, or for use in Russia, dual-use goods listed in Annex VII of the Regulation, even if not originating in the Republic of San Marino, which can contribute to military and technological strengthening or the development of the defense and security sector of Russia.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	*11/28/2022*	Central Bank of San Marino issued 2 Regulations to implement certain aspects of the SM Law No. 157/2021: Regulation No. 2022-04 on securitizations and related servicers; Circular No. 2022-01 on prudential requirements of ABS issued under the system securitization that will take place at the end of 2023.
	05/09/2023	Central Bank of San Marino issued 2 Regulations relating the existing stock of NPLs (compliant to the EU II Pillar Calendar Provisioning) and the future stock of NPLs (compliant to EU I pillar Calendar Provisioning): Regulation No. 2023-02 updating supervisory provisions on credit exposures (EU I pillar CP) and also with the introduction of new definitions and classification categories for credit exposures, into the SM supervisory regulation framework, aligned to the EU ones. Circular No. 2023/01 on minimum coverage of banks' non performing exposures (EU II Pillar CP).

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SÃO TOMÉ AND PRÍNCIPE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership	September 30, 1977.
Article VIII	
Article XIV	Yes.

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation; Fourth Review Under the Extended Credit Facility Arrangement, Request for Waivers for Nonobservance of Performance Criteria, Modification of Performance Criteria and Financing Assurances Review with São Tomé and Príncipe states that as of March 14, 2022, São Tomé and Príncipe continues to avail itself of the transitional arrangements under Article XIV, but it does not maintain restrictions under Article XIV. However, it maintains restrictions subject to IMF approval under Article VIII. One exchange restriction regarding limitations on the transferability of net income from investment arises from Article 3(g) and Article 18 of the Investment Code (Law No. 19/2016). This restriction results from the requirement that taxes and other obligations to the government have to be paid/fulfilled as a condition for transfer, to the extent the requirement includes the payment of taxes and the fulfillment of obligations unrelated to the net income to be transferred. The second exchange restriction arises from limitations on the availability of foreign exchange through rationing of foreign exchange by Banco Central São Tomé and Príncipe. This exchange restriction also gives rise to a multiple currency practice as the rationing has channeled bona fide current transactions to the parallel market where the exchange rate is at a spread of more than 2 percent from the exchange rate in the formal market. (Country Report No. 2022/095) The IMF staff report for the Fifth Review Under the Extended Credit Facility Arrangement Request for Waiver of Nonobservance of Performance Criterion and Financing Assurances Review with São Tomé and Príncipe states that as of August 8, 2022, São Tomé and Príncipe maintained measures that give rise to exchange restrictions under Article VIII. Based on available information that the parallel foreign exchange market in São Tomé and Príncipe is illegal, the existing MCP is therefore eliminated based on the transitional arrangements of the approved revised MCP policy. This change reflects the Board's adoption of a revised MCP policy effective July 1, 2022. While the policy will only become effective nine months from the date of approval of the revised policy, under transitional arrangements, some elements became effective immediately on the approval date, including that MCPs no longer arise from exchange rate spreads arising in illegal parallel markets. Existing MCPs based on certain types of official action which will no longer be covered under the revised MCP policy will be considered eliminated as of the approval date of the revised policy. (Country Report No. 22/306)
Exchange measures imposed for security reasons	No.	

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In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of São Tomé and Príncipe is the São Tomé and Príncipe dobra.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual	Yes.	The exchange rate structure of São Tomé and Príncipe is dual because of the existence of the official and the parallel market rates.
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The de jure and de facto exchange rate arrangements are a conventional peg against the euro. Beginning February 1, 2009, the focus of the Bank of São Tomé and Príncipe (BCSTP) switched from the US dollar to the euro, which became the new reference currency for the peg on January 1, 2010. The Organic Law of the BCSTP authorizes it to make decisions regarding exchange rate policy.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate is Db 24.50 per euro, and the CB is committed to maintaining the peg of the dobra to the euro. Rates for other currencies are based on cross-rates between the euro and the currencies concerned in international markets (Article 2(2) of National Adaptation Plan (NAP) No. 05/2017 – Regulations on the Foreign Exchange Coverage). The official euro–US dollar cross-rate is based on the ECB reference rate of the previous day. The official exchange rate is used for accounting and valuation. The official exchange rate of dobra against euro is also used to purchase and sell euro.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		

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Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro.
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		

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Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	When commercial banks purchase and sell euro in transactions with their customers, they must use the fixed exchange rate published by the BCSTP (official exchange rate). In case of euro purchases, the charging of any commission is prohibited, while in case of euro sales, banks are allowed to charge a commission up to 2%. Purchase and sale by banks of other foreign currencies in transactions with their customers may be carried out at the exchange rates set by commercial banks, with the condition that the spread between buying and selling rates does not exceed 4%. In case of euro purchase from the public, exchange bureaus must use the fixed exchange rate published by the BCSTP, with no commission permitted to be charged. The BCSTP regulation does not impose any rule for exchange bureaus with regard to setting of selling exchange rate for euro, as well as buying and selling exchange rates for other foreign currencies, except for the requirement to include all commissions in the exchange rates. In its sale transactions in euro with financial institutions, the BCSTP charges a 1.5% commission, while on its purchases of euros with financial institutions, the BCSTP charges a 0.5% commission.
Spot exchange market	Yes.	De jure there is only one foreign exchange bureau authorized to deal in foreign exchange under NAP No. 24/2009, regulating foreign exchange bureaus. In practice however, there are several foreign exchange bureaus and unregulated agents dealing in foreign exchange in the country without special and prior authorization from the CB, as required under Article 7(1) of Decree-Law No. 32/99, the Foreign Exchange Law. Under the terms of Article 12 of NAP No. 24/2009, foreign exchange bureaus can engage in the following transactions: purchase and sale of foreign exchange; foreign currency trading, purchase and sale of traveler's checks, purchase and sale of banknotes and coins with the CB for foreign exchange transactions or the transfer of foreign exchange surpluses; and purchase and sale of banknotes and coins with commercial banks. Article 13 of the same NAP prohibits foreign exchange bureaus from transferring foreign exchange abroad and from all other transactions not specified in Article 12.
Operated by the central bank	Yes.	Under NAP No. 05/2017 – Regulations on Foreign Exchange Coverage, the BCSTP applies a foreign exchange allocation system. Under Article 18(2) of the Foreign Exchange Law, the BCSTP purchases and sells foreign exchange "to the State" as its financial agent.
Foreign exchange standing facility	No.	
Allocation	Yes.	Under Article 18 of Decree-Law No. 32/99, the Foreign Exchange Law, the BCSTP may purchase and sell foreign exchange from and to commercial banks indiscriminately, depending on the external situation and need to control money supply, provided the latter cumulatively fulfill the requirements for applying for foreign exchange cover and eligibility specified in Articles 6 and 7 of NAP No. 05/2017 – Regulation on Exchange Coverage. Foreign exchange is made available to commercial banks for customer's external payments through foreign exchange coverage provided by the BCSTP via two modalities laid down by the BCSTP regulations (1)

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		through selling foreign exchange after customers' import payments already made and (2) through direct foreign exchange coverage that means selling foreign exchange for making current international payments. The BCSTP finances current international transactions at the official exchange rate only after verification of the bona fide nature of the bank's request. These include only completed goods' import transactions fulfilling the specified requirements. Access to foreign exchange is limited to financial institutions whose net position in the transaction currency is less than 12% of their qualified capital and the net position in all foreign currencies is less than 25% of qualified capital. Financial institutions must be in compliance with the CB's regulations on bank liquidity and capital adequacy. Financial institutions may have access to the CB's facilities regardless of the above conditions (direct foreign exchange coverage) if the foreign exchange is for importation of goods during a crisis or for the importation of fuel.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is currently no legal provision in force governing the interbank foreign exchange market (mercado cambial interbancário – MCI).
Over the counter	No.	There is no regulation on this segment of the capital market in São Tomé and Príncipe.
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	São Tomé and Príncipe has no official payment arrangement with the CB of any other country at the present time.
Inoperative	Yes.	There is an inoperative payments agreement with Angola whose balance has been converted to outstanding Angolan debt with São Tomé and Príncipe and is still pending payment. According to information reported by the Debt Office, this debt was sold to a

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		group and is currently being negotiated through the Angolan government.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Pursuant to Article 6(1) of Decree-Law No. 32/99, the Foreign Exchange Law, the CB, as the country's foreign exchange authority, regulates the functioning of the foreign exchange market, supervises the entities authorized to deal in foreign exchange, and oversees foreign exchange transactions.
Payments arrears	Yes.	
Official	Yes.	As of end-2020, external arrears totaled US$101m, of which the government had pre-HIPC Initiative legacy arrears to Angola and Italy, totaling US$60.3 million, and a loan from Nigeria in the amount of $30 million is under dispute.
Private	No.	There are no private payment arrears.
Controls on trade in gold (coins and/or bullion)	No.	There are no legal restrictions on trading in gold.
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers are entitled to remove dobra banknotes and coins up to the limit of 5 examples of each denomination up to a total of 1,944 in new dobras, and 944,692.50 in old dobras. Amounts in excess of these limits must be seized by the competent authority and handed over to the CB. This rule is valid for all travelers. The export of banknotes is subject to a special authorization from the BCSTP.
Foreign currency	Yes.	Residents traveling abroad are allowed to carry or transport with them foreign currency (in banknotes and coins) in an amount corresponding to Db 245,000, that is equivalent to € 10,000. Nonresidents leaving the country with more than Db 245,000 that is equivalent of € 10,000 in foreign currency or other foreign means of payment, except credit cards, payment cards, bank checks, or traveler's checks issued abroad in their name, must, if and when asked to do so by the competent authorities, provide evidence that they entered the country with the same amount or higher. Evidence must be provided in the form of the original declaration, duly filled in on entry into the country, or in the form of a certificate of origin issued by a national financial institution in compliance with the existing legislation.
On imports	Yes.	
Domestic currency	No.	
Foreign currency	Yes.	In accordance with Decree No. 11/2014, Approving the Declaration of Values Models.

Resident Accounts

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Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Pursuant to Article 16 of Decree-Law No. 32/99, the Foreign Exchange Law, deposit accounts in dobras or any foreign currency can be freely opened and operated, both by residents and by nonresidents, without restriction, subject to fulfillment of the legal procedures defined in NAP No. 10/11, on opening and operating accounts in foreign currency. Although the Foreign Exchange Law requires that transfers be authorized by the BCSTP, in practice the current system allows the free movement of capital.
Approval required	No.	
Held abroad	Yes.	Residents and nonresidents may maintain bank accounts denominated in both domestic and foreign currency in São Tomé and Príncipe and abroad and may freely transfer amounts from their accounts abroad.
Approval required	No.	Even though the Foreign Exchange Law requires authorization by the BCSTP for transfers, in practice the system currently permits free movement.
Accounts in domestic currency held abroad	Yes.	Even though the Foreign Exchange Law requires authorization by the BCSTP for transfers, in practice the system currently permits free movement. Residents and nonresidents may maintain bank accounts denominated in domestic and foreign currency in São Tomé and Príncipe and abroad and may freely transfer amounts from their accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	These accounts may be opened freely and credited or debited, including for transfers abroad, as long as they are demand deposit accounts (Article 16 of Decree-Law No. 32/99, the Foreign Exchange Law).
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	These accounts may be converted and credited or debited, including for transfers abroad, as long as they are demand deposit accounts.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	Yes.	The BCSTP determines its foreign exchange budget on the basis of information obtained in collaboration with the Treasury and major economic agents.
Financing requirements for imports	No.	
Minimum financing requirements	No.	Pursuant to Article 12(2) of Decree-Law No. 32/99, the Foreign Exchange Law, the BCSTP guarantees the convertibility and transfer abroad of the foreign exchange needed to pay for imports, provided the importer has the funds needed to cover the corresponding amount in the commercial banks.
Advance payment requirements	No.	

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Advance import deposits	No.	The advance deposit requirement involving the opening of an LC depends on what was agreed between the bank and the importer. Normally, an advance deposit is not required.
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Foreign exchange is made available to commercial banks for customer's import payments through foreign exchange coverage provided by the BCSTP via two modalities laid down by the BCSTP regulations (1) through selling foreign exchange after customers' import payments already made and (2), in case of fuel imports and other imports of goods in period of crisis, through direct foreign exchange coverage that means selling foreign exchange for making current international payments. A bank application for foreign exchange cover must be supported by the following: (1) listing of the amounts of imports for which the foreign exchange is required; (2) documentary evidence of the money transfer (MT); (3) documentary justification of the operation, namely: (a) definitive invoices with dates no older than six months from the date of the application for foreign exchange cover; (b) documentary evidence of the shipment from point of origin or unloading of the merchandise from the national customs territory; (4) date of transfer request, by the client, and effective date of the operation; and (5) any other documents if the BCSTP considers they are necessary.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Import licenses are granted freely by the General Directorate of Commerce. Certification of timely payment of tax liabilities must also be requested from the Ministry of Planning and Finance. Pursuant to Paragraph 2 of Article 13A of Decree-Law No. 11/2011, regulating commercial activity and its licensing, all private firms or collective entities that export and/or import merchandise, specified in Tables A1 and A2 of this instrument, are exempt from the requirement to register in the Commerce Department. Paragraph 3 of the same article establishes a requirement for licenses or endorsements for other commercial activities. Also, pursuant to Paragraph 3 of Article 13A of Decree-Law No. 11/2011, the reexportation of products that incorporate minerals, environmental reserves, and national security requires a license to be obtained from the Commerce Department.
Import taxes and/or tariffs	Yes.	Imports are unrestricted; however, entry into the national territory is subject to customs procedures as envisaged under current law (Decree-Law No. 39/2009, the Customs Code).
Taxes collected through the exchange system	No.	

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State import monopoly	No.	De jure there is no state import monopoly per se. However, there is only one company (ENCO), which is not majority state-owned, that imports petroleum products.

Exports and Export Proceeds

Repatriation requirements	No.	Article 13(2) of Decree-Law No. 32/99, the Foreign Exchange Law provides that all foreign earnings received from exports must be delivered in full to the financial system; but in practice this article is not applied.
Surrender requirements	No.	
Surrender to the central bank	No.	Pursuant to Article 13 of Decree-Law No. 32/99, exporters may freely dispose of foreign exchange earnings from export activities, apart from the portion withheld by the BCSTP, but in practice, this has never been applied.
Surrender to authorized dealers	No.	
Financing requirements	No.	There is no legal requirement in force.
Documentation requirements	Yes.	Exporters must submit the Preshipment Document (Boletim prévio de Exportação – BRPE) to the bank for certification purposes.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Pursuant to Article 279 of Decree-Law No. 39/2009, the Customs Code, the formalities for export clearance are as follows: request, declaration, verification of the elements of the declaration, order number, payment and receipt number, verification, re-verification, and authorization for shipment.
Other	No.	
Export licenses	Yes.	Pursuant to Paragraph 2 of Article 13A of Decree-Law No. 11/2011, regulating commercial activity and its licensing, all private firms or collective entities that export and/or import merchandise, specified in Tables A1 and A2 of this instrument, are exempt from the requirement to register in the Commerce Department. Paragraph 3 of the same article establishes a requirement for licenses or endorsements for other commercial activities. Also, pursuant to Paragraph 3 of Article 13A of Decree-Law No. 11/2011, the exportation of mineral products, products essential for the economy, and products of environmental reserves requires a license to be obtained from the Commerce Department.
Without quotas	Yes.	Pursuant to Article 13C of Decree-Law No. 11/2011, regulating commercial activity and its licensing, operations to export and/or import merchandise that are exempt under Article 13(2) will be subject to an annual operating fee to be specified in a joint notice issued by the specific sector minister and minister of finance.
With quotas	No.	
Export taxes	No.	There are no export taxes. Exports and re-exports of products generated by the implementation of the investment projects will be duty-free. Export and re-export operations are exempt from customs duties.
Collected through the exchange system	No.	

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Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Pursuant to Article 14 of Decree-Law No. 32/99, the Foreign Exchange Law, the sale of foreign currency and its transfer abroad, in respect of current invisible transactions, is totally liberalized. Nonetheless, only commercial banks are authorized to transfer such foreign exchange abroad.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	Pursuant to Article 18 of Law No. 19/2016, the Investment Code, the State guarantees that investors have the right to transfer abroad the following: (1) dividends or distributed profits, after proper verification and certification of the respective vouchers on the payment of taxes owed, taking into account the amount of capital invested and its correlation with the respective equity shares in the corporation or company; (2) proceeds from liquidation of investments, including gains, after the payment of taxes owed; (3) any amounts that may be due, after deduction of the respective taxes, as provided in instruments or contracts that, under the terms of this law, constitute private investment; (4) royalties or other payments on income from indirect investments, associated with the concession of technology transfer.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	There is no legal provision in force.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Even though Article 15 of Decree-Law No. 32/99, the Foreign Exchange Law, requires authorization by the BCSTP for transfers of capital transactions, in practice the system currently permits the free movement of capital. Residents and nonresidents may maintain bank accounts denominated in both domestic and foreign currency in São Tomé and Príncipe and abroad and may freely transfer amounts from their accounts abroad.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	

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Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	n.a.	
Purchase locally by nonresidents	n.a.	
Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	n.a.	
Commercial credits	n.a.	
By residents to nonresidents	n.a.	
To residents from nonresidents	n.a.	
Financial credits	n.a.	
By residents to nonresidents	n.a.	
To residents from nonresidents	n.a.	
Guarantees, sureties, and financial backup facilities	n.a.	
By residents to nonresidents	n.a.	
To residents from nonresidents	n.a.	
Controls on direct investment	Yes.	
Outward direct investment	No.	There is no legal provision in force.
Inward direct investment	Yes.	Although in general there are no restrictions on FDI, there are some exceptions for reasons of security, and the protection of heritage, fauna, and flora.

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Controls on liquidation of direct investment	No.	Under Article 16(4) of the new Investment Code (DL No. 19/2016): The State guarantees the non-cancellation of licenses without due judicial or administrative process. Pursuant to Article 18 of Law No. 19/2016, the Investment Code, the State guarantees that investors have the right to transfer abroad proceeds from liquidation of investments, including gains, after the payment of taxes owed.
Controls on real estate transactions	Yes.	There is no legal provision in force for private land. For state land, both residents and foreigners can be granted the right to use the land, but it cannot be sold.
Purchase abroad by residents	n.r.	
Purchase locally by nonresidents	Yes.	For state land, foreigners can be granted the right to use the land, but it cannot be sold.
Sale locally by nonresidents	n.a.	
Controls on personal capital transactions	Yes.	There is no legal provision on transfers by private individuals to third parties.
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	n.a.	
Settlement of debts abroad by immigrants	Yes.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	n.a.	
Transfer of gambling and prize earnings	Yes.	.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	n.r.	There is no legal provision in force.
Maintenance of accounts abroad	n.r.	There is no legal provision in force.
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	
Purchase of locally issued securities denominated in foreign exchange	n.a.	São Tomé and Príncipe does not yet issue securities in foreign currency.
Differential treatment of deposit accounts in foreign exchange	Yes.	Article 3 of NAP No. 10/11, on opening and operating accounts in foreign currency, prohibits the issuance of foreign currency checks.
Reserve requirements	Yes.	Paragraphs 2 and 3 of Article 3 of NAP No. 18/2011, regulating minimum cash reserves, set minimum reserve requirements of 18% on local currency deposits and 21% on foreign currency deposits.
Liquid asset requirements	No.	There are no differences.

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Interest rate controls	No.	There are no controls, and the market is free.
Credit controls	No.	There are no controls, and all credits are subject to the same regulation.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	Pursuant to Article 5 of NAP No. 05/2017, the CB may impose limits on the foreign exchange positions held by financial institutions and foreign exchange bureaus authorized to operate on the national financial market, but this is not strictly enforced. There are open position limits of 12% and 25% of the bank's own funds set in Article 7(1) (a) and (b) of NAP No. 05/2017 as eligibility criteria for banks to have access to foreign exchange coverage provided by the BCSTP and not to mitigate the foreign exchange risk.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	n.r.	
Insurance companies	n.r.	
Limits (max.) on securities issued by nonresidents	n.r.	
Limits (max.) on investment portfolio held abroad	n.r.	
Limits (min.) on investment portfolio held locally	n.r.	
Currency-matching regulations on assets/liabilities composition	n.r.	
Pension funds	n.r.	
Limits (max.) on securities issued by nonresidents	n.r.	
Limits (max.) on investment portfolio held abroad	n.r.	
Limits (min.) on investment portfolio held locally	n.r.	
Currency-matching regulations on assets/liabilities composition	n.r.	
Investment firms and collective investment funds	n.r.	
Limits (max.) on securities issued by nonresidents	n.r.	
Limits (max.) on investment portfolio	n.r.	

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held abroad	
Limits (min.) on investment portfolio held locally	n.r.
Currency-matching regulations on assets/liabilities composition	n.r.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.

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Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

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Exchange Measures

Restrictions and/or multiple currency practices	*07/01/2022*	Based on available information that the parallel foreign exchange market in São Tomé and Príncipe is illegal, the existing MCP is therefore eliminated based on the transitional arrangements of the approved revised MCP policy. This change reflects the Board's adoption of a revised MCP policy.

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SAUDI ARABIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 26, 1957.
Article VIII	Yes.	Date of acceptance: March 22, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with UNSC Resolution No. 1373, assets suspected of being involved in terrorism financing may be frozen or seized.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Saudi Arabia is the Saudi Arabian riyal.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The de jure and de facto exchange rate arrangement are a conventional pegged arrangement. The rate of the riyal against the US dollar is determined by the Saudi Central Bank (SAMA) and has been stable at 3.75 since June 1986.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	Yes.	The exchange rate of the riyal is pegged to the US dollar at the official rate of buying and selling that is 3.75 per US dollar. The official rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		

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Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	As of September 30, 2023, there were 36 licensed banks, of which three are digital banks and 5 foreign bank branches not yet in operation, as well as 67 money exchangers to undertake interbank foreign exchange and money market transactions. ADs determine their own bid-ask spread as well as commissions with clients.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	SAMA provides foreign exchange to licensed banks at the official buying and selling rates but does not engage in foreign exchange allocation, auctions, or fixing. Moreover, SAMA deals directly with the government and other public entities.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	As of September 30, 2023, the number of licensed banks is 36 (11 local banks, 22 foreign bank branches (of which 5 branches are not yet in operation), and 3 digital banks). They undertake interbank foreign exchange and money market transactions. The interbank market operates over the counter, with the participation of market makers and brokers and an active interbank market in riyals and US dollars quoted by commercial banks. There are no limits on the bid-ask spreads and commissions of market participants, except for US dollars where there is an internal limit on the volume of US dollars sold from the SAMA to local banks and branches of foreign banks.
Over the counter	Yes.	
Brokerage	Yes.	
Market making	Yes.	
Forward exchange market	Yes.	The forward market operates over the counter. The commercial banking sector has an active forward market to cover exchange risk for up to 36 months. To discourage multi-leg USD/SAR forward structured products, known for their speculative nature, local participants must seek SAMA prior approval before entering into these non-linear derivatives transaction.
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Transactions with, and use of the currency of, Israel are prohibited.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	There are foreign exchange swap agreements among the GCC CBs.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Controls on payments and receipts are administered by SAMA.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	The Precious Metals and Stones Law of December 20, 1985, stipulates that: (1) selling items which are less than the minimum regular karat (18) is prohibited and (2) it is prohibited to sell or display the following or possess them with the intention of selling them: (a) items that are not hallmarked with their actual karatage and on which the trademark is not indicated and (b) copies of coins withdrawn from circulation, unless they are completely identical to the original in terms of karatage, weight, size, shape, and design, and are hallmarked with their actual karatage and trademark.
On external trade	Yes.	The Precious Metals and Stones Law of December 20, 1985, stipulates the following: (1) Imported copies of gold coins that have been withdrawn from circulation must be identical to the original issue coin in size, weight, design, appearance, and purity and must be stamped with the trademark of their manufacturer or importer and a stamp with their karat number (antique issue gold coins are exempt from this requirement). (2) Imported gold bullion must bear a stamp verifying its purity. (3) Imported gold bullion of less than 18 karats must be either reexported or melted down before being returned to the importing party. (4) It is prohibited to import Saudi gold pound

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		from outside of the Kingdom of Saudi Arabia.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	For export of banknotes by travelers, there is a requirement to declare the currency equal to or more than SAR 60,000. For export of banknotes by banks and other authorized financial institutions, approval of SAMA is required.
Foreign currency	Yes.	For export of banknotes by travelers, there is a requirement to declare the currency equal to or more than SAR 60,000. For export of banknotes by banks and other authorized financial institutions, approval of SAMA is required.
On imports	Yes.	
Domestic currency	Yes.	For import of banknotes by travelers, there is a requirement to declare the currency equal to or more than SAR 60,000. For import of banknotes by banks and other authorized financial institutions, approval of SAMA is required.
Foreign currency	Yes.	For import of banknotes by travelers, there is a requirement to declare the currency equal to or more than SAR 60,000. For import of banknotes by banks and other authorized financial institutions, approval of SAMA is required.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Account holders may deposit and withdraw funds in a foreign currency. If such foreign currency is not available, payments may be made in Saudi riyal.
Held domestically	Yes.	Account operations follow usual business practices and are monitored according to AML and CFT regulations. Balances may be transferred abroad subject to relevant Anti-Money-Laundering and Countering Financing of Terrorism regulation provisions. Foreigners with temporary visas (for the first three months only) and invited by an organization or business may open bank accounts as a preliminary step toward obtaining a regular residence permit (iqama).
Approval required	No.	
Held abroad	Yes.	Account operations, including balance transfers, are subject to local legal requirements. Funds received from abroad are subject to relevant Anti-Money-Laundering and Countering Financing of Terrorism regulation provisions.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	There is no provision that prevents residents from owning accounts in domestic currency abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Balances are freely convertible into foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Deposits and withdrawals may be done in foreign currency.
Approval required	Yes.	No external approval is needed to open foreign exchange accounts, except for the following individuals/entities: (1) non-Saudi Arabia and non-GCC citizens, and nonresident of the Kingdom; (2) nonresident nonbank corporations and businesses (other than GCC) with no contracts or projects in Saudi Arabia; and (3) nonresident investment companies, international mutual funds, and other financial institutions (including GCC).

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Domestic currency accounts	Yes.	Deposits and withdrawals may be done freely, as well as transfers abroad in accordance with the bank's internal and risk management policies.
Convertible into foreign currency	Yes.	Saudi riyal needs to be converted ino foreign currency to be transferred abroad freely. Local currency may be freely converted into foreign currency.
Approval required	Yes.	No external approval is needed to open foreign exchange accounts, except for the following individuals/entities: (1) non-Saudi Arabia and non-GCC citizens, and nonresident of the Kingdom; (2) nonresident nonbank corporations and businesses (other than GCC) with no contracts or projects in Saudi Arabia; and (3) nonresident investment companies, international mutual funds, and other financial institutions (including GCC).
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Import restrictions on a few commodities are maintained for religious, health, and security reasons.
Open general licenses	Yes.	Importers must have a Commercial Registration issued by the Ministry of Commerce.
Licenses with quotas	Yes.	Quotas are specified by the concerned "Other Government Agencies (OGA)" depending on the nature of the imported goods
Other nontariff measures	Yes.	Trade with Israel is prohibited. Reexports of certain imported government-subsidized items are prohibited.
Import taxes and/or tariffs	Yes.	A CET of 5% is applied on most dutiable goods. For a few goods, tariff rates of 12% and 20% apply. For tobacco products, the tariff is 100%. Certain imports are exempt as specified in the law or in the Unified Economic Agreement of GCC Arab states or any other international agreement within framework of the council.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Reexports of certain imported government-subsidized items are prohibited.
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Engaging in the securities business must be authorized by the CMA, unless the business is exempted pursuant to the Securities Business Regulations. Under the CMA-Authorized Persons Regulations, applicants for authorization to engage in dealing, managing, or

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		custodial business must be established in Saudi Arabia and be either (1) a subsidiary of a local bank, (2) a joint-stock company, (3) a subsidiary of a Saudi joint-stock company engaged in the financial services business, or (4) a subsidiary of a foreign financial institution licensed under the Banking Control Law issued by Royal Decree No. M/5 of 22/2/1386H (of June 11, 1966). Applicants for authorization to engage in advisory or business arrangement services may be of any legal type established in Saudi Arabia.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Purchasing securities locally by nonresidents is subject to the Rules for Foreign Investment in Securities, which set out the provisions for foreign investment in listed securities, debt instruments and investment funds. Effective May 2, 2023, the rules were amended as follows: (1) All foreign investor regulations were merged into one regulation; (2) Requirements of financial institution type and qualification process were removed, and the foreign investor is only required to be a legal person and open an investment account with one of the capital market institutions; (3) The asset under management size requirement for some types of investors, such as pension funds, endowment funds, a market maker's client, government entities, and some international organizations, was removed; (4) A new channel for foreign investors (natural and legal persons) to invest in the main market through a discretionary portfolio management (DPM) was introduced; (5) The ultimate beneficiary in swap agreement conditions was improved by removing the duration of the swap agreement and the CMA notification requirements. Nonresident foreign investors may invest directly in the parallel equity market (Nomu). Nonresident GCC citizens are treated equal to residents in Saudi Arabia and allowed to invest directly in the Saudi Stock Exchange. For investments in banks by nonresidents, there is a limit of 60% of capital, and permission of the authorities is required. There is no overall limit for foreign strategic investor ownership in listed companies, and they require SAMA's approval for acquiring 50% or more of a bank's capital. However, foreign strategic investors may not dispose of any of the shares they own within a period of two years after the date of acquisition of such shares, and limits by other regulators or a company's own rules still apply.
Sale or issue locally by nonresidents	Yes.	Issuances and offerings of securities are under the CMA's jurisdiction and require its approval or notification depending on the offer type. Foreign issuers must comply with the Exchange Listing Rules and any foreign listing requirements that the CMA may issue in the future, which will detail the requirements that are imposed on the foreign issuers. All issuances and offerings must be conducted through a person authorized in Saudi Arabia. As per the amended CMA Board Rules on the Offer of Securities and Continuing Obligations (OSCO), foreign issuers are allowed to cross-list their shares on the Saudi Stock Exchange. Foreign issuers may offer securities by way of private placement to selected investors in Saudi Arabia as per Part 3 of the Rules on the OSCO. In this regard, foreign issuers are not required to comply with the Listing Rules if such securities are not to be listed in the Saudi Stock Exchange.
Purchase abroad by residents	Yes.	No restrictions apply, except that insurance companies may not

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		invest more than 20% in foreign securities unless approved by the SAMA. In addition, a limit of 10% applies to foreign-currency-denominated investments. However, this limit may be changed according to the investment policy submitted by the insurance company and approved by the SAMA. SAMA approval is required for Saudi Arabian banks to acquire shares in foreign companies. However, any security issued abroad may only be advertised in Saudi Arabia through a person authorized in Saudi Arabia and subject to the provisions of Part 3 of the Securities Business Regulations.
Sale or issue abroad by residents	Yes.	Paragraph a/6 of Article 6 of the Capital Market Law, the CMA has the power to approve, cancel, or suspend the listing of Saudi issuers' securities traded on the Saudi Stock Exchange on stock exchanges abroad. The Instructions on Issuing Depositary Receipts out of the Kingdom apply.
Bonds or other debt securities	Yes.	Rules on the OSCO describe the requirements for issuance and offering of bonds and other debt securities either through public offering, private placement, or exempt offering. The OSCO Rules also contain provisions regulating the issuance and trading of securities through a special purpose entity (SPE). The Rules for SPEs issued by the CMA Board regulate the establishment, licensing, and activities of the SPE that is responsible for issuing debt instruments.
Purchase locally by nonresidents	Yes.	Article 5 of the Rules for Foreign Investment in Securities allows all foreign natural and legal persons, whether residents or not, to invest in debt instruments, with due consideration to the provisions stipulated in these Rules. Nonresident GCC citizens are treated equal to residents in Saudi Arabia and allowed to invest directly in the Saudi Stock Exchange. There are no controls on portfolio investment in government securities by foreign nationals. There is no minimum holding period requirement for such bonds.
Sale or issue locally by nonresidents	Yes.	The issuance and sale of securities, including debt securities, are under the jurisdiction of the CMA and require its approval or notification depending on the offer type. In all cases, foreign issuers must comply with the Exchange Listing Rules and any foreign listing requirements that the CMA may issue in the future, which will detail the requirements that are imposed on the foreign issuers. The issuer must be a Saudi joint-stock company, except where the provisions of Article 14 "cross-listing" of the listing rules apply. All issuances and offerings must be conducted through a person authorized in Saudi Arabia. As per the amended CMA Board Rules on the OSCO, foreign issuers are allowed to cross-list their shares on the Saudi Stock Exchange. Foreign issuers may offer securities by way of private placement to selected investors in Saudi Arabia as per Part 3 of the Rules on the OSCO. In this regard, foreign issuers are not required to comply with the Listing Rules if such securities are not to be listed in the Saudi Stock Exchange.
Purchase abroad by residents	Yes.	No restrictions apply, except that insurance companies may not invest more than 20% in foreign securities unless approved by the SAMA. In addition, a limit of 5% applies to foreign government bonds and bonds issued by foreign companies. However, any security issued abroad may only be advertised in Saudi Arabia through a person authorized in Saudi Arabia and subject to the provisions of Part 3 of the Securities Business Regulations.
Sale or issue abroad by residents	No.	There are no restrictions on the sale or issuance of securities abroad by residents, which are subject to the laws where the sale or issuance takes place. However, pursuant to paragraph a/6 of Article 6 of the Capital Market Law, the CMA has the power to approve, cancel, or suspend the listing of Saudi securities of Saudi issuers traded on the

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		Saudi Stock Exchange on stock exchanges abroad. Only authorized persons may conduct securities business in Saudi Arabia unless exempt.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	Issuance and sale of securities, including money market instruments, in Saudi Arabia are under the jurisdiction of the CMA and must require its approval or notification depending on the offer type. In all cases, foreign issuers must comply with the Exchange Listing Rules and any foreign listing requirements that the CMA may issue approve in the future, which will detail the requirements that are imposed on the foreign issuers. All issuances and offerings must be conducted through a person authorized in Saudi Arabia.
Purchase abroad by residents	No.	There are no restrictions on the purchase of securities abroad by residents. However, any security issued abroad may only be advertised in Saudi Arabia through a person authorized in Saudi Arabia and subject to the provisions of Part 3 of the Securities Business Regulations.
Sale or issue abroad by residents	No.	There are no restrictions on the sale or issuance of securities abroad by residents, which are subject to the laws where the sale or issuance takes place. However, pursuant to paragraph a/6 of Article 6 of the Capital Market Law, the CMA has the power to approve, cancel, or suspend the listing of any Saudi security of any Saudi issuer traded on the Saudi Stock Exchange on any stock exchange abroad. Only authorized persons may conduct securities business in Saudi Arabia unless exempt.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Article 5 of the Rules for Foreign Investment in Securities allows all foreign natural and legal persons, whether residents or not, to invest in investment funds, with due consideration to the provisions stipulated in these Rules. In addition, the CMA allows, as of November 7, 2021, capital market institutions to accept the subscriptions of non-Saudis in a real estate fund that invests all or part of its assets in real estate located within the boundaries of the cities of Mecca and Medina.
Sale or issue locally by nonresidents	Yes.	Public offering of CIS investment is restricted to persons authorized by the CMA to conduct managing activities. However, foreign funds may offer units in foreign funds through a distributor (with a dealing as an agent activity license) as a private offer. All issuances and offerings must be conducted through a person authorized in Saudi Arabia and in accordance with the Investment Funds Regulations issued by the CMA (as amended). Foreign issuers may offer securities by way of private placement to selected investors in Saudi Arabia as per Part 3 of the Rules on the OSCO. In this regard, foreign issuers are not required to comply with the Listing Rules if such securities are not to be listed in the Saudi Stock Exchange.
Purchase abroad by residents	No.	There are no restrictions on the purchase of securities abroad by residents. However, any security issued abroad may only be advertised in Saudi Arabia through a person authorized in Saudi Arabia and subject to the provisions of Part 3 of the Securities Business Regulations.
Sale or issue abroad by residents	No.	There are no restrictions on the sale or issuance of securities by residents abroad.
Controls on derivatives and other instruments	Yes.	The derivatives market was launched on August 30, 2020. The Saudi Stock Exchange (Tadawul) operates the derivatives market and

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		applies its rules and procedures on derivatives exchange trading and membership. The available traded derivative products are: the SF30 MT30 Index Futures Contract, which is based on the Morgan Stanley Capital International (MSCI) Tadawul 30 (MT30) Index, and Single Stock Futures, which are standard futures contracts with an individual stock as its underlying asset launched effective July 4, 2022. Currently, they are available on 10 different stocks listed on the Saudi exchange with varying maturities. Tadawul introduced the Market Making framework for derivatives market effective December 4, 2022, and onboarded Saudi National Bank (SNB) Capital as the first derivatives market maker for MT30 Index Futures in July 2023.
Purchase locally by nonresidents	Yes.	Article 5 of the Rules for Foreign Investment in Securities allows all foreign natural and legal persons, whether residing or not to invest in listed securities (including derivatives), with due consideration to the provisions stipulated in these Rules.
Sale or issue locally by nonresidents	Yes.	Issuances and offerings of securities, including derivatives and other instruments, are under the Capital Market Authority's jurisdiction and require its approval or notification depending on the type of the offer. Foreign issuers seeking to issue securities on the Saudi Exchange must comply with the Exchange Listing Rules and any foreign listing requirements that the Capital Market Authority may require. Additionally, all issuances and offerings must be conducted through a person authorized in Saudi Arabia in accordance with the Securities Business Regulations.
Purchase abroad by residents	No.	There are no restrictions on the purchase of securities abroad by residents. However, any security issued abroad may only be advertised in Saudi Arabia through a person authorized in Saudi Arabia and subject to the provisions of Part 3 of the Securities Business Regulations.
Sale or issue abroad by residents	No.	There are no restrictions on the sale or issuance of securities, including derivatives and other instruments, abroad by residents, which are subject to the laws where the sale or issuance takes place. However, pursuant to paragraph a/6 of Article 6 of the Capital Market Law, the Capital Market Authority has the power to approve, cancel, or suspend the listing of any Saudi security traded on the Saudi Exchange of any Saudi issuer, or on any securities exchanges abroad. Additionally, only authorized persons may conduct securities business in Saudi Arabia unless exempt.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Saudi Arabian banks and finance companies must obtain permission from SAMA.
To residents from nonresidents	Yes.	SAMA permission is required for riyal-denominated loans made through Saudi Arabian banks. SAMA approval is required for banks and finance companies to borrow abroad except for interbank transaction. Pursuant to Article 68 of the Implementing Regulation of the Law on the Supervision of Finance Companies, a SAMA non-objection letter is required for finance companies to obtain foreign loans or loans in a currency other than the Saudi riyal.
Financial credits	Yes.	SAMA permission is required for all financial credit operations.
By residents to nonresidents	Yes.	SAMA permission is required for loans made through Saudi Arabian banks. Saudi Arabian banks and finance companies require a SAMA non-objection letter to lend to nonresidents, except for interbank transactions and commercial credits.

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To residents from nonresidents	Yes.	SAMA permission is required for riyal-denominated loans made through Saudi Arabian banks. Pursuant to Article 68 of the Implementing Regulation of the Law on the Supervision of Finance Companies, a SAMA non-objection letter is required for banks and finance companies to borrow abroad, except for interbank transactions.
Guarantees, sureties, and financial backup facilities	Yes.	Pursuant to Article 12 of the Law on the Supervision of Finance Companies, finance companies may not extend any financing without guarantees, subject to certain exceptions, or finance or grant facilities guaranteed by its shares. Pursuant to Article 60 of the Implementing Regulation of the Law on the Supervision of Finance Companies, finance companies may grant financing without guarantee when the following conditions are met: (1) The total amount of granted finance does not exceed 100,000 riyals based on the beneficiary's credit record; (2) the beneficiary does not have any unresolved indebtedness, unresolved dispute, credit standing claim, insolvency, bankruptcy, or liquidation claim, in the previous ten years; and (3) the beneficiary is not a related party.
By residents to nonresidents	Yes.	SAMA permission is required.
To residents from nonresidents	Yes.	SAMA permission is required.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	SAMA approval is required for Saudi Arabian banks to acquire shares in foreign companies.
Inward direct investment	Yes.	The Foreign Investment Law allows foreign investors to invest directly in most economic sectors—with or without local participation, subject to sectoral limits—and imposes a tax rate of 20% on most foreign company profits, with two exceptions: (1) an 85% tax rate applies to profits of investment in the oil and hydrocarbon sector and (2) a basic tax rate of 30% applies to profits of investment in the natural gas sector as long as the internal rate of return of the project does not exceed 8%. For investments with an internal rate of return exceeding 8%, a sliding scale with higher tax rates applies, up to 85% for an internal rate of return exceeding 20%. Approved foreign investment enjoys the same privileges as domestic capital. There is a list of economic sectors in which foreign investors may not invest. The negative list includes the following: (1) Industrial Sector: (a) oil exploration, drilling, and production, except the services related to the mining sector listed as CPC 5115+883 in international classification codes; (b) manufacturing of military equipment, devices, and uniforms; and (c) manufacturing of civilian explosives. (2) Service Sector: (a) catering to military sectors; (b) security and detective services; (c) real estate investment in Makkah and Madinah (excluding investment funds licensed by CMA); (d) tourist orientation and guidance services related to Hajj; (e) printing and publishing, except for the following activities: Pre-printing services (internationally classified as CPC 88442), Printing Presses (CPC 88442), Drawing and calligraphy (CPC 87501), Photography (CPC 875), Radio and Television Broadcasting Studios (CPC 96114), Foreign Media Offices and Correspondents (CPC 962); Promotion and Advertising (CPC 871), Public Relations (CPC 86506), Publication (CPC 88442), Press Services (CPC 88442), Production, selling, and renting of computer software (CPC 88), Media consultancies and studies (CPC 853), Typing and copying (CPC 87507 + 87904), Motion picture and video tape distribution services (CPC 96113); (f) commission agents (CPC 621); and (g) fisheries.

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		To attract FDI, administrative procedures have been simplified including (1) foreign investment license requirements amounting to two documents; (2) an instant license and renewal system; and (3) automated post services (license renewal, company activities amendment, adding branches), shorter time to issue new licenses (less than 3 hours). The validity of foreign investment licenses is five years. For investments in banks by nonresidents, there is a limit of 60% of capital, and permission of the authorities is required. There is no overall limit for foreign strategic investor ownership in listed companies, and they require SAMA's approval for acquiring 50% or more of a bank's capital. However, foreign strategic investors may not dispose of any of the shares they own within a period of two years after the date of ownership of such shares, and limits by other regulators or a company's own rules still apply. Property investment and investments in other transports activities are not subject to a cap (Ministry of Investment of Saudi Arabia (MISA) Foreign Investors Guideline of Law and Regulations). Investments in activities that require a license and have a maximum capital cap of 60% are communications, insurance, reinsurance, and property financing. Several types of investments have a higher cap as follows: commercial up to 75%; management of construction projects, detailed engineering design, and EPC contracts up to 75%; public transport (bus transportation within cities) up to 70%; and public transport (metro transportation within cities) up to 80%.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	A tax of 5% is levied on the total disposal value of real estate, whatever its condition, shape, or use at the time of disposal. The seller or disposer of the property is the applicant for the real estate transaction tax e-service to whom a SADAD invoice will be issued according to information in the application for the tax amount due on authentication of the conveyance. The seller may agree with the buyer on the extent to which the tax will be shared. Any of the parties to the transaction may pay the SADAD invoice. The buyer and seller are jointly responsible for all tax liabilities; therefore, Zakat, Tax and Customs Authority (ZATCA) has the right to interact with them individually or jointly. This applies to residents and nonresidents.
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	In principle, the purchase of, and investment in, real estate is restricted to Saudi Arabian nationals, corporations, and institutions and nationals and institutions of GCC members. The Regulation allows foreign investors to purchase real estate as needed for their business, including housing for their staff. Further, with an appropriate foreign investment license, foreign investors may purchase real estate for investment purposes in all cities except Mecca and Medina, provided the investment is at least 30 million SR and the real estate is developed within five years of purchase. Non-Saudi natural persons legally residing in Saudi Arabia are allowed to acquire real estate by inheritance and acquire real estate for their private residence, following permission from the Ministry of Interior. Investment in Mecca and Medina is restricted to Saudi Arabian nationals, corporations, and institutions. Foreign residents may own real estate.
Sale locally by nonresidents	No.	

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Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	SAMA approval is required under the Banking Control Law.
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	Prize earnings are transferable; gambling is prohibited.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Accounting provisions are set by the banks in line with IFRS9 requirements. In addition, SAMA sets out the minimum regulatory requirements on loans classification and provisioning for finance companies.
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	Banks may have accounts outside Saudi Arabia.
Lending to nonresidents (financial or commercial credits)	Yes.	Saudi Arabian banks and finance companies require SAMA permission to lend to nonresidents, except for interbank transactions and commercial credits.
Lending locally in foreign exchange	Yes.	SAMA approval is required for finance companies to lend locally in foreign exchange.
Purchase of locally issued securities denominated in foreign exchange	No.	The banks may purchase locally issued securities denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	In the case of deposits originating from foreign banks, only domestic currency deposits are subject to SAMA reserve requirements. The reserve requirement on demand deposits is 7% and on time and savings deposits, 4%.
Liquid asset requirements	No.	
Interest rate controls	No.	

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Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	SAMA approval is required for Saudi Arabian banks to invest abroad.
In banks by nonresidents	Yes.	There is a limit of 60% of capital, and permission of the authorities is required. There is no overall limit for foreign strategic investor ownership in listed companies, and they require SAMA's approval for acquiring 50% or more of a bank's capital. However, foreign strategic investors may not dispose of any of the shares they own within a period of two years after the date of ownership of such shares, and limits by other regulators or a company's own rules still apply.
Open foreign exchange position limits	No.	Open foreign exchange positions are monitored by means of prudential reports.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	According to the Insurance Implementing Regulations, companies working in the insurance industry must maintain a minimum investment locally in riyals. Moreover, there is a limit on investment in foreign securities, such as foreign government and corporate bonds, and they must adhere to Articles 59 and 61 of the regulations. SAMA issued the Investment Regulation for Insurance Companies, which requires insurers to submit investment policies outlining, among other things, their objectives, and asset allocation. The policy must be approved by SAMA; limitations in the Implementing Regulation may be waived in light of certain technical standards, such as the company's size, structure, business complexity, insurance portfolio, and capital structure. SAMA has set rules of licensing and operation of branches of foreign insurance and reinsurance companies in Saudi Arabia, which require the following: (1) The foreign branch must ensure that its liabilities – excluding the reinsurance share – equal its assets in Saudi Arabia. (2) There should be no transfer of money from the branch to the foreign company unless it is under a service provision arrangement between the company and the branch that has been approved by SAMA, or retained profits shown in the annual financial position of the branch after receiving SAMA's approval, provided the branch is in compliance with the solvency margin requirements.
Limits (max.) on securities issued by nonresidents	Yes.	The limit is 20% unless approved by SAMA. In addition, a limit of 10% applies to foreign-currency-denominated investments and 5% to foreign government bonds and bonds issued by foreign companies. However, these limits may be changed according to the investment policy submitted by the company and approved by SAMA.
Limits (max.) on investment portfolio held abroad	Yes.	The limit is 20% unless approved by SAMA. In addition, a limit of 10% applies to foreign-currency-denominated investments and 5% to foreign government bonds and bonds issued by foreign companies. However, these limits may be changed according to the investment policy submitted by the company and approved by SAMA.
Limits (min.) on investment portfolio held locally	Yes.	With respect to local investments, the minimum is 80%, which applies to all types of insurance companies. In addition, the minimum for investments in Saudi riyal is 50%. Moreover, unless

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		otherwise approved by SAMA, general insurance and health insurance companies must keep 20% of their investments in authorized local banks and 20% in Saudi Arabian government bonds. As for protection and saving companies, the limits are 10% of deposits in authorized local banks and 10% in Saudi Arabian government bonds. Furthermore, there are limitations for other asset classes, such as equities, real estate, and mutual funds. However, these limits may be changed according to the investment policy submitted by the company and approved by SAMA.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	Further assessment of current regulations and central bank digital currency-specific regulations is required.
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	

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Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	Further assessment of current regulations and central bank digital currency-specific regulations is required.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	There is an out-right ban. Currently, national studies on virtual assets instruments are being conducted.
Acquisition by residents	Yes.	There is an out-right ban.
Use among residents	Yes.	There is an out-right ban.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	There is an out-right ban.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	There is an out-right ban.
Transactions in derivatives and other instruments	Yes.	There is an out-right ban.
Credit operations	Yes.	There is an out-right ban.
Controls on utility and security tokens	n.r.	Studies on utility tokens are in progress. Security tokens are under the CMA regulatory testing environment and in process of enablement.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	

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Controls on stablecoins	Yes.	There is an out-right ban. Currently, national studies on virtual assets instruments are being conducted.
Acquisition by residents	Yes.	There is an out-right ban.
Use among residents	Yes.	There is an out-right ban.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	There is an out-right ban.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	There is an out-right ban.
Transactions in derivatives and other instruments	Yes.	There is an out-right ban.
Credit operations	Yes.	There is an out-right ban.
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	There is an out-right ban. Currently, national studies on virtual assets instruments are being conducted.
Access to crypto exchange/trading platform by residents	Yes.	There is an out-right ban. Currently, national studies on virtual assets instruments are being conducted.

Changes during 2022 and 2023

Capital Transactions

Controls on capital transactions		
Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase locally by nonresidents	*05/02/2023*	The Rules for Foreign Investment in Securities were amended as follows: (1) All foreign investor regulations were merged into one regulation; (2) Requirements of financial institution type and qualification process were removed, and the foreign investor is only required to be a legal person and open an investment account with one of the capital market institutions; (3) The asset under management size requirement for some types of investors, such as pension funds, endowment funds, a market maker's client, government entities, and some international organizations, was removed; (4) A new channel for foreign investors (natural and legal persons) to invest in the main market through DPMs was introduced; (5) The ultimate beneficiary in swap agreement conditions was improved by removing the duration of the swap agreement and the CMA notification requirements.
Controls on derivatives and other instruments	*07/04/2022*	Single Stock Futures, which are standard futures contract with an individual stock as its underlying asset, were launched in the derivatives market.
	12/04/2022	Tadawul introduced the Market Making framework for derivatives market.

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SENEGAL

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 31, 1962.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	
Other security restrictions	Yes.	A regional framework to fight money laundering (AML) and the financing of terrorism (AFT) exists at the regional level through two WAEMU Directives from 2002 (AML) and 2007 (AFT) as amended. This comprehensive framework facilitates the implementation of UNSC resolutions based on a list of persons and entities prepared by the Committee. Effective March 31, 2023, the regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Asset Service Providers (VASPs); (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons (PEPs).

Exchange Arrangement

Currency	Yes.	The currency of Senegal is the CFA franc (XOF).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg	Yes.	The de jure and de facto exchange rate arrangements of the WAEMU are a conventional peg. Senegal participates in a currency union with seven other members of the WAEMU and has no separate legal tender. A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, to replace the agreement dated December 4, 1973. The Monetary Cooperation Agreement is based on three pillars: (1) a common issuing institution, (2) fixed parity with the euro, and (3) a guarantee of unlimited convertibility.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per euro. Exchange rates for other currencies are derived from the rates for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. The official rate is used for accounting and valuation. The Conference of Heads of State and Government may decide to amend the Monetary Cooperation Agreement between the WAMU member countries and France. Effective September 2, 2022, Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended and France has withdrawn from the Governance Bodies of the Central Bank.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The operational target of price stability is defined as an annual inflation rate in the WAEMU that falls within a band of ±1% around a central rate of 2%. The harmonized CPI is the benchmark rate to measure inflation.
Composite		
Other		

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Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax Yes. A commission of 0.6% is levied on transfers to all countries that are

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		not members of the WAEMU. This commission is surrendered to the Treasury and constitutes a portion of its tax revenue.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries (authorized intermediary banks and authorized nonelectronic exchange dealers) freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which must be traded at the official fixed rate of CFAF 655.957 per euro. The commission on foreign exchange transactions may not exceed 2%. Instruction No. 013-11-2015 on the terms and conditions for conducting rapid money transfers as a subagent within the WAEMU applies.
Spot exchange market	Yes.	The entities authorized to conduct nonelectronic foreign currency transactions are authorized intermediary banks and individuals or companies authorized to conduct nonelectronic transactions by decision of the minister of finance, with the consent of the BCEAO. Authorized intermediaries must comply with the provisions in effect on the financial conditions for executing banknote foreign exchange transactions that involve foreign currencies and issue a transaction slip for all transactions with a client. Moreover, to provide satisfactory information to clients, they are required to (1) permanently post at their windows the rates actually charged for the different currencies and (2) post notification that a transaction slip must be issued for all foreign exchange transactions on presentation of the requestor's identity document. Banks and registered banknote exchange houses are intermediaries authorized by the minister of finance to conduct foreign exchange transactions with the public. As of December 31, 2022, there were 63 institutions licensed to deal in the foreign exchange market. Entities authorized to conduct cash exchange transactions, of which there were 662 as of December 31, 2022, are authorized to procure travelers' checks and foreign banknotes from licensed intermediaries for their customers. They are authorized to accept travelers' checks denominated in foreign currencies from their customers and to sell them to licensed intermediaries. Licensed exchange dealers are not authorized to make payments or transfers in foreign currencies abroad or to hold accounts abroad. In their operations with customers, authorized intermediaries (authorized intermediary banks and authorized OTC dealers) freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which is traded at the official fixed rate of CFAF 655.957, and may be subject to a maximum commission of 2.0%.
Operated by the central bank	Yes.	The BCEAO supplies at the official rate the foreign currency that each authorized intermediary needs to make payments abroad.
Foreign exchange standing facility	Yes.	The BCEAO exchanges foreign currency for CFA francs on commercial banks' demand at the rates published on the international markets, without commission, with the exception of the euro, which is traded at the official fixed rate of 655.957 per euro. The nonelectronic currency exchange windows are open to owners of accounts on the BCEAO books and to the general public. A commission of 0.5% is charged on all transactions with the public (purchases and sales) and all withdrawals by banks and financial institutions (including euro withdrawals). However, no commission is charged for the following operations: (1) OTC foreign banknote exchanges conducted by state entities, government employees of WAEMU Member States on mission abroad, and officials of the CB and their beneficiaries and (2) the CB purchases foreign exchange in

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		exchange for CFA francs at the daily rate, without a commission, at the request of commercial banks that present such foreign exchange at its windows, for purposes of their payments.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Transactions in CFA francs between authorized intermediaries are allowed. However, there is no regulated interbank foreign exchange market in the WAEMU.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Residents of the WAEMU zone are permitted to conduct the following transactions in the foreign exchange derivatives market with authorized intermediary banks established in the WAMU or with foreign banks: outright forward foreign exchange contracts (over the counter), foreign exchange options, foreign exchange swaps, and cross-currency swaps. Transactions in foreign exchange options are limited to the following two types of transactions: options to purchase foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign bank, or options to sell foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign credit institution. Authorized intermediary banks are required to simultaneously cover the exchange risk they incur in respect of derivative instruments traded with their customers. The underlying commercial and financial operations must relate to imports and exports of goods and services by a resident, foreign borrowing operations by a resident (drawings and repayments), or direct foreign investment in a resident company. All legitimate foreign currency needs are ultimately met by the BCEAO.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments with countries outside the WAEMU are made in foreign currencies. Trade with other WAEMU countries is settled in CFA francs.
Controls on the use of domestic currency	Yes.	The CFA franc may not be used for the payment of current international transactions or capital transactions with countries outside the WAEMU.
For current transactions and payments	Yes.	The CFA franc may not be used for the payment of current international transactions with countries outside the WAEMU.
For capital transactions	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Investments by residents of the WAEMU zone outside the WAEMU are subject to prior authorization by the minister of finance, and at least 75% of the investment must be financed through foreign borrowing.
Transactions in capital and money market instruments	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Foreign investment by residents of

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		the WAEMU zone is subject to authorization by the MOF. At least 75% of the investment must be financed through foreign borrowing. The interested party must request authorization through a letter designating the authorized intermediary to settle the payment. Purchases of foreign negotiable securities authorized by the regional capital markets authority to be issued or sold in WAEMU members do not require Ministry of Economy and Finance (MEF) authorization.
Transactions in derivatives and other instruments	Yes.	Residents of WAEMU member countries may engage in the following operations on derivatives and other instruments with accredited banks established in the WAEMU or foreign banks: (1) forward contract, (2) foreign exchange swaps, and (3) options. When the transaction is backed by an operation other than the importation of goods and services, the CFA franc is the counterparty currency of the foreign exchange spot forward, foreign exchange option, or foreign exchange swap operation.
Credit operations	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted by authorized intermediaries to nonresidents of the WAEMU zone are subject to prior authorization by the Directorate of External Financial Relations of the MOF, after BCEAO approval.
Use of foreign exchange among residents	Yes.	The CFA franc is the only legal tender, and residents of the WAEMU zone may not use foreign exchange for domestic transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, replacing the previous agreement dated December 4, 1973. This monetary cooperation agreement is based on three pillars: (1) a common bank of issue; (2) a fixed exchange rate parity with the euro; and (3) an unlimited convertibility guarantee.
Clearing agreements	Yes.	There is a multilateral clearing agreement between the WAEMU countries and the other ECOWAS member countries (Cabo Verde, the Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone) as part of the WAMA. All payments for current transactions between countries whose CBs are WAMA members may be made under the clearing agreement. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS members and payments for exports from one member country to another member country of finished products originating in countries whose CB or monetary authority is not a WAMA member.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The institutional reform of the WAMU and the BCEAO establishes the following new basic instruments: (1) the WAMU Treaty, (2) the BCEAO Charter, (3) the Bank Regulation Act, and (4) the Convention governing the WAMU Banking Commission. Exchange control is administered jointly by the minister of finance and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the minister of finance. The BCEAO is also authorized to collect – either directly or through banks, financial institutions, the postal administration, or judicial agents – information necessary to compile balance of payments statistics.

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		Customs officers monitor outflows of foreign exchange and confirm imports and exports of goods. All WAEMU residents are treated as residents of Senegal for the purposes of preparing the external position of banks, domiciliation and repatriation of export revenue, issuance and sales of securities, gold imports and exports, investment and lending transactions, and physical exports of means of payment and securities by postal package or ordinary mail. However, for statistical purposes with regard to the balance of payments, all countries other than Senegal are considered foreign countries. Moreover, all transfers with other countries must be made through registered intermediary banks, the postal service, or the BCEAO.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Gold imports and exports require MOF authorization, except (1) imports and exports by the Public Treasury and the BCEAO; (2) imports and exports of items with a low gold content (lined or plated objects); and (3) imports and exports, by travelers, of objects made of gold limited to a total weight of 500 grams. Imports and exports of gold within the WAEMU area are not subject to any restrictions.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may freely export CFA franc (XOF) banknotes from one WAEMU member country to another. Resident individuals (that is, from a WAEMU member country) and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving CFA franc (XOF) banknotes issued by the BCEAO.
Foreign currency	Yes.	Reexports of foreign banknotes by nonresident travelers are allowed up to the equivalent of CFAF 500,000; reexports of foreign banknotes above this ceiling require documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on exit. Residents of the WAEMU zone traveling to countries that are not WAEMU members are required to declare foreign currency on their person in excess the equivalent of CFAF 1 million. They are allowed to carry up to the equivalent of CFAF 2 million a person in banknotes not issued by the BCEAO. Amounts in excess of this ceiling may be exported in the form of traveler's checks, prepaid debit and payment cards, conventional debit and payment cards, or other means of payment. Foreign exchange allowances issued by authorized intermediaries in the form of traveler's checks or prepaid debit and payment cards must be based on the need to cover customary, personal travel expenses, if they exceed the equivalent of CFAF 2 million a person. The issue of foreign currency to resident travelers is subject to the presentation of travel documents and a valid passport or national identification card.

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On imports	Yes.	
Domestic currency	Yes.	Resident and nonresident travelers may freely import domestic currency (CFA franc – XOF). However, WAEMU resident individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from receiving banknotes in domestic currency.
Foreign currency	No.	There are no restrictions on resident and nonresident travelers' importation of foreign-currency-denominated means of payment, which must be declared to customs authorities if they exceed the equivalent of CFAF 5 million. Resident travelers must surrender foreign banknotes and other foreign-currency-denominated means of payment exceeding CFAF 500,000 to an authorized intermediary within eight days of arrival in any WAEMU member country.

Resident Accounts

Foreign exchange accounts permitted	Yes.	The term "residents" refers to the residents of the WAEMU zone.
Held domestically	Yes.	
Approval required	Yes.	Foreign exchange accounts in currencies other than the euro may be opened domestically with MOF authorization after non-objection from the BCEAO. The authorization specifies the operations that may be credited or debited on each such an account. These accounts are valid for a renewable term of up to one year. They cannot be credited with deposits of CFA banknotes or by debiting a CFA franc account. On expiration of the term set in the authorization, accounts are closed unless a new authorization is obtained.
Held abroad	Yes.	
Approval required	Yes.	Individuals who are residents of the WAEMU temporarily staying or traveling outside of WAEMU may open bank accounts outside the WAEMU to deposit foreign currency legally exported and any income acquired outside of the WAEMU during their travel or temporary stay outside of the WAEMU. These individuals are required to repatriate balances on such accounts within 30 days of return to the WAEMU. In any circumstance other than the foregoing, opening of foreign accounts by WAEMU residents is subject to MOF authorization by after non-objection from the BCEAO. The MOF authorization specifies the operations that may be credited or debited on such accounts. In the event of a failure to obtain a new MOF authorization, the accredited intermediary must request that the account be closed by the end of the term authorized and that any balance be repatriated to a WAEMU member country within eight days.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	Intermediaries authorized in the WAEMU are authorized to open accounts in euros for the benefit of nonresidents, subject to proof of their status and actual residence. Nonresident accounts denominated in foreign currency other than euros are subject to BCEAO authorization. Nonresident foreign currency accounts are valid for a renewable period of two years. In the event of a failure to obtain

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		renewal (through a new BCEAO authorization for foreign exchange other than the euro), these accounts must be closed. The balances of these accounts may be freely transferred abroad after verification.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Authorized intermediaries may open nonresident accounts in CFA francs and in euros, under their own responsibility, depending on the status and effective residence of the applicant. These accounts may be debited for spot purchases of foreign exchange. Accounts opened on behalf of nonresidents may not be replenished through payments in banknotes issued by the BCEAO or an issuing institution with a transaction account in the French Treasury.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Payment of the total invoiced amount in the form of advance payment is not allowed. Down payments as stipulated in the commercial contract are authorized.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the payment due date if the products have already been imported.
Domiciliation requirements	Yes.	Import transactions from outside the CFA franc area exceeding CFAF 10 million must be made through an authorized bank.
Preshipment inspection	Yes.	An inspection is required for the quantity, quality, and price of merchandise imports exceeding CFAF 3 million free on board.
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange authorization, invoices, and export–import cards are required.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of narcotics and firearms are prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Quantitative restrictions may be applied to products for public health and security reasons.
Import taxes and/or tariffs	Yes.	The WAEMU CET consists of four tariff brackets: 0%, 5%, 10%, and 20%. Imports from countries other than WAEMU area countries are also subject to a 1% statistical tax and a 0.8% community

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		solidarity levy. Moreover, a cyclical import tax (taxe conjoncturelle à l'importation) and a degressive protection tax (taxe dégressive de protection) may at certain times be charged on some products. Only the first of these two taxes was applied as at end-2018. Imports from non-ECOWAS members are subject to a 0.5% community levy (CL/ECOWAS).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Resident economic operators are required to collect and repatriate within one month of the payment due date the entire amount of sales of goods abroad in the country of origin with the bank with which the transaction is domiciled. The payment due date is specified in the trade agreement and normally falls within a period of 120 days after the goods are dispatched.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Authorized intermediaries must surrender their customers' foreign currency receipts to the BCEAO by transfer via the bank of issue. For purposes of covering its current foreign currency requirements, an authorized intermediary bank may hold a maximum of 20% of export receipts as own foreign exchange resources. However, it must ensure that its total foreign exchange resources to cover its requirements do not exceed 5% of total customer demand deposits; otherwise, the surplus must be surrendered to the BCEAO.
Surrender to authorized dealers	Yes.	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. The export revenue may be surrendered to authorized intermediaries other than those with whom the transactions are domiciled subject to BCEAO authorization. Sales of foreign exchange by exporters to ADs other than the domiciling bank are permitted, provided they furnish the domiciling bank with the documents required for the domiciliation file to be closed. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Export transactions of more than CFAF 10 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Preshipment inspection	No.	
Other	Yes.	A customs declaration is required.
Export licenses	Yes.	
Without quotas	Yes.	Gold exports require authorization.
With quotas	No.	
Export taxes	No.	

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Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments and transfers for current transactions with WAEMU and non-WAEMU countries may be made freely through authorized intermediaries. Transfers exceeding CFAF 500,000 are subject to documentary requirements. Payments and receipts of foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad relating to freight and insurance (including transfers of insurance not related to commercial transactions), unloading and warehousing costs, administrative costs, commissions, and customs duties and fees are permitted in general, subject to the presentation of supporting documentation to the authorized intermediary.
Investment-related payments	Yes.	
Prior approval	Yes.	Payments for depreciation of direct investments require minister of finance authorization, because this type of depreciation is not specifically mentioned in the regulations.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Outward transfers of interest payments and proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents of the WAEMU zone traveling for tourism or business purposes to non-WAEMU countries may take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person a trip; larger amounts may be taken out in the form of traveler’s checks, certified checks, or other means of payment and with supporting documentation for customary travel expenses.
Indicative limits/bona fide test	Yes.	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary (bank or exchange bureau) before foreign exchange is issued.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required for payment of family maintenance expenses abroad.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All personal payments may be made through an authorized bank, subject to presentation of supporting documents. Payments abroad relating to pensions and benefits resulting from an employment contract, education costs, family maintenance, and alimony may be executed freely on presentation of documentation.
Foreign workers' wages	Yes.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	Yes.	The use of payment and withdrawal cards issued by authorized intermediaries or specialized agencies is permitted. The amounts debited from the accounts of residents who hold such cards must be strictly limited, by authorized intermediaries and issuing agencies, to the standard personal travel fee rules. Resident agencies that issue payment and withdrawal cards retain their customers' expenditures abroad, in whatever form they might be. They transmit a summary statement of these amounts to the BCEAO Directorate of External Finance at the end of each quarter. The use of such cards must be justified by usual travel needs when it exceeds the equivalent of CFAF 2,000,000
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Allocations of foreign currency delivered by authorized intermediaries in the form of traveler's checks, debit cards, or prepaid cards must be justified by requirements relating to ordinary personal travel expenses if they exceed the equivalent of CFAF 2 million.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	Purchases for purposes other than direct investment in a business, branch, or company do not require prior authorization. They require declaration to the MOF and the BCEAO for statistical purposes.
Indicative limits/bona fide test	Yes.	As a general rule, payments abroad in amounts greater than CFAF 500,000 are subject to the presentation of supporting documentation to the relevant authorized intermediary.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from invisible transactions with non-WAEMU countries must be repatriated. Residents of the WAEMU zone are required to surrender to an authorized intermediary bank all foreign currency income or proceeds collected abroad or remitted by a nonresident. Resident economic operators are required to liquidate and repatriate all proceeds from the sale of merchandise abroad at the bank issuing payment within one month of the payment date.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	All proceeds from invisible transactions with non-WAEMU

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		countries must be surrendered to an AD within one month of the due date. Resident travelers must surrender to an authorized intermediary, within eight days of their arrival in Senegal, foreign banknotes and other means of payment denominated in foreign currency worth more than the equivalent of CFAF 500,000.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require minister of finance authorization, except (1) amortization of debts and repayment of short-term loans to finance industrial and commercial operations, (2) payments required on foreign exchange derivatives transactions or raw material or commodity derivatives transactions, and (3) transfers of the proceeds of liquidated investments or the sale of foreign securities by nonresidents of the WAEMU zone. Capital receipts from non-WAEMU countries are generally permitted.
Repatriation requirements	Yes.	Proceeds from the sale or liquidation of residents of the WAEMU zone's investments abroad must be repatriated within one month through a registered intermediary, if the resident does not have a reinvestment authorization.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. However, all foreign exchange assets in excess of these requirements must be immediately surrendered to the BCEAO. Moreover, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	Proceeds from the sale or liquidation of residents of the WAEMU zone's investments abroad must be repatriated and surrendered within one month through a registered intermediary, except if the resident does have a reinvestment authorization. The surrender requirement applies to proceeds from all capital transactions.
Controls on capital and money market instruments	Yes.	RCPSFM authorization is required for the following operations: (1) issuance or marketing of securities and real assets of foreign entities, (2) canvassing, and (3) publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange. Soliciting the public of the WAEMU by nonresident entities is subject to authorization by the BCEAO in its capacity as the authority responsible for regulating the external financial relations of WAEMU countries. The Code of the Inter-African Conference on Insurance Markets (CIMA Code) requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
On capital market securities	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are

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		unrestricted. However, nonresidents are required to report these operations for statistical purposes to the MOF and the BCEAO.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to authorization from RCPSFM, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the minister of finance for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to minister of finance authorization. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. The sale of securities to liquidate an investment abroad must be declared to the minister of finance for statistical purposes. Residents of the WAEMU zone may also issue securities abroad, except for those constituting a loan. Borrowing by residents of the WAEMU zone from nonresidents of the WAEMU zone, unless otherwise specified by the minister of finance, must be carried out through authorized intermediaries for all cases in which the sums borrowed are made available to the resident. All foreign borrowing must be declared to the minister of finance and the BCEAO for statistical purposes.
Bonds or other debt securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. There is no minimum holding period.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the minister of finance for approval, accompanied by supporting documentation (Article 8, Rule No. 09/10/CM/UEMOA).
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to minister of finance authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries is authorized by the RCPSFM.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of resident entities, foreign investors are required to make a declaration to the

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		MOF. The sale of securities for liquidation of an investment abroad must be declared to the MOF for statistical purposes. Issuance of securities constituting a loan by residents of the WAEMU zone to nonresidents of the WAEMU zone must be made through an authorized bank and must be reported to the MOF for statistical purposes.
On money market instruments	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are subject to declaration for statistical purposes only.
Sale or issue locally by nonresidents	Yes.	The issuance and sale of money market instruments by nonresidents of the WAEMU zone are subject to RCPSFM authorization, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of money market instruments resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of money market instrument transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the minister of finance for approval, accompanied by supporting documentation (Article 8, Rule No. 09/10/CM/UEMOA).
Purchase abroad by residents	Yes.	The purchase of foreign money market instruments by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to minister of finance authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign money market instruments whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell money market instruments abroad. Sales liquidating an investment are subject to declaration to the minister of finance for statistical purposes.
On collective investment securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the minister of finance for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to minister of finance authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of resident entities, foreign investors are required to make a declaration to the

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		MOF. The sale of securities for liquidation of an investment abroad must be declared to the MOF for statistical purposes. Issuance of securities constituting a loan by residents of the WAEMU zone to nonresidents of the WAEMU zone must be made through an authorized bank and must be reported to the MOF for statistical purposes.
Controls on derivatives and other instruments	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial or financial operations: (1) imports and exports of goods and services by a resident; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Residents of the WAEMU zone may hedge risk using derivatives. They must be backed by the residents of the WAEMU zone's imports or exports of raw materials and commodities. Residents of the WAEMU zone are not authorized to purchase raw materials or commodities on foreign markets for delivery within the framework of a derivatives transaction in raw materials or commodities.
Purchase locally by nonresidents	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone. The use of exchange risk hedging derivatives on the domestic market is reserved exclusively for Union residents. Purchase of derivatives locally by nonresidents is not permitted.
Sale or issue locally by nonresidents	Yes.	Residents are authorized to carry out transactions on approved foreign exchange derivative instruments on foreign exchange derivatives markets with nonresident banks.
Purchase abroad by residents	Yes.	These instruments are subject to general regulations that apply to securities and investments. Residents of the WAEMU zone may freely purchase abroad or from nonresidents of the WAEMU zone call or put options on primary commodities or securities transactions. Residents of the WAEMU zone may not purchase commodities or securities in foreign markets to be delivered in complying with a put option contract. Put options must be placed on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract. Residents of the WAEMU zone are permitted to purchase foreign currency purchase options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign credit institution.
Sale or issue abroad by residents	Yes.	Residents of the WAEMU zone are permitted to purchase foreign currency sell options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign (nonresident of WAEMU) credit institution.
Controls on credit operations	Yes.	Borrowing by residents of the WAEMU zone from nonresidents of the WAEMU zone must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the minister of finance.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	There are no controls on credits related to exports of goods. The date on which payment falls due is agreed to in the contract (in principle no later than 120 days after the date of shipment).
To residents from nonresidents	No.	There are no controls, and repayments of commercial credits are generally conducted without prior authorization, subject to the

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		presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date, to the licensed intermediary bank responsible for handling the repayment.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These credits require minister of finance approval. Transfers abroad of funds to service these facilities require an exchange authorization, subject to approval of the minister of finance and substantiated by documentation.
To residents from nonresidents	No.	There are no controls on these credits, but they must be reported for statistical purposes to the MOF and the BCEAO when granted and when repaid, except for the following credits: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayment of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction. Borrowing abroad is unrestricted.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	The granting of guarantees and sureties is subject to minister of finance approval. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to minister of finance approval and the submission of supporting documents.
To residents from nonresidents	No.	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require declaration to the MEF and the BCEAO for statistical purposes.
Controls on direct investment	Yes.	Direct investment implies control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 10% of the capital of a company. All investment outside of WAEMU by residents of the WAEMU, including investment through foreign companies under the direct or indirect control of WAEMU residents and investment by foreign branches or subsidiaries of companies established in a WAEMU member country, requires MEF authorization.
Outward direct investment	Yes.	All investment abroad by residents of the WAEMU zone is subject to minister of finance authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	No.	FDI, including by resident companies that are directly or indirectly under foreign control and by branches or subsidiaries of foreign companies, must be reported to the minister of finance for statistical purposes. A share is not considered a direct investment, unless it exceeds 10% of the capital of a company.
Controls on liquidation of direct investment	No.	The liquidation of investments abroad must be reported to the MOF and the CB for statistical purposes. Reinvestment of the proceeds of liquidation is subject to MOF authorization. If reinvestment is not authorized, the liquidation proceeds must be repatriated within one

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		month through an authorized intermediary. The sale of foreign investments by nonresidents of the WAEMU zone is unrestricted but must be reported to the MOF and the CB for statistical purposes.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These purchases require minister of finance authorization.
Purchase locally by nonresidents	No.	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the minister of finance and the BCEAO for statistical purposes.
Sale locally by nonresidents	No.	Sales by nonresidents of the WAEMU zone to residents of the WAEMU zone require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the minister of finance.
Controls on personal capital transactions	Yes.	Personal capital transactions between residents of the WAEMU zone and nonresidents of the WAEMU zone must be made through the BCEAO, the postal service, or an authorized intermediary bank, unless authorization is obtained from the minister of finance.
Loans	Yes.	The regulations governing securities and investments apply.
By residents to nonresidents	Yes.	These transactions require minister of finance authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of approved financial institutions.
To residents from nonresidents	No.	These transactions may be made freely but are subject to declaration for statistical purposes to the MEF and the BCEAO when disbursed and when repaid.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Inheritances and dowries are generally allowed. Gifts and endowments, however, are subject to MOF and BCEAO authorization. These transactions must be conducted through an authorized intermediary and comply with the relevant AML and terrorism financing provisions.
To residents from nonresidents	No.	These transactions do not require authorization but are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Settlement of debts abroad by immigrants	Yes.	Immigrants with resident status must obtain minister of finance authorization to settle debts contracted abroad, while they were nonresidents of the WAEMU zone.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These transactions are subject to minister of finance authorization if the value exceeds CFAF 500,000 a person. There are no restrictions on transfers of amounts below this threshold.
Transfer into the country by immigrants	Yes.	Foreign accounts (in foreign currencies or CFA francs) of nonresidents of the WAEMU zone who become residents of the WAEMU zone must be closed. However, these residents may maintain abroad bank accounts opened and financial assets acquired, while they were nonresidents of the WAEMU zone. New transfers to these accounts require minister of finance approval.
Transfer of gambling and prize earnings	Yes.	These transfers are conducted freely through authorized intermediaries, subject to the presentation of supporting documents and compliance with the relevant provisions on combating money laundering and financing of terrorism.

Provisions Specific to the Financial Sector

Provisions specific to commercial	Yes.	The Uniform Law on the Treatment of Dormant Accounts on the

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banks and other credit institutions		Books of Financial Agencies of the Member States of the WAMU by the Council of Ministers of the Union took effect September 28, 2012. Decision No. CM/UMOA/023/2012 sets the deadline (December 31, 2013) for including this law in the domestic legislation of the WAMU members. The National Assembly of Senegal adopted Uniform Act No. 2014-01 on the Treatment of Dormant Accounts on the Books of Financial Agencies of the Member States of the WAMU, which was enacted January 6, 2014. The Uniform Act No. 2014-12 governing disputes over violations of the regulations on external financial relations of WAEMU Member States was enacted February 28, 2014.
Borrowing abroad	No.	Foreign borrowing is unrestricted. For statistical purposes, these transactions must be declared to the minister of finance and the BCEAO when granted and when repaid.
Maintenance of accounts abroad	Yes.	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements. In accordance with Regulation No. 09/2010/CM/UEMOA on the External Financial Relations of the WAEMU Member States, to cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency. The total amount of these assets may not exceed 5% of the clients' outstanding demand deposits. Assets in excess of foreign currency requirements must be surrendered to the BCEAO.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial lending is allowed. Financial credits are subject to minister of finance authorization following BCEAO approval.
Lending locally in foreign exchange	Yes.	These operations are properly provided for in the laws and regulations and are subject to the approval of the minister of finance following the approval of the BCEAO.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These purchases require minister of finance authorization if their issuance was not approved by the RCPSFM.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	A reserve requirement of 3% has been applicable to banks in the WAEMU zone since March 16, 2017. Demand deposits, other debit deposit accounts, and loan accounts are included in the calculation of required reserves. The following four elements are taken into account in calculating the required reserves to be established in the CB: (i) demand deposits; (ii) short-term loans; (iii) gross claims abroad, including customer deposits in foreign currency; (iv) medium- and long-term loans. Required reserves are therefore established on a standard, settlement, or securities account based on eligibility for calculation of reserves allocated by the MPC.
Liquid asset requirements	No.	In accordance with the prudential framework applicable to banks and financial institutions carrying out banking operations in the WAEMU, the minimum liquid asset requirement is 75%. A 50% transformation ratio is also required to ensure that banks continually have more stable financing sources to finance their long-term uses.
Interest rate controls	Yes.	The wear rate in WAEMU member countries is set at 15% for banks

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		and at 24% for decentralized financial systems.
Credit controls	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents of the WAEMU zone are subject to minister of finance authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Yes.	Banking regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Any overdraft or advance granted to a nonresident requires authorization by the minister of finance with the approval of the BCEAO.
Investment regulations	Yes.	The regulations governing direct investments apply.
Abroad by banks	Yes.	All investment abroad by residents of the WAEMU zone is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM.
In banks by nonresidents	Yes.	The banking law stipulates that investment by any person in a bank that would have the effect of changing the minority and/or majority voting rights requires authorization by the minister of finance. This applies to resident and nonresident investors.
Open foreign exchange position limits	Yes.	No prudential ratios apply. Banks may not maintain open foreign exchange positions because of the surrender requirement. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments, up to the equivalent of 5% of total customer demand deposits. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries assets to be allocated to current customer operations, listed as follows: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency. Limits apply to residents' foreign currency positions.
On resident assets and liabilities	Yes.	No prudential ratios apply. Banks may not maintain open foreign exchange positions because of the surrender requirement. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts for the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency.
On nonresident assets and liabilities	Yes.	No prudential ratios apply. Banks may not maintain open foreign exchange positions because of the surrender requirement. However, the BCEAO grants individual dispensations that allow banks to keep

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		working balances in their correspondent accounts for the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Controls are imposed by the CIMA Code.
Limits (max.) on securities issued by nonresidents	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Limits (max.) on investment portfolio held abroad	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Limits (min.) on investment portfolio held locally	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Currency-matching regulations on assets/liabilities composition	Yes.	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind by foreign governments, local authorities, foreign companies, or international institutions are subject to authorization by the RCPSFM.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold with RCPSFM authorization in WAEMU member countries, all investment abroad by residents of the WAEMU zone is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	These firms are licensed by the Financial Market Authority (Autorité des Marchés Financiers – AMF).
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to RCPSFM authorization.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold in WAEMU member countries with RCPSFM authorization, all investment abroad by WAEMU residents is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

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Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CB does not yet have a digital currency.
Retail	No.	The CB does not yet have a digital currency.
Wholesale	No.	The CB does not yet have a digital currency.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on unbacked tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member

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		countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on utility and security tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.

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Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on stablecoins	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on crypto exchanges and trading platforms	n.a.	
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*03/31/2023*	The regional framework was revised, and a draft law was adopted by

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		the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions, and Virtual Asset Service Providers; (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons.

Exchange Arrangement

Official exchange rate	*09/02/2022*	Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended and France has withdrawn from the Governance Bodies of the Central Bank.

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SERBIA

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		Serbia joined the IMF as the Federal Republic of Yugoslavia (FRY) on December 14, 1992. Serbia continues the membership in the IMF of the former state union of Serbia and Montenegro – earlier the FRY – since July 2006.
Article VIII	Yes.	Date of acceptance: May 15, 2002.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation and Request for a 30-Month Policy Coordination Instrument with Serbia states that, as of June 3, 2021, Serbia maintained a system free of restrictions on payments and transfers for current international transactions, except with respect to blocked pre-1991 foreign currency savings deposits (IMF Country Report No. 02/105). (Country Report No. 21/132)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with the relevant UNSC resolutions and EU decisions, Serbia maintains restrictive measures toward the Islamic Republic of Iran, Libya, and the Democratic People's Republic of Korea (including UNSC Decision 2397 (2017) and EU Council Decision 2017/1860/CFSP).
Other security restrictions	Yes.	As a member of the UN, Serbia observes and implements all mandatory measures of UNSC resolutions.

Exchange Arrangement

Currency	Yes.	The currency of Serbia is the Serbian dinar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is managed floating. The current Decision on the Dinar Exchange Rate Regime stipulates the "managed floating" exchange rate regime. Since the introduction of this exchange rate regime in 2001 and in accordance with its

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		commitment to liberalization of the foreign exchange market, the National Bank of Serbia (NBS) has tried to reduce its participation in the foreign exchange market and to adjust the features of the existing exchange rate regime in the direction of soft managed floating. This exchange rate regime enables the NBS to balance, when necessary, foreign exchange demand and supply and moderate excessive daily fluctuation of the exchange rate in either direction (appreciation or depreciation) that may occur under the influence of external or internal shocks to the national economy. The de facto exchange rate arrangement is classified as stabilized. Aggregated monthly data on the NBS net purchase/net sale are published in the regular press release on foreign exchange Reserves and Interbank Foreign Exchange Market Movements, which is published in the first half of the following month (usually between 10th and 15th). The NBS also publishes (1) a spreadsheet once in every quarter when the Inflation Report is published, with aggregated monthly data on the NBS net purchase/net sale in the interbank foreign exchange market, as part of the statistics related to the Inflation Report, and (2) aggregated monthly data on its purchase and sale in the interbank foreign exchange market (purchased plus sold), as part of the statistical set of data, approximately with the three-week time lag. (There is a Release Calendar available on the same page.)
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official middle exchange rate of the dinar against the euro is calculated at the end of each business day as the weighted average of the exchange rates applied in all individual euro transactions in the interbank spot foreign exchange market and in all individual euro transactions in the interbank foreign exchange market with a settlement date earlier than the spot value date (concluded from 9:00 a.m. to 4:00 p.m.), including transactions between the NBS and the banks (interventions). To ensure that the official middle exchange rate of the dinar against the euro reflects, as much as possible, the real trends in foreign exchange market, the NBS has precisely defined the time frame – from 9:00 a.m. to 4:00 p.m., for transactions which are included in calculation of the official middle exchange rate of the dinar against the euro. The NBS publishes information on the official middle rate of the dinar against the euro by 6:00 p.m. to take effect at 8:00 a.m. on the following business day. Effective November 1, 2022, two currencies were added in the list of currencies against which the official middle exchange rates of the dinar are quoted in the NBS list of official exchange rates and with which banks, public postal operators, and exchange bureaus may trade: the dirham of the United Arab Emirates (UAE) and the denar of the Republic of North Macedonia. Effective January 1, 2023, Croatian kuna was removed from those lists because of Croatia's accession to the euro area. The public postal operator may perform exchange operations, so as to expand the scope of money exchange market to include even the

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territories where no exchange bureaus and banks operate, which may increase the level of competition in this segment of the foreign exchange market and result in more favorable buying/selling rates of exchange for citizens. The official middle exchange rates are used for bookkeeping, statistics, and calculation of customs duty and other import fees, as provided by Article 41 of the Law on Foreign Exchange Operations. Exchange rates of the dinar against 24 currencies quoted in the NBS list of foreign exchange rates are used in trade between the NBS and residents with foreign exchange accounts at the NBS. According to Article 36 of the Law on Foreign Exchange Operations, resident beneficiaries of budget funds, beneficiaries of funds of mandatory social insurance organizations and local government budgets, and other public funds beneficiaries included in the consolidated treasury account system may have foreign exchange accounts only within the consolidated treasury account system maintained by the NBS, unless otherwise stipulated by a special law or international agreement. Transactions between the NBS and the Treasury Administration are performed through the consolidated treasury account system for foreign exchange funds. Exchange rates of the dinar against three currencies quoted in the NBS exchange rate list for foreign cash are used in cash trade between the NBS and banks. The NBS trades only in cash euros, US dollars, and Swiss francs. The NBS does not conduct foreign exchange cash operations with resident and nonresident natural persons or with foreign exchange bureaus. Exchange rates for foreign cash are also used for calculation and payments of foreign cash to residents with foreign exchange accounts with the NBS in connection with official travel. The Decision on Operating Terms and Procedures in the Foreign Exchange Market allows the NBS to publish by 2:00 p.m. each business day information on the indicative exchange rate of the dinar against the euro based on banks' reported data on direct spot trade and trade with execution dates before spot currency dates of euros with other banks concluded from 9:00 a.m. to 12:30 p.m.

Monetary policy framework

Exchange rate anchor	
U.S. dollar	
Euro	
Composite	
Other	
Monetary aggregate target	
Inflation-targeting framework	Yes.
Target setting body	Yes.
Government	
Central Bank	
Monetary Policy Committee	
Central Bank Board	
Other	

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Government and Central Bank	Yes.	Inflation targets will be set by the NBS, in cooperation with the government, on the basis of an analysis of current and expected macroeconomic movements and the medium-term plan of changes in prices under direct or indirect regulation of the government. In principle, the NBS has operational freedom to set the target, on consulting the government. The decision within the Executive Board can be taken by majority vote, but in practice, they are reached by consensus.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	The inflation target is set at 3% with a tolerance band of ±1.5 percentage points (pps). The target is for now set at that level until end-2025.
Band/Range		
Target measure	Yes.	
CPI	Yes.	Inflation targets will be set for several years ahead as point targets with a tolerance band and defined in terms of the annual percentage change in the CPI (NBS's Memorandum on Inflation Targets until 2025 adopted by the NBS Executive Board in 2022).
Core inflation		
Target horizon	Yes.	The target is continuous, meaning it is set for every month of the monetary policy horizon.
Operating target (policy rate)	Yes.	Key policy rate is the main monetary policy instrument applied in the main open market operations which are currently one-week reverse repo transactions (liquidity absorbing operations). Auctions are held once a week by the variable multiple rate method with the key policy rate as a maximum rate which can be offered by banks.
Policy rate	Yes.	The policy rate is the interest rate on (reverse) repo transactions with a one-week maturity. The key policy rate is a maximum rate which can be offered by banks on the one-week reverse repo auctions, and it currently stands at 6.5% as of July 13, 2023.
Target corridor band	Yes.	The corridor width is, effective March 9, 2023, ±1.25 pps (previously, effective April 7, 2022, it was increased from ±0.90 pps to ±1.00 pps). The lower bound of the band is the rate on (overnight) deposit standing facilities (currently set at 5.25%: policy rate –1.25 pps). The upper bound of the band is the rate on (overnight) credit standing facilities (currently set at 7.75%: policy rate + 1.25 pps).
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	No.	
Other	Yes.	If the projected inflation deviates from the target, the NBS undertakes measures to bring it back to the target in the medium term. If the departure of inflation from the set target tolerance bands (below 1.5% or above 4.5%) lasts for six consecutive months, the NBS is obliged to notify the government about the reasons for such departure, measures to be taken, and the time needed for inflation to return to the target level.

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Transparency	Yes.	
Publication of votes	n.a.	Decisions of the Executive Board as a whole are published, without specifying individual votes or number of votes in favor of or against the decision. Typically, decisions are made by consensus.
Publication of minutes	No.	The NBS does not publish minutes.
Publication of inflation forecasts	Yes.	Inflation forecasts are published quarterly in the Inflation Reports. The Inflation Report contains information on the current and expected inflation, analysis of underlying macroeconomic developments, explanation of the reasoning behind the decisions of the Executive Board, and an assessment of the monetary policy efficiency as implemented during the previous quarter. Integral parts of this report are inflation projection for eight quarters ahead, assumptions on which such projection is based, and an analysis of the basic risks involved in the achievement of target inflation.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	Exchange subsidies have been removed.
Foreign exchange market	Yes.	As of September 30, 2023, there were 2,158 foreign exchange dealers licensed by the Tax Administration and the NBS, which perform activities at 3,074 exchange points, in addition to the currently 20 banks licensed by the NBS and one public postal operator which performs foreign exchange activities based on a separate law governing its activities. The NBS undertakes the activities of supervising exchange offices and issuing and revoking authorizations for the performance of exchange operations as well as the activities of supervising the foreign exchange operations of residents and nonresidents, as stipulated by the Law on Amendments and Supplement to the Law on Foreign Exchange operations. As of July 31, 2023, there are 20 banks licensed by the NBS. Once a day, at the start of each business day, banks freely set and announce their exchange rates for foreign exchange and foreign cash based on cross-currency relations in foreign markets. Banks apply the rates that fall within the range of the quoted buying and selling rates for foreign exchange and/or foreign cash in trade with residents and nonresidents. Public postal operator and licensed foreign exchange dealers also freely set their foreign exchange rate lists at the start of each business day in line with the foreign exchange rate lists applicable to foreign cash of the bank and/or banks with which they entered into an agreement. They purchase and sell foreign cash by applying current buying and selling rates specified in their foreign exchange rate list, but they may not exceed the quoted range. In the exchange rate list of the public postal operator and authorized exchange dealer, the buying rate per unit of foreign currency – the euro – cannot be lower than the official middle rate of the dinar against the euro applicable on that day by more than 1.25%, and/or selling rate per unit of foreign currency – the euro – cannot be higher than the official middle rate of the dinar against the euro applicable on that day by more than 1.25%. This ±1.25% range around the official middle rate of the dinar against the euro applies only to postal operators and authorized exchange dealers transacting with natural persons, while it is not prescribed for commercial banks. When the public postal operator and authorized exchange dealers purchase or sell foreign cash from natural persons, their commission may not exceed 1% of the value of undamaged banknotes from natural persons, and/or circulating banknotes within the meaning of

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		the provisions of Decision on Terms and Manner of Performing Exchange Operations. The following lists are specified in RS Official Gazette Nos. 3/2018, 65/2019, 107/2021, and 111/2022: (1) list of foreign exchange and foreign cash that banks may trade with, (2) list of foreign cash that licensed exchange dealers and the public postal operator, who have entered into an agreement on the performance of exchange operations with a bank and/or several banks, may buy and sell, (3) list of foreign exchange that the NBS may buy and sell, and (4) list of foreign cash that the NBS may buy and sell. To improve the bank's reporting system and raise the efficiency of monitoring the foreign exchange market, banks are obliged to submit data on the nonresidents' dinar accounts, payment card transactions impacting the bank's foreign exchange position (transactions under payment cards issued abroad and used for dinar payments in the country and transactions under payment cards issued in the country and used for foreign exchange payments abroad), and foreign exchange-indexed loans and deposits. In response to the COVID-19 pandemic, since May 8, 2020, the NBS applies the official middle exchange rate of the dinar as specified in the current exchange rate list when buying and selling foreign exchange and foreign cash (related to support measures for economy and citizens) from and to residents who have foreign exchange accounts with the NBS.
Spot exchange market	Yes.	In the spot exchange market, the purchase or sale of foreign currency in exchange for dinars takes place two business days following the day of conclusion of the purchase or sale agreement. As of July 31, 2023, 20 banks participated in the spot foreign exchange market. The spot foreign exchange market involves: transactions between commercial banks (excluding the NBS transactions) and transactions between banks and clients – residents and nonresidents. As of September 30, 2023, there were 2,158 foreign exchange dealers and one public postal operator which perform foreign exchange activities based on a separate law governing its activities which may purchase from and sell to natural persons only foreign cash. They may not have accounts abroad or make foreign currency payments or transfers on behalf of their clients. The period during which exchange bureaus must transfer any excess amount of dinars to their current account with a bank is seven working days. The threshold that determines the excess amount of dinars exchange bureaus must transfer to their current account with a bank is triple the average daily amount of dinars used for the purchasing of foreign cash in the month with the highest purchase in the preceding 12 months. If the foreign exchange dealer works less than a month, the triple average daily amount of dinars is determined according to the week with the highest purchase. Resident humanitarian organizations may receive funds and donations for humanitarian purposes from abroad, which takes place through the electronic money issuer.
Operated by the central bank	Yes.	The NBS may participate in the interbank foreign exchange market in different ways: by selling and purchasing foreign exchange bilaterally (through Refinitiv foreign exchange Trading platform) and by organizing spot and swap auction sales and purchases.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	With the beginning of the international financial crisis and market disruptions, the NBS introduced spot auctions in December 2009 as a

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		way of participating in the interbank foreign exchange market. Following its commitment to liberalize the foreign exchange market and decrease its market participation, the NBS organizes spot auctions only when necessary to stabilize the foreign exchange market. Spot auctions were organized as variable price auctions with the NBS purchasing/selling foreign exchange at the multiple rate – exchange rates offered by the banks whose bids are accepted at the auction or at the single rate – at the same exchange rate from each bank whose bid was accepted at the auction. The NBS last organized auctions in 2012. According to the regulation, the NBS still has the possibility to organize them, and the available methods for organizing them also stayed the same: fixed rate auctions and variable rate auctions. Variable rate auctions may be organized as multiple rate auctions and as single rate auctions. To encourage development of the interbank swap market and support euro and dinar liquidity management of the banks, the NBS organized weekly swap auction sales and purchases of foreign exchange for dinars with maturity of three months (from March 2011, every Tuesday) and two weeks (from March 2013, every Friday). The regular swap auctions were organized in the variable method – with multiple swap points. Effective January 20, 2022, bilateral swap transactions were introduced by the NBS. Effective, August 1, 2022, the NBS stopped organizing regular two-week and three-month foreign exchange swap auctions (without excluding the possibility of re-introduction if the need arises), given that the bilateral swap operations proved to be a more effective instrument for providing assistance to banks in dinar and foreign exchange liquidity management, primarily because of greater flexibility regarding the maturity and the conclusion date of the transactions compared to swap auctions.
Fixing	No.	With amendments to the Law on Foreign Exchange Operations, the NBS has abolished the possibility of organizing the fixing sessions. The NBS has not intervened by organizing fixing sessions since February 2009.
Interbank market	Yes.	Banks are free to set their own buying and selling rates for foreign exchange based on supply and demand but must observe the cross-rates prevailing in the international market. Banks may buy and sell foreign exchange on the interbank market at mutually agreed rates. The NBS generally intervenes by selling or purchasing foreign exchange as a price taker, at the best-quoted rate of market participants through the Refinitiv foreign exchange – Trading. There is no brokerage or market-making system. As of July 31, 2023, there were 20 banks that participated in the interbank foreign exchange market. The interbank foreign exchange market involves transactions between banks (excluding the NBS transactions) – transactions with value date shorter than spot, spot, forward, and swap transactions.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Forward purchases and sales of foreign exchange are permitted, provided their terms of delivery are longer than spot dates. Forward and swap foreign exchange interbank markets are not developed and banks rarely conclude forward and swap transactions. The forward and swap foreign exchange market involves: transactions between

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		banks and transactions between banks and clients – residents and nonresidents, excluding the NBS transactions. Banks conclude forward sales to residents (such as importers) in higher amounts than forward purchases from residents (such as exporters) in the forward market. Also, banks have important clients among nonresident banks, and they trade mostly through large numbers of foreign exchange swap transactions. The NBS participates in swap transactions. In early March 2011, the NBS reinstated its three-month foreign exchange swap auctions as a regular instrument for supplying foreign exchange/dinar liquidity. These weekly auctions were conducted under market conditions and without preannounced limits of quantities of liquidity, aim to bolster interbank swap trading and the development of foreign exchange hedging instruments. Further, in March 2013 the NBS started to organize weekly two-week foreign exchange swap auctions to supply additional euro and dinar liquidity. Effective January 20, 2022, bilateral swap transactions were introduced by the NBS. Effective, August 1, 2022, the NBS stopped organizing regular two-week and three-month foreign exchange swap auctions (without excluding the possibility of re-introduction if the need arises), given that the bilateral swap operations proved to be a more effective instrument for providing assistance to banks in dinar and foreign exchange liquidity management, primarily because of greater flexibility regarding the maturity and the conclusion date of the transactions compared to swap auctions.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Payments for current international transactions in Serbia may be made and received in dinars under the conditions prescribed by the decision of the NBS on the conditions and manner of conducting international payment transactions.
For capital transactions	Yes.	Payments in Serbia may be made and received in dinars for all capital transactions allowed by the Law on Foreign Exchange Operations, under the conditions prescribed by the decision of the NBS on the conditions and manner of conducting international payment transactions.
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	Credits in dinars granted by resident banks to nonresidents and borrowing in dinars by residents from international financial organizations, development banks, and financial institutions founded by foreign states are considered foreign credit transactions and may be carried out as prescribed by the NBS. Banks may grant credits in dinars to nonresident legal entities and natural persons by crediting a payment card account with a bank in Serbia and by crediting the account of a resident seller and/or lessor to whom the nonresident owes payment under current or capital transactions permitted by the Law on Foreign Exchange Operations. Banks may also grant credits in dinars to an international financial organization and development bank or a financial institution founded by a foreign state without any

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		limitation on the maturity. Dinar loans by international financial organizations, development banks, and financial institutions founded by foreign states to residents may be granted without a foreign currency clause and with maturity longer than one year; credits for agricultural financing or export financing may have a shorter term (longer than three months). Dinar loans may be granted with a possibility of prepayment and change of currency in accordance with the lending program/business standards of an international financial organization whose articles of agreement or an agreement regulating its activities in Serbia has been ratified. Dinar loans may be granted from the proceeds of current and capital transactions, including the proceeds of the primary sale of long-term dinar debt securities, issued by the foreign creditor.
Use of foreign exchange among residents	Yes.	Payments among residents must be effected in dinars. In exceptional cases, payments may be effected in foreign exchange, according to the Law on Foreign Exchange Operations.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange control is carried out by the government authorities and the NBS. The NBS supervises foreign exchange operations of banks – by following a procedure laid down in the law governing their operations as well as electronic money institutions with their head office in Serbia, payment institutions and international payment transactions carried out by the public postal operator – by following a procedure laid down in the law governing payment services. On January 1, 2019, the NBS took over from the Tax Administration the supervision of foreign exchange operations of residents and nonresidents, as well as supervision of exchange operations under the Law on Amendments and Supplement to the Law on Foreign Exchange Operations. Customs authorities control the exportation and importation of foreign and local currency, securities, and gold taken out or brought into Serbia or transmitted by mail or other means. They also control the exportation of foreign exchange by authorized banks.
Payments arrears	Yes.	
Official	Yes.	An agreement has been reached with Paris Club creditors to reduce the debt to official bilateral creditors and with London Club creditors to reduce the debt to commercial banks. Agreements have been reached with China and Kuwait to restructure the debt to these creditors. Agreements have been also reached with the Czech Republic and Slovak Republic on the settlement of the debt of the Republic of Serbia toward these countries. Discussions are ongoing with other official bilateral creditors.
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	

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On domestic ownership and/or trade	Yes.	Only gold producers may engage in domestic trade in unrefined gold.
On external trade	Yes.	Exports and imports of gold (unwrought or in semi-manufactured forms, or in powder form) by residents are subject to the regime for goods exports and imports. The ministry in charge of foreign trade issues licenses on the request of legal persons or entrepreneurs.
Controls on exports and imports of banknotes	Yes.	Exports and imports of dinars and foreign currency are allowed under the conditions prescribed by the decision on personal and physical transfer of means of payment to and from abroad. Banks may freely export and import dinars and foreign currency.
On exports	Yes.	
Domestic currency	Yes.	Resident and nonresident natural persons may freely take out of Serbia dinars in amounts up to the equivalent of €10,000 a person. In addition, resident natural persons may take out of Serbia up to three sets of dinars for numismatic purposes. Additionally, residents may take out dinars from the Republic of Serbia for the purpose of testing automated teller machines (ATMs) with NBS approval issued on the basis of elaborated request submitted by the evidence of using such machines in the performance of a registered activity and along with the guarantee of foreign company that the dinars so received will be returned after the testing but not later than three months from the day they were received. Exportation of NBS-issued commemorative coins by residents requires written NBS permission, and foreigners may take these commemorative coins out from the Republic based on a certificate issued by an authorized seller certifying that such coins have been purchased in the Republic, or based on a certificate issued by the customs authority certifying that such coins have been brought into the Republic. Banks may freely take dinars out of Serbia for sale to foreign banks on the condition that they submit to the customs authority two copies of the payment order, one of which is retained for supervision purposes.
Foreign currency	Yes.	Resident natural persons may freely take abroad foreign currency and checks up to €10,000. Emigrants may freely take abroad foreign cash up to €10,000; for an amount exceeding €10,000, evidence of emigration is required. A nonresident natural person may freely take abroad foreign cash in the amount of up to €10,000. If a nonresident takes dinars and foreign cash abroad at the same time, the sum of these must not exceed €10,000. Nonresident natural persons may take abroad more than €10,000 foreign cash if the amount was declared on entering Serbia, if the amount was withdrawn from a foreign exchange account or foreign exchange passbook in a local bank, or if the amount was acquired by selling dinars obtained through the use of a payment card in Serbia as evidenced by prescribed documents. Authorized banks may freely export foreign currency for replenishing their accounts with foreign correspondent banks. However, the bank must submit to the customs authority two copies of the order for the transfer of foreign currency for certification and must file one certified copy of the order for control purposes.
On imports	Yes.	
Domestic currency	Yes.	Residents and nonresidents may freely bring in dinars up to the equivalent of €10,000 a person. In exceptional cases, residents and nonresidents may import domestic banknotes exceeding this amount, provided the banknotes were purchased at a foreign bank and the purchase receipt is presented to the customs office for inspection on entering the country. Banks may import dinars that have not been sold abroad; the customs authority restamps the originally stamped dinar export order.

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Foreign currency	No.	Resident and nonresident natural persons may freely import foreign cash. However, a resident natural person must declare to the competent customs authority any amount of foreign cash that exceeds the amount specified in the law on the prevention of money laundering, while nonresidents must report amounts exceeding €10,000 to the customs authorities, which issue the respective certificate. Banks may freely import foreign currency.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Resident natural persons, legal entities, entrepreneurs, and branches of foreign legal entities may hold current and deposit foreign exchange accounts freely and perform all kinds of current and permitted capital transactions abroad. In addition to a current and deposit foreign exchange account, a bank may open other foreign exchange accounts for a resident for specific purposes. Additionally, resident legal entities and natural persons may open joint current accounts in terms of the law governing payment services, while natural persons may open joint deposit accounts too. Pursuant to the Decision on the Conditions of Opening and Manner of Maintaining Foreign Exchange Accounts of Residents and Dinar and Foreign Exchange Accounts of Nonresidents, a bank after closing the foreign exchange account issues the account closing certificate, including the information that all obligations toward the bank in relation to opening, maintaining, and closing the account were settled. Banks must submit to the NBS data on foreign exchange accounts of residents' legal entities, entrepreneurs as well as natural persons. The NBS uses these data for a single register of accounts, which is published on its website, while data on foreign exchange accounts of natural persons are not publicly available. Resident beneficiaries of the budget funds of Serbia, of funds of mandatory social insurance organizations, and of local government budgets, as well as other public funds beneficiaries included in the consolidated treasury account system, must hold their foreign exchange accounts with the Treasury Administration within the consolidated treasury account system maintained by the NBS, unless stipulated otherwise by a separate law or an international agreement, and they may sell to the NBS foreign exchange and foreign cash generated by their operations. As an exception, these residents may open a foreign exchange account with an authorized bank, with MOF approval, for payments that cannot take place through the NBS, or perform individual foreign payment operations through an electronic money issuer or payment institution, provided specific characteristics of the beneficiary's activities make this necessary. Banks may hold foreign currency only with other authorized banks and the NBS. According to the Law on Foreign Exchange Operations, and the NBS Decision on the Manner of Performing Transactions Between the NBS and the Treasury Administration Through the Consolidated Treasury Account System for Foreign Exchange Funds (RS Official Gazette No. 78/2015), the NBS must perform foreign exchange operations, on behalf of the Treasury Administration, through the consolidated Treasury account system for foreign exchange funds – for the public funds beneficiaries of Serbia.
Approval required	No.	
Held abroad	Yes.	Banks may, without any restrictions, keep foreign exchange in bank accounts abroad. Other residents may hold foreign currency in accounts with foreign banks freely in certain cases prescribed by the

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		NBS. These residents are: diplomatic, consular, and other representative offices of the Republic of Serbia abroad and domestic nationals employed in these representative offices, persons sent abroad for professional training and education; persons appointed to work in a government mission abroad; persons emigrating from Serbia; and persons selling real estate abroad. In addition, resident Serbians with dual citizenship, resident Serbian citizens who stay abroad no longer than one year (with a work visa, leave to remain, and so on), and those entitled to foreign pensions in countries without an international treaty covering pension payments may hold foreign exchange in accounts with banks abroad.
Approval required	Yes.	Subject to the approval of the NBS, residents may maintain foreign exchange in accounts abroad for (1) performing construction work; (2) covering current costs of representative offices and branches of legal entities; (3) financing exploration work; (4) settling tax and other liabilities under public law to a foreign state – concessor, in respect of concession revenue, if the regulations of the foreign state stipulate that these liabilities are to be settled exclusively through a bank account in that state; (5) investments of insurance companies; (6) making guarantee deposits for participation in bidding or tender procedures and/or sending bids for the acquisition of shares; (7) making a guarantee deposit under a guarantee issued by a foreign bank to a resident who performs construction work abroad; the deposit may be up to the amount specified in the bank's request for guarantee deposit and/or guarantee agreement; (8) using foreign financial credits for payments abroad, if the disbursement of such credits is conditional on holding funds with a foreign bank; (9) purchasing securities abroad in accordance with the Law on Foreign Exchange Operations if the regulations of the foreign state stipulate that this purchase may be performed exclusively through a bank account in that state; (10) collecting payments against court decisions; (11) covering costs of medical treatment abroad as well as the costs of residing abroad for medical treatment; (12) collecting grants and cash donations from abroad for scientific, cultural, and humanitarian purposes; (13) making collections in respect of tax refund in foreign state if a regulation of that state stipulates that refund be effective exclusively via an account with the bank in that state; and (14) making collections in respect of the sale of securities purchased abroad and revenue from securities purchased abroad in accordance with the Law on Foreign Exchange Operations if regulations of the foreign state prescribe that holding foreign exchange in a bank account abroad is a condition for such collections. For all the above-mentioned cases, residents must submit to the NBS supporting documents prescribed by the NBS. Insurance companies may deposit and invest up to 25% of prescribed core capital abroad, with the prior NBS approval. Residents may also hold foreign exchange abroad subject to approval of the NBS as follows: (1) making collections based on the refund of funds invested in a company established abroad (the sale of a company, wind-down of a company, profit from investment in a company, etc.) if regulations of the foreign state prescribe that holding foreign exchange in a bank account abroad is a condition for such collections, and (2) for settlement of liabilities abroad arising in relation to energy trade, provided the resident may engage in energy trading in accordance with the law governing energy, as well as in relation to the resident's balance responsibility as a participant in the energy transport system – based on an excerpt from the regulation of the relevant country envisaging that these liabilities can be settled only through the account with a bank in that country and the document proving this liability.

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Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresident natural persons and legal entities may hold foreign exchange accounts with authorized banks as current, deposit, and other accounts opened for a specific purpose. Nonresident natural persons and legal entities may open joint current accounts, while natural persons may open joint deposit accounts too. Deposit accounts may be demand or time deposit accounts. Deposits may be held in currencies traded on the domestic foreign exchange market. Deposits to foreign exchange accounts of nonresident legal entities may be made by transfers; deposits to foreign exchange accounts of nonresident natural persons may be made by transfers or in cash. Account holders may use the foreign exchange in their accounts to make dinar payments in Serbia, transfer foreign exchange abroad, and make foreign exchange payments abroad or domestically, in accordance with existing regulations. Domestic payments, collections, and transfers in foreign currency involving these accounts are permitted only in cases specified in the Law on Foreign Exchange Operations. At the request of a nonresident, banks may purchase dinars from the nonresident's dinar account and transfer foreign exchange to a nonresident's foreign exchange account abroad based on proof of competent tax authorities that all tax liabilities to the Republic have been settled, except in case when banks transfer foreign exchange from deposit accounts of nonresidents, natural persons when the proof on the settlement of tax liabilities to the Republic of Serbia is not conditioning for this transfer. Per the Decision on the Conditions of Opening and Manner of Maintaining Foreign Exchange Accounts of Residents and Dinar and Foreign Exchange Accounts of Nonresidents, bank after closing the foreign exchange account issues the account closing certificate, including the information that all obligations toward the bank in relation to opening, maintaining, and closing the account were settled. Citizens of Serbia who have resided abroad for more than one year are considered nonresidents.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may hold domestic currency acquired through authorized transactions in current, deposit, or other accounts with authorized banks. Nonresidents may hold joint current, while nonresident natural persons may hold joint deposit accounts, too. Nonresidents may open accounts based on a written request, a contract with a bank, and prescribed documentation which has been simplified. Per the Decision on Amendments and Supplements to the Decision on the Conditions of Opening and Manner of Maintaining Foreign Exchange Accounts of Nonresidents, bank after closing the dinar nonresident account issues the account closing certificate, including the information that all obligations toward the bank in relation to opening, maintaining, and closing the account were settled.
Convertible into foreign currency	Yes.	Nonresidents may freely convert to foreign currency dinars acquired in accordance with the Law on Foreign Exchange Operations.
Approval required	No.	
Blocked accounts	No.	

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	Payments for imports of goods and services are free of restrictions, provided documentary proof is submitted. International payment transactions may be executed without documentation in case when the bank and the order issuer conclude a written agreement stipulating that the order issuer is not required to submit to the bank, along with the foreign payment order, the documentation against which payment is to be made, except if it is required under other regulations.
Advance payment requirements	No.	There are no restrictions on advance payments for imports of goods and services. Goods and services paid for in advance but not imported for more than one year are considered foreign commercial credit transactions and reported to the NBS.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Residents may make international payments not only through banks but also through payment institutions and public postal operator providing payment services, in accordance with the law on payment services. Furthermore, residents may make international payments through domestic and foreign e-money institutions for electronic purchase of goods and services. Additionally, resident humanitarian organizations may receive funds from abroad, which takes place through the electronic money issuer, regarding humanitarian purposes donations. Residents may pay for imports with their own foreign exchange funds held with an authorized bank and may freely purchase foreign exchange in the foreign exchange market through an authorized bank. Residents must provide the bank with the standard import documentation. International payment transactions do not require documentation in case when the bank and the order issuer conclude a written agreement stipulating that the issuer is not required to submit to the bank, along with the foreign payment order, documentation, unless required under other regulations.
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	The Decision on Determining Goods Subject to the Issuance of Specific Documents on Export, Import, or Transit provides lists of goods for whose import the issuance of specific documents is required. Licenses are required for imports of sport and hunting arms and ammunition, firearms, explosives and raw materials used in explosives, certain precious metals (gold and silver), narcotics and their precursors, certain products for environmental protection purposes, as well as arms and military equipment, dual-use items, goods which could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment or punishment and other goods.
Positive list	No.	Goods not covered by the Decision on Determining Goods Subject to

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		the Issuance of Specific Documents on Export, Import, or Transit, the National Control List of Dual-Use Items and National Control List of Arms and Military Equipment or by the List of goods which could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment or punishment may be freely imported and exported.
Negative list	Yes.	Used motor vehicles may be imported if they are produced in accordance with the requirements prescribed by EU standard "Euro 3," in particular with regard to the vehicles' exhaust emissions and noise levels. Imports of specific types of hazardous waste, certain poisons, and substances damaging the ozone layer are prohibited. The import licensing requirement for specific groups of products (poisons, pesticides, fertilizers, seeds, seedlings, and planting material) was abolished in 2009.
Open general licenses	No.	
Licenses with quotas	Yes.	The relevant ministries issue licenses administering quotas for imports of narcotics and substances damaging the ozone layer, in accordance with obligations arising from relevant international agreements. Ministry of Internal and Foreign Trade issues licenses for import of cigarettes from EU on tariff quota established in the Stabilisation and Association Agreement.
Other nontariff measures	Yes.	Annexes of the Decision on Determining Goods Subject to the Issuance of Specific Documents on Import, Export, and Transit (RS Official Gazette Nos. 59/22, 107/22, 3/23, and 27/23) contain lists of goods grouped by the relevant authority. Annex 1 lists goods licensed for import, export, and transit by the Ministry of Internal and Foreign Trade. Annex 2 lists goods licensed by the Ministry of Health for import, export, and transit of narcotics and psychotropic substances, import of precursor cells and tissues, and grants approvals for imports and exports of inorganic and organic chemical products and pharmaceutical products. Annex 3 lists goods licensed by the Ministry of Environmental Protection, such as substances that deplete the ozone layer, fluorinated gases, and plant and animal species whose importation and exportation are subject to documentation. Annex 4 lists goods (sources of ionizing radiation) whose exportation, importation, and transit are licensed by the Serbian Radiation and Nuclear Safety and Security Directorate. Annex 5A lists goods subject to certificates of conformity on importation. These certificates are issued by the appointed agencies and state administration authorities. Annex 5B of the same decision prescribes certificates of homologation (for imports of vehicles, parts, and equipment thereof). Certificates of homologation are issued by the Road Traffic Safety Agency. Domestic products are also subject to certificates of conformity and certificates of homologation. Annex 6 lists goods whose importation requires a document of compliance issued by the agency for electronic communication or another designated agency. Annex 7 lists chemicals and products whose imports or exports are prohibited. Imports of specific types of hazardous waste, certain poisons, and substances damaging the ozone layer are prohibited. Prescribed documents are required on importation of these items for sanitary, phytosanitary, and veterinary purposes. According to the decision, animals and animal products imported or in transit must comply with the Veterinary Law. All lists of goods comply with relevant international conventions and obligations.
Import taxes and/or tariffs	Yes.	The import tariff schedule has a maximum import duty of 30% and a simple average rate of less than 10%.
Taxes collected through the exchange	No.	

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system		
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	Exports of goods or services for which payments are not collected for more than one year are considered foreign commercial credit transactions and reported to the NBS.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Residents may make collections not only through banks, but also through payment institutions and public postal operator providing payment services, in accordance with the law on payment services. Furthermore, residents may make collections through domestic and foreign e-money institutions for electronic sale of goods and services. Per the Decision on Amendment to the Decision on Cases and Conditions of Payment, Collection of Payment, Pay-in and Pay-out in Foreign Cash, resident legal entities, entrepreneurs, and branches of foreign legal entities may receive funds from exports of goods and services in foreign cash up to €10,000 a transaction, provided this collection cannot take place through a bank. The foreign cash must be deposited in the resident's foreign currency account with a bank no later than three business days from collection. In the event of force majeure (war, natural disasters, political events, government orders, and other similar circumstances), residents who hold foreign exchange abroad in accordance with the regulation on keeping foreign exchange in bank accounts abroad (for example, residents performing construction work abroad) may receive payment in foreign cash or withdraw foreign cash from their bank accounts abroad and may deposit that cash in the foreign currency account with a bank.
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	The Decision on Determining Goods Subject to the Issuance of Specific Documents on Export, Import, or Transit provides lists of goods for whose export the issuance of specific documents is required. Licenses are required for exports of sport and hunting arms and ammunition, firearms, explosives and raw materials used in explosives, certain precious metals (gold and silver), narcotics and their precursors, certain products for environmental protection purposes, as well as arms and military equipment, dual-use items, goods which could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment or punishment and other goods.
Without quotas	Yes.	Export licenses (Annexes to the Decision on Determining Goods Subject to the Issuance of Specific Documents on Export, Import, or

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		Transit) are required for exports of sport and hunting arms and ammunition, firearms, explosives and raw materials used in explosives, certain precious metals (gold and silver), narcotics and their precursors, certain products for environmental protection purposes, cultural goods. The export license requirement was eliminated for poisons, which are subject to the provisions of the new Law on Chemicals and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. Export licenses are required for exports of goods listed on the national control list of arms and military equipment (RS Official Gazette No. 39/2023) and list of dual-use goods (RS Official Gazette No. 30/2023) and list of goods that could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment or punishment (RS Official Gazette No. 3/2019). Those lists are completely harmonized with the EU Military List from 2023, the EU list of dual-use items from 2022, and the EU list of goods which could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment or punishment.
With quotas	Yes.	The relevant ministry issues licenses administering quotas for exports of narcotics, in accordance with obligations arising from the relevant international agreement. Ministry of Internal and Foreign Trade issues licenses for export of sugar to EU on tariff quota established in Stabilisation and Association Agreement.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Documentary requirements must be satisfied. Natural persons are permitted to make payments for current transactions, including imports of goods and services that are permitted by law.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	Resident natural persons may take abroad, for the purpose of travel, a total of €10,000 in foreign cash or traveler's checks and payment cards in unlimited amounts. Payments for travel may also be effected through a bank with supporting documentation (for example, hotel invoice), a payment institution, a public postal operator providing payment services, in accordance with the law governing payment services, and an e-money institution, for the purpose of making payments under electronic purchase of travel services.
Prior approval	No.	

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Quantitative limits	Yes.	Resident natural persons may take abroad, for the purpose of travel, a total of €10,000 in foreign cash or traveler's checks and payment cards in unlimited amounts.
Indicative limits/bona fide test	Yes.	Payments for travel may be effected through a bank, payment institution, a public postal operator providing payment services, in accordance with the law governing payment services, and an e-money institution, under conditions permitted by law, up to the amount specified in the supporting documentation (for example, hotel invoice).
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Personal transfers of means of payment for the purpose of supporting family members up to €10,000 a month may be effected freely.
Indicative limits/bona fide test	Yes.	Personal transfers of means of payment for the purpose of supporting family members exceeding €10,000 a month may be effected on the basis of evidence that the family member lives abroad (residence permit, work visa, student visa, etc.) and that he or she is a relative within the third degree of kinship (based on birth certificate, marriage certificate, etc.).
Foreign workers' wages	Yes.	These transactions may be made freely after payment of the appropriate taxes.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For transfer of foreign workers' wages abroad, evidence of payment of taxes must be submitted to the bank.
Credit card use abroad	No.	The use of credit cards is not restricted.
Prior approval	No.	
Quantitative limits	No.	There is no prescribed limit for credit card use abroad other than the amount approved on the credit card account.
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Legal entities operating abroad are not required to repatriate their profits. The repatriation requirement applies to residents holding foreign exchange in accounts abroad in line with the decision governing holding foreign exchange in bank accounts abroad. Residents holding foreign exchange freely in bank accounts abroad must repatriate the remaining funds and close the account within 30 days of cessation of the activity that permitted foreign exchange to be held abroad. Residents holding foreign exchange in bank accounts abroad, on NBS approval, must repatriate the means of payment on completion of the activity for which the NBS approval was issued. Residents holding foreign exchange in bank accounts abroad, on NBS approval, for collecting tax returns executed in foreign state,

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		collecting payments from the sale of securities abroad and on the basis of income from securities purchased abroad, and collecting payments against court decisions, must after each collection repatriate the means of payment to their bank account in Serbia – within 30 days of this collection, as well as to inform the NBS. As per the Decision on Amendment and the Supplement to the Decision on Terms and Conditions Under Which Residents May Hold Foreign Exchange in Bank Accounts Abroad, these residents may hold foreign exchange in a bank account abroad even after 30 days of the collection on approval from NBS for holding foreign exchange in a bank account abroad on other permitted grounds, up to the amount of foreign exchange and until deadline approved by the NBS, of which residents will inform the NBS.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Residents who trade with debt securities abroad through the account of a foreign broker are required to repatriate to Serbia proceeds arising from sales of these securities only in the case when they complete the investment process. If they trade with debt securities abroad through the own accounts with the bank abroad, on approval of the NBS for holding foreign exchange in a bank account abroad, the proceeds up to the amount of foreign exchange and until deadline approved by the NBS may be held in the bank account abroad. There are no restrictions on the repayment of debt securities at maturity.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	The Securities Commission (SC) supervises the activities of securities market participants at the national level. Article 352, Paragraph 1, Point 8 of the Law on the Capital Market provides that the SC regulates, supervises and monitors: the activities of issuers and public companies; fulfillment of reporting requirements of issuers and participants on the regulated market and multilateral trading facility (MTF) and organized trading facility; operations of investment firms, market intermediaries and data reporting services providers, including persons with qualifying holdings, management members and other employees of such persons; operations of the Central Securities Depository, persons with qualifying holdings and employees of the Central Securities Depository; secondary trading in financial instruments in the Republic, regardless of whether such trading occurs on or off the regulated market, MTF or organized trading facility.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	The SC controls the issuance of and trading in shares and other securities of a participating nature, in accordance with Article, 352 Paragraph 1, Points 2 and 3 of the Law on the Capital Market, which

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		provide that the SC approves public offerings for which a prospectus is required to be published and admissions to trading of financial instruments; approves those exempt offerings and exempt admissions to trading of financial instruments for which approval of the SC is required in accordance with the provisions of this Law.
Purchase locally by nonresidents	Yes.	These transactions are permitted, except for shares of domestic companies involved in weapons production or trading activities, unless the majority of shares of a joint-venture company are owned by a resident investor.
Sale or issue locally by nonresidents	No.	These transactions are permitted in accordance with the Law on the Capital Market.
Purchase abroad by residents	Yes.	Resident legal entities, entrepreneurs, and natural persons may effect payments for the purpose of buying equities abroad. Payments must be remitted through the bank. These transactions are not controlled and are reported to the NBS. Insurance companies may invest assets covering technical reserves in EU or OECD countries' government or CB securities, or securities issued by international institutions, as well as in shares of foreign legal entities listed on the financial market, up to 25%, and of one issuer, up to 5% for life insurance and non-life insurance, but also in investment funds, only for unit-linked products. An insurance company may invest insurance funds abroad, observing the following limitations: (1) that assets acquired abroad cannot be acquired under the same or more favorable terms in the Republic of Serbia (an insurance company cannot invest in assets abroad if the same type of assets already exists in the Republic of Serbia and if it would be the same or more favorable to invest in it in the Republic of Serbia than abroad); (2) those assets which are not acquired in countries whose credit rating was degraded over the last year by Standard & Poor's, Fitch IBCA, or Moody's to a level equal to or lower than the credit rating awarded to the Republic of Serbia by the same agencies.
Sale or issue abroad by residents	No.	These transactions are not controlled, but the procedures are regulated and the transactions are reported to the NBS. Resident legal entities, entrepreneurs, and natural persons may receive payments for sales of legitimately acquired equity abroad.
Bonds or other debt securities	Yes.	The SC controls the issuance of and trading in debt instruments.
Purchase locally by nonresidents	No.	Nonresidents may purchase bonds and other debt securities in accordance with the Law on the Capital Market and the Law on Foreign Exchange Operations. These transactions are reported to the NBS.
Sale or issue locally by nonresidents	No.	Nonresidents may sell and issue bonds and other debt securities in accordance with the Law on the Capital Market.
Purchase abroad by residents	Yes.	Residents may effect payment for the purchase of long-term debt securities issued by EU as well as EU and OECD member states, international financial organizations and development banks or financial institutions founded by foreign states, as well as those issued by legal entities with a head office in EU member states, and other long-term debt securities whose risk rating and issuer are prescribed by the decision of the NBS (the issuer of those securities must be domiciled in a member state of the OECD, and the long-term credit rating of those securities should not be less than "A" as graded by Standard & Poor's or Fitch IBCA and/or no less than "A2" as graded by Moody's). Banks may invest in these long-term debt securities abroad without restriction; investment and voluntary pension funds management companies and insurance companies may invest in these securities in accordance with their own regulations, adopted according to sector legislation (laws and bylaws). Insurance

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		companies may invest assets covering technical reserves in EU or OECD countries' government or CB securities, or securities issued by international institutions, as well as in shares of foreign legal entities listed on the financial market, up to 25%, and of one issuer, up to 5% for life insurance and non-life insurance, but also in investment funds, only for unit-linked products. An insurance company may invest insurance funds abroad, observing the following limitations: (1) that assets acquired abroad cannot be acquired under the same or more favorable terms in the Republic of Serbia (an insurance company cannot invest in assets abroad if the same type of assets already exists in the Republic of Serbia and if it would be the same or more favorable to invest in it in the Republic of Serbia than abroad); (2) those assets which are not acquired in countries whose credit rating was degraded over the last year by Standard & Poor's, Fitch IBCA, or Moody's to a level equal to or lower than the credit rating awarded to the Republic of Serbia by the same agencies. Residents may effect payment for purchases of domestic securities denominated in foreign currency and issued abroad.
Sale or issue abroad by residents	No.	These transactions are not controlled, but related payments are regulated. Residents may receive payments for sales of legitimately acquired long-term debt securities issued by EU as well as EU and OECD member states, international financial organizations and development banks or financial institutions founded by foreign states, as well as those issued by legal entities with a head office in EU member state and of other long-term debt securities abroad whose level of risk and issuer country are prescribed by the NBS. If residents trade securities abroad through their bank accounts abroad, subject to the approval of the NBS, they are not obliged to transfer the funds collected in respect of the sale of securities abroad and revenue from those securities, in the envisaged deadline of 30 days from the day of collection. These residents may reinvest that funds in securities abroad or use them for other purposes for which residents may hold foreign exchange abroad, based on the approval of the NBS.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Pursuant to the Law on Amendments and Supplement to the Law on Foreign Exchange, nonresidents with a head office and/or permanent residence in EU member states may make or receive payments for the purpose of buying and selling short-term securities in Serbia, in accordance with the law governing the capital market.
Sale or issue locally by nonresidents	Yes.	These transactions are not explicitly controlled, but related payments are regulated.
Purchase abroad by residents	Yes.	Banks may freely make or receive payment based on the purchase and sale of short-term securities issued by the EU as well as EU and OECD member states, international financial organizations and development banks or financial institutions in which EU and OECD member states participate, as well as those issued by legal entities with a head office in these states. As per the Law on Amendments and Supplement to the Law on Foreign Exchange, resident legal entities, entrepreneurs, and natural persons may make or receive payment for the purpose of buying and selling short-term securities issued by the EU, EU member states, international financial organizations and development banks or financial institutions in which EU member states participate, as well as those issued by legal entities with a head office in these states. Resident investment and voluntary pension funds and insurance

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		companies may invest in foreign short-term securities in accordance with their own regulations, adopted according to sector legislation (laws and bylaws). Insurance companies may invest assets covering technical reserves in EU or OECD countries' government or CB securities, or securities issued by international institutions, as well as in shares of foreign legal entities listed on the financial market, up to 25%, and of one issuer, up to 5% for life insurance and non-life insurance, but also in investment funds, only for unit-linked products. An insurance company may invest insurance funds abroad, observing the following limitations: (1) that assets acquired abroad cannot be acquired under the same or more favorable terms in the Republic of Serbia (an insurance company cannot invest in assets abroad if the same type of assets already exists in the Republic of Serbia and if it would be the same or more favorable to invest in it in the Republic of Serbia than abroad); (2) that assets are not acquired in countries whose credit rating was degraded over the last year by Standard & Poor's, Fitch IBCA, or Moody's to a level equal to or lower than the credit rating awarded to the Republic of Serbia by the same agencies.
Sale or issue abroad by residents	Yes.	These transactions are prohibited.
On collective investment securities	Yes.	The SC issues authorizations to investment fund management companies and investment funds and supervises these market participants in accordance with the Law on Open-Ended Investment Funds Subject to Public Offering and the Law on AIFs.
Purchase locally by nonresidents	Yes.	These transactions are permitted according to the Law on Open-Ended Investment Funds Subject to Public Offering, the Law on AIFs, and the Voluntary Pension Fund Law.
Sale or issue locally by nonresidents	Yes.	Nonresidents must be registered according to the Law on Open-Ended Investment Funds Subject to Public Offering, the Law on AIFs, and the Voluntary Pension Fund Law to issue collective investment securities. Sale of these securities is permitted according to the Law on Open-Ended Investment Funds Subject to Public Offering, the Law on AIFs, and the Voluntary Pension Fund Law.
Purchase abroad by residents	Yes.	Resident legal entities, entrepreneurs, and natural persons may effect payments for purchase abroad of collective investment securities only through resident investment firms and investment fund management companies, according to the Law on Foreign Exchange Operations. Insurance companies may invest assets covering technical reserves in EU or OECD countries' government or CB securities, or securities issued by international institutions, as well as in shares of foreign legal entities listed on financial market, up to 25%, and of one issuer, up to 5% for life insurance and non-life insurance, but also in investment funds, only for unit-linked products. An insurance company may invest insurance funds abroad, observing the following limitations: (1) that assets acquired abroad cannot be acquired under the same or more favorable terms in the Republic of Serbia (an insurance company cannot invest in assets abroad if the same type of assets already exists in the Republic of Serbia and if it would be the same or more favorable to invest in it in the Republic of Serbia than abroad); (2) those assets which are not acquired in countries whose credit rating was degraded over the last year by Standard & Poor's, Fitch IBCA, or Moody's to a level equal to or lower than the credit rating awarded to the Republic of Serbia by the same agencies.
Sale or issue abroad by residents	No.	The Law on Open-Ended Investment Funds Subject to Public Offering and the Law on AIFs regulate the issuance of collective

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		investment securities only in Serbia. The Law on the Capital Market does not prescribe rules or conditions for the establishment of investment funds, in Serbia or abroad. The listed laws do not regulate the issuance of the investment units abroad by residents; hence, it is nor forbidden nor explicitly approved. As it is not forbidden, the issuance of investment units abroad by resident investment funds can be undertaken. The Law on Foreign Exchange Operations prescribes that residents legal entities, entrepreneurs, and natural persons may make collection under investment into foreign investment funds through intermediation of resident investment companies and investment fund management companies, within the meaning of the law governing the capital market. The Law on Foreign Exchange Operations does not prescribe rules or conditions for the establishment of investment funds abroad.
Controls on derivatives and other instruments	Yes.	Controls on derivatives and other instruments traded on regulated markets and MTFs are under the supervision of the SC in accordance with the Law on the Capital Market and the Rulebook on Supervision. Payments on financial derivatives transactions are regulated by the Law on Foreign Exchange Operations and the NBS Decision on Performance of Financial Derivatives Transactions. Banks and other residents may effect payments on financial derivatives transactions abroad under the conditions prescribed by the NBS. Financial derivatives transactions between nonresidents and local banks in the OTC market are unrestricted. Derivatives transactions are allowed for other residents for hedging against specific risks prescribed by the NBS without restriction. The regulations are provided for a master agreement on financial transactions, netting, and detailed reporting on these transactions.
Purchase locally by nonresidents	Yes.	Nonresidents may freely effect payments for the purpose of purchasing financial derivatives that are standardized and traded in regulated markets and/or MTFs as well as for transactions outside these markets with local banks.
Sale or issue locally by nonresidents	Yes.	Nonresidents may sell and issue standardized derivatives and other instruments in accordance with the Law on the Capital Market.
Purchase abroad by residents	Yes.	Banks may perform financial derivatives transactions freely. Residents may freely effect payments for purchases of financial derivatives in regulated markets and MTFs abroad, as well as transactions outside these markets to hedge against risk as prescribed by the NBS in accordance with the foreign payment regulations. An insurance company may invest insurance funds abroad, observing the following limitations: (1) that assets acquired abroad cannot be acquired under the same or more favorable terms in the Republic of Serbia (an insurance company cannot invest in assets abroad if the same type of assets already exists in the Republic of Serbia and if it would be the same or more favorable to invest in it in the Republic of Serbia than abroad); (2) those assets which are not acquired in countries whose credit rating was degraded over the last year by Standard & Poor's, Fitch IBCA, or Moody's to a level equal to or lower than the credit rating awarded to the Republic of Serbia by the same agencies.
Sale or issue abroad by residents	No.	Sale of derivatives abroad by residents is not regulated by Law on the Capital Market and therefore can be undertaken. The Law on the Capital Market regulates capital market in the Republic of Serbia and does not establish any control/limitation for the issue of derivatives abroad by residents.
Controls on credit operations	Yes.	Under the Law on Foreign Exchange Operations, foreign credit

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		transactions include borrowing and lending by residents in foreign currency and in dinars. Resident banks, legal entities, and entrepreneurs may borrow in dinars from international financial organizations and development banks or financial institutions founded by foreign states under terms and conditions specified by the NBS. Resident banks may lend in dinars to nonresident legal entities and natural persons, as well as to international financial organizations and development banks or financial institutions founded by foreign states under terms and conditions specified by the NBS. Foreign loans in foreign currency and dinars are reported to the NBS.
Commercial credits	No.	
By residents to nonresidents	No.	Resident legal entities and entrepreneurs may grant commercial credits in foreign currency and dinars to nonresidents without restrictions. Banks may also grant commercial credits to nonresidents in dinars under conditions specified by the NBS. Exports of goods or services not collected for more than one year and goods and services paid in advance but not imported for more than one year are considered foreign commercial credits. These transactions are reported to the NBS only if their value is above the prescribed threshold (individual value over 100,000 dinars and/or its equivalent in another currency or aggregate value a resident a quarter over 1.5 million dinars). Compensation deals and vendor tooling are exempt from reporting. These transactions are reported to the NBS quarterly, on an aggregate basis, by direct electronic submission of data. Claims and liabilities under foreign credit transactions may be transferred between residents (except natural persons), nonresidents, and residents (except natural persons) and nonresidents, while resident public enterprises and legal entities with state-owned capital require government consent. Offsetting of claims and liabilities under foreign credit transactions in foreign exchange may be performed by resident banks, legal entities, entrepreneurs, and branches of foreign legal entities in the manner prescribed by the NBS.
To residents from nonresidents	No.	Resident legal entities and entrepreneurs may obtain commercial credits in foreign currency and dinars from nonresidents without restrictions. Banks, resident legal entities, and entrepreneurs may borrow in dinars from international financial organizations and development banks or financial institutions founded by foreign states under the terms and conditions specified by the NBS. Imports of goods and services not paid for more than one year after the import date and goods and services not exported within one year of advance payment are considered foreign commercial credits. These transactions are reported to the NBS only if their value is above the prescribed threshold (individual value over 100,000 dinars and/or its equivalent in another currency or aggregate value a resident a quarter over 1.5 million dinars). Compensation deals are exempt from reporting. These transactions are reported to the NBS quarterly, on an aggregate basis, by direct electronic submission of data. Claims and liabilities under foreign credit transactions may be transferred between residents (except natural persons), nonresidents, and residents (except natural persons) and nonresidents, while public enterprises and legal entities with state-owned capital require government consent. Offsetting of claims and liabilities under foreign credit transactions in foreign exchange may be performed by resident banks, legal entities, entrepreneurs, and branches of foreign legal entities as prescribed by the NBS.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Resident legal entities other than banks may grant financial loans in

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		foreign currency to nonresidents in accordance with the provision of the Law on Foreign Exchange Operations, which stipulates the NBS may prescribe conditions and manner of performing these operations which may be subject to limitations justified on grounds of public policy and macrofinancial stability, and the NBS bylaw was adopted which prescribes these limitations in cases where they are assessed as justified (case-by-case assessment principle) and taking into account the fulfillment of the objectives of the limitations (targeting principle) and that limitations are proportional. A resident legal entity other than a bank may grant a financial loan to a nonresident debtor with the seat in an EU member state. A resident legal entity may also grant a financial loan to a nonresident debtor without the seat in an EU member state provided the resident is the majority owner of the nonresident debtor. When granting the financial loan to a nonresident, a resident legal entity contracts and obtains collateral instruments from a nonresident. Banks may grant financial loans in foreign currency to nonresidents without any restrictions, provided they contract and acquire collateral instruments for the payment from a nonresident. Banks may also grant dinar loans to an international financial organization, a development bank, or a financial institution founded by a foreign state without any limitation. Claims and liabilities under foreign credit transactions may be transferred between residents (except natural persons), nonresidents, and residents (except natural persons) and nonresidents, while resident public enterprises and legal entities with state-owned capital require government consent. Offsetting of claims and liabilities under foreign credit transactions in foreign exchange may be performed by resident banks, legal entities, entrepreneurs, and branches of foreign legal entities as prescribed by the NBS.
To residents from nonresidents	Yes.	Resident banks, legal entities, and entrepreneurs may borrow in foreign currency for purposes other than imports of goods and services and financing construction works abroad (settlement of obligations in the local currency, bank liquidity, etc.) in the manner and under the conditions specified by the NBS. The maturity of such loans to residents other than banks must exceed 12 months (with an obligatory grace period of six months) from each disbursement, except for loans intended for agriculture financing and for export financing, which may have a maturity exceeding three months from each disbursement. Funds from nonresidents may also be borrowed for direct investment abroad. Banks may borrow short-term financial loans in foreign currency from nonresidents. Resident legal entities and entrepreneurs may borrow short-term financial credits and loans from nonresidents with the head office and/or permanent residence in an EU member state. Resident branches of foreign legal entities may borrow from a nonresident founder in foreign currency at maturities longer than a year, provided the loans are disbursed to a foreign exchange account with a domestic bank. Resident branches of foreign legal entities may borrow from a nonresident founder with the head office in an EU member state at maturities shorter than a year, provided the loans are disbursed to a foreign exchange account with a domestic bank. Resident natural persons may borrow from nonresidents financial loans at maturities longer than a year for imports of goods and services and other purposes, provided the loans are disbursed to a foreign exchange account with a domestic bank. Resident natural persons may borrow from nonresidents with the head office and/or permanent residence in an EU member state at maturities shorter than a year, provided the loans are disbursed to a foreign exchange account with a domestic bank. Resident banks, legal entities, and entrepreneurs may borrow dinar loans from

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		international financial organizations, development banks, and financial institutions founded by foreign states without a foreign currency clause and with maturity longer than one year except for loans for agriculture financing or for export financing, which may have a maturity of more than three months. Dinar loans may be granted with the possibility of prepayment and change of currency in accordance with the lending program/business standards of an international financial organization whose articles of agreement or an agreement regulating its activities in Serbia has been ratified. Dinar loans may be granted from the proceeds of current and capital transactions, including the proceeds of the primary sale of long-term dinar debt securities, issued by a foreign creditor. Banks report on drawdown and repayment under residents' foreign borrowing to the NBS in electronic format. Claims and liabilities under foreign credit transactions may be transferred between residents (except natural persons), nonresidents, and residents (except natural persons) and nonresidents, while resident public enterprises and legal entities with state-owned capital require government consent. Offsetting of claims and liabilities under foreign credit transactions in foreign exchange may be performed by resident banks, legal entities, entrepreneurs, and branches of foreign legal entities as prescribed by the NBS. Banks are subject to minimum reserve requirements on foreign borrowing (credits and deposits).
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Guarantees and sureties deemed to be foreign credit transactions in line with the Law on Foreign Exchange Operations are reported to the NBS. Resident banks, legal entities, and entrepreneurs may issue warranties and other means of collateral under credits granted by nonresidents to residents without any restrictions. Resident legal entities other than banks may issue warranties and other means of collateral under credit operations between nonresidents abroad in accordance with the provision of the Law on Foreign Exchange Operations, which stipulates the NBS may prescribe conditions and manner of performing these operations which may be subject to limitations justified on grounds of public policy and macrofinancial stability, and the NBS bylaw was adopted which prescribes these limitations in cases where they are assessed as justified (case-by-case assessment principle) and taking into account the fulfillment of the objectives of the limitations (targeting principle) and that limitations are proportional. A resident legal entity other than a bank may issue warranties and provide other collaterals in favor of a nonresident creditor under credit operations between nonresidents with the seat in an EU member state. A resident legal entity may also issue warranties and provide other collaterals in favor of a nonresident creditor under credit operations between nonresidents without the seat in an EU member state provided the resident is the majority owner of the nonresident debtor. When issuing warranties and providing other collaterals in favor of a nonresident creditor under credit operations between nonresidents, a resident legal entity contracts and obtains collateral instruments from a nonresident. Banks may issue guarantees to nonresidents under credit operations between nonresidents abroad without any restrictions, provided they contract and acquire collateral instruments for the payment from a nonresident. In addition to guarantees and warranties, which are considered foreign credit transactions, banks and resident legal entities are allowed to issue guarantees and warranties not deemed to be foreign credit transactions. In that sense, banks may issue guarantees, sureties, warranties, and other means of collateral in accordance with banking regulations. Resident legal entities founded

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		by the Republic of Serbia by a separate law for export financing purposes may perform guarantee operations in accordance with that separate law. A resident legal entity may issue a guarantee to a nonresident against claims from another resident in connection with imports of goods and services, as well as to a nonresident performing construction work in Serbia. A resident public enterprise and legal entity with government-owned capital or a legal entity in the process of restructuring or privatization may issue a guarantee to a nonresident under these operations only under the terms and conditions prescribed by the government.
To residents from nonresidents	No.	Nonresidents may issue guarantees and sureties to residents under credits granted by residents to nonresidents. Nonresidents may also issue guarantees and sureties to other nonresidents under credits granted by nonresidents to residents. These transactions are deemed to be foreign credit transactions and reported to the NBS. In addition to these guarantees, banks and resident legal entities may obtain guarantees and warranties, which are not deemed to be foreign credit transactions. In that sense, banks may obtain guarantees, sureties, warranties, and other means of collateral in accordance with banking regulations. A resident legal entity may obtain guarantees and warranties from a nonresident against claims from another nonresident in connection with exports of goods and services and construction work abroad, as well as against claims arising from the operations between that resident and another resident legal entity in Serbia. Pursuant to the Law on Amendments and Supplement to the Law on Foreign Exchange Operations, a resident legal entity may obtain guarantees and warranties from a nonresident against imports of goods and services and construction works of the nonresident in the Republic.
Controls on direct investment	Yes.	Investments may be in the form of (1) foreign exchange, (2) capital in kind, (3) intellectual property rights, and (4) securities and other property rights.
Outward direct investment	No.	
Inward direct investment	Yes.	A nonresident foreign investor may invest in assets in a domestic enterprise to acquire a share in the fixed capital of the enterprise. A foreign investor may exchange established claims against a share of capital and/or stock of a debtor company.
Controls on liquidation of direct investment	No.	Proceeds from liquidation of direct investment may be transferred abroad without restriction, provided all tax liabilities have been settled.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Payments for the purpose of acquiring ownership of real estate by residents abroad may be made freely in accordance with the law on legal ownership relations.
Purchase locally by nonresidents	Yes.	Payments for the purpose of acquiring ownership of real estate by nonresidents may be made freely in accordance with the law on legal ownership relations.
Sale locally by nonresidents	No.	Proceeds from these transactions may be transferred abroad freely, provided tax liabilities have been settled.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Resident natural persons are not allowed to lend to nonresidents.
To residents from nonresidents	Yes.	Resident natural persons may borrow in foreign currency from

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		nonresidents at maturities longer than a year for imports of goods and services and other purposes, provided the loans are disbursed to a foreign exchange account with a domestic bank. Resident natural persons may borrow from nonresidents with the head office and/or permanent residence in an EU member state at maturities shorter than a year, provided the loans are disbursed to a foreign exchange account with a domestic bank. These transactions are reported to the NBS.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	All personal transfers of means of payment (including gifts and assistance, assistance to family members, inheritance, etc.) up to €10,000 a month are allowed without any restrictions. Moreover, personal transfers of means of payment exceeding €10,000 a month may be effected if the transfer is considered to be one of the following in nature: (1) a gift, subject to presentation of documentation certified by the appropriate authority; (2) assistance to family members, subject to presentation of evidence that the family member lives abroad (residence permit, work visa, student visa, etc.) and that he or she is a relative within the third degree of kinship (birth certificate, marriage certificate, etc.); or (3) inheritance, subject to presentation of an effective decision on inheritance.
To residents from nonresidents	No.	These transactions are not restricted but are subject to AML regulations.
Settlement of debts abroad by immigrants	Yes.	Immigrants who have resided in the country for up to one year may freely transfer payments abroad to settle debt in their home country. Immigrants who are residents may freely transfer means of payment abroad up to €10,000 a month for the purpose of settling debt in their home country. Transfers exceeding €10,000 are subject to presentation of evidence on the debt settlement obligation in the home country, provided an application has been filed for residence registration with the relevant body in Serbia.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Emigrants may freely transfer abroad foreign exchange up to €10,000; for an amount exceeding €10,000, evidence of emigration is required.
Transfer into the country by immigrants	Yes.	Immigrants may freely transfer assets into the country.
Transfer of gambling and prize earnings	Yes.	Earnings from lotteries may be transferred abroad after payment of all tax obligations.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Bylaws and other regulations in effect include provisions on the classification of balance sheet assets and off-balance-sheet items, capital adequacy, risk management (including a more detailed definition of bank compliance risk), preliminary approvals for bank founding and subsequent issuing of full operating licenses, approvals for acquiring bank shares, bank resolution, details regarding the conditions and manner of conducting bank supervision by the NBS, and regulations on external bank audits. The NBS Executive Board implemented the following decisions (published in the RS Official Gazette No. 103/2016) which introduce Basel III standards in the Republic of Serbia: • Decision on Capital Adequacy of Banks. • Decision on Disclosure of Data and Information by Banks.

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• Decision on Reporting on Capital Adequacy of Banks.
• Decision Amending the Decision on Reporting Requirements for Banks.
• Decision on Liquidity Risk Management by Banks.
• Decision Amending the Decision on Risk Management by Banks.

In addition to ensuring alignment with relevant acquis communautaire in the field of banking, implementation of Basel III standards introduced significant and numerous novelties, in terms of both capital adequacy and the liquidity ratio. In accordance with the Decision on the Classification of Bank Balance Sheet Assets and Off-Balance-Sheet Items (RS Official Gazette Nos. 94/2011, 57/2012, 123/2012, 43/2013, 113/2013, 135/2014, 25/2015, 38/2015, 61/2016, 69/2016, 91/2016, 101/2017, 114/2017, 103/2018, and 8/2019), the requirements on the classification of banks' balance sheet assets and off-balance-sheet items (1) harmonize the specifications and conditions for the recognition of prime and adequate collateral with the Decision on Capital Adequacy; (2) minimize the prescribed indicators of financial condition as criteria for classification, with a required commitment to banks' internal policies and procedures, and define the criteria for assessing the financial condition and method of classification into Categories A through E based on that assessment; and (3) set the materially significant threshold for determining the delay in settlement of obligations of debtors at 1% of the individual claims of the debtor's legal entity (the same level as for individuals). According to Section 461 of the Decision on Capital Adequacy of Banks (RS Official Gazette No. 103/2016), a bank may assign, until the date of its accession to the EU, the weight of the risk of exposures to the Republic of Serbia and the NBS, including exposures to EU member states and their CBs which are expressed and settled in the currency of any member state, in the same manner as it assigns the weight of the risk of exposures to these persons which are expressed and settled in their national currencies. In this regard, Paragraph 3 of Section 41 of this Decision stipulates that exposures to the Republic of Serbia, the NBS, and central governments and CBs of EU member states denominated and funded in their domestic currency must be assigned a risk weight of 0. Banks may assign receivables from a legal entity, entrepreneur, and farmer to another bank. Exceptionally, to reduce distressed assets, a bank may assign certain receivables from a legal entity, entrepreneur, and farmer also to another legal entity pursuant to Decision on Risk Management by Banks.
NPL Resolution Strategy and the related Action Plan apply. Definitions of non-performing exposure (NPE), performing, and forborne exposure are in line with technical standards published by the European Banking Authority. Banks are obliged in addition to assigning exposures into categories (A, B, C, D, E), to mark the exposures as non-performing, performing, and forborne exposure, with no impact on the calculation of the amount of required reserves for estimated losses.

The Decision Amending the Decision on Consolidated Supervision of Banking Group (RS Official Gazette No. 58/2017) enabled introduction of Basel III standards on consolidated basis with simultaneous harmonization with Basel III standards implemented on individual level. The minimum prescribed level of capital adequacy ratio of the banking group is 8%, which is equal to the requirement for individual banks. Capital requirement for other risks has been introduced (capital requirement for credit valuation adjustment (CVA) risk and a capital requirement for large exposures for each

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member of the banking group). Obligations for the ultimate parent company to establish a system for liquidity risk management at the level of the banking group are stipulated, as well as the obligation to calculate the LCR and accordingly apply the appropriate restrictions relating to a bank's exposure to liquidity risk. Guidelines for the identification of default (RS Official Gazette Nos. 69/2017 and 149/2020) apply.
The Decision on Guidelines for the Application of the Provisions of the Law on the Prevention of Money Laundering and Terrorism Financing for Obligors Supervised by the NBS (RS Official Gazette Nos. 13/2018, 103/2018, 57/2019, 137/2020, and 49/2021) applies.

In view of the need to preserve and further strengthen financial system stability amid potential risks caused by the emergency health situation in the country because of COVID-19, the Decision on Temporary Measures for Preserving Financial System Stability (RS Official Gazette No. 33/2020) was adopted imposing the first moratorium on debt payments (entered into force on March 18, 2020). The moratorium was envisaged for all debtors who wish to apply it (natural persons, farmers and entrepreneurs, corporates) and implied a suspension of debt payments for at least 90 days. In July 2020, an additional suspension in the settlement of liabilities was prescribed by the Decision on Temporary Measures for Banks for the Purpose of Mitigating the Consequences of COVID-19 Pandemic to Preserve Financial System Stability (RS Official Gazette, No. 103/2020). In accordance with the adopted regulation, borrowers were offered one more suspension in the settlement of their liabilities to banks maturing in the period between August 1, 2020, and September 30, 2020, as well as a suspension in the payment of liabilities that matured in July 2020, and which the borrower has not settled.

In force until December 31, 2021, the Decision on Temporary Measures for Banks to Facilitate Access to Financing for Natural Persons (RS Official Gazette No. 108/2020) that applied as of August 28, 2020, prescribed three sets of temporary measures to facilitate access to housing loans for citizens, and thus provide support to the real sector, through faster turnover of assets, the possibility of extension of housing loan repayment periods for maximum five years, and temporary relaxation of the approval procedure for household short-term dinar loans up to a certain amount. On December 9, 2021, the NBS adopted the Decision amending the Decision on Temporary Measures for Banks to Facilitate Access to Financing for Natural Persons (RS Official Gazette No. 119/2021) effective January 1, 2022, and extended for 12 months until December 31, 2022, the above-mentioned temporary measures. Effective January 1, 2023, the NBS adopted The Decision Amending the Decision on the Temporary Measures for Banks to Facilitate Access to Financing for Natural Persons (RS Official Gazette No. 137/2022) and extended for additional 12 months the above-mentioned measures until December 31, 2023.

As of December 19, 2020, the NBS adopted the Guidelines Amending the Guidelines for the Identification of Default (RS Official Gazette No. 149/2020), postponing the application of the Guidelines for the Identification of Default, in such a manner that instead of January 1, 2021, it will apply effective January 1, 2022 (except the provisions of Item 10 of the Instruction which refers to the manner of determining the materially significant amount and already applies since January 1, 2019), to more accurately assess the

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effects of the macroeconomic situation caused by COVID-19 on the level of NPLs, and to prevent the growth of NPLs that could occur because of a change in the methodological approach prescribed by the Guidelines.

Decision on Temporary Measures for Banks to Enable Adequate Credit Risk Management (RS Official Gazette No. 150/2020), entered into force on December 15, 2020, prescribing the measures and activities to be applied by banks to ensure adequate credit risk management, which implies timely identification of debtors faced with potential difficulties and taking of appropriate steps. In accordance with this Decision at a borrower's request, a bank should approve to that borrower (natural person, farmer, entrepreneur and company) a facility for the repayment of liabilities, if he is unable to settle its liabilities to the bank and/or may have difficulties in settling these liabilities because of the COVID-19 pandemic, and also if that debtor was orderly in settling liabilities to the bank in the relevant period before the pandemic. The facilities envisaged by the Decision were rescheduling or refinancing of loans and financial lease liabilities, as well as a six-month grace period and appropriate extension of repayment term. A request for facilities might be filed with banks until April 30, 2021, and the bank's deadline for deciding on request was within 30 days of receiving the request.

The Decision Amending Decision on Temporary Measures for Banks to Enable Adequate Credit Risk Management amid COVID-19 pandemic as of March 13, 2021, expanded the scope of borrowers who were entitled to facilities in accordance with the Decision from December 2020; specifically, a borrower is entitled to facilities (providing prior orderliness in settling its liabilities to the bank) if as of February 28, 2021, was more than 30 days past due in a materially significant amount on any obligation to the bank arising from products to which this Decision applies.
Decision on temporary measure regarding the calculation of bank capital (RS Official Gazette No. 72/2022) was adopted to give banks the possibility to mitigate negative effects of changes in the prices of securities on bank's capital, caused by current circumstances in the global financial market. The temporary measure refers to debt securities issued by the Republic of Serbia, an autonomous province or a local government unit of the Republic of Serbia, and which are measured at fair value through other comprehensive income in accordance with IFRS 9. The Decision enables banks to exclude 70% of net unrealized losses and gains resulting from the change in value of the mentioned debt instruments from the calculation of the bank's Common Equity Tier 1 capital. Banks are able to apply the temporary measure effective June 30, 2022, until December 31, 2022. The application of this temporary measure was extended effective January 1, 2023, by the Decision Amending and Supplementing the Decision on Temporary Measures Regarding the Calculation of Bank Capital (RS Official Gazette No. 124/22), and applies until December 31, 2023.

Decision on Temporary Measures for Banks aimed at Adequate Management of Credit Risk in Agricultural Loans Portfolio in Conditions of Aggravated Agricultural Production (RS Official Gazette No. 111/2022), effective October 8, 2022, was adopted to enable the rescheduling of existing liabilities of bank borrowers and lessees from the agricultural sector. The debtors were able to postpone the settlement of their liabilities for principal from minimum six to 12 months depending on their preferred grace period

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		within the rescheduling. Effective January 25, 2023, persons engaged in the purchase and cold storage of fruit may also reschedule under these conditions. Pursuant to Decision on Temporary Measures for Banks Relating to Natural Persons' Housing Loans (RS Official Gazette, No. 78/2023), effective September 13, 2023, a temporary freeze on the contracted variable nominal interest rate under certain conditions, maximum variable and fixed rates under certain conditions, and early loan repayment without penalty are in place.
Borrowing abroad	Yes.	Credit agreements concluded by banks with nonresidents in foreign currency and dinars must meet the requirements set by the regulations governing banking operations and foreign credit transactions. Banks may borrow short-term financial loans in foreign currency from nonresidents and may also borrow in dinars from international financial organizations, development banks, and financial institutions founded by foreign states under conditions specified by the NBS. Borrowing from nonresidents in dinars and foreign currency is deemed a foreign credit transaction and reported to the NBS. Claims and liabilities under foreign credit transactions may be transferred between residents (except natural persons), nonresidents, and residents (except natural persons) and nonresidents, while resident public enterprises and legal entities with state-owned capital require government consent. Offsetting of claims and liabilities under foreign credit transactions in foreign currency may be performed by resident banks, legal entities, entrepreneurs, and branches of foreign legal entities as prescribed by the NBS.
Maintenance of accounts abroad	Yes.	Authorized banks may hold foreign currency abroad only in accounts with banks.
Lending to nonresidents (financial or commercial credits)	Yes.	Banks may grant credits in dinars to nonresidents in the manner and under the conditions specified by the NBS. Banks may grant commercial credits in foreign currency to nonresidents and short-term bank credit facilities as well as short-term bank deposits in foreign currency to foreign banks without any restrictions and may also grant financial loans in foreign currency to nonresidents, provided they contract and acquire from a nonresident payment collateral instruments. Banks may also grant dinar loans to an international financial organization, a development bank, or a financial institution founded by a foreign state without any limitation; other dinar lending by banks to nonresidents is subject to conditions specified by the NBS. Lending to nonresidents in dinars and foreign currency is deemed a foreign credit transaction and reported to the NBS. Claims and liabilities under foreign credit transactions may be transferred between residents other than natural persons, nonresidents, and residents other than natural persons and nonresidents, except for resident public enterprises and legal entities with state-owned capital, which requires government consent. Offsetting of claims and liabilities under foreign credit transactions in foreign currency may be performed by resident banks, legal entities, entrepreneurs, and branches of foreign legal entities in the manner prescribed by the NBS.
Lending locally in foreign exchange	Yes.	Banks may extend to resident legal entities and entrepreneurs credits in foreign currency for payment for imports of goods and services from abroad and to resident natural persons for the purchase of real estate in the country. Banks may approve loans to natural persons that are indexed to a foreign currency, provided the currency is the euro and the borrower has made a down payment or deposit of at least 30% of the loan amount. Banks may approve a mortgage to a natural person, provided the loan amount does not exceed 80% of the

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		value of the property (reduced by the amount of other receivables secured by the first-rank mortgage on the same property). This requirement does not apply to loans in dinars that are not indexed to foreign currency. Banks were required to treat the amount overcharged by unilateral raising of variable indefinable elements of the interest rate as early loan repayment and notify each borrower with a modified loan repayment schedule within 30 days. With respect to Cooperative Housing Foundation-indexed housing loans, banks were required to offer their borrowers, within 30 days, four sample annex proposals containing modified terms of loan repayment while keeping the existing loan collateral. Borrowers must be given at least three months to decide on the offer and may accept it at any time before the deadline. Banks may not offer conversion, under any of the modalities envisaging such an option for the extension of euro-indexed loans if such terms are less favorable than the terms applied on December 31, 2014, and may not charge any fees for undertaking these measures and carrying out these activities nor obtain compensation for costs related to such measures and activities (NBS Decision on Measures for Preserving Stability of the Financial System in the Context of Foreign Currency-Indexed Loans). The NBS Executive Board adopted the Decision Amending Decision on the Classification of Bank Balance Sheet Assets and Off-Balance-Sheet Items (RS Official Gazette No. 25/2015), with the aim of aligning with the Decision on Measures for Preserving Stability of the Financial System in the Context of Foreign Currency-Indexed Loans, by providing more precise conditions for the calculation of default in accordance with the subsequently agreed maturity date. The Executive Board of the NBS adopted the Decision on Intra-Group Financial Support.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Purchases of locally issued debt securities are permitted in accordance with the Law on the Capital Market.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Banks are subject to a minimum reserve requirement on sources of banking funding. Local currency (dinar) liabilities are treated differently from foreign currency liabilities. There is no reserve requirement on banks' dinar and foreign currency liabilities from international financial institutions, governments, and financial institutions of foreign states through intermediation of the governments as the main debtor and/or owner of these funds or received directly. When banks reinvest these funds, the loan margins must be lower than the average margins on loans approved by the bank from other sources of funds. Effective September 15, 2023, a 7% (previously 5%) and a new 2% reserve ratios apply to local currency liabilities with maturity of up to two years and over two years, respectively. A 100% reserve requirement ratio applies to the portion of the foreign exchange base composed of liabilities under foreign-exchange-indexed dinar liabilities regardless of the maturity. The mandatory reserve requirement ratio on foreign currency liabilities differs according to maturity. The reserve requirement ratio on foreign currency liabilities is, effective September 15, 2023, 23% (previously 20%) on liabilities with maturity of up to two years and 16% (previously 13%) on liabilities with maturity of more than two years. A portion of the required reserves must be allocated in foreign exchange. The allocation differs according to maturity: effective September 15, 2023, 54% (previously 62%) of the reserve requirement must be allocated in foreign exchange for debt with maturity of up to two years and 62% (previously 70%) for debt with maturity of more than two years.

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Liquid asset requirements	No.	Pursuant to Decision on Liquidity Risk Management by Banks, banks must maintain the LCR ratio at a level of at least 100%. Liquid assets are the sum of level 1 liquid assets and level 2 liquid assets whereby level 1 liquid assets mean assets of extremely high liquidity and credit quality and level 2 liquid assets mean assets of high liquidity and credit quality comprising level 2A liquid assets and level 2B liquid assets. Level 1 liquid assets must include assets prescribed in Section 26 of this Decision, assets which could be included in Level 2A liquid assets are stipulated in Section 28 of this Decision and Section 30 determines what Level 2B liquid assets consist of.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	Local currency (dinar) liabilities are treated differently from foreign currency liabilities; the differential treatment of liabilities depends on currency and maturity, not on residential/nonresidential status.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	NBS approval is required and issued under the conditions set forth in the decision on the granting of approval for capital investment in banks abroad.
In banks by nonresidents	Yes.	NBS approval is required for the acquisition of 5%–20%, 20%–33%, 33%–50%, and more than 50% of voting rights. NBS procedures for processing applications for bank founding permits and acquisition of ownership have been simplified. Criteria for the assessment of solvency of a potential founder/acquirer of ownership that is a legal entity with an investment grade credit rating are the same as for banks, and if the potential founder/acquirer is a special-purpose vehicle, the assessment of solvency is made for the persons financing the special-purpose vehicle's investment in the bank's capital rather than for the special-purpose vehicle itself. The NBS must assess the business reputation of the bank founders, the acquirer of participation in the bank, or the persons nominated for membership in the management bodies of the bank when granting licenses or approvals.
Open foreign exchange position limits	Yes.	The definition of total net open foreign exchange position is the higher of the absolute value of the total long or total short foreign exchange position. A bank's total net open foreign exchange position (including the absolute value of its net open position in gold) limit is 20% of its capital. In accordance with the Decision on Bank Capital Adequacy (Section 368, Paragraph 2), foreign exchange assets and liabilities include all foreign exchange assets and liabilities denominated in foreign currency, assets and liabilities denominated in dinars with a currency clause, where the currency clause is a contractual provision indexing the agreed amount to some other currency.
On resident assets and liabilities	Yes.	There are no specific open foreign exchange limits on resident assets and liabilities; the only limit is the one described in Point 9 above.
On nonresident assets and liabilities	Yes.	There are no specific open foreign exchange limits on resident assets

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		and liabilities; the only limit is the one described in Point 9 above.
Provisions specific to institutional investors	Yes.	Securities transactions by institutional investors are regulated in accordance with the Law on the Capital Market of January 2022 and bylaws of the SC.
Insurance companies	Yes.	Insurance companies as institutional investors are regulated by the Insurance Law. The Insurance Law of December 26, 2014, and its amendments introduced in May 7, 2021, and the bylaw of June 27, 2015, and its amendments introduced in December 2017 and December 2020 are, respectively, in effect.
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies may invest technical reserves in EU or OECD countries' government or CB securities, or securities issued by international institutions, without limitation, as well as in shares of foreign legal entities listed on financial market, up to 25%, and of one issuer, up to 5% for life insurance and non-life insurance, but also in investment funds, only for unit-linked products. In addition, these securities must fulfill certain qualitative criteria.
Limits (max.) on investment portfolio held abroad	Yes.	Insurance companies may deposit and invest up to 25% of prescribed core capital abroad, with prior approval of the NBS.
Limits (min.) on investment portfolio held locally	Yes.	Technical provisions may be invested in types of assets designated in Article 131 of the Law, separately for life insurance and non-life insurance, while observing the following limitations: (1) securities and money market instruments issued by Serbia, member states of the EU or OECD, CBs of member states of the EU or OECD, and securities and money market instruments underwritten by any of the above – without limitation; (2) securities issued by international financial organizations in which Serbia is a member of – without limitation; (3) debt securities issued by autonomous provinces and local self-government units, as well as debt securities underwritten by any of the above – up to 35% of technical provisions and in securities of the same issuer – up to 10% of technical provisions; (4) debt securities traded in the securities market in compliance with law where the issuer is a legal person with the head office in Serbia – up to 35% of technical provisions and in securities of the same issuer – up to 5% of technical provisions; (5) debt securities not traded in the securities market if issued by a legal person having the head office in Serbia – up to 3% of technical provisions and in securities of the same issuer – up to 0.5% of technical provisions; (6) shares traded in the securities market in compliance with law – up to 25% of technical provisions and in securities of the same issuer – up to 5% of technical provisions; (7) shares not traded in the securities market if issued by a legal person whose head office is in Serbia – up to 5% of technical provisions and in securities of the same issuer – up to 1% of technical provisions; (8) equity interests of companies having the head office in Serbia – up to 5% of technical provisions and in equity interests in one legal entity – up to 1% of technical provisions; (9) investment units of investment funds – up to the level of technical provisions calculated for a class of life insurance referred to in Article 8, Item (5) of the Law, and in investment units of a single investment fund – up to 50% of those technical provisions; and (10) immovable property and other proprietary rights on immovable property – if entered in the land registry or other public register in Serbia, if they bring income, if their purchase price is determined in accordance with valuation by a certified appraiser, and if they are not encumbered by a lien – up to 30% of technical provisions of life insurance and/or 20% of technical provisions of non-life insurance, provided not more than 10% of technical provisions of life insurance and/or 7% of technical provisions of non-life insurance is invested in one and/or several spatially connected immovable properties which make up one whole. Up to 20% of technical provisions of life and or

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		non-life insurance may be deposited with banks having a head office in Serbia, provided no more than 5% of those technical provisions are deposited with a single bank. Technical provisions may be held as cash in the insurance company's cash box or in its bank account, in the amount of up to 7% of technical provisions of life insurance and/or 10% of technical provisions of non-life insurance, provided the sum of deposits and funds in the accounts of one bank does not exceed 5% of technical provisions of life and/or non-life insurance. Other types of assets that may be acquired using technical provisions, apart from those specified in Articles 131 and 133 of the Law must be the following: (1) unearned premium reserves, outstanding claims reserves, and other technical provisions charged to coinsurer, reinsurer, and retrocessioner, up to the level of their book value, determined by taking into account the creditworthiness of the coinsurer, reinsurer, and retrocessioner and (2) unearned premium receivables under unexpired non-life insurance, coinsurance, and reinsurance – up to 10% of technical provisions of non-life insurance (until December 31, 2024). Up to 20% of mathematical reserves of life insurance may be invested in prepayments (loans on policies) up to the amount of the total surrender value of concluded life insurance contracts.
Currency-matching regulations on assets/liabilities composition	Yes.	Assets and liabilities of an insurance company must be considered currency matched if the insurance company's total assets in all currencies equal its total liabilities in all currencies and the difference between assets and liabilities in any currency does not exceed 20% of the value of the assets and/or liabilities.
Pension funds	Yes.	Pension funds are regulated by the Law on Voluntary Pension Funds and Pension Schemes. Investment limits are regulated by a supplementary regulation on more detailed conditions and maximum amounts of voluntary pension fund assets investment and the manner of investment of such assets abroad. Each pension fund must establish an investment policy statement that defines investment limits within the regulatory framework.
Limits (max.) on securities issued by nonresidents	Yes.	Pension fund assets may be invested (1) up to 10% in (a) debt securities issued abroad by international financial institutions, (b) debt securities issued by foreign governments or foreign legal entities with a credit rating no less than A from Standard & Poor's and Fitch IBCA or no less than A2 from Moody's, (c) listed shares of foreign legal entities traded on stock exchanges of EU/OECD member countries, and (d) depository receipts issued by banks headquartered in EU/OECD member countries, based on deposited securities and (2) up to 5% in investment units of open-end investment funds managed by investment fund management companies headquartered in Serbia and/or EU/OECD member countries.
Limits (max.) on investment portfolio held abroad	Yes.	Up to 10% of the assets of a pension fund may be invested abroad. The maximum levels, conditions, and manner of investing voluntary pension fund assets are determined by regulation.
Limits (min.) on investment portfolio held locally	Yes.	A pension fund's assets may be invested without any limitations in debt securities issued by the NBS and Serbia, as well as in debt securities issued by legal entities and accompanied by the guarantee of Serbia. In addition, changes to the Voluntary Pension Fund Law (RS Official Gazette No. 31/11) allow investment in instruments such as (1) short-term debt securities issued or guaranteed by banks headquartered in Serbia and (2) investment units of open-end investment funds managed by companies headquartered in Serbia and/or EU and OECD member countries. Detailed limits on investments are prescribed in the Decision on More Detailed Conditions and Maximum Amounts of Voluntary Pension Fund Assets Investment and Manner of Investing Such Assets Abroad (RS

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		Official Gazette No. 43/11). Accordingly, the assets of a pension fund may be invested as follows: (1) up to 50% in (a) debt securities issued by autonomous provinces and local government units in Serbia, except securities with the guarantee of Serbia; (b) debt securities issued in Serbia by international financial institutions to which Serbia belongs; (c) mortgage bonds issued in Serbia; (d) debt securities issued by legal entities headquartered in Serbia and traded in the Serbian regulated market, except securities with the guarantee of Serbia; (e) short-term debt securities issued or guaranteed by banks headquartered in Serbia, as prescribed by the law governing the capital market; and (f) securities issued by nonresidents, such as debt securities issued abroad by international financial institutions and debt securities issued by foreign governments or foreign legal entities, provided their credit rating is no less than A from Standard & Poor's and Fitch IBCA or no less than A2 from Moody's; (2) up to 40% in (a) shares issued by legal entities headquartered in Serbia, traded in the Serbian regulated market; and (b) securities issued by nonresidents, such as listed shares of foreign legal entities, traded on stock exchanges of EU/OECD member countries; (3) up to 35% in money deposits in banks headquartered in Serbia; (4) up to 5% in investment units of open-end investment funds managed by investment fund management companies headquartered in Serbia and/or EU/OECD member countries; (5) up to 10% in (a) depository receipts of banks headquartered in Serbia, and (b) securities issued by nonresidents, such as depository receipts issued by banks headquartered in EU/OECD member countries, based on deposited securities; and (6) up to 5% in real estate in Serbia. Up to 10% of pension funds' assets may be invested in securities of a single issuer or of two or more issuers that are related parties, with the exception of securities issued by Serbia or the NBS.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Investment firms are regulated by the Law on the Capital Market, and collective investment funds are regulated by the Law on Open-Ended Investment Funds Subject to Public Offering and the Law on AIFs. Limited investment in units has been introduced, and limits on borrowing from investment funds' assets have been relaxed.
Limits (max.) on securities issued by nonresidents	Yes.	All of a fund's assets may be invested abroad, according to the regulation of the SC. All limits are given in accordance with the Law on Open-Ended Investment Funds Subject to Public Offering and the Law on AIFs. These securities must be traded on a regulated market in EU member states and third countries, and 50% must be on the official listing. The following limits must apply to the investments of UCITS fund's assets (Article 43 of the Law): (1) up to 10% of UCITS fund's assets may be invested in transferable securities and money market instruments of a single issuer, provided the total value of the individual investments in transferable securities and money-market instruments of a single issuer exceeding 5% of the fund assets does not exceed 40% of the total value of the UCITS fund's assets; (2) up to 20% of UCITS fund's assets may be invested in cash deposits made in a single bank or a credit institution; (3) up to 10% of UCITS fund's assets may be invested in derivative financial instruments traded on an OTC market, when the counterparty is a bank or a credit institution, or up to 5% of the UCITS fund' assets, when the counterparty is another legal person; and (4) the 40% limit referred to in Point (1) of this paragraph does not apply to deposits and OTC derivative transactions made with

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financial institutions subject to prudential supervision and belonging to the categories authorized by the Commission or another competent authority in the Republic.
Notwithstanding the individual limits in Article 43, Paragraph 1, a UCITS fund may not combine:
(1) investments in transferable securities or money-market instruments issued by a single body, (2) deposits made with that body, or (3) exposures arising from OTC derivative transactions undertaken with that body, in a way that would lead to the investment of more than 20% of assets in a single body.
By way of derogation from the limits referred to in Paragraph 1, Point 1 of Article 43, a maximum of 35% of the UCITS fund's assets may be invested in transferable securities or money-market instruments issued or guaranteed by the Republic, the NBS, autonomous province, local self-government unit in the Republic, another Member State, or local and regional self-government unit of a Member State, third country, or a public international body to which one or more Member States belong, in compliance with regulations.
By way of derogation from the limits referred to in Paragraph 1, Point 1 of Article 43, a maximum of 25% of assets may be invested in bonds issued by credit institutions with a registered office in the Republic or a Member State which are subject to supervision in compliance with the law, for the purpose of protecting investors in such bonds. Sums deriving from the issue of such bonds must be invested in compliance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used primarily for the reimbursement of the principal and payment of the accrued interest from such bonds.
If more than 5% of UCITS fund's assets invested in such bonds are issued by a single issuer, the total value of such investments making up more than 5% of the fund assets may not exceed 80% of the value of the UCITS fund's assets.
The transferable securities and money-market instruments of a single issuer referred to in Paragraphs 3 and 4 of Article 43 may not be taken into account when calculating the limit of 40% referred to in Paragraph 1, Point 1. Notwithstanding the individual limits laid down in Paragraphs 1–5 of Article 43, a UCITS fund may not combine the investments in:
(1) transferable securities or money-market instruments issued by a single body, (2) deposits made with that body, and (3) derivative financial instruments made with such body, including OTC derivative financial instruments, in a way that would lead to the combined investment of assets under Paragraphs 1–5 exceeding 35% of the UCITS fund's assets.
Companies that are affiliated undertakings for the purposes of consolidated financial statements in compliance with the law governing accounting are considered a single body for the purposes of calculating the limits contained in Article 43.
No more than 20% of the value of a UCITS fund's assets may be invested in transferable securities and money-market instruments whose issuers are affiliated undertakings referred to in Paragraph 7 of Article 43.
No more than 20% of the UCITS fund's assets may be invested in a single UCITS fund or another investment fund referred to in Article 42, Paragraph 2, Point 3 of this Law.
The total value of investment in investment funds which are not UCITS funds referred to in Article 42, Paragraph 2, point 3 of this Law may not exceed 30% of the UCITS fund.

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		Investing in derivative financial instruments is allowed exclusively for hedging purposes and only if exposure of a UCITS fund does not exceed its NAV. A management company may not acquire significant control over the issuer when acquiring voting shares with respect to all UCITS funds it manages. The assets of a UCITS fund may not be invested in securities and other financial instruments issued by the management company and its related parties. Management companies may not take short positions with the assets of the UCITS fund, and may not carry out uncovered sales. The Commission may prescribe additional criteria for the investment of UCITS fund's assets.
Limits (max.) on investment portfolio held abroad	Yes.	All of a fund's assets may be invested abroad, according to the regulation of the SC. These securities must be traded on a regulated market in EU member states and third countries, and 50% must be on the official listing. The Law on Alternative Investment Funds, Chapter XIII, Article 175, provides general limits on investments in assets of an AIF. Investment in assets of an AIF are subject to limits envisaged by the Law, secondary legislation of the Commission, and the operating rules of the AIF and prospectus of the AIF, where one is required to be published. Limits on investment in assets of an AIF may be exceeded where the AIF exercises preemptive or subscription rights attaching to transferable securities or money market instruments which form part of its assets, as well as in connection with the sale of assets of the AIF for the purpose of redeeming a large proportion of shares in the AIF. Where the limits referred to in Paragraph 1 of Article 175 are exceeded because of circumstances beyond the control of the Alternative Investment Fund Manager (AIFM), changes in investment strategy of the AIF, or the exercise of subscription rights referred to in Paragraph 2, the AIFM must bring investment by an AIF subject to public offering into compliance within six months of the limits being exceeded, and must undertake transactions involving assets of the AIF primarily to ensure compliance of investment by the AIF, and in doing so must act in the best interests of the members or shareholders of the AIF and endeavor to minimize any losses. Notwithstanding the above, the Commission may, at the application of the AIFM, extend the time limit by an additional six months, where this is in the best interests of the members or shareholders of the AIF. Where the limits referred to in Paragraph 1 are exceeded because of circumstances beyond the control of the AIFM or the exercise of subscription rights referred to in Paragraph 2, the AIFM must bring investment by an AIF subject to private placement into compliance either: (1) where so envisaged by the operating rules of the AIF or the prospectus of the AIF, where one is required to be published; (2) where this is not envisaged by the operating rules and/or prospectus of the AIF, where one is required to be published, and there is no established procedure for approval and decision-making by members or shareholders of the AIF in such cases, the AIFM must obtain approval by members or shareholders for the course of action it will propose, in their best interests; (3) where action pursuant to Paragraphs 1 and 2 is not possible, bring investment into compliance within six months of the limits being exceeded, and undertake transactions involving the assets of the AIF primarily to ensure compliance of investment by the AIF, and in

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		doing so must act in the best interests of the members or shareholders of the AIF and endeavor to minimize any losses. Where the limits referred to in Paragraph 1 are exceeded as the result of a transaction entered into by the AIFM that, at the time of its execution, caused the limits on investment to be exceeded or additionally increased the amount by which the limits were exceeded, the AIFM must bring investment by the AIF into compliance immediately on learning of the matter. The AIFM must compensate the AIF and/or the members or shareholders of the AIF for the damage. The limits on investment referred to in Paragraph 1 may be exceeded in the first six months from the establishment of the AIF, while ensuring observance of the principle of risk spreading and protection of the best interests of members or shareholders.
Limits (min.) on investment portfolio held locally	Yes.	In accordance with the Law on Open-Ended Investment Funds Subject to Public Offering and the Rulebook on UCITS funds collective investment funds may invest (1) 10% of their assets in securities of a single issuer or more issuers that are related parties; the total value of all individual investments exceeding 5% of the fund assets cannot exceed 40% of the total value of the fund's assets; (2) 20% of their assets in bank deposits of a single bank or more banks that are related parties; and (3) 35% of their assets in debt securities issued by the NBS and Serbia, as well as in debt securities issued by legal entities and accompanied by the guarantee of Serbia or securities issued or guaranteed by EU member states, third countries, or international organizations to which EU member states belong. Funds may not be invested in mobile assets or in securities issued by the company that manages the fund or by a stockholder of a management company, fund managed by the same management company, or related parties to the above-mentioned persons and entities. A management company and its related parties may invest in shares of its own fund up to 20% of total assets. Borrowing is allowed up to 10% of the assets. Total exposure of a fund to a single person cannot exceed 20% of the fund assets except for the issuers in Point (3) where the limit is 35%. No person may acquire shares valued at more than 20% of total assets of an open-end fund. The Law on AIFs is intended primarily for professional and semi-professional investors.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.

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Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	The Law on Digital Assets, in Article 2, Paragraph 1, Point 1 defines digital assets, or virtual assets, as a digital representation of value that may be digitally bought, sold, exchanged or transferred and used as a means of exchange or for investment purposes, whereby digital assets may not include digital representation of fiat currencies and other financial assets governed by other laws, unless otherwise provided by this law. Furthermore, Article 2, Paragraph 1, Point 2 of the law defines a virtual currency as a type of digital assets that is not issued or guaranteed by a CB or public authority, that is not necessarily attached to a legal tender and that does not have the legal status of money or a currency, but that is accepted by natural or legal persons as a means of exchange and that may be bought, sold, exchanged, transferred, and stored electronically. Digital tokens are defined in Article 2, Paragraph 1, Point 3 of the law as s a type of digital assets and means any intangible property representing, in digital form, one or more property rights, which might include the right of a digital token user to specific services. The Law on Digital Assets, in Article 10, foresees the division of competences between the supervisory authorities – the NBS and SC. The NBS is responsible for the matters under this law concerning the decision-making in administrative procedures, adoption of secondary legislation, supervision and the exercise of other rights and obligations of the supervisory authority in the part relating to virtual currencies as a type of digital assets. The SC is responsible for the matters under this law concerning the decision-making in administrative procedures, adoption of secondary legislation, supervision and the exercise of other rights and obligations of the supervisory authority in the part relating to digital

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		tokens as a type of digital assets, as well as in the part relating to digital assets qualifying as financial instruments. For hybrid digital assets – assets having the features of both a virtual currency and a digital token, the provisions of Paragraphs 1 and 2 of this Article apply to the decision-making in administrative procedures, adoption of secondary legislation, supervision and the exercise of other rights and obligations of the supervisory authority. The NBS and the SC cooperate in the performance of their respective competences established by this law. The NBS prepares and issues opinions on the application of this law and the regulations based on this law in the part relating to virtual currencies as a type of digital assets, with the exception of the application of Article 14 of this law (covering operations of legal persons and entrepreneurs in connection with digital assets), while the SC prepares and issues opinions on the application of this law and the regulations based on this law in the part relating to digital tokens as a type of digital assets and in the part relating to digital assets qualifying as financial instruments. Article 7 of the law covers digital assets qualifying as financial instruments. Paragraph 1 stipulates that unless otherwise provided by this law, the law governing the capital market applies to the issuing of digital assets that have all the features of a financial instrument and to the secondary trading and the provision of services connected with such digital assets. Notwithstanding Paragraph 1 of this Article, the law governing the capital market does not apply to the issuing of digital assets that have all the features of a financial instrument, nor to the secondary trading and the provision of services connected with such digital assets, if all of the following conditions are met: (1) digital assets have no characteristics of shares; (2) digital assets are not fungible with shares; (3) the total value of digital assets issued by a single issuer during a period of 12 months does not exceed EUR 3 million in the dinar equivalent at the official middle exchange rate of the dinar against the euro determined by the NBS on the day of the issue, that is, during the primary sale.
Controls on unbacked tokens	Yes.	The Republic of Serbia has adopted the Digital Assets Act in 2020, which provides a regulatory framework for crypto assets, and related transactions in the Republic of Serbia. The legal framework differentiates between different categories of crypto assets being (1) unbacked tokens – also known as “virtual currencies” under the supervision of the NBS, and (2) digital tokens – under the supervision of the Republic of Serbia SC.
Acquisition by residents	Yes.	Financial institutions supervised by the NBS may not own digital assets and digital asset instruments as their property, and the stakes in the capital of such institutions may not be in digital assets. Virtual currencies may not be used as a stake in a company, but they may be converted (exchanged) for money and paid into a company as a contribution in money. Virtual assets service providers are obliged to submit data on legal persons and entrepreneurs who are holders of virtual assets to the NBS.
Use among residents	Yes.	Unbacked tokens (virtual currencies) may be freely used among residents either by using the services of a digital asset service provider, or by performing OTC transactions. Payments in the Republic of Serbia relating to digital asset transactions in the procedure of initial offering of digital assets, that is, issuing of digital assets in the Republic of Serbia, between residents, between a resident and a nonresident, and between nonresidents may be performed exclusively in dinars. Moreover, payments in the Republic

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		relating to digital asset transactions in the secondary market in the Republic, including OTC market of digital assets, between residents, between a resident and a nonresident, and between nonresidents may be performed exclusively in dinars. No digital asset transactions in foreign currency cash are allowed in the Republic of Serbia, including payins and payouts through a crypto ATM. All dinar payments, collections, and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services. All foreign currency payments, collections, and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Transactions in derivatives and other instruments	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Credit operations	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect

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		of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Controls on utility and security tokens	Yes.	Security and utility tokens fall under the definition of digital tokens in Article 2, Paragraph 1, Point 3 of the Law on Digital Assets. The SC is responsible for the matters under this law concerning the decision-making in administrative procedures, adoption of secondary legislation, supervision and the exercise of other rights and obligations of the supervisory authority in the part relating to digital tokens as a type of digital assets. Chapter III of the law covers the initial offering of digital assets issued in the Republic of Serbia. In accordance with Article 16, Paragraph 2 of the law, the issuing of digital assets in the Republic of Serbia, regardless of whether the relevant white paper has been produced and/or approved, is allowed. On the other hand, in accordance with Article 17, no initial offering of digital assets without an approved white paper may be advertised in the Republic of Serbia, unless so provided by an enactment of the supervisory authority. Notwithstanding Paragraph 1 of this Article, an issuer may advertise the initial offering of digital assets without an approved white paper in the following cases: (1) the initial offering is addressed to fewer than 20 natural and/or legal persons; (2) the total number of digital tokens issued does not exceed 20; (3) the initial offering is addressed to buyers/investors buying/investing in digital assets no less than EUR 50,000 in the dinar equivalent at the official middle exchange rate of the dinar against the euro determined by the NBS on the date of purchase/investment, per buyer/investor; (4) the total value of digital assets issued by a single issuer during a period of 12 months does not exceed EUR 100,000 in the dinar equivalent at the official middle exchange rate of the dinar against the euro determined by the NBS. The publishing of a white paper that has not been approved in accordance with the Law on Digital Assets is allowed only if clearly indicated at the publishing and during the initial offering of digital assets that the relevant white paper has not been approved.
Acquisition by residents	Yes.	The Law on Digital Assets does not forbid such acquisitions, except in the case of financial institutions supervised by the NBS who are prohibited from owning digital assets and digital asset instruments as their property in accordance with Article 13 Paragraph 1 of the law. However, notwithstanding Paragraph 1 of this Article, the NBS may prescribe the conditions under which financial institutions supervised by the NBS may invest in digital tokens qualifying as financial instruments or used exclusively for investment purposes. In accordance with Article 6 of the Law on Digital Assets, the provisions of the law do not apply to digital asset transactions if those transactions are executed exclusively within a limited network of persons accepting the digital assets (for example, the use of digital assets for certain products or services as a form of loyalty or reward, without the possibility of selling or transferring the assets). The acquisition of digital assets by contributing to computer validation of transactions in the digital asset information systems in relation to a specific digital asset – the so-called mining, is allowed, and the provisions of this law do not apply to such holders of digital

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		assets (“miners”) during that acquisition and the “miners” may freely dispose of the digital assets acquired in such a manner, either by using the services of a digital asset service provider, in which case the provisions of this law apply on digital asset users, or by performing OTC transactions.
Use among residents	Yes.	Article 97 of Law on Digital Assets stipulates that the acceptance of digital assets in exchange for goods sold and/or services provided in retail trade may only be done through a digital asset service provider licensed to provide digital asset services referred to in Article 3, Paragraph 1, Point 7 of this law. Such digital asset service provider may accept from a consumer an appropriate value of digital assets, corresponding to the price of the goods sold and/or services provided to such consumer, exchange it for a corresponding amount of legal tender and transfer this amount to an appropriate account of the trader. Acceptance and/or transfer of digital assets directly from a consumer to a trader is not allowed. Currently, digital assets, including digital tokens, are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. In accordance with Article 14, Paragraph 2, in-kind contributions into a company in digital tokens are allowed if the digital tokens are not related to providing services or execution of work. Notwithstanding Paragraph 2 of this Article, in-kind contributions into a general partnership or limited partnership may be in digital tokens related to providing services or execution of work. Secondary trading in digital assets may be done through trading platforms or via OTC trading in accordance with Chapter III of the Law on Digital Assets. In accordance with Article 31 of the law, secondary trading in digital assets that are issued in the Republic of Serbia and in respect of which the white paper was approved in accordance with this law, as well as digital assets that are issued abroad and in respect of which the white paper was approved in accordance with this law is allowed. The provision of digital asset services referred to in Paragraph 1 of this Article and their advertising and admission to trading on the digital assets trading platform are allowed. Secondary trading in digital assets that are issued in the Republic of Serbia and in respect of which the white paper was not approved in accordance with this Law, as well as digital assets that are issued abroad and in respect of which the white paper was not approved in accordance with this Law is allowed.
Between residents and nonresidents	Yes.	The Law on Digital Assets does not differentiate use among residents and nonresidents.
For current transaction	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
For capital transactions	Yes.	

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Transactions in capital and money market instruments	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Transactions in derivatives and other instruments	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Credit operations	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Controls on stablecoins	Yes.	The Law on Digital Assets, in Article 2, Paragraph 1, Point 38 defines stablecoins as stable digital assets meaning assets issued with the objective to minimize the volatility of their value which is pegged to fiat currency or one or more property rights with low volatility (for example, their value is pegged to the official exchange rate of dinar or a relatively stable official exchange rate of a foreign currency). Stablecoins are thus considered asset-referenced tokens. If the stablecoin is pegged to a fiat or virtual currency, it should be considered a virtual currency and fall under the competence of the NBS, and if the stablecoin is pegged to some asset (for example, oil or gold), it should be considered a digital token and falls under the competence of the SC. Unbacked tokens and stablecoins are equally treated in the Republic of Serbia. The provisions of this Law apply to all digital assets regardless of the underlying technology, including stable digital assets.
Acquisition by residents	Yes.	Financial institutions supervised by the NBS may not own digital assets and digital asset instruments as their property, and the stakes in the capital of such institutions may not be in digital assets. Virtual currencies may not be used as a stake in a company, but they may be converted (exchanged) for money and paid into a company as a contribution in money. Virtual assets service providers are obliged

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		to submit data on legal persons and entrepreneurs who are holders of virtual assets to the NBS.
Use among residents	Yes.	Unbacked tokens (virtual currencies) may be freely used among residents either by using the services of a digital asset service provider, or by performing OTC transactions. Payments in the Republic of Serbia relating to digital asset transactions in the procedure of initial offering of digital assets, that is, issuing of digital assets in the Republic of Serbia, between residents, between a resident and a nonresident, and between nonresidents may be performed exclusively in dinars. Moreover, payments in the Republic relating to digital asset transactions in the secondary market in the Republic, including OTC market of digital assets, between residents, between a resident and a nonresident, and between nonresidents may be performed exclusively in dinars. No digital asset transactions in foreign currency cash are allowed in the Republic of Serbia, including payins and payouts through a crypto ATM. All dinar payments, collections, and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services. All foreign currency payments, collections, and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Transactions in derivatives and other instruments	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency

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		payments, collections, and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Credit operations	Yes.	Currently, digital assets are not accepted as a mean of payment in the Republic of Serbia, bearing in mind that no digital asset service provider has a license to provide digital assets acceptance/transfer services in accordance with Article 3, Paragraph 1, Point 7 of the Law on Digital Assets. Article 12 of the law covers digital asset-related payments and stipulates that all dinar payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services, while all foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
Controls on crypto exchanges and trading platforms	Yes.	Crypto exchanges are digital asset service providers as defined in Article 2, Paragraph 1, Point 5 of the Law on Digital Assets meaning a legal person providing one or more services in connection with the digital assets defined in Article 3 of the law. Article 3 of the law prescribes types of digital asset services. According to this article digital asset services include: (1) reception, transmission, and execution of orders relating to the purchase and sale of digital assets on behalf of third parties; (2) purchase and sale of digital assets for cash and/or scriptural money and/or e-money; (3) exchange of digital assets for other digital assets; (4) custody (safekeeping) and administration of digital assets on behalf of digital asset users and the related services; (5) services pertaining to the issuing, offering and placing of digital assets on a firm commitment basis (underwriting) or without a firm commitment basis (uncommitted placement/agent services); (6) maintaining a register of pledges on digital assets; (7) digital assets acceptance/transfer services; (8) digital asset portfolio management; (9) operation of a digital assets trading platform. Article 4 of the law prescribes that a digital asset service provider is authorized to provide these services after obtaining a license for the provision of digital asset services from the supervisory authority – Securities Commission (SEC) or NBS, depending on type of digital assets the service is related to. In addition to digital asset services, a digital asset service provider is allowed to perform only the activities and services directly related to the digital asset services. An exception is envisaged for legal persons already authorized by the SEC to perform the activities of a broker-dealer company or a market operator pursuant to the law governing the capital market and are allowed to provide digital asset services in accordance with the Law on digital assets after obtaining from the supervisory authority the license to provide digital asset services.
Domestic exchanges	Yes.	Chapter V of the Law on Digital Assets regulates digital asset service providers, their legal form, capital, and license to provide services. A digital asset service provider must have the legal form of a company within the meaning of the law governing companies. A digital asset service provider must be authorized to provide these services after obtaining a license for the provision of digital asset services from the supervisory authority. Virtual assets service providers are obliged to submit data on legal persons and entrepreneurs – holders of virtual assets to the NBS.
Access to crypto exchange/trading platform by residents	Yes.	In accordance with Article 32 of the Law on Digital Assets, companies licensed by the supervisory authority for the provision of

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digital asset services and all other legal persons, entrepreneurs and natural persons may trade via the digital assets trading platform in the Republic of Serbia.
Payments in the Republic of Serbia relating to digital asset transactions in the procedure of initial offering of digital assets, that is, issuing of digital assets in the Republic of Serbia, between residents, between a resident and a nonresident, and between nonresidents may be performed exclusively in dinars. Moreover, payments in the Republic relating to digital asset transactions in the secondary market in the Republic, including OTC market of digital assets, between residents, between a resident and a nonresident, and between nonresidents may be performed exclusively in dinars. No digital asset transactions in foreign currency cash are allowed in the Republic of Serbia, including payins and payouts through a crypto ATM.
All dinar payments, collections, and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing payment services. All foreign currency payments, collections and transfers in respect of digital asset transactions must be effected in accordance with the regulations governing foreign exchange operations.
AML/CFT measures apply.
Control of funds (money/payment transaction related to digital assets) is provided by the Law on the Execution of Payments of Legal Persons, Entrepreneurs and Natural Persons Not Performing a Commercial Activity, which prescribes that legal persons, entrepreneurs, and natural persons not performing a commercial activity, have to execute of payment transactions from payment accounts, not in cash or in virtual currencies.
Acquiring and trading in digital (virtual) assets is also subject to tax regulation in Republic of Serbia, and control of implementation of such regulation is within the competence of MOF– Tax Administration.

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*11/01/2022*	Two currencies were added in the list of currencies against which the official middle exchange rates of the dinar are quoted in the National Bank of Serbia list of official exchange rates and with which banks, public postal operators, and exchange bureaus may trade: the dirham of the United Arab Emirates and the denar of the Republic of North Macedonia.
	01/01/2023	Because of Croatia's accession to the euro area, the Croatian kuna was removed from the list of currencies against which the official middle exchange rates of the dinar are quoted in the National Bank of Serbia list of official exchange rates and with which banks, public postal operators, and exchange bureaus may trade.
Monetary policy framework		
Inflation-targeting framework		
Operating target (policy rate)		
Target corridor band	*04/07/2022*	The corridor width is ±1.00 percentage points (pps) (previously ±0.90 pps).
	03/09/2023	The corridor width is ±1.25 percentage points (pps) (previously ±1.00 pps).
Foreign exchange market		
Spot exchange market		

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Operated by the central bank

Auction	*01/20/2022*	Bilateral swap transactions were introduced by the National Bank of Serbia.
	08/01/2022	The National Bank of Serbia stopped organizing regular two-week and three-month foreign exchange swap auctions (without excluding the possibility of re-introduction if the need arises), given that the bilateral swap operations proved to be a more effective instrument for providing assistance to banks in dinar and foreign exchange liquidity management, primarily because of greater flexibility regarding the maturity and the conclusion date of the transactions compared to swap auctions.
Forward exchange market	*01/20/2022*	Bilateral swap transactions were introduced by the National Bank of Serbia.
	08/01/2022	The National Bank of Serbia stopped organizing regular two-week and three-month foreign exchange swap auctions (without excluding the possibility of re-introduction if the need arises), given that the bilateral swap operations proved to be a more effective instrument for providing assistance to banks in dinar and foreign exchange liquidity management, primarily because of greater flexibility regarding the maturity and the conclusion date of the transactions compared to swap auctions.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	*01/01/2022*	As of December 19, 2020, the National Bank of Serbia adopted the Guidelines Amending the Guidelines for the Identification of Default (RS Official Gazette No. 149/2020), postponing the application of the Guidelines for the Identification of Default, in such a manner that instead of January 1, 2021, it will apply from this date (except the provisions of Item 10 of the Instruction which refers to the manner of determining the materially significant amount and already applies since January 1, 2019), to more accurately assess the effects of the macroeconomic situation caused by COVID-19 on the level of NPLs, and to prevent the growth of NPLs that could occur because of a change in the methodological approach prescribed by the Guidelines.
	01/01/2022	The Decision amending the Decision on Temporary Measures for Banks to Facilitate Access to Financing for Natural Persons (RS Official Gazette No. 119/2021) extended for 12 months until December 31, 2022, the temporary measures in the Decision on Temporary Measures for Banks to Facilitate Access to Financing for Natural Persons (RS Official Gazette No. 108/2020) that applied as of August 28, 2020, and prescribed three sets of temporary measures to facilitate access to housing loans for citizens, and thus provide support to the real sector, through faster turnover of assets, the possibility of extension of housing loan repayment periods for maximum five years, and temporary relaxation of the approval procedure for household short-term dinar loans up to a certain amount.
	06/30/2022	Decision on temporary measure regarding the calculation of bank capital (RS Official Gazette No. 72/2022) was adopted to give banks the possibility to mitigate negative effects of changes in the prices of securities on bank's capital, caused by current circumstances in the global financial market. The temporary measure refers to debt securities issued by the Republic of Serbia, an autonomous province or a local government unit of the Republic of Serbia, and which are measured at fair value through other comprehensive income in accordance with IFRS 9. The Decision enables banks to exclude 70% of net unrealized losses and gains resulting from the change in value of the mentioned debt instruments from the calculation of the bank's

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		Common Equity Tier 1 capital. Banks will be able to apply the temporary measure from this date until December 31, 2022.
	10/08/2022	Decision on Temporary Measures for Banks aimed at Adequate Management of Credit Risk in Agricultural Loans Portfolio in Conditions of Aggravated Agricultural Production (RS Official Gazette No. 111/2022) was adopted to enable the rescheduling of existing liabilities of bank borrowers and lessees from the agricultural sector. The debtors were able to postpone the settlement of their liabilities for principal from minimum six to 12 months depending on their preferred grace period within the rescheduling.
	01/01/2023	The Decision Amending the Decision on the Temporary Measures for Banks to Facilitate Access to Financing for Natural Persons (RS Official Gazette No. 137/2022) extended for additional 12 months the existing temporary measures until December 31, 2023.
	01/01/2023	Decision Amending and Supplementing the Decision on Temporary Measures Regarding the Calculation of Bank Capital (RS Official Gazette No. 124/22) extended the existing temporary measure until December 31, 2023.
	01/25/2023	Persons engaged in the purchase and cold storage of fruit may also reschedule under the conditions of Decision on Temporary Measures for Banks aimed at Adequate Management of Credit Risk in Agricultural Loans Portfolio in Conditions of Aggravated Agricultural Production (RS Official Gazette No. 111/2022).
	09/13/2023	Pursuant to Decision on Temporary Measures for Banks Relating to Natural Persons' Housing Loans (RS Official Gazette, No. 78/2023), a temporary freeze on the contracted variable nominal interest rate under certain conditions, maximum variable and fixed rates under certain conditions, and early loan repayment without penalty are in place.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*09/15/2023*	A 2% reserve ratio on local currency liabilities with maturity of over two years was introduced.
	09/15/2023	The reserve requirement ratio on local currency liabilities with maturity of up to two years was increased to 7% from 5%. The reserve requirement ratio on foreign currency liabilities was increased to 23% from 20% on liabilities with maturity of up to two years and to 16% from 13% on liabilities with maturity of more than two years.
	09/15/2023	The portion of the required reserves that must be allocated in foreign exchange is 54% (previously 62%) for debt with maturity of up to two years and 62% (previously 70%) for debt with maturity of more than two years.

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SEYCHELLES

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		June 30, 1977.
Article VIII	Yes.	Date of acceptance: January 3, 1978.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Seychelles is the Seychelles rupee. Various commemorative coins issued on several occasions since 1976 are also legal tender. The Central Bank of Seychelles (CBS) launched a new family of banknotes and coins in December 2016.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are floating. The rate of the rupee is determined by supply and demand in the market. The CBS intervenes to smooth excessive exchange rate

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		volatility, address disorderly market conditions, and accumulate foreign exchange reserves. The CBS discloses intervention data to the IMF on a weekly basis. In 2022, movements in the value of the domestic currency against the US dollar were mainly driven by the local dynamics of demand and supply. The sustained inflow of foreign exchange as a result of the performance of the tourism sector ensured relative stability in the exchange rate, despite higher demand relative to 2021. There was a gradual appreciation in the value of the rupee over the period January to July. However, there was a marked uptick in demand which exceeded supply between August and October, thus leading to a weakening of the domestic currency over this period. Nevertheless, the appreciating trend observed in the first seven months of the year led to an overall appreciation in the rupee against the USD on an annual average basis. By contrast, changes in the EUR and GBP exchange rates were predominantly reflective of developments in international currency markets. In particular, the adverse effects of the Russia-Ukraine war on European economies contributed toward the weakening of the EUR which reached parity with the US dollar in July. On average, in 2022, the rupee appreciated by R2.63 (16%), from R16.8993 per US dollar in 2021 to R14.2727. It strengthened by R4.98 (25%), from R20.0388 to R15.0632 in comparison with the EUR and by R5.58 (24%) against the GBP, with the average exchange rate falling from R23.2002 in 2021 to R17.6230. For the first four months of 2023, the performance of the tourism industry led to sustained inflows of foreign exchange. Notwithstanding a rise in demand, the higher growth in supply resulted in a strengthening of the domestic currency in the first four months of the year.
Free floating		
Official exchange rate	Yes.	The reference exchange rate is calculated as a weighted average of all foreign currency buying and selling transactions by ADs (banks and exchange bureaus) and wire transfers and drafts and is used for accounting and conversion of payments in foreign currency.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The monetary policy framework is an interest-rate-based framework in which the focus of monetary policy is on short-term interest rates. This is done through the Monetary Policy Rate which serves as the key policy variable used for signaling the prevailing monetary policy stance. The CBS Board approves the monetary policy stance for each quarter. Specifically, the Board approves the Monetary Policy Rate and the Standing Credit Facility (SCF) and Standing Deposit Facility

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(SDF), which form the ceiling and the floor of the interest rate corridor, respectively. The Board also approves the minimum reserve requirement (MRR), which is another monetary policy instrument. The monetary policy decision is presented to the media by the Governor or First Deputy Governor every quarter. This allows for additional clarification and discussion. Additionally, press communiques pertaining to the monetary policy stance are published on the CBS website. Furthermore, a bi-annual Monetary Policy Report is prepared and published on the CBS website.

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

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Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks and bureaux de change (BDCs) are free to set their exchange rates in transactions with their clients. The aforementioned ADs are also free to determine their foreign exchange commissions with their clients.
Spot exchange market	Yes.	The spot foreign exchange market comprises commercial banks and bureaux de change (BDCs). These financial institutions are licensed and regulated by the CBS. There are two classes of BDCs: (1) Class B may engage only in purchases and sales of foreign currency in the form of banknotes, coins, and traveler's checks. (2) Class A may also engage in the purchase and sale of foreign currency without the limitation that applies to a Class B BDC. However, Class A BDCs may engage in services of money transfer and remittances if they have a payment service provider license in accordance with the National Payment System Act of August 18, 2014. As of December 31, 2022, there were 28 institutions licensed under the Financial Institutions Act of 2004 to deal in foreign exchange with the public: 7 commercial banks and 13 Class A and 8 Class B BDCs. Only commercial banks may engage in foreign exchange transactions directly with the CBS. BDCs may open local and international bank accounts on their own behalf. BDCs and commercial banks must comply with the AML/CFT Act of 2020 and report transactions to the CBS.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The multiple price foreign exchange auction allows the CBS to buy and sell foreign exchange (US dollars, euros, and British pounds only) as part of its foreign exchange and monetary operations. Auctions are held as necessary in the context of foreign exchange and monetary policies as well as reserves management. The CBS determines and announces the amount of foreign exchange to be purchased or sold on the day of the auction through its web portal. Financial institutions that are liable to reserve requirements of the CB or as prescribed in the monetary policy framework are eligible to participate in the auction. Successful bidders pay the price they bid. The Monetary Policy Technical Committee/Investment Committee may rule on the bids according to guidelines based on price and amount (buying or selling). Auctions are announced through an online portal with all relevant information (for example, auction date, time frame, reference number, foreign currency to be purchased or sold, amount intended to be purchased or sold by the CBS, and value and settlement date of the rupee equivalent). Auction results are sent via the web portal. If payment is delayed, the CBS imposes a fine as indicated in the penalty clause of the monetary policy framework. There are no restrictions on the use of the foreign exchange purchased at the auction. Auction rules are included in the monetary policy framework's operational guidelines and procedures for foreign exchange auctions. Bids may not breach the MCP rule stipulated in

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		the guidelines.
Fixing	No.	
Interbank market	Yes.	The CBS and 7 commercial banks licensed under the Financial Institutions Act of 2004 participate in the foreign exchange interbank market. Banks may trade among themselves. Currently, participation in the interbank market is less prominent. There are no limits on the bid-ask spread and commission of market participants. According to the interbank market regulations, the CBS may either intervene directly at the participants' quoted rates or make its own quote (one-sided). The interbank market in Seychelles was inactive in 2022 and 2023.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	The following policies guide market operations through the Seychelles Interbank Foreign Exchange Market. The 7 commercial banks provide two-way quotes (that is, buying and selling rates) at regular intervals through an interbank blog administered and maintained by the CBS. Foreign exchange transactions may be concluded via telephone, but a written confirmation of each deal must always be sent by both parties to the counterparty immediately after conclusion of the transaction. The netting and settlement process is then undertaken by the CBS, and the rupee settlement is executed across the participants' demand deposit accounts with the CBS on a T+0 basis (same-day settlement). The seller undertakes delivery transfer using a correspondent banking arrangement on a T +0 basis.
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	There is no trading in domestic-currency-denominated derivatives in Seychelles.
Credit operations	No.	
Use of foreign exchange among residents	No.	All payments are made in rupees; however, foreign currencies may be accepted at the discretion of the parties involved in the transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	Seychelles does not currently have any inoperative bilateral payment arrangements.

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Regional arrangements	Yes.	Seychelles is a member of both COMESA and the SADC. It is a participant in the SADC Real-Time Gross Settlement (RTGS) System; however, the country is not participating in COMESA's payment systems.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	Seychelles has no official payment arrears or arrears on government or government-guaranteed debt to nonresident creditors.
Private	No.	No external debt payment arrears are outstanding.
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may purchase, hold, and sell gold freely in any form; however, dealing in gold bullion is restricted to ADs.
On external trade	No.	The law does not address external trade in gold, implying that these transactions are not restricted.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	There are no limits on exports of domestic currency. However, pursuant to the AML/CFT Act 2020, amounts exceeding SR 50,000 must be declared.
Foreign currency	No.	There are no limits on exports of domestic currency. However, pursuant to the AML/CFT Act 2020, amounts exceeding SR 50,000 must be declared.
On imports	No.	
Domestic currency	No.	There are no limits on imports of domestic currency. However, pursuant to the AML/CFT Act 2020, amounts exceeding SR 50,000 must be declared.
Foreign currency	No.	There are no limits on imports of domestic currency. However, pursuant to the AML/CFT Act 2020, amounts exceeding SR 50,000 must be declared.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange accounts are permitted. Terms and conditions vary according to banks. Balances in these accounts may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Residents may freely open foreign exchange accounts abroad. No domestic laws prevent the transfer of balances from foreign exchange accounts abroad, but such transfers are subject to the laws of the foreign country.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	No laws prevent rupee-denominated accounts from being held abroad.
Accounts in domestic currency	Yes.	Residents may freely convert the balances of their rupee accounts to

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convertible into foreign currency		foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts are permitted. Operation of these accounts is subject to the bank's policy and the contractual agreement between the bank and the customer. There are no restrictions on the transfer of balances abroad.
Approval required	No.	
Domestic currency accounts	Yes.	There are no restrictions on the transfer of balances abroad.
Convertible into foreign currency	Yes.	There are no restrictions on the transfer of funds, but the provisions of the AML Act apply. The conversion of domestic currency into foreign currency is unrestricted.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	These are based on the requirements of the financial institutions.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	Yes.	Requests for foreign exchange are handled by commercial banks and BDCs. Import payments may be made directly or through LCs; however, commercial banks normally ensure that payment orders are backed by the total equivalent in rupees.
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	Parties are not obligated to use LCs, but they may obtain such based on the requirements of the financial institutions.
Import licenses used as exchange licenses	No.	
Other	Yes.	An import permit is required for a few restricted goods (for example, some food items and chemicals).
Import licenses and other nontariff measures	Yes.	Importers of restricted items must apply to the MOF Import Control Division for a permit. Permits are normally not granted for used vehicles.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Importers of restricted items must apply to the MOF, Trade Division, and the Import/Export Permit Section for a permit. All requests are submitted for examination by the Import/Export Permit Section to ensure that all information on the applications is

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		correct prior to being forwarded to the respective competent authority for assessment. The import permit is thereafter issued on recommendation of the competent authority. Permits are typically not granted for used vehicles, with the following exceptions: second-hand vehicles for the transportation of goods, vehicles for special purposes, and used passenger vehicles for the personal use of a returning resident or graduate.
Import taxes and/or tariffs	Yes.	Imports are subject to taxes of up to 200%. Import duty rates on most imports range from 0% to 10%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.
Other	No.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

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Controls on capital transactions	Yes.	Restrictions exist on the purchase of land by non-Seychellois.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	

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Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	FDI is permitted freely, provided such investment does not involve ownership of land.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Non-Seychellois wishing to purchase land in Seychelles must apply for permission under the Immovable Property (Transfer Restriction) Act to the Office of the Principal Secretary in the Ministry of Land Use and Habitat. The following criteria are used to consider applications for approval: (1) the character of the applicant; if the applicant is a company, the character of all company directors; (2) whether the applicant's declared purpose in acquiring the land conforms to government policies on the use and development of land; and (3) whether the proposed acquisition is in the interest of Seychelles.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	

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Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The MRR is 13% for local currency deposits and foreign exchange deposits. The MRR on local and foreign currency deposit liabilities is not remunerated. In July 2021, the government conducted a liability management operation (LMO) to convert short-term government debt to longer term ones. This was done as part of the strategy to improve debt sustainability and reduce rollover risks. To allow for a liquidity buffer and encourage participation of commercial banks, the MRR on Rupee deposits was lowered temporarily from 13% to 10% as of July 14, 2021. Effective July 13, 2022, the MRR ratio of 10% on Rupee deposits was reversed to 13%.
Liquid asset requirements	No.	Banks must maintain liquid assets in an amount, as a daily average each month, greater than or equal to 20% of their total liabilities.
Interest rate controls	No.	
Credit controls	No.	Credit controls are as follows: (1) for facilities that meet or exceed 25% of a bank's core capital, CBS approval is required. The aggregate of such credits may not exceed 600% of a bank's core capital. (2) Credit to administrators and their close relatives is limited to 10% of a bank's core capital. (3) Credit to those holding substantial interest and their close relatives is limited to 20% of a bank's core capital. (4) The combined aggregate of the above two may not exceed 25% of a bank's core capital. These credit controls are the same for domestic and foreign currency.
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	Nonresidents' foreign exchange deposits are exempt. For residents, the MRR is 13% for local currency and for foreign exchange deposits. The MRR on local and foreign currency deposit liabilities is not remunerated.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	

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Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Effective July 1, 2022, commercial banks' open foreign exchange positions may not exceed 30% for both long and short positions. Previously, the limit was temporarily increased to 50% in the context of COVID-19.
On nonresident assets and liabilities	Yes.	Effective July 1, 2022, commercial banks' open foreign exchange positions may not exceed 30% for both long and short positions. Previously, the limit was temporarily increased to 50% in the context of COVID-19.
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	Central bank digital currencies (CBDCs) are currently not legal tender in Seychelles, and there are no regulations yet regarding digital currencies and crypto assets. The Financial Services Authority, along with relevant stakeholders, are working on a Virtual Asset Service Provider (VASP) regulation. A National Risk Assessment (NRA) on virtual assets was conducted in 2022.
Retail	No.	

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Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other	No.

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instruments		
Credit operations	No.	
Controls on utility and security tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	Crypto assets are being traded on the global securities and digital assets exchange platform in Seychelles, MERJ Exchange. While there is no current regulation on crypto and digital currencies, the exchange platform is regulated by Financial Services Authority under the Securities Act.
Domestic exchanges	No.	
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*07/13/2022*	The minimum reserve requirement ratio of 10% in effect since July 14, 2021, on rupee deposits was reversed to 13%.
Open foreign exchange position limits		
On resident assets and liabilities		

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	07/01/2022	Commercial banks' open foreign exchange positions may not exceed 30% for both long and short positions. Previously, the limit was temporarily increased to 50% in the context of COVID-19.
On nonresident assets and liabilities	*07/01/2022*	Commercial banks' open foreign exchange positions may not exceed 30% for both long and short positions. Previously, the limit was temporarily increased to 50% in the context of COVID-19.

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SIERRA LEONE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 10, 1962.
Article VIII	Yes.	Date of acceptance: December 14, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation and Fifth Review under the Extended Credit Facility Arrangement, Requests for Waivers of Nonobservance of Performance Criteria, Modifications of Performance Criteria, and Financing Assurance Review with Sierra Leone states that as of June 13, 2022, Sierra Leone maintains two MCP, subject to IMF approval under Article VIII, Section 3 of the IMF's Articles of Agreement, because of (1) the use of the Bank of Sierra Leone (BSL) rate, which is not considered a prevailing market rate, because of the manner of its computation (it is calculated weekly and computed based on transactions over the previous five business days), and the BSL rate has exceeded the prevailing market rate by more than 2% at certain points in time, and (2) the use of an exchange rate for transactions under certain facilities, which is not considered a prevailing market exchange rate, as it is calculated based on commercial banks' weighted average exchange rates on the previous day, and there is no mechanism in place to ensure that the spread between this rate and the prevailing market rate at the time of the transactions does not exceed 2%. Sierra Leone maintains an exchange restriction, subject to IMF approval under Article VIII, Section 2(a) of the IMF's Articles of Agreement, arising from the prioritization of foreign exchange through various BSL facilities, which results in a limitation on the availability of foreign exchange for payments of current international transactions, where there is a shortage of foreign exchange in the market. (Country Report No. 22/259)
Exchange measures imposed for security reasons	No.	There are no restrictions for security reasons.
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	There are no other exchange measures imposed for security reasons.

Exchange Arrangement

Currency	Yes.	The currency of Sierra Leone is the Sierra Leonean leone.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	The exchange rate structure of Sierra Leone is unitary, as the spread between the BSL's mid-exchange rate and the commercial banks' mid-rate remained below the 2% threshold.
Dual		

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Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is floating, as the exchange rate of the leone is market-determined. The BSL does not target a specific level of the exchange rate. The foreign exchange auction data are published on the BSL website. Actual foreign exchange auction data are published as soon as the auction is concluded. Auction data include the amount offered, amount sold, and auction-weighted average exchange rate. The de facto exchange rate arrangement is classified as other managed.
Floating		
Free floating		
Official exchange rate	Yes.	The BSL official exchange rate is market-determined. The BSL determines the exchange rate used in official transactions, including transactions for customs valuation purposes. The official exchange rate is based on the weighted average of commercial banks' and foreign exchange bureaus' purchase transactions during the preceding five business days. The weighted average exchange rate derived is the BSL mid-rate, to which a ±1% spread is applied to determine the selling and buying rates. The daily official BSL exchange rate is published on the BSL website and the Thomson Reuters platform.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The monetary policy framework of the BSL is monetary targeting with reserve money as the operational target and broad money as the intermediate target, with the ultimate goal of price stability.
Inflation-targeting framework		
Target setting body		
Government		

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Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks are free to determine their bid-ask spread and foreign exchange commissions with their clients. Commercial banks' dealings represent the majority of foreign exchange transactions in the foreign exchange market. Foreign exchange bureaus are licensed to undertake retail cash spot transactions only. Foreign exchange

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		bureaus are not allowed to participate in the interbank foreign exchange market and do not deal directly with the BSL; they may hold foreign exchange accounts with commercial banks used solely for their operations. Foreign exchange bureaus are permitted to undertake inward money transfer transactions.
Spot exchange market	Yes.	There are 14 commercial banks licensed as ADs by the BSL to deal in foreign exchange with the public and 76 foreign exchange bureaus licensed to undertake retail cash spot transactions. Foreign exchange bureaus are permitted to undertake inward money transfer transactions. Foreign exchange bureaus are not allowed to participate in the interbank foreign exchange market and do not deal directly with the BSL; they may hold foreign exchange accounts with commercial banks used solely for their operations.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The BSL conducts auctions of foreign exchange with the commercial banks to smooth excess volatility. The amount put on offer is always announced via the print and electronic media one day before the auction is held. Commercial banks are free to determine the exchange rate they want to bid at and free to sell to their customers for the importation of goods. There is no restriction or limit to the exchange rates banks are to bid at. The maximum amount commercial banks are allowed to bid for is always announced. The frequency of the foreign exchange auction is based on the monetary policy stance of the BSL, and it is conducted on approval by the executives. Foreign exchange auctions take place primarily to smooth out volatility in the market and to mop up excess leone liquidity. There are no restrictions on the use of funds obtained at the auction. Auction funds are primarily to support importation of goods. Auction participants, which are commercial banks, have demand deposit accounts with the BSL. Settlement of the leone leg of foreign exchange transactions is done on a same-day T+0 basis. The auction results are published in print and electronic media and on the BSL website. The results are also broadcast on the Reuters auction platform.
Fixing	No.	
Interbank market	Yes.	Commercial banks may trade freely among themselves and with the BSL. There are 14 commercial banks that are participating in the interbank foreign exchange market. There are no limits on the bid-ask spread or commissions of market participants. Foreign exchange bureaus are not allowed to participate in the interbank foreign exchange market. Market participants are guided by the Sierra Leone Foreign Exchange Interbank Market Guidelines. The interbank market continued to be inactive in 2021. High demand for foreign exchange for the importation of essential commodities and the low supply account for the inactivity in the interbank market. Banks prefer to trade with their customers rather than trade in the interbank market because of the low level of foreign exchange liquidity.
Over the counter	Yes.	Licensed commercial banks may deal directly with each other in the foreign exchange market. With the introduction of the Thomson Reuters trading and dealing platform, the interbank foreign exchange market was automated, which enhanced the deepening and improvement of the foreign exchange interbank market. When

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		trading foreign exchange among themselves, banks must use the Thomson Reuters trading platform and may not trade outside of it.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Forward transactions are limited to imports and exports undertaken with a commercial bank by an institution dealing in the underlying imports or exports. Forward transactions are capped at US$100,000 a transaction. The BSL may participate in the forward foreign exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments for imports may be made in leones and credited to an external account in the currency of the exporting country, US dollars, or another international payment currency.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	There are no restrictions on domestic currency payments for current transactions between residents and nonresidents.
For capital transactions	No.	
Transactions in capital and money market instruments	No.	There are no controls on the use of domestic currency for capital market transactions through the Sierra Leone Stock Exchange. Funds for capital account transactions must be channeled through the banking system. BSL approval is required for capital market transactions by residents to nonresidents. Money market transactions by residents to nonresidents are not permitted.
Transactions in derivatives and other instruments	No.	There are no controls on transactions done in the banking system. However, these instruments are not yet available in the market.
Credit operations	No.	There are no controls on the use of domestic currency for credit operations between residents or for credits by nonresidents to residents. However, BSL approval is required for credits by residents to nonresidents.
Use of foreign exchange among residents	Yes.	Foreign exchange may not be used among residents for payments of goods and services. The leone is the legal tender under Sections 26 (1) and (4) of the BSL Act of 2019. The leone must be used for pricing and payment for all domestic transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	Yes.	There is currently no clearing arrangement in WAMZ currencies through the banking system.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Public Notice No. 38 of 1965 conferred the administration of the Exchange Control Act on the governor of the BSL. Under Sections 48(1) and (2) of the BSL Act of 2019, exchange rate policy is formulated and executed by the BSL, which issues guidelines on the purchase, sale, holding, and transfer of foreign exchange.

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Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Licenses are required for the mining and exportation of gold.
On domestic ownership and/or trade	Yes.	Residents and nonresidents may freely purchase, hold, and sell gold coins in Sierra Leone for numismatic purposes.
On external trade	Yes.	Exports of gold require a license. Licenses are issued by the Ministry of Mines and Mineral Resources.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	On leaving Sierra Leone, travelers may take out up to the leone equivalent of US$10,000. Larger amounts may be taken out through noncash transactions in the banking system.
Foreign currency	Yes.	Travelers may take out up to the amount of foreign currency banknotes brought in. Amounts exceeding US$10,000 must comply with anti-money-laundering regulations. Residents and nonresidents may take out up to US$10,000 in foreign currency banknotes for travel. Larger amounts must be transferred via SWIFT and require travel documents—ticket/passport.
On imports	Yes.	
Domestic currency	Yes.	Travelers may import domestic currency banknotes up to the leone equivalent of US$10,000. Importation of leones exceeding US $10,000 must be done by licensed commercial banks.
Foreign currency	Yes.	Licensed commercial banks may import foreign currency to meet their operational requirements subject to justification of the use of the funds. Under the Anti-Money Laundering and Combating of Financing of Terrorism (AML/CFT) 2019 Law, people who leave or arrive in Sierra Leone with more than US$10,000 or other foreign currency in cash or negotiable bearer instruments on their person or in their luggage without declaration to the relevant authority commit an offense and are liable on conviction to forfeit the entire amount.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may hold foreign currency accounts in any foreign currency. These accounts, whose minimum balances vary from bank to bank, earn interest at a rate determined by commercial banks. They may be credited with funds from abroad or from another foreign currency account in compliance with the AML/CFT Act or with foreign currency banknote deposits. Withdrawal of banknotes for current international account payments is limited to US$10,000 and must comply with anti-money-laundering regulations. Larger payments are permitted by SWIFT transfers supported by documentation and in compliance with the AML/CFT Act. OTC foreign currency banknote withdrawals from customer foreign currency accounts are permitted up to US$10,000 a transaction or its equivalent in other convertible foreign currencies. Holders of foreign currency accounts may withdraw up to US$10,000 cash a transaction for travel and for per diem allowances. Larger payments for travel are permitted via SWIFT transfer, if supported by underlying documents. Customer foreign currency accounts may be used for

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		payments and transfers for current international transactions supported by underlying documentation and in compliance with the AML/CFT Act. All documented inward transfers by nonresidents to customer foreign currency accounts through the banking system that comply with that law may be repatriated without restriction. Payments of salaries and other emoluments in foreign currency banknotes to foreign expatriate staff of international organizations with valid work permits are permitted. Accredited foreign and diplomatic missions in Sierra Leone may withdraw foreign currency banknotes for their operations. Payments for capital account transactions by SWIFT transfers from residents' foreign currency accounts require BSL approval. Foreign currency transactions may take place freely through the banking system in compliance with the Exchange Control regulations and the AML/CFT Act. The leone is the legal tender in Sierra Leone and must be used for pricing goods and services.
Approval required	No.	
Held abroad	No.	Only licensed commercial banks are allowed to hold correspondent banking accounts abroad to meet their operational requirements.
Approval required	No.	
Accounts in domestic currency held abroad	No.	Accounts in leones may not be held abroad by residents or nonresidents.
Accounts in domestic currency convertible into foreign currency	Yes.	These accounts may be converted to foreign currency for current international transactions. Conversion for capital account transactions requires BSL approval.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may hold foreign currency accounts in any foreign currency. These accounts, whose minimum balances vary from bank to bank, earn interest at a rate determined by commercial banks. They may be credited with funds from abroad or from another foreign currency account done in compliance with the AML/CFT Act or with foreign currency banknote deposits. Withdrawal of banknotes to make current international account payments is limited to US $10,000 and must comply with anti-money-laundering regulations. Larger payments are permitted by SWIFT transfers supported by documentation and in compliance with the AML/CFT Act. OTC foreign currency banknote withdrawals from customer foreign currency accounts are permitted up to US$10,000 a transaction or its equivalent in other convertible foreign currencies. Holders of foreign currency accounts may withdraw up to US$10,000 cash a transaction for travel and per diem allowances. Payments above US$10,000 for travel are permitted via SWIFT transfer, if supported by underlying documents. Customer foreign currency accounts may be used for payments and transfers for current international transactions supported by underlying documentation and in compliance with the AML/CFT Act. All documented inward transfers by nonresidents through the banking system done in compliance with the AML/CFT Act into customer foreign currency accounts may be repatriated without restriction. Payments of salaries and other emoluments in foreign currency banknotes to foreign expatriate staff of international organizations with valid work permits are permitted. Accredited foreign and diplomatic missions in Sierra Leone are permitted to withdraw foreign currency banknotes for their operations. Payments for capital account transactions by SWIFT transfers from residents' foreign currency accounts require BSL approval. Foreign currency transactions through the banking system in compliance with the

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		Exchange Control regulations and the AML/CFT Act are unrestricted. The leone is the legal tender in Sierra Leone and is used for the pricing of goods and services.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may hold leone accounts. Accounts in leones held on behalf of diplomatic missions, UN agencies, and their accredited staff members are designated external accounts. Commercial banks may repatriate residual leone deposits of non–Sierra Leoneans funded from documented inward remittances without BSL approval.
Convertible into foreign currency	Yes.	Domestic currency balances of nonresidents may be converted to foreign currency for all current international transactions subject to compliance with regulations on payments for goods and services and the anti-money-laundering regulations.
Approval required	Yes.	No approval is required for current international transactions. Approval is required for capital account transactions.
Blocked accounts	Yes.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	As part of the anti-money-laundering measure "know your customer," payments for imports must be made for a registered business with a tax identification number. Payments for imports must be supported with (1) an original commercial invoice, (2) an original pro forma invoice in the case of LCs, (3) an original bill of lading or airway bill, and (4) customs documents showing that imports have arrived in Sierra Leone.
Domiciliation requirements	Yes.	Payments for imports must be done through the banking system.
Preshipment inspection	Yes.	Preshipment inspection is required.
Letters of credit	Yes.	As part of the anti-money-laundering measure "know your customer," payments for imports must be made for a registered business with a tax identification number. Payments for imports under LCs must be supported with a completed exchange control form (Form AI) and an original pro forma invoice. The following documents support the arrival of goods: (1) evidence of SWIFT payment, (2) original supplier invoice, (3) original bill of lading, and (4) customs entry form.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The importation of military goods, explosives, and cigarettes requires a license from the Ministry of Trade and Industry.

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Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The customs tariff rates are 0 on rice; 20% on dairy products, 15% on baby food; 15% on onions; 35% on assorted soft drinks; 20% on luxury consumer goods; 5% on plastic raw materials and petroleum products; and US$2 a liter for beverages with alcohol content above 10% and US$1.50 a liter for beverages with alcohol content below 10%. Certain goods are subject to a goods and services tax of 15%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	There is a minimum 30% repatriation requirement for all export proceeds on all agricultural and fisheries products. Notwithstanding any other law to the contrary, exporters of products such as coffee, cocoa, cashew nuts, palm oil, and vegetable oil and fishery and forest products are subject to the repatriation requirement. Exporters must repatriate proceeds within 90 days of exportation. BSL approval is required for an extension beyond 90 days. Exporters must complete an export form issued by a licensed commercial bank in Sierra Leone. Commercial banks endorsing export forms must ensure that the export proceeds are repatriated and credited to the exporter's foreign currency account.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	
Guarantees	No.	BSL approval is required for guarantees or any undertakings issued in foreign currency.
Domiciliation	Yes.	Export-related transactions must be carried out through a commercial bank in Sierra Leone.
Preshipment inspection	Yes.	Quality and weight certificates and inspection certificate are required.
Other	Yes.	Exporters of commodity goods must complete an export form endorsed by a commercial bank.
Export licenses	Yes.	
Without quotas	Yes.	Licenses are required to export agricultural and fishery products as well as gold and diamonds.
With quotas	No.	There are no export quotas.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Licensed exporters of diamonds and gold are subject to an export tax

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		of 3%. Licenses are valid for one year and are issued by the Ministry of Mines and Mineral Resources. Miners' royalty fees are 6.5% for diamonds (Koidu Holdings Kimberlite) and gold and 7% for exploration. Export tax proceeds are paid into the consolidated revenue fund for alluvial and large-scale mining companies.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Commercial banks are authorized to provide foreign exchange for legitimate expenses.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Amounts up to the original invoice value are allowed.
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Amounts up to the invoice value of the ticket are allowed. Residents and nonresidents may purchase from commercial banks cash, traveler's checks, and drafts up to US$10,000. Amounts above US$10,000 are permitted through SWIFT transfers supported by travel documents such as a ticket/passport.
Personal payments	Yes.	All personal payments must take place through SWIFT transfers supported by documentation.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payment for medical treatment abroad must be remitted directly to a medical doctor or medical institution. Requests for payment must be supported by a medical recommendation for treatment abroad and a medical bill from the institution abroad. Payments are allowed for living expenses of bona fide students and dependents, up to US $10,000 or its equivalent (indicative limit). ADs may remit payment for bona fide expenses to students and dependents above the indicative limit without restriction; payments for education expenses must be remitted directly to the institution and supported by documentation.
Foreign workers' wages	Yes.	All payments with respect to foreign workers' wages with a valid work permit must take place through SWIFT transfers.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Commercial banks may remit foreign exchange through SWIFT transfers for nonresident employees of international institutions and

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		agencies and foreign nongovernmental organizations up to the amount of the salary package and supported by a valid work permit, salary agreement, and tax clearance certificate.
Credit card use abroad	Yes.	Commercial banks do not issue credit cards, only debit cards.
Prior approval	No.	
Quantitative limits	Yes.	Cash withdrawal limits at home or abroad are US$10,000 or its leone equivalent. Debit card holders may access funds up to their available balances, and commercial banks set limits on daily withdrawals.
Indicative limits/bona fide test	Yes.	The maximum for cash withdrawal is US$10,000. Larger amounts must be paid by SWIFT transfers.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments for all other invisible transactions must be made directly to the beneficiary's account.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital account transactions are restricted or subject to authorization, except those explicitly allowed. All permissible capital account transactions must be effected through a licensed commercial bank in Sierra Leone. All permissible capital account transactions under the Exchange Control Act require BSL approval.
Repatriation requirements	Yes.	All funds accruing on foreign investments, as well as the capital on termination of the investment, must be repatriated to Sierra Leone through an AD. Proceeds from termination of permitted foreign investment must be repatriated within 90 days of termination. BSL approval is required for an extension beyond 90 days.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	The financial market is gradually being developed in Sierra Leone. Currently, there are three companies listed on the stock exchange.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	These transactions are permitted through the Sierra Leone Stock Exchange with funds transferred through the banking system for investment in a company incorporated in Sierra Leone.

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Sale or issue locally by nonresidents	Yes.	These transactions are permitted through the Sierra Leone Stock Exchange for a company incorporated in Sierra Leone.
Purchase abroad by residents	Yes.	Permission of the BSL is required both to purchase securities abroad and to transfer funds abroad for the purchase.
Sale or issue abroad by residents	Yes.	These transactions are allowed for a tradable investment in Sierra Leone done through an AD, and all proceeds must be repatriated through a licensed commercial bank in Sierra Leone. Permitted transactions are in the tradables and manufacturing sectors.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	These transactions are permitted through the Sierra Leone Stock Exchange with funds transferred through the banking system for a company incorporated in Sierra Leone. For government bonds, they must be held up to one year to maturity.
Sale or issue locally by nonresidents	Yes.	These transactions are permitted through the Sierra Leone Stock Exchange with funds transferred through the banking system for a company incorporated in Sierra Leone.
Purchase abroad by residents	Yes.	Permission of the BSL is required both to purchase securities abroad and to transfer funds abroad for the purchase.
Sale or issue abroad by residents	Yes.	These transactions are allowed for investments permitted in Sierra Leone, and all proceeds must be repatriated through a licensed commercial bank in Sierra Leone. Permitted transactions are in the tradables and manufacturing sectors.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	These transactions are not permitted.
Sale or issue locally by nonresidents	Yes.	BSL authorization is required.
Purchase abroad by residents	Yes.	These transactions are not permitted
Sale or issue abroad by residents	Yes.	These transactions are not permitted.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase securities in locally incorporated companies listed on the Sierra Leone Stock Exchange with collective investment funds brought in through the banking system for investment in a locally incorporated company.
Sale or issue locally by nonresidents	Yes.	These transactions are permitted when done through the Sierra Leone Stock Exchange for investment in a company incorporated in Sierra Leone.
Purchase abroad by residents	Yes.	These transactions are not permitted.
Sale or issue abroad by residents	Yes.	These transactions are permitted for transactions done through the banking system for investment in a company incorporated in Sierra Leone. All proceeds must be repatriated through a commercial bank.
Controls on derivatives and other instruments	Yes.	These instruments are not yet available in Sierra Leone.
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Controls on credit operations	Yes.	

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Commercial credits	Yes.	
By residents to nonresidents	Yes.	These transactions are limited to those done through the banking system for investments in a company incorporated in Sierra Leone. BSL approval is required.
To residents from nonresidents	Yes.	Transactions must be done through a commercial bank following BSL approval.
Financial credits	Yes.	
By residents to nonresidents	Yes.	BSL authorization is required for these transactions.
To residents from nonresidents	Yes.	BSL authorization is required for these transactions.
Guarantees, sureties, and financial backup facilities	Yes.	BSL authorization is required for these transactions.
By residents to nonresidents	Yes.	BSL authorization is required for these transactions.
To residents from nonresidents	Yes.	BSL authorization is required for these transactions.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	BSL authorization is required for these transactions.
Inward direct investment	No.	Inward direct investment in a locally incorporated company done through the banking system is permitted.
Controls on liquidation of direct investment	Yes.	Transfer of funds from the liquidation of direct investment done through the banking system is permitted up to the documented inward transfer of funds brought through the banking system for that investment. BSL authorization is required.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These transactions are not permitted.
Purchase locally by nonresidents	No.	Nonresidents may purchase real estate with funds transferred through ADs and in compliance with AML/CFT regulations.
Sale locally by nonresidents	No.	There are no restrictions on the sale of real estate locally by nonresidents if the initial purchase was made with funds brought in through the banking system.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	These transactions are not permitted.
To residents from nonresidents	Yes.	These transactions require BSL approval.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	These transactions are not permitted.
To residents from nonresidents	No.	These transactions are permitted.
Settlement of debts abroad by immigrants	Yes.	BSL authorization is required for these transactions.
Transfer of assets	Yes.	BSL authorization is required for these transactions.
Transfer abroad by emigrants	Yes.	BSL authorization is required for these transactions.
Transfer into the country by immigrants	No.	These transactions are permitted for transactions done through the banking system, subject to AML/CFT regulations.

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Transfer of gambling and prize earnings	No.	These transactions are permitted.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Commercial banks may not transact more than 25% of their capital base in foreign currency. This limit is applied on a monthly basis.
Borrowing abroad	Yes.	BSL authorization is required for these transactions. It is permitted to contract external loans fully covered by an external collateral acceptable to the lending institution. Proof of full documentation to assess the quality of the collateral must be available for inspection by the BSL.
Maintenance of accounts abroad	No.	Commercial banks are allowed to open correspondent accounts abroad.
Lending to nonresidents (financial or commercial credits)	Yes.	BSL authorization is required for these transactions.
Lending locally in foreign exchange	Yes.	Commercial banks are not permitted to lend in foreign currency. The BSL permits lending in foreign currency funded by resources from abroad.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These transactions are not permitted. Locally issued securities must be denominated in leones. Foreign currency brought through the banking system for purchases of securities issued through the Sierra Leone Stock Exchange is permitted.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	There is a 12% reserve requirement on domestic currency deposits; no reserve requirement is imposed on foreign currency deposits.
Liquid asset requirements	Yes.	The statutory liquidity requirement for domestic deposits requires that 40% of demand deposits and 20% of quasi-money be held in either cash or treasury bills. There is no liquidity requirement for foreign currency deposits.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	BSL approval is required for credit to nonresidents.
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Commercial banks must hold a maximum 15% net open position in each foreign currency relative to their capital base and a 25% aggregate net open position for all currencies relative to their capital base.
On nonresident assets and liabilities	Yes.	Commercial banks must hold a maximum 15% net open position in each foreign currency relative to their capital base and a 25% aggregate net open position for all currencies relative to their capital

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		base.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	There are no restrictions on investments in insurance companies through an AD, subject to the appropriate license. Limits for investment in insurance companies are guided by Section 52 of the Insurance Act 2000, which prescribes the allocation of insurance funds' investments. According to the Insurance Act, (1) with respect to life insurance funds, at least 50% of investments must be held in securities issued by the Government of Sierra Leone and 50% in other investments and (2) with respect to the other business insurance fund, the minimum portfolio allocation is (a) 25% in securities issued by the Government of Sierra Leone and (b) 75% in other investments.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	These transactions are not permitted.
Limits (min.) on investment portfolio held locally	Yes.	According to the Insurance Act, (1) with respect to life insurance funds, at least 50% of investment must be in securities issued by the Government of Sierra Leone and 50% in other investments and (2) with respect to the other business insurance fund, the minimum portfolio allocation is (a) 25% in securities issued by the Government of Sierra Leone and (b) 75% in other investments.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	Pension funds and insurance companies invest in government securities, equities, and real estate, but not in derivatives abroad. Large insurance companies, such as the National Insurance Company, have foreign equity investments in Ecobank Group and WAICA Re. There are specific laws and guidelines for investment, including local purchases of securities by insurance companies and pension funds. There are also recognized internal controls regarding investment abroad, including the National Social Security and Insurance Trust statement of investment strategy and policy (2015–2017). According to Section 8.3.5 on offshore investments, the Trust's funds may be invested in offshore fixed-income securities or equity traded on regulated stock markets. In this regard, the Trust will use the services of professional fund managers. The Board may periodically review the exposure limits in this area in light of global economic trends. Specific investment limits for pension funds are outlined in the National Social Security and Insurance Trust investment policy.
Limits (max.) on securities issued by nonresidents	No.	There is no maximum limit on securities issued by nonresidents via the Sierra Leone Stock Exchange to finance a locally incorporated company.
Limits (max.) on investment portfolio held abroad	Yes.	These transactions are not permitted.
Limits (min.) on investment portfolio held locally	No.	There is no limit on investments in portfolios held locally carried out through the banking system.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Investment by investment firms and collective investment funds done through the banking system to support a locally incorporated company is permitted.
Limits (max.) on securities issued by nonresidents	No.	There are no limits on securities issued via the Sierra Leone Stock Exchange by nonresidents for locally incorporated companies.
Limits (max.) on investment portfolio	Yes.	These transactions are not permitted.

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held abroad		
Limits (min.) on investment portfolio held locally	No.	There are no limits on investments of portfolios held locally carried out through the banking system.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.

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Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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SINGAPORE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 3, 1966.
Article VIII	Yes.	Date of acceptance: November 9, 1968.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Singapore's exchange restrictions are in accordance with UNSC resolutions. These include requirements for financial institutions and variable capital companies to freeze the funds, financial assets, and economic resources of, and prevent financial transactions with, designated individuals and entities with respect to the Democratic Republic of the Congo, the Islamic Republic of Iran, the Democratic People's Republic of Korea, Libya, Somalia, Sudan, South Sudan, and Yemen, pursuant to the relevant Monetary Authority of Singapore (MAS) Regulations and Variable Capital Companies (Sanctions and Freezing of Assets of Persons) Regulations. In accordance with UNSC resolutions, Singapore also prohibits nonfinancial institutions from dealing with property or assets, providing certain services, and supplying certain items to designated entities and individuals with respect to the Mali, Central African Republic, Democratic Republic of the Congo, Iran, the Democratic People's Republic of Korea, Sudan, South Sudan, and Yemen. In addition, all other persons in Singapore have to freeze the assets and not deal with or provide financial assistance to individuals and entities associated with terrorism pursuant to the Terrorism (Suppression of Financing) Act. The freezing obligations and prohibitions include all persons designated pursuant to the UNSC 1267/1988/1989 and subsequent USNC.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Singapore is the Singapore dollar.
Other legal tender	No.	Singapore and Brunei currency notes and coins are freely interchangeable at par without charge in Singapore and Brunei Darussalam.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		

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Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is other managed. The authorities manage the exchange rate as an intermediate target of monetary policy, with the objective of maintaining price stability as a sound basis for sustainable economic growth. The Singapore dollar is allowed to fluctuate within a targeted policy band and is managed against a basket of currencies of the country's major trading partners. Currencies in the basket are assigned weights in accordance with the importance of the countries in Singapore's trade relations with the world. The exchange rate policy is announced every six months in the Monetary Policy Statement, typically in terms of changes to the slope, central rate, and width of the policy band. In response to changing macroeconomic conditions, the policy parameters may also be adjusted outside the regular biannual cycle. The MAS intervenes through agents and publishes data on its foreign exchange intervention operations. The data comprise MAS' net purchases of foreign exchange from its intervention operations on a six-month aggregated basis, and with a three-month lag from the end of the period. In October 2021, MAS slightly increased the rate of appreciation of the Singapore dollar nominal effective exchange rate (S$NEER) policy band, from 0% previously. In January 2022, MAS added slightly to the rate of appreciation of the band. In April 2022, MAS re-centered upwards the S$NEER policy band and further increased its rate of appreciation. In October 2022, MAS re-centered upwards the S$NEER policy band and kept the rate of appreciation unchanged. In April 2023, MAS maintained the prevailing rate of appreciation, width, and level of the S$NEER policy band. Since December 2021, the exchange rate has followed a depreciating trend within a 2% band against the S$NEER with one realignment in October 2022. Therefore, the de facto exchange rate arrangement was reclassified retroactively to crawl-like from stabilized, effective December 3, 2021.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	No.	The MAS publishes bilateral rates on its website, which are taken directly from Refinitiv.
Monetary policy framework		
Exchange rate anchor	Yes.	

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U.S. dollar		
Euro		
Composite	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis a composite.
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		

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Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks freely set their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Money-changing and cross-border money transfer service providers are licensed by the MAS under the Payment Services Act. Licensed payment service providers can apply to MAS for a temporary cessation of their business, for a duration of up to six months. As of December 31, 2022, there are 274 licensed payment institutions providing money-changing services, of which 43 have temporarily ceased their business. As of December 31, 2022, there are 178 cross-border money transfer services, of which 2 have temporarily ceased their business.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	No exchange control formalities or approvals are required for payments or capital transfers under MAS Notice No. 754 of May 1978. The MAS intervenes through agents at market rates. All licensed banks can operate in the interbank foreign exchange market (that is, there is no specific license for operating in the interbank market).
Over the counter	Yes.	Banks are free to purchase or sell foreign exchange to each other in the OTC foreign exchange market.
Brokerage	Yes.	The foreign exchange market generally operates via brokers, with no restriction on bid-ask spreads or commissions.
Market making	Yes.	There is no designated market maker.
Forward exchange market	Yes.	Banks may hedge their exchange rate risk through forward foreign exchange transactions. MAS participates in the foreign exchange swaps market as part of its money market operations to manage banking system liquidity.
Official cover of forward operations	No.	The MAS covers its own forward positions fully; however, forward positions of other entities in the interbank foreign exchange market are managed without official cover.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	

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Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	Since April 29, 2021, the MAS and Bank of Thailand launched the linkage of Singapore's PayNow and Thailand's PromptPay real-time retail payment systems. The service allows customers of participating banks in Singapore and Thailand to transfer funds across the two countries using the recipient's mobile number as proxy, without the need for recipient's full name and bank account details as with normal remittance solutions. Effective February 21, 2023, the MAS and Reserve Bank of India launched the linkage between Singapore's PayNow and India's Unified Payments Interface. The service enables customers of participating financial institutions in Singapore and India to send and receive funds between bank accounts or e-wallets across the two countries in real-time. They can do this using just the recipient's mobile phone number, Unified Payments Interface identity, or Virtual Payment Address. The MAS and Bank Negara Malaysia aims to launch a linkage between Singapore's PayNow and Malaysia's DuitNow real-time payment systems in end-2023.
Inoperative	No.	
Regional arrangements	Yes.	Network for Electronic Transfers (NETS), Singapore's domestic debit card network operator is a member of the Asian Payment Network.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Singapore has no exchange controls; however, the MAS is responsible for exchange control matters.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	Singapore has implemented measures intended to detect and monitor the movement of physical currency and bearer negotiable instruments (collectively referred to as CBNI) into and out of Singapore. The threshold for reporting of cross-border movements of CBNI is S$20,000. Any person who moves CBNI exceeding S$20,000 or its equivalent in a foreign currency into or out of

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		Singapore must submit a report. Any person who receives CBNI exceeding the prescribed amount from outside Singapore is also required to report it within five business days. These measures are set forth in the Corruption, Drug Trafficking, and Other Serious Crimes (Confiscation of Benefits) Act (CDSA). This is intended as an anti-money-laundering and counterterrorism financing measure in line with the FATF standards (see Recommendation 32) and is not an exchange control measure. There are no restrictions on the type or amount of CBNI that may be moved into or out of Singapore.
On exports	No.	
Domestic currency	No.	Any person who moves CBNI exceeding S$20,000 out of Singapore must submit a report to the appropriate authorities.
Foreign currency	No.	Any person who moves CBNI exceeding the equivalent of S$20,000 in foreign currency out of Singapore is required to report it to the appropriate authorities.
On imports	No.	
Domestic currency	No.	Any person who moves CBNI exceeding S$20,000 into Singapore is required to report it to the appropriate authorities. Individuals who receive CBNI exceeding S$20,000 from outside Singapore must report it within five business days.
Foreign currency	No.	Any person who moves CBNI exceeding the equivalent of S$20,000 in a foreign currency into Singapore is required to report it to the appropriate authorities. Individuals who receive CBNI exceeding the equivalent of S$20,000 in a foreign currency from outside Singapore must report it within five business days.

Resident Accounts

Foreign exchange accounts permitted	Yes.	MAS Notice No. 754 of May 25, 1978, states that "all persons are exempt from the provisions, obligations, etc., imposed under the various sections of the Exchange Control Act (Chapter 245)" and "no exchange control formalities or approvals are required for any form of payment or capital transfer."
Held domestically	Yes.	Balances in foreign exchange accounts held domestically may be transferred abroad/domestically freely.
Approval required	No.	
Held abroad	Yes.	Balances in foreign exchange accounts held abroad may be transferred freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	MAS Notice No. 754 of May 25, 1978, states that "all persons are exempt from the provisions, obligations, etc., imposed under the various sections of the Exchange Control Act (Chapter 245)" and "no exchange control formalities or approvals are required for any form of payment or capital transfer."
Approval required	No.	
Domestic currency accounts	Yes.	There are no restrictions on the transfer of balances in domestic currency accounts by nonresidents.

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Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Singapore has a list of import licenses that we maintain. This can be found in Singapore's notification to the WTO on Singapore's import licensing procedures.
Negative list	Yes.	Singapore has a list of import licenses that we maintain. This can be found in Singapore's notification to the WTO on Singapore's import licensing procedures.
Open general licenses	Yes.	Singapore has a list of import licenses that we maintain. This can be found in Singapore's notification to the WTO on Singapore's import licensing procedures.
Licenses with quotas	No.	
Other nontariff measures	Yes.	Singapore has a list of import licenses that we maintain. This can be found in Singapore's notification to the WTO on Singapore's import licensing procedures.
Import taxes and/or tariffs	Yes.	Customs duties are levied on imports of beer, stout, samsu, and medical samsu. Customs duties levied on samsu and medical samsu were temporarily eliminated under the Declaration on Trade in Essential Goods for Combating the COVID-19 Pandemic. These custom duties were reimposed effective July 1, 2022.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.

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Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are required for exports of certain items, such as hazardous waste, wildlife and endangered species, irradiating apparatus/radioactive materials, live poultry/livestock and live animals, meat and fish products, and rubber products. Singapore also prohibits the exportation of certain goods to (including goods in transit bound for) countries or territories prohibited and/or sanctioned under the UNSC Resolutions.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	Singapore does not impose export taxes.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.

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Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	There are no restrictions on sales and issuance locally by nonresidents. However, nonresident financial entities must convert Singapore dollar proceeds in excess of S$5 million from Singapore dollar loans, equity listings, and bond issuances to foreign currency before using such funds to finance activities outside Singapore. Offers of capital market products as defined under the Securities and Futures Act (Cap. 289) (including shares, debentures, and collective investment schemes) to investors in Singapore require a prospectus, unless exempted. An offer may be exempt from prospectus requirements where the offer is a small offer that does not exceed S $5 million (or its equivalent in a foreign currency) within any 12-month period (subject to certain conditions); a private placement offer made to no more than 50 persons within any 12-month period (subject to certain conditions); and offer to accredited investors (subject to certain conditions); or an offer to institutional investors.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	There is no minimum holding period requirement for debt securities purchased locally by nonresidents.
Sale or issue locally by nonresidents	No.	There are no restrictions on sales and issuance locally by nonresidents. However, nonresident financial entities must convert Singapore dollar proceeds in excess of S$5 million from Singapore dollar loans, equity listings, and bond issuances to foreign currency before using such funds to finance activities outside Singapore. Offers of capital market products as defined under the Securities and Futures Act (Cap. 289) (including shares, debentures, and collective investment schemes) to investors in Singapore require a prospectus, unless exempted. An offer may be exempt from prospectus requirements where the offer is a small offer that does not exceed S $5 million (or its equivalent in a foreign currency) within any 12-month period (subject to certain conditions); a private placement offer made to no more than 50 persons within any 12-month period (subject to certain conditions); and offer to accredited investors (subject to certain conditions); or an offer to institutional investors.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	There are no restrictions on sales and issuance locally by

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		nonresidents. However, nonresident financial entities must convert Singapore dollar proceeds in excess of S$5 million from Singapore dollar loans, equity listings, and bond issuances to foreign currency before using such funds to finance activities outside Singapore. Offers of capital market products as defined under the Securities and Futures Act (Cap. 289) (including shares, debentures, and collective investment schemes) to investors in Singapore require a prospectus, unless exempted. An offer may be exempt from prospectus requirements where the offer is a small offer that does not exceed S $5 million (or its equivalent in a foreign currency) within any 12-month period (subject to certain conditions); a private placement offer made to no more than 50 persons within any 12-month period (subject to certain conditions); and offer to accredited investors (subject to certain conditions); or an offer to institutional investors.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Banks may lend in Singapore dollars to nonresident financial institutions for any purpose in Singapore or elsewhere as long as the aggregate credit facilities do not exceed S$5 million an entity. For larger amounts, the following conditions apply: (1) If the proceeds in Singapore dollars are to be used outside Singapore, banks must ensure that they are swapped or converted to foreign currency on drawdown. (2) Banks may extend temporary overdrafts in any amount to vostro accounts of nonresident financial institutions to prevent settlement failure, but must make a reasonable effort to ensure that overdrafts are covered within two business days. (3) Banks must not extend credit facilities in Singapore dollars to nonresident financial institutions if there is reason to believe that the proceeds will be used for local currency speculation. Banks must report monthly to the MAS their aggregate outstanding lending in Singapore dollars to nonresident financial institutions. This requirement does not apply to lending in Singapore dollars to individuals and nonfinancial institutions (including corporate treasury centers).
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Foreigners may freely buy all types of residential units, except landed property and public housing. Foreigners who wish to purchase landed properties must obtain approval from the Singapore Land Authority. Effective April 27, 2023, Additional Buyer's Stamp Duty (ABSD) imposed on certain categories of residential property purchases was increase to the following rates: 20% (from 17%) applies for Singapore citizens buying a second residential property; 30% (from 25%) for Singapore citizens buying a third or subsequent property; 5% (no change) for permanent residents buying first residential property; 30% (from 25%) for permanent residents buying a second property; 35% (from 30%) for permanent residents buying a third or subsequent property; 60% (from 30%) for foreign individuals buying any residential property; and 65% (from 35%) for local and foreign non-individuals (that is, entities) buying any residential property as well as an additional ABSD of 5% (no change) for developers – the latter is non-remittable (that is, nonrefundable) and must be paid on purchase of the residential property. Developers who meet certain conditions may qualify for a remission from the government of the ABSD of 35% (no change). Effective May 9, 2022, any transfer of residential property into a living trust is subject to an ABSD rate of 35%.
Sale locally by nonresidents	Yes.	There are no specific restrictions for foreigners on the sale of nonlanded private property. However, the seller stamp duty (SSD) was introduced in February 2010 for all residential property and residential land sold within one year of purchase. Currently, the holding period for SSD stands at three years, and the SSD rates are 12%, 8%, and 4% for residential property sold in the first, second, or third year of purchase, respectively. Foreigners who buy landed private property with approval may not sell it before five years from the date of purchase—if the property is under construction, or before five years from the issuance of the temporary occupation permit or certificate of statutory completion, whichever is earlier. Foreigners may not buy or own public housing.
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Singapore dollar credit facilities include loans, contingent credit lines, and foreign exchange swaps involving a sale of Singapore dollars to a nonresident financial institution in the first leg of the transaction. Banks may lend in Singapore dollars to nonresident financial institutions for any purpose in Singapore or elsewhere as long as the aggregate credit facilities do not exceed S$5 million an entity. For larger amounts, the following conditions apply: (1) If the proceeds in Singapore dollars are to be used outside Singapore, banks must ensure that they are swapped or converted to foreign currency on drawdown. (2) Banks may extend temporary overdrafts in any amount to vostro accounts of nonresident financial institutions for the purpose of preventing settlement failure. However, banks must make a reasonable effort to ensure that the overdrafts are covered within two business days. (3) Banks must not extend credit facilities in Singapore dollars to nonresident financial institutions if there is reason to believe that the proceeds will be used for local currency speculation. Banks must report monthly to the MAS their aggregate outstanding lending in Singapore dollars to nonresident financial institutions. This requirement does not apply to lending in Singapore dollars to individuals and nonfinancial institutions (including corporate treasury centers).
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Foreign currency deposits accepted by banks in Singapore are not subject to reserve requirements. Banks must, during each two-week maintenance period, maintain in its Current Account and Custody Cash Account, an aggregate average minimum cash balance of at least 3% of its average Qualifying Liabilities computed during a two-week computation period. On a daily basis, banks' end-of-day aggregate cash balance must not be below 2%, while aggregate cash balances in excess of 4% are disregarded when computing the average aggregate cash balance

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		requirement of 3%.
Liquid asset requirements	Yes.	The liquid asset requirements for banks incorporated and headquartered in Singapore were revised, after January 1, 2015, in line with the global implementation of the LCR rules. For all other banks in Singapore, the requirements came into force January 1, 2016. Banks in Singapore must comply either with the LCR or with the minimum liquid assets (MLA) requirement. Banks complying with the LCR must ensure that they hold sufficient high-quality liquid assets in any currency to meet their expected net cash outflow in any currency. In addition, banks must ensure that they hold sufficient high-quality liquid assets in Singapore dollars to meet their expected net cash outflow in Singapore dollars. The expected net cash outflow also includes outflows expected from deposits. As of January 1, 2019, banks incorporated and headquartered in Singapore must maintain at all times a Singapore dollar LCR of at least 100% and an all-currency LCR of at least 100%. Any other bank notified by MAS that it is a domestic systemically important bank, or a bank that elects to comply with the LCR framework, must maintain at all times a Singapore dollar LCR requirement of 100% and an all-currency LCR requirement of 50%. Any bank that has been notified by MAS that it is an internationally active bank must also maintain at all times a Singapore dollar LCR of at least 100% and an all-currency LCR of at least 100%. In addition, any bank that is not a domestic systemically important bank or an internationally active bank may choose to comply with either the MLA or the LCR requirement, regardless of whether the bank is incorporated and headquartered in Singapore. Banks complying with the MLA requirement must ensure that they hold sufficient liquid assets in any currency amounting to no less than 16% of the value of their qualifying liabilities (a subset of the bank's liabilities) in any currency. In addition, banks must ensure that they hold sufficient liquid assets in Singapore dollars amounting to no less than 16% of the value of their qualifying liabilities in Singapore dollars. Qualifying liabilities include, among others, amounts because of nonbank customers such as deposits.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	No.	
In banks by nonresidents	Yes.	There are no specific restrictions on investments in banks by nonresidents. Although investments in banks are subject to prudential limits and approvals, the provisions are not exchange related. These

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		requirements also apply to all individuals, regardless of their residency or citizenship status, and to all bodies corporate and unincorporated, whether operating in Singapore or not. The requirements state that no person may become a substantial shareholder (that is, 5%), 12% controller, 20% controller, or indirect controller of (1) a bank incorporated in Singapore or (2) a financial holding company without approval of the minister. The minister may approve the application, if the authority is satisfied that (1) the person is a fit and proper person; (2) under the likely influence of the person, the designated financial institution will or will continue to conduct its business prudently and comply with the provisions of the law; and (3) if the minister is satisfied that the acquisition is in the national interest.
Open foreign exchange position limits	No.	No limits are set by the MAS, but it reviews the internal control systems of banks to ensure that adequate limits and controls are established for treasury activities.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Risk requirements apply. Insurers are required to maintain sufficient financial resources to meet the total risk requirements at adjusted fund level and for the company as a whole. The total risk requirement includes a risk requirement of 12% on the foreign currency mismatch risk, which is calculated as the aggregate of net foreign currency open positions of the insurer minus 10% (or 20%) of the total value of assets in the insurance fund for Singapore policies (or for offshore policies). Foreign currency assets that match foreign currency liabilities are excluded from the calculation of the foreign currency mismatch risk. Insurers are required to fulfill a concentration risk requirement if the foreign currency mismatch exceeds 40% of total assets.
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio	No.	

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held abroad	
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.

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Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

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Exchange Arrangement

Classification

Crawl-like arrangement	*01/01/2022*	Since December 2021, the exchange rate has followed a depreciating trend within a 2% band against the S$NEER with one realignment in October 2022. Therefore, the de facto exchange rate arrangement was reclassified retroactively to crawl-like from stabilized, effective December 3, 2021. The change is reflected as of January 1, 2022, corresponding to the first day of the period covered in this year's Annual Report on Exchange Arrangements and Exchange Restrictions.

Arrangements for Payments and Receipts

Payments arrangements

Bilateral payments arrangements

Operative	*02/21/2023*	The Monetary Authority of Singapore and Reserve Bank of India launched the linkage between Singapore's PayNow and India's Unified Payments Interface (UPI). The service enables customers of participating financial institutions in Singapore and India to send and receive funds between bank accounts or e-wallets across the two countries in real-time. They can do this using just the recipient's mobile phone number, UPI identity, or Virtual Payment Address.

Imports and Import Payments

Import taxes and/or tariffs	*07/01/2022*	Customs duties levied on samsu and medical samsu were reimposed after temporary exemption under the Declaration on Trade in Essential Goods for Combating the COVID-19 Pandemic. These custom duties became effective.

Capital Transactions

Controls on capital transactions

Controls on real estate transactions		
Purchase locally by nonresidents	*05/09/2022*	Any transfer of residential property into a living trust is subject to an Additional Buyer's Stamp Duty (ABSD) rate of 35%.
	04/27/2023	ABSD imposed on certain categories of residential property purchases was increase to the following rates: - 20% (from 17%) applies for Singapore citizens buying a second residential property; - 30% (from 25%) for Singapore citizens buying a third or subsequent property; - 30% (from 25%) for permanent residents buying a second property; - 35% (from 30%) for permanent residents buying a third or subsequent property; - 60% (from 30%) for foreign individuals buying any residential property; and - 65% (from 35%) for local and foreign non-individuals (that is, entities) buying any residential property.

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SLOVAK REPUBLIC

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		January 1, 1993.
Article VIII	Yes.	Date of acceptance: October 1, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	The Slovak Republic maintains certain exchange restrictions in accordance with EC regulations solely for national and international security reasons. These include the freezing of funds and economic resources of those responsible for the violation of international electoral standards in the presidential elections in Belarus on March 19, 2006, and the crackdown on civil society and democratic opposition and natural or legal persons, entities, and bodies associated with them; certain persons indicted by the International Criminal Tribunal for the Former Yugoslavia in Bosnia and Herzegovina; Democratic Republic of the Congo; certain persons who threaten the peace and national reconciliation process in Côte d'Ivoire; Egypt; Eritrea; Guinea (Conakry); Guinea-Bissau; and the Islamic Republic of Iran; certain persons and entities in Iraq; the Democratic People's Republic of Korea; Lebanon; persons and entities associated with former President Charles Taylor in Liberia; listed persons, entities, and bodies of Libya; Russia; Somalia; former President Slobodan Milosevic and natural persons associated with him and certain persons indicted by the International Criminal Tribunal for the Former Yugoslavia in Serbia and Montenegro; Sudan; Syria; Tunisia; Ukraine (as amended); Zimbabwe; persons and entities associated with Osama bin Laden, Al-Qaida, and the Taliban; and certain other persons, groups, and entities, with a view to combating terrorism. On May 22, 2014, the authorities notified the IMF of certain exchange restrictions in accordance with EU Council regulations solely for national and international security reasons.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the Slovak Republic is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		

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Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. The Slovak Republic participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs within and outside the European System of Central Banks. The reference rates are usually updated around 16:00 Central European Time on every working day, except on TARGET (Trans-European Automated Real-time Gross Settlement Express Transfer) closing days. They are based on a regular daily concertation procedure between CBs across Europe, which, effective April 3, 2023, normally takes place at 14:15 Central European Time. The reference rate against the euro is the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		

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Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.

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Spot exchange market	Yes.	As of December 31, 2022, 421 bureaus had been licensed to provide foreign exchange services (for currency exchange activity, including the purchase and sale of funds in foreign currency for euros in cash) to the public. The National Bank of Slovakia (Národná banka Slovenska (NBS)) issues foreign exchange licenses for trading in foreign exchange assets and for foreign exchange services. Institutions licensed by the NBS may conduct noncash transactions in foreign currency and make payments and transfers on behalf of their clients.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	As of December 31, 2022, there were 12 licensed credit institutions in the interbank market.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	The interbank market operates on the basis of a market-making agreement, under which participants commit to a maximum spread and a minimum amount to trade.
Forward exchange market	Yes.	The NBS conducts foreign exchange swaps and forwards for hedging currency risk and for managing foreign portfolios.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.
Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.

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Barter agreements and open accounts	No.	
Administration of control	Yes.	The foreign exchange authorities are the MOF and the NBS. The MOF has jurisdiction in matters relating to other ministries and central bodies of government administration, budgetary and subsidized government organizations, special-purpose government funds, legal entities established by separate legislation with financial ties to the national budget, and local communities and their budgetary and subsidized organizations. The MOF maintains foreign exchange records and documents pertaining to interstate negotiations on property claims and implements the results of these negotiations within the country. The NBS exercises jurisdiction over residents other than those specified above and over nonresidents.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Natural persons leaving the EU to third countries and carrying cash of a value of €10,000 or more must declare that sum to the relevant authorities of the member through which they enter or leave the EU. This declaration requirement is updated by Regulation (EU) No. 2018/1672. The power to carry out controls aimed at the control of movement of cash is embedded in Article 5 of the new regulation and is complemented by § 4 of Act No. 199/2004 Coll. Customs Code as amended by Act No. 186/2021, where the competence of customs authorities to control fulfilment of obligations arising from Regulation No. 2018/1672 is established.
Foreign currency	No.	Natural persons leaving the EU to third countries and carrying cash of a value of €10,000 or more must declare that sum to the relevant authorities of the member through which they enter or leave the EU. This declaration requirement is updated by Regulation (EU) No. 2018/1672. The power to carry out controls aimed at the control of movement of cash is embedded in Article 5 of the new regulation and is complemented by § 4 of Act No. 199/2004 Coll. Customs Code as amended by Act No. 186/2021, where the competence of customs authorities to control fulfilment of obligations arising from Regulation No. 2018/1672 is established.
On imports	No.	
Domestic currency	No.	Natural persons entering the EU from third countries and carrying cash of a value of €10,000 or more must declare that sum to the relevant authorities of the member through which they enter or leave the EU. This declaration requirement is updated by Regulation (EU) No. 2018/1672. The power to carry out controls aimed at the control of movement of cash is embedded in Article 5 of the new regulation and is complemented by § 4 of Act No. 199/2004 Coll. Customs Code as amended by Act No. 186/2021, where the competence of customs authorities to control fulfilment of obligations arising from

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		Regulation No. 2018/1672 is established.
Foreign currency	No.	Natural persons entering the EU from third countries and carrying cash of a value of €10,000 or more must declare that sum to the relevant authorities of the member through which they enter or leave the EU. This declaration requirement is updated by Regulation (EU) No. 2018/1672. The power to carry out controls aimed at the control of movement of cash is embedded in Article 5 of the new regulation and is complemented by § 4 of Act No. 199/2004 Coll. Customs Code as amended by Act No. 186/2021, where the competence of customs authorities to control fulfilment of obligations arising from Regulation No. 2018/1672 is established.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange accounts are permitted, and balances may be transferred abroad freely in accordance with the law.
Approval required	No.	
Held abroad	Yes.	Foreign exchange accounts are permitted, and balances may be transferred abroad freely in accordance with the law.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	Accounts in domestic currency are convertible to foreign currency in accordance with the law.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts are permitted, and balances may be transferred abroad freely in accordance with the law.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Accounts in domestic currency are convertible to foreign currency in accordance with the law.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.
Domiciliation requirements	No.
Preshipment inspection	No.

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Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	The EU has the exclusive responsibility for applying the common commercial policy, including import licenses and other nontariff measures. The Slovak Republic accepted and fully implemented the EU regulations on common trade and agricultural policies on the date of its accession to the EU. Consolidated text: Regulation (EU) 2019/1148 of the European Parliament and of the Council of June 20, 2019on the marketing and use of explosives precursors, amending Regulation (EC) No. 1907/2006 and repealing Regulation (EU) No. 98/2013 (Text with EEA relevance), is in force.
Positive list	No.	
Negative list	No.	
Open general licenses	Yes.	Act No. 392/2011 Coll. on Trading with Defense Industry Product and on amendments and supplements to certain acts.
Licenses with quotas	Yes.	The EU import licensing system is in place to manage imports of specific products subject to quantitative restrictions, safeguard measures, or import surveillance. The EU currently maintains more than 130 tariff quotas, mostly on agricultural products, which allow certain goods to be imported into the EU at a lower level of duty than would usually apply. These quotas are administered through import licenses and apply to imports of certain items under the EU Common Customs Tariff related to beef, sheep, goats, chicken, turkey, fish, milk, eggs, potatoes, fruit and vegetables, wheat, barley, rice, maize, mushrooms, sausages, sugar, fruit juice, chocolate, pasta, and wine. The EU's common licensing system and quotas apply to imports of textiles from the Democratic People's Republic of Korea and wood from Russia. Consolidated text: Commission Implementing No. 498/2012 of June 12, 2012, on the allocation of tariff-rate quotas for imports of wood in the categories spruce or silver fir and pine is in effect (Annex I). The Commission allocates tariff quotas based on whether an importer is "traditional" or "new," and the allocation of tariff quotas depends on when the importer submitted its application. Commission Implementing Regulation (EU) No. 2016/2148 of December 7, 2016, laying down rules for the management and distribution of textile quotas was established for the year 2017 under Regulation (EU) No. 2015/936 of the European Parliament and of the Council. Regulation (EU) No. 2015/936 of the European Parliament and of the Council of June 9, 2015, on common rules for imports of textile products from certain third countries not covered by bilateral agreements, protocols, or other arrangements, or by other specific union import rules is in effect.
Other nontariff measures	Yes.	Certain measures are imposed for environmental, health, safety, sanitary, and phytosanitary reasons. Moreover, the EU imposes trade and economic sanctions in accordance with resolutions of the UNSC.
Import taxes and/or tariffs	Yes.	The EU Common Customs Tariff system, including preferential tariffs, applies; the EU GSP applies to imports from developing economies. The availability and scope of tariff preferences within the GSP depend on the arrangement with the beneficiary country. The following arrangements are available under the GSP: (1) a general arrangement, (2) a special incentive arrangement for sustainable development and good governance, and (3) a special arrangement for the least developed countries. Imported goods are subject to VAT and excise duties (mineral oil, alcoholic beverages, tobacco products,

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		electricity, coal, and natural gas, with certain exceptions). Tariffs are based on Commission Implementing Regulation (EU) No. 2021/1832 – Common Customs Tariff for 2022 and Council Regulation (EU) No. 1387/2013 as amended.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are required for (1) dangerous chemicals, drug precursors; (2) firearms and ammunition; (3) dual-use goods and technologies; (4) certain goods that could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment; (5) military equipment; (6) chemical warfare agents, (7) and import of woods. Consolidated text: Regulation (EU) No. 2019/125 of the European Parliament and of the Council of January 16, 2019, concerning trade in certain goods, which could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment or punishment (codification), applies. The Arms Trade Treaty is in effect in the Slovak Republic. Ministry of Economy Decree No. 2/2019 amended the list of defense-related products. Decree No. 1/2012 of the Ministry of Economy – revised list of debased defense-related products that may become commodities of collecting activities applies.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	

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Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Official travel by employees of budgetary and subsidized organizations is subject to allowances, depending on the country of destination. The MOF is responsible for determining the allowances.
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	In general, the sale or purchase of financial instruments in the Slovak Republic falls, if certain conditions are met, under the category of provision of investment services, which is a regulated activity. Nonresidents are allowed to provide investment services in the Slovak Republic, if they are granted a license issued by the NBS or after notification from another EEA member, if they are granted a license in that particular EEA member country. The provision of investment services in another EEA member country, by residents licensed by the NBS, is subject to notification from the NBS to that particular EEA member. The issuance of securities in the Slovak Republic is, as a general rule, regulated, whether this activity is carried out by residents or nonresidents.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the purchase of shares or other securities of a participating nature that may be affected by regulations on inward direct investment in airlines by nonresidents from non-EU countries and on gambling. A license for gambling operations by legal entities with foreign participation is granted only if the entity has a registered office or permanent residence in an EU or OECD country.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	There are restrictions for pension funds. Pension funds' assets may only include transferable securities admitted to trading on (1) the listed securities market of a stock exchange; (2) the listed securities market of a foreign stock exchange having its registered office in a Member State of the EU; or (3) another regulated market having its registered office in a state which is a member of the EEA and which is included in the list published by the European Commission; if the regulated market is in a Member State that is not a member of the EEA, "another regulated market" means a market satisfying conditions equivalent to conditions applicable to regulated markets within the EEA. Other securities may be permitted under certain circumstances in accordance with Article 81 of Act No. 43/2004. The sum of investments in (1) securities issued by a single group of legal persons which are transferable securities, money market instruments, shares/units of open-end investment funds, and/or securities of foreign collective investment undertakings or other foreign collective investment undertakings, (2) deposits held with

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		that group of legal persons, and (3) large exposures to that group arising from financial derivative transactions and hedging transactions may not constitute more than 20% of the NAV of a pension fund. The value of transferable securities and money market instruments issued or guaranteed by one Member State or by the ECB, the World Bank, the EBRD, or the IMF, may not constitute more than 20% of the NAV of the pension fund. Supplementary pension management companies (SPMCs) may not invest in shares/units of standard European investment funds, shares/units of special investment funds or shares/units of special investment funds or of other collective investment undertakings which may, under their rules or similar documents, invest more than 10% of their NAV in shares/units of other investments funds or securities of foreign collective investment undertakings.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	There are restrictions for pension funds. Pension funds' assets may only include transferable securities admitted to trading on (1) the listed securities market of a stock exchange; (2) the listed securities market of a foreign stock exchange having its registered office in a Member State of the EU; or (3) another regulated market having its registered office in a state which is a member of the EEA and which is included in the list published by the European Commission; if the regulated market is in a Member State that is not a member of the EEA, "another regulated market" means a market satisfying conditions equivalent to conditions applicable to regulated markets within the EEA. Other securities may be permitted under certain circumstances in accordance with Article 81 of Act No. 43/2004. The sum of investments in (1) securities issued by a single group of legal persons which are transferable securities, money market instruments, shares/units of open-end investment funds, and/or securities of foreign collective investment undertakings or other foreign collective investment undertakings, (2) deposits held with that group of legal persons, and (3) large exposures to that group arising from financial derivative transactions and hedging transactions may not constitute more than 20% of the NAV of a pension fund. The value of transferable securities and money market instruments issued or guaranteed by one Member State or by the ECB, the World Bank, the EBRD, or the IMF, may not constitute more than 20% of the NAV of the pension fund. SPMCs may not invest in shares/units of standard European investment funds, shares/units of special investment funds or shares/units of special investment funds or of other collective investment undertakings which may, under their rules or similar documents, invest more than 10% of their NAV in shares/units of other investments funds or securities of foreign collective investment undertakings.
Sale or issue abroad by residents	No.	

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On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	There are restrictions for pension funds. Pension funds' assets may only include transferable securities admitted to trading on (1) the listed securities market of a stock exchange; (2) the listed securities market of a foreign stock exchange having its registered office in a Member State of the EU; or (3) another regulated market having its registered office in a state which is a member of the EEA and which is included in the list published by the European Commission; if the regulated market is in a Member State that is not a member of the EEA, "another regulated market" means a market satisfying conditions equivalent to conditions applicable to regulated markets within the EEA. Other securities may be permitted under certain circumstances in accordance with Article 81 of Act No. 43/2004. The sum of investments in (1) securities issued by a single group of legal persons which are transferable securities, money market instruments, shares/units of open-end investment funds, and/or securities of foreign collective investment undertakings or other foreign collective investment undertakings, (2) deposits held with that group of legal persons, and (3) large exposures to that group arising from financial derivative transactions and hedging transactions may not constitute more than 20% of the NAV of a pension fund. The value of transferable securities and money market instruments issued or guaranteed by one Member State or by the ECB, the World Bank, the EBRD, or the IMF, may not constitute more than 20% of the NAV of the pension fund.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	In general, the sale or purchase of financial instruments in the Slovak Republic falls, if certain conditions are met, under the category of provision of investment services, which is a regulated activity. Nonresidents are allowed to provide investment services in the Slovak Republic, if they are granted a license issued by the NBS or after notification from another EEA member, if they are granted a license in that particular EEA member country. Specifically, nonresidents from EEA member countries selling UCITS-compliant products may engage in this activity after notifying the NBS. Nonresidents from non-EEA countries, and nonresidents from EEA countries selling non-UCITS products, may engage in this activity through establishment of a branch in the Slovak Republic or on an agreement basis without establishing a branch, provided they receive authorization from the NBS. The issuance of securities in the Slovak Republic is, as a general rule, regulated, whether this activity is carried out by residents or nonresidents.
Purchase abroad by residents	Yes.	Pension funds' assets may only include transferable securities admitted to trading on (1) the listed securities market of a stock exchange; (2) the listed securities market of a foreign stock exchange having its registered office in a Member State of the EU; or (3) another regulated market having its registered office in a state which is a member of the EEA and which is included in the list published

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		by the European Commission; if the regulated market is in a Member State that is not a member of the EEA, "another regulated market" means a market satisfying conditions equivalent to conditions applicable to regulated markets within the EEA. Other securities may be permitted under certain circumstances in accordance with Article 81 of Act No. 43/2004. The sum of investments in (1) securities issued by a single group of legal persons which are transferable securities, money market instruments, shares/units of open-end investment funds, and/or securities of foreign collective investment undertakings or other foreign collective investment undertakings, (2) deposits held with that group of legal persons, and (3) large exposures to that group arising from financial derivative transactions and hedging transactions may not constitute more than 20% of the NAV of a pension fund. The value of transferable securities and money market instruments issued or guaranteed by one Member State or by the ECB, the World Bank, the EBRD, or the IMF, may not constitute more than 20% of the NAV of the pension fund. A pension fund's assets may not include more than 10% of the sum of the par values of securities of one foreign collective investment undertaking or one other foreign collective investment undertaking. SPMCs may not invest in shares/units of standard European investment funds, shares/units of special investment funds or shares/units of special investment funds or of other collective investment undertakings which may, under their rules or similar documents, invest more than 10% of their NAV in shares/units of other investments funds or securities of foreign collective investment undertakings.
Sale or issue abroad by residents	No.	The provision of investment services in another EEA member, by residents licensed by the NBS, is subject to notification from the NBS to that particular EEA member.
Controls on derivatives and other instruments	Yes.	In general, the sale or purchase of financial instruments in the Slovak Republic falls, if certain conditions are met, under the category of provision of investment services, which is a regulated activity. Nonresidents are allowed to provide investment services in the Slovak Republic, if they are granted a license issued by the NBS or after notification from another EEA member, if they are granted a license in that particular EEA member country. The provision of investment services in another EEA member country, by residents licensed by the NBS, is subject to notification from the NBS to that particular EEA member. Issuance of securities in the Slovak Republic is, as a general rule, regulated, whether this activity is carried out by residents or nonresidents.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Pension funds' assets may only include transferable securities admitted to trading on (1) the listed securities market of a stock exchange; (2) the listed securities market of a foreign stock exchange having its registered office in a Member State of the EU; or (3) another regulated market having its registered office in a state which is a member of the EEA and which is included in the list published by the European Commission; if the regulated market is in a Member State that is not a member of the EEA, "another regulated market" means a market satisfying conditions equivalent to conditions applicable to regulated markets within the EEA. Other securities may

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		be permitted under certain circumstances in accordance with Article 81 of Act No. 43/2004. The sum of investments in (1) securities issued by a single group of legal persons which are transferable securities, money market instruments, shares/units of open-end investment funds, and/or securities of foreign collective investment undertakings or other foreign collective investment undertakings, (2) deposits held with that group of legal persons, and (3) large exposures to that group arising from financial derivative transactions and hedging transactions may not constitute more than 20% of the NAV of a pension fund. The value of transferable securities and money market instruments issued or guaranteed by one Member State or by the ECB, the World Bank, the EBRD, or the IMF, may not constitute more than 20% of the NAV of the pension fund.
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to (1) gambling operations (lotteries and similar games). Act No. 30/2019 Coll. on Gambling Games, which covers online gambling and establishing the Gambling Regulatory Authority responsible for licensing, supervision, sanctioning, and levies management. Licenses may be issued to corporate entities domiciled in the Slovak Republic or in another EU Member State or domiciled in the Slovak Republic with foreign shareholders that are domiciled or have permanent residence in another EU Member State or in a Member State of the OECD. A corporate entity domiciled in a Member State other than the Slovak Republic may be issued a license if it has a representative registered with the Regulatory Office for Gambling. (2) Air services, which may be granted an operating license, provided EU members and/or nationals of EU members own more than 50% and effectively control it, directly or indirectly through one or more intermediate enterprises, except as provided for in an agreement with a third country to which the EU is a party; and (3) the extent that under Directive (EU) No. 2009/65, a depository of a UCITS must either have its registered office in the same EU

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		country as that of the enterprise or be established in the EU country if its registered office is in another EU country. Regulation (EU) No. 2019/452 of March 19, 2019, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Natural persons and legal entities from EU (including Slovak Republic) or EEA member countries and Switzerland can acquire agricultural land without any restrictions, because the rules for offering agricultural land established by Act No. 140/2014 Coll. were annulled by the Constitutional Court of the Slovak Republic. The prohibition for acquirers from other states has not been annulled and is still in effect. The acquisition of agricultural land by citizens or residents or legal entities based in other state than Slovak Republic, an EU or EEA member country, or Switzerland, is prohibited if the acquisition of agricultural land in this state is prohibited for citizens or residents or legal entities based in the Slovak Republic. Effective September 1, 2022, the general rules against the fragmentation of the agricultural land were amended (prohibition of creating new land or new co-owner's deal with smaller area than 3000 m2 (previously 2000 m2) of agricultural land; Act. No. 180/1995 Coll.) The general rules against the fragmentation of forest land remain (prohibition of creating new land or new co-owner's share with smaller area than 5000 m2 of forest land; Act. No. 180/1995 Coll.) and rules regarding the right of pre-emption (the right of first refusal for the co-owners to purchase land in the event that the co-owners should decide to sell) (Civil Code).
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Banks must conduct their activities in accordance with their banking license.
Borrowing abroad	No.	Borrowing is permitted in accordance with a banking license.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	Lending is permitted in accordance with a banking license.
Lending locally in foreign exchange	No.	Lending is permitted in accordance with a banking license.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Purchases are allowed in accordance with the law.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks may not invest more than 15% of their eligible capital in a foreign company abroad, nor may the total of all investments in foreign companies abroad exceed 60% of a bank's eligible capital according to Article 89, Paragraphs 1, 2, and 3, letter b of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms and Amending Regulation (EU) No. 648/2012 and Paragraphs 1 and 2 of the Decree of the NBS No. 9/2017.
In banks by nonresidents	Yes.	The same regulations apply to residents and nonresidents. Three categories – 20%, 30%, and 50% – of investment are defined, for which investors are required to obtain NBS approval (Paragraph 28 of the Act on Banks No. 483/2001, as amended).
Open foreign exchange position limits	Yes.	Open foreign exchange positions are regulated under the Banking Act and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms and Amending Regulation (EU) No. 648/2012.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies		

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	Yes.	Insurance companies must conduct their activities in accordance with their insurance license.
Limits (max.) on securities issued by nonresidents	Yes.	There are no specific limits on investments in securities issued by nonresidents for standard insurance companies and reinsurance companies. Insurance companies are required to invest in line with Prudent Person Principle (PPP) set in Article 64 of Act No. 39/2015 Coll. on Insurance. Specific limits on investments in securities issued by nonresidents exist for insurance companies in "special regime," which must invest their technical provisions according to Article 178 of Act No. 39/2015 Coll. on Insurance and NBS Decree No. 12/2015, where the limits for each asset are specified. Article 178 of the Act No. 39/2015 Coll. sets multiple limitations for investing of insurance undertakings in "special regime" focused on character and residence of the issuer and type of securities. These limits do not apply to insurance products whose policyholder bears all the insured risk (for example, unit-linked products).
Limits (max.) on investment portfolio held abroad	No.	There are no specific limits on investments abroad. Insurance companies are required to invest in line with PPP set in Article 64 of Act No. 39/2015 Coll. on Insurance. Insurance companies in special regime are required to invest their technical provisions according to Article 178 of Act No. 39/2015 Coll. on Insurance and NBS Decree No. 12/2015, where are the limits for each asset specified. No such limits apply to insurance products whose policyholder bears all the insured risk (for example, unit-linked products).
Limits (min.) on investment portfolio held locally	No.	Insurance companies are required to invest in line with PPP set in Article 64 of Act No. 39/2015 Coll. on Insurance. Insurance companies in special regime must invest their technical provisions according to Article 178 of Act No. 39/2015 Coll. on Insurance and NBS Decree No. 12/2015, where are the limits for each asset specified. There are no specified limits or minimum legal requirements on portfolio held locally included in these limits.
Currency-matching regulations on assets/liabilities composition	Yes.	Currency-matching rules are applied only to insurance companies in special regime, specifically to assets relating to technical provisions, except unit-linked provisions. Insurance companies in special regime are required to invest a minimum of 80% of their liabilities in the given currency (Article 178 Paragraph 13). This requirement does not apply if (1) assets in this currency do not exceed 7% of the assets in other currencies or (2) commitments are payable in a currency other than the currency of one of the EEA members. There is no such limitation for standard insurance companies and reinsurance companies.
Pension funds	Yes.	Pension companies must proceed in accordance with the legal requirements.
Limits (max.) on securities issued by nonresidents	Yes.	Limits on securities issued by nonresidents are stated in Articles 82–91a of Act No. 43/2004 and in Articles 53–54 of Act No. 650/2004. Pension companies must comply with Prudent Person Rule as well. Pension funds' assets may only include transferable securities admitted to trading on (1) the listed securities market of a stock exchange; (2) the listed securities market of a foreign stock exchange having its registered office in a Member State of the EU; or (3) another regulated market having its registered office in a state which is a member of the EEA and which is included in the list published by the European Commission; if the regulated market is in a Member State that is not a member of the EEA, "another regulated market" means a market satisfying conditions equivalent to conditions applicable to regulated markets within the EEA. Other securities may be permitted under certain circumstances in accordance with Article

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		81 of Act No. 43/2004. (Article 81, 1, Act No. 43/2004) The sum of investments in (1) securities issued by a single group of legal persons which are transferable securities, money market instruments, shares/units of open-end investment funds, and/or securities of foreign collective investment undertakings or other foreign collective investment undertakings, (2) deposits held with that group of legal persons, and (3) large exposures to that group arising from financial derivative transactions and hedging transactions may not constitute more than 20% of the NAV of a pension fund. (Article 82, 3, Act No. 43/2004) The value of transferable securities and money market instruments issued or guaranteed by one Member State or by the ECB, the World Bank, the EBRD, or the IMF, may not constitute more than 20% of the NAV of the pension fund. (Article 82, 4, Act No. 43/2004) A pension fund's assets may not include more than 10% of the sum of the par values of securities of one foreign collective investment undertaking or one other foreign collective investment undertaking. (Article 82, 8b, Act No. 43/2004) SPMCs may not invest in shares/units of standard European investment funds, shares/units of special investment funds or shares/units of special investment funds or of other collective investment undertakings which may, under their rules or similar documents, invest more than 10% of their NAV in shares/units of other investments funds or securities of foreign collective investment undertakings. (Article 53a, 3, Act No. 650/2004)
Limits (max.) on investment portfolio held abroad	Yes.	Limits on investment portfolios held abroad are stated in Articles 82–91a of Act No. 43/2004 and in Articles 53–54 of Act No. 650/2004. Pension companies must comply with Prudent Person Rule as well. Pension funds' assets may only include transferable securities admitted to trading on (1) the listed securities market of a stock exchange; (2) the listed securities market of a foreign stock exchange having its registered office in a Member State of the EU; or (3) another regulated market having its registered office in a state which is a member of the EEA and which is included in the list published by the European Commission; if the regulated market is in a Member State that is not a member of the EEA, "another regulated market" means a market satisfying conditions equivalent to conditions applicable to regulated markets within the EEA. Other securities may be permitted under certain circumstances in accordance with Article 81 of Act No. 43/2004. (Article 81, 1, Act No. 43/2004) Assets of supplementary pension funds may be invested in deposits held with banks incorporated in the Slovak Republic or with foreign banks incorporated in a Member State of the EU, a country that is a member of the EEA, or a country that is a member of the OECD (hereinafter a "Member State"), or in a non-Member State that requires compliance with prudential business rules for banks which NBS considers equivalent to those applied under a separate regulation or with those applied by a Member State. (Article 53a, 1b, Act No. 650/2004)
Limits (min.) on investment portfolio held locally	No.	Limits on investment portfolio held locally are stated in Articles 82–91a of Act No. 43/2004 and in Articles 53–54 of Act No. 650/2004. There are no specified limits or minimum legal requirements on portfolio held locally included in these limits. Pension companies must comply with Prudent Person Rule as well.

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Currency-matching regulations on assets/liabilities composition	Yes.	Currency-matching regulations on assets/liabilities composition are stated in Articles 86 and 88 of Act No. 43/2004 and in Articles 53a Paragraph 7 and 53b Paragraph 13 of Act No. 650/2004. Pension companies must comply with Prudent Person Rule as well. The assets of a guaranteed bond pension fund which are not hedged against foreign exchange risk may constitute not more than 5% of the fund's NAV (Article 86, 2, Act No. 43/2004). The assets of a non-guaranteed equity pension fund which are not hedged against foreign exchange risk may constitute not more than 80% of the fund's NAV. (Article 88, 2, Act No. 43/2004) The assets of a distribution supplementary pension fund which are not hedged against currency risk may not constitute more than 5% of the fund's NAV (Article 53a, 7, Act No. 650/2004). Assets denominated in a currency other than the euro which are included in the assets of a supplementary pension fund and are not hedged against currency risk may not exceed 30% of the fund's NAV. In managing currency risk, SPMCs must take into account investments in euro-denominated instruments whose underlyings comprise instruments denominated in a currency other than the euro. (Article 53b, 13, Act No. 650/2004)
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.

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Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.

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Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	According to the current Slovak legislation, since November 1, 2020, all businesses engaged in exchange services between virtual currencies and fiat currencies and custodian wallet providers for virtual currencies need to be registered by Trade Licensing Office, to provide these services in Slovakia.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*04/03/2023*	The ECB Governing Council changed the computation time of the euro foreign exchange rates (also known as the ECB reference rates) to around 14:10 Central European Time (CET), to avoid overlaps with publication time (14:15 CET). Previously, reference rates took place at 14:15 CET.

Capital Transactions

Controls on capital transactions		
Controls on real estate transactions		
Purchase locally by nonresidents	*09/01/2022*	The general rules against the fragmentation of the agricultural land were amended (prohibition of creating new land or new co-owner's deal with smaller area than 3000 m2) (previously 2000 m2) of agricultural land; Act. No. 180/1995 Coll.).

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SLOVENIA

(Position as of November 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 14, 1992.
Article VIII	Yes.	Date of acceptance: September 1, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with UNSC resolutions and/or EU regulations, Slovenia implements restrictive measures (freezing of funds and other economic resources and prohibition against making them available) with respect to Afghanistan, Al-Qaida members, groups associated with terrorism, and certain persons and entities with a view to combating terrorism and against certain people from Belarus, Bosnia and Herzegovina, the Central African Republic, the Democratic Republic of the Congo, Côte d'Ivoire, Eritrea, Guinea, Guinea-Bissau, Haiti (effective November 13, 2023), the Islamic Republic of Iran (as amended), Iraq, the Democratic People's Republic of Korea, Lebanon, Liberia, Libya, Myanmar, Nicaragua (effective October, 9, 2023), Russia (as amended), Serbia, Somalia (effective June 12, 2023), Sudan, South Sudan (effective March 21, 2023), Syria, Tunisia, Turkey (effective November 9, 2023), Ukraine, Venezuela (effective November 10, 2023), Yemen (effective February 14, 2023), and Zimbabwe.
Other security restrictions	Yes.	In accordance with UNSC resolutions and/or EU regulations, Slovenia implements certain restrictive measures (freezing of funds and other economic resources and prohibition against making them available) with respect to the Democratic Republic of the Congo, Iran, Democratic People's Republic of Korea, Russia, Somalia, South Sudan, and Yemen.

Exchange Arrangement

Currency	Yes.	The currency of Slovenia is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		

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Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Slovenia participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	Effective April 3, 2023,the ECB publishes a reference rate based on the daily concertation procedure between CBs across Europe, which normally takes place at 14:10 Central European Time. The publication time of the euro foreign exchange reference rates is around 16:00 Central European Time on every working day, except on TARGET closing days. The reference rates against the euro are the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		

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Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and noninflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Slovenia is a member of the EMU and is part of an integrated money and foreign exchange market.
Spot exchange market	Yes.	As of June 30, 2023, 10 of 12 banking institutions are licensed by the Bank of Slovenia (BOS) for operations in foreign exchange markets. Ten foreign exchange bureaus are licensed to purchase and sell foreign banknotes with individuals only.
Operated by the central bank	No.	

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Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of interbank market participants. As of June 30, 2023, 10 of 12 banking institutions are licensed by the BOS for operations in the foreign exchange interbank market.
Over the counter	Yes.	Because Slovenia introduced the euro in 2007, the domestic banking institutions have been participating in the common OTC foreign exchange market.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The forward exchange market is not specifically regulated.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	According to Article 75 (Obligation to report cash transactions and transfers to high-risk countries and deadlines) of the Prevention of Money Laundering and Terrorism Financing Act, effective April 5, 2022, the person liable must communicate to the Office the specific information on any cash transaction exceeding EUR 15,000, as soon as it has been carried out and at the latest within three working days of the completion of the transaction. The listed persons must communicate to the Office the specific information on any cash and non-cash transaction exceeding EUR 15,000 which is made to payment accounts at the customer's request (1) of legal and natural persons in the countries referred to in points 1 and 2 of the third paragraph of Article 55 of this Act (countries (a) listed as high-risk third countries with strategic deficiencies that are not subject to appropriate measures to prevent and detect money laundering or terrorism financing, or (b) which are more likely to experience money laundering or terrorism financing), (2) legal and natural persons having their registered office or permanent or temporary residence in the countries referred to in points 1 and 2 of the third paragraph of Article 55 of this Act, as soon as the transaction has taken place, but no later than three working days after the transaction has been carried out.
For current transactions and payments	Yes.	According to Article 74 of the Prevention of Money Laundering and Terrorism Financing Act, effective April 5, 2022 (Limitation of cash operations), persons who carry out the activity of selling goods or providing services in the Republic of Slovenia may not accept payment in cash from a customer or a third party in the sale of certain goods or the provision of an individual service if this payment exceeds the value of EUR 5,000. They may not, in the course of their activities, pay out cash to a customer or a third party if that payment exceeds EUR 5,000. This limit on cash payments must also apply if the payment for goods or services sold is made in several related cash transactions exceeding the value of EUR 5,000 in total.

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For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	A cross-border trade agreement with Italy is inoperative.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange control is exercised by (1) the BOS on the foreign exchange operations of banks and foreign exchange offices and (2) the customs authorities, who verify that the necessary conditions are met for cross-border transfers of cash. "Cash" refers to currency (banknotes and coins) and bearer/negotiable instruments (checks, promissory notes, money orders).
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EU) 2018/1672 of the European Parliament and of the Council of October 23, 2018, on controls on cash entering or leaving the Union and repealing Regulation (EC) 1889/2005, imports and exports of cash exceeding the equivalent of €10,000 must be declared to the customs authorities. Additional data may be requested in certain other cases in accordance with the money-laundering legislation.
On exports	No.	
Domestic currency	No.	In accordance with Regulation (EU) 2018/1672 of the European Parliament and of the Council of October 23, 2018, on controls on cash entering or leaving the Union and repealing Regulation (EC) 1889/2005, imports and exports of cash exceeding the equivalent of €10,000 must be declared to the customs authorities.
Foreign currency	No.	In accordance with Regulation (EU) 2018/1672 of the European Parliament and of the Council of October 23, 2018, on controls on cash entering or leaving the Union and repealing Regulation (EC) 1889/2005, imports and exports of cash exceeding the equivalent of €10,000 must be declared to the customs authorities.

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On imports	No.	
Domestic currency	No.	In accordance with Regulation (EU) 2018/1672 of the European Parliament and of the Council of October 23, 2018, on controls on cash entering or leaving the Union and repealing Regulation (EC) 1889/2005, imports and exports of cash exceeding the equivalent of €10,000 must be declared to the customs authorities.
Foreign currency	No.	In accordance with Regulation (EU) 2018/1672 of the European Parliament and of the Council of October 23, 2018, on controls on cash entering or leaving the Union and repealing Regulation (EC) 1889/2005, imports and exports of cash exceeding the equivalent of €10,000 must be declared to the customs authorities.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open and operate foreign exchange accounts without restriction, on proof of identity. Additional data may be requested in certain cases in accordance with the anti-money-laundering legislation.
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Payment accounts opened abroad must be declared to the Financial Administration.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open and operate accounts without restriction, on proof of identity. Additional data may be requested in certain cases in accordance with the anti-money-laundering legislation.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	No.

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Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	As a member of the EU, Slovenia is committed to the common commercial policy of the EU, including the EU import licensing system. The EU does not maintain quantitative restrictions on imports from WTO members and countries with bilateral agreements. There are quantitative restrictions for certain textiles from the Democratic People's Republic of Korea. EU import restrictions for security, technical, sanitary, phytosanitary, and environmental reasons are based on international conventions. Certain steel products are subject to safeguard measures.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	Yes.	Import licenses are required for imports of agricultural products subject to import quotas, including WTO tariff-rate quotas.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	As a member of the EU, Slovenia is committed to the common commercial policy of the EU, including common customs tariff. In addition to MFN treatment, the EU grants tariff preferences in the context of bilateral or regional preferential trade agreements or unilaterally on the basis of the autonomous measures. Definitive safeguard measures against imports of certain steel products, pursuant to Commission Implementing Regulation (EU) 2019/159 of January 31, 2019, were prolonged by Commission Implementing Regulation (EU) 2021/1029 of June 24, 2021.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.

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Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports are not restricted. Certain products are subject to export control for foreign policy and security reasons in accordance with EU legislation, UN resolutions, international conventions, and international export regimes.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to the purchase of shares and other securities of a participating nature that may be affected by the laws on inward direct investment and establishment.
Sale or issue locally by nonresidents	Yes.	Authorization from the Securities Market Agency (SMA) (that is, the approval of a prospectus) is required for residents and nonresidents for a public offering or listing of financial instruments.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	No special authorization or notification regarding the sale or issuance abroad by residents is required by the Market in Financial Instruments Act (ZTFI-1) compared with sale or issuance on the domestic market by residents.
Bonds or other debt securities	Yes.	

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Authorization from SMA is required for residents and nonresidents for a public offering or listing of financial instruments.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	No special authorization or notification regarding the sale or issuance abroad by residents is required by the Market in Financial Instruments Act (ZTFI-1) compared with sale or issuance on the domestic market by residents.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Authorization from SMA is required for residents and nonresidents for a public offering/listing of money market instruments.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	No special authorization or notification regarding the sale or issuance abroad by residents is required by the Market in Financial Instruments Act (ZTFI-1) compared with sale or issuance on the domestic market by residents.
On collective investment securities	Yes.	The units of AIFs, EU AIFs, and non-EU AIFs may be marketed in Slovenia only to professional investors (according to Directive 2011/61/EU). They may also be marketed to retail investors if the terms and conditions of the Investment Funds and Management Companies Act have been satisfied (option from Directive 2011/61/EU). The Act on Alternative Investment Fund Managers (Uradni list Republike Slovenije, No. 32/15, May 23, 2015) implemented Directive 2011/61/EU on alternative investment fund managers, which aims at establishing common requirements governing the authorization and supervision of alternative investment fund managers to provide a coherent approach to the related risks and their impact on investors and markets in the Union. The current Investment Funds and Management Companies Act (Uradni list Republike Slovenije, Nos. 31/15, 81/15, and 77/16) implements provisions of Directive 2009/65/EC on the coordination of laws, regulations, and administrative provisions relating to UCITS, Directive 2013/14/EU regarding amendments of Directive 2009/65/EC regarding overreliance on credit ratings by credit rating agencies, and Directive 2014/91/EU regarding depository functions, remuneration policies, and sanctions.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The following may sell investment coupons to retail investors: (1) Slovene mutual funds; (2) mutual funds from EU member countries, if the company that manages the mutual fund in the member country is authorized to sell units of the mutual fund in Slovenia; and (3) Slovene alternative mutual funds.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	No restrictions apply to sales of investment coupons in the EU. Domestic management companies may provide services for the management of investment funds (including marketing of investment funds and selling of investment coupons and/or investment fund shares) either through their branches or a person authorized by the management company to manage investment funds or directly, if the management company meets the conditions stipulated in the regulations of the EU member country. SMA permission is required

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		for the establishment of a branch abroad.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Authorization from SMA is equally required both for residents and nonresidents for a public offering or listing of derivatives and other instruments.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	No special authorization or notification regarding the sale or issuance abroad by residents is required by the Market in Financial Instruments Act (ZTFI-1) compared with sale or issuance on the domestic market by residents.
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Pension companies may invest assets of long-term business funds in the entire territory of EU and OECD members. Investment in other countries is subject to the approval of the Insurance Supervisory Agency (Pension and Disability Insurance Act). Investments of insurance companies are not subject to quantitative regulatory limits.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Restrictions apply to (1) investment in financial services to the extent that under Directive No. 2009/65/EC a UCITS depository's registered office must be either in the same EU country as the company or established in an EU country if its registered office is in another EU country; (2) majority ownership by non-EU residents of a Slovene flag maritime vessel, unless the operator is a citizen of an EU country; and (3) majority ownership of an airline by non-EU residents. Therefore, in the first year of 2023, the Ministry of Economy, Tourism and Sport amended the Investment Promotion Act (ZSInv) through the regular legislative procedure, which was open to the general public, with the aim of improving, and above all, ensuring continuity and permanent regulatory mechanisms for applications and review of FDIs in the regional legislation. The Investment Promotion Act replaces the Act Determining the Intervention Measures to Temporarily Mitigate and Remedy the Consequences of the COVID-19 Epidemic, which expired on June 30, 2023. With this, the Republic of Slovenia guarantees the continued and uninterrupted

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		operation of the aforementioned mechanism from July 1, 2023. Effective July 1, 2023, FDI must be notified to the ministry responsible for the economy if the following three conditions are cumulatively met: - It is a transaction of a foreign investor. - The transaction represents a FDI, with which the investor acquires at least 10% of the capital or voting rights in a Slovenian company. - The activity of the target company relates to one of the risk factors (critical infrastructure, critical technologies, supply of critical resources, access to sensitive information, freedom and plurality of the media and projects or programs in the interest of the EU). A FDI in the field of activities referred to in the fifth paragraph of Article 31.č of this Act must be notified to the Ministry by the foreign investor or the target company or the acquired company no later than 15 days after the conclusion of a legal transaction by which the foreign investor directly or indirectly in a business company based in the Republic of Slovenia acquires at least 10% participation in the capital or in voting rights or since the announcement of the takeover offer. The notification obligation does not end if the foreign investor or the target company or the acquired company does not make the notification within the deadline from the previous sentence. Notifications referred to in Article 31a of Act on Investment Promotion are handled by the Notifications Commission established by the Minister. The notification commission has a chairman, one deputy and at least three members, two of whom are representatives of a public agency. The review is a procedure in which the ministry decides whether direct foreign investment in the field of activity is approved on a limited basis, so that the conditions for its implementation are determined, or whether it is prohibited if it can affect the security or public order of the Republic of Slovenia. Regulation (EU) 2019/452, established an EU-wide framework for FDI screening and for the European Commission and the member states to coordinate their actions on foreign investments.
Controls on liquidation of direct investment	No.	The transfer of proceeds is free of restrictions after all tax obligations in Slovenia have been met.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Pension companies may invest assets of long-term business funds in the entire territory of EU and OECD members. Investment in other countries is subject to the approval of the Insurance Supervisory Agency (Pension and Disability Insurance Act). Investments of insurance companies are not subject to quantitative regulatory limits.
Purchase locally by nonresidents	Yes.	Foreigners may exercise the right to own real estate pursuant to the provisions of a law or an international agreement ratified by the national assembly. No restrictions apply to EU residents. Foreign countries may also exercise the right to own real estate used for diplomatic and consular purposes under the condition of reciprocity.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The required reserve ratios for deposits in foreign currency and in euros are unified at 1% for deposits with a maturity up to two years and 0% for longer maturities.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	BOS approval is required before acquisition of qualified holdings in a bank or any other financial organization headquartered outside

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		Slovenia or the EU (Article 223 of the Banking Act).
In banks by nonresidents	Yes.	BOS approval is required for the acquisition of qualified holdings (Article 67 of the Banking Act).
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	There are no limits on banks' open foreign exchange positions. However, Article 351 of Regulation (EU) No. 575/2013 requires banks whose overall net foreign exchange position exceeds 2% of their own funds to calculate capital requirements for foreign exchange risk. The regulation is directly applicable in Slovenia.
On nonresident assets and liabilities	Yes.	There are no limits on banks' open foreign exchange positions. However, Article 351 of Regulation (EU) No. 575/2013 requires banks whose overall net foreign exchange position exceeds 2% of their own funds to calculate capital requirements for foreign exchange risk. The regulation is directly applicable in Slovenia.
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	The Insurance Act does not determine limits.
Limits (max.) on investment portfolio held abroad	No.	The Insurance Act does not determine limits.
Limits (min.) on investment portfolio held locally	No.	There are no limits, as the insurance companies themselves determine investments in line with their underwriting risks.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Pension companies may invest assets of long-term business funds in the entire territory of EU and OECD members. Investment in other countries is subject to the approval of the Insurance Supervisory Agency in accordance with the Pension and Disability Insurance Act (Article 332.j).
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	An 80% currency-matching requirement applies to pension funds (Article 332.k of the Pension and Disability Insurance Act).
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	

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Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.r.
Controls on unbacked tokens	n.r.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	n.r.
For current transaction	No.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other	n.r.

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instruments		
Credit operations	n.r.	
Controls on utility and security tokens	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on stablecoins	n.r.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	n.r.	
For current transaction	No.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	Measures to detect and prevent money laundering and terrorism financing, as set out in the Prevention of Money Laundering and Terrorism Financing Act (Official Gazette of the Republic of Slovenia, No. 48/22 and 145/22) are to be carried out by crypto exchanges and trading platforms. Effective April 9, 2022, it is prohibited to provide crypto-asset wallet, account or custody services to Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia if total amount exceeds 10,000 EUR.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No.	*02/14/2023*	Amending certain Council Regulations concerning restrictive measures in Yemen to insert provisions on a humanitarian exemption.

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144-(52/51)

	03/21/2023	Amending certain Council Regulations concerning restrictive measures in South Sudan to insert provisions on a humanitarian exemption.
	06/12/2023	Specific restrictive measures adopted against natural or legal persons, entities, or bodies, in view of the situation in Somalia.
	10/09/2023	Restrictive measures adopted in view of the situation in Nicaragua.
	11/09/2023	Restrictive measures adopted concerning Turkey's unauthorized drilling activities in the Eastern Mediterranean.
	11/10/2023	Restrictive measures adopted in view of the situation in Venezuela.
	11/13/2023	Restrictive measures adopted in view of the situation in Haiti.

Exchange Arrangement

Official exchange rate	*04/03/2023*	The ECB Governing Council changed the computation time of the euro foreign exchange rates (also known as the ECB reference rates) to around 14:10 Central European Time (CET), to avoid overlaps with publication time (14:15 CET). Previously reference rates took place at 14:15 CET.

Arrangements for Payments and Receipts

Prescription of currency requirements		
Controls on the use of domestic currency	*04/05/2022*	According to Article 75 (Obligation to report cash transactions and transfers to high-risk countries and deadlines) of the Prevention of Money Laundering and Terrorism Financing Act, the person liable must communicate to the Office the specific information on any cash transaction exceeding EUR 15,000, as soon as it has been carried out and at the latest within three working days of the completion of the transaction.
For current transactions and payments	*04/05/2022*	The new Prevention of Money Laundering and Terrorism Financing Act brought on no content changes but now Article 74, which was previously Article 67, covers IV.A.1.a.

Capital Transactions

Controls on capital transactions

Controls on direct investment

Inward direct investment	*07/01/2023*	The Act Determining the Intervention Measures to Temporary Mitigate and Remedy the Consequences of the COVID-19 Epidemic was supplanted by the Investment Promotion Act which was amended to guarantee the continued and uninterrupted operation of the inward direct investment screening mechanism.
	07/01/2023	Under the Investment Promotion Act, which replaced the temporary COVID-19-related measure, foreign investors or their subsidiaries who acquire real estate are no longer subjected to notification. Previously, a foreign investor or its subsidiary must notify the Ministry no longer than 15 days from the conclusion of the contract by which they acquired the right disposal of land and real estate.

Digital Currencies and Crypto Assets

Controls on crypto exchanges and trading platforms		
Domestic exchanges	*04/09/2022*	It is prohibited to provide crypto-asset wallet, account or custody services to Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia if total amount exceeds 10,000 EUR.

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SOLOMON ISLANDS

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 22, 1978.
Article VIII	Yes.	Date of acceptance: July 24, 1979.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the Solomon Islands is the Solomon Islands dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is a conventional peg. The Solomon Islands dollar (SBD) is pegged to an invoice-based weighted basket of currencies consisting of the US dollar (with the weight of 58%), the Australian dollar (AUD) (32%), the New Zealand dollar (5%), the Japanese yen (3%), and the British pound (2%). The exchange rate basket weights are published on the Central Bank of Solomon Islands (CBSI) Annual reports. The CBSI sets the

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		exchange rate vis-à-vis the US dollar as to maintain the value of the basket constant in SBDs given the movements of currencies in the basket relative to each other. The exchange rate is allowed to move along the exchange rate basket and market fundamentals with no fixed band imposed on the basket movement. Because the composite weights cannot be confirmed, the de facto exchange rate arrangement was reclassified to "other managed" from "crawl-like," effective March 24, 2022.
Floating		
Free floating		
Official exchange rate	Yes.	The SBD a US dollar value is the value of the index multiplied by the SBD a US dollar value on the day the basket peg was introduced. The exchange rate (midrate) is expressed in SBDs a US dollar and is determined by the total index of the basket multiplied by the initial base rate expressed in SBDs. The midrate is then announced as the official rate. Commercial banks can exchange the SBD against other currencies and are free to set the bid-ask spread for all currencies, except the US dollar and AUD on which there is a spread limit of ±20 and ±25 basis points (bps), respectively. In addition, the CB maintains a standing facility through which it will buy and sell foreign exchange with commercial banks and the government at spot offer and sell rates. Customs uses a monthly average of commercial banks' exchange rates for valuation of imports and exports.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		

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Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The monetary aggregate target is mainly domestic price stability with limited monetary policy tools such as liquid asset ratios, CB bills, and the exchange rate policy/regime.
Exchange tax	Yes.	A tax of SI$3 is levied on sales of foreign exchange exceeding SI $3,000.
Exchange subsidy	No.	
Foreign exchange market	Yes.	The commercial banks are the main players in facilitating the foreign exchange market trading. Commercial banks may freely determine their bid-ask spread for all currencies (except the US dollar and AUD, for which a spread limit of ±20 and ±25 bps, respectively, around the midpoint applies) and foreign exchange commissions with their clients. The CBSI has also issued classified restricted foreign exchange licenses to legitimate money transfer services and money exchange providers (for example, Western Union, Money Gram).
Spot exchange market	Yes.	Currently, four commercial banks, three money transfer companies, and nine subagents for money transfer are licensed by the CBSI to deal in foreign exchange with the public. They can effect foreign currency transactions on behalf of their clients. The CBSI has licensed ten companies as exchange bureaus for banknotes only. The four commercial banks may trade directly with the CBSI. Foreign exchange bureaus are not allowed to maintain accounts abroad, and they do not transact directly with the CBSI. Their operation is limited to purchase and sell of banknotes only. Money transfer companies and their subagents can do foreign currency payments and transfers on behalf of their clients.

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Operated by the central bank	Yes.	The CBSI's foreign exchange standing facility allows commercial banks and the government to buy and sell foreign exchange at the spot rate (CBSI offer and sell rates).
Foreign exchange standing facility	Yes.	The CBSI provides a standing foreign exchange facility to the commercial banks and the government at official spot buying and selling rates with a margin of ±12 bps around the midpoint. The same spot rate is applied to both the government and the commercial banks' foreign exchange deals.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is an interbank foreign exchange market in which commercial banks may trade among themselves. All ADs (four) are authorized and licensed for interbank foreign exchange trading with each other. These banks may freely set their exchange rates for all foreign currencies except the AUD and the US dollar, for which the CBSI sets the limits. The US dollar and AUD spread limit on commercial banks' foreign exchange transactions is ±20 bps for the US dollar and ±25 bps for the AUD around the midpoint. The spread limit applies to interbank transactions as well as transactions with clients. The interbank market is generally active, and the CBSI can also provide foreign exchange to the commercial banks. During 2022, all four banks participated actively in the interbank foreign exchange market among themselves and with the CBSI.
Over the counter	Yes.	The market operates over the counter at times by commercial banks.
Brokerage	No.	
Market making	Yes.	The operation of market making exists among all four commercial banks for interbank trading. Most interbank foreign exchange trading on a daily basis is done by market makers.
Forward exchange market	Yes.	Commercial banks may enter into forward contracts with resident clients in any foreign currency but subject to CBSI approval if the deal is in US dollars and AUDs. The CBSI, however, does not participate nor provide guarantees in foreign exchange in the market for foreign exchange derivatives.
Official cover of forward operations	No.	The CBSI does not provide official forward exchange cover.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Contractual commitments in a foreign currency to nonresidents may be met by payments only in the currency specified in the contract. Exports are normally priced in foreign currency as agreed to between exporters and buyers; therefore, export proceeds are bought by commercial banks that deliver the SBD equivalent to the exporter's local account. However, exporters with approved foreign currency accounts may receive foreign currency payments in their foreign currency account.
Controls on the use of domestic currency	Yes.	SBDs are used for domestic transactions only and are allowed for settling foreign exchange transaction equivalents. However, the Foreign Exchange Control Regulations restrict the exportation of banknotes except with CBSI approval. Solomon Islands notes and coins may be exported up to SI$250 without CBSI approval.
For current transactions and payments	Yes.	Domestic currency may be used to buy foreign currency to settle all trade and current transactions and payments. Commercial banks may

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		effect without CBSI approval payments up to specified limits for personal and travel remittances and for trade and services payments. Payments for current transactions above specified limits require CBSI approval. All capital and financial repayments require CBSI assessment and approval.
For capital transactions	Yes.	Domestic currency may be used to buy foreign currency to settle foreign capital transactions only with CBSI approval. All capital and financial repayments require CBSI assessment and approval.
Transactions in capital and money market instruments	Yes.	The use of domestic currency to buy foreign currency requires CBSI approval.
Transactions in derivatives and other instruments	Yes.	For transactions in derivatives, such as forwards and swaps, CBSI approval is required.
Credit operations	Yes.	Borrowing abroad requires CBSI approval. The assessment is based on prudential debt equity requirements for exchange control purposes.
Use of foreign exchange among residents	Yes.	Residents may settle transactions in foreign exchange only with CBSI approval.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	The Solomon Islands participates in the Melanesian Spearhead Group Trade Agreement, PACER, and PICTA.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange Control Act is administered by the CBSI through the foreign exchange (exchange control) regulations. The CBSI delegates extensive power to commercial banks, which are appointed ADs in foreign exchange and may approve certain transactions. Commercial banks may approve applications for trade and service payments and for travel and personal remittances up to specified limits. Payments for current transactions above specified limits require CBSI approval. All capital-related payment approvals are not delegated to ADs and must be approved by the CBSI. Other legitimate requests for foreign exchange require CBSI approval.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Only licensed gold dealers and licensed gold producers and exporters are permitted to export and trade in gold.
On domestic ownership and/or trade	Yes.	Only Solomon Islands citizens may be granted a license to pan for alluvial gold. The CBSI may buy, sell, and hold gold and has participated in gold investments. A gold holding policy and trading agreement is in effect between the CBSI and the members of the London Bullion Market Association in particular Gold Corporation of Perth Mint. Commercial mining companies are licensed by the Ministry of Mines, Energy and Rural Electrification to mine gold. Controls relating to domestic ownership of gold are subject to Ministry of Mines and Energy Act and other related laws; however, the CBSI exchange control restricts offshore investment in gold

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		without CBSI approval.
On external trade	Yes.	Commercial banks and all other residents are required to obtain a permit issued by the Ministry of Mines, Energy and Rural Electrification to mine, buy, or export gold. Residents are obliged to get CBSI approval if they decided to buy and hold gold abroad.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may not take out more than SI$250 without the approval of the CBSI, which is not normally given. The CBSI sells banknotes to collectors abroad and, in some circumstance, exports Solomon dollar notes to authorized license money changers in the region for foreign exchange services.
Foreign currency	Yes.	Both resident and nonresident banks are obliged to get approval from the CBSI on the amount of foreign currencies to be exported. Travelers may carry with them foreign banknotes up to the equivalent of SI$50,000 without CBSI approval. Beyond this limit, travelers must provide CBSI approval evidence and explanation of the need of foreign exchange and approval can be granted.
On imports	Yes.	
Domestic currency	No.	
Foreign currency	Yes.	Both resident and nonresident banks are obliged to get approval from the CBSI on the amount of foreign currencies to be imported. Nonresident travelers visiting the Solomon Islands may bring in foreign currency up to the equivalent of SI$50,000. Beyond this limit, travelers must declare and provide evidence and explanation of the need of foreign exchange. Unused foreign currency notes declared and brought into the country can be taken out of the country without CBSI approval.

Resident Accounts

Foreign exchange accounts permitted	Yes.	The CBSI permits eligible export companies and organizations to operate foreign currency accounts. There are 78 active foreign currency accounts of which 68 accounts are held onshore and 10 offshore, totaling about US$400 million as of July 31, 2022. Each account is approved with a foreign currency benchmark (maximum); it may hold at any one time within a renewable period of one year subject to CBSI approval. At present, this facility has been reviewed and further relaxed for all eligible residents and individual to hold foreign currency accounts for both onshore and offshore.
Held domestically	Yes.	Resident companies may obtain CBSI approval to hold these accounts when there is a genuine need. Exporters are allowed to hold 30% of their export proceeds in foreign exchange accounts to facilitate foreign exchange obligations abroad without CBSI approval. Such accounts may be opened in only one currency, chosen by the exporter. The balance of 70% of export proceeds must be sold to local commercial banks and the SBD equivalent deposited in a local bank account. Resident individuals are eligible to hold foreign exchange accounts domestically.
Approval required	Yes.	The CBSI gives approval based on its assessment for local companies to hold foreign currency accounts domestically.
Held abroad	Yes.	These accounts are permitted for resident companies, but approval by CBSI is required. Resident individuals are eligible to hold foreign exchange accounts abroad.

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Approval required	Yes.	The CBSI gives approval based on its assessment for the need for such accounts.
Accounts in domestic currency held abroad	Yes.	These accounts are permitted, but approval is required.
Accounts in domestic currency convertible into foreign currency	Yes.	These accounts are permitted, but approval is required. CBSI approval is required for conversion of local currency to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	These accounts are permitted, but approval is required. Personal and corporate nonresident accounts may be used for local transactions.
Approval required	Yes.	Approvals are granted in accordance with the Exchange Control Act.
Domestic currency accounts	Yes.	CBSI approval is required for nonresidents to open domestic currency accounts. These accounts may be held only at licensed commercial banks or ADs. Credit and debit transactions related to work performed locally are allowed.
Convertible into foreign currency	Yes.	Balances may be converted to foreign currency and transferred abroad with the approval of the CBSI. ADs are not authorized nor delegated with approval authority to approve conversion of nonresident account balances to foreign currency. This requires CBSI approval.
Approval required	Yes.	CBSI approval is required for these accounts to be credited from Solomon Islands sources.
Blocked accounts	No.	CBSI approval is required for nonresidents to open domestic currency accounts, and any conversion of the account also requires CBSI approval. Currently, there are no blocked nonresidents' accounts.

Imports and Import Payments

Foreign exchange budget	No.	There is no foreign exchange budget for the allocation of a certain amount to specific imports.
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments may be made based on the contract between the supplier and the importer. There is no limit on prepayments for imports. Effective January 3, 2022, the administrative requirement that was imposed by the CBSI as of August 10, 2020, for all applicants for prepayments greater than SI$100,000 to provide documentary proof of receipt of cargoes (Solomon Islands Government customs document) from previous prepayment approvals was eliminated. This was a temporary monitoring measure imposed during COVID-19 to ensure that trade prepayments are genuine.
Advance import deposits	No.	Banks may require advance import deposits, but under the current foreign exchange regulations, banks are not obliged to require advance import deposits.
Documentation requirements for release of foreign exchange for imports	Yes.	Generally, required documents include invoices, customs clearance evidence, or a bill of lading or airway bill.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	LCs are encouraged for all trades and are frequently used. They are not mandatory for imports.

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Import licenses used as exchange licenses	Yes.	Only the importation of ammunition requires licensing.
Other	Yes.	Invoices, customs clearance evidence, a bill of lading, or an airway bill must generally be submitted.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The negative list includes prohibited goods, which may not be imported, and restricted goods, which require licenses or permits for importation, as specified in the Customs and Excise Regulation.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	The maximum import duty is 20%. There is no duty on imports from Melanesian countries. Effective June 1, 2022, a 50% import duty exemption on fuel was granted, which is expected to last until December 2022.
Taxes collected through the exchange system	Yes.	A tax of SI$3 is levied on sales of foreign exchange exceeding SI $3,000.
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Proceeds must be received within three months of the date of exportation.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds are generally paid through respective commercial banks. Banks are obliged to sell any excess of their limits to the single foreign currency open position.
Surrender to authorized dealers	Yes.	Export proceeds must be sold promptly to an AD; exporters with approved foreign currency account may retain 30% of their export earnings in a foreign currency account.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	Exportation of round logs must be financed by an LC or an up-front deposit of at least 100% of export proceeds by the buyers.
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Goods for exportation are inspected by customs officers. The Specific Authority to Export Document may be used by customs officers to inspect for correct volumes of logs and beche-de-mer before shipment.
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Residents may export goods, except round logs and beche-de-mer, without exchange control formalities, but they must comply with the terms of a general authorization administered and issued by the Customs Division. Exports of round logs and beche-de-mer require

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		specific CBSI authorization and a market-price certificate from the Ministry of Forestry, Conservation, and Environment.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Exports are subject to taxes ranging from 5% to 25%, unless the specific goods are exempt from taxes by the MOF. The Customs Department collects all export taxes.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	Payments may be made through commercial banks.
Prior approval	Yes.	Commercial banks may approve applications for payments of up to SI$250,000 or the equivalent for all trade-related payments. CBSI approval is required for all trade-related payments exceeding SI $250,000.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	EC requires applicants to submit supporting documentation to establish bona fide nature of the transactions.
Investment-related payments	Yes.	
Prior approval	Yes.	Approval is readily granted for repayment of loans contracted overseas, payment for services and remittance of dividends and profits, and payment of other earnings accruing to nonresidents from companies in the Solomon Islands on submission of proof of the transaction.
Quantitative limits	Yes.	Limits on the amortization of loans and depreciation of direct investments are based on the previously approved repayment schedule.
Indicative limits/bona fide test	Yes.	Supporting documentations when applying to transfer such related payments are a requirement under EC Act. Supporting documentations include audited financial statements and minutes of declaration of dividends, tax obligations receipts, and other related documents.
Payments for travel	Yes.	
Prior approval	Yes.	Approval is usually granted for purchases of foreign currency for travel. Commercial banks may effect without CBSI approval payments up to SI$100,000 for personal and travel remittances. Larger payments require CBSI approval.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Applications for travel funds must be submitted to an AD, and passports and airline tickets must be presented.
Personal payments	Yes.	
Prior approval	Yes.	Approval is readily granted. CBSI evaluation and approval are required for personal payments exceeding SI$100,000 a transaction a person a month. Commercial banks may process payments up to this limit without CBSI approval.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Applications for medical expenses must be supported by an invoice

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		or certification from the provider of the medical services and, for studies abroad, from an educational institution.
Foreign workers' wages	Yes.	
Prior approval	Yes.	CBSI approval is readily granted for the remittance of funds of temporary residents.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Foreigners may remit their salaries with CBSI approval of their residential status and any documents supporting the bona fide nature of this application.
Credit card use abroad	Yes.	
Prior approval	Yes.	Replenishment of credits exceeding SI$100,000 requires assessment and approval by the CBSI.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	EC requires applicants to provide supporting documents to establish the bona fide nature of the transaction.
Other payments	Yes.	
Prior approval	Yes.	EC approval is required but is readily granted on submission of supporting documents. Insurance companies must obtain permission from the commissioner of insurance to remit reinsurance premiums abroad. Application of overseas payments for insurance premium up to SI$100,000 a transaction does not require CBSI assessment and approval, but is facilitated by ADs (subject to approval by Controller of Insurance prior to AD facilitation). All premium payments above this limit must be submitted to CBSI for approval.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Approval is granted after sighting Comptroller of Insurance endorsement, together with all supporting documents.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from invisible transactions must be repatriated within three months.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds from invisible transactions must be surrendered 100% to a local bank and promptly converted to local currency on receipt. Approval is required for the disposal of proceeds, except through sale to an AD.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	CBSI approval is required for all outgoing capital transactions.
Repatriation requirements	Yes.	The deadline for repatriation depends on the type of capital investment, but is usually within three months. The CBSI reserves the right to recall all capital investment into the country as and when required.
Surrender requirements	Yes.	
Surrender to the central bank	No.	

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Surrender to authorized dealers	Yes.	Proceeds must be surrendered 100% to a commercial bank and converted to local currency within three months.
Controls on capital and money market instruments	Yes.	CBSI approval is required for all capital and money market transactions.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	CBSI approval is required.
Sale or issue locally by nonresidents	Yes.	CBSI approval is required.
Purchase abroad by residents	Yes.	CBSI approval is required.
Sale or issue abroad by residents	Yes.	CBSI approval is required.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	CBSI approval is required.
Sale or issue locally by nonresidents	Yes.	CBSI approval is required.
Purchase abroad by residents	Yes.	CBSI approval is required.
Sale or issue abroad by residents	Yes.	CBSI approval is required.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	CBSI approval is required.
Sale or issue locally by nonresidents	Yes.	CBSI approval is required.
Purchase abroad by residents	Yes.	CBSI approval is required.
Sale or issue abroad by residents	Yes.	CBSI approval is required.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	CBSI approval is required.
Sale or issue locally by nonresidents	Yes.	CBSI approval is required.
Purchase abroad by residents	Yes.	CBSI approval is required.
Sale or issue abroad by residents	Yes.	CBSI approval is required.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	CBSI approval is required.
Sale or issue locally by nonresidents	Yes.	CBSI approval is required.
Purchase abroad by residents	Yes.	CBSI approval is required.
Sale or issue abroad by residents	Yes.	CBSI approval is required.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	No.	

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To residents from nonresidents	Yes.	The overseas payments limit for "Goods imported on Credit" arrangement is SI$1 million a transaction. Payments up to SI$1 million are delegated to ADs for facilitation. All importers must provide CBSI customs documents with original invoices to the ADs for verification and facilitation. Applications for payments above this limit require CBSI assessment and approval.
Financial credits	Yes.	Financial credit transactions subject to interest or a commission require CBSI approval.
By residents to nonresidents	Yes.	Financial credit transactions subject to interest or a commission require CBSI approval.
To residents from nonresidents	Yes.	Financial credit transactions subject to interest or a commission require CBSI approval.
Guarantees, sureties, and financial backup facilities	Yes.	Only the acceptance of guarantees, securities, and financial backup facilities from nonresidents is free of controls.
By residents to nonresidents	Yes.	CBSI approval is required.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Investment by resident companies and other organizations operating in the Solomon Islands is subject to certain conditions, including the likelihood of benefit to the Solomon Islands. This is an EC approval and is given by CBSI as current EC and foreign exchange regulations restrict investment or capital transfer offshore.
Inward direct investment	Yes.	Approval by the Investment Division of the Department of Commerce, Trade and Industries is required for initial or increased foreign investment.
Controls on liquidation of direct investment	Yes.	Approval is readily granted for the transfer of proceeds. Sales of investments by nonresidents to either residents or nonresidents require exchange control approval by the CBSI.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	CBSI approval is required.
Purchase locally by nonresidents	Yes.	CBSI approval is required to register share transfers of any real estates.
Sale locally by nonresidents	Yes.	CBSI approval is required to register share transfers.
Controls on personal capital transactions	Yes.	Controls apply to all personal and capital transactions, except the transfer of assets into the country by immigrants.
Loans	Yes.	
By residents to nonresidents	Yes.	CBSI approval is required before loan contracts are concluded.
To residents from nonresidents	Yes.	CBSI approval is required.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	These transactions require CBSI approval for amounts exceeding SI $100,000.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Approval is required but readily given by the CBSI for immigrants' debts and other personal commitments abroad.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Approval is required but readily given by the CBSI.

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Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	CBSI approval is required.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Approval is required for commercial banks to borrow abroad, even from a parent company.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial banks must seek CBSI approval prior to lending to nonresidents.
Lending locally in foreign exchange	Yes.	CBSI approval is required.
Purchase of locally issued securities denominated in foreign exchange	Yes.	CBSI approval is required.
Differential treatment of deposit accounts in foreign exchange	No.	All foreign currency accounts with commercial banks require CBSI approval.
Reserve requirements	No.	
Liquid asset requirements	No.	The liquid asset requirement is 7.5%. This applies to both foreign and domestic currencies. There is no specific liquid asset requirement for foreign currency.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	All accounts with commercial banks that are held in foreign currency require CBSI approval. Opening a nonresident account in SBD also requires CBSI approval.
Reserve requirements	No.	
Liquid asset requirements	No.	Liquid asset reserves are based on the total asset balance, which includes both local accounts and foreign currency.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks need CBSI approval.
In banks by nonresidents	No.	Controls on capital transactions are only applicable to outward investments and not inward investments.
Open foreign exchange position limits	Yes.	All banks are required to maintain an open foreign exchange position on any single currency not exceeding 15% and an overall open foreign exchange position not exceeding 25% of the financial institution's total capital (Prudential Guideline No. 3 of the Financial Institutions Act 1998).
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	

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Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Offshore investments by pension funds are subject to CBSI approval.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Offshore investments by investment firms and funds are generally not permitted, unless approval is granted by the CBSI.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.

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Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.

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Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Other managed arrangement	*03/24/2022*	Because the composite weights cannot be confirmed, the de facto exchange rate arrangement was reclassified to “other managed” from “crawl-like.”

Imports and Import Payments

Financing requirements for imports

Advance payment requirements	*01/03/2022*	The administrative requirement that was imposed by the Central Bank of Solomon Islands as of August 10, 2020, for all applicants for prepayments greater than SI$100,000 to provide documentary proof of receipt of cargoes (Solomon Islands Government customs document) from previous prepayment approvals was eliminated. This was a temporary monitoring measure imposed during COVID-19 to ensure that trade prepayments are genuine.
Import taxes and/or tariffs	*06/01/2022*	A 50% import duty exemption on fuel was granted, which is expected to last until December 2022.

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SOMALIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 31, 1962.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	While the Somali shilling is the official currency, the de facto currency in use in Somalia is the US dollar. All government transactions are conducted and denominated in US dollars, with exception of small amount of taxes collected by Federal Government of Somalia and Benadir Regional Administration denominated in Somali shilling. Most of the financial transactions are settled in US dollars. Somali shillings are used for small payments between private parties (virtually all counterfeit). Such notes are used as sub-denominations to US dollar banknotes. Also, neighboring countries' currencies are used in border areas. To combat the existing counterfeiting, restore confidence in the national currency, and support access to financial instruments, the Central Bank of Somalia (CBS) is in the process of implementing a comprehensive "Currency Exchange Project" with support of the World Bank. Other important steps taken include the completion of logistic requirements project costing and the establishment of the National Project Steering Committee.
Other legal tender	Yes.	All transactions are converted to US dollars.
Exchange rate structure		
Unitary	Yes.	The Somalia exchange market is composed of private money traders. The rate is a freely determined, market clearing rate. The CBS publishes a daily average exchange rate measured in US dollars/SOS. The CBS does not set this rate. Depending on local liquidity and demand conditions, exchanges rates can differ between Federal Member States markets. The CBS also does not conduct significant foreign exchange operations nor transactions in Somali schilling.
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The de jure exchange rate arrangement is undetermined. Because of the absence of administrative measures controlling the level of the exchange rate, and the inexistence of legitimate SOS banknotes packed and protected by the CBS in the foreign exchange market, the de facto exchange rate arrangement is classified as a free-floating arrangement. The rate is a freely determined, market clearing rate.
Official exchange rate	No.	All public sector transactions are denominated in US dollars.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		

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Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The economy is de facto dollarized with no active monetary policy.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	There is a foreign exchange market in which the exchange rate is negotiated freely among resident holders of foreign exchange accounts.
Spot exchange market	Yes.	The Somalia exchange market is composed of private money traders. The rate is a freely determined, market clearing rate. The CBS has licensed and supervises 14 money transfer companies as of December 31, 2022, and 13 commercial banks, including their capital base, liquidity, transparency, and accountability, in accordance with best practices.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	There is no interbank foreign exchange market. The CBS has completed the National Payment Project which consisted of three

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		sections: (1) Interbank ITI infrastructure, (2) Automated Transfer System, and (3) National Switch. The National Payment System became live and was officially launched as of August 7, 2021, to facilitate domestic interbank market. The National Switch is currently underway, the Board has been established, and the organization and the governance arrangement have been finalized. The operationalization aspect is ongoing and expected to facilitate interbank market transactions.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Foreign exchange activities and foreign accounts for residents and nonresidents are free from restrictions, with the exception that residents may not engage in transactions with Israel.
Controls on the use of domestic currency	No.	No restrictions exist except for authentication of the notes.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Residents use foreign exchange for imports and exports of goods and services and external payments.
Payments arrangements	No.	There are no restrictions on payments arrangements.
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	There are currently no restrictions in the foreign exchange market.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	Currently, the trade in gold is free from any restrictions.

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On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions.
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There are no restrictions.
Approval required	No.	
Domestic currency accounts	No.	There are no restrictions.
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	No foreign exchange plan or prior allocation exists.
Financing requirements for imports	No.	There are no restrictions.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for	No.	

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release of foreign exchange for imports		
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports of alcohol, firearms, and related objects are prohibited. All other items may be imported freely.
Positive list	No.	
Negative list	Yes.	Imports of alcohol, firearms, and related objects are prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports of goods originating or shipped from Israel are prohibited.
Import taxes and/or tariffs	Yes.	Effective May 8, 2023, the Federal Government of Somalia imposed new tariffs on imported goods of up to 50% on almost all imported items.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	There are no restrictions.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	There are no restrictions.
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Export licenses from the Somali Ministry of Trade and Industry are required. Exports of female livestock are prohibited; charcoal trade is banned by the UNSC and the Somali government.
With quotas	No.	

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Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	There are no restrictions.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	There are no restrictions.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	Yes.	Transactions are subject to the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Law of 2015 and its regulations.

Capital Transactions

Controls on capital transactions	No.	Capital movements are not subject to restrictions.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	

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On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	FDI is subject to an FDI law passed in 2015, and it does not impose controls on direct investments.
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	All licensed commercial banks and remittance companies maintain accounts in overseas banks.
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	Each licensed bank must always maintain a liquid asset ratio equal to or greater than 20% and LCR equal to or greater than 100%.
Interest rate controls	No.	
Credit controls	No.	Aggregate-related party transactions (credit) may not exceed 20% of banks' core capital.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	

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On resident assets and liabilities	No.
On nonresident assets and liabilities	No.
Provisions specific to institutional investors	No.
Insurance companies	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Pension funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.

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For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market	No.

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instruments	
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Imports and Import Payments

Import taxes and/or tariffs	*05/08/2023*	The Federal Government of Somalia imposed new tariffs on imported goods of up to 50% on almost all imported items.

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SOUTH AFRICA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: September 15, 1973.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	The Financial Intelligence Centre Act (Act No. 38 of 2001, as amended) (FIC Act) imposes certain duties to accountable institutions (including banks, life insurance companies, and authorized dealers in foreign exchange with limited authority (ADLAs)) to provide for the implementation of financial sanctions and to administer measures pursuant to resolutions adopted by the UNSC. Sections 26A, 26B, 26C, and 28A deal with financial sanctions by UNSC. The Prudential Authority and the Financial Surveillance Department (FinSurv) of the South African Reserve Bank (SARB) conducted banks' and ADLAs' client screening systems' examination in 2014 and again in 2017 to ensure that their screening and monitoring systems are capable of identifying persons and property listed in the UNSC lists (for example, UNSC lists 1267/1989/2253). South Africa maintains restrictions on payments and transfers to UNSC-listed persons and countries as well as on the transfer of funds to the Taliban, Al-Qaida, and ISIL in accordance with UNSC resolutions. The Bank Supervision Department (now the Prudential Authority) issued Guidance Note 8/2008 (of June 17, 2008) regarding Section 6(5) of the Banks Act of 1990 in response to the FATF call for enhanced scrutiny of transactions with certain jurisdictions and to UN sanctions in relation to the proliferation of weapons of mass destruction. Because the FATF list of high-risk and non-cooperative jurisdictions was amended subsequent to Banks Act Guidance Note 8/2008, the Prudential Authority will, in addition to the aforementioned Banks Act Guidance Note, also issue a new Banks Act Guidance Note informing banks and mutual banks of the FATF list of high-risk and non-cooperative jurisdictions. AML and CFT on-site inspections by the Prudential Authority assess banks' compliance with UNSC resolutions to prevent business relationships with sanctioned countries, entities, and individuals and dealing in sanctioned goods, etc. In addition, AML and CFT on-site inspections by FinSurv assess ADLAs' compliance with UNSC resolutions.

Exchange Arrangement

Currency	Yes.	The currency of South Africa is the South African rand (ZAR).
Other legal tender	Yes.	Certain gold coins, such as Krugerrands and the Natura and Protea Series, are legal tender.

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Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free-floating. The exchange rate of the rand is determined by market forces (that is, demand and supply) in the foreign exchange market. The SARB has a publicly announced foreign exchange policy of purchasing foreign currency in the local foreign exchange market when market conditions permit. The main objective for conducting spot purchases is to accumulate foreign exchange reserves. However, in certain exceptional cases, the SARB's involvement in the spot market is aimed at facilitating the smooth functioning of interbank foreign exchange market, for example, when there are relatively large foreign direct inflows into the country. In implementing its foreign exchange policy, the SARB does not seek to influence the level of the exchange rate. The SARB interacts with ADs as the price taker for official and commercial purposes. The market makers and brokers quote prices to other market participants; the SARB does not quote prices for market participants. The de facto exchange rate arrangement is classified as floating. The SARB does not publish foreign exchange intervention data but publishes information notice on changes in official foreign reserves with explanatory statement at the end of every month. The information notice is published on a monthly basis within 7 working days of the new month.
Free floating		
Official exchange rate	Yes.	The SARB publishes rand exchange rates daily against most traded currencies, such as the US dollar, euro, and pound sterling, at about 10:30 a.m. on its website (www.resbank.co.za). The rates are based on the four big banks' (Standard Bank, ABSA, FirstRand, and Nedbank) foreign exchange quotes on the Reuters electronic trading system. The SARB also calculates the nominal effective exchange rate (NEER) for the rand and publishes it at 10:30 a.m. daily. The NEER is calculated according to South Africa's largest international trading partners in manufactured goods. The NEER is currently calculated against 20 currencies; the five largest weights are euros (30.68%), Chinese yuan (24.53%), US dollar (10.56%), Japanese yen (4.95%), and British pound sterling (4.85%). The NEER is also

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		calculated and published monthly on the SARB's website, together with the real effective exchange rate (REER). Historical exchange rates are available in the SARB's quarterly bulletin. The SARB uses the US dollar–rand exchange rate at 10:30 a.m. for daily valuation.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	South Africa formally introduced inflation targeting in February 2000, after announcing the intention to adopt the framework in August 1999.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The inflation target is set by government after consultation with the Bank. Decisions are made by consensus. The Monetary Policy Statements make reference to the preferences of monetary policy members, but not on an individual member basis.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band		
Band/Range	Yes.	The inflation target range is 3%–6% for the year-on-year (y-o-y) increase in the headline CPI (CPI for all urban areas) on a continuous basis. Since 2017, the MPC has emphasized that it would like to see inflation close to the 4.5% midpoint of the 3–6% target range.
Target measure	Yes.	
CPI	Yes.	The inflation rate targeted is the CPI for all urban areas. CPI as published by Statistics South Africa (STATS SA) is used. The inflation target is continuous and flexible, implying that while policy aims for average inflation to be within the target range, temporary deviations from the target are acceptable provided inflation returns to the target range over a reasonable period (usually one or two years).
Core inflation		
Target horizon	No.	

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Operating target (policy rate)	Yes.	
Policy rate	Yes.	Effective June 8, 2022, the monetary policy implementation framework has moved from a shortage system to a surplus system with quotas. A 7-day weekly repo is still offered, albeit on a much smaller scale. The SARB pays repo on reserves (other than the CRR) up to individual bank quotas. Any funds in excess of quota are remunerated at the Standing Facility rate of repo less 100 basis points. The weekly 7-day repurchase auction is conducted with the commercial banks, at the repo (policy) rate as determined by the MPC. The Bank lends funds to the banks against eligible collateral, which comprises assets that also qualify as liquid assets in terms of the prudential liquid asset requirement.
Target corridor band	Yes.	In addition to the main repo facility, the Bank offers a range of end-of-day facilities for the commercial banks to square off the daily positions on their settlement accounts, for example, access to their cash reserve balances held with the Bank, supplementary repos/reverse repos conducted at the repo rate, and an automated standing facility whereby the end-of-day balances on the banks' settlement accounts are automatically settled at a rate of 100 basis points below or above the policy rate.
Other	No.	
Accountability	Yes.	
Open letter	n.a.	
Parliamentary hearings	Yes.	The Governor of the Bank appears at least once a year in parliament before the Select Committee on Finance to explain the monetary policy stance adopted by the MPC.
Other	Yes.	The Governor of the Bank is required to submit annually a report on the implementation of monetary policy to the Minister of Finance.
Transparency	Yes.	The Bank's commitment to transparent monetary policy has resulted in several initiatives to improve the communication of its policies to the public. At the conclusion of every MPC meeting, an MPC statement is issued through a press conference by the Governor of the Bank explaining the reasons for the MPC's policy stance. This press conference is broadcast live on national television, and at the same time, the MPC statement is released on the Bank's website. Monetary Policy Forums are also held to develop a better understanding of monetary policy. These Forums are held twice a year in the major centers of South Africa, across all provinces.
Publication of votes	No.	During the MPC press conference, the Governor mentions (if asked) the split of the monetary policy decision.
Publication of minutes	No.	Monetary policy decisions are made by the SARB's MPC, which is chaired by the Governor and includes the deputy governors and other senior officials of the SARB. MPC decisions are communicated at a press conference at the end of each meeting, accompanied by a comprehensive statement.
Publication of inflation forecasts	Yes.	The Bank also publishes its Monetary Policy Review twice a year. This Review is aimed at broadening the understanding of the intentions and conduct of monetary policy. Moreover, the Review analyzes the domestic and international developments that have impacted on inflation and motivates the monetary policy reaction to these developments. An assessment of the future outlook for the factors determining inflation as well as the Bank's forecast of the future path of inflation is provided in the Monetary Policy Review. The Bank also publishes its inflation forecasts and assumptions simultaneous to the release of the monetary policy statement. Other

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		materials are published from time to time, to increase awareness and understanding of its monetary policy function.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set their exchange rates and commissions in transactions with their clients.
Spot exchange market	Yes.	FinSurv is authorized by the National Treasury to appoint ADs and ADLAs. As of September 30, 2023, there are 25 ADs, 3 restricted ADs, and 27 appointed ADLAs. ADLAs are classified as follows: Category one—(0 ADLA in the market) authorized to operate as a bureau de change; Category two—(13 ADLAs in the market) authorized to operate as a bureau de change, to transfer gifts and study allowances within the single discretionary allowance (SDA) limit, to transfer earnings of migrant workers and foreign nationals, and to offer money remittance services in partnership with external money transfer operators; Category three—(10 ADLAs in the market) authorized to operate as an independent money transfer operator and/or value transfer service provider; and Category four (4 ADLAs), which is a combination of Categories two and three. ADLAs must maintain minimum unimpaired capital in a savings or investment type bank account separate from their business and clients' funds as follows: Category one: R 2 million; Category two: R 3 million; Category three: R 5 million; and Category four: R 8 million. All transactions undertaken by an AD or an ADLA must be reported to FinSurv. ADLAs may only maintain accounts abroad with approval from FinSurv.
Operated by the central bank	No.	The SARB conducts spot transactions and foreign exchange swaps in the foreign exchange market. The SARB conducts spot purchases to accumulate foreign exchange reserves and service foreign exchange obligations of its clients. In addition, the SARB conducts foreign exchange swaps for the purpose of liquidity management in the money market and to sterilize the money market impact of foreign exchange purchases for the accumulation of reserves.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	The SARB does not conduct any ZAR fixings.
Interbank market	Yes.	Twenty-five ADs are authorized to participate in the foreign exchange market. There are no limits on the bid-ask spreads, and commissions vary between ADs and their clients. The SARB interacts with ADs as the price taker for official and commercial purposes. The market makers and brokers quote prices to other market participants; the SARB does not quote prices for market participants.
Over the counter	Yes.	Foreign exchange swaps, options, and outright forwards are the most important foreign exchange derivatives traded over the counter.
Brokerage	Yes.	The foreign exchange market operates based on a system of brokers (via brokers and electronic brokering systems).
Market making	Yes.	There is a market-making agreement between ADs and their clients.
Forward exchange market	Yes.	ADs are permitted to conduct forward exchange operations, including providing cover for transactions by nonresidents (subject to

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		certain limitations). ADs are also permitted to provide forward exchange cover in any foreign currency to residents for firm and ascertained foreign exchange commitments and for accruals because of or from nonresidents arising from authorized trade and nontrade transactions. Forward exchange contracts may cover the entire period of the outstanding commitments or accruals. For the purpose of managing domestic money market liquidity, the SARB may conduct foreign exchange swaps in varying maturities with ADs for up to 12 months.
Official cover of forward operations	No.	The SARB does not participate in the provision of forward exchange cover to the market.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Countries outside the CMA constitute the nonresident area. The rand is legal tender in Eswatini, Lesotho, and Namibia. Lilangeni banknotes from Eswatini, loti banknotes from Lesotho, and Namibian dollar banknotes from Namibia are convertible to rand at par, but are not legal tender in South Africa.
Controls on the use of domestic currency	Yes.	Rand may not be used in foreign exchange transactions; however, settlements between residents of the CMA and the nonresident area may be made in rand to and from a local nonresident account and in any foreign currency (except the currencies of Eswatini, Lesotho, and Namibia).
For current transactions and payments	Yes.	There are no restrictions on current account transactions conducted within the ambit of the Exchange Control Regulations. Rand may be used freely for current account transactions and payments inside of the CMA and up to the limit of R 1 million in terms of the SDA via the Vostro system for current account payments.
For capital transactions	Yes.	Where parties wish to transact outside of the ambit of the Currency and Exchanges Manual for Authorised Dealers, approval is required from FinSurv.
Transactions in capital and money market instruments	Yes.	Certain types of transactions require FinSurv approval, such as outward direct investment if the total of the new investment exceeds R 5 billion a company a calendar year.
Transactions in derivatives and other instruments	Yes.	Approval is required where the instruments are issued by nonresident parties.
Credit operations	Yes.	Certain types of transactions will require FinSurv approval, for example, entities that are 75% or more nonresident owned who require to borrow funds from an AD for, for example, the purchase and sale of any securities, repurchase agreements, and any derivative transactions on securities and/or the acquisition of residential property in South Africa, where the funds that they wish to borrow exceed the 1:1 ratio.
Use of foreign exchange among residents	Yes.	South African residents may invoice each other locally in foreign currency; however, settlement must be in rand.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	South Africa is a member of the CMA. Payments within the CMA are unrestricted.
Clearing agreements	No.	
Barter agreements and open accounts	No.	

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Administration of control	Yes.	The Treasury has delegated the administration of exchange controls to FinSurv with the authority to appoint ADs and ADLAs. FinSurv permits ADs and ADLAs to handle most foreign exchange transactions within the prescribed authorities and limits identified in the Currency and Exchanges Manual for ADs and the Currency and Exchanges Manual for ADLAs. The Manuals are available on the SARB website.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may purchase, hold, and sell gold coins for numismatic purposes as well as minted gold bars in accordance with South African regulations, but only the monetary authorities, ADs, registered gold producers, and authorized parties may purchase, hold, or sell gold in any form other than jewelry. Gold producers may elect to sell their total output to approved buyers, with clearance from the South African Diamond and Precious Metals Regulator. The South African Mint strikes gold coins, such as the Krugerrand, Natura, and Protea, which are legal tender, without face value, and these are available in limited numbers to the local market.
On external trade	Yes.	Exports of gold are subject to Exchange Control Regulations. Exchange Control Regulations pertaining to the repatriation of export proceeds remain applicable to gold exports. Export proceeds are required to be received not later than six months from the date of shipment. ADs may authorize South African exporters to grant credit up to a total of 12 months to foreign importers, provided the AD is satisfied that it is necessary. ADs are permitted by FinSurv to approve exports of jewelry up to an insurance value of R 200,000 constituting the personal effects of a traveler (with written declaration that it will be brought back on the traveler's return or within six months). Exports of gold jewelry by manufacturing jewelers require a written declaration that the articles are in fully manufactured form and that the gold content of each does not exceed 85% of the selling price to the ultimate consignee. Export of gold jewelry by manufacturing jewelers should be referred to the Precious Metals Act of 2005 by South African Diamond and Precious Metals Regulator. With FinSurv approval, residents may export currency coins, including certain gold coins, for sale to numismatists.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Visitors and residents may take with them up to R 25,000 a person a trip for incidental expenses. The amount is not considered part of the basic travel allowance, which is part of the SDA of R 1 million an individual a calendar year. Residents who are under the age of 18 years may be accorded a travel allowance not exceeding an amount of R 200,000 a calendar year. This limit does not apply to migrant workers returning to neighboring countries, who are permitted to take with them reasonable amounts in banknotes representing their earnings in South Africa. There are no limits on the exportation of domestic currency to Eswatini, Lesotho, and Namibia. South African banknotes repatriated from Angola, Botswana, the Democratic Republic of the Congo, Madagascar, Malawi, Mauritius,

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		Mozambique, Seychelles, Tanzania, Zambia, and Zimbabwe may be remitted on submission of documentary evidence that they were not exported from South Africa in violation of the Exchange Control Regulations. The consignment of banknotes must be accompanied with confirmation by the repatriating bank that they were acquired from bona fide travelers from South Africa in amounts not exceeding R 25,000 a traveler.
Foreign currency	Yes.	Residents and contract workers leaving South Africa for destinations outside the CMA may take out their allowance in foreign banknotes. This allowance forms part of the SDA of R 1 million an individual a calendar year. Residents who are under the age of 18 years may be accorded a travel allowance not exceeding an amount of R 200,000 a calendar year. Foreign visitors leaving South Africa may take with them any amount of foreign banknotes brought into the country or obtained through the disposal of instruments of exchange brought into and converted in South Africa. CMA residents in South Africa may be accorded foreign currency at local international airports to cover unforeseen incidental costs while in transit abroad, subject to viewing an air ticket confirming a destination outside the CMA. CMA residents working and residing in South Africa may be accorded foreign currency by ADs subject to proof that the value of such funds is reasonable in relation to their income generating activities in South Africa.
On imports	Yes.	
Domestic currency	Yes.	The maximum amount of rand banknotes that may be imported from countries outside the CMA is R 25,000 an individual. There are no limits on such imports from Eswatini, Lesotho, and Namibia. FinSurv approval is required to import notes in excess of the prescribed amounts.
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Natural persons may hold up to the equivalent of R 11 million a calendar year (R 1 million SDA and R 10 million foreign capital allowance in foreign currency deposits with ADs for foreign investment purposes, of which R 1 million a calendar year does not require a Tax Compliance Status (TCS) PIN letter, which replaced the Tax Clearance Certificate. The proceeds of other approved foreign assets may also be held in such accounts. Legal persons involved in international trade may maintain a single customer foreign currency (CFC) account for trade- and services-related payments, as well as for a wider variety of permissible transactions. Effective February 23, 2022, FinSurv reviewed the policy allowing institutional investors to open CFCs accounts to accept foreign currency deposits emanating from disinvestment proceeds of foreign assets, pending the reinvestment of the funds offshore, and amended the policy to allow institutional investors to open Foreign Currency Account (FCAs) instead of CFCs. This is because FCAs would be more beneficial to the institutional investors. All CFC accounts previously held by institutional investors had to be converted to foreign currency accounts within 3 months.
Approval required	Yes.	Transfer of funds in excess of R 11 million (R 1 million SDA and R 10 million foreign capital allowance) by resident individuals requires FinSurv approval.

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Held abroad	Yes.	Businesses and individuals may hold such accounts abroad for the proceeds of permissible transactions. Only South African companies that have legal/bona fide sources of income abroad are permitted to open foreign bank accounts. All foreign credits to such bank accounts are subject to the provisions of Exchange Control Regulation 6, except in respect of foreign-earned dividends. Funds that accrue in foreign bank accounts must be in respect of transactions permissible in terms of the Manuals or a specific authority granted by FinSurv. Applicants must give written undertakings to ADs that no debits other than transfers to South Africa, debits permissible in terms of a specific authority from FinSurv or bank charges, will be passed over the account.
Approval required	No.	South African companies may, without FinSurv approval, open foreign bank accounts for the proceeds of permissible transactions. South African natural persons may keep their R 10 million foreign capital allowance, income earned abroad after July 1, 1997, and authorized foreign assets in a foreign bank account, without FinSurv approval.
Accounts in domestic currency held abroad	No.	Resident rand accounts may not be held abroad, but residents may open a foreign currency account offshore.
Accounts in domestic currency convertible into foreign currency	No.	Resident rand accounts may not be converted to foreign currency accounts.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	ADs are required to open separate accounts on behalf of nonresident clients to distinguish between regular clearing accounts and foreign exchange trading accounts. This requirement does not affect the transferability of funds.
Approval required	No.	Foreign exchange accounts may be opened for nonresidents, and funds in these accounts may be transferred abroad without restriction. No approval is required for the opening of nonresident accounts.
Domestic currency accounts	Yes.	These accounts may be credited with authorized payments by residents, proceeds of sales of foreign currency to ADs, redeposits of unused rand withdrawn during visits to the CMA, and payments from other nonresident accounts. They may be debited for payments to CMA residents for any purpose (except loans), transfers to a local nonresident account, remittance to countries outside the CMA, purchases of foreign currency, rand payments for investment in local debt instruments, and rand payments to account holders during visits to the CMA.
Convertible into foreign currency	No.	A foreign currency account may be opened for a nonresident in foreign currency, but a nonresident rand account may not be converted to a foreign currency account.
Approval required	No.	
Blocked accounts	No.	The distinction between South African resident assets and nonresident assets remains extant. ADs may allow the transfer of assets abroad, provided a private individual: (1) has ceased to be a resident for tax purposes in South Africa; (2) has obtained a TCS in respect of "emigration" from South African Revenue Service (SARS); and (3) is tax compliant on verification of the TCS. In addition, private individuals may in the same calendar year that they ceased to be residents transfer via an AD up to R 1 million as a travel allowance, without the requirement to obtain a TCS PIN letter. This is a once-off dispensation and cannot be used in subsequent calendar years. Private individuals ceasing to be residents for tax purposes only qualify for the aforementioned travel allowance and may not

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		avail of any unutilized portion of the SDA available to residents. ADs may allow the transfer of up to a total amount of R 10 million a calendar year a private individual who ceases to be a resident for tax purposes in South Africa and is 18 years and older, provided the individual is tax compliant and submits the applicable TCS Application for verification. South African non-tax residents who transfer more than R 10 million offshore will be subjected to a more stringent verification process by SARS as well as a subsequent approval process from FinSurv. Such transfers will trigger a risk management test that will, inter alia, include verification of the tax status and the source of funds, as well as risk assess the private individual in terms of the AML and countering terror financing requirements, as prescribed in the FIC Act, 2001 (Act No. 38 of 2001). Effective February 23, 2022, ADs may, on a once-off basis, remit abroad the remaining cash balances (of up to R 100,000 in total) of people who have ceased to be resident for tax purposes, without reference to SARS.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	ADs may provide foreign exchange for advance payments and/or cash-with-order requests, without FinSurv approval, to cover the cost of permissible imports, not including capital goods, on presentation of an invoice stating that payment must be made in advance. ADs do not need FinSurv approval for advance payments of up to 100% of the ex-factory cost of capital goods to be imported—up to R 10 million. Advance payment for imports of capital goods exceeding R 10 million is limited to 50% of the ex-factory cost. Any amount in excess requires FinSurv approval. For advance payments up to R 50,000, ADs are not required to review the SARS customs declaration with the movement reference number for imports to ensure that the foreign exchange was used for the stated purpose and that the goods were actually imported.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	ADs must insist on the presentation to them of the prescribed SARS Customs Declaration bearing the Movement Reference Number as evidence that goods in respect of which transfers have been effected have been cleared by Customs. These documents must be presented at the time foreign currency payments for imports are made where the goods have already been cleared by Customs, or in the case of advance payments in excess of R 50,000 within four months of the date of payment. The detailed information shown on these documents must be checked against the information obtained at the time payment for the relative import was made to verify that the payment made relates to the goods that have been cleared.
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	Supporting or supplementary documents may include, but are not limited to, LCs.
Import licenses used as exchange licenses	No.	

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Other	Yes.	Importers are automatically permitted to buy foreign exchange to pay for current imports on presentation to their bank of the necessary transport and consignment documents (proof of importation) and an import permit, when required. An import verification system allows ADs to authenticate and view payment of electronic SARS customs declaration forms. Resident individual importers are not required to furnish import documentation for imports within their R 1 million SDA.
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	Imports from Botswana, Eswatini, Lesotho, Malawi, Namibia, and Zimbabwe that are grown, produced, or manufactured in these countries do not require a permit from the International Trade Administration Commission of South Africa (ITAC), except some categories of new goods, which are subject to import control regulations; used and secondhand goods; goods manufactured from used or secondhand goods, including waste and scrap imported from outside the SACU. New goods imported from Malawi and Zimbabwe that are grown, produced, or manufactured in Malawi or Zimbabwe are not interpreted to include new goods subject to import control regulations, used and secondhand goods, and goods manufactured from used and secondhand goods imported from outside Malawi and Zimbabwe.
Negative list	Yes.	The negative list includes most used goods, including waste and scrap; fish, crustaceans, and mollusks; mineral fuels; radioactive chemicals; new pneumatic tires; certain minerals; firearms; gambling machines; certain chemicals used in drug manufacturing; and ozone-depleting substances. All importers requiring ITAC import permits for controlled goods for trade or manufacturing purposes must be registered with the Directorate of Import and Export Control of the ITAC. Permits are valid for imports from any country.
Open general licenses	No.	
Licenses with quotas	Yes.	Import quotas apply to certain agricultural and manufactured products, including clothing and textiles imported from Zimbabwe supported with a Quota and Origin Certificate issued by the Ministry of Industry and Commerce of Zimbabwe. No import quotas are administered by ITAC as a nontariff regime.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Tariff rates vary from 0% up to the WTO bound rate of 50% for commercial goods. A 15% VAT is levied on imports from Botswana, Eswatini, Lesotho, and Namibia.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Unless otherwise permitted, export proceeds must be remitted to South Africa not later than six months from the date of shipment and must be offered for sale to an AD within 30 days of receipt thereof. Exporters with CFC accounts may retain funds in such accounts without converting them to rand.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Unless otherwise permitted, export proceeds must be received within

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		six months of the date of shipment and offered for sale within 30 days or according to the rules governing CFC accounts. Except for exports made on a cash-on-delivery basis and those for which the full proceeds are received in advance, ADs may provide exporters forward cover for their export proceeds. The rate used for surrender requirements is the market exchange rate
Financing requirements	Yes.	ADs may permit exporters to grant credit for up to 12 months, provided the credit is necessary in that particular trade or needed to protect an existing export market or capture a new one.
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Only an electronic SARS Customs Export Declaration Form (SAD 500) is required for exports. Exports are monitored through the Electronic Export Monitoring System.
Export licenses	Yes.	
Without quotas	Yes.	Certain agricultural and manufactured goods and waste and scrap metal exported outside the SACU require ITAC export permits. In addition to an ITAC export permit, military equipment, firearms, and ammunition require an export license issued by the Department of Defence. Effective April 4, 2022, when the National State of Disaster was lifted, the temporary export regulation of COVID-19 essential goods ceased to apply. The exportation of certain COVID-19 essential goods, such as medicines, masks, and alcohol-based hand sanitizers, was temporarily put under control by ITAC during the national state of disaster.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Most limits have been removed. Documentary evidence must be produced at the time of application for foreign currency. The SDA of R 1 million may be used at the discretion of residents (natural persons) without any documentary evidence, except for an Identity Document.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	No limits apply, but documentary evidence must be produced at the time of application for foreign currency confirming the amount involved, and ADs must be satisfied that the commission rate is customary for the particular trade. Payment for the importation of

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		computer software and specific custom-made computer software products, including license fees, may be made by ADs against documentary evidence.
Investment-related payments	No.	
Prior approval	No.	Annual reporting is required for payments to amortize loans or for depreciation of direct investments.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	ADs may permit the remittance of profits and dividends, provided there is no excessive use of local credit facilities. Income earned from securities held by nonresidents is freely transferable abroad.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	South African residents traveling abroad for business or pleasure are allowed a travel allowance within the overall limit of the SDA equivalent to R 1 million a calendar year for each person 18 years and older and R 200,000 a calendar year for each person under 18 years, without any daily limit, regardless of the country of destination. Residents whose visits overseas extend from the current year into the following year may be accorded foreign currency in respect of the next year's facilities without returning to South Africa. Businesses qualify for a global travel allowance of R 20 million a calendar year at the discretion of the company. Residents may be allowed a cash float in foreign currency, not exceeding the equivalent of R 100,000 at any one time, if they must make cash payments related to the transportation of goods on a regular basis to nonresidents. Residents embarking on coastal cruises in South African territorial waters and cruises without a destination have access to foreign currency within the R 1 million SDA, provided a valid passenger ticket in their name has been issued in the South Africa. Exchange allowances in excess of the above limits may be provided with FinSurv approval. CMA residents in South Africa may be accorded foreign currency at local international airports to cover unforeseen incidental costs while in transit abroad, subject to viewing an air ticket confirming a destination outside the CMA. CMA residents working and residing in South Africa may be accorded foreign currency by ADs subject to proof that the value of such funds is reasonable in relation to their income generating activities in South Africa.
Indicative limits/bona fide test	Yes.	Exchange allowances in excess of the above limits may be provided with FinSurv approval.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Natural persons, who are 18 years and older, are permitted to avail of an SDA within an overall limit of R 1 million an individual a calendar year, without the requirement to obtain a TCS PIN letter, which may be used for any legal purpose (including for investment purposes abroad). This dispensation may be utilized solely at the discretion of the resident without any documentary evidence having to be produced to the AD, except for travel purposes outside the CMA where a passenger ticket needs to be produced. The resident individual must produce a valid green bar-coded South African Identity Document or Smart ID card for identification purposes and the identity number is mandatory when reporting the transaction. FinSurv approval is required for amounts in excess of the limit. An

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		exemption from the Money-Laundering and Terrorist Financing Control Regulations, 2002, made under the FIC Act, 2001, allows residents and nonresidents to transfer or remit funds to a destination outside of South Africa up to an amount of R 5,000 a transaction a day within a limit of R 25,000 an individual a calendar month without the need for ADs and ADLAs to obtain and verify income tax numbers and residential addresses as well as exemption from various record-keeping provisions. It remains a requirement that the accountable institution still obtains, verifies, and records the names, date of birth, identity, or passport numbers as well as the transaction details.
Indicative limits/bona fide test	Yes.	Monthly pension payments to former residents (emigrants) are permitted, provided an individual has ceased to be a resident for tax purposes in South Africa; has obtained a TCS in respect of "emigration" from SARS; and is tax compliant on verification of the TCS. South African residents temporarily abroad may receive transfers from their retirement pensions and annuities, as well as monetary gifts and loans.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Foreign nationals must complete a declaration and undertaking on taking up temporary residence in South Africa.
Credit card use abroad	Yes.	
Prior approval	No.	Approval is not required with respect to travel expenditures. Residents temporarily abroad may use their local debit/credit cards within the overall SDA of R 1 million an applicant during a calendar year.
Quantitative limits	Yes.	Travel-related expenditures may not exceed 100% of the corresponding allowance.
Indicative limits/bona fide test	Yes.	Permissible transactions—for example, imports over the Internet—are limited. The limit for credit card payments relating to such imports is R 50,000 a transaction for individuals and resident corporates.
Other payments	No.	
Prior approval	No.	ADs may permit remittance of miscellaneous payments incurred outside the CMA, with documentary evidence confirming the amount involved. ADs may grant approval for royalty payments, provided the Department of Trade and Industry has approved the relevant royalty agreement.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Corporate entities are required to repatriate earnings to South Africa within 30 days of receipt. South African residents (private individuals) may retain income earned abroad after July 1, 1997, except for the sale proceeds of South African assets received from nonresidents and export proceeds. Effective February 23, 2022, resident individuals may receive and retain gifts or donations from nonresidents offshore, subject to local tax disclosure and compliance. In addition, resident individuals may also retain foreign assets

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		inherited from a South African estate abroad. Previously, any foreign asset received by a resident from a nonresident as a gift or donation or foreign inheritance was not exempt from the provisions of Regulations 6 and 7 and must be declared and repatriated to South Africa. Alternatively, a fully motivated application to retain the assets abroad had to be submitted to FinSurv. Effective May 23, 2023, resident individuals who inherited foreign assets from nonresidents after March 17, 1998, are exempted from the provisions of Regulations 6 and 7 and may retain the foreign inheritance abroad.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Residents must, unless exempt, sell foreign currency to ADs within 30 days of receipt. Business travelers are exempt from selling their foreign currency to ADs when the next business trip is to occur within 90 days from returning from a business trip. Corporate entities are permitted to retain repatriated funds in their CFC accounts without converting them to rand.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The individual limit for investments abroad without FinSurv approval is R 11 million a calendar year (R 1 million SDA and R 10 million foreign capital allowance). Residents temporarily abroad may avail of the R 1 million SDA and the R 10 million foreign capital allowance a calendar year without returning to South Africa.
Repatriation requirements	Yes.	Effective February 23, 2022, resident individuals may receive and retain gifts or donations from nonresidents offshore, subject to local tax disclosure and compliance. Resident individuals may also retain foreign assets inherited from a South African estate abroad. In addition, residents may lend or dispose of authorized foreign assets held offshore to other South African residents, subject to local tax disclosure and compliance. Previously, any foreign asset received by a resident from a nonresident as a gift or donation or foreign inheritance was not exempt from the provisions of Regulations 6 and 7 and must be declared and repatriated to South Africa. Alternatively, a fully motivated application to retain the assets abroad had to be submitted to FinSurv. Effective May 23, 2023, resident individuals who inherited foreign assets from nonresidents after March 17, 1998, are exempted from the provisions of Regulations 6 and 7 and may retain the foreign inheritance abroad. All other receipts of foreign assets other than those listed above must be declared and repatriated within 30 days or an application must be submitted for the retention of the assets abroad.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Residents must, unless exempt, sell foreign currency to ADs within 30 days of becoming entitled thereto. Corporate entities may keep repatriated funds in a CFC account without the obligation to convert them to rand. Effective January 1, 2022, the temporary measure during the COVID-19 lockdown period, that extended the period in which residents must, unless exempt, sell foreign currency to ADs no longer applied.
Controls on capital and money market instruments	Yes.	There are several exchanges in addition to the Johannesburg Stock Exchange (JSE) Limited such as the Cape Town Stock Exchange

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		(previously 4AX), A2X, and Equity Express Securities Exchange.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Approval is required for foreign entities to list shares on a South African exchange. The funds raised by the issuer are freely transferable. All inward-listed shares on a South African exchange traded and settled in rand are classified as domestic for the purpose of trading on the exchange and are included on the indices; institutional investors and ADs may invest in such shares without affecting their permissible prudential limit.
Purchase abroad by residents	Yes.	The individual limit for investments abroad without FinSurv approval is R 11 million an individual a calendar year (R 1 million SDA and R 10 million foreign capital allowance) or from the proceeds of any authorized foreign asset. Effective February 23, 2022, the export of dual/multi-listed domestic securities to a recognized foreign share exchange is permitted by resident individuals, limited to the SDA and/or foreign capital allowance, provided FinSurv is duly notified. All tax and AML requirements apply. Effective February 23, 2022, resident individuals may use their SDA and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so. Effective February 23, 2022, the linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets). Effective February 23, 2022, pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets). Effective February 23, 2022, collective investment scheme managers and discretionary financial services providers registered as institutional investors with FinSurv may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Sale or issue abroad by residents	Yes.	Approval is not required for the sale of authorized foreign assets. For the issue of instruments abroad, FinSurv approval is required, depending on the type of instrument to be issued. Unlisted technology, media, telecommunications, exploration, and other research and development companies may apply to FinSurv for approval for primary listing abroad or to raise loans abroad and operating capital. Such offshore companies may in turn hold investments and/or make loans into South Africa, and the intellectual property must remain registered in South Africa but may be assigned offshore, subject to appropriate tax treatment. Companies listed on a South African exchange may have a secondary listing and/or list depository receipt programs on foreign exchanges to facilitate local and FDI expansion.
Bonds or other debt securities		

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	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These instruments may be held for an indefinite period.
Sale or issue locally by nonresidents	Yes.	Approval is required for foreign entities to list bonds or other debt instruments on a South African exchange. The funds raised by the issuer are freely transferable. These instruments are classified as foreign. Investments in these instruments by institutional investors and ADs affect their permissible prudential limit.
Purchase abroad by residents	Yes.	The individual limit for investments abroad without FinSurv approval is R 11 million (R 1 million SDA and R 10 million foreign capital allowance) a calendar year or from the proceeds of any authorized foreign asset. Effective February 23, 2022, resident individuals may use their SDA and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so. Effective February 23, 2022, the linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets). Effective February 23, 2022, pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets). Effective February 23, 2022, collective investment scheme managers and discretionary financial services providers registered as institutional investors with FinSurv may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Sale or issue abroad by residents	Yes.	Approval is not required for the sale of authorized foreign assets. For the issue of instruments abroad, FinSurv approval is required, depending on the type of instrument to be issued. Unlisted technology, media, telecommunications, exploration, and other research and development companies may apply to FinSurv for approval to raise loans and operating capital abroad. Such offshore companies may in turn hold investments and/or make loans into South Africa and the intellectual property must remain registered in South Africa but may be assigned offshore subject to appropriate tax treatment.
On money market instruments	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Approval is required for foreign entities to list money market instruments on a South African exchange. The funds raised by the issuer are freely transferable. These instruments are classified as foreign.
Purchase abroad by residents	Yes.	The individual limit for investments abroad without FinSurv approval is R 11 million an individual a calendar year (R 1 million SDA and R 10 million foreign capital allowance) or from the proceeds of any authorized foreign asset. Effective February 23, 2022, resident individuals may use their SDA

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		and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so. South African institutional investors may invest in rand-denominated instruments issued abroad and in instruments issued by South African entities in the foreign market, subject to the prudential limit. Effective February 23, 2022, the linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets). Effective February 23, 2022, pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets). Effective February 23, 2022, collective investment scheme managers and discretionary financial services providers registered as institutional investors with FinSurv may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Sale or issue abroad by residents	Yes.	Approval is not required for the sale of authorized foreign assets. For the issue of instruments abroad, FinSurv approval is required, depending on the type of instrument to be issued.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Approval is required for foreign entities to list collective investment securities on a South African exchange. The sale of such securities by nonresidents does not require approval. The funds raised by the issuer are freely transferable. The classification of collective investment securities issued or sold locally by nonresidents depends on the reference assets and may be classified as domestic or foreign.
Purchase abroad by residents	Yes.	The individual limit for investments abroad without FinSurv approval is R 11 million an individual a calendar year (R 1 million SDA and R 10 million foreign capital allowance) or from the proceeds of any authorized foreign asset. Effective February 23, 2022, resident individuals may use their SDA and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so. Effective February 23, 2022, the linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets). Effective February 23, 2022, pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets). Effective February 23, 2022, collective investment scheme managers

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		and discretionary financial services providers registered as institutional investors with FinSurv may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Sale or issue abroad by residents	Yes.	Approval is not required for the sale of authorized foreign assets. For the issue of instruments abroad, FinSurv approval is required, depending on the type of instrument to be issued.
Controls on derivatives and other instruments	Yes.	Currency and commodity derivatives as well as derivative instruments with a foreign underlying asset are included on the list of instruments that may be listed on a South African exchange. South African companies, trusts, partnerships, and individuals may participate without restriction in approved inward-listed instruments. Institutional investors and ADs may participate in currency and commodity derivatives as well as derivative instruments with a foreign underlying asset up to the permissible prudential limits. South African companies may obtain forward cover for up to 75% of budgeted import commitments or export accruals for the forthcoming financial year without reference to FinSurv.
Purchase locally by nonresidents	No.	Nonresidents may freely purchase derivative instruments, options, and futures on the local formal market.
Sale or issue locally by nonresidents	Yes.	Approval is required for foreign entities to issue derivative and other instruments on a South African exchange. These instruments are classified as foreign. Investments in these instruments by institutional investors and ADs affect their permissible prudential limit.
Purchase abroad by residents	Yes.	Residents who wish to hedge directly with an offshore counterparty require FinSurv approval. Effective February 23, 2022, resident individuals may use their SDA and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so.
Sale or issue abroad by residents	Yes.	Approval is not required for the sale of authorized foreign assets. For the issue of instruments abroad, FinSurv approval is required, depending on the type of instrument to be issued.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Export credits may be granted for up to six months. ADs may, under certain circumstances, allow a further extension of six months. Longer-term credit requires approval of FinSurv. With respect to services, payment must be received under the terms of the contract between the parties within a reasonable period after the service is rendered.
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Financial credits, such as loans, may not be extended without approval, except within the annual discretionary limit—that is, R 1 million a resident lender to nonresident individuals and South African residents temporarily abroad. Foreign investors may borrow domestically, without restriction, to finance FDI. Nonresidents who use the funds for financial transactions and/or to acquire residential

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		property in South Africa must adhere to the 1:1 ratio that currently applies to these transactions. Nonresidents living and working in South Africa may be granted local financial assistance in respect of the acquisition of residential property, in terms of normal lending criteria. Loans to emigrants or for the acquisition of residential property by nonresidents or affected persons and other financial transactions, such as portfolio investments by nonresidents, securities lending, hedging, and repurchase agreements, are limited to 100% of assets brought into South Africa.
To residents from nonresidents	Yes.	Approval is required and is generally granted, subject to specific criteria. Companies may borrow abroad to finance approved offshore investments using their South African balance sheets as collateral. Companies (excluding state-owned companies) may borrow offshore by way of bond and/or note issuances with recourse to South Africa (for example, guarantee form South Africa and issuance of shares in South African entity), without prior approval from FinSurv. Unlisted technology, media, telecommunications, exploration, and other research and development companies may apply to FinSurv for approval to raise loans abroad and operating capital.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Guarantees and sureties for financial loans require FinSurv approval, except for trade transactions. Performance bonds may be issued.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Approval is not required for outward FDI, if the total of such new investment does not exceed, effective February 23, 2022, R 5 billion (previously R 1 billion) a company a calendar year. Investment exceeding the limit is subject to approval. Firms' requests are considered in light of national interest—for example, according to the benefit to South Africa's international reserves as a result of exports of goods and services. South African companies may make bona fide new outward FDI outside their current line of business and may acquire equity and/or voting rights without limitations, in a foreign target entity that may hold investments and/or make loans to CMA countries. Companies with headquarters in South Africa may also make outward FDI into companies, branches, and offices outside the CMA that are outside their current line of business if the total cost does not exceed, effective February 23, 2022, R 5 billion (previously R 1 billion) a company in a calendar year. FinSurv approval is required for re-domiciliation, that is, moving its base of operations from South Africa. HoldCos are designated Domestic Treasury Management Companies (DTMCs). Entities listed on a South African exchange may authorize transfers from the parent company to the DTMC up to, effective February 23, 2022, R 5 billion (previously R 3 billion) a calendar year. Up to this amount, there is no restriction on transfers in and out of the DTMC, provided such transfers are not undertaken to avoid tax. Additional amounts of up to 25% of the listed company's market capitalization are considered on application to FinSurv, provided there are demonstrated benefits to South Africa. Unlisted entities may establish one DTMC for African and foreign operations, which is not subject to exchange control restrictions. Unlisted entities on a South African exchange may authorize transfers from the parent company to the DTMC up to, effective February 23, 2022, R 3 billion (previously R 2 billion) a calendar

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year. The DTMC dispensation extends also to the financial services sector (that is, registered banks and insurance companies). Unlisted technology, media, telecommunications, exploration, and other research and development companies may apply to FinSurv for approval for primary listing abroad or establishment of an offshore company to raise loans abroad and operating capital. Offshore companies mentioned above may in turn hold investments and/or make loans into South Africa and the intellectual property must remain registered in South Africa but may be assigned offshore, subject to appropriate tax treatment. Companies listed on a South African exchange may have a secondary listing and/or list depository receipt programs on foreign exchanges to facilitate local and FDI expansion. Treasury outsourcing companies (TOCs) and foreign exchange brokers (FEBs) in the domestic foreign exchange market must obtain FinSurv approval to conduct foreign exchange business. Such business must be conducted through an AD. The transfer of South African-owned intellectual property by way of sale, assignment, or cession, and/or the waiver of rights in favor of related nonresident parties in whatever form, directly or indirectly, is not allowed without the prior approval of FinSurv. ADs may, however, approve the outright sale, transfer, and assignment of intellectual property by South African residents, excluding mandated state-owned companies as defined in Schedule 2 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), to unrelated nonresident parties at an arm's length and a fair and market-related price, provided ADs view the sale, transfer, or assignment agreement and an auditor's letter or intellectual property valuation certificate confirming the basis for calculating the sale price. The above-mentioned dispensation excludes sale and leaseback agreements. ADs may approve the licensing of intellectual property by South African residents to nonresident parties at an arm's length and a fair and market-related price for the term of the agreement, provided ADs view the license agreement and an auditor's letter confirming the basis for calculating the royalty or license fee.
The sale, transfer, assignment, and/or licensing of intellectual property is subject to appropriate tax treatment. Exemption from Regulation 10(1)(c) is, however, granted to institutions as defined in terms of the Intellectual Property Rights from Publicly Financed Research and Development Act, 2008 (Act No. 51 of 2008). Such institutions may transfer copyrighted material to an international publishing house when publishing an article in an international journal and/or transfer material in terms of a material transfer agreement, provided the value of the transaction does not exceed R 50,000. ADs must refer transactions in excess of the stipulated amount to FinSurv. The maximum individuals may, without FinSurv approval, invest abroad or deposit in a foreign exchange account in South Africa for natural persons 18 years and older is R 11 million an individual a calendar year (R 1 million SDA without a TCS PIN letter and R 10 million foreign capital allowance). There are no restrictions on the type or use of investment funds. Applications to transfer more than the current R 10 million foreign capital allowance an individual a calendar year may be submitted to FinSurv. The application must be accompanied by a TCS PIN letter from the SARS.

Resident individuals with authorized foreign assets may invest in South Africa, provided, where South African assets are acquired through an offshore structure (loop structure), the investment is reported to an AD as and when the transaction is finalized as well as the submission of an annual progress report to the FinSurv via an

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		AD. The aforementioned party also has to view an independent auditor's written confirmation or suitable documentary evidence verifying that such transaction is concluded on an arm's length basis, for a fair and market-related price. South Africans' income earned abroad and foreign capital brought into South Africa on or after July 1, 1997, may be retransferred abroad with supporting documentation that the income and/or capital was previously converted to rand. ADs may allow private equity funds to apply for annual approval from FinSurv to invest in Africa.
Inward direct investment	No.	The International Headquarters (IHQ) Company rules eliminated the requirement for approval, adopted a reduction in shareholding to 10%, and streamlined reporting. IHQ shares and/or debt can be listed on a South African exchange and directly or indirectly held by a shareholder with shares or debt listed on a South African exchange. IHQ companies may raise and deploy capital abroad without Exchange Control approval, but must register with FinSurv for reporting purposes. The IHQ dispensation applies for nonresident companies. Listed entities on a South African exchange may establish one subsidiary in South Africa for African and offshore operations. This subsidiary is not subject to foreign exchange restrictions. This dispensation is extended to unlisted entities. Effective February 23, 2022, entities listed on a South African exchange may authorize transfers from the parent company to the "DTMC" up to R 5 billion (previously R 3 billion) a calendar year. Up to this amount, there is no restriction on transfers in and out of the DTMC, provided such transfers are not undertaken to avoid tax. Effective February 23, 2022, unlisted entities on a South African exchange may authorize transfers from the parent company to the DTMC up to R 3 billion (previously R 2 billion) a calendar year.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	The individual limit for investments abroad without FinSurv approval is R 11 million an individual a calendar year (R 1 million SDA and R 10 million foreign capital allowance) from the proceeds of authorized foreign assets. Applications to transfer more than the current R 10 million foreign capital allowance an individual a calendar year may be submitted to FinSurv. Such an application must be accompanied by a SARS TCS PIN letter.
Purchase locally by nonresidents	No.	There are no controls on local purchases by nonresidents if they do not borrow domestically. Since October 27, 2009, foreign investors are allowed to borrow domestically, without restriction, to finance FDI. Affected persons and nonresidents who use the funds for financial transactions and/or to acquire residential property in South Africa are subject to a 1:1 ratio where funds introduced in South Africa by nonresidents, South African private individuals who have ceased to be residents for tax purposes in South Africa (emigrants), and affected companies need to be utilized to pay for 50% of the value of the financial transaction or residential property and the remaining 50% may be raised locally. Nonresidents living and working in South Africa may be granted local financial assistance in respect of the acquisition of residential property in terms of normal lending criteria.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	The individual limit for investments abroad without FinSurv approval is R 11 million an individual a calendar year (R 1 million

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		SDA and R 10 million foreign capital allowance). Applications to transfer more than the current R 10 million foreign capital allowance an individual a calendar year may be submitted to FinSurv. Such an application must be accompanied by a SARS TCS PIN letter.
Loans	Yes.	
By residents to nonresidents	Yes.	Residents may lend to nonresidents through ADs within their overall discretionary limit of R 1 million an individual a calendar year. South African corporates may advance shareholders loans to approved subsidiaries within the FDI limits.
To residents from nonresidents	Yes.	ADs may approve applications by residents to avail of inward foreign loans and foreign trade finance facilities from any nonresident, subject to certain criteria and the reporting of the loans to FinSurv. Any loan application that falls outside of the specific criteria or any amendments to approved loans must be submitted to FinSurv. ADs may approve requests for foreign bond and note issuances by corporates with recourse to South Africa, for example, a guarantee from South Africa and the issuance of shares in the South African entity, without prior approval from FinSurv.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	ADs may allow the transfer of monetary gifts, including donations to missionaries, maintenance transfers, and travel allowances, within an overall discretionary limit of R 1 million a calendar year to a person 18 years and older. Cash bequests and the cash proceeds of legacies and distributions from resident estates may be remitted abroad subject to the Liquidation and Distribution Account bearing a Master of the High Court reference number. In cases where the total assets of the resident estate are less than R 250,000, cash bequests and the cash proceeds of legacies because of nonresident legatees, including South African private individuals who have ceased to be residents for tax purposes in South Africa (emigrants), may be remitted abroad, provided the Last Will and Testament and Letter of Executorship/Authority have been viewed.
To residents from nonresidents	Yes.	Effective February 23, 2022, resident individuals may receive and retain gifts or donations from nonresidents offshore, subject to local tax disclosure and compliance. Resident individuals may also retain foreign assets inherited from a South African estate abroad. In addition, residents may lend or dispose of authorized foreign assets held offshore to other South African residents, subject to local tax disclosure and compliance. Previously, any foreign asset received by a resident from a nonresident as a gift or donation and foreign inheritance was not exempt from the provisions of Regulations 6 and 7 and must be declared and repatriated to South Africa. Alternatively, a fully motivated application to retain the assets abroad had to be submitted to FinSurv. Effective May 23, 2023, resident individuals who inherited foreign assets from nonresidents after March 17, 1998, are also exempted from the provisions of Regulations 6 and 7 and may retain the inheritance abroad.
Settlement of debts abroad by immigrants	Yes.	ADs may provide immigrants with foreign exchange to repay loans received in their previous country of domicile, provided documentary evidence of the debt is available and the immigrant is not in possession of foreign currency to repay the debt.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Emigrants—ADs may allow the transfer of up to a total amount of R 10 million a calendar year a private individual who ceases to be a resident for tax purposes in South Africa and is 18 years and older,

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		provided the individual is tax compliant and submits the applicable TCS Application for verification. South African non-tax residents who transfer more than R 10 million offshore will be subjected to a more stringent verification process by SARS as well as a subsequent approval process from FinSurv. Such transfers will trigger a risk management test that will, inter alia, include verification of the tax status and the source of funds, as well as risk assess the private individual in terms of the AML and countering terror financing requirements, as prescribed in the FIC Act, 2001 (Act No. 38 of 2001). In addition, household and personal effects up to an amount of R 1 million a family unit may be exported under a SARS Customs Declaration form within the same calendar year that the individual ceases to be a resident for tax purposes provided such assets have been declared on the relevant forms. Transactions of this nature will be treated similar to cash. For amounts in excess of R 1 million and up to R 10 million, the individual must be tax compliant and submit the applicable TCS Application for verification. For household and personal effects above R 10 million a family unit, a more stringent verification process by SARS as well as a subsequent approval process from the FinSurv will apply. Such transfers will also trigger a risk management test by FIC. Effective February 23, 2022, ADs may, on a once-off basis, remit abroad the remaining cash balances (of up to R 100,000 in total) of people who have ceased to be residents for tax purposes, without reference to SARS.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	South African residents may not participate in any gambling activities not authorized by the National Gambling Act of 2004. Residents may not participate in lotteries organized abroad, which is prohibited by Lotteries Act No. 57 of 1997.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	ADs may approve applications by residents to borrow abroad, subject to specific criteria and provided the loans are reported to FinSurv using the Loan Reporting System. Any application that falls outside of the specific criteria must be referred to FinSurv for approval. ADs may approve requests for foreign bond and note issuances by corporates with recourse to South Africa, for example, a guarantee from South Africa and the issuance of shares in the South African entity without FinSurv prior approval.
Maintenance of accounts abroad	No.	ADs may open nostro accounts at their discretion.
Lending to nonresidents (financial or commercial credits)	Yes.	Foreign investors are allowed to borrow domestically, without restriction, to finance FDI. Affected persons and nonresidents who use the funds for financial transactions and/or to acquire residential property in South Africa are subject to the 1:1 ratio that currently applies to these transactions. Local financial assistance to South African private individuals who have ceased to be residents for tax purposes in South Africa (emigrants) remains subject to the 1:1 ratio. Nonresidents living and working in South Africa may be granted local financial assistance in respect of the acquisition of residential property in terms of normal lending criteria.
Lending locally in foreign exchange	Yes.	These transactions are subject to specific FinSurv approval.

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Purchase of locally issued securities denominated in foreign exchange	Yes.	There are no securities denominated in foreign exchange in South Africa. As an exception to the rule, nonresidents may, however, apply to issue debt instruments on a South African exchange in foreign currency.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The minimum reserve requirement applies to deposit accounts held by residents and nonresidents denominated in rand or foreign currency. The requirement is 2.5% of total average liabilities, as adjusted for (1) amounts owed by banks, branches, and mutual banks in South Africa (including loans granted in connection with resale agreements); (2) funding received under repurchase agreements with a term of 31 days or less, with government securities, Treasury bills, and reserve bank securities qualifying as level one high-quality liquid assets as underlying security; (3) liabilities related to derivative contracts; and (4) amounts owed by banks rated investment grade or better located abroad in countries rated investment grade or better.
Liquid asset requirements	No.	All banks are required to hold 5% of their total average liabilities, adjusted for (1) in the case of branches of foreign institutions for funding received from the head office or from other branches within the same group and (2) amounts owed by banks, branches, and mutual banks in South Africa (including loans granted in terms of resale agreements), in level one high-quality liquid assets (as defined in the Banks Act, 1990).
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	The minimum reserve requirement applies to deposit accounts held by residents and nonresidents denominated in rand or foreign currency. The requirement is 2.5% of total average liabilities, as adjusted for (1) amounts owed by banks, branches, and mutual banks in South Africa (including loans granted in connection with resale agreements); (2) funding received under repurchase agreements with a term of 31 days or less, with government securities, Treasury bills, and reserve bank securities qualifying as level one high-quality liquid assets as underlying security; (3) liabilities related to derivative contracts; and (4) amounts owed by banks rated investment grade or better located abroad in countries rated investment grade or better.
Liquid asset requirements	No.	All banks are required to hold 5% of their total average liabilities, adjusted for (1) in the case of branches of foreign institutions for funding received from the head office or from other branches within the same group and (2) amounts owed by banks, branches, and mutual banks in South Africa (including loans granted in terms of resale agreements), in level one high-quality liquid assets (as defined in the Banks Act, 1990).
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	A bank that invests money in immovable property or shares of a company—or lends or advances money to its subsidiaries whose principal objective is acquisition and holding or development of immovable property—must manage its transactions in such investments, loans, or advances in such a way that the sum of the amounts does not at any time exceed the bank's qualifying common equity Tier 1 capital and reserve funds, additional Tier 1 capital and

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		reserve funds, and Tier 2 capital and reserve funds related to risks other than market risk. A bank must manage its business so that the aggregate amount of (1) its investments in debentures or preference shares of its associates, excluding subsidiaries whose main objective is the acquisition and holding or development of immovable property, a bank, or mutual bank whose debentures or preference shares are not convertible to ordinary shares; plus (2) advances to any such associates; plus (3) guarantees and/or other instruments related to its associates' liabilities or contingent liabilities; minus (4) excess qualifying common equity Tier 1 capital and reserve funds, additional Tier 1 capital and reserve funds, and Tier 2 capital and reserve funds envisaged above does not at any time exceed 10% of the bank's aggregate deposits, current accounts, and amounts owed to other creditors. Banks and their associates may not, without the Prudential Authority's written approval, jointly or individually acquire or hold shares in a registered long-term insurer or in a registered short-term insurer as to the extent to which the nominal value exceeds 49% of the nominal value of all the insurer's issued shares. Bank controlling companies investing money (1) in enterprises other than banks, institutions that conduct business similar to the business of a bank in a country other than South Africa, controlling companies or companies whose main objective is holding or developing property used or intended to be used mainly for the business of a bank or (2) in fixed property not used or intended to be used mainly for the purpose of conducting the business of a bank, or providing loans and advances to (1) enterprises other than banks, institutions that conduct business similar to the business of a bank in a country other than South Africa, controlling companies or companies whose main objective is holding or developing property used or intended to be used mainly for the business of a bank or (2) in fixed property not used or not intended to be used mainly for the purpose of conducting the business of a bank, must manage transactions in such investments and loans and advances in such a way that the aggregate amount of such investments and loans and advances does not at any time exceed 40% of the aggregate amount of the share capital and reserve funds of the controlling company, calculated on a consolidated basis as prescribed. Branches of foreign institutions must ensure that the value of their unencumbered assets as defined never amounts to less than 60% of their total reported liabilities in South Africa. ADs may participate in foreign syndicated loans regardless of whether the borrower is a resident, provided they are within their macroprudential limit.
Abroad by banks	Yes.	A bank may not, without written approval of the Prudential Authority and as determined by the Prudential Authority (1) establish or acquire a subsidiary within or outside South Africa or enter into an agreement leading to a company becoming its subsidiary within or outside South Africa; (2) invest in a joint venture within or outside South Africa if the investment, or the investment together with one or more previous investments by the bank in that joint venture, results in exposure to more than 5% of its capital and reserves. If a bank is exposed to the aforementioned extent, approval must be obtained whenever it seeks to make a further investment in that joint venture; (3) open or acquire a branch office outside South Africa; (4) acquire an interest in an enterprise whose registered office or principal place of business is outside South Africa; (5) establish or acquire outside of South Africa a trust of which the bank is a major beneficiary or establish or acquire a financial or other business enterprise under its direct or indirect control; (6) establish or acquire a representative office outside South Africa; or (7) establish or acquire a division within or outside South Africa under an

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		arrangement or agreement with a person with the effect that such a person conducts/does business through or by means of that division. In addition to the current macroprudential limit of 25%, ADs may invest 5% of their total liabilities, for expansion in Africa.
In banks by nonresidents	Yes.	Approval is not required if the investment in shares amounts to less than 15% of the total nominal value or total voting rights with respect to all the bank's issued shares. ADLAs are classified into four categories; Section III. Exchange Arrangement specifies the four types.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The effective net open foreign currency position of a reporting bank (difference between total foreign currency assets and liabilities and commitments to purchase minus commitments to sell foreign currency in any one foreign currency and in all foreign currencies taken together) may not exceed 10% of the net qualifying capital and reserve funds of the reporting bank.
On nonresident assets and liabilities	Yes.	The effective net open foreign currency position of a reporting bank (difference between total foreign currency assets and liabilities and commitments to purchase minus commitments to sell foreign currency in any one foreign currency and in all foreign currencies taken together) may not exceed 10% of the net qualifying capital and reserve funds of the reporting bank.
Provisions specific to institutional investors	Yes.	There is a system of quarterly reporting and monitoring of foreign exposures. South African institutional investors may invest in rand-denominated instruments issued abroad and in instruments issued by South African entities in the foreign market, subject to the prudential limit.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Effective February 23, 2022, the linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Limits (max.) on investment portfolio held abroad	Yes.	Effective February 23, 2022, the linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Effective February 23, 2022, pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Limits (max.) on investment portfolio held abroad	Yes.	Effective February 23, 2022, pension funds may transfer up to 45% of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective	Yes.	

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investment funds		
Limits (max.) on securities issued by nonresidents	Yes.	Effective February 23, 2022, collective investment scheme managers and discretionary financial services providers registered as institutional investors with FinSurv may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets). All inward-listed shares on a South African exchange traded and settled in rand are classified as domestic for the purpose of trading on the exchange and included on the indices; institutional investors and ADs may invest in such shares without affecting their permissible prudential limits.
Limits (max.) on investment portfolio held abroad	Yes.	Effective February 23, 2022, collective investment scheme managers and discretionary financial services providers registered as institutional investors with FinSurv may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.

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Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	South African financial services regulators regulate crypto asset service providers (CASPs) and not the token issuers or the token per se. The most prominent crypto asset (unbacked) is Bitcoin, and following that the retail customers also obtain and use mostly Ethereum (Ether) and Ripple (XRP), these account for the majority of activity. As of December 31, 2022, CASPs are regulated for AML, CFT, and Combating Proliferation Financing (CPF) by the Financial Intelligence Centre as accountable institutions. The five activities of CASPs that are covered are as follows: (1) exchanging a crypto asset for a fiat currency or vice versa; (2) exchanging one form of crypto asset for another; (3) conducting a transaction that transfers a crypto asset from one crypto asset address or account to another; (4) safekeeping or administration of a crypto asset or an instrument enabling control over a crypto asset; and (5) participation in and provision of financial services related to an issuer's offer or sale of a crypto asset, where "crypto asset" means a digital representation of perceived value that can be traded or transferred electronically within a community of users of the Internet who consider it as a medium of exchange, unit of account or store of value and use it for payment or investment purposes, but does not include a digital representation of a fiat currency or a security as defined in the Financial Markets Act, 2012 (Act 19 of 2012).
Acquisition by residents	Yes.	South African residents are restricted to an annual Single Discretionary Allowance of R1 million and an annual Foreign Capital Allowance of R10 million (provided certain tax obligations have been met) to invest, in the form of fiat money, that is, foreign currency, in terms of the Exchange Control Regulations. These funds could be used to invest on an individual's own discretion. No such dispensation exists for entities. Not individuals, nor entities in South Africa are allowed to transact in foreign currency locally without prior approval from the Financial Surveillance Department of the SARB. No such approval(s) have been granted in respect of crypto assets and/or CASPs. Effective October 19, 2022, General Notice 1350 of 2022 in Government Gazette 47334 declares crypto assets as "financial products" under the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS Act). The FAIS Act is administered by the Financial Sector Conduct Authority. This means that any person furnishing advice or rendering intermediary services must be licensed by the Financial Sector Conduct Authority and comply with the provisions in the FAIS Act. The activities that are captured

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		include intermediating the exchange of fiat currency for unbacked crypto assets and also intermediating the exchange of one type of unbacked crypto asset with another. Domestically, if there are any financial services (as defined in the FAIS Act) being rendered in respect of the acquisition of unbacked tokens and the unbacked tokens are not acquired on a peer-to-peer basis, then as per the General Notice 1350 of 2022, it would mean that certain controls are in place in respect of the financial services provider that is facilitating the acquisition of the unbacked crypto assets. The controls relate among others to the licensing of the financial services provider which also means that there should be an incorporated local entity and various requirements being placed on the financial services provider in terms on the engagements with the customer during the acquisition process to ensure professional conduct and fairness.
Use among residents	Yes.	Effective October 19, 2022, if the use includes activities (custody, transfer, and exchange) that require facilitation or the use of a platform, then any financial services (advice/intermediary services) performed during the use are subject to the FAIS Act and the subordinate legislation under this primary legislation.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Current exchange control legislation prohibits the use of crypto assets for settling commitments between SA residents and nonresidents, that is, cross-border transactions. Changes in legislation are currently in progress to establish a formal regulatory framework, including reporting obligations by CASPs, in this regard.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Current exchange control legislation prohibits the use of crypto assets for settling commitments between SA residents and nonresidents, that is, cross-border transactions. Changes in legislation are currently in progress to establish a formal regulatory framework, including reporting obligations by CASPs, in this regard.
Transactions in derivatives and other instruments	Yes.	Current exchange control legislation prohibits the use of crypto assets for settling commitments between SA residents and nonresidents, that is, cross-border transactions. Changes in legislation are currently in progress to establish a formal regulatory framework, including reporting obligations by CASPs, in this regard. Domestically, the Financial Markets Act, 2012 (Act No. 19 of 2012) (FMA) which is administered by the Financial Sector Conduct Authority defines a “derivative instrument” as a financial instrument or contract that creates rights and obligations and whose value depends on or is derived from the value of one or more underlying asset, rate, or index, on a measure of economic value or on a default event. A contract that creates rights and obligations and whose value depends on or is derived from the value of one or more crypto asset is therefore a derivative instrument (crypto asset derivative) as defined in the FMA. In turn, the FMA defines “securities” as including a derivative instrument, and the FAIS Act defines a financial product as including “securities” as defined in the FMA. As such, financial services rendered in relation to crypto asset derivatives are also subject to the controls provided in the FAIS Act and its subordinate legislation.
Credit operations	No.	
Controls on utility and security tokens	Yes.	

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Acquisition by residents	Yes.	Effective October 19, 2022, security tokens and utility tokens are also captured under the definition of "crypto assets" in the General Notice 1350 of 2022 in Government Gazette 47334 and accordingly "crypto asset" means a digital representation of value that: (1) is not issued by a central bank, but is capable of being traded, transferred or stored electronically by natural and legal persons for the purpose of payment, investment and other forms of utility; (2) applies cryptographic techniques; and (3) uses distributed ledger technology. The effect is that any financial services (as defined in the FAIS Act) rendered in respect of either a security token or utility token are subject to the provisions of the FAIS Act, requiring the licensing of the provider of such services and that such a provider abides by all the controls placed in the form of requirements in regards to the services or advice being provided. If there are any financial services (as defined in the FAIS Act) being rendered in respect of the acquisition of security or utility tokens and the security or utility tokens are not acquired on a peer-to-peer basis, then as per the General Notice 1350 of 2022, it would mean that certain controls are in place in respect of the financial services provider that is facilitating the acquisition of the security or utility tokens. The controls relate among others to the licensing of the financial services provider which also means that there should be an incorporated local entity and various requirements being placed on the financial services provider in terms on the engagements with the customer during the acquisition process to ensure professional conduct and fairness.
Use among residents	Yes.	Effective October 19, 2022, if the use includes activities (custody, transfer, and exchange) that require facilitation or the use of a platform, then any financial services (advice/intermediary services) performed during the use are subject to the FAIS Act and the subordinate legislation under this primary legislation.
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The Financial Markets Act, 2012 (Act No. 19 of 2012) (FMA) which is administered by the Financial Sector Conduct Authority defines a "derivative instrument" as a financial instrument or contract that creates rights and obligations and whose value depends on or is derived from the value of one or more underlying asset, rate, or index, on a measure of economic value or on a default event. A contract that creates rights and obligations and whose value depends on or is derived from the value of one or more crypto asset (crypto asset derivative) is therefore a derivative instrument as defined in the FMA. In turn, the FMA defines "securities" as including a derivative instrument, and the FAIS Act defines a financial product as including "securities" as defined in the FMA. As such, financial services rendered in relation to crypto asset derivatives are also subject to the controls provided in the FAIS Act and its subordinate legislation.
Transactions in derivatives and other instruments	Yes.	The Financial Markets Act, 2012 (Act No. 19 of 2012) (FMA) which is administered by the Financial Sector Conduct Authority defines a "derivative instrument" as a financial instrument or contract that creates rights and obligations and whose value depends on or is derived from the value of one or more underlying asset, rate, or index, on a measure of economic value or on a default event. A contract that creates rights and obligations and whose value depends on or is derived from the value of one or more crypto asset (crypto

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		asset derivative) is therefore a derivative instrument as defined in the FMA. In turn, the FMA defines "securities" as including a derivative instrument, and the FAIS Act defines a financial product as including "securities" as defined in the FMA. As such, financial services rendered in relation to crypto asset derivatives are also subject to the controls provided in the FAIS Act and its subordinate legislation.
Credit operations	No.	
Controls on stablecoins	Yes.	South Africa currently treats stablecoins as a subcategory of crypto assets, consequently from a domestic perspective, the regulatory controls described above for crypto assets apply to stablecoins too. As of December 31, 2022, CASPs are regulated for AML/CFT/CPF by the Financial Intelligence Centre as accountable institutions. The five activities of CASPs that are covered are as follows: (1) exchanging a crypto asset for a fiat currency or vice versa; (2) exchanging one form of crypto asset for another; (3) conducting a transaction that transfers a crypto asset from one crypto asset address or account to another; (4) safekeeping or administration of a crypto asset or an instrument enabling control over a crypto asset; and (5) participation in and provision of financial services related to an issuer's offer or sale of a crypto asset. In line with FATF, stablecoins are considered a type of crypto asset, where "crypto asset" means a digital representation of perceived value that can be traded or transferred electronically within a community of users of the Internet who consider it as a medium of exchange, unit of account or store of value and use it for payment or investment purposes, but does not include a digital representation of a fiat currency or a security as defined in the Financial Markets Act, 2012 (Act 19 of 2012).
Acquisition by residents	Yes.	For cross-border purposes, South African residents are restricted to an annual Single Discretionary Allowance of R1 million and an annual Foreign Capital Allowance of R10 million (provided certain tax obligations have been met) to invest, in the form of fiat money, that is, foreign currency, in terms of the Exchange Control Regulations. These funds could be used to invest on an individual's own discretion. No such dispensation exists for entities. Not individuals, nor entities in South Africa are allowed to transact in foreign currency locally without prior approval from the Financial Surveillance Department of the SARB. No such approval(s) have been granted in respect of crypto assets and/or CASPs. Effective October 19, 2022, stablecoins regardless of the type of stabilization mechanism – whether Fiat-Collateralized Stablecoins, Crypto-Collateralized Stablecoins, or Algorithmic Stablecoins – are captured under the definition of "crypto assets" in the General Notice 1350 of 2022 in Government Gazette 47334 and accordingly "crypto asset" means a digital representation of value that: (1) is not issued by a central bank, but is capable of being traded, transferred or stored electronically by natural and legal persons for the purpose of payment, investment and other forms of utility; (2) applies cryptographic techniques; and (3) uses distributed ledger technology. The effect is that any financial services (as defined in the FAIS Act) rendered in respect of any type of stablecoin are subject to the provisions of the FAIS Act, requiring the licensing of the provider of such services and that such a provider abides by all the controls placed in the form of requirements in regard to the services or advice being provided to financial customers. This will, however, not include stablecoin issuers.

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		Domestically, if there are any financial services (as defined in the FAIS Act) being rendered in respect of the acquisition of the stablecoins and the stablecoins are not acquired on a peer-to-peer basis, then as per the General Notice 1350 of 2022, it would mean that certain controls are in place in respect of the financial services provider that is facilitating the acquisition of the stablecoins. The controls relate among others to the licensing of the financial services provider which also means that there should be an incorporated local entity and various requirements being placed on the financial services provider in terms on the engagements with the customer during the acquisition process to ensure professional conduct and fairness. The stablecoin issuer is, however, not captured under any controls/requirements by virtue of the issuance of stablecoins, only if there are also financial services being performed by the stablecoin issuer on behalf of financial customers.
Use among residents	Yes.	If the use includes activities (custody, transfer, and exchange) that require facilitation or the use of a platform, then any financial services (advice/intermediary services) performed during the use are subject to the FAIS Act and the subordinate legislation under this primary legislation. Current exchange control legislation prohibits the use of crypto assets (which stablecoins are currently treated as a subcategory of) for settling commitments between SA residents and nonresidents, that is, cross-border transactions. Changes in legislation are currently in progress to establish a formal regulatory framework, including reporting obligations by CASPs, in this regard.
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Current exchange control legislation prohibits the use of crypto assets (which stablecoins are currently treated as a subcategory of) for settling commitments between SA residents and nonresidents, that is, cross-border transactions. Changes in legislation are currently in progress to establish a formal regulatory framework, including reporting obligations by CASPs, in this regard.
Transactions in derivatives and other instruments	Yes.	The Financial Markets Act, 2012 (Act No. 19 of 2012) (FMA) which is administered by the Financial Sector Conduct Authority defines a “derivative instrument” as a financial instrument or contract that creates rights and obligations and whose value depends on or is derived from the value of one or more underlying asset, rate, or index, on a measure of economic value or on a default event. A contract that creates rights and obligations and whose value depends on or is derived from the value of one or more crypto asset including any stablecoin (crypto asset derivative) is therefore a derivative instrument as defined in the FMA. In turn, the FMA defines “securities” as including a derivative instrument, and the FAIS Act defines a financial product as including “securities” as defined in the FMA. As such, financial services rendered in relation to crypto asset derivatives are also subject to the controls provided in the FAIS Act and its subordinate legislation.
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	As of December 31, 2022, CASPs are regulated for AML/CFT/CPF by the Financial Intelligence Centre. The five activities of CASPs that are covered are as follows:

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		(1) exchanging a crypto asset for a fiat currency or vice versa; (2) exchanging one form of crypto asset for another; (3) conducting a transaction that transfers a crypto asset from one crypto asset address or account to another; (4) safekeeping or administration of a crypto asset or an instrument enabling control over a crypto asset; and (5) participation in and provision of financial services related to an issuer's offer or sale of a crypto asset, where "crypto asset" means a digital representation of perceived value that can be traded or transferred electronically within a community of users of the Internet who consider it as a medium of exchange, unit of account or store of value and use it for payment or investment purposes, but does not include a digital representation of a fiat currency or a security as defined in the Financial Markets Act, 2012 (Act 19 of 2012). Effective October 19, 2022, General Notice 1350 of 2022 in Government Gazette 47334 declares crypto assets as "financial products" under the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS Act). This means that any person furnishing advice or rendering intermediary services must be licensed by the Financial Sector Conduct Authority and comply with the provisions in the FAIS Act. Any crypto asset exchanges perform services as intermediary through the custodial, management, and administration activities performed in respect of crypto assets that are declared a financial product under the FAIS Act. For this reason, the crypto asset exchanges and trading platforms require authorization/licensing under the FAIS Act as financial services providers and the controls through requirements in the FAIS Act and subordinate legislation is applicable.
Access to crypto exchange/trading platform by residents	Yes.	Effective October 19, 2022, any crypto asset exchange or trading platform that performs services as an intermediary through the custodial, management, and administration activities performed in respect of crypto assets that are declared a financial product under the FAIS Act. For this reason, the crypto asset exchanges and trading platforms require authorization/licensing under the FAIS Act as financial services providers and the controls through requirements in the FAIS Act and subordinate legislation is applicable. Any exchange between fiat currency and crypto assets through such an exchange or platform would be captured as intermediary services performed and regulated/supervised as such.

Changes during 2022 and 2023

Exchange Arrangement

Monetary policy framework		
Inflation-targeting framework		
Operating target (policy rate)		
Policy rate	*06/08/2022*	The monetary policy implementation framework has moved from a shortage system to a surplus system with quotas. A 7-day weekly repo is still offered, albeit on a much smaller scale. The South African Reserve Bank pays repo on reserves (other than the CRR) up to individual bank quotas. Any funds in excess of quota are remunerated at the Standing Facility rate of repo less 100 basis points.

Resident Accounts

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Foreign exchange accounts permitted

Held domestically	*02/23/2022*	Financial Surveillance Department (FinSurv) of the South African Reserve Bank reviewed the policy allowing institutional investors to open customer foreign currency (CFC) accounts to accept foreign currency deposits emanating from disinvestment proceeds of foreign assets, pending the reinvestment of the funds offshore, and amended the policy to allow institutional investors to open Foreign Currency Account (FCAs) instead of CFCs. This is because FCAs would be more beneficial to the institutional investors. All CFC accounts previously held by institutional investors had to be converted to foreign currency accounts within 3 months.

Nonresident Accounts

Blocked accounts	*02/23/2022*	ADs may, on a once-off basis, remit abroad the remaining cash balances (of up to R 100,000 in total) of people who have ceased to be resident for tax purposes, without reference to South African Revenue Service.

Exports and Export Proceeds

Export licenses

Without quotas	*04/04/2022*	The temporary export regulation of COVID-19 essential goods ceased to apply when the National State of Disaster was terminated. The exportation of certain COVID-19 essential goods, such as medicines, masks, and alcohol-based hand sanitizers, was temporarily put under control by International Trade Administration Commission of South Africa during the national state of disaster.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	*02/23/2022*	Resident individuals may receive and retain gifts or donations from nonresidents offshore, subject to local tax disclosure and compliance. In addition, resident individuals may also retain foreign assets inherited from a South African estate abroad. Previously, any foreign asset received by a resident from a nonresident as a gift or donation was not exempt from the provisions of Regulations 6 and 7 and must be declared and repatriated to South Africa. Alternatively, a fully motivated application to retain the assets abroad had to be submitted to Financial Surveillance Department.
	05/23/2023	Resident individuals who inherited foreign assets from nonresidents after March 17, 1998, are exempted from the provisions of Regulations 6 and 7 and may retain the foreign inheritance abroad.

Capital Transactions

Controls on capital transactions

Repatriation requirements	*02/23/2022*	Resident individuals may receive and retain gifts or donations from nonresidents offshore, subject to local tax disclosure and compliance. Resident individuals may also retain foreign assets inherited from a South African estate abroad. In addition, residents may lend or dispose of authorized foreign assets held offshore to other South African residents, subject to local tax disclosure and compliance. Previously, any foreign asset received by a resident from a nonresident as a gift or donation or foreign inheritance was not exempt from the provisions of Regulations 6 and 7 and must be declared and repatriated to South Africa. Alternatively, a fully motivated application to retain the assets abroad had to be submitted to Financial Surveillance Department.
	05/23/2023	Resident individuals who inherited foreign assets from nonresidents

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		after March 17, 1998, are exempted from the provisions of Regulations 6 and 7 and may retain the foreign inheritance abroad.
Surrender requirements		
Surrender to authorized dealers	*01/01/2022*	The temporary measure during the COVID-19 lockdown period, that extended the period in which residents must, unless exempt, sell foreign currency to ADs no longer applied.
Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase abroad by residents	*02/23/2022*	The export of dual/multi-listed domestic securities to a recognized foreign share exchange is permitted by resident individuals, limited to the single discretionary allowance and/or foreign capital allowance, provided Financial Surveillance Department is duly notified. All tax and AML requirements apply.
	02/23/2022	The linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
	02/23/2022	Pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
	02/23/2022	Collective investment scheme managers and discretionary financial services providers registered as institutional investors with Financial Surveillance Department may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
	02/23/2022	Resident individuals may use their single discretionary allowance and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so.
Bonds or other debt securities		
Purchase abroad by residents	*02/23/2022*	Resident individuals may use their single discretionary allowance and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so.
	02/23/2022	The linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
	02/23/2022	Pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
	02/23/2022	Collective investment scheme managers and discretionary financial services providers registered as institutional investors with Financial Surveillance Department may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio

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		investments (offshore and/or African assets).
On money market instruments		
Purchase abroad by residents	*02/23/2022*	Resident individuals may use their single discretionary allowance and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so.
	02/23/2022	The linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
	02/23/2022	Pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
	02/23/2022	Collective investment scheme managers and discretionary financial services providers registered as institutional investors with Financial Surveillance Department may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
On collective investment securities		
Purchase abroad by residents	*02/23/2022*	Resident individuals may use their single discretionary allowance and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so.
	02/23/2022	The linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
	02/23/2022	Pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
	02/23/2022	Collective investment scheme managers and discretionary financial services providers registered as institutional investors with Financial Surveillance Department may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Controls on derivatives and other instruments		
Purchase abroad by residents	*02/23/2022*	Resident individuals may use their single discretionary allowance and/or foreign capital allowance to participate in online foreign exchange trading activities (including trading global currencies against each other, trading a contract for difference (derivatives), trading in foreign stocks, trading commodities including crypto currencies, and trading foreign indices using the online trading platform of the broker concerned) but may not use credit or debit cards to do so.
Controls on direct investment		
Outward direct investment	*02/23/2022*	Companies with headquarters in South Africa may also make outward FDI into companies, branches, and offices outside the CMA

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		that are outside their current line of business if the total cost does not exceed R 5 billion (previously R 1 billion) a company in a calendar year.
	02/23/2022	Entities listed on a South African exchange may authorize transfers from the parent company to the Domestic Treasury Management Company up to R 5 billion (previously R 3 billion) a calendar year.
	02/23/2022	Unlisted entities on a South African exchange may authorize transfers from the parent company to the Domestic Treasury Management Company up to R 3 billion (previously R 2 billion) a calendar year.
	02/23/2022	Approval is not required for outward FDI, if the total of such new investment does not exceed R 5 billion (previously R 1 billion) a company a calendar year.
Inward direct investment	*02/23/2022*	Unlisted entities on a South African exchange may authorize transfers from the parent company to the Domestic Treasury Management Company up to R 3 billion (previously R 2 billion) a calendar year.
	02/23/2022	Entities listed on a South African exchange may authorize transfers from the parent company to the "Domestic Treasury Management Company" up to R 5 billion (previously R 3 billion) a calendar year.
Controls on personal capital transactions		
Gifts, endowments, inheritances, and legacies		
To residents from nonresidents	*02/23/2022*	Resident individuals may receive and retain gifts or donations from nonresidents offshore, subject to local tax disclosure and compliance. Resident individuals may also retain foreign assets inherited from a South African estate abroad. In addition, residents may lend or dispose of authorized foreign assets held offshore to other South African residents, subject to local tax disclosure and compliance. Previously, any foreign asset received by a resident from a nonresident as a gift or donation was not exempt from the provisions of Regulations 6 and 7 and must be declared and repatriated to South Africa. Alternatively, a fully motivated application to retain the assets abroad had to be submitted to Financial Surveillance Department.
	05/23/2023	Resident individuals who inherited foreign assets from nonresidents after March 17, 1998, are also exempted from the provisions of Regulations 6 and 7 and may retain the inheritance abroad.
Transfer of assets		
Transfer abroad by emigrants	*02/23/2022*	ADs may, on a once-off basis, remit abroad the remaining cash balances (of up to R 100,000 in total) of people who have ceased to be residents for tax purposes, without reference to South African Revenue Service.

Provisions Specific to the Financial Sector

Provisions specific to institutional investors		
Insurance companies		
Limits (max.) on securities issued by nonresidents	*02/23/2022*	The linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Limits (max.) on investment portfolio held abroad	*02/23/2022*	The linked and non-linked business of life insurers may transfer up to 45% (previously up to 30% for non-linked business and up to 40% for linked business) of total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).

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Pension funds

Limits (max.) on securities issued by nonresidents	*02/23/2022*	Pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Limits (max.) on investment portfolio held abroad	*02/23/2022*	Pension funds may transfer up to 45% (previously 30%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents	*02/23/2022*	Collective investment scheme managers and discretionary financial services providers registered as institutional investors with Financial Surveillance Department may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).
Limits (max.) on investment portfolio held abroad	*02/23/2022*	Collective investment scheme managers and discretionary financial services providers registered as institutional investors with Financial Surveillance Department may transfer up to 45% (previously 40%) of their total retail assets under management to acquire foreign portfolio investments (offshore and/or African assets).

Digital Currencies and Crypto Assets

Crypto assets

Controls on unbacked tokens

Acquisition by residents	*10/19/2022*	General Notice 1350 of 2022 in Government Gazette 47334 declares crypto assets as "financial products" under the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS Act). The FAIS Act is administered by the Financial Sector Conduct Authority. This means that any person furnishing advice or rendering intermediary services must be licensed by the Financial Sector Conduct Authority and comply with the provisions in the FAIS Act. The activities that are captured include intermediating the exchange of fiat currency for unbacked crypto assets and also intermediating the exchange of one type of unbacked crypto asset with another. Domestically, if there are any financial services (as defined in the FAIS Act) being rendered in respect of the acquisition of unbacked tokens and the unbacked tokens are not acquired on a peer-to-peer basis, then as per the General Notice 1350 of 2022, it would mean that certain controls are in place in respect of the financial services provider that is facilitating the acquisition of the unbacked crypto assets. The controls relate among others to the licensing of the financial services provider which also means that there should be an incorporated local entity and various requirements being placed on the financial services provider in terms on the engagements with the customer during the acquisition process to ensure professional conduct and fairness
Use among residents	*10/19/2022*	If the use includes activities (custody, transfer, and exchange) that require facilitation or the use of a platform, then any financial services (advice/intermediary services) performed during the use are subject to the FAIS Act and the subordinate legislation under this primary legislation.

Controls on utility and security tokens

Acquisition by residents	*10/19/2022*	Security tokens and utility tokens are also captured under the definition of "crypto assets" in the General Notice 1350 of 2022 in Government Gazette 47334 and accordingly "crypto asset" means a digital representation of value that: (1) is not issued by a central bank, but is capable of being traded, transferred or stored electronically by natural and legal persons for

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		the purpose of payment, investment and other forms of utility; (2) applies cryptographic techniques; and (3) uses distributed ledger technology. The effect is that any financial services (as defined in the FAIS Act) rendered in respect of either a security token or utility token are subject to the provisions of the FAIS Act, requiring the licensing of the provider of such services and that such a provider abides by all the controls placed in the form of requirements in regards to the services or advice being provided. If there are any financial services (as defined in the FAIS Act) being rendered in respect of the acquisition of security or utility tokens and the security or utility tokens are not acquired on a peer-to-peer basis, then as per the General Notice 1350 of 2022, it would mean that certain controls are in place in respect of the financial services provider that is facilitating the acquisition of the security or utility tokens. The controls relate among others to the licensing of the financial services provider which also means that there should be an incorporated local entity and various requirements being placed on the financial services provider in terms on the engagements with the customer during the acquisition process to ensure professional conduct and fairness.
Use among residents	*10/19/2022*	If the use includes activities (custody, transfer, and exchange) that require facilitation or the use of a platform, then any financial services (advice/intermediary services) performed during the use are subject to the FAIS Act and the subordinate legislation under this primary legislation.
Controls on stablecoins		
Acquisition by residents	*10/19/2022*	Stablecoins regardless of the type of stabilization mechanism – whether Fiat-Collateralized Stablecoins, Crypto-Collateralized Stablecoins, or Algorithmic Stablecoins – are captured under the definition of "crypto assets" in the General Notice 1350 of 2022 in Government Gazette 47334 and accordingly "crypto asset" means a digital representation of value that: (1) is not issued by a central bank, but is capable of being traded, transferred or stored electronically by natural and legal persons for the purpose of payment, investment and other forms of utility; (2) applies cryptographic techniques; and (3) uses distributed ledger technology. The effect is that any financial services (as defined in the FAIS Act) rendered in respect of any type of stablecoin are subject to the provisions of the FAIS Act, requiring the licensing of the provider of such services and that such a provider abides by all the controls placed in the form of requirements in regard to the services or advice being provided to financial customers. This will, however, not include stablecoin issuers. Domestically, if there are any financial services (as defined in the FAIS Act) being rendered in respect of the acquisition of the stablecoins and the stablecoins are not acquired on a peer-to-peer basis, then as per the General Notice 1350 of 2022, it would mean that certain controls are in place in respect of the financial services provider that is facilitating the acquisition of the stablecoins. The controls relate among others to the licensing of the financial services provider which also means that there should be an incorporated local entity and various requirements being placed on the financial services provider in terms on the engagements with the customer during the acquisition process to ensure professional conduct and fairness. The stablecoin issuer is, however, not captured under any controls/requirements by virtue of the issuance of stablecoins, only if there are also financial services being performed by the stablecoin issuer on behalf of financial customers.

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Controls on crypto exchanges and trading platforms		
Domestic exchanges	*10/19/2022*	General Notice 1350 of 2022 in Government Gazette 47334 declares crypto assets as "financial products" under the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS Act). This means that any person furnishing advice or rendering intermediary services must be licensed by the Financial Sector Conduct Authority and comply with the provisions in the FAIS Act. Any crypto asset exchanges performs services as intermediary through the custodial, management, and administration activities performed in respect of crypto assets that is declared a financial product under the FAIS Act. For this reason, the crypto asset exchanges and trading platforms require authorization/licensing under the FAIS Act as financial services providers and the controls through requirements in the FAIS Act and subordinate legislation is applicable.
Access to crypto exchange/trading platform by residents	*10/19/2022*	Any crypto asset exchange or trading platform that performs services as an intermediary through the custodial, management, and administration activities performed in respect of crypto assets that are declared a financial product under the FAIS Act. For this reason, the crypto asset exchanges and trading platforms require authorization/licensing under the FAIS Act as financial services providers and the controls through requirements in the FAIS Act and subordinate legislation is applicable. Any exchange between fiat currency and crypto assets through such an exchange or platform would be captured as intermediary services performed and regulated/supervised as such.

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SOUTH SUDAN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership	April 18, 2012.	
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation and Second Review Under The Staff-Monitored Program with South Sudan states that as of July 19, 2022, South Sudan maintains one exchange restriction under the transitional arrangements of Article XIV. The exchange restriction arises from imposing absolute ceilings on the availability of foreign exchange for certain invisible transactions (travel, remittances for living expenses of students and families residing abroad, and transfers of salaries by foreign workers). South Sudan also maintains one exchange restriction subject to Fund approval under Article VIII. The exchange restriction arises because of prioritization of foreign exchange allocation by the Bank of South Sudan (BSS) for external government payments and payments for certain essential commodities. A few MCPs and an exchange restriction have been eliminated. At the time of the 2019 Article IV Consultation, South Sudan maintained exchange restrictions and a MCP under the transitional arrangements of Article XIV and also maintained MCPs and an exchange restriction under Article VIII. The Fund adopted a revised policy on MCPs effective July 1, 2022. While the revised MCP policy enters into force nine months from its date of approval, under transitional arrangements, two of South Sudan's MCPs maintained under Article VIII and Article XIV, respectively, arising from spreads with the parallel market have been eliminated given that the parallel market in South Sudan is illegal. An exchange restriction under Article XIV, in connection with the extra burden arising from the spread between the parallel market exchange rate and the formal commercial exchange market rate, has also been eliminated. In addition, as the official (indicative) rate has been discontinued and replaced with the reference rate, the MCP arising from spreads between the official (indicative) rate and the commercial banks' (market) rate has also been eliminated. All other exchange measures maintained by South Sudan remain unchanged. (Country Report No. 22/266)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of South Sudan is the South Sudanese pound.
Other legal tender	No.	

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Exchange rate structure		
Unitary		
Dual	Yes.	The exchange rate structure is considered dual because of the spread of more than 2% between the parallel market exchange rate and the formal commercial exchange market rate.
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is floating. The BSS supplies foreign exchange to commercial banks in auctions, and an indicative market rate is determined from the auction rate and the rate charged by commercial banks. All government transactions are carried out using the indicative market rate. The de facto exchange rate arrangement is classified as other managed.
Floating		
Free floating		
Official exchange rate	Yes.	There is an “indicative rate” for foreign exchange purchases derived by averaging on daily basis, volumes, and rates of foreign exchange transactions from commercial banks returns. The indicative rate is applicable for official government transaction at the BSS. The reference rate for all foreign exchange is derived by calculating the weighted averages of all commercial banks volumes, and it is strictly used by financial institutions, while the government transactions use the daily exchange rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		

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Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	On December 15, 2015, the BSS moved to a de jure flexible exchange rate arrangement, which requires the BSS to adopt a new nominal anchor and redesign its monetary framework. The BSS could adopt price stability as the primary objective and use reserve money as an intermediate target, given the undeveloped nature of the financial system.
Exchange tax	No.	
Exchange subsidy	No.	

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Foreign exchange market	Yes.	
Spot exchange market	Yes.	There are 31 commercial banks in South Sudan licensed to conduct foreign exchange transactions. Foreign exchange bureaus are subject to licensing by the BSS. The number of authorized foreign exchange bureaus is 64. Foreign exchange bureaus' operations involve purchases and sales of banknotes and foreign currency payments and transfers on behalf of their clients. The minimum required capital to establish an exchange bureau is US$600,000. Licensed foreign exchange bureaus do not participate directly in auction sessions conducted by the BSS. However, they may participate indirectly in auction sessions by submitting their applications through eligible banks.
Operated by the central bank	Yes.	The BSS supplies foreign exchange to the market in an attempt to mop up excess liquidity and support importation of essential commodities. Under the nominal anchor of the exchange rate, the BSS supplies the foreign exchange market through weekly foreign exchange auction.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	Licensed foreign exchange bureaus may participate directly in auction sessions conducted by the BSS. They participate in auction sessions by submitting their applications directly to BSS.
Fixing	No.	
Interbank market	No.	
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	n.a.
Bilateral payments arrangements	n.a.

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Operative	n.a.	
Inoperative	n.a.	
Regional arrangements	n.a.	
Clearing agreements	n.a.	
Barter agreements and open accounts	n.a.	
Administration of control	n.a.	
Payments arrears	n.a.	
Official	n.a.	
Private	n.a.	
Controls on trade in gold (coins and/or bullion)	n.a.	
On domestic ownership and/or trade	n.a.	
On external trade	n.a.	
Controls on exports and imports of banknotes	n.a.	
On exports	n.a.	
Domestic currency	n.a.	
Foreign currency	n.a.	
On imports	n.a.	
Domestic currency	n.a.	
Foreign currency	n.a.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be transferred abroad freely.
Approval required	Yes.	
Held abroad	n.a.	
Approval required	n.a.	
Accounts in domestic currency held abroad	n.a.	
Accounts in domestic currency convertible into foreign currency	n.a.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents are allowed to operate foreign exchange accounts as long as they comply with KYC regulation and anti-money-laundering and counter terrorism financing.
Approval required	No.	Commercial banks are not required to seek approval from BSS to open nonresident accounts.

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Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Approval required	No.
Blocked accounts	n.a.

Imports and Import Payments

Foreign exchange budget	n.a.
Financing requirements for imports	n.a.
Minimum financing requirements	n.a.
Advance payment requirements	n.a.
Advance import deposits	n.a.
Documentation requirements for release of foreign exchange for imports	Yes.
Domiciliation requirements	Yes.
Preshipment inspection	Yes.
Letters of credit	Yes.
Import licenses used as exchange licenses	Yes.
Other	No.
Import licenses and other nontariff measures	Yes.
Positive list	Yes.
Negative list	Yes.
Open general licenses	Yes.
Licenses with quotas	n.a.
Other nontariff measures	n.a.
Import taxes and/or tariffs	Yes.
Taxes collected through the exchange system	n.a.
State import monopoly	n.a.

Exports and Export Proceeds

Repatriation requirements	n.a.
Surrender requirements	n.a.
Surrender to the central bank	n.a.
Surrender to authorized dealers	n.a.
Financing requirements	n.a.

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Documentation requirements	n.a.	
Letters of credit	n.a.	
Guarantees	n.a.	
Domiciliation	n.a.	
Preshipment inspection	n.a.	
Other	n.a.	
Export licenses	n.a.	
Without quotas	n.a.	
With quotas	n.a.	
Export taxes	n.a.	
Collected through the exchange system	n.a.	
Other export taxes	n.a.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	n.a.	
Prior approval	n.a.	
Quantitative limits	n.a.	
Indicative limits/bona fide test	n.a.	
Investment-related payments	n.a.	
Prior approval	n.a.	
Quantitative limits	n.a.	
Indicative limits/bona fide test	n.a.	
Payments for travel	Yes.	
Prior approval	n.a.	
Quantitative limits	Yes.	There is a limit of US$3,000 a month for travel abroad. For travel to Uganda and Kenya, a general ceiling equivalent to SSP 10,000 a payment applies in Ugandan and Kenyan shillings.
Indicative limits/bona fide test	n.a.	
Personal payments	Yes.	
Prior approval	n.a.	
Quantitative limits	Yes.	There is a limit of US$3,000 a month for remittances to students and family members living abroad. In addition, a general ceiling equivalent to SSP 10,000 a payment applies to Ugandan and Kenyan shillings for medical, education, and family remittances to Uganda and Kenya.

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Indicative limits/bona fide test	n.a.	
Foreign workers' wages	Yes.	
Prior approval	n.a.	
Quantitative limits	Yes.	Foreign workers paid in foreign exchange may transfer two-thirds of their salary in foreign exchange. Foreign workers paid in South Sudanese pounds may transfer up to US$500.
Indicative limits/bona fide test	n.a.	
Credit card use abroad	n.a.	
Prior approval	n.a.	
Quantitative limits	n.a.	
Indicative limits/bona fide test	n.a.	
Other payments	n.a.	
Prior approval	n.a.	
Quantitative limits	n.a.	
Indicative limits/bona fide test	n.a.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	n.a.
Surrender requirements	n.a.
Surrender to the central bank	n.a.
Surrender to authorized dealers	n.a.
Restrictions on use of funds	n.a.

Capital Transactions

Controls on capital transactions	n.a.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Surrender to the central bank	No.
Surrender to authorized dealers	n.a.
Controls on capital and money market instruments	n.a.
On capital market securities	n.a.
Shares or other securities of a participating nature	n.a.
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.

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Sale or issue abroad by residents	n.a.
Bonds or other debt securities	n.a.
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
On money market instruments	n.a.
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
On collective investment securities	n.a.
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
Controls on derivatives and other instruments	n.a.
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
Controls on credit operations	n.a.
Commercial credits	n.a.
By residents to nonresidents	n.a.
To residents from nonresidents	n.a.
Financial credits	n.a.
By residents to nonresidents	n.a.
To residents from nonresidents	n.a.
Guarantees, sureties, and financial backup facilities	n.a.
By residents to nonresidents	n.a.
To residents from nonresidents	n.a.

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Controls on direct investment	n.a.
Outward direct investment	n.a.
Inward direct investment	n.a.
Controls on liquidation of direct investment	n.a.
Controls on real estate transactions	n.a.
Purchase abroad by residents	n.a.
Purchase locally by nonresidents	n.a.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	n.a.
Loans	n.a.
By residents to nonresidents	n.a.
To residents from nonresidents	n.a.
Gifts, endowments, inheritances, and legacies	n.a.
By residents to nonresidents	n.a.
To residents from nonresidents	n.a.
Settlement of debts abroad by immigrants	n.a.
Transfer of assets	n.a.
Transfer abroad by emigrants	n.a.
Transfer into the country by immigrants	n.a.
Transfer of gambling and prize earnings	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	n.a.
Borrowing abroad	n.a.
Maintenance of accounts abroad	n.a.
Lending to nonresidents (financial or commercial credits)	n.a.
Lending locally in foreign exchange	n.a.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	n.a.
Reserve requirements	n.a.
Liquid asset requirements	n.a.
Interest rate controls	n.a.

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Credit controls	n.a.
Differential treatment of deposit accounts held by nonresidents	n.a.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	n.a.
Credit controls	n.a.
Investment regulations	n.a.
Abroad by banks	n.a.
In banks by nonresidents	n.a.
Open foreign exchange position limits	n.a.
On resident assets and liabilities	n.a.
On nonresident assets and liabilities	n.a.
Provisions specific to institutional investors	n.a.
Insurance companies	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Pension funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Investment firms and collective investment funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

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Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.

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For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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SPAIN

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 15, 1958.
Article VIII	Yes.	Date of acceptance: July 15, 1986.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Spain maintains certain exchange restrictions in accordance with EU regulations solely for the preservation of national and international security. These measures include the provision (directly or indirectly) of financing or financial assistance or the freeze of funds and economic resources of certain individuals, groups, companies, and entities in several countries. Besides, it also includes the freezing of funds and economic resources of certain other persons, groups, and entities with a view to combating terrorism.
Other security restrictions	Yes.	Spain maintains certain exchange restrictions in accordance with EU regulations solely for the preservation of national and international security. These measures include the freezing of funds and economic resources of certain individuals, groups, companies, and entities in several countries. Restrictive measures were amended on certain persons and entities associated with Al-Qaida and the Taliban and certain other persons, groups, and entities with a view to combating terrorism. As a consequence of the invasion of Ukraine, the EU has adopted, by means of corresponding provisions, packages of international sanctions complementary to those international sanctions already in force since 2014. These measures have the status of an EU Regulation and as such have been approved by the EC, and are EU, and are binding throughout the EU.

Exchange Arrangement

Currency	Yes.	The currency of Spain is the euro.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		

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Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The exchange rate arrangement of the euro area is free floating. Spain participates in a currency union (EMU) with 19 other members of the EU and has no separate legal tender. The ECB publishes information regarding its interventions; it last intervened in March 2011. When it intervenes, the ECB intervenes at the quotes of the market makers.
Official exchange rate	Yes.	The ECB publishes a reference rate based on the daily concertation procedure between CBs across Europe, which normally takes place at, effective April 3, 2023, 14:10 Central European Time (CET) (previously 14:15 CET). The publication time of the euro foreign exchange reference rates is around 16:00 CET on every working day, except on TARGET closing days. The reference rate against the euro is the average of the buying and selling rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		

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Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is stated in the Treaty on the Functioning of the EU, Article 127(1). "Without prejudice to the objective of price stability," the Eurosystem will also "support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community." These include a "high level of employment" and "sustainable and non-inflationary growth." Price stability is defined as a symmetric 2% inflation target over the medium term.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs may freely determine their exchange rates and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Foreign exchange bureaus may operate subject to the authorizations and regime established in Royal Decree No. 2660/1998 as amended by Royal Decree No. 84/2015. The authorization is granted by the Bank of Spain (BOS). Their operations are limited to the "purchase and sale" of foreign currency (or exclusively purchase if they are only authorized to make purchases). They cannot make payments and transfers in foreign currency on behalf of their clients (carrying out

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		these operations requires authorization as a Payment Institution). The possibility of making foreign exchange transactions directly with the CB is not specified. The number of authorized foreign exchange bureaus is 16 as of December 31, 2022. The number of establishments whose business is exclusively the purchase of foreign currency is 2,949 as of December 31, 2022.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of market participants. The participants in the foreign exchange market may both operate on a broker-based system and in a market-maker agreement scheme. The CB does not intervene in the market.
Over the counter	Yes.	
Brokerage	Yes.	
Market making	Yes.	
Forward exchange market	Yes.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	Limitation is imposed on the use of cash for payments to purchase goods or services in Spain over €2,500 (Spain residents) and €15,000 (nonresidents). (The limit applies only to transactions in which one of the parties to the transaction acts as an entrepreneur or professional.)
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Limitation is imposed on the use of cash for payments to purchase goods or services over €1,000 for Spain residents and €15,000 (for nonresidents) or its equivalent in foreign currency.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	

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Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	Payments and receipts between residents and nonresidents may be made freely. For statistical and administrative purposes, all payments, receipts, and transfers between residents and nonresidents exceeding €50,000 and made through payment service providers (PSPs) must be declared to the Ministry of Economic Affairs and Digital Transformation and the BOS. However, under special circumstances, the Ministry may impose restrictions to protect the national interest or to comply with the rules of international organizations.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	In accordance with Regulation (EC) No. 1889/2005, cash controls have been implemented based on a mandatory declaration system for cash entering or leaving the EU with a value of €10,000 or more. The EU regulation does not apply to physical cross-border transportation from one EU member country to another (that is, intra-EU transportation). Such transportation is not considered "cross-border" for the purposes of EU regulation. Nonetheless, the regulation foresees that member countries may also decide to implement a declaration obligation related to movements of cash within the EU. According to Article 34 of Act No. 10/2010 on the prevention of money laundering and terrorism financing, a declaration must be made in any cross-border movement (both with EU and non-EU countries) of means of payment of €10,000 or more or its equivalent in foreign currency. This declaration is also mandatory for movements within the national territory of means of payment of €100,000 or more. The authorities must keep a record of such information and report it to their national financial intelligence unit. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or incomplete. To check compliance, customs authorities have the right to search natural persons, their baggage, and their means of transportation. In the event of failure to comply with the declaration obligation, cash is seized. Under Spanish legislation, there are administrative sanctions for those who fail to comply with the obligation to declare the movements of means of payment, under the terms of Article 34. The penalty for non-compliance with the obligation to declare cash movements above specific thresholds ranges from €600 (minimum fine) to 50% of the value of the means of payment. If there are indications that cash is related to illegal activity, the authorities of one member country may exchange information with the authorities in other member countries. Under the framework of existing agreements on mutual administrative assistance, information obtained under the EU regulation may also be communicated to a

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		third country in compliance with relevant national and EU provisions on the transfer of personal data to third countries. Effective December 28, 2022, Order ETD/1217/2022 of November 29, 2022, regulating the declarations of movements of means of payment in the field of prevention of money laundering and financing of terrorism repealed Order EHA/1439/2006 of May 3, 2006. This brought the Spanish cash flow regime in line with Regulation (EC) No. 1889/2005 of the European Parliament and of the Council of October 26, 2005, on controls of cash entering or leaving the Community, which established the regulation of cash transport control mechanisms, as amended by Regulation (EU) No. 2018/1672, and new obligations for all Member States and allowed Member States to establish, in their respective national legal systems, additional internal controls. Specifically, the modalities of movements of means of payment subject to prior declaration are: (1) Movements of means of payment to or from states that are not part of the EU: (a) carried by an individual (Law No. 10/2010, Article 34.1a); (b) unaccompanied (Law No. 10/2010, Article 34.2); (2) Movements to or from Member States of the EU: (a) carried by an individual (Law No. 10/2010, Article 34.1a); (b) unaccompanied (Law No. 10/2010, Article 34.2); (3) Movements through national territory of means of payment, accompanied or unaccompanied (Law No. 10/2010, Article 34.1b). The declaration limits did not change.
On exports	No.	
Domestic currency	No.	In accordance with Article 34 of Act No. 10/2010 of April 28, 2010, on the prevention of money laundering and terrorism financing, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving Spain with a value of €10,000 or more. Travelers entering or leaving Spain and carrying €10,000 or more are required to make a declaration to the customs authorities.
Foreign currency	No.	In accordance with Article 34 of Act No. 10/2010 of April 28, 2010, on the prevention of money laundering and terrorism financing, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving Spain with a value equivalent in foreign currency of €10,000 or more. Travelers entering or leaving Spain and carrying €10,000 or more or its equivalent in foreign currency are required to make a declaration to the customs authorities.
On imports	No.	
Domestic currency	No.	In accordance with Article 34 of Act No. 10/2010 of April 28, 2010, on the prevention of money laundering and terrorism financing, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving Spain with a value of €10,000 or more. Travelers entering or leaving Spain and carrying €10,000 or more are required to make a declaration to the customs authorities.
Foreign currency	No.	In accordance with Article 34 of Act No. 10/2010 of April 28, 2010, on the prevention of money laundering and terrorism financing, cash controls have been implemented based on a mandatory declaration system for amounts of cash entering or leaving Spain with a value equivalent in foreign currency of €10,000 or more. Travelers entering or leaving Spain and carrying €10,000 or more, or its equivalent in foreign currency are required to make a declaration to the customs authorities.

Resident Accounts

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Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	There are no differences between operations allowed in these accounts and in domestic currency accounts.
Approval required	No.	
Held abroad	Yes.	Collections and payments between residents and nonresidents through credits or debits to these accounts may be made freely. For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the following if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million: (1) any transactions they perform with nonresidents and (2) the balances of assets and liabilities, and any changes in those foreign positions. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities. Pension funds may not have direct exposure to deposits in non-EU banks.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	The requirements for foreign exchange accounts abroad also apply to euro accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents can hold accounts freely. For statistical and administrative purposes, PSPs report credits and debits to/from their nonresident customers (except for those nonresident customers that are foreign PSPs) monthly when the amount (flows) of the credit or debit converted in euro exceeds €50,000.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents can hold accounts freely. For statistical and administrative purposes, PSPs report credits and debits to/from their nonresident customers (other than PSPs recorded in the official register of the BOS) monthly when the amount (flows) of the credit or debit exceeds €50,000.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.

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Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Spain applies the EU common import regime. In addition, imports of certain defense materials, firearms for civil use and dual use goods and technologies, require authorization from the Secretary of State for Trade.
Open general licenses	Yes.	
Licenses with quotas	Yes.	In accordance with EU regulations, Spain requires licenses with quotas for certain imports, such as steel and textile products, depending on the country of origin.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Spain applies the EU Common Customs Tariff. As a response to COVID-19, as of April 3, 2020, a number of goods necessary to combat the pandemic were admitted free of import duties and exempted of VAT until December 31, 2021. These exemptions were extended again, effective January 1, 2022, for 6 months and ended effective July 1, 2022 (Decision (EU) 2021/2313). As a response to the war in Ukraine, the following were implemented: (1) effective June 4, 2022, temporary trade-liberalization measures are applicable to Ukrainian products for one year, which was extended by one year effective June 6, 2023, until June 5, 2024; (2) effective July 23, 2022, temporary trade-liberalization measures are applicable to products from the Republic of Moldova for one year, which was extended by one year effective July 25, 2023, until July 24, 2024; and (3) effective February 24, 2022, relief from import duties and VAT exemption on importation granted for goods to be distributed or made available free of charge to persons fleeing the war in Ukraine and to persons in need in Ukraine, which ended effective January 1, 2023.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	

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Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	A Transparency and Authorization Mechanism for Exports of COVID-19 vaccines, which was put in place at the EU level until December 31, 2021, expired effective January 1, 2022.
Without quotas	Yes.	Exports of certain defense materials, police equipment, firearms for civil use and dual use goods and technologies, require authorization from the Secretary of State for Trade.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	As of March 18, 2020, free direct foreign investment from non-EU residents is suspended and subject to prior authorization in a number of cases. Royal Decree Law No. 8/2020 modified Law No. 19/2003, on the legal regime governing capital movements and foreign economic transactions. This applies for the list of sectors included in

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		Law No. 19/2003 (art.7bis.2) or if the investor meets certain criteria (for example, foreign government ownership or control). This FDI screening is in line with Regulation (EU) No. 2019/452, establishing a framework for the screening of foreign direct investments into the Union. As of November 19, 2020, this regime was temporarily extended to EU residents for six months. This temporary regime was extended pursuant to Royal Decree Law No. 34/2020, Royal Decree Law No. 27/2021 (effective January 1, 2022, until December 31, 2022), and Royal Decree Law No. 20/2022 (effective January 1, 2023, until December 31, 2024). Thus, EU residents are subject to FDI screening if they invest more than €500 million or invest in listed companies if they work in the list of sectors included in art 7bis.2 of Law No. 19/2002. The scope of FDI screening has not been modified. Prior to this regime and still being enforced, there are sector regimes for foreign investment control in case of investments in defense, weapons, and explosive related firms that cover non-EU and EU foreign investors.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the purchasing operations and balances held by residents in all types of securities (issued by residents and nonresidents) deposited in nonresident entities, if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities. Pension funds may not have direct exposure in non-listed assets, only in those cases where the issuer is not based in an OECD country or where the issuer is based in a tax haven.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the purchasing operations and balances held by residents in all types of securities (issued by residents and nonresidents) deposited in nonresident entities, if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and

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		liabilities. Pension funds may not have direct exposure in non-listed assets, only in those cases where the issuer is not based in an OECD country or where the issuer is based in a tax haven.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the purchasing operations and balances held by residents in all types of securities (issued by residents and nonresidents) deposited in nonresident entities, if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities. Pension funds may not have direct exposure in non-listed assets, only in those cases where the issuer is not based in an OECD country or where the issuer is based in a tax haven.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the purchasing operations and balances held by residents in all types of securities (issued by residents and nonresidents) deposited in nonresident entities, if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million. Specifying in case of resident holdings in investment funds deposited abroad will only be reported when the trader is nonresident. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities. Pension funds may not have direct exposure in non-listed assets, only in those cases where the issuer is not based in an OECD country or where the issuer is based in a tax haven.
Sale or issue abroad by residents	No.	
Controls on derivatives and other	Yes.	

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instruments		
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the operations and balances held on financial derivatives in organized and non-organized foreign markets, if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities. Pension funds may not have direct exposure in non-listed assets, only in those cases where the issuer is not based in an OECD country or where the issuer is based in a tax haven.
Sale or issue abroad by residents	No.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the operations and balances held with nonresidents on financial derivatives issued by the resident in non-organized markets, if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities.
Controls on credit operations	Yes.	
Commercial credits	No.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the following if the sum on transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million: (1) any transactions they perform with nonresidents and (2) the balances of assets and liabilities, and any changes in those foreign positions. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	For statistical and administrative purposes, every resident in Spain,

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		other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the following if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million: (1) any transactions they perform with nonresidents and (2) the balances of assets and liabilities, and any changes in those foreign positions. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities.
To residents from nonresidents	No.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the following if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million: (1) any transactions they perform with nonresidents and (2) the balances of assets and liabilities, and any changes in those foreign positions. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the following if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million: (1) any transactions they perform with nonresidents and (2) the balances of assets and liabilities, and any changes in those foreign positions. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities.
Inward direct investment	Yes.	Controls apply to investments (1) originating in non-EU member countries by governments, official institutions, and public enterprises and in the following sectors: (a) airlines established in Spain, which must be majority owned and effectively controlled by EU countries and/or nationals of EU countries, unless otherwise provided for through an international agreement to which the EU is a signatory; (b) broadcasting (including television); (c) strategic minerals; and (d) gaming, lotteries, lotto, and casinos, and (2) to the extent that, under

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		EC Directive No. 85/611, a depository of a UCITS must either have its registered office in the same EU country as that of the establishment or be established in the EU country if its registered office is in another EU country. Controls on legal services establishments have been eliminated. For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the following if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million: (1) any transactions they perform with nonresidents and (2) the balances of assets and liabilities, and any changes in those foreign positions. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities. As of March 18, 2020, free direct foreign investment from non-EU residents is suspended and subject to prior authorization in a number of cases. Royal Decree Law No. 8/2020 modified Law No. 19/2003, on the legal regime governing capital movements and foreign economic transactions. This applies for the list of sectors included in Law No. 19/2003 (art.7bis.2) or if the investor meets certain criteria (for example, foreign government ownership or control). This FDI screening is in line with Regulation (EU) No. 2019/452, establishing a framework for the screening of foreign direct investments into the Union. As of November 19, 2020, this regime was temporarily extended to EU residents for six months. This temporary regime was extended pursuant to Royal Decree Law No. 34/2020, Royal Decree Law No. 27/2021 (effective January 1, 2022, until December 31, 2022), and Royal Decree Law No. 20/2022 (effective January 1, 2023, until December 31, 2024). Thus, EU residents are subject to FDI screening if they invest more than €500 million or invest in listed companies if they work in the list of sectors included in art 7bis.2 of Law No. 19/2002. The scope of FDI screening has not been modified. Prior to this regime and still being enforced, there are sector regimes for foreign investment control in case of investments in defense, weapons, and explosive related firms that cover non-EU and EU foreign investors.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the following if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million: (1) any transactions they perform with nonresidents and (2) the balances of assets and liabilities, and any changes in those foreign positions. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually

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		depending on the volume of transactions or the balances of assets and liabilities. Pension funds may not have direct exposure to real estate assets outside the EEA.
Purchase locally by nonresidents	Yes.	Purchases of land by a foreign government are subject to controls. For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the following if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million: (1) any transactions they perform with nonresidents and (2) the balances of assets and liabilities, and any changes in those foreign positions. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	For statistical and administrative purposes, every resident in Spain, other than payment services providers entered in the official register of the BOS, engaged in transactions with nonresidents or maintaining assets or liabilities overseas, is required to report the following if the sum of transactions during the immediately preceding year or stocks of assets and liabilities as of December 31 of the previous year equal or exceed €50 million: (1) any transactions they perform with nonresidents and (2) the balances of assets and liabilities, and any changes in those foreign positions. Furthermore, if the threshold of €50 million is exceeded during the current year, those residents would be required to perform the corresponding declaration of transactions and/or assets and liabilities in the current year. The frequency of reporting can be monthly, quarterly, or annually depending on the volume of transactions or the balances of assets and liabilities.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

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Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	No.	
In banks by nonresidents	Yes.	EU investors—even authorized credit institutions in other EU countries—must give administrative notice. Non-EU institutions may be denied authorization if there is no reciprocity for corporate credit institutions in the investor's country of origin.
Open foreign exchange position limits	Yes.	There are no limits on banks' open foreign exchange positions. Article 351 of Regulation (EU) No. 575/2013 requires banks whose overall net foreign exchange position exceeds 2% of their own funds to calculate capital requirements for foreign exchange risk. The regulation is directly applicable in Spain.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	Directive 2009/138/EC of the European Parliament and of the Council provides a modern, risk-based system for the regulation and supervision of insurance and reinsurance companies of the Union. Insurance and reinsurance companies must have assets of sufficient quality to cover their overall financial requirements. All investments held by insurance and reinsurance companies must be managed in accordance with the "prudent person" principle.

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Limits (max.) on investment portfolio held abroad	No.	Directive 2009/138/EC of the European Parliament and of the Council provides a modern, risk-based system for the regulation and supervision of insurance and reinsurance companies of the Union. Insurance and reinsurance companies must have assets of sufficient quality to cover their overall financial requirements. All investments held by insurance and reinsurance companies must be managed in accordance with the "prudent person" principle.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Directive 2009/138/EC of the European Parliament and of the Council provides a modern, risk-based system for the regulation and supervision of insurance and reinsurance companies of the Union. Insurance and reinsurance companies must hold assets whose currency risks are properly managed to comply with their liabilities, so that the quality of that currency matching is reflected in their solvency position. All investments held by insurance and reinsurance companies must be managed in accordance with the "prudent person" principle.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The following are prohibited: (1) direct exposure to deposits in non-EU banks; (2) direct exposure to real estate assets outside the EEA; and (3) direct exposure to non-listed assets, only in those cases where the issuer is not based in an OECD country or where the issuer is based in a tax haven.
Limits (max.) on investment portfolio held abroad	Yes.	The following are prohibited: (1) direct exposure to deposits in non-EU banks; (2) direct exposure to real estate assets outside the EEA; and (3) direct exposure to non-listed assets, only in those cases where the issuer is not based in an OECD country or where the issuer is based in a tax haven.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	There are no currency-matching regulations. However, a legal principle of monetary congruence must be followed and guide managers when designing a fund's portfolio.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	There is no domestic retail central bank digital currency (CBDC) initiative in Spain. Instead, Banco de España actively collaborated with the ECB and other national central banks (NCBs) of the Eurosystem in completing the investigation phase of the digital euro. As of November 2023, it is engaged with these partners in moving ahead with the preparation phase.
Wholesale	No.	The Eurosystem is analyzing how wholesale financial transactions

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		recorded on distributed ledger technology (DLT) platforms could be settled in CB money. The purpose of this initiative is to (1) consolidate and further develop the ongoing work of Eurosystem CBs in this area, and (2) gain insight into how different solutions could facilitate interaction between TARGET services and DLT platforms. As is the case with the digital euro, Banco de España is also joining forces with other Eurosystem NCB and the ECB on this initiative. In addition, Banco de España has launched its own experimentation program with wholesale digital tokens which intends to facilitate capacity building on this particular topic and help us contribute to the overall effort mentioned above.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	Until the Markets in Crypto-Assets Regulation (MiCA) enters into force, the only limitations are (1) advertising activities of crypto assets are subject to Circular No. 1/2022 of January, 10, 2022, of the Spanish National Securities Market Commission, on the advertising of crypto-assets for investment purposes; (2) if the crypto assets are the underlying assets of a financial instrument, such as a derivative, the transaction is subject to the Securities Market Law No. 6/2023.

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		Competences regarding MiCA are included in the Securities Market Act as of June 2023. The National Securities Market Commission (CNMV) has been assigned the competences over crypto-assets, other than asset-referenced tokens or e-money tokens (Title II of MiCA) and the authorization and operating conditions for crypto-asset service providers (Title V). The BOS has competence over asset-referenced tokens (ARTs) (Title 3) and e-money tokens (EMTs) (Title IV). Regarding AML requirements, Law No. 10/2010, of April 28, 2010, on the prevention of money laundering and the financing of terrorism, was amended in 2021 to include among the categories of obliged entities: "Providers of virtual currency for fiat currency exchange and electronic wallet custodian services" (Article 2.1 z).
Controls on unbacked tokens	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	No.	Security tokens are considered financial instruments and therefore subject to the Securities Market Act. Until the MiCA enters into force, the only limitations are (1) advertising activities of crypto assets are subject to Circular No. 1/2022 of January, 10, 2022, of the Spanish National Securities Market Commission, on the advertising of crypto-assets for investment purposes; (2) if the crypto assets are the underlying assets of a financial instrument, such as a derivative, the transaction is subject to the Securities Market Law No. 6/2023. Utility tokens are not currently subject to any regulation and are excluded from the Advertising Circular.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	

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Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	Only AML requirements for crypto services providers that must request registration in the BOS register for crypto-asset service providers (CASPs) apply.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*04/03/2023*	The euro foreign exchange reference rates are determined by the ECB daily at around 14:10 Central European Time (CET) (previously 14:15 CET).

Arrangements for Payments and Receipts

Controls on exports and imports of banknotes	*12/28/2022*	Order ETD/1217/2022 of November 29, 2022, regulating the declarations of movements of means of payment in the field of prevention of money laundering and financing of terrorism repealed Order EHA/1439/2006 of May 3, 2006. This brought the Spanish cash flow regime in line with Regulation (EC) No. 1889/2005 of the European Parliament and of the Council of October 26, 2005, on controls of cash entering or leaving the Community, which established the regulation of cash transport control mechanisms, as amended by Regulation (EU) No. 2018/1672, and new obligations for all Member States and allowed Member States to establish, in their respective national legal systems, additional internal controls. Specifically, the modalities of movements of means of payment subject to prior declaration are: (1) Movements of means of payment to or from states that are not part of the EU: (a) carried by an individual (Law No. 10/2010, Article 34.1a); (b) unaccompanied (Law No. 10/2010, Article 34.2); (2) Movements to or from Member States of the EU: (a) carried by an individual (Law No. 10/2010, Article 34.1a); (b) unaccompanied (Law No. 10/2010, Article 34.2); (3) Movements through national territory of means of payment, accompanied or unaccompanied (Law No. 10/2010, Article 34.1b). The declaration limits did not change.

Imports and Import Payments

Import taxes and/or tariffs	*01/01/2022*	As a response to COVID-19, the measures introduced on April 3, 2020, for a number of goods necessary to combat the pandemic to be admitted free of import duties and exempted of VAT were further extended to the imports made until June 30, 2022.
	02/24/2022	As a response to the war in Ukraine, relief from import duties and

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		VAT exemption on importation granted for goods to be distributed or made available free of charge to persons fleeing the war in Ukraine and to persons in need in Ukraine until December 31, 2022.
	06/04/2022	As a response to the war in Ukraine, temporary trade-liberalization measures will be applicable to Ukrainian products until June 5, 2023.
	07/01/2022	The measures introduced as a response to COVID-19 on April 3, 2020, for a number of goods necessary to combat the pandemic to be admitted free of import duties and exempted of VAT expired.
	07/23/2022	As a response to the war in Ukraine, temporary trade-liberalization measures will be applicable to products from the Republic of Moldova until July 24, 2023.
	01/01/2023	The relief from import duties and VAT exemption on importation granted for goods to be distributed or made available free of charge to persons fleeing the war in Ukraine and to persons in need in Ukraine ended.
	06/06/2023	The temporary trade-liberalization measures applicable to Ukrainian products since June 4, 2022, were extended by one year.
	07/25/2023	The temporary trade-liberalization measures applicable to products from the Republic of Moldova since July 23, 2022, were extended by one year.

Exports and Export Proceeds

Export licenses	*01/01/2022*	A Transparency and Authorization Mechanism for Exports of COVID-19 vaccines, which was put in place at the EU level until December 31, 2021, expired.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase locally by nonresidents	*01/01/2022*	The control introduced on March 18, 2020, pursuant to Royal Decree Law No. 8/2020 making direct foreign investment from non-EU residents subject to prior authorization in a number of cases and temporarily extending this regime to EU residents was extended again until December 31, 2022.
	01/01/2023	The control introduced on March 18, 2020, pursuant to Royal Decree Law No. 8/2020 making direct foreign investment from non-EU residents subject to prior authorization in a number of cases and temporarily extending this regime to EU residents was extended again until December 31, 2024.
Controls on direct investment		
Inward direct investment	*01/01/2022*	The control introduced on March 18, 2020, pursuant to Royal Decree Law No. 8/2020 making direct foreign investment from non-EU residents subject to prior authorization in a number of cases and temporarily extending this regime to EU residents was extended again until December 31, 2022.
	01/01/2023	The control introduced on March 18, 2020, pursuant to Royal Decree Law No. 8/2020 making direct foreign investment from non-EU residents subject to prior authorization in a number of cases and temporarily extending this regime to EU residents was extended again until December 31, 2024.

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SRI LANKA

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 29, 1950.
Article VIII	Yes.	Date of acceptance: March 15, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with Sri Lanka states that as of February 10, 2022, Sri Lanka maintains a MCP subject to IMF jurisdiction under Article VIII, Section 3. It arises from a temporary incentive scheme for inward worker remittances under which the authorities offer an additional incentive over the exchange rates used by banks for such remittances, with the deviation between the more favorable (effective) exchange rate used for qualifying inward workers remittances and the exchange rate used for other inward remittances being more than 2%. (Country Report No. 22/91)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with the relevant UNSC resolutions, Sri Lanka maintains certain restrictions for reasons of national and international security against certain individuals and entities with connections to the Democratic People's Republic of Korea, Liberia, and Sudan and the Taliban and other individuals, groups, and entities associated with terrorism. Sri Lanka maintains certain restrictions with respect to financial institutions that do not have a physical presence in any country, also referred to as "shell banks," pursuant to the US Patriot Act of 2001, as well as restrictions against the Liberation Tigers of Tamil Eelam.
Other security restrictions	n.a.	

Exchange Arrangement

Currency	Yes.	The currency of Sri Lanka is the Sri Lanka rupee.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		

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Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is free floating since its introduction by the Central Bank of Sri Lanka (CBSL) on January 23, 2001. The exchange rate remained broadly stable in the range of Rs. 200 to Rs. 203 per US dollars during the period of July 2021–February 2022. The Central Bank allowed a measured adjustment in the exchange rate with effect from March 7, 2022, in view of the heightened pressures on the exchange rate amidst subdued liquidity in the domestic foreign exchange market. However, the subsequent market adjustment because of heightened pressure in the domestic foreign exchange market resulted in an overshooting of the exchange rate. The CBSL intervention data in the foreign exchange market are published on a monthly basis with a two-week lag. From March 2022 to May 2022, the exchange rate increased its flexibility and then followed a depreciating trend within a 2% band against the US dollar. Accordingly, the de facto exchange rate arrangement was reclassified twice: (1) to other managed from crawl-like, effective March 9, 2022, and (2) to crawl-like from other managed, effective May 13, 2022. While the exchange rate has increased its flexibility since February 2023, more observations are necessary to determine its new trend. Until then, the de facto exchange rate arrangement remains classified as a crawl-like arrangement.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CBSL computes the volume-weighted average interbank rate on a daily basis based on the US dollar/LKR spot transactions executed in the interbank market on the previous working day. This official exchange rate is used for legal, accounting, customs purposes, tender processes, etc. From 2020 onward, CBSL interventions in the spot market are also included in the calculation of the volume-weighted average interbank rate. The official exchange rate for other foreign currencies is determined based on the above calculated rate and the cross-rates obtained from Refinitiv trading platform at 8.00 a.m. in the morning on each working day.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		

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Monetary aggregate target		
Inflation-targeting framework	Yes.	The Central Bank conducts monetary policy in line with a flexible inflation targeting framework to achieve and maintain domestic price stability. As per the Central Bank of Sri Lanka Act (CBA) No. 16 of 2023, enacted effective September 15, 2023, Flexible Inflation Targeting is officially recognized as the monetary policy regime.
Target setting body	Yes.	
Government		
Central Bank		.
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The Minister of Finance and the Central Bank jointly set the target for 3-year period and enters into Monetary Policy Framework Agreement, which is eventually published in the Gazette as per the provisions of the CBA.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	5% (margin of +/- 2 percentage points, measured quarterly).
Band/Range		
Target measure	Yes.	
CPI	Yes.	Colombo Consumer Price Index (CCPI) base: 2021=100 covers consumption expenditure from all urban areas of the Colombo District. CCPI basket contains 26.23% weight from the food category and 73.77% from the non-food category. Inflation target is expressed as average change in CCPI.
Core inflation		
Target horizon	Yes.	The target horizon is 2 years.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	Operating target is the average weighted call money rate (AWCMR).
Target corridor band	Yes.	The lower bound of the Standing Rate Corridor (SRC) is the standing deposit facility rate (SDFR), and the upper bound is the standing lending facility rate (SLFR).
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	Effective September 15, 2023, if the Central Bank fails to meet the inflation target by a margin determined in the CBA for two consecutive quarters, the Monetary Policy Board shall submit a report to the Parliament through the Minister of Finance as per

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		Section 26(5) of the CBA.
Other	No.	
Transparency	Yes.	
Publication of votes	No.	
Publication of minutes	No.	The minutes of the Monetary Policy Board are not published. Only the Monetary Policy Board decision and the factors considered for the monetary policy stance are published through the monetary policy review press release. A Press Conference also takes place after each monetary policy decision with the participation of the Governor (the Chairman of the Monetary Policy Board) along with senior CB officials.
Publication of inflation forecasts	Yes.	Inflation forecast in the form of a fan chart is currently published in the monetary policy review and inflation press releases published by the Central Bank of Sri Lanka. The inflation forecast is also presented at the Monetary Policy Press Conference. The Monetary Policy Report with the inflation forecast is published bi-annually.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Since May 13, 2022, the Central Bank commenced providing daily guidance on the degree of volatility (with an allowable two-sided variation margin) to all licensed commercial banks(LCBs) based on exchange rate determined in the interbank market on the preceding day. Since March 7, 2023, the CBSL revoked the Operating Instructions on “Managing Intraday Volatility of the Exchange Rate” issued by Central Bank on May 12, 2022. Accordingly, the daily exchange rate guidance provided by the Central Bank to all licensed banks (LBs) has been discontinued.
Spot exchange market	Yes.	As of December 31, 2022, 24 LCBs and 1 licensed specialized bank (LSB) were approved as Authorized Dealers (ADs) to deal in foreign exchange by the Minister of Finance. They have authorization to conduct foreign exchange transactions with the public. Permission has also been granted by the Department of Foreign Exchange (DFE) to 79 Restricted Dealers (RDs) to deal in foreign exchange for current transactions to the extent specified in the respective authorization/permit. Of those RDs, 59 limited companies were permitted to engage in money changing business, that is, 17 were permitted to buy, sell, and exchange foreign currencies (including 6 licensed finance companies (LFCs) and 11 limited liability companies), 48 limited companies were permitted only to buy and exchange foreign currencies, and 14 tourist hotels were permitted only to buy foreign currencies. RDs who have been permitted to engage in money changing business are not permitted to effect foreign currency payments on behalf of clients. Three other entities were permitted as RDs, two to engage in money transfer business with reputed international money transfer companies (and has permission to effect inward remittance distribution (in LKR) to local beneficiaries through a Special Foreign Currency Account permitted to be maintained with an AD) and the other in respect of export credit insurance/guarantee services.
Operated by the central bank	No.	

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Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Effective May 13, 2022, the CBSL commenced announcing a daily middle exchange rate with a variation margin to the domestic interbank foreign exchange market as a guidance to the interbank foreign exchange transactions. As of December 31, 2022, 24 LCBs and 1 LSB participate in the interbank market. The CBSL intervenes with market participants at their quoted rates. Effective March 7, 2023, the CBSL revoked the Operating Instructions on "Managing Intraday Volatility of the Exchange Rate" issued by Central Bank on May 12, 2022. Accordingly, the daily exchange rate guidance provided by the Central Bank to all LBs has been discontinued. There are no limits on the bid-ask spread and no commission of interbank market participants.
Over the counter	No.	
Brokerage	Yes.	The foreign exchange market operates based on both a broker system and a market-making agreement.
Market making	Yes.	The foreign exchange market operates based on both a broker system and a market-making agreement.
Forward exchange market	Yes.	All LCBs and one LSB may enter into forward contracts with their customers to hedge exposure to exchange rate risk in respect of current (international) transactions and permitted capital transactions under the Foreign Exchange Act (FEA) No. 12 of 2017. The maturity of the contract may not exceed that of the underlying transaction. Customers may choose the term of the contract. There is no maturity limit on forward contracts. Banks should make sure the underlying transactions meet with the bona fide test. CB participates in the forward foreign exchange market, as and when necessary. Effective March 22, 2022, Banking Act Direction No. 07 of 2021 dated April 25, 2021, was revoked. Previously, LCBs were directed to refrain from entering into forward contracts of foreign exchange with value date beyond spot date except for certain specified transactions. Accordingly, licensed banks are allowed to enter into forward foreign exchange contracts with the customers as per the Banking Act Direction No. 04 of 2018 "Financial Derivative Transactions for Licensed Commercial Banks and Licensed Commercial Banks."
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments to and receipts from member countries of the ACU (except Iran) with respect to import and export of goods and services among member countries, as well as payments mutually agreed between two or more participants within the region on net multilateral basis, are settled in US dollars.

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Controls on the use of domestic currency	Yes.	The use of domestic currency in such transaction is not permitted.
For current transactions and payments	Yes.	The use of domestic currency in such transaction is not permitted.
For capital transactions	Yes.	The use of domestic currency in such transaction is not permitted.
Transactions in capital and money market instruments	Yes.	The use of domestic currency in such transaction is not permitted.
Transactions in derivatives and other instruments	No.	These transactions are permitted in any currency.
Credit operations	Yes.	The use of domestic currency in such transaction is not permitted.
Use of foreign exchange among residents	Yes.	Transactions among residents must be made in Sri Lanka rupees. However, persons in or resident in Sri Lanka who holds foreign exchange in a bank account in Sri Lanka may utilize such foreign exchange for making payments in respect of current transactions and permitted capital transactions in terms of the FEA. Effective June 16, 2022, limit of foreign currency that may retain in possession by a person in or resident in Sri Lanka was reduced from US$15,000 to US$10,000.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Sri Lanka is a member of the ACU. CBSL facilitates payments for transactions between Sri Lanka and nine member countries (except Iran) of the ACU through the ACU mechanism or as mutually agreed between participants.
Clearing agreements	Yes.	Clearing operations, settlement of ACU net positions and accrued interest take place at the end of each settlement period (bi-monthly) in accordance with Chapter II, Article VI, Section 3 of the ACU agreement and Rules 6 and 12 of the Procedure Rules of the ACU on clearing operations and Settlement of Balances.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBSL as the agent of the government is responsible for the implementation of the provisions of the FEA No. 12 of 2017, to ensure proper promotion and regulation of foreign exchange in Sri Lanka. Any duty or function authorized or required to be exercised, performed, or discharged by the CBSL under the FEA is carried out by the DFE of the CBSL. Remittance of foreign exchange must be made through ADs and RDs in Sri Lanka in accordance with the Regulations, Orders, Directions, and Guidelines issued under the FEA. The Board of Investment (BOI) of Sri Lanka handles applications relating to foreign investment when special concessions are sought.
Payments arrears	No.	Considering the Sovereign rating downgrade, the debt standstill announced by the Government of Sri Lanka and the depletion of foreign currency in the domestic foreign exchange market, the LBs face difficulties in sourcing foreign currency funding. However, the position has been improved with respect to private transactions and manageable by LBs.
Official	No.	

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Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	Dealing in gold does not come under the purview of the CBSL in terms of the FEA of 2017. Accordingly, LCBs and eligible limited liability companies do not require special approval from the CBSL for importing gold under any payment term.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Any person in, or resident in, Sri Lanka may take out of Sri Lanka up to the value of Sri Lanka Rupees (LKR) 20,000. Any amount exceeding LKR 20,000 may be permitted by the Director of the DFE subject to an Order issued in terms of the Section 8 of the FEA by the Hon-MOF.
Foreign currency	No.	Persons resident in Sri Lanka may take out foreign exchange issued by an AD for travel purposes subject to declaration requirements. Foreign currency notes may be issued up to US$5,000 travel purposes. Any person departing from Sri Lanka may carry any amount of foreign exchange in the form of currency notes, bank drafts, checks, travel cards, etc. legitimately acquired by such person, subject to the declaration requirements at the Sri Lanka Customs. If the total value of such foreign exchange exceeds US$15,000 or the value of foreign currency notes exceeds US$10,000 or its equivalent in other foreign currencies, it must be declared to Sri Lanka Customs at the time of departure. Unutilized rupee balances from foreign currency sold by persons resident outside Sri Lanka may be reconverted to foreign currency only at ADs and RDs engaged in money changing business subject to documentary evidence of purchase of such foreign currency.
On imports	Yes.	
Domestic currency	Yes.	Any person in, or resident in, Sri Lanka may bring into Sri Lanka up to LKR 20,000. Any amount exceeding LKR 20,000 may be permitted by the Director of the DFE subject to an Order issued in terms of the Section 8 of FEA by the Hon-MOF.
Foreign currency	No.	Any amount of foreign exchange in the form of currency notes, bank drafts, checks, travel cards, etc., that has been legitimately acquired may be brought into Sri Lanka by any person, subject to declaration requirements at the Sri Lanka Customs. Amount of foreign exchange exceeding US$15,000 or intends to take back unutilized foreign currency notes exceeding US$10,000 or its equivalent in other foreign currencies or, where a person arriving in Sri Lanka who intends to credit foreign exchange into such person's IIA for the purpose of investing in Sri Lanka, must be declared to Sri Lanka Customs at the time of arrival.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	The types of foreign exchange accounts were amalgamated and categorized based on the purpose of maintaining such accounts, irrespective of the residential status of the person eligible to open such foreign exchange accounts, for the purpose of simplification

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under the FEA No. 12 of 2017.

Personal Foreign Currency Accounts (PFCAs):
Individuals including minors who are Sri Lankan nationals and non-national resident in Sri Lanka are eligible to open and maintain PFCAs in the form of current (without check drawing facility), savings, or term deposit accounts in any designated foreign currency. PFCAs maintained by individuals may be held as sole or joint accounts with another eligible person.

Holders of PFCAs are allowed for the following debits: (1) to make any outward remittances outside Sri Lanka of persons resident outside Sri Lanka; (2) any outward remittances made outside Sri Lanka in respect of current transactions of the account holder and/or immediate family members who are persons resident in Sri Lanka and in respect of capital transactions of persons resident in Sri Lanka; (3) to withdraw in foreign currency notes up to US$5,000 or equivalent for travel purpose; (4) for disbursements in Sri Lanka in Sri Lanka rupees; (5) to transfer funds for making investments in Sri Lanka Development Bonds (SLDBs) in foreign currency utilizing funds in PFCAs; (6) to transfer funds to other PFCAs or accounts maintained in the Offshore Banking Unit (OBU) of persons resident outside Sri Lanka for current transactions; (7) to transfer to a PFCA of the same account of holder and/or immediate family members; (8) to transfer to a Business Foreign Currency Account (BFCA) or an account maintained in the OBU of the same account holder; (9) to withdraw foreign currency, where the account holder is a non-national resident outside Sri Lanka who is on temporary visit to Sri Lanka; (10) to transfer funds for uploading Foreign Travel Cards (FTCs); and (11) to transfer funds to an IIA of the same account holder who is a resident outside Sri Lanka.

Effective January 2, 2022, in response to COVID-19 pandemic and prevailing liquidity issues, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000, for further six months.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 during the effective period of six months from June 28, 2023. PFCAs may be credited with the following: (1) inward remittances; (2) unutilized foreign currency obtained by the account holder for travel purpose; (3) foreign currency brought into the country by the account holder on appropriate declaration; (4) funds transferred from other PFCAs, BFCAs, IIAs, or accounts maintained in the OBU of the same account holder; (5) transfers from Diplomatic Foreign Currency Account (DFCA) or a PFCA or an account maintained in the OBU of a person resident outside Sri Lanka, in respect of a current transaction; (6) where the account holder is a resident outside Sri Lanka transfers from other PFCAs or accounts maintained in the OBU of persons resident outside Sri Lanka; (7) unutilized balance remaining in the FTC up to the amount that FTC had been loaded from the PFCA; (8) capital, capital gains, and other receipts arising from investments made, in SLDBs in foreign currency, if the original investment had been made by debiting the PFCA; (9) transfers from employer's Sri Lanka rupee account as monthly salary, employment, and other related benefits; (10) interest earned in foreign currency on the funds held in the accounts; (11) effective February 24, 2022, in

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the event where accountholder is a Sri Lankan employed abroad (other than an emigrant) transfers to BFCAs of Local Educational Institutions as payment or tuition fees in respect of their immediate family members who have been enrolled as students (this resulted in easing of PFCA Directions);
(12) effective June 30, 2022, earnings/payments in foreign exchange received by the accountholder from a foreign currency account of an authorized person who is permitted to engage in business and from the area of authority of the Colombo Port City in accordance with the provisions of the Colombo port City Economic Commission Act No. 11 of 2021 (this change resulted in easing of PFCA Directions).

PFCA holders who are Sri Lankans employed abroad (other than emigrants) are also permitted to obtain loans and advances denominated in foreign currency or in LKR from Ads for any purpose to be utilized in Sri Lanka and, to make payments in respect of current transactions of the immediate family members of the borrower who are residents in Sri Lanka.

BFCAs:
BFCAs may be opened and maintained as current, savings, or term deposit accounts in any designated foreign currency with Ads by the following persons resident in Sri Lanka who earn foreign exchange from persons resident outside Sri Lanka: (1) individuals resident in Sri Lanka; (2) sole proprietorships or partnerships registered in Sri Lanka where the proprietor or a majority of partners are resident in Sri Lanka; (3) companies incorporated in Sri Lanka; (4) companies incorporated outside Sri Lanka which are registered as overseas companies under the Companies Act No. 7 of 2007; and (5) state institutions with the recommendation of the secretary to the relevant ministry or appropriate authority.

However, a non-governmental organization is not permitted to open and maintain BFCAs. Furthermore, under no circumstances Sri Lanka rupees may be converted to foreign currency and be credited into a BFCA.
Check drawing facility is allowed for BFCA current accounts.

Holders of BFCAs are permitted for the following debits: (1) to make any outward remittances outside Sri Lanka in respect of current transactions and capital transactions of the account holder; (2) disbursements in Sri Lanka in Sri Lanka rupees; (3) to withdraw in foreign currency notes up to US$5,000 for travel purpose and up to US$50,000 by gem and jewelry dealers and shipping agents/General Sales Agents (GSAs) for such specific purposes; (4) to transfer funds for uploading FTCs; (5) to transfer funds in respect of investments in SLDBs in foreign currency utilizing funds in the BFCA; (6) transfer of funds to an Outward Investment Account (OIA) of another person (that is, seller) as payments for purchase of a permitted investment in overseas which have been made by the seller through the same OIA; (7) transfers to External Commercial Borrowing Account (ECBA) of the same account holder (that is, borrower) for the purpose of repayment/service of a foreign currency loan obtained from a lender in overseas; (8) transfer of funds to an IIA of a lender in overseas for repayment of foreign currency loans obtained from such foreign lender during the period from November 20, 2017 to March 22, 2021, by the account holder (that is, borrower); (9) transfer funds to other BFCAs, PFCAs, and accounts in the OBUs of the same account

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holder; (10) transfers to an account maintained in the OBU of a person resident outside Sri Lanka in respect of a current transaction; (11) debt servicing expenses and repayment of foreign currency accommodations obtained by the account holder from an AD including transfer of funds to a BFCA Loan Account; (12) make payments of claims to eligible customers and co-insurers in respect of foreign-currency-denominated policies, premia to local or overseas re-insurers and National Insurance Trust Fund (NITF) and brokerage by insurance companies registered with the Insurance Board of Sri Lanka; and (13) where account holder is an investee, a tenant, a lessee, or a buyer, transfers to an IIA being payments of any income or capital proceeds attributed to capital transactions in Sri Lanka of such holder of the IIA, as permitted under the regulations and directions issued under the FEA applicable for IIAs; (14) where account holder is a company incorporated in Sri Lanka which has arrangements with an overseas employer for disbursement of wages and/or earnings to Sri Lankan citizens who are rendering services outside Sri Lanka; transfers to PFCAs or LKR accounts of the respective employees; (15) where account holder is local shipping/airline company; transfers to PFCAs of Sri Lankan citizens working abroad in the vessels/aircrafts owned by such shipping/airline company being payment of crew salaries/wages and other related employment benefits.

Effective January 2, 2022, in response to COVID-19 pandemic and prevailing liquidity issues, outward remittances on capital transactions through BFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000, for further six months.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, outward remittances on capital transactions through BFCAs held by persons resident in Sri Lanka were limited for the purpose of expanding their core business overseas up to a maximum of US$ 100,000, during the effective period of six months from June 28, 2023.

Holders of BFCAs are permitted for the following credits: (1) inward remittances in respect of export of goods and services, entrepot trade, overseas projects undertaken by the account holder and goods and services supplied locally to a person resident outside Sri Lanka; (2) foreign exchange accepted by the account holder in Sri Lanka in respect of goods and services supplied by such person to a person resident outside Sri Lanka; (3) foreign exchange brought into Sri Lanka by the account holder on appropriate declaration; (4) any income or capital proceeds from sale of any foreign asset of the account holder, where the asset had been acquired by debiting the BFCA; (5) funds transferred from other BFCAs or PFCAs or accounts maintained in the OBU of the same account holder; (6) transfers from an account maintained in the OBU of a person resident outside Sri Lanka in respect of current transactions and transfers from DFCA of a person resident outside Sri Lanka in respect of supply of goods and services; (7) coupon income, sale/maturity proceeds, and other related receipts arising from investments in SLDBs made in Sri Lanka in foreign currency, if the original investment had been made by debiting the BFCA; (8) unutilized foreign currency obtained by the account holder debiting the BFCA for uploading the FTC, as withdrawals by gem and jewelry dealers, shipping agents, and GSAs; (9) insurance premia received by the account holder on foreign-currency-denominated policies issued to eligible customers and co-insurers and claims received from re-

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insurers and NITF by insurance companies registered with the Insurance Board of Sri Lanka; (10) effective February 24, 2022, in the event where accountholder is a local educational institute, transfers from PFCAs of Sri Lankans employed abroad being receipts of course or tuition fees in respect of their immediate family members enrolled as students (this resulted in easing of BFCA Directions); (11) where account holder is a shipping agent or a GSA in Sri Lanka; remittances received in foreign exchange through the banking system from the foreign principal/freight and passenger fares collected in foreign exchange by the agent on behalf of the foreign principal, by way of a bank transfer or bank draft issued by an AD in Sri Lanka against a BFCA or an account maintained in the OBU and transfers from PFCA of a citizen of Sri Lanka working abroad (employee) in vessels/aircrafts owned by the account holder being overpayment of crew salaries/wages and other related payments due from such employee; (12) where account holder is a company incorporated in Sri Lanka which has arrangements with an overseas employer for disbursement of wages and/or earnings to Sri Lankan citizens who are rendering services outside Sri Lanka; remittances received in foreign exchange from abroad through the banking system from the respective overseas employers or transfers from an account maintained in the OBU of such overseas employer; (13) payments received in foreign exchange by the account holder who is carrying permitted business under duty-free concessions, being consideration for goods or services supplied to passengers (irrespective of the residential status) arriving in or departing from Sri Lanka at a port or airport in Sri Lanka; (14) transfers from an OIA being any income or capital proceeds received from outward investments, where such investments had been made by debiting the BFCA of the same account holder or by utilizing the funds transferred to an OIA from the BFCA of the same account holder, proportionately to the contributions and transfers from an OIA of another person (that is, buyer) being proceeds from sale of a permitted investment in overseas to such buyer, where the original investment had been made by debiting the same BFCA of the account holder; (15) where account holder is an employer; transfers from a PFCA of a non-national or a dual citizen employed in Sri Lanka (that is, employee) being overpayment of salaries, employment, and retirement benefits or any other payment due from such employee; (16) where account holder is a property developer; transfer of funds from an IIA of a person resident outside Sri Lanka (that is, investor) being payments received from sale of immovable property to such investor; (17) where account holder is a property developer; transfer of funds from a Foreign Currency Loan Account (FCLA) being payments received from a Sri Lankan resident outside Sri Lanka on Permanent Residency visa in another country or a dual citizen, as permitted by the Direction No. 11 of 2021 dated March 18, 2021; (18) effective February 24, 2022, in the event where accountholder is a Local Educational Institution; transfers from the PFCA of Sri Lankans employed abroad (other than an emigrant) as receipts of the course or tuition fees in respect of their immediate family members enrolled as students; and (19) effective June 30, 2022, earnings/payments in foreign exchange received by the accountholder from a foreign currency account of an authorized person who is permitted to engage in business and from the area of authority of the Colombo Port City in accordance with the provisions of the Colombo port City Economic Commission Act No. 11 of 2021 (this change resulted in easing of BFCA Directions).

Furthermore, persons' residents in Sri Lanka who earn foreign

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exchange and maintain BFCAs are also permitted to obtain accommodations in foreign currency, to be utilized for any purpose in Sri Lanka, as may be decided by the Ads as part of their business decisions in the course of normal banking business. Proceeds of said loans must be credited to a BFCA Loan Account (BLA) opened in the name of the borrower.

OIAs:
OIAs may be opened and maintained with an LCB for making payments in respect of permitted capital transactions outside Sri Lanka by persons resident in Sri Lanka, that is, to acquire Ordinary Shares, and Preference Shares, Corporate Bonds, Debentures of companies incorporated outside Sri Lanka, Units in regulated unit trusts and mutual funds and Sovereign Bonds issued by foreign governments rated at or above the sovereign credit rating of Sri Lanka at the time of the investment, to set up branch, liaison, marketing, agency, project, representative, or other similar office in a foreign country (other than by an individual). Individuals resident in Sri Lanka/or/with a sole proprietorship registered in Sri Lanka by such individuals, partnerships registered in Sri Lanka, companies registered under the Companies Act No. 7 of 2007 other than a company limited by guarantee, and, LCBs or LSBs in terms of the Banking Act No. 30 of 1988, regulated/licensed entities under the Central Bank, Securities Exchange Commission, Insurance Regulatory Commission of Sri Lanka, Employees' Provident Fund (EPF) established under the EPF Act No. 15 of 1958 or any provident Funds approved by the Commissioner General of Labour, are eligible to open OIAs. OIAs may be opened and maintained as Savings or Term Deposit (out of the returns derived from an outward investment) or Current (without overdrawing facility and check drawing facility) accounts, as a foreign currency account in any designated foreign currency as sole accounts or joint accounts by individual persons with a sole proprietorship registered in Sri Lanka by such individual. Above changes were made for the purpose of better clarity. They do not reflect any change in regulations.

Effective July 2, 2022, and previously effective January 2, 2022, payments through OIAs for the purpose of making investments overseas by persons resident in Sri Lanka under general permission that were initially suspended starting July 2, 2020, were suspended for an additional six months with a view to further preserve the foreign currency reserve position of the country, except for the following:
(1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison,

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marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months, excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
(6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.
The Governing Board shall have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission. Permitted debits, credits of OIA, and conditions on opening and maintaining OIA are specified in Direction No. 14 of 2021 dated March 18, 2021, issued under the FEA.

Resident Guest Foreign Currency Accounts: Resident Guest Foreign Currency Accounts may be opened by prospective investors who come to Sri Lanka under the "Resident Guest Scheme" implemented by the Department of Immigration and Emigration. They are required to remit or bring a minimum initial deposit of US$250,000 or its

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equivalent in other foreign currency for investment in Sri Lanka.

Senior Foreign Nationals' Fixed Deposit Accounts: Senior foreign nationals over 55 years of age who wish to obtain resident visas in Sri Lanka under "Sri Lanka-My Dream Home program" implemented by the Department of Immigration and Emigration may open and maintain Senior Foreign Nationals' Fixed Deposit Accounts with LCBs. Under this scheme, senior foreign nationals are required to remit into Sri Lanka a minimum of US$15,000 or its equivalent in other foreign currency and deposit the same in a fixed deposit foreign currency account as long as they stay in Sri Lanka.

Golden Paradise Foreign Currency Accounts: Foreign nationals who wish to stay in Sri Lanka on 10 years resident visas under the "Golden Paradise Visa program" implemented by the Department of Immigration and Emigration may open and maintain Golden Paradise Foreign Currency Accounts as savings or term deposit accounts in any designated foreign currency with Ads with a minimum initial deposit of USD 200,000 or its equivalent in any other designated foreign currency.

Special Foreign Currency Account-Short Term Foreign Currency Loans from Overseas (SFCA-Short Term Loans): Introduced to facilitate payments for import of raw materials for manufacturing of products, by the companies incorporated in Sri Lanka under the Companies Act No. 7 of 2007 (borrower), out of the proceeds of the foreign currency loans obtained for a tenure of less than 3 years including a minimum grace period of 1 year (short term) from the parent company or a company within the same Group of Companies incorporated outside Sri Lanka (lender).

Special Deposit Account (SDA): The Government of Sri Lanka in consultation with the Monetary Board of the CBSL has introduced SDA with a view to seek assistance for the national effort to overcome the effects of COVID-19 outbreak in the country. Any Sri Lankan individual resident in or outside Sri Lanka including Dual Citizens, Citizens of other States with Sri Lankan origin, and any person resident outside Sri Lanka including funds, corporate bodies, associations incorporated/registered outside Sri Lanka and other well-wishers are eligible to open SDAs with the following special features:
Type of deposit: Term deposits and savings accounts only for operational purposes.
Minimum tenure: Six months.
Funds available in SDAs (excluding interest) may be rolled over, with six-month or twelve-month tenures, provided the accumulated period of the said SDAs does not exceed the maximum of thirty six months from the initial date of placing such deposits. SDAs may be maintained as normal term deposits subject to the normal interest rate offered by Ads for other normal term deposits.

Interest payable: 1 percentage point and 2 percentage points per annum for SDAs with a tenure of 6 months and 12 months, respectively, payable at maturity of the deposit, above the deposit interest rates applicable for normal deposits of similar maturities by the respective bank.
Repatriation of Funds: Freely convertible and repatriable outside Sri

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Lanka on the maturity of the term deposits.
Source of Funds: (1) inward remittances through banking system during the six-month period from April 8, 2020, and (2) fund transfers from IIAs or accounts in the OBU of the account holder during the subject period.
Currency type: in any designated foreign currency or LKR. (3) foreign exchange legitimately acquired and brought into Sri Lanka by any person who has arrived in Sri Lanka from overseas on or after January 1, 2020, subject to:
(a) a declaration made to the Sri Lanka Customs at the port of arrival where the amount of such foreign exchange exceeds US$15,000 or an equivalent amount in any designated foreign currencies.
(b) a declaration to the relevant AD where the amount of such foreign exchange is equal or less than US$15,000 or an equivalent amount in any designated foreign currencies.
(4) Out of foreign currency notes in the possession of any person in, or resident in, Sri Lanka up to the limit of US$15,000 and subject to such terms and conditions of the prevailing Regulations and Orders and on to a declaration made to an AD on the source of funds.

SDA holders are permitted to obtain loans from Ads against SDAs (keeping as collateral) as follows:
(1) Residents in Sri Lanka Rupees,
(2) Nonresident SDA holders who are eligible to obtain loans as per the prevailing foreign exchange regulations and directions.
As of April 7, 2021, the period for opening SDAs was further extended till April 7, 2022, after permission was granted to renew and continue the SDAs opened under the Regulations in the Domestic Banking Unit (DBU), as SDAs, beyond the designated date of maturity in October 2020.

As of June 30, 2021, permission was granted to rollover the SDAs opened under the Regulations (excluding interest), with six-month or twelve-month tenures, provided the accumulated period of the said SDAs does not exceed the maximum of twenty-four months from the initial date of placing such deposits, in accordance with the directions issued by the Central Bank.

Effective March 28, 2022, the period of opening SDAs was further extended till April 7, 2022.

Effective April 7, 2023, the validity period of opening SDAs was lapsed.

ECBAs: ECBA may be opened by d by Companies incorporated in Sri Lanka under the companies Act No. 7 of 2007, which are permitted to borrow from persons resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017 to receive the proceeds of loans obtained from overseas and to make all repayments (including interest) of such loans. ECBAs may be opened and maintained in the form of Savings or Term Deposit accounts in any designated foreign currency or in LKR as sole accounts. ECBA Term Deposit may be opened only for the purpose of keeping it under lien for a Sri Lanka rupee loan to be obtained by the accountholder from an AD, to mitigate foreign exchange risk.

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Holders of ECBAs are allowed for the following debits: (1) remittance/transfers of funds to an account maintained outside Sri Lanka or an IIA or an account maintained in the OBU of the lender, for the purpose of servicing and repayments of the loan, in terms of the loan agreement; (2) transfers of loan proceeds, to a Sri Lanka rupee account of the account holder; (3) transfers of loan proceeds, to an OIA of the accountholder only if the loan has been obtained for the purpose of financing outward investments, as permitted in the Foreign Exchange (the Classes of Capital Transactions Undertaken Outside Sri Lanka by a Person Resident in Sri Lanka) Regulation No. 1 of 2021 or in terms of the provisions of the repealed Exchange Control Act or the FEA No. 12 of 2017; (4) remittances in respect of current transactions of the account holder; (5) transfers to the ECBAs of the same accountholders; (6) bank charges, fees, commissions, etc., payable with respect to the loan; and (7) disbursement in Sri Lanka in Sri Lanka rupees.

Following credits are permitted for ECBAs: (1) Remittances/transfers of proceeds of the loan obtained by the accountholder from an overseas lender, from an account maintained outside Sri Lanka or an IIA or an account maintained in the OBU, of such lender; (2) transfers from an OIA or BFCA, an account maintained in the OBU or Sri Lankan rupee account, of the accountholder, for the purpose of servicing the loan; (3) transfers from another ECBAs of the same accountholder; and (4) interest earned on the funds held in the account.

Special Foreign Currency Accounts for investee to facilitate Current Transactions (SFCA – Investee): Since December 27, 2021, SFCA – Investee was introduced to facilitate current transactions and repayment of foreign currency loans or/and accommodations of Companies incorporated in Sri Lanka under the Companies Act No. 7 of 2007 out of the proceeds received being an investment into the share capital of such companies.
SFCAs-Investee are permitted to be opened and maintained in the form of current (without overdraft facility and check drawing facility) or savings in any designated foreign currency as sole accounts.
(SFCA-Investee scheme, which was in effect December 27, 2021, under Direction No. 28 of 2021 was lapsed on December 26, 2021).

All SFCA – Investee must be closed on December 31, 2023, and any outstanding balance in the account must be transferred to a LKR account of the accountholder.

Permitted debits: (1) outward remittances with respect to current transactions of the account holder; (2) debt serving expenses, repayment of foreign currency loans, or accommodations obtained by the account holder, where such foreign currency loans and accommodations are permitted in terms of the Regulations, Orders, and Directions issued under the provisions of FEA, adhering to the procedures on repayments/servicing of such foreign currency loans/accommodations mentioned in the said Regulations and Directions; and (3) local disbursements in Sri Lanka rupees.

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Permitted Credits: (1) Transfers of funds from and IIA of the investor/s, being investment into the share capital of the company; and (2) interest on the funds held in the account.

Colombo Port City Investment Account – Investor (CPCIA – Investor) (Introduced effective June 3, 2022): This account has been introduced to facilitate investments in Colombo Port City. Any person resident outside Sri Lanka or any company incorporated in Sri Lanka which is fully owned by persons resident outside Sri Lanka or a joint venture making investments in the Colombo Port City are eligible to open CPCIA – Investor.
CPCIA – Investor may be opened and maintained in the form of savings accounts in any designated foreign currency.

Permitted debits: (1) transfers to the Colombo Port City Investment Account – Investee (CPCIA – Investee) on the investments in the Colombo Port City; (2) local disbursements in LKR; and (3) any transfer as permitted by the Colombo Port City Economic Commission.
Permitted Credits: (1) any inward remittances being funds for financing the investments in the Colombo Port City which have been permitted under the provisions of the Colombo Port City Economic Commission Act No. 11 of 2021; (2) any income or capital proceeds payable to the nonresident investor on the investments in the Colombo Port City; and (3) interest on the funds held in the account.

Colombo Port City Investment Account – Investee (CPCIA – Investee): This account has been introduced to facilitate investments in Colombo Port City. Any authorized person under the provisions of Colombo Port City Economic Commission Act No. 11 of 2021 is eligible to open CPCIA – Investee.
CPCIA – Investee may be opened and maintained in the form of savings accounts in any designated foreign currency, as a sole account.

Permitted following debits: : (1) local disbursements in Sri Lanka rupees; (2) transfers to the CPCIA – Investor, being any income or capital proceeds payable to the nonresident investor on the investment made; and (3) any transfer/payment as permitted by the Colombo Port City Economic Commission.

Permitted credits: (1) Transfers from the CPCIA – Investor; (2) income earned or other receivable, in foreign currency of the accountholder; and (3) interest on the funds held in the account.

Special Foreign Currency Account (SFCA) to facilitate foreign currency denominated investments on the Colombo Stock Exchange (CSE): To facilitate FCY transactions of companies incorporated in Sri Lanka under the Companies Act No. 7 of 2007 having listed shares/debt securities denominated in any designated FCY on the

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		CSE. Permitted to open as savings or term deposits in any designated FCY and shall be held as sole accounts and must open only one SFCA as permitted in the Foreign Exchange (Classes of Capital Transactions undertaken in Sri Lanka by a person resident outside Sri Lanka) Regulation No. 2 of 2021.
Approval required	No.	
Held abroad	Yes.	
Approval required	Yes.	Except for the following persons, approval is required for any other category of persons to open, maintain, operate, and close foreign exchange accounts with a bank outside Sri Lanka: (1) residents of Sri Lanka who are outside Sri Lanka temporarily for business, educational, or medical purposes; (2) individuals or companies registered in Sri Lanka which provide professional or vocational services outside Sri Lanka; (3) individuals or companies registered in Sri Lanka which has been granted general or special permission under the provisions of the FEA No. 12 of 2017, to invest outside Sri Lanka, provided such person is required to open an account outside Sri Lanka as a requirement of the said investment; (4) exporters of merchandise goods; (5) individuals who have obtained a valid permanent residency (PR) permit from another country; (6) dual citizens; (7) residents in Sri Lanka who intend to proceed outside Sri Lanka for education in a country where such person is required by the visa granting authority to open and maintain an account with a bank in such country as a condition to grant visa; (8) a company incorporated in Sri Lanka which is eligible to borrow from an overseas bank or financial institution provided such company is required to open an account outside Sri Lanka as a condition of such loan agreement; and (9) a person resident in Sri Lanka who has at any time prior to or after the FEA No. 12 of 2017 coming into effect been a resident outside Sri Lanka and earned or otherwise acquired foreign exchange outside Sri Lanka not involving the conversion of LKR into foreign exchange. The approval granting authority is the CBSL on obtaining a direction from the Hon. Minister of Finance under Section 7 of the FEA.
Accounts in domestic currency held abroad	No.	Such accounts are not permitted in terms of the provisions of the FEA which is in effect since November 20, 2017. Also, this was not permitted even under provisions of the repealed Exchange Control Act No. 24 of 1953.
Accounts in domestic currency convertible into foreign currency	Yes.	Funds held in the LKR accounts can be converted to foreign currency in respect of payments for current transactions and for permitted capital transactions. Funds from SDAs in LKR are freely convertible and repatriable outside Sri Lanka on the maturity of the term deposits.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	The types of foreign exchange accounts are amalgamated and categorized based on the purpose of maintaining such accounts, irrespective of the residential status of the person eligible to open such foreign exchange accounts, for the purpose of simplification under the FEA No. 12 of 2017. PFCAs: Individuals of Sri Lankan origin including minors who are resident outside Sri Lanka or non-nationals either on temporary visit to Sri Lanka or intending to visit Sri Lanka may open and maintain PFCAs in the form of current (without check drawing facility), savings, or term deposit accounts in any designated foreign currency. PFCAs maintained by individuals may be held as sole or joint

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accounts with another eligible person.

Holders of PFCAs are allowed for the following debits: (1) to make any outward remittances outside Sri Lanka of persons resident outside Sri Lanka; (2) any outward remittances made outside Sri Lanka in respect of current transactions of the account holder and/or immediate family members who are persons resident in Sri Lanka and in respect of capital transactions of persons resident in Sri Lanka; (3) to withdraw in foreign currency notes up to US$5,000 or equivalent for travel purpose; (4) for disbursements in Sri Lanka in Sri Lanka rupees; (5) to transfer funds for making investments in Sri Lanka Development Bonds (SLDBs) in foreign currency utilizing funds in PFCAs; (6) to transfer funds to other PFCAs or accounts maintained in the Offshore Banking Unit (OBU) of persons resident outside Sri Lanka for current transactions; (7) to transfer to a PFCA of the same account of holder and/or immediate family members; (8) to transfer to a Business Foreign Currency Account (BFCA) or an account maintained in the OBU of the same account holder; (9) to withdraw foreign currency, where the account holder is a non-national resident outside Sri Lanka who is on temporary visit to Sri Lanka; (10) to transfer funds for uploading Foreign Travel Cards (FTCs); and (11) to transfer funds to an IIA of the same account holder who is a resident outside Sri Lanka.

PFCAs may be credited with the following: (1) inward remittances; (2) unutilized foreign currency obtained by the account holder for travel purpose; (3) foreign currency brought into the country by the account holder on appropriate declaration; (4) funds transferred from other PFCAs, BFCAs, IIAs, or accounts maintained in the OBU of the same account holder; (5) transfers from Diplomatic Foreign Currency Account (DFCA) or a PFCA or an account maintained in the OBU of a person resident outside Sri Lanka, in respect of a current transaction; (6) where the account holder is a resident outside Sri Lanka transfers from other PFCAs or accounts maintained in the OBU of persons resident outside Sri Lanka; (7) unutilized balance remaining in the FTC up to the amount that FTC had been loaded from the PFCA; (8) capital, capital gains, and other receipts arising from investments made, in SLDBs in foreign currency, if the original investment had been made by debiting the PFCA; (9) transfers from employer's Sri Lanka rupee account as monthly salary, employment, and other related benefits; (10) interest earned in foreign currency on the funds held in the accounts; (11) effective February 24, 2022, in the event where accountholder is a Sri Lankan employed abroad (other than an emigrant) transfers to BFCAs of Local Educational Institutions as payment or tuition fees in respect of their immediate family members who have been enrolled as students (this resulted in easing of PFCA Directions); (12) effective June 30, 2022, earnings/payments in foreign exchange received by the accountholder from a foreign currency account of an authorized person who is permitted to engage in business and from the area of authority of the Colombo Port City in accordance with the provisions of the Colombo port City Economic Commission Act No. 11 of 2021 (this change resulted in easing of PFCA Directions).

Effective January 2, 2022, in response to COVID-19 pandemic and prevailing liquidity issues, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000, for further six months.

Effective June 28, 2023, in view of the liquidity issues in the

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domestic foreign exchange market, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 during the effective period of six months from June 28, 2023.

IIAs: Accounts opened and maintained for the purpose of channeling funds for capital transactions in Sri Lanka by nonresidents are titled as IIAs which can be held either in LKR or in any designated foreign currency in the DBUs of LCBs in the form of savings, term deposits, and current accounts (without overdraft facility and check drawing facility). IIAs maintained by individuals may be held as sole or, joint accounts with another eligible person who is an immediate family member, that is, parents, grandparents, spouse, and children.
The following persons are eligible to open IIAs: (1) non-national residents in or outside Sri Lanka; (2) Sri Lankan dual citizens, resident in or outside Sri Lanka; (3) Sri Lankan national who has obtained PR or citizenship in another country, resident in or outside Sri Lanka; (4) Sri Lankan citizen employed abroad, resident outside Sri Lanka (excluding emigrants); (5) companies incorporated outside Sri Lanka; (6) partnerships registered outside Sri Lanka; (7) country and regional funds, mutual funds, unit trusts, and other institutional investors who are established outside Sri Lanka; (8) administrators or executors of the estate of a deceased person, who maintained an IIA with an AD or a RD; (9) receivers or liquidators of a company that maintained an IIA with an AD or RD; and (10) any other person or category of persons who may be authorized by the Central Bank from time to time.

IIAs may be used for the following types of permitted investments in Sri Lanka subject to exclusions, limitations and other terms and conditions stipulated in Regulation No. 2 of 2021: (1) all classes of shares under an entitlement to shares or conversions to shares issued by Companies incorporated in Sri Lanka under the Companies Act No. 7 of 2007; (2) debt securities (excluding listed debt securities) with a tenure of three or more years issued by companies incorporated in Sri Lanka under the Companies Act No. 7 of 2007 (other than LCBs, LSBs, LFCs, specialized leasing companies (SLCs), and companies limited by guarantee and overseas companies registered in Sri Lanka), in designated foreign currency or in Sri Lanka rupees; (3) invest in debt securities issued with the approval of the relevant regulatory authorities in designated foreign currency or Sri Lanka rupees, by LCBs, LSBs, LFCs, or SLCs; (4) loans with a tenure of three or more years to companies incorporated under the Companies Act No. 7 of 2007, in Sri Lanka (other than LCBs, LSBs, LFCs, SLCs, and companies limited by guarantee and overseas companies) in designated foreign currency or in Sri Lanka rupees; (5) loans by the parent company incorporated outside Sri Lanka to its branch office or project office registered in Sri Lanka as an overseas company under the Companies Act No. 7 of 2007, in designated foreign currency or in Sri Lanka rupees; (6) loans to the Government of Sri Lanka or State-Owned Enterprises subject to obtaining any approval required from the relevant line Ministry and any other relevant authority; (7) loans in foreign currency or Sri Lanka rupees to LCBs, LSBs, LFCs, and SLCs, subject to the approval of the relevant regulatory authorities; (8) subject to the provisions or restrictions in any other written law, investments in (a) units in unit trusts or mutual funds; (b) government securities (treasury bills, treasury bonds, and any other securities issued by the Government of Sri Lanka); (c) securities issued by the CBSL or any state-owned enterprise or any other statutory body; (d) SLDBs; I term deposits in,

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Sri Lanka rupee or any designated foreign currency in licensed financial institutions, subject to Section 4 of the Act; (f) immovable properties; or (g) listed debt securities; (9) loans with a tenure of less than three years to companies as defined in the Companies Act No. 7 of 2007, in Sri Lanka which hold BFCAs, for the purpose of utilizing such proceeds of the loan to meet the working capital requirement of the borrower, provided all repayments of such loans are made out of the foreign exchange earnings of the borrower; and (10) invest in any other investment category approved by the Monetary Board in accordance with such directions as may be issued by the Minister.

Permitted debits, credits of IIA, and conditions on opening and maintaining IIA are specified in Direction No. 15 of 2021 dated March 18, 2021, issued under the FEA.

DFCAs: DFCAs are permitted for foreign diplomatic missions, diplomatic personnel, and their family members in Sri Lanka who have been exempted from the requirement of obtaining resident visa issued by the Department of Immigration and Emigration. DFCAs may be opened in any designated foreign currency.
Holders of DFCAs are permitted (1) to make any outward remittances outside Sri Lanka and to withdraw in foreign currency for local expenses and for travel expenses of the account holder; (2) disbursements in Sri Lanka in LKR; (3) to transfer funds to an IIA or an account in the offshore banking unit of the account holder; (4) to transfers funds to other DFCAs and DRAs; and (5) to transfer funds to other PFCAs/BFCAs in respect of purchases of goods and services.

Furthermore, holders of DFCAs are permitted (1) to receive inward remittances through the banking channel; (2) foreign exchange brought into Sri Lanka on providing adequate evidence to the AD to comply with AML/CFT laws; (3) to receive funds transferred from an IIA or an account maintained in the OBU of the same account holder and funds transferred from other DFCAs/DRAs.

SDA: The Government of Sri Lanka in consultation with the Monetary Board of the CBSL introduced SDA with a view to seek assistance for the national effort to overcome the effects of COVID-19 outbreak in the country. Any Sri Lankan individual resident in or outside Sri Lanka including Dual Citizens, Citizens of other States with Sri Lankan origin, and any person resident outside Sri Lanka including funds, corporate bodies, associations incorporated/registered outside Sri Lanka and other well-wishers are eligible to open SDAs with the following special features:
Type of deposit: Fixed deposits and savings accounts (only for operational purposes)
Minimum tenure: Six months.
Funds available in SDAs (excluding interest) may be rolled over, with six-month or twelve-month tenures, provided the accumulated period of the said SDAs does not exceed the maximum of thirty-six months from the initial date of placing such deposits. SDAs may be maintained as normal term deposits subject to the normal interest rate offered by Ads for other normal term deposits.

Interest payable: 1 percentage point and 2 percentage points per annum for SDAs with a tenure of 6 months and 12 months, respectively, payable at maturity of the deposit, above the deposit interest rates applicable for normal deposits of similar maturities by

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the respective bank.
Repatriation of Funds: Freely convertible and repatriable outside Sri Lanka on the maturity of the term deposits.
Source of Funds: (1) inward remittances through banking system during the six-month period from April 8, 2020, and (2) fund transfers from IIAs or accounts in the OBU of the account holder during the subject period.
Currency type: in any designated foreign currency or Sri Lanka Rupees. (3) Out of foreign exchange legitimately acquired and brought into Sri Lanka by Any person who has arrived in Sri Lanka from overseas on or after January 1, 2020, subject to:
(a) a declaration made to the Sri Lanka Customs at the port of arrival where the amount of such foreign exchange exceeds US$15,000 or an equivalent amount in any designated foreign currencies.
(b) a declaration to the relevant AD where the amount of such foreign exchange is equal or less than US$15,000 or an equivalent amount in any designated foreign currencies.
(4) Out of foreign currency notes in the possession of any person in, or resident in, Sri Lanka up to the limit of US$15,000 and subject to such terms and conditions of the prevailing Regulations and Orders and on to a declaration made to an AD on the source of funds.

SDA holders are permitted to obtain loans from Ads against SDAs (keeping as collateral) as follows:
(1) Residents in Sri Lanka rupees,
(2) Nonresident SDA holders who are eligible to obtain loans as per the prevailing foreign regulations and directions.
Permission was granted to rollover the SDAs opened under the Regulations (excluding interest), with six-month or twelve-month tenures, provided the accumulated period of the said SDAs does not exceed the maximum of twenty-four months from the initial date of placing such deposits, in accordance with the directions issued by the Central Bank.

Effective April 7, 2023, the validity period of opening SDAs was lapsed.

CPCIA – Investor (Introduced effective June 3, 2022): This account has been introduced to facilitate investments in Colombo Port City. Any person resident outside Sri Lanka or any company incorporated in Sri Lanka which is fully owned by persons resident outside Sri Lanka or a joint venture making investments in the Colombo Port City are eligible to open CPCIA – Investor.
CPCIA – Investor may be opened and maintained in the form of savings accounts in any designated foreign currency.

Permitted debits: (1) transfers to the CPCIA – Investee on the investments in the Colombo Port City; (2) local disbursements in Sri Lanka rupees; and (3) any transfer as permitted by the Colombo Port City Economic Commission.
Permitted Credits: (1) any inward remittances being funds for financing the investments in the Colombo Port City which have been permitted under the provisions of the Colombo Port City Economic Commission Act No. 11 of 2021; (2) any income or capital proceeds payable to the nonresident investor on the investments in the Colombo Port City; and (3) interest on the funds held in the account

Approval required No.

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Domestic currency accounts	Yes.	The types of accounts are amalgamated and categorized based on the purpose of maintaining such accounts for simplification under the FEA No. 12 of 2017. IIAs: Accounts opened and maintained for the purpose of channeling funds for capital transactions in Sri Lanka by nonresidents are titled as IIAs which can be held either in Sri Lanka Rupees or in any designated foreign currency in the DBUs of LCBs in the form of savings, term deposits and current accounts (without overdraft facility and check drawing facility). IIAs maintained by individuals may be held as sole or joint accounts with another eligible person who is an immediate family member, that is, parents, grandparents, spouse and children. The following persons are eligible to open IIAs: (1) non-national residents in or outside Sri Lanka; (2) Sri Lankan dual citizens resident in or outside Sri Lanka; (3) Sri Lankan national who has obtained PR or citizenship in another country, resident in or outside Sri Lanka; (4) Sri Lankan citizen employed abroad, resident outside Sri Lanka (excluding emigrants); (5) companies incorporated outside Sri Lanka; (6) partnerships registered outside Sri Lanka; (7) country and regional funds, mutual funds, unit trusts, and other institutional investors who are established outside Sri Lanka; (8) administrators or executors of the estate of a deceased person, who maintained an IIA with an AD or a RD; (9) receivers or liquidators of a company that maintained an IIA with an AD or RD; and (10) any other person or category of persons who may be authorized by the Central Bank from time to time. IIAs may be used for the following types of permitted investments in Sri Lanka subject to exclusions, limitations, and other terms and conditions stipulated in Regulation No. 2 of 2021: (1) all classes of shares under an entitlement to shares or conversions to shares issued by Companies incorporated in Sri Lanka under the Companies Act No. 7 of 2007; (2) debt securities (excluding listed debt securities) with a tenure of three or more years issued by companies incorporated in Sri Lanka under the Companies Act No. 7 of 2007 (other than LCBs, LSBs, LFCs, SLCs, and companies limited by guarantee and overseas companies registered in Sri Lanka), in designated foreign currency or in Sri Lanka rupees; (3) invest in debt securities issued with the approval of the relevant regulatory authorities in designated foreign currency or Sri Lanka rupees, by LCBs, LSBs, LFCs, or SLCs; (4) loans with a tenure of three or more years to companies incorporated under the Companies Act No. 7 of 2007, in Sri Lanka (other than LCBs, LSBs, LFCs, SLCs, and companies limited by guarantee and overseas companies) in designated foreign currency or in Sri Lanka rupees; (5) loans by the parent company incorporated outside Sri Lanka to its branch office or project office registered in Sri Lanka as an overseas company under the Companies Act No. 7 of 2007, in designated foreign currency or in Sri Lanka rupees; (6) loans to the Government of Sri Lanka or State-Owned Enterprises subject to obtaining any approval required from the relevant line Ministry and any other relevant authority; (7) loans in foreign currency or Sri Lanka rupees to LCBs, LSBs, LFCs, and SLCs, subject to the approval of the relevant regulatory authorities; (8) subject to the provisions or restrictions in any other written law, investments in (a) units in unit trusts or mutual funds; (b) government securities (treasury bills, treasury bonds, and any other securities issued by the Government of Sri Lanka); (c) securities issued by the CBSL or any state-owned enterprise or any

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other statutory body; (d) SLDBs; (e) term deposits in, Sri Lanka rupee or any designated foreign currency in licensed financial institutions, subject to Section 4 of the Act; (f) immovable properties; or (g) listed debt securities; (9) loans with a tenure of less than three years to companies as defined in the Companies Act No. 7 of 2007, in Sri Lanka which hold Business Foreign Currency Accounts, for the purpose of utilizing such proceeds of the loan to meet the working capital requirement of the borrower, provided all repayments of such loans are made out of the foreign exchange earnings of the borrower; and (10) invest in any other investment category approved by the Monetary Board in accordance with such directions as may be issued by the Minister.

Permitted debits, credits of IIA, and conditions on opening and maintaining IIA are specified in Direction No. 15 of 2021 dated March 18, 2021, issued under the FEA.

Capital Transactions Rupee Accounts (CTRAs): ADs may open CTRAs for: (1) An emigrant, resident in or outside Sri Lanka (an "emigrant" means (a) a Sri Lankan who has obtained PR status or citizenship in another country; (b) a dual citizen of Sri Lanka whose mother or father was born in Sri Lanka; or (c) a non-Sri Lankan citizen – (i) whose mother or father was born in Sri Lanka and (ii) whose birth has been registered in Sri Lanka and includes the minors of persons referred to in paragraphs (a), (b), and (c)). (2) A non-national resident in or outside Sri Lanka including minors of such person. (3) An individual Sri Lankan resident in or outside Sri Lanka who has obtained Temporary Resident visa in another country, aged 18 years or above. (4) An individual Sri Lankan resident in Sri Lanka who is a prospective migrant under the parent migration scheme. (5) An administrator or executor of the estate of a deceased person who was an emigrant. (6) Any other person or category of persons who may be authorized by the Central Bank from time to time.

CTRAs may be opened and maintained as current (without overdrawing facility) or, savings accounts in LKR in the DBU of LCBs and eligible persons may open only one CTRA in the banking system and must be held as sole account. Interest may be paid on the funds held in these accounts.

Emigrants may transfer their eligible migration allowance through a CTRA as follows: (1) an initial migration allowance of US$200,000 an individual aged 18 years and above; (2) an annual migration allowance of US$30,000 where first such annual allowance is transferable after lapse of 12 months from the full utilization of the initial allowance of US$200,000; (3) an annual allowance of US$30,000 in respect of foreign nationals, as any income and any capital proceeds derived from inherited/gifted investments and investments received as a settlement under a court Order, (4) Any income or capital proceeds of investments made during the period from January 1, 2010, to November 20, 2017, for which evidence of the inward remittances is not available; and (4) superannuation benefits of foreign nationals are freely remittable outside Sri Lanka.

The total value of the investments made by an emigrant while being a resident in Sri Lanka through an OIA, in the country where the said individual has obtained PR status or citizenship, must be deducted from the eligible migration allowance, at the time of claiming the

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eligible migration allowance.

In the event of "Parent Migration Schemes" operated by foreign countries, the funds for the payments to be made to overseas authorities by such individuals for obtaining visa, must be remitted through a CTRA opened by such individuals subject to the directions issued by the Central Bank under the provisions of the Act. On receiving PR status in the country to which such payment was made, total amount of such payments must be deducted from the eligible migration allowance of such individuals at the time of claiming the eligible migration allowance.

A Sri Lankan individual who resides in or outside Sri Lanka and has obtained a temporary resident visa in another country, aged 18 years or above, may claim a maximum of US$30,000 subject to the directions issued by the Central Bank under the provisions of the Act. Such persons may claim the said allowance through a CTRA opened by such persons. The amounts so claimed must be deducted from the eligible migration allowance at the time of claiming the migration allowance.
Permitted debits, credits of CTRA, and conditions on opening and maintaining IIA are specified in Direction No. 16 of 2021.

Effective July 2, 2022, and previously effective January 2, 2022, in response to COVID-19 pandemic and with a view to preserve the foreign currency reserve position, funds remitted via CTRAs were suspected/restricted for a further six months as follows:

(1) Suspend the repatriation of funds under the migration allowance out of funds received as monetary gifts by an emigrant from an immediate family member, being funds realized from any asset in Sri Lanka (including movable, immovable, tangible, and intangible assets);
(2) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$10,000 or equivalent in any other designated foreign currency;
(3) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of US$30,000 or equivalent in any other designated foreign currency;
(4) Limit the repatriation of any current income or accumulated current income (including EPF, Employees' Trust Fund (ETF), gratuity, and pensions or any other retirement benefits) by the emigrants through the CTRA, up to a maximum of US$30,000 or equivalent in any other designated foreign currency;
(5) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a PR) of another country, up to a maximum of US$20,000 or equivalent in any other designated foreign currency;
(6) Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of US$10,000 or equivalent in any other designated foreign currency per person.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, funds remitted via CTRAs were suspended/restricted for a further six months as follows:

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(1) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$20,000 or equivalent in any other designated foreign currency;
(2) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of US$50,000 or equivalent in any other designated foreign currency;

(3) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a PR) of another country, up to a maximum of US$20,000 or equivalent in any other designated foreign currency;
(4) Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of US$10,000 or equivalent in any other designated foreign currency per person.

Diplomatic Rupee Accounts (DRAs): DRAs can be opened by foreign diplomatic missions and diplomatic personnel and their family members in Sri Lanka who have been exempted from the requirement of obtaining resident visa issued by the Department of Immigration and Emigration, in Sri Lanka rupees.
Holders of DRAs are permitted (1) to make outward remittances in respect of current transactions of the account holder including visa fees, refunds, reimbursements, and sale proceeds of motor vehicles owned by the account holder; (2) to transfer funds to an IIA of the same account holder; (3) for disbursements in Sri Lanka in Sri Lanka rupees; (4) to transfer funds to other DFCAs and DRAs; and (5) to make any other transaction approved by the relevant ministry.

Holders of DRAs are permitted (1) to receive inward remittances favoring the account holder including collection of visa fees, refunds/reimbursements of salary etc. due from any person in Sri Lanka and sale proceeds of motor vehicles owned by the account holder and derived in Sri Lanka and (2) to receive fund transfers from IIA of the same account holder and transfers from other DFCAs/DRAs.

Resident Guest Rupee Current Accounts-Investors (RGRCA-Investors): RGRCA-Investors may be opened as a current account for prospective investors who come to Sri Lanka under the “Resident Guest Scheme” implemented by the Department of Immigration and Emigration. Investors are required to remit or bring a sum of US$35,000 or its equivalent in other foreign currency (and converted to LKR) per person for the upkeep (living expenses) in Sri Lanka of such investor and dependents (including spouse).

Resident Guest Rupee Current Accounts by Professionals (RGRCA-Professionals): RGRCA-Professionals may be opened as current accounts by professionals who come to Sri Lanka under the “Resident Guest Scheme” implemented by the Department of Immigration and Emigration and are required to remit or bring into Sri Lanka a sum of US$2,000 per month and a further sum of US$1,000 per month for each accompanying dependent.

Senior Foreign Nationals’ Rupee Accounts: Senior Foreign Nationals’ Rupee Accounts may be opened in the form of savings or current accounts with a minimum deposit of US$1,500 or its

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equivalent in any other foreign currency brought into the country on appropriate declaration and converted to Sri Lanka rupees. Inward remittances or foreign currency brought into the country by the account holder on declaration for upkeep (US$1,500 per month) and for the upkeep of dependents (US$750 for a accompanying dependent per month) must be deposited to Senior Foreign Nationals' Rupee Accounts.

SDAs: SDAs can be maintained as Sri Lanka rupee deposits. The Government of Sri Lanka in consultation with the Monetary Board of the CBSL has introduced a SDA with a view to seek assistance for the national effort to overcome the effects of COVID-19 outbreak in the country. Any Sri Lankan individual resident in or outside Sri Lanka including Dual Citizens, Citizens of other States with Sri Lankan origin, and any person resident outside Sri Lanka including funds, corporate bodies, associations incorporated/registered outside Sri Lanka, and other well-wishers are eligible to open SDAs with the following special features:
Minimum tenure: Six months.
Funds available in SDAs (excluding interest) may be rolled over, with six-month or twelve-month tenures, provided the accumulated period of the said SDAs does not exceed the maximum of thirty-six months from the initial date of placing such deposits. SDAs may be maintained as normal term deposits subject to the normal interest rate offered by ADs for other normal term deposits.
Type of deposit: Term deposits and savings accounts only for operational purposes.

Interest payable: 1 percentage point and 2 percentage points per annum for SDAs with a tenure of 6 months and 12 months, respectively, payable at maturity of the deposit, above the deposit interest rates applicable for normal deposits of similar maturities by the respective bank.
Repatriation of Funds: Freely convertible and repatriable outside Sri Lanka on the maturity of the term deposits.
Source of Funds: (1) inward remittances through banking system during the six-month period from April 8, 2020, and (2) fund transfers from IIAs or accounts in the OBU of the account holder during the subject period.
Currency type: in any designated foreign currency or Sri Lanka Rupees.

(1) Out of foreign exchange legitimately acquired and brought into Sri Lanka by any person who has arrived in Sri Lanka from overseas on or after January 1, 2020, subject to:
(a) a declaration made to the Sri Lanka Customs at the port of arrival where the amount of such foreign exchange exceeds US$15,000 or an equivalent amount in any designated foreign currencies.
(b) a declaration to the relevant AD where the amount of such foreign exchange is equal or less than US$15,000 or an equivalent amount in any designated foreign currencies.

Out of foreign currency notes in his possession up to the limit of US$15,000 and subject to such terms and conditions of the prevailing Regulations and Orders, and on to a declaration made to an AD on the source of funds.

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(2) SDA holders are permitted to obtain loans from ADs against SDAs (keeping as collateral) as follows:
(a) Residents in Sri Lanka Rupees,
(b) Nonresident SDA holders who are eligible to obtain loans as per the prevailing foreign exchange regulations and directions.

Effective April 7, 2023, the validity period of opening SDAs was lapsed.

Emigrant's Remittable Income Account (ERIA): ADs are permitted to open and maintain ERIAs in the DBU, for the purpose of repatriation of current income derived in Sri Lanka by an emigrant only if there is a regulatory requirement in the country where the emigrant is residing permanently, to identify the current income globally derived by such emigrant. ERIA may be opened and maintained in the form of Savings or Current (without over drawing facility) account, in Sri Lanka rupees as sole account. Eligible persons may open only one ERIA in the banking system and both the CTRA and ERIA must be opened and maintained with the same AD.
Permitted Credits (1) any income derived from any assets in Sri Lanka, owned by the emigrant while being a resident in Sri Lanka or inherited or gifted to such emigrant, (2) income received for services provided by the emigrant, (3) superannuation benefits, and (4) current income received by the emigrant, and (4) interest for the funds available in the account.
Permitted Debits: (1) remittances in favor of the accountholder; (2) transfers to IIAs, PFCAs, and accounts maintained in the OBU of the same accountholder; (3) Transfer of funds to the Capital Transaction Account of the administrator/executor of the estate of a deceased person; (4) Payments in relation to the loans permitted to be obtained by the accountholder from an AD; (5) payments for the settlements of the Electronic Fund Transfer Cards (EFTCs) of the account holder; and (6) disbursements in Sri Lanka in Sri Lanka Rupees.
Other terms and conditions on opening and maintaining Nonresident Rupee Account (NRRA) are specified in Direction No. 17 of 2021.

NRRAs: ADs are permitted to open and maintain NRRAs in the DBU for (1) emigrants resident in or outside Sri Lanka and (2) a firm or company established/incorporated outside Sri Lanka, in the form of savings, current (without overdrawing facility) or term deposits. NRRAs shall be held as sole accounts; however, NRRAs maintained by emigrants may be maintained as joint accounts with another emigrant.
Permitted Credits for emigrants: (1) inward remittances in foreign exchange received from outside Sri Lanka in favor of the account holder, (2) any income or proceeds derived from any assets in Sri Lanka, owned by the emigrant while being a resident in Sri Lanka or inherited or gifted to such emigrant, and (3) superannuation benefits received by the emigrant.
Permitted Debits for emigrants: (1) making payments for investments permitted to be made by the account holder in terms of the regulations issued under the FEA No. 12 of 2017; (2) transfers to CTRA or ERIAs (current income) of the account holder; (3) transfers to CTRA of administrator/executor of the estate of a deceased person; and (4) Local Disbursements in Sri Lanka Rupees.
Permitted Credits for firms or companies established/incorporated outside Sri Lanka, (1) inward remittances in foreign exchange received from outside Sri Lanka for the purpose of local

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		disbursements in Sri Lanka and (2) local income derived from current transactions and income and capital proceeds from investments in Sri Lanka permitted under the FEA. Permitted Debits for firms or companies established/incorporated outside Sri Lanka (1) local income from current transactions may be remitted outside Sri Lanka (2) proceeds from investments in Sri Lanka may be transferred to IIAs or accounts maintained in the OBU, or an account maintained outside Sri Lanka of the accountholder subject to US$30,000 per annum. 4) Local Disbursements in Sri Lanka Rupees.
Convertible into foreign currency	Yes.	These accounts are convertible, but under the general permission granted by regulations or special permission granted by MOF in accordance with the provisions under the FEA.
Approval required	Yes.	Approval is granted in accordance with the FEA, that is, either the general permission (as regulations/directions) with regard to permitted debits and credits or special approval from the Director–DFE where requested transactions are not covered from the existing general permission granted to same accounts. A nonresident is required a special approval in accordance with provisions of the FEA to open a LKR account, if such person is not eligible to open LKR accounts for which a general permission has already granted under the FEA.
Blocked accounts	No.	There are no blocked accounts. However, capital controls in respect of migrant fund transfers are in place through CTRAs introduced under FEA as specified in Paragraph VI.B above.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	ADs may remit foreign exchange abroad or credit nonresident accounts against applications for the opening of an LC on Documents against Payment (DP) or Documents against Acceptance (DA) terms, Advance payments, Open account, or Consignment account based on the submission of proof of a valid import license, where applicable. These payment term requirements do not apply if the value of a consignment does not exceed the equivalent of US$5,000 (c.i.f.) for the use of the particular importer (for personal use and not for commercial purpose). ADs may make outward remittances with respect to payment on interest for supplier credit facilities offered to an importer by the supplier of such goods.
Advance payment requirements	Yes.	The limit on advance payments for imports is US$50,000 if such payments are made from a Sri Lanka rupee account. However, such limit does not apply to payments made from foreign currency accounts. Following measures were issued as interim measures to ease the pressure on the exchange rate and the stress on financial markets. As of June 11, 2021, importing items in Schedule I under LCs, DA, DP, Open Account, and Advanced Payment or a combination of these was suspended until further notice. However, exceptions are allowed for items appearing in Schedules I depending on the conditions specified in the gazette. Several items added and several items removed from Schedule I but the overall impact of these updates relaxes the import restrictions. The Import and Export Control Department (IECD) discontinued Schedule II under credit terms of July 16, 2020, gazette. Accordingly, items that were in

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		Schedule II are no longer required to import under mandatory credit facilities provided by foreign supplier, which is a relaxation of restrictions. Accordingly, the banks are not allowed to involve in intermediary services (such as opening LCs, making payments, and endorsing or releasing documents) related to the import process of the restricted items unless with a special approval from the direction issuing authority.
Advance import deposits	No.	As a measure to curtail excessive imports that exert pressure on the balance of payments (BOP), a 100% cash margin requirement was required when importing selected import goods under LC, DA, and DP terms. Accordingly, without placing a 100% non-interest bearing deposit at the licensed commercial bank, imports under LC, DA, and DP were not allowed effective May 19, 2022. Several items were added to the list of items that required margin deposits on February 16, 2023, as an administrative measure to cover the HS code changes made by the Sri Lanka Customs on a regular basis. However, with the BOP pressures subsiding during 2023, the requirement of placing 100% cash margin requirement was removed effective May 17, 2023. Accordingly, currently no mandatory margin requirement is in effect when importing under LC, DA, and DP terms.
Documentation requirements for release of foreign exchange for imports	Yes.	Imports may be on Advance Payment, Open Accounts, DP, or DA terms or under LCs with original commercial invoices and transport or delivery documents.
Domiciliation requirements	No.	
Preshipment inspection	Yes.	Inspection is required for certain consumer goods.
Letters of credit	Yes.	LCs are required for importation of vehicles. As a measure to curtail excessive imports that exert pressure on the BOP, a 100% cash margin requirement was required when importing selected import goods under LC terms. Accordingly, without placing a 100% non-interest bearing deposit at the licensed commercial bank, imports under LC were not allowed since May 19, 2022. Several items were added to the list of items that required margin deposits on February 16, 2023, as an administrative measure to cover the HS code changes made by the Sri Lanka Customs on a regular basis. However, with the BOP pressures subsiding during 2023, the requirement of placing 100% cash margin requirement was removed from May 17, 2023. Accordingly, currently no mandatory margin requirement is in effect when importing under LC terms.
Import licenses used as exchange licenses	No.	
Other	Yes.	Regulations issued by the IECD have restricted facilitating selected import items by commercial banks under payment terms LCs, DA, DP, Advance Payment, and Open account. Accordingly, to import restricted items documentary evidence may require where applicable. (1) Effective March 9, 2022, the IECD further updated importing items in e Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement. The

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overall impact of these updates was broadly toward tightening the import restrictions.

(2) Effective April 9, 2022, the IECD further updated importing items in the Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement. The overall impact of these updates was broadly toward tightening the import restrictions.

(3) Effective May 6, 2022, importing items in Regulation No. 3 (I) (b) of the Special Import License and Payment Regulations, No. 1 of 2011, published in the Gazette Extraordinary No. 1739/3 dated January 2, 2012, was amended that the Open Account Payment Term or Consignment Account Term only be allowing under selected conditions.

(4) Effective May 31, 2022, the IECD removed the importing items in Imports and Exports (Control) Regulation No. 05 of 2022, published in the Gazette Extraordinary No. 2270/18 dated March 9, 2022, and the Imports and Exports (Control) Regulation No. 06 of 2022, published in the Gazette Extraordinary No. 2274/42 dated April 9, 2022, from licensing requirement.
As a result, import licensing requirement was removed, which eased the import restrictions.

(5) Effective June 24, 2022, the IECD further updated importing items The Imports Control Regulations on Payment Terms No. 07 of 2022, published in the Gazette Extraordinary No. 2278/21 dated May 6, 2022, as amended by the Gazette Extraordinary No. 2282/22 dated May 31, 2022, resulting as easing of restrictions.

6) Effective August 5, 2022, the IECD further updated importing items in the Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement by removing an item from banned list to licensed category. The overall impact of this update was toward easing import restrictions.

(7) Effective August 23, 2022, IECD further updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 10 of 2021, published in the Gazette Extraordinary No. 2231/18 dated June 11, 2021, by removing some items from temporary suspension and inserting some to licensing requirement. In addition, the IECD issued Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 where items in schedule I to be temporary suspended until further notice. The overall impact of these updates was toward tightening the import restrictions.

(8) Effective September 9, 2022, IECD updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 dated August 23, 2022, while several exemptions were introduced. The overall impact of these updates was broadly toward easing the import restrictions.

(9) Effective September 16, 2022, October 31, 2022, December 21, 2022, January 19, 2023, February 22, 2023, and April 6, 2023, importing items in Payment Regulations, No. 7 of 2022, published in the Gazette Extraordinary No. 2278/21 dated May 6, 2022, was

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amended. The overall impact of these updates was broadly toward easing the import restrictions.

(10) Effective September 23, 2022, and October 21, 2022, the IECD further updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 10 of 2021, published in the Gazette Extraordinary No. 2231/18 dated June 11. The overall impact of these updates was toward easing the import restrictions.

(11) Effective November 23, 2022, IECD updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 dated August 23, 2022. The overall impact of these updates was broadly toward easing the import restrictions.

(12) Effective December 9, 2022, the IECD further updated importing items in the Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement by adding items to licensed suspended category. The overall impact of this update was toward tightening import restrictions.

(13) Effective December 19, 2022, IECD updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 dated August 23, 2022. The overall impact of these updates was toward easing the import restrictions.

(14) Effective January 1, 2023, the IECD further updated importing items in the Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement and further updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 10 of 2021, published in the Gazette Extraordinary No. 2231/18 dated June 11, 2021, and items in Schedule I of Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 dated August 23, 2022, and its subsequent amendment on temporary suspended items. The overall impact of this update was toward easing import restrictions.

(15) Effective February 22, 2023, IECD updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 02 of 2023, published in the Gazette Extraordinary No. 2312/78 dated January 1, 2023, by removing some items from temporary suspension. The overall impact of these updates was toward easing import restrictions.

(16) Effective April 6, 2023, and June 14, 2023, IECD updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 01 of 2023, published in the Gazette Extraordinary No. 2312/77 dated January 1, 2023, by inserting items under banned category because of health concerns and to licensed suspended category. The overall impact of these updates was toward tightening import restrictions. The Imports and Exports (Control) Regulation No. 10 of 2023, published in the Gazette Extraordinary No. 2336/45 dated June 14, 2023, was cancelled effective August 29, 2023.

(17) Effective June 9, 2023, July 20, 2023, and October 9, 2023,

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		IECD updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 02 of 2023, published in the Gazette Extraordinary No. 2312/78 dated January 1, 2023, by removing some items from temporary suspension. The overall impact of these updates was toward easing import restrictions. Accordingly, the banks are not allowed to involve in intermediary services (such as opening LCs, making payments, and endorsing or releasing documents) related to the import process of the restricted items unless with a special approval from the direction issuing authority. As of August 18, 2020, for several specified items, banks may not process any payment relating to importation of any items, which are subject to Import Control License, without a valid Import Control License.
Import licenses and other nontariff measures	Yes.	New licensing requirements were introduced, while several requirements were relaxed. Thus, some foods were subjected to import licenses as follows: selected food items such as seafood, nuts, tamarind, pepper, cinnamon, nutmeg, and mace; food items such as gram, cloves, and ginger; and other consumables such as incense sticks, kites, and lanterns; items such as textile articles, beverages, building material, vehicle parts, computer monitors, televisions, selected motor vehicles, furniture items, and items such as air conditioners, refrigerators, and washing machines and chemical products. Meanwhile, some other goods were removed from license requirement as follows: retreated tires (included in the banned list); selected items such as sorghum, facemasks, saws, and asbestos (asbestos included in the banned list); items such as sugar; items such as insecticides, clothing items such as batik products; items such as palm oil (included in the banned list); items such as mobile workshops; items such as chemical fertilizer; and items such as face masks and items related to gold. As indicated, some of these removed items were inserted into the negative (banned) list. As a result, about 1,565, Harmonized System (HS) line items are subjected to import controls while about 51 HS codes are under banned category because of concerns on public health, public morals, environmental protection, preservation of antiques, or national security. Broadly, these items are categorized as drugs; used vehicles and vehicle parts; chemicals, fertilizer, sugar, palm oil, batik items, animal products, alcohol, petroleum, and petroleum products; telecommunication equipment and miscellaneous items; and selected food items. Paddy is also subjected to licensing to protect domestic producers from low prices. International quality certificate is required to import petroleum products, an analytical report from manufacturer to import pharmaceutical products. Standards were set to importation of taps, cocks, and valves categorized under HS code 84.81. The number of commodity categories subject to Sri Lanka standards (SLS) certification is 122. From July 13, 2018, lower vehicular exhaust emission limits in compliance with the EURO IV standards, and new safety measures and standards were introduced for selected motor vehicles. Electric vehicles are excluded from the requirement of vehicular exhaust emission limits.
Positive list	Yes.	These are items that are not on the negative import list.
Negative list	Yes.	About 51HS lines including some fish, pharmaceutical waste, and chemicals such as polychlorinated biphenyls, ethylene dichloride, chloropentafluoroethane, used and retreated tires, clinical waste, chain saws, asbestos, palm oil, chemical fertilizer, etc., may not be imported, under Import and Export Control Act No. 1 of 1969.
Open general licenses	No.	
Licenses with quotas	Yes.	Importation of hydrochlorofluorocarbon was limited by imposing

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		quotas; import licenses are issued by the IECD to quota holders to import hydrochlorofluorocarbon.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Customs duties for entire imported goods are 0%, 15%, and 20%, as announced in the Budget 2023. A Surcharge as a percentage of Customs Import Duty on the selected goods was imposed effective June 1, 2023. Accordingly, the tax rate applicable for approximately 2,400 items of finished products and luxury goods is 15%, about 476 items of semi-processed and intermediate goods at 10%, and about 4,454 items of basic raw materials and machinery at zero duty Preferential tariffs apply to imports under bilateral and regional trade agreements. In addition to customs duties, some imports are subject to domestic taxes such as Commodity Export Subsidy Scheme (CESS) Levy, Ports and Airports Development Levy (PAL), and excise duty (on alcohol, tobacco products, vehicles, petroleum products, etc.). As a composite levy, a Special Commodity Levy (SCL) is imposed on selected essential food items, so as to ensure affordable prices for such commodities removal of CESS levy in three annual installments where removal of the first installment of CESS Levy shall be implemented prior to March 31, 2023, CESS Levy of 2,668 HS Codes out of 8,155 HS Codes was removed as announced in the Budget 2023. PAL applicable on 1,631 tariff lines was exempted as the first step of the five-year phasing out of PAL as per the proposal in Budget 2023. Effective January 1, 2022, VAT rate on supply of financial services on financial institutions was increased to 18% from 15%. Effective June 1, 2022, VAT rate on import and/or supply of goods or supply of services was increased to 12% from 8%, while the rate was further increased to 15% effective September 1, 2022. In addition, VAT registration threshold was reduced to Rs. 80 million from Rs. 300 million effective October 1, 2022. Meanwhile, excise duty on petrol and diesel was increased twice in January and May 2023 by Rs. 50 per liter. Excise duty on cigarettes and liquor also increased twice in January and July 2023.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Special arrangements apply to exports carried out under trade and payments agreements and to exports to ACU member countries. Every exporter of goods must submit related documentary evidence on each exportation to the respective AD that receives the payment. These export proceeds may be credited to any Sri Lanka rupee account or to a BFCA or to an account maintained in the OBU of the exporter (where applicable). Effective March 11, 2022, previous Rules were rescinded, and new Rules were introduced requiring every exporter of goods and services to repatriate export proceeds within 180 days from the date of shipment of goods or provisioning of services. No new change was brought into the requirements already prevailed on export proceeds repatriation period under the prevailing Rules issued on March 11, 2022.
Surrender requirements	Yes.	

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Surrender to the central bank	Yes.	Effective April 11, 2022, all LBs are required to sell 25% of the residual of export proceeds which is mandatory to convert to LKR to the CBSL, in US dollars, on a weekly basis. Previously, the above requirement was amended on March 21, 2022. Effective March 7, 2023, the CBSL revoked the Operating Instructions on "Repatriation of Export Proceeds into Sri Lanka" issued on February 18, 2021, and as amended subsequently. Accordingly, the mandatory sales requirement of all LBs related to export proceeds was discontinued.
Surrender to authorized dealers	Yes.	As of March 11, 2022, previous Rules were rescinded and new Rules were introduced with a view to strengthen supporting the liquidity in the domestic foreign exchange market, requiring every exporter of goods and services to convert residual of the export proceeds received in Sri Lanka, into Sri Lanka rupees on utilizing such proceeds only in respect of the below-mentioned authorized payments, on or before the seventh (7th) day of the following month. (1) outward remittances for current transactions related to the particular export of goods and/or services including one-month commitments therein; (2) withdrawal in foreign currency notes or transfer of funds for travel purposes related to export of goods and/or services; (3) debt servicing expenses and repayment of foreign currency loans and accommodations obtained by the exporter of goods and/or services, where such foreign currency loan and accommodation is a permitted borrowing in terms of the Regulations, Orders, and Directions issued by the CBSL under the provisions of the FEA or Banking Act No. 30 of 1988, as amended, including one-month loan commitments; (4) payments of dividends declared to nonresident investors and/or payments of salaries to expatriate employees who are foreign nationals or dual citizens as permitted under the provisions of the FEA; (5) payments in respect of making investments in SLDBs in foreign currency up to 10% of the export proceeds, so received; and (6) payments to local suppliers permitted under the provisions of FEA for the purchases related to the particular export of goods and/or services. Furthermore, every local supplier, who receives payments in foreign currency out of the export proceeds in terms of Rules, was required to mandatorily convert the residual of such receipts into Sri Lanka rupees, on utilizing the same only in respect of the authorized payments as stipulated in items (1) to (5) above, on or before the seventh (7th) day of the following month. The requirements for conversion of service export proceeds were removed effective August 12, 2022. Thus, service export proceeds are not limited only to authorized payments. These Rules effective March 11, 2022, have limited the authorized payments of current transactions, withdrawal in foreign currency notes or transfer of funds for travel purposes and payments to local suppliers only in relation to the particular export of goods and/or services and payments received by the local suppliers were also subjected to the surrender requirements under the Rules, which can be viewed as tightening of the Rules. However, introduction of a new authorized payment as payments of dividends declared to nonresident investors and/or payments of salaries to expatriate employees who are foreign nationals or dual citizens and removal of conversion of service export receipts can be

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		viewed as an easing of the Rules.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Pre-export quality assurance is voluntary for most exports. However, Sri Lanka Standards Institution (SLSI) certification is required for export of cinnamon and cinnamon-related products.
Export licenses	Yes.	
Without quotas	Yes.	Licenses are required for exports of about 183 HS lines, including ivory and ivory products, handicraft items of ebony, timber (logs or in plank form), vintage motor vehicles, metal waste, and scrap metals (for example, copper, nickel, aluminum, lead, tin, and zinc) and oxygen.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	CESS is levied on exports of primary commodities such as tea, coconut, and rubber, with a view to promoting local value-added and mineral products, wood in rough form, and various types of metal scraps.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	Remittances of premiums for general insurance and reinsurance may be effected through ADs without approval, subject to documentary requirements and other regulations of the country. The types of foreign exchange accounts are amalgamated and categorized based on the purpose of maintaining such accounts for simplification under the FEA No. 12 of 2017. An EFTC issued to a person in Sri Lanka may be used for making any payment to a person resident outside Sri Lanka for a current (international) transaction of personal nature other than for the use of payment for import of goods to Sri Lanka for commercial purposes subject to the Regulations and Operating Instructions issued under the Import and Export (Control) Act No. 1 of 1969, dealings in foreign exchange (Foreign Exchange Trading), payments related to virtual currency transactions and payments related to betting, gaming, and gambling activities outside Sri Lanka. Any payment to a person resident outside Sri Lanka for any purpose is freely permitted where an EFTC is issued against a PFCA where the account holder is a resident outside Sri Lanka or DFCA or an IIA or an ERIA and any payment to a person resident outside Sri Lanka for a current transaction of personal nature is permitted where an EFTC is issued against a BFCA, a PFCA being a person resident in Sri Lanka or a person resident in Sri Lanka who has proceeded outside Sri Lanka temporarily for business, education, or medical

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		purposes. ADs may make outward remittances with respect to payment of interest for importer supplier credits. Holders of PFCAs, BFCAs, and DFCAs are permitted to make any outward trade-related payments outside Sri Lanka for current transaction through the funds available in such foreign currency accounts.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Reasonable commissions are permitted for merchandise exports or business transactions secured through agents abroad, provided export proceeds or inward remittances have been repatriated to Sri Lanka.
Investment-related payments	Yes.	The types of foreign exchange accounts are amalgamated and categorized based on the purpose of maintaining such accounts for simplification under the new FEA No. 12 of 2017. Holders of PFCAs and BFCAs may make any outward remittances outside Sri Lanka related to current nature investment-related payments.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Remittances of nonresident partners' profit and of dividends to nonresident shareholders of companies whose financial assets are in LKR may be effected through ADs without approval. However, relevant documentation is required to remit profits and dividends.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Sri Lankans traveling abroad may purchase foreign currency notes as part of the travel allowance up to US$5,000 or its equivalent in any other foreign currency. LCBs may issue FTCs to persons' residents in Sri Lanka who obtain travel allowance when leaving Sri Lanka. In addition, EFTCs may be used for current transactions including travel expenses abroad. ADs are required to establish bona fide nature of transactions (on verification of necessary documentary evidence, etc.).
Personal payments	Yes.	The types of foreign exchange accounts are amalgamated and categorized based on the purpose of maintaining such accounts for simplification under the new FEA No. 12 of 2017. ADs may facilitate transactions of students to open foreign bank accounts for study abroad and remit funds in advance to meet living expenses of students residing in Sri Lanka who apply for student visa (student's visa approved in principle). Such payments may also be remitted through a PFCA or BFCA. PFCA and BFCA account holders may make any outward remittances outside Sri Lanka for personal payments related to current transactions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	No indicative limits apply. A bona fide test is carried out by LBs.
Foreign workers' wages	Yes.	The types of foreign exchange accounts were amalgamated and

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		categorized based on the purpose of maintaining such accounts for simplification under the FEA No. 12 of 2017. Expatriate employees may open and maintain PFCAs, and their salaries, wages, and other employment benefits may be credited to these accounts. Outward remittances are also permitted. Expatriates may also convert LKR and remit out salaries, wages, and other employment-related benefits.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Expatriate employees of approved enterprises may remit their entire savings after meeting expenses and paying taxes and levies.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The types of foreign exchange accounts are amalgamated and categorized based on the purpose of maintaining such accounts for simplification under the new FEA No. 12 of 2017. Holders of EFTCs are permitted to make payments abroad for personal nature current transactions (including travel expenses abroad), except for imports of goods for commercial purpose, subject to the Regulations and Operating Instructions issued under the Import and Export (Control) Act No. 1 of 1969, dealings in foreign exchange (Foreign Exchange Trading), payments related to virtual currency transactions and payments related to betting, gaming, and gambling activities outside Sri Lanka. EFTCs issued against PFCA where the account holder is a resident outside Sri Lanka or DFCA or an IIA or an ERIA may be used to make any outward remittances outside Sri Lanka. EFTCs may be issued against Sri Lanka Rupee Accounts, BFCAs and PFCAs maintained by residents.
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	There are no indicative limits.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Since October 28, 2021, in addition to repatriation of goods, exporters must repatriate proceeds from services provided outside Sri Lanka, within 180 days from the date of provisioning of services. Effective March 11, 2022, previous Rules were rescinded, and new Rules were introduced requiring every exporter of goods and services to repatriate export proceeds within 180 days from the date of shipment of goods or provisioning of services.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	As of January 27, 2021, all LBs were required to sell to the CBSL, 10% of the inward workers' remittances which are converted to LKR, in US dollars. Effective April 11, 2022, all LBs are required to sell 25% of the inward workers' remittances in various currencies, which are

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		converted to LKR, in US dollars on a weekly basis to the CBSL. Previously, the above requirement was amended on March 21, 2022. Effective March 7, 2023, the CBSL revoked the Operating Instructions on "Incentive Scheme on Inward Worker Remittances" issued on January 27, 2021, and as amended subsequently. Accordingly, the mandatory sales requirement of all LCBs and one LSB related to workers' remittances was discontinued.
Surrender to authorized dealers	No.	With the introduction of Rules issued on October 28, 2021, exporters of services were required mandatorily to convert residual of the export proceeds after meeting certain authorized payments on or before the 7th day of following month. The residual conversion of service export proceeds was eased with the removal of such requirements effective August 12, 2022.
Restrictions on use of funds	Yes.	Funds retained abroad in terms of the permissions granted under FEA No. 12 of 2017 may be utilized toward any foreign exchange transaction in respect of current or permitted capital transaction of the account holder, permitted for a person resident in Sri Lanka under the provisions of the FEA.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	In terms of foreign exchange Regulation No. 1 of 2021, eligible residents may invest in shares and, preference shares, corporate bonds, debentures of companies incorporated abroad, units in regulated unit trusts or mutual funds, and sovereign bonds issued by foreign governments and governmental organizations rated at or above sovereign credit rating of Sri Lanka. Such investments must be made through an OIA. Any income from such investments and disposal proceeds must be brought into Sri Lanka through the same OIA through which the initial investment was made within three months from the date of payment of realization of such investment. Funds available in PFCAs and BFCAs may also be utilized for investments in (that is, in respect of investments in SLDBs) and outside Sri Lanka. Disposal proceeds in respect of investments made abroad via PFCA/BFCA can be credited either to OIA or to PFCA/BFCA, as applicable
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Eligible resident investors are permitted to make investments in permitted capital and money market instruments subject to the limits, terms and conditions stipulated in foreign exchange Regulation No. 1 of 2021 and Order dated June 28, 2023. Funds available in PFCAs and BFCAs may also be utilized for investments in (that is, in respect of investments in SLDBs) and outside Sri Lanka. Eligible nonresident investors are permitted to make investments in permitted capital and money market instruments subject to exclusions, limitations and terms and conditions stipulated in foreign exchange Regulation No. 2 of 2021.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	

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Purchase locally by nonresidents	Yes.	Any eligible person resident outside Sri Lanka, including country funds, regional funds, investment funds, and mutual funds established outside Sri Lanka, may invest up to 100% of the equity capital (ordinary shares and preference shares) of listed and unlisted companies without a special permission, subject to exclusions, limitations, terms, and conditions stipulated in foreign exchange Regulation No. 2 of 2021. Funds must be channeled through an IIA. Excluded areas of investment for nonresidents include (1) pawn broking, (2) coastal fishing, and (3) retail trade where a capital contributed by persons resident outside Sri Lanka is less than US$5 million or its equivalent. Sectors in which foreign investment is limited to a 40% of the stated capital of the business include: (1) production of goods where Sri Lanka's exports subject to internationally determined quota restrictions; (2) growing and primary processing of tea, rubber, coconut, cocoa, rice, sugar, and spices; (3) mining and primary processing of non-renewable national resources; (4) timber-based industries using local timber; (5) deep-sea fishing; (6) mass communications; (7) education; (8) freight forwarding; (9) travel agencies; and (10) shipping agencies. Investment is permitted only up to the limit approved by the government or any legal or administrative authority in the businesses of (1) air transportation; (2) coastal shipping; (3) industrial undertaking in the Second Schedule of the Industrial Promotion Act No. 46 of 1990, as follows: (a) manufacture of arms, ammunitions, explosives, military vehicles and equipment, aircraft, and other military hardware; (b) manufacture of poisons, narcotics, alcohol, dangerous drugs, and toxic, hazardous, or carcinogenic materials; and (c) production of currency, coins, or security documents; (4) large-scale mechanized mining of gems; and (5) lotteries. As per Direction No. 15 of 2021, ADs are permitted to facilitate crediting funds of investments to IIAs of eligible investors which were routed through Vostro Accounts and repatriation of income and capital proceeds of such investment through the same channel. Investments made by nonresidents through an IIA may be sold in Sri Lanka under the general permission granted by foreign exchange Regulation No. 2 of 2021.
Sale or issue locally by nonresidents	Yes.	Issuance of securities locally by nonresidents is not permitted.
Purchase abroad by residents	Yes.	Eligible residents may buy shares issued by foreign companies as follows: listed companies-up to US$2 million a calendar year; unlisted companies-up to US$500,000 a calendar year; partnerships-up to US$300,000 for lifetime; individuals or sole proprietorship of such individuals (in aggregate) -up to US$200,000 for lifetime; and regulated or licensed entities under the Central Bank or the Securities and Exchange Commission of Sri Lanka or the Insurance Regulatory Commission of Sri Lanka-up to US$500,000 a calendar year, EPF established under the EPF Act No. 15 of 1958 or any other provident fund approved by the Commissioner General of Labour-up to US$500,000 a calendar year. The funds must be channeled through an OIA. Any investment exceeding these limits requires a special approval of the Monetary Board in terms of Section 7(10) of the FEA on applications submitted to the Director-DFE of the CBSL. Effective July 2, 2022, and previously January 2, 2022, after an

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initial suspension starting July 2, 2020 payments through OIAs for the purpose of making investments in overseas by person resident in Sri Lanka under general permission were suspended for six months with a view to further preserve the foreign currency reserve position of the country, except for the following:
(1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of DFE is satisfied with the fulfillment of such requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were further suspended for six months, excluding for the following;: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign

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		currency, or (b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission. It resulted in broader coverage of exceptions. Items (1)-(4) were previous exceptions, and items (5)-(6) were new exceptions. Funds available in PFCAs and BFCAs may also be utilized for capital transactions outside Sri Lanka. Capital transactions undertaken through PFCAs/BFCAs are not subject to any investment ceiling imposed under the FEA but are limited up to the foreign currency balances available in such accounts. Effective July 2, 2022, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through PFCAs/BFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months. Effective June 28, 2023, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023. Furthermore, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (previously US$20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Sale or issue abroad by residents	Yes.	No special permission is required for disposal of shares acquired in compliance to prevailing regulations/directions and provisions of the repealed Exchange Control Act. However, all income from investments outside Sri Lanka and disposal proceeds (including any subsequent shares devolving on such investor by virtue of a corporate action by the issuer, exercise of a right, entitlement, or conversion) must be brought into Sri Lanka through the same OIA through which the initial investment was made within three months from the date of payment of realization of such investment. Disposal proceeds in respect of investments made abroad via PFCA/BFCA can be credited either to OIA or to PFCA/BFCA, as applicable. Permission has not been granted to issue shares abroad.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Any eligible person resident outside Sri Lanka, including country funds, regional funds, investment funds, and mutual funds established outside Sri Lanka, may invest: (1) in debt securities (excluding listed debt securities) with a tenure of three or more years issued by companies incorporated in Sri Lanka under the Companies Act No. 7 of 2007 (other than LCBs, LSBs, LFCs, SLCs, and companies limited by guarantee and overseas companies registered in Sri Lanka), in designated foreign currency or in Sri Lanka rupees, (2) listed debt securities designated in Sri Lanka Rupees (3) listed debt securities designated in any foreign currency (Since July 6, 2021) subject to the provisions or restrictions in any other written

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		law, and (3) in debt securities issued with the approval of the relevant regulatory authorities in designated foreign currency or Sri Lanka rupees, by LCBs, LSBs, LFCs, or SLCs. The rupee-denominated government treasury bill and bond market and is open to foreign investors. Foreign investors may hold 5% of the total value of treasury bills and bonds outstanding at any given time. Companies incorporated in Sri Lanka may issue debentures. There is no ceiling on interest rates on foreign investments in debenture. The minimum term of a debenture issued by a company incorporated in Sri Lanka to foreign investors is one year. Issuance and transfer of convertible, nonconvertible, redeemable, and nonredeemable debentures in rupees of listed or non-listed companies on the Colombo Stock Exchange are permitted for foreign institutional investors, companies incorporated abroad, individuals resident outside Sri Lanka, and Sri Lankans resident abroad, up to 100% of the total. Eligible nonresident may also invest in securities issued by the Central Bank of Sri Lanka or any state-owned enterprise or any other statutory body Funds shall be channeled through IIA for related transactions.
Sale or issue locally by nonresidents	Yes.	Issuance is not permitted.
Purchase abroad by residents	Yes.	Eligible residents may invest in sovereign bonds issued by foreign governments rated at or above the sovereign credit rating of Sri Lanka and in debentures or corporate bonds issued by companies incorporated outside Sri Lanka as follows: listed companies-up to US$2 million a calendar year; unlisted companies-up to US$500,000 a calendar year; partnerships-up to US$300,000 for lifetime; and individuals or, sole proprietorship of such individuals (in aggregate)-up to US$200,000 for lifetime; and regulated or licensed entities, under the Central Bank or the Securities and Exchange Commission of Sri Lanka or the Insurance Regulatory Commission of Sri Lanka-up to US$500,000 a calendar year, EPF established under the EPF Act No. 15 of 1958 or any other provident fund approved by the Commissioner General of Labour—up to US$500,000 a calendar year. The funds must be channeled through an any investment exceeding these limits requires a special approval of the Monetary Board in terms of Section 7(10) of the FEA on applications submitted to the Director-DFE of the CBSL. Effective July 2, 2022, and previously effective January 2, 2022, after an initial suspension starting July 2, 2020, payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission were suspended for six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the

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purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were further suspended for six months, excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
(6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.
The Governing Board shall have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission. It resulted in broader coverage of exceptions. Items (1)-(4) were previous exceptions, and items (5)-(6) were new exceptions:

Funds available in PFCAs and BFCAs may also be utilized for capital transactions outside Sri Lanka.
Capital transactions undertaken through PFCAs/BFCAs are not subject to any investment ceiling imposed under the FEA but are limited up to the foreign currency balances available in such

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		accounts. Effective July 2, 2022, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months. Effective June 28, 2023, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023. Furthermore, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023. The CBSL revoked Banking Act Direction No. 6 of 2021 dated April 23, 2021, and issued Directions that LCBs and NSB may purchase ISBs in the secondary market subject to certain conditions specified in Banking Act Direction No. 10 of June 16, 2021.
Sale or issue abroad by residents	Yes.	No special permission is required for disposal of bonds/debt securities acquired in compliance to prevailing regulations/directions and provisions of the repealed Exchange Control Act. Disposal proceeds in respect of investments made abroad via PFCA/BFCA can be credited either to OIA or to PFCA/BFCA, as applicable. However, any sale proceeds from such investments must be brought into Sri Lanka through the same OIA through which the initial investment was made within three months from the date of payment of realization of such investment. Resident companies are not permitted to issue bonds abroad.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Any eligible person resident outside Sri Lanka, including country funds, regional funds, investment funds, and mutual funds established outside Sri Lanka, may invest in Sri Lanka Rupee-denominated government treasury bills subject to the provisions or restrictions in any other written law. Foreign investors hold 5% of the total value of treasury bills outstanding at any given time. The percentages are determined by the Public Debt Department of the CBSL. The proceeds of the investments and any income must be routed through an IIA of the investor.
Sale or issue locally by nonresidents	Yes.	These transactions are not permitted.
Purchase abroad by residents	Yes.	These transactions are not permitted.
Sale or issue abroad by residents	Yes.	These transactions are not permitted.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	These transactions are permitted only in the case of unit trusts. Issuance and transfer of units in unit trusts operating under a license issued under the Securities and Exchange Commission of Sri Lanka Act. In terms of foreign exchange Regulation No. 2 of 2021, any eligible person resident outside Sri Lanka, including country funds, regional funds, investment funds, and mutual funds established outside Sri Lanka, may invest in unit trusts or mutual funds subject to

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		the provisions or restrictions in any other written law. Furthermore, the requirement of routing funds through an Inward Investment Account of the nonresident investor is not mandatory for the investments in unit trusts. A nonresident who has acquired such securities from a resident company may sell them to another nonresident or resident.
Sale or issue locally by nonresidents	Yes.	Issuance of these securities by a nonresident in Sri Lanka is not permitted.
Purchase abroad by residents	Yes.	Eligible residents may invest into units in overseas regulated unit trusts and mutual funds issued by foreign companies as follows: listed companies-up to US$2 million a calendar year; unlisted companies-up to US$500,000 a calendar year; partnerships-up to US$300,000 for lifetime; and individuals or, sole proprietorship of such individuals (in aggregate)-up to US$200,000 for lifetime; and regulated or licensed entities under the Central Bank or the Securities and Exchange Commission of Sri Lanka or the Insurance Regulatory Commission of Sri Lanka-up to US$500,000 a calendar year, EPF established under the EPF Act No. 15 of 1958 or any other provident fund approved by the Commissioner General of Labour-up to US$500,000 a calendar year. The funds must be channeled through an OIA. Any investment exceeding these limits requires a special approval of the Monetary Board in terms of Section 7(10) of the FEA on applications submitted to the Director-DFE of the CBSL. Effective July 2, 2022, and previously effective January 2, 2022, after an initial suspension starting July 2, 2020, payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission were suspended for six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement. Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis. Effective June 28, 2023,, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the

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purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were further suspended for six months, excluding for the following;: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
(6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.
The Governing Board shall have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission. It resulted in broader coverage of exceptions. Items (1)-(4) were previous exceptions, and items (5)-(6) were new exceptions.

Funds available in PFCAs and BFCAs may also be utilized for capital transactions outside Sri Lanka.
Capital transactions undertaken through PFCAs/BFCAs are not subject to any investment ceiling imposed under the FEA but are limited up to the foreign currency balances available in such accounts.

Effective July 2, 2022, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts (PFCAs)/Business Foreign Currency Accounts (BFCAs) held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months.

Effective June 28, 2023, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023. Furthermore, outward remittances on capital transactions

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		through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Sale or issue abroad by residents	Yes.	These transactions are not permitted.
Controls on derivatives and other instruments	Yes.	ADs (LCBs and LSBs) may engage in financial derivative transactions: swaps, options, forward rate agreements, forward contracts, and swaptions in designated foreign currency. ADs must ensure that: (1) all derivatives offered to customers are based on valid underlying transactions which include current (international) transactions and capital transactions permitted under the provisions of FEA and (2) the use of permitted derivatives is only for the purpose of hedging or managing the risk arising from assets or liabilities of customers or valid transactions and not for speculative purpose. ADs must ensure that the date of maturity of the derivative contract corresponds to the maturity date of the underlying transaction and may not, under any circumstance, extend beyond the date of the underlying transaction, and the maximum maturity period of a derivative transaction may not exceed ten years. ADs must adhere to Direction No. 4 of 2018 of issued under the Banking Act. An Amendment to Direction No. 04 of 2018 amended the general terms and conditions applicable for financial derivative transactions of LBs to facilitate the implementation of Inward Investment Swaps. As per the Banking Act Direction No. 01 of 2022, the previously issued Banking Act Direction No. 07 of 2021 was revoked. Accordingly, the licensed banks are allowed to enter in to forward foreign exchange contracts with the customers as per the applicable regulations that are stated in Banking Act Direction No. 04 of 2018 "Financial Derivative Transactions for Licensed Commercial Banks and Licensed Commercial Banks."
Purchase locally by nonresidents	Yes.	These transactions are not permitted.
Sale or issue locally by nonresidents	Yes.	These transactions are not permitted.
Purchase abroad by residents	Yes.	These transactions are not permitted.
Sale or issue abroad by residents	Yes.	These transactions are not permitted.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Export credits are permitted, provided they are effected through an AD and settled within the 180 days.
To residents from nonresidents	Yes.	Foreign suppliers may extend credit to importers of goods in respect of payment terms involving a credit facility where the interest payment does not exceed the prevailing international rates of interest for the currency in which the credit is provided or beyond the credit period offered or beyond the actual settlement date, whichever comes first. ADs are required to verify this accordingly. There is no time restriction on nonresident supplier credit facilities offered to resident importers of goods.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Companies incorporated in Sri Lanka are treated as residents for the purposes of the FEA. Resident companies, including nonresident-

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		controlled companies incorporated in Sri Lanka, may obtain rupee borrowings without any special approval under the FEA. Offshore bank branches may lend in foreign currency to nonresidents and resident companies approved by the BOI of Sri Lanka. ADs may grant loans and advances denominated in foreign currency or in Sri Lanka rupees to Sri Lankans employed abroad for any purpose in Sri Lanka and, for making payments in respect of current transactions of the immediate family members of the borrower who are residents in Sri Lanka, against repayment in foreign currency through inward remittances or balances in the PFCA of the borrower. ADs may grant loans in Sri Lanka rupees or in foreign currency to Sri Lankans who have obtained PR visa in another country and dual citizens (irrespective of the residential status) for the purpose of acquisition, construction, development, or renovation of a residential property in Sri Lanka. Any person who has not been in Sri Lanka for a period of 183 days or more in aggregate during the preceding 12 months is considered a nonresident for the purposes of the FEA (Order issued under Section 31 of the FEA, Gazette Notification No. 2213/40 of March 18, 2021 (in force from March 22, 2021)).
To residents from nonresidents	Yes.	Any eligible person resident outside Sri Lanka, including country funds, regional funds, investment funds, and mutual funds established outside Sri Lanka, may; (1) grant loans with a tenure of three or more years to companies incorporated under the Companies Act No. 7 of 2007, in Sri Lanka (other than LCBs, LSBs, LFCs, SLCs, and companies limited by guarantee and overseas companies) in designated foreign currency or in LKR; (2) grant loans by the parent company incorporated outside Sri Lanka to its branch office or project office registered in Sri Lanka as an overseas company under the Companies Act No. 7 of 2007, in designated foreign currency or in LKR; (3) grant loans to the Government of Sri Lanka or State-Owned Enterprises subject to obtaining any approval required from the relevant line Ministry and any other relevant authority; (4) grant loans in foreign currency or LKR to LCBs, LSBs, LFCs, and SLCs, subject to the approval of the relevant regulatory authorities; (5) loans with a tenure of less than three years to companies as defined in the Companies Act No. 7 of 2007, in Sri Lanka which hold BFCAs, for the purpose of utilizing such proceeds of the loan to meet the working capital requirement of the borrower, provided all repayments of such loans are made out of the foreign exchange earnings of the borrower. Proceeds of loans and the repayments stated at items 1 to 4 above must be routed through an ECBA of the resident borrower. Proceeds of loans and the repayments stated at items 5 above must be routed through a Business Foreign Currency Loan Account opened by the resident investor.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Guarantees may be issued by residents to nonresidents as follows: (1) An AD or a RD is permitted to issue and renew bank guarantees, bonds or Standby LCs, as the case may be, in respect of current transactions and capital transactions, subject to the directions issued

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		by the Central Bank under the provisions of the Act. (2) An AD or a RD is also permitted to make outward remittances in respect of valid claims arising from the issuance of such bank guarantees, bonds or standby LCs, subject to the directions issued by the Central Bank under the provisions of the Act. (3) The Government of Sri Lanka is permitted to issue sovereign guarantees to enable the Government of Sri Lanka or State-Owned Enterprises to issue international bonds or to borrow in designated foreign currencies from a person resident outside Sri Lanka. (4) Corporate Guarantees-In the event where a company incorporated in Sri Lanka (investor) is required to provide a corporate guarantee on behalf of a company incorporated outside Sri Lanka (investee) in which the said investor is a shareholder to enable the investee to raise facilities from a financial institution or to facilitate a contract undertaken by the investee, a corporate guarantee may be issued subject to the maximum limit of US$1,000,000 if the investment in said investee has been made in compliance with the provisions of the repealed Exchange Control Act or this Act and the financial strength of the company is sufficient to bear the liability of the corporate guarantee.
To residents from nonresidents	Yes.	Counter guarantees in the form of security may be issued. Counter guarantees are issued on the same terms as for the categories of guarantees from residents to nonresidents.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Eligible Residents may invest in shares issued by foreign companies as follows: listed companies—up to US$2 million a calendar year; unlisted companies-up to US$500,000 a calendar year; partnerships-up to US$300,000 for lifetime; and individuals or, sole proprietorship of such individuals-up to US$200,000 for lifetime; and, regulated or licensed entities under the Central Bank or the Securities and Exchange Commission of Sri Lanka or the Insurance Regulatory Commission of Sri Lanka-up to US$500,000 a calendar year, EPF established under the EPF Act No. 15 of 1958 or any other provident fund approved by the Commissioner General of Labour-up to US$500,000 a calendar year. Funds for above investments must be channeled through an OIA. Any investment exceeding these limits requires a special approval of the Monetary Board in terms of Section 7(10) of the FEA on applications submitted to the Director-DFE of the CBSL. Local companies and partnerships (other than individuals) may make payments to nonresidents for the purpose of setting up and maintaining overseas offices such as a branch, liaison, marketing, agency, project, representative, or other similar office in a foreign country up to US$300,000 a calendar year. LCBs and LSBs may make payments to nonresidents for the purpose of setting up and maintaining branch offices in a foreign country up to US$500,000 a calendar year. Effective July 2, 2022, and previously effective January 2, 2022, after an initial suspension starting July 2, 2020, Payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission were suspended for six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory

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requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.

Effective June 28, 2023, , in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were further suspended for six months, excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
(6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.
The Governing Board shall have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission. It resulted in broader

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		coverage of exceptions. Items (1)-(4) were previous exceptions, and items (5)-(6) were new exceptions.
		Funds available in PFCAs and BFCAs may also be utilized for capital transactions outside Sri Lanka. Capital transactions undertaken through PFCAs/BFCAs are not subject to any investment ceiling imposed under the FEA, but are limited up to the foreign currency balances available in such accounts.
		Effective July 2, 2022, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months.
		Effective June 28, 2023, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for six months from June 28, 2023. Furthermore, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD 20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Inward direct investment	Yes.	Foreign investment is permitted based on the type of business. Funds for investments must be routed through an IIA opened in the name of the nonresident investor. Excluded areas of investment for nonresidents include (1) pawn broking, (2) coastal fishing and (3) retail trade where a capital contributed by persons resident outside Sri Lanka is less than US$5 million or its equivalent. Sectors in which foreign investment is limited to a 40% of the stated capital of the business include: (1) production of goods where Sri Lanka's exports subject to internationally determined quota restrictions; (2) growing and primary processing of tea, rubber, coconut, cocoa, rice, sugar, and spices; (3) mining and primary processing of non-renewable national resources; (4) timber-based industries using local timber; (5) deep-sea fishing; (6) mass communications; (7) education; (8) freight forwarding; (9) travel agencies; and (10) shipping agencies. Investment is permitted only up to the limit approved by the government or any legal or administrative authority in the businesses of (1) air transportation; (2) coastal shipping; (3) industrial undertaking in the Second Schedule of the Industrial Promotion Act No. 46 of 1990 as follows: (a) manufacture of arms, ammunitions, explosives, military vehicles and equipment, aircraft, and other military hardware; (b) manufacture of poisons, narcotics, alcohol, dangerous drugs, and toxic, hazardous, or carcinogenic materials; and (c) production of currency, coins, or security documents; (4) large-scale mechanized mining of gems; and (5) lotteries
Controls on liquidation of direct investment	Yes.	All income proceeds on disposal, liquidation, and maturity of investments, along with any associated capital appreciation, must be remitted by a nonresident investor in full, through an IIA. Any deviation from the IIA mechanism requires a special approval.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	PFCA and BFCA holders may invest funds available in such accounts in real estate abroad.

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		Effective July 2, 2022, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months. Effective June 28, 2023, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023. Furthermore, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD 20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Purchase locally by nonresidents	Yes.	Purchases for residential purposes are allowed only if such funds are routed through an IIA subject to the land laws of the country.
Sale locally by nonresidents	Yes.	All proceeds received through sale of real estate acquired through inward remittances must be credited to an IIA of the owner or the heir of the owner (provided such funds were routed through an IIA). The mentioned sale proceeds are not allowed to be directly credited to an account maintained outside Sri Lanka by the owner or the heir of the owner.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	These transactions are not permitted.
To residents from nonresidents	Yes.	Sri Lankan citizens studying abroad may borrow from banks, financial institutions, universities, or education institutions in foreign countries to meet their tuition and living expenses and repay such loans by remitting funds from Sri Lanka through an AD. ADs may also make outward remittances to respective lending institutions to repay the loans by parents or guardians in Sri Lanka of such students, after verifying the bona fide of the transaction. Other personal loans between resident and nonresident individuals are not permitted.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Any income and any capital proceeds of any asset inherited or gifted to an emigrant as shall be repatriated subject to the Foreign Exchange (Remittance of Funds by Emigrants) Regulation No. 3 of 2021 as may be amended from time to time and directions issued by the Central Bank in that effect.
To residents from nonresidents	No.	In accordance with Regulation No. 1 of 2021, any person resident in Sri Lanka is permitted to acquire and hold any asset or investment in overseas, where no consideration has to be paid in foreign exchange or in Sri Lanka rupees or in the form of assets or in exchange of any receivable due from a company incorporated outside Sri Lanka or any person resident in or outside Sri Lanka. The above may include shares received for no consideration under an Employee Share Ownership Plan or an Employee Share Option Scheme, by way of inheritance or gifts to an individual investor by a person resident in or outside Sri Lanka, as promoter shares or golden shares and subsequent hares devolving on such investors by virtue of a corporate action by the issuer or in terms of the mergers or amalgamations of companies incorporated in or outside Sri Lanka.
Settlement of debts abroad by immigrants	Yes.	Transfers for settlement of debts abroad by immigrants are not permitted in terms of the prevailing regulations issued under FEA.

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		Any special approval from the Governing Board is required to be considered in terms of Section 7(10) of FEA.
Transfer of assets	Yes.	Conversion of LKR for making overseas payments for life insurance premiums issued in overseas is not permitted. PFCA and BFCA holders may utilize funds available in such accounts to make overseas payments for life insurance premiums. Effective June 28, 2023, outward remittances on capital transactions through PFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023. Furthermore, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD 20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Transfer abroad by emigrants	Yes.	Emigrants, defined as (a)Sri Lankan nationals who have obtained PR or citizenship in another country;(b) dual citizens of Sri Lanka whose mother or father was born in Sri Lanka; or (c) a non-Sri Lankan citizen – whose mother or father was born in Sri Lanka; and whose birth has been registered in Sri Lanka, and includes the minors of persons, are eligible for the migration allowance which includes proceeds realized from any asset (including movable and immovable property, tangible and intangible assets and excluding funds held in the Personal Foreign Currency Accounts or Inward Investment Accounts) owned by the emigrant, inherited from a resident/another emigrant, gifted from resident/emigrant immediate family members or monetary gifts realized from any asset in Sri Lanka received from an immediate family member. Assets may include the value of precious stones, precious metals, personal jewelry, and other assets held in Sri Lanka including estates inherited as beneficiaries. The migration allowance is subject to the following limits: (1) an initial migration allowance of US$200,000 for an individual aged 18 years and above; (2) an annual migration allowance of US$30,000 where first such annual allowance is transferable after lapse of 12 months from the full utilization of the initial allowance of US$200,000; (3) an annual allowance of US$30,000 in respect of foreign nationals, any income, and any capital proceeds derived from/gifted investments and investments received as a settlement under a court Order, (4) Any income or capital proceeds of investments made during the period from January 1, 2010, to November 20, 2017, for which evidence of the inward remittances is not available; and (4) superannuation benefits of foreign nationals are freely remittable outside Sri Lanka. The total value of the investments made by an emigrant while being a resident in Sri Lanka through an OIA, in the country where the said individual has obtained PR status or citizenship, must be deducted from the eligible migration allowance, at the time of claiming the eligible migration allowance. In the event of “Parent Migration Schemes” operated by foreign countries, the funds for the payments to be made to overseas authorities by such individuals for obtaining visa, must be remitted through CTRA opened by such individuals subject to the directions issued by the Central Bank under the provisions of the Act. On receiving PR status in the country to which such payment was made, total amount of such payments must be deducted from the eligible migration allowance of such individuals at the time of claiming the eligible migration allowance.

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A Sri Lankan individual who resides in or outside Sri Lanka and has obtained a temporary resident visa in another country, aged 18 years or above, may claim a maximum of US$30,000 subject to the directions issued by the Central Bank under the provisions of the Act. Such persons may claim the said allowance through a CTRA opened by such persons. The amounts so claimed must be deducted from the eligible migration allowance at the time of claiming the migration allowance.

The migration allowance must be remitted out through a CTRA opened with an AD. It may be transferred from CTRA to applicant's PFCA and/or IIA in Sri Lanka or transferred to an account of the emigrant maintained outside Sri Lanka.

Effective January 2, 2022, suspension of payments through CTRAs for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months:
(1) Suspend the repatriation of funds under the migration allowance out of funds received as monetary gifts by an emigrant from an immediate family member, being funds realized from any asset in Sri Lanka (including movable, immovable, tangible, and intangible assets);
(2) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$10,000 (previously US$20,000);
(3) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of US$30,000;
(4) Limit the repatriation of any current income or accumulated current income (including Employees Provident Fund, ETF, gratuity, and pensions or any other retirement benefits) by the emigrants through the CTRA, up to a maximum of US$30,000 or equivalent in any other designated foreign currency;
(5) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a PR) of another country, up to a maximum of US$20,000;
(6) Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of US$10,000 or equivalent in any other designated foreign currency per person.

Effective July 2, 2022, in response to COVID-19 pandemic and with a view to preserve the foreign currency reserve position, funds remitted via CTRAs were suspended/restricted for a further six months as follows:

(1) Suspend the repatriation of funds under the migration allowance out of funds received as monetary gifts by an emigrant from an immediate family member, being funds realized from any asset in Sri Lanka (including movable, immovable, tangible, and intangible assets);
(2) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$10,000 or equivalent in any other designated foreign currency;
(3) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum

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		of US$30,000 or equivalent in any other designated foreign currency; (4) Limit the repatriation of any current income or accumulated current income (including EPF, ETF, gratuity, and pensions or any other retirement benefits) by the emigrants through the CTRA, up to a maximum of US$30,000 or equivalent in any other designated foreign currency; (5) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a PR) of another country, up to a maximum of US$20,000 or equivalent in any other designated foreign currency. Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, funds remitted via CTRAs were suspended/restricted for a further six months as follows: (1) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$20,000 (previously US $ 10,000) or equivalent in any other designated foreign currency; (2) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of US$50,000 (previously US$ 30,000) or equivalent in any other designated foreign currency; (3) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a PR) of another country, up to a maximum of US$20,000 or equivalent in any other designated foreign currency; (4) Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of US$10,000 or equivalent in any other designated foreign currency per person.
Transfer into the country by immigrants	No.	Inward remittances are freely allowed subject to other laws of the country. However, if such funds are for the purpose of investments in Sri Lanka, such funds must be channeled through IIA of the immigrants.
Transfer of gambling and prize earnings	No.	There are no restrictions on transfers of gambling and prize earnings subject to other laws of the country.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Reporting requirements with respect to payments through EFTCs are in effect. There are no maturity limits on forward foreign exchange contracts. Financial derivative products may be used for foreign exchange payments and receipts in connection with current account transactions and capital account transactions (underlying transactions) permitted under the provisions of the FEA, after satisfying with the bona fide of such underlying transactions.
Borrowing abroad	Yes.	LCBs, LSBs, LFCs, and SLCs may borrow under the general permission granted by the FEA subject to the approval of the relevant regulatory authorities. Banking Act Direction No. 11 of 2018 were issued to LBs informing a new policy on foreign currency borrowings for implementation from January 1, 2018, with a view to further strengthening risk management of foreign currency borrowings by banks. The limits on foreign currency borrowings were introduced based on a score calculated considering the bank's external credit rating and capital adequacy ratio and linked to a certain percentage of total assets.

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		As of May 25, 2021, an amendment was issued to the Banking Act Directions on foreign currency borrowings by LBs revoking the existing limits on short-term borrowings for a period of one year, while maintaining the existing total foreign currency borrowing limit up to 10% to stimulate the capital formation within the real economy and supplement the foreign currency needs of the country.
Maintenance of accounts abroad	No.	ADs may open and maintain Nostro accounts with a regulated financial institution incorporated outside Sri Lanka, to facilitate efficient settlement of foreign exchange transactions in other countries by such ADs.
Lending to nonresidents (financial or commercial credits)	Yes.	OBUs may lend in foreign currency to nonresidents and resident companies approved by the BOI of Sri Lanka. ADs may grant loans and advances denominated in foreign currency or in Sri Lanka rupees to Sri Lankans employed abroad for any purpose in Sri Lanka against repayment in foreign currency through inward remittances or balances in the PFCA of the borrower. ADs may extend rupee credit facilities to nonresident-controlled companies incorporated in Sri Lanka. ADs may grant loans in Sri Lanka rupees or in foreign currency to Sri Lankans who have obtained PR visa in another country and dual citizens (irrespective of the residential status) for the purpose of acquisition, construction, development, or renovation of a residential property in Sri Lanka. Any person who has not been in Sri Lanka for a period of 183 days or more in aggregate during the preceding 12 months is considered a nonresident for the purposes of the FEA (Order issued under Section 31 of the FEA, Gazette Notification No. 2213/40 February 3, 2021 (in force from March 22, 2021)).
Lending locally in foreign exchange	Yes.	LCBs may grant foreign currency loans from their DBUs to BFCA holders for any purpose in Sri Lanka. Borrowers must service such loans from foreign exchange earnings. ADs may grant loans in foreign currency to Sri Lankans who have obtained PR visa in another country and dual citizens for the purpose of acquisition, construction, development, or renovation of a residential property in Sri Lanka to the credit of the BFCA/OBU account of the property developer who engage in the business of sale of property in Sri Lanka and are permitted to accept foreign currency.
Purchase of locally issued securities denominated in foreign exchange	No.	ADs are permitted to purchase such securities.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The statutory reserve requirement ratio on rupee deposits is 5%. The ratio on foreign currency deposits is 0%.
Liquid asset requirements	No.	The statutory liquid assets ratio of 20% applies to both local and foreign currency deposit accounts. In terms of Banking Act Direction No. 01 of 2015 on LCR under Basel III Liquidity Standards for LCBs and LSBs, every LCB and LSB are required to maintain LCR in respect of Rupee Liquidity Minimum Requirement for local currency operations and All Currency Liquidity Minimum Requirement for the overall operations of 100%. Furthermore, as per the cited Direction, LCBs and LSBs are required to develop a metric to monitor LCR in each significant currency on an ongoing basis to capture potential currency mismatches. After carefully considering the extraordinary circumstances caused by the current macroeconomic conditions the Monetary Board of the CBSL issued Banking Act Direction No. 04 of 2022 on Regulatory

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		Requirements Amidst Prevailing Extraordinary Macroeconomic Conditions dated May 22, 2022. Accordingly, effective May 22, 2022, LCBs and LSBs were permitted to operate maintaining an LCR at a minimum level of 90% up to September 30, 2022, as a short-term measure to adjust the liquidity profile of LBs, with enhanced supervision and frequent reporting. As per the Banking Act Direction No. 08 of 2022 dated November 18, 2022, it was allowed for licensed banks to maintain a Liquidity Coverage Ratio (LCR) at a level not less than 90% till December 31, 2022. Accordingly, effective January 1, 2023, the licensed banks are required to maintain LCR at a level not less than 100%.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Financial institutions may acquire and hold shares of overseas companies, subject to the following limits: (1) listed companies-up to US$2 million a calendar year and (2) unlisted regulated or licensed entities under the CBSL of-up to US$500,000 a calendar year. The funds must be channeled through an OIA opened and maintained by an eligible resident investor with a LCB. Banks incorporated/registered as Public Limited Companies (PLCs) are subject to the limit applicable to listed companies. LCBs and LSBs may invest up to US$500,000 a calendar year through their OIAs, for the purpose of setting up and maintaining branch offices in a foreign country. LCBs and LSBs may invest in shares of a subsidiary or invest in a branch office up to the limit imposed by the regulator in the investee country, without being subject to any limitations through their OIAs (only if the investment is in banking operation in overseas). Any investment exceeding these limits requires special approval of the Monetary Board in terms of Section 7(10) of the FEA on applications submitted to the Director-DFE of the CBSL. Effective July 2, 2022, and previously effective January 2, 2022, payments through OIAs for the purpose of making investments overseas by persons resident in Sri Lanka under general permission that were initially suspended starting July 2, 2020, were suspended for an additional six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory

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requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of DFE is satisfied with the fulfillment of such requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months, excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
(6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.
The Governing Board shall have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission. Funds available in

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		PFCAs and BFCAs may also be utilized for investment in capital market securities issued outside Sri Lanka.
		The CBSL issued Directions that LCBs and NSB may purchase ISBs in the secondary market subject to certain conditions specified in Banking Act Direction No. 10 of June 16, 2021.
In banks by nonresidents	No.	There is no limit on foreign ownership of domestically incorporated banks. However, individual shareholder limits are applicable for all shareholders irrespective of residential status.
Open foreign exchange position limits	Yes.	LCBs and LSB (LBs) are required to report their daily foreign exchange positions to the CBSL. The maximum positive and negative daily foreign exchange open positions of LBs are determined by the CBSL. These limits are reviewed and revised from time to time by the CBSL. As of June 28, 2023, the existing aggregate net open position (NOP) limits of LBs in relation to the daily working balances in foreign exchange are in cumulative, as follows: a positive limit of US$244 million and a negative limit of US$354 million.
On resident assets and liabilities	Yes.	There are no sub limits imposed on resident assets and liabilities. However, it is covered under the overall NOP limits mentioned above.
On nonresident assets and liabilities	Yes.	There are no sub limits imposed on nonresident assets and liabilities. However, it is covered under the overall NOP limits mentioned above.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The Insurance Board may grant permission to keep the assets of an insurer, whether forming part of its technical reserves or long-term insurance fund, outside Sri Lanka, up to 20% of the total value of the assets of the insurer. Investments (1) for the purpose of gaining management control of a company; (2) in unlisted securities; and (3) in any asset that involves the assumption of unlimited liability are subject to specific written approval of the Insurance Board and approval of the CBSL in terms of the provisions of FEA. In terms of the Regulation No. 1 of 2021 issued under FEA, regulated or licensed entities under the Insurance Regulatory Commission of Sri Lanka are permitted to invest in Ordinary Shares, Units, Preference Shares, Corporate Bonds, Debentures, and Sovereign Bonds of foreign countries up to US$500,000. Investments exceeding US$500,000 will require a special permission with the approval of the Monetary Board. The proceeds of the investments must be remitted through an OIA. Effective July 2, 2022, and previously effective January 2, 2022, payments through OIAs for the purpose of making investments overseas by persons resident in Sri Lanka under general permission that were initially suspended starting July 2, 2020, were suspended for an additional six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or

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(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of DFE is satisfied with the fulfillment of such requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months, excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
(6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.
The Governing Board shall have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which

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		exceed the limits under the general permission. Funds available in BFCAs may also be utilized for investment in capital market securities issued outside Sri Lanka. Investments made through BFCAs are not subject to any investment ceiling imposed under the FEA but are limited up to the foreign currency balances available in such accounts. Effective July 2, 2022, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months. Effective June 28, 2023, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Limits (max.) on investment portfolio held abroad	Yes.	The value of the assets permitted to be invested outside Sri Lanka may not exceed 20% of the total value of assets of the insurer at any given time. Investments (1) in commodities, futures, and options; (2) in real estate; (3) for the purpose of gaining management control of a company; (4) in unlisted securities; and (5) in any asset that involves the assumption of unlimited liability are subject to the specific written approval of the Insurance Board and approval of the CBSL in terms of the provisions of FEA. In terms of the Regulation No. 1 of 2021 issued under FEA, regulated or licensed entities under the Insurance Regulatory Commission of Sri Lanka are permitted to invest in Ordinary Shares, Units, Preference Shares, Corporate Bonds, Debentures, and Sovereign Bonds of foreign countries up to US$500,000. Investments exceeding US$500,000 will require a special permission with the approval of the Monetary Board. The proceeds of the investments must be remitted through an OIA. Effective July 2, 2022, and previously effective January 2, 2022, payments through OIAs for the purpose of making investments overseas by persons resident in Sri Lanka under general permission that were initially suspended starting July 2, 2020, were suspended for an additional six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison,

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marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of DFE is satisfied with the fulfillment of such requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months, excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
(6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.
The Governing Board shall have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission.

Funds available in BFCAs may also be utilized for investment in capital market securities issued outside Sri Lanka.
Investments made through PFCAs/BFCAs are not subject to any investment ceiling imposed under the FEA but are limited up to the foreign currency balances available in such accounts.

Effective July 2, 2022, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a

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		maximum of US$20,000 for further six months. Effective June 28, 2023, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Limits (min.) on investment portfolio held locally	No.	There are no minimum limits on investments portfolio held locally by insurance companies in terms of regulations under FEA; however, it is a subject to any other laws in the country, if applicable.
Currency-matching regulations on assets/liabilities composition	n.a.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	EPF established under the EPF Act No. 15 of 1958 or any other provident fund approved by the Commissioner General of Labour may invest in shares or debentures or corporate bonds issued by companies incorporated outside Sri Lanka, units in regulated unit trusts or mutual funds and sovereign bonds issued by foreign governments rated at or above the sovereign credit rating of Sri Lanka-up to US$500,000 or an equivalent amount in any other designated foreign currency, per calendar year. Investments exceeding US$500,000 will require a special permission with the approval of the Monetary Board. The proceeds of the investments must be remitted through an OIA. Effective July 2, 2022, and previously effective January 2, 2022, payments through OIAs for the purpose of making investments overseas by persons resident in Sri Lanka under general permission that were initially suspended starting July 2, 2020, were suspended for an additional six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of DFE is satisfied with the fulfillment of such requirement. Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months, excluding

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		for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, (5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas: (a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or (b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission. Funds available in BFCAs may also be utilized for investment in capital market securities issued outside Sri Lanka. Investments made through PFCAs/BFCAs are not subject to any investment ceiling imposed under the FEA but are limited up to the foreign currency balances available in such accounts. Effective June 28, 2023, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Limits (max.) on investment portfolio held abroad	Yes.	EPF established under the EPF Act No. 15 of 1958 or any other provident fund approved by the Commissioner General of Labour may invest in shares or debentures or corporate bonds issued by companies incorporated outside Sri Lanka, units in regulated unit trusts or mutual funds and sovereign bonds issued by foreign governments rated at or above the sovereign credit rating of Sri Lanka—up to US$500,000 or an equivalent amount in any other designated foreign currency, per calendar year. Investments exceeding US$500,000 will require a special permission with the approval of the Monetary Board. The investments must be remitted through an OIA. Effective July 2, 2022, and previously effective January 2, 2022,

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payments through OIAs for the purpose of making investments overseas by persons resident in Sri Lanka under general permission that were initially suspended starting July 2, 2020, were suspended for an additional six months with a view to further preserve the foreign currency reserve position of the country, except for the following:
(1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of DFE is satisfied with the fulfillment of such requirement.
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(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
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(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or

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		(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission. Funds available in BFCAs may also be utilized for investment in capital market securities issued outside Sri Lanka. Investments made through BFCAs are not subject to any investment ceiling imposed under the FEA but are limited up to the foreign currency balances available in such accounts. Effective June 28, 2023, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Limits (min.) on investment portfolio held locally	No.	There are no minimum limits on investment portfolios held locally by pension funds, in terms of regulations issued under FEA; however, they may be subject to any other laws in the country, if applicable.
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Eligible residents (including investment firms and collective investment funds) may invest in shares or debentures or corporate bonds issued by companies incorporated outside Sri Lanka, units in regulated unit trusts or mutual funds and sovereign bonds issued by foreign governments rated at or above the sovereign credit rating of Sri Lanka subject to following limits: listed companies-up to US$2 million a calendar year; unlisted companies—up to US$500,000 a calendar year; regulated or licensed entities under the Central Bank or the Securities and Exchange Commission of Sri Lanka or the Insurance Regulatory Commission of Sri Lanka-up to US$500,000 a calendar year, partnerships-up to US$300,000 for lifetime. The funds must be channeled through an OIA. Any investment exceeding these limits requires a special approval of the Monetary Board in terms of Section 7(10) of the FEA on applications submitted to the Director-DFE of the CBSL. Effective July 2, 2022, and previously effective January 2, 2022, payments through OIAs for the purpose of making investments overseas by persons resident in Sri Lanka under general permission that were initially suspended starting July 2, 2020, were suspended for an additional six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee’s country applicable on the investment

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already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of DFE is satisfied with the fulfillment of such requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months, excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
(6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.
The Governing Board shall have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission.

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		Funds available in BFCAs may also be utilized for investment in capital market securities issued outside Sri Lanka. Investments made through BFCAs are not subject to any investment ceiling imposed under the FEA but are limited up to the foreign currency balances available in such accounts. Effective July 2, 2022, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through BFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months. Effective June 28, 2023, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Limits (max.) on investment portfolio held abroad	Yes.	Eligible residents (including investment firms and collective investment funds) may invest in shares or debentures or corporate bonds issued by companies incorporated outside Sri Lanka, units in regulated unit trusts or mutual funds and sovereign bonds issued by foreign governments rated at or above the sovereign credit rating of Sri Lanka subject to following limits: listed companies-up to US$2 million a calendar year; unlisted companies--up to US$500,000 a calendar year; regulated or licensed entities under the Central Bank or the Securities and Exchange Commission of Sri Lanka or the Insurance Regulatory Commission of Sri Lanka-up to US$500,000 a calendar year, partnerships-up to US$300,000 for lifetime. The funds must be channeled through an OIA. Any investment exceeding these limits requires a special approval of the Monetary Board in terms of Section 7(10) of the FEA on applications submitted to the Director-DFE of the CBSL. Effective July 2, 2022, and previously effective January 2, 2022, payments through OIAs for the purpose of making investments overseas by persons resident in Sri Lanka under general permission that were initially suspended starting July 2, 2020, were suspended for an additional six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of DFE is satisfied with the fulfillment of such

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requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.

Effective June 28, 2023, in view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months (with broader coverage of exceptions), excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
(6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.
The Governing Board shall have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission.

Funds available in BFCAs may also be utilized for investment in capital market securities issued outside Sri Lanka.

Investments made through BFCAs are not subject to any investment ceiling imposed under the FEA but are limited up to the foreign currency balances available in such accounts.

Effective July 2, 2022, with a view to preserve the foreign currency reserve position, outward remittances on capital transactions through BFCAs held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months.

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	Effective June 28, 2023, outward remittances on capital transactions through BFCAs held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
For current transaction	n.a.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
Transactions in derivatives and other instruments	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
Credit operations	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
Controls on utility and security tokens	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
For current transaction	n.a.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
Transactions in derivatives and other instruments	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.

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Credit operations	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
Controls on stablecoins	Yes.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
For current transaction	n.a.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
Transactions in derivatives and other instruments	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
Credit operations	Yes.	In terms of the prevailing foreign exchange regulatory framework under FEA, investments made by residents in crypto assets held/issued by nonresidents by converting LKR are not permitted. Furthermore, investments in crypto assets held/issued by residents are not a permitted capital transaction for nonresidents.
Controls on crypto exchanges and trading platforms	n.a.	
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Crawl-like arrangement	*05/13/2022*	The de facto exchange rate arrangement was reclassified to crawl-like from other managed.
Other managed arrangement	*03/09/2022*	The de facto exchange rate arrangement was reclassified to other managed from crawl-like.
Monetary policy framework		
Inflation-targeting framework	*09/15/2023*	As per the Central Bank of Sri Lanka Act (CBA) No. 16 of 2023, Flexible Inflation Targeting is officially recognized as the monetary policy regime.
Accountability		
Parliamentary hearings	*09/15/2023*	If the Central Bank fails to meet the inflation target by a margin determined in the Central Bank of Sri Lanka Act (CBA) for two

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		consecutive quarters, the Monetary Policy Board shall submit a report to the Parliament through the Minister of Finance as per Section 26(5) of the CBA.
Foreign exchange market		
Spot exchange market		
Interbank market	*05/13/2022*	The Central Bank of Sri Lanka commenced announcing a daily middle exchange rate with a variation margin to the domestic interbank foreign exchange market as a guidance to the interbank foreign exchange transactions.
	03/07/2023	The Central Bank of Sri Lanka revoked the Operating Instructions on "Managing Intraday Volatility of the Exchange Rate" issued by Central Bank on May 12, 2022. Accordingly, the daily exchange rate guidance provided by the Central Bank to all licensed banks has been discontinued.
Forward exchange market	*03/22/2022*	Banking Act Direction No. 07 of 2021 dated April 25, 2021, was revoked. Previously, LCBs were directed to refrain from entering into forward contracts of foreign exchange with value date beyond spot date except for certain specified transactions. Accordingly, licensed banks are allowed to enter into forward foreign exchange contracts with the customers as per the Banking Act Direction No. 04 of 2018 "Financial Derivative Transactions for Licensed Commercial Banks and Licensed Commercial Banks."

Arrangements for Payments and Receipts

Prescription of currency requirements		
Use of foreign exchange among residents	*06/16/2022*	Limit of foreign currency in possession by a person in or resident in Sri Lanka has been reduced from US$15,000 to US$10,000.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*01/02/2022*	In response to COVID-19 pandemic and prevailing liquidity issues, outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000, for further six months.
	01/02/2022	In response to COVID-19 pandemic and prevailing liquidity issues, outward remittances on capital transactions through Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000, for further six months.
	02/24/2022	Holders of Business Foreign Currency Account (BFCAs) are permitted for the following credit: in the event where accountholder is a local educational institute, transfers from Personal Foreign Currency Account of Sri Lankans employed abroad as receipts of the course or tuition fees in respect of their immediate family members enrolled as students (this resulted in easing of BFCA's rules).
	02/24/2022	In the event where account holder is a Sri Lankan employed abroad (other than an emigrant), Personal Foreign Currency Accounts (PFCAs) may be credited with transfers to Business Foreign Currency Accounts of Local Educational Institutions as payment for the course or tuition fees in respect of their immediate family members who have been enrolled as students (this resulted in easing of PFCA Directions);
	03/28/2022	The period of opening Special Deposit Accounts was further extended till April 7, 2022.
	06/03/2022	Colombo Port City Investment Account – Investor (CPCIA – Investor) was introduced. This account has been introduced to facilitate investments in Colombo Port City. Any person resident

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	outside Sri Lanka or any company incorporated in Sri Lanka which is fully owned by persons resident outside Sri Lanka or a joint venture making investments in the Colombo Port City are eligible to open CPCIA – Investor.
06/30/2022	Holders of Business Foreign Currency Account (BFCAs) are permitted for the following credit: earnings/payments in foreign exchange received by the accountholder from a foreign currency account of an authorized person who is permitted to engage in business and from the area of authority of the Colombo Port City in accordance with the provisions of the Colombo port City Economic Commission Act No. 11 of 2021 (this change resulted in easing of BFCA's rules).
07/02/2022	Payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission were suspended for six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement. Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.
04/07/2023	The validity period of opening Special Deposit Accounts was lapsed.
06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023.
06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, outward remittances on capital transactions through Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited for the purpose of expanding their core business overseas up to a maximum of US$ 100,000 (from USD20,000), during the effective period of six months from June 28, 2023.
06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, payments through Outward Investment Accounts for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months (with broader coverage of exceptions), excluding for the following: (1)

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		investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, (5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas: (a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or (b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.

Nonresident Accounts

Foreign exchange accounts permitted	*01/02/2022*	In response to COVID-19 pandemic and prevailing liquidity issues, outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000, for further six months.
	02/24/2022	Debits to Personal Foreign Currency Accounts (PFCAs) are allowed where account holder is a Sri Lankan employed abroad transfers to Business Foreign Currency Accounts of the local educational institutions being payment of course or tuition fees in respect of immediate family members who have been enrolled as students of such educational institutions (this resulted in easing of PFCA's rules).
	03/28/2022	The period of opening Special Deposit Accounts was further extended till April 7, 2022.
	06/30/2022	Personal Foreign Currency Accounts (PFCAs) of nonresidents maybe credited with earnings/payments in foreign exchange received by the accountholder from a foreign currency account of an authorized person who is permitted to engage in business and from the area of authority of the Colombo Port City in accordance with the provisions of the Colombo port City Economic Commission Act No. 11 of 2021 (this change resulted in easing of PFCA's rules).
	04/07/2023	The validity period of opening Special Deposit Accounts was lapsed.
	06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 during the effective period of six months from June 28, 2023.
Domestic currency accounts	*01/02/2022*	The suspension/restriction on funds remitted via Capital Transactions

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Rupee Accounts was extended for a further period of six months.

03/28/2022 The period of opening Special Deposit Accounts was further extended till April 7, 2022.

07/02/2022 In response to COVID-19 pandemic and with a view to preserve the foreign currency reserve position, funds remitted via Capital Transactions Rupee Accounts (CTRAs) were suspended/restricted for six months (with broader coverage of exceptions) as follows:

(1) Suspend the repatriation of funds under the migration allowance out of funds received as monetary gifts by an emigrant from an immediate family member, being funds realized from any asset in Sri Lanka (including movable, immovable, tangible, and intangible assets);
(2) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$10,000 or equivalent in any other designated foreign currency;
(3) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of US$30,000 or equivalent in any other designated foreign currency;
(4) Limit the repatriation of any current income or accumulated current income (including EPF, Employees' Trust Fund, gratuity, and pensions or any other retirement benefits) by the emigrants through the CTRA, up to a maximum of US$30,000 or equivalent in any other designated foreign currency;
(5) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a permanent residency) of another country, up to a maximum of US$20,000 or equivalent in any other designated foreign currency;
(6) Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of US$10,000 or equivalent in any other designated foreign currency per person.

04/07/2023 The validity period of opening Special Deposit Accounts was lapsed.

06/28/2023 In view of the liquidity issues in the domestic foreign exchange market, funds remitted via Capital Transactions Rupee Accounts (CTRAs) were suspended/restricted for a further six months as follows:

(1) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$20,000 (previously 10,000) or equivalent in any other designated foreign currency;
(2) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of US$50,000 (previously 30,000) or equivalent in any other designated foreign currency;

(3) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a PR) of another country, up to a maximum of US$20,000 or equivalent in any other designated foreign currency;
(4) Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of US$10,000 or equivalent in any other designated foreign currency per person.

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Imports and Import Payments

Financing requirements for imports		
Advance import deposits	*05/19/2022*	As a measure to curtail excessive imports that exert pressure on the balance of payments (BOP), a 100% cash margin requirement was required when importing selected import goods under LC, Documents against Acceptance (DA), and Documents against Payment (DP) terms. Accordingly, without placing a 100% non-interest bearing deposit at the licensed commercial bank, imports under LC, DA, and DP were not allowed.
	05/17/2023	With the balance of payments (BOP) pressures subsiding during 2023, the requirement of placing 100% cash margin requirement was removed effective May 17, 2023. Accordingly, currently no mandatory margin requirement is in effect when importing under LC, Documents against Acceptance, and Documents against Payment terms.
Documentation requirements for release of foreign exchange for imports		
Other	*03/09/2022*	Import and Export Control Department further updated importing items in e Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement. The overall impact of these updates was broadly toward tightening the import restrictions.
	04/09/2022	Import and Export Control Department further updated importing items in the Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement. The overall impact of these updates was broadly toward tightening the import restrictions.
	05/06/2022	Importing items in Regulation No. 3 (I) (b) of the Special Import License and Payment Regulations, No. 1 of 2011, published in the Gazette Extraordinary No. 1739/3 dated January 2, 2012, was amended that the Open Account Payment Term or Consignment Account Term only be allowing under selected conditions.
	05/31/2022	Import and Export Control Department removed the importing items in Imports and Exports (Control) Regulation No. 05 of 2022, published in the Gazette Extraordinary No. 2270/18 dated March 9, 2022, and the Imports and Exports (Control) Regulation No. 06 of 2022, published in the Gazette Extraordinary No. 2274/42 dated April 9, 2022, from licensing requirement.
	06/24/2022	Import and Export Control Department further updated importing items The Imports Control Regulations on Payment Terms No. 07 of 2022, published in the Gazette Extraordinary No. 2278/21 dated May 6, 2022, as amended by the Gazette Extraordinary No. 2282/22 dated May 31, 2022.
	08/05/2022	The Import and Export Control Department further updated importing items in the Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement by removing an item from banned list to licensed category. The overall impact of this update was toward easing import restrictions.
	08/23/2022	Import and Export Control Department (IECD) further updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 10 of 2021, published in the Gazette Extraordinary No. 2231/18 dated June 11, 2021, by removing some items from temporary suspension and inserting some to licensing requirement. In

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	addition, the IECD issued Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 where items in schedule I to be temporary suspended until further notice. The overall impact of these updates was toward tightening the import restrictions.
09/09/2022	Import and Export Control Department updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 dated August 23, 2022, while several exemptions were introduced. The overall impact of these updates was broadly toward easing the import restrictions.
09/16/2022	On September 16, 2022, October 31, 2022, December 21, 2022, January 19, 2023, February 22, 2023, and April 06, 2023, importing items in Payment Regulations, No. 7 of 2022, published in the Gazette Extraordinary No. 2278/21 dated May 6, 2022, was amended. The overall impact of these updates was broadly toward easing the import restrictions.
09/23/2022	On September 23, 2022, and October 21, 2022, the Import and Export Control Department further updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 10 of 2021, published in the Gazette Extraordinary No. 2231/18 dated June 11. The overall impact of these updates was toward easing the import restrictions.
11/23/2022	Import and Export Control Department updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 dated August 23, 2022. The overall impact of these updates was broadly toward easing the import restrictions.
12/09/2022	Import and Export Control Department further updated importing items in the Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement by adding items to licensed suspended category. The overall impact of this update was toward tightening import restrictions.
12/19/2022	Import and Export Control Department updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 dated August 23, 2022. The overall impact of these updates was toward easing the import restrictions.
01/01/2023	Import and Export Control Department further updated importing items in the Schedule I of the Special Import License Regulations, published in the Gazette Extraordinary No. 2044/40 dated November 9, 2017, and its subsequent updates under licensing requirement and further updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 10 of 2021, published in the Gazette Extraordinary No. 2231/18 dated June 11, 2021 and items in Schedule I of Imports and Exports (Control) Regulation No. 13 of 2022, published in the Gazette Extraordinary No. 2294/30 dated August 23, 2022 and its subsequent amendment on temporary suspended items. The overall impact of this update was toward easing import restrictions.
02/22/2023	Import and Export Control Department updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 02 of 2023, published in the Gazette Extraordinary No. 2312/78 dated January 1, 2023, by removing some items from temporary suspension. The overall impact of these updates was toward easing import restrictions.
04/06/2023	On April 6, 2023, and June 14, 2023, Import and Export Control Department updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 01 of 2023, published in the Gazette Extraordinary No. 2312/77 dated January 1, 2023, by

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		inserting items under banned category because of health concerns and to licensed suspended category. The overall impact of these updates was toward tightening import restrictions. The Imports and Exports (Control) Regulation No. 10 of 2023, published in the Gazette Extraordinary No. 2336/45 dated June 14, 2023, was cancelled effective August 29, 2023.
	06/09/2023	On June 9, 2023, July 20, 2023, and October 9, 2023, IECD updated importing items in Schedule I of Imports and Exports (Control) Regulation No. 02 of 2023, published in the Gazette Extraordinary No. 2312/78 dated January 1, 2023, by removing some items from temporary suspension. The overall impact of these updates was toward easing import restrictions.
Import taxes and/or tariffs	*01/01/2022*	VAT rate on the supply of financial services on financial institutions was increased to 18% from 15%.
	06/01/2022	VAT rate on import and/or supply of goods or supply of services was increased to 12% from 8%.
	09/01/2022	VAT rate on import and/or supply of goods or supply of services was increased to 15% from 12%.
	10/01/2022	VAT registration threshold was reduced to Rs. 80 million from Rs. 300 million.
	06/01/2023	A Surcharge as a percentage of Customs Import Duty on selected goods was imposed.

Exports and Export Proceeds

Repatriation requirements	*03/11/2022*	Previous Rules were rescinded, and new Rules were introduced requiring every exporter of goods and services to repatriate export proceeds within 180 days from the date of shipment of goods or provisioning of services.
Surrender requirements		
Surrender to the central bank	*04/11/2022*	All licensed banks are required to sell 25% of the residual of export proceeds which is mandatory to convert to LKR to the Central Bank of Sri Lanka, in US dollars, on a weekly basis.
	03/07/2023	The Central Bank of Sri Lanka revoked the Operating Instructions on "Repatriation of Export Proceeds into Sri Lanka" issued on February 18, 2021, and as amended subsequently. Accordingly, the mandatory sales requirement of all LBs related to export proceeds was discontinued.
Surrender to authorized dealers	*03/11/2022*	Furthermore, every local supplier, who receives payments in foreign currency out of the export proceeds in terms of Rule 4 (6) above, were required to mandatorily convert the residual of such receipts into Sri Lanka rupees, on utilizing the same only in respect of the authorized payments as stipulated in items (1) to (5) of the Rule 4 above, on or before the seventh (7th) day of the following month. These rules have limited the authorized payments of current transactions, withdrawal in foreign currency notes or transfer of funds for travel purposes and payments to local suppliers only in relation to the particular export of goods and/or services and payments received by the local suppliers were also subjected to the surrender requirements under the Rules, which can be viewed as tightening of the Rules. However, introduction of a new authorized payment as payments of dividends declared to nonresident investors and/or payments of salaries to expatriate employees who are foreign nationals or dual citizens, can be viewed as an easing of the Rules.
	08/12/2022	The requirements for conversion of service export proceeds were removed.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	*03/11/2022*	Previous Rules were rescinded, and new Rules were introduced requiring every exporter of goods and services to repatriate export proceeds within 180 days from the date of shipment of goods or provisioning of services.
Surrender requirements		
Surrender to the central bank	*04/11/2022*	All licensed banks are required to sell 25% of the inward workers' remittances in various currencies, which are converted to LKR, in US dollars on a weekly basis to the Central Bank of Sri Lanka.
	03/07/2023	The Central Bank of Sri Lanka revoked the Operating Instructions on "Incentive Scheme on Inward Worker Remittances" issued on January 27, 2021, and as amended subsequently. Accordingly, the mandatory sales requirement of all LCBs and one licensed specialized bank related to workers' remittances was discontinued.
Surrender to authorized dealers	*08/12/2022*	The residual conversion of service export proceeds was eased with the removal of such requirements.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase abroad by residents	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
	07/02/2022	With a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US $20,000 for further six months.
	07/02/2022	Payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission were further suspended for six months with a view to further preserve the foreign currency reserve position of the country. except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the

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		Head of DFE is satisfied with the fulfillment of such requirement. Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.
	06/28/2023	Outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023.
	06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were further suspended for six months (with broader coverage of exceptions), excluding for the following;: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, (5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas: i.(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or ii.(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall must have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission.
	06/28/2023	Outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (previously US $20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Bonds or other debt securities		
Purchase abroad by residents	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
	07/02/2022	With a view to preserve the foreign currency reserve position,

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outward remittances on capital transactions through Personal Foreign Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US $20,000 for further six months.

07/02/2022 Payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission were further suspended for six months with a view to further preserve the foreign currency reserve position of the country., except for the following:
(1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement.
Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.

06/28/2023 In view of the liquidity issues in the domestic foreign exchange market, payments through OIAs for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were further suspended for six months (with broader coverage of exceptions) , excluding for the following;: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their

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		core business overseas: i.(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or ii.(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall must have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission.
	06/28/2023	With a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023.
	06/28/2023	Outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
On collective investment securities		
Purchase abroad by residents	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
	07/02/2022	Payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission were further suspended for six months with a view to further preserve the foreign currency reserve position of the country., except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement. Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.
	07/02/2022	With a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign

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		Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US $20,000 for further six months.
	06/28/2023	Outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023.
	06/28/2023	Outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (previously US $20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
	06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, payments through Outward Investment Accounts for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were further suspended for six months (with broader coverage of exceptions) , excluding for the following;: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, (5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas: i.(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or ii.(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall must have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission.
Controls on direct investment		
Outward direct investment	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
	07/02/2022	With a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign

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	Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US $20,000 for further six months.
07/02/2022	Payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission were further suspended for six months with a view to further preserve the foreign currency reserve position of the country, except for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act (FEA) No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$15,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, provided the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement. Investments under (1) and (2) which exceed the limits under the general permission are subject to the Monetary Board approval on a case-by-case basis.
06/28/2023	Outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023.
06/28/2023	Furthermore, outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD 20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, payments through Outward Investment Accounts for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were further suspended for six months (with broader coverage of exceptions) , excluding for the following;: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the

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		purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, (5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas: i.(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or ii.(b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall mustshall have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission.
Controls on real estate transactions		
Purchase abroad by residents	*07/02/2022*	With a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US $20,000 for further six months.
	06/28/2023	Outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD 20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
	06/28/2023	Outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023.
Controls on personal capital transactions		
Transfer of assets	*06/28/2023*	Outward remittances on capital transactions through Personal Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US$20,000 for further six months from June 28, 2023.
	06/28/2023	Outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD 20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Transfer abroad by emigrants	*01/02/2022*	Suspension of payments through Capital Transactions Rupee Accounts (CTRAs) for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months: (1) Suspend the repatriation of funds under the migration allowance out of funds received as monetary gifts by an emigrant from an immediate family member, being funds realized from any asset in Sri Lanka (including movable, immovable, tangible, and intangible assets); (2) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$10,000 (previously

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	US$20,000); (3) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of US$30,000; (4) Limit the repatriation of any current income or accumulated current income (including Employees Provident Fund, ETF, gratuity, and pensions or any other retirement benefits) by the emigrants through the CTRA, up to a maximum of US$30,000 or equivalent in any other designated foreign currency; (5) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a PR) of another country, up to a maximum of US$20,000; (6) Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of US$10,000 or equivalent in any other designated foreign currency per person.
07/02/2022	In response to COVID-19 pandemic and with a view to preserve the foreign currency reserve position, funds remitted via Capital Transactions Rupee Accounts (CTRAs) were suspended/restricted for a further six months as follows: (1) Suspend the repatriation of funds under the migration allowance out of funds received as monetary gifts by an emigrant from an immediate family member, being funds realized from any asset in Sri Lanka (including movable, immovable, tangible, and intangible assets); (2) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$10,000 or equivalent in any other designated foreign currency; (3) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of US$30,000 or equivalent in any other designated foreign currency; (4) Limit the repatriation of any current income or accumulated current income (including EPF, ETF, gratuity, and pensions or any other retirement benefits) by the emigrants through the CTRA, up to a maximum of US$30,000 or equivalent in any other designated foreign currency; (5) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a PR) of another country, up to a maximum of US$20,000 or equivalent in any other designated foreign currency.
06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, funds remitted via Capital Transactions Rupee Accounts (CTRAs) were suspended/restricted for a further six months as follows: (1) Limit the repatriation of funds under the migration allowance through CTRAs by the emigrants who have already claimed migration allowance up to a maximum of US$20,000 (previously US $ 10,000) or equivalent in any other designated foreign currency; (2) Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of US$50,000 (previously US$ 30,000) or equivalent in any other designated foreign currency; (3) Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa (which leads to a PR) of

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another country, up to a maximum of US$20,000 or equivalent in any other designated foreign currency;
(4) Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of US$10,000 or equivalent in any other designated foreign currency per person.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Liquid asset requirements

05/22/2022 Licensed commercial banks and licensed specialized banks were permitted to operate maintaining an LCR at a minimum level of 90% up to September 30, 2022, as a short-term measure to adjust the liquidity profile of licensed banks, with enhanced supervision and frequent reporting.

01/01/2023 The licensed banks are required to maintain LCR at a level not less than 100%.

Investment regulations

Abroad by banks

01/02/2022 The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.

07/02/2022 The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.

06/28/2023 In view of the liquidity issues in the domestic foreign exchange market, payments through Outward Investment Account for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months (with broader coverage of exceptions), excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or
(2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or
(3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or
(4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,
(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
(a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign

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		currency, or (b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission. Funds available in PFCAs and BFCAs may also be utilized for investment in capital market securities issued outside Sri Lanka.
Provisions specific to institutional investors Insurance companies		
Limits (max.) on securities issued by nonresidents	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
	07/02/2022	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
	07/02/2022	With a view to preserve the foreign currency reserve position, outward remittances on capital transactions through Personal Foreign Currency Accounts/Business Foreign Currency Accounts held by persons resident in Sri Lanka were limited up to a maximum of US $20,000 for further six months.
	06/28/2023	Effective June 28, 2023, outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
	06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, payments through Outward Investment Accounts for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months (with broader coverage of exceptions), excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000,

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		(5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas: (a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or (b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall have the authority to grant approval on a case by case basis for investments stated under (1) and (2) which exceed the limits under the general permission.
Limits (max.) on investment portfolio held abroad	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
	07/02/2022	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
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	06/28/2023	Outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
	06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, payments through Outward Investment Accounts for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months (with broader coverage of exceptions), excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, (5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their

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		core business overseas: (a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or (b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement. The Governing Board shall have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission.
Pension funds		
Limits (max.) on securities issued by nonresidents	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
	07/02/2022	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
	06/28/2023	In view of the liquidity issues in the domestic foreign exchange market, payments through Outward Investment Accounts for the purpose of making overseas investments by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulation No. 1 of 2021 were suspended for six months (with broader coverage of exceptions), excluding for the following: (1) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the FEA No. 12 of 2017, or (2) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, in a company or a branch office in that country, or (3) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, up to a maximum of US$30,000, for the purpose of working capital requirements of the investee, or (4) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative, or any other similar offices already established in overseas subject to the provisions of the FEA No. 12 of 2017 or repealed Exchange Control Act, by eligible resident companies, up to a maximum of US$30,000, (5) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas: (a) Companies listed in the Colombo Stock Exchange (CSE) – up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or (b) Companies that are not listed in CSE – up to a limit of USD 100,000 or equivalent in any other designated foreign currency. (6) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, provided the Head of DFE is satisfied with the fulfillment of such requirement.

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		The Governing Board shall have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission. Funds available in BFCAs may also be utilized for investment in capital market securities issued outside Sri Lanka.
	06/28/2023	Outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka were limited up to a maximum of USD 100,000 (from USD20,000) for the purpose of expanding their core business overseas, during the effective period of six months from June 28, 2023.
Limits (max.) on investment portfolio held abroad	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
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		The Governing Board shall have the authority to grant approval on a case-by-case basis for investments stated under (1) and (2) which exceed the limits under the general permission.
Investment firms and collective investment funds		
Limits (max.) on securities issued by nonresidents	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
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Limits (max.) on investment portfolio held abroad	*01/02/2022*	The suspension of payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission was further extended for a period of six months.
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ST. KITTS AND NEVIS

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 15, 1984.
Article VIII	Yes.	Date of acceptance: December 3, 1984.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of St. Kitts and Nevis is the Eastern Caribbean dollar, issued by the ECCB.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The de jure and de facto exchange rate arrangements are classified as a currency board. St. Kitts and Nevis participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar, the common currency, is pegged to the US dollar at EC$2.70 per US dollar. The ECCB officially covers at least 60% of base money with its foreign reserves. The operational guideline is set at 80%, although in practice the coverage has been maintained at 95%–100%.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Eastern Caribbean dollar is pegged to the US dollar under a currency board arrangement at EC$2.70 per US dollar. This rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		

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Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The ECCB sets an indicative rate for commercial banks. This rate has been EC$2.6882–EC$2.7169 per US dollar for a long time. Commercial banks may freely set their foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	As of December 31, 2022, six banks were allowed to purchase or sell foreign currency from each other as well as to and from the ECCB. Money Services Businesses are licensed in accordance with the Money Services Business Act Cap. 21.21 (“The Act”). As of December 31, 2022, nine Money Services Businesses were licensed by the Financial Services Regulatory Commission. The Act provides for Class A to Class E licenses. Three licensees hold a Class A license which permits (1) transmission of money or monetary value in any form; (2) check cashing; (3) currency exchange; and (4) issuance, sale, or redemption of money orders or traveler’s checks. Six licensees hold a Class E license which permits payday advances. The Class B license permits (1) check cashing; (2) currency exchange; and (3) issuance, sale, or redemption of money orders or traveler’s checks; the Class C license permits check cashing; and the Class D license permits currency exchange. No licenses have been issued for Classes B, C, and D.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The ECCB is committed to selling or buying US dollars at a fixed exchange rate of EC$2.7 per US dollar.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks are allowed to trade with each other, but there is no formal interbank foreign exchange market. The commercial banks are not required to report to the ECCB their daily foreign exchange activity with other commercial banks.
Over the counter	Yes.	
Brokerage	No.	

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Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements with residents of the ECCB countries must take place in Eastern Caribbean dollars.
Controls on the use of domestic currency	Yes.	
For current transactions and payments	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	St. Kitts and Nevis is a member of CARICOM and the OECS.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	The exportation of Eastern Caribbean dollar notes and coins outside the ECCB area is limited to EC$10,000, as prescribed by the ECCB.
Foreign currency	No.	
On imports	No.	

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Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	US dollar accounts may be freely maintained. Minimum account balances range from 0 to US$1,000. A minimum balance of US $1,000 is required at all times to maintain a US dollar account.
Approval required	Yes.	These accounts may be credited only with foreign currency earned or received from abroad but may be debited freely. Permission is usually granted for business and personal accounts.
Held abroad	No.	
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	The regulations governing resident accounts apply.
Approval required	Yes.	Permission to maintain foreign exchange accounts is usually granted only to foreign nationals whose primary residence is not in St. Kitts and Nevis.
Domestic currency accounts	No.	
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.
Advance import deposits	No.
Documentation requirements for release of foreign exchange for imports	Yes.
Domiciliation requirements	No.
Preshipment inspection	No.
Letters of credit	No.
Import licenses used as exchange licenses	No.

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Other	Yes.	Foreign currency payments for authorized imports are permitted on presentation of an invoice to a bank.
Import licenses and other nontariff measures	Yes.	Individual licenses are required for imports that compete with local products, unless the imports come from the CARICOM member countries. Licenses are required for certain agriculture, fisheries, and restricted items.
Positive list	No.	
Negative list	Yes.	
Open general licenses	Yes.	Most goods are imported under OGLs.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	St. Kitts and Nevis applies the third phase of the CARICOM CET. A customs surcharge of 6% is levied on imports, except for some importers benefiting from tax concessions, for which the surcharge is 12%. The maximum external tariff is contingent on the type of good. Ranges include 25% for consumer goods, 45% for cars, and 70% for weapons.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	The Customs Department carries out preshipment inspections.
Other	No.	
Export licenses	Yes.	Specific licenses are required for the exportation of certain goods to all destinations. However, the regulations governing export licenses are not formally enforced. Export licenses are required for exports of certain goods, and this is enforced.
Without quotas	Yes.	
With quotas	Yes.	
Export taxes	No.	There are no export duties. The export tax was repealed in 2010 with the introduction of the VAT.

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Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	Profits and dividends may be remitted in full, subject to confirmation of registration by the comptroller of inland revenue for income tax and withholding tax purposes. Payment of amortization of loans or depreciation of direct investments is made through the ECCB, based on information obtained from the Treasury.
Prior approval	Yes.	Prior approval is required from the MOF.
Quantitative limits	Yes.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Proceeds must be sold to a bank or deposited in an approved US dollar account if the proceeds are in US dollars.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	An alien landholding license is required for the purchase of equity shares. See Alien Landholding Regulation Act Cap 102.
Sale or issue locally by nonresidents	Yes.	Issuers must be registered with the Securities Commission.
Purchase abroad by residents	Yes.	The regulations governing the sale or issuance of capital market securities by nonresidents apply. Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Issuers must be registered with the Securities Commission.
Purchase abroad by residents	No.	

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Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	Issuers must be registered with the Securities Commission.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	The seller of the instruments must be licensed under the Banking Act.
Controls on derivatives and other instruments	No.	No derivatives are traded on the Eastern Caribbean Stock Exchange.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	MOF approval is required as an administrative practice.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Investment in equity requires an alien landholding license.
Controls on liquidation of direct investment	No.	The remittance of proceeds from the liquidation of direct investment is permitted, subject to the discharge of any liabilities related to the investment.
Controls on real estate transactions	Yes.	

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Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Nonresidents require an alien landholding license to purchase real estate; however, some exemptions are in place to stimulate investment.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	MOF approval is required for these transactions.
Lending locally in foreign exchange	No.	MOF approval is not required for these transactions.
Purchase of locally issued securities denominated in foreign exchange	No.	The purchase of locally issued securities denominated in foreign currencies does not require MOF approval.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the new Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
In banks by nonresidents	No.	The Banking Act further specifies and strengthens the conditions dealing with fit and proper tests under which the CB can grant a license to nonresidents to operate in the ECCU (whether through a branch, subsidiary, or newly acquired bank).
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	The Social Security Board has limitations on its investments. See Social Security Act 2009 Cap 22.10 (Revised).
Limits (max.) on securities issued by nonresidents	Yes.	No more than 10% of the portfolio can be invested in overseas investments.
Limits (max.) on investment portfolio held abroad	Yes.	No more than 10% of the portfolio can be invested in overseas investments.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	There is no currency-matching requirement, but investments abroad must be in an international reserve currency.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

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Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.

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For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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ST. LUCIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		November 15, 1979.
Article VIII	Yes.	Date of acceptance: May 30, 1980.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of St. Lucia is the Eastern Caribbean dollar, issued by the ECCB.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The de jure and de facto exchange rate arrangements are classified as a currency board. St. Lucia participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar, the common currency, is pegged to the US dollar at EC$2.70 per US dollar. The ECCB officially covers at least 60% of base money with its foreign reserves. The operational guideline is set at 80%, although in practice, the coverage has been maintained at 95%–100%.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Eastern Caribbean dollar is pegged to the US dollar under a currency board arrangement at EC$2.70 per US dollar. This rate is used for accounting and valuation.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		

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Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The ECCB sets an indicative rate for commercial banks. This rate has been EC$2.6882–EC$2.7169 per US dollar for a long time. Commercial banks may set commissions freely in transactions with their clients (for non-US currency). Commercial banks generally purchase US currency at EC$2.6882 and sell at EC$2.7169.
Spot exchange market	Yes.	Banks are allowed to purchase or sell foreign currency from each other as well as to and from the ECCB. The commercial banks are not required to report their daily foreign exchange activity to the ECCB. Commercial banks are viewed as the exchange bureaus. There are also foreign exchange transfer institutions such as MoneyGram and Western Union. Neither foreign exchange bureaus nor foreign exchange transfer institutions are licensed by the ECCB, and they do not do business with the ECCB. The ECCB trades US currency with Bank of America.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The ECCB is committed to buying and selling US dollars at a fixed exchange rate of EC$2.7 per US dollar. Actual rates may differ slightly so that the ECCB can cover its administrative expenses. There is no bid-ask spread.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is no formal interbank foreign exchange market. However, banks may trade with each other.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	

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Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Settlements must be made in either Eastern Caribbean dollars or US dollars.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	There are no limits on the use of foreign currency among residents.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	St. Lucia is a member of CARICOM and the OECS.
Clearing agreements	Yes.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The MOF is responsible for policy decisions related to exchange control, and its banking section is responsible for administration of control. Commercial banks have been delegated the authority to approve payments and transfers exceeding the equivalent of EC $250,000; in the case of imports with proper customs documentation, banks may approve transactions for any amount.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports of domestic currency outside the ECCU are limited to EC $10,000, as prescribed by the ECCB.
Foreign currency	No.	
On imports	No.	

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Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	n.a.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Payments in foreign currency for authorized imports are permitted on application to a local bank and submission of a customs certificate of entry.
Import licenses and other nontariff	Yes.	

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measures		
Positive list	No.	
Negative list	Yes.	Certain agricultural and manufactured products require individual licenses. There are three types of licenses, for (1) goods originating in CARICOM countries and the OECS, (2) goods from outside these areas, and (3) goods imported directly from non-OECS countries.
Open general licenses	No.	
Licenses with quotas	n.a.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Manufactured goods originating in CARICOM countries and the OECS are exempt from import duty. Most imported goods are subject to a VAT of 12.5% (some imported products, including food and fuel, are exempted or zero rated). All imported goods are subject to a service charge of 5%, except fertilizers, for which the rate is 0.2%. Live animals, eggs, fish, meat, milk, fertilizers, and most agricultural and manufacturing machinery are exempt from import duty. The fourth phase of the CARICOM CET applies to non-CARICOM imports, at a maximum rate of 20%.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	The importation of rice, flour, and sugar in bulk form is a state monopoly.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	n.a.	
Documentation requirements	n.a.	
Letters of credit	n.a.	
Guarantees	n.a.	
Domiciliation	n.a.	
Preshipment inspection	n.a.	
Other	n.a.	
Export licenses	No.	No licensing is required for exports.
Without quotas	No.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	A special fee of US$0.05 a barrel is applied to reexport of petroleum.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	
Investment-related payments	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	With the approval of the MOF, profits may be remitted in full, subject to confirmation by the comptroller of inland revenue and the National Insurance Scheme that liabilities have been discharged. However, if profits are deemed to be high, the MOF reserves the right to phase in remittances over a reasonable period.
Indicative limits/bona fide test	Yes.	
Payments for travel	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	
Personal payments	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	
Foreign workers' wages	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	The Securities Act allows non-OECS countries to trade on the OECS exchange.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	An alien landholding license is required for the purchase of equity shares.
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
Sale or issue abroad by residents	Yes.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	n.r.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
On money market instruments	Yes.	
Purchase locally by nonresidents	n.r.	

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Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	n.a.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	n.a.	
Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	n.a.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	n.a.	
Purchase abroad by residents	n.a.	
Sale or issue abroad by residents	n.a.	
Controls on credit operations	Yes.	There are controls on all categories of credit operations.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	These credits require MOF approval. Applications for nonresident loans must be submitted by ADs (or other financial intermediaries) to the MOF on behalf of the applicant.
To residents from nonresidents	Yes.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	MOF approval is required, except for loans to nonresident St. Lucians. Applications must be submitted by an AD on behalf of the applicant.
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	
Inward direct investment	No.	
Controls on liquidation of direct investment	n.a.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	
Purchase locally by nonresidents	Yes.	Approval is not required for nonresident St. Lucians.

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Sale locally by nonresidents	Yes.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	n.a.	
To residents from nonresidents	Yes.	
Settlement of debts abroad by immigrants	n.a.	
Transfer of assets	n.a.	
Transfer abroad by emigrants	n.a.	
Transfer into the country by immigrants	n.r.	
Transfer of gambling and prize earnings	Yes.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	
Lending locally in foreign exchange	Yes.	Lending is restricted to Eastern Caribbean dollars and US dollars.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Purchases are restricted to securities denominated in Eastern Caribbean dollars and US dollars.
Differential treatment of deposit accounts in foreign exchange	n.a.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	n.a.	
Differential treatment of deposit accounts held by nonresidents	n.a.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	n.a.	
Investment regulations	Yes.	

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Abroad by banks	Yes.	Under the new Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the new Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
In banks by nonresidents	No.	The new Banking Act further specifies and strengthens the conditions dealing with fit and proper tests under which the CB can grant a license to nonresidents to operate in the ECCU (whether through a branch, subsidiary, or newly acquired bank).
Open foreign exchange position limits	n.a.	
On resident assets and liabilities	n.a.	
On nonresident assets and liabilities	n.a.	
Provisions specific to institutional investors	Yes.	Institutional investors may invest up to 10% of their statutory deposits in CARICOM government securities.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	Yes.	
Currency-matching regulations on assets/liabilities composition	Yes.	For every US dollar liability, there must be an equivalent US dollar asset.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	Yes.	Funds raised through securities issues must be invested locally.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	Yes.	Funds raised through securities issues must be invested locally.
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.	

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Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.

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Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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ST. VINCENT AND THE GRENADINES

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 28, 1979.
Article VIII	Yes.	Date of acceptance: August 24, 1981.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of St. Vincent and the Grenadines is the Eastern Caribbean dollar, issued by the ECCB.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board	Yes.	The de jure and de facto exchange rate arrangements are classified as a currency board. St. Vincent and the Grenadines participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar, the common currency, is pegged to the US dollar at EC$2.70 per US dollar. The ECCB officially covers at least 60% of base money with its foreign reserves. The operational guideline is set at 80%, although in practice, the coverage has been maintained at 95%–100%.
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The Eastern Caribbean dollar is pegged to the US dollar under a currency board arrangement at EC$2.70 per US dollar. This rate is used for accounting and valuation purposes.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		

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Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	n.a.	
Foreign exchange market	Yes.	The ECCB sets an indicative rate for commercial banks to follow. This rate has been EC$2.6882–EC$2.7169 per US dollar for a long time. Commercial banks may freely set their foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Banks may purchase and sell foreign currency from each other as well as to and from the ECCB. Commercial banks are not required to report their daily foreign exchange activity to the ECCB. Commercial banks are viewed as the exchange bureaus. There are also foreign exchange transfer institutions such as MoneyGram and Western Union. Foreign exchange bureaus and foreign exchange transfer institutions are neither licensed by nor conduct business with the ECCB.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The ECCB is committed to selling or buying US dollars at a fixed exchange rate of EC$2.70 per US dollar. Actual rates may differ slightly so that the ECCB can cover its administrative expenses. There is no bid-ask spread.
Allocation	n.a.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks are allowed to trade with each other, but there is no formal interbank foreign exchange market.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

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Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Settlements with residents of the territories participating in the ECCB Agreement must be made in Eastern Caribbean dollars; those with the CARICOM members must be made in the currency of the CARICOM country concerned. Settlements with residents of other countries may be made in any foreign currency that is acceptable to the country where the settlement is being made.
Controls on the use of domestic currency	No.	Settlements with residents of other countries may be made in any foreign currency or through an external account in Eastern Caribbean dollars.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	St. Vincent and the Grenadines is a member of CARICOM, the OECS, and the Bolivarian Alliance for the Americas.
Clearing agreements	Yes.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange control is administered by the MOF and applies to all countries outside the ECCB area. The MOF delegates to ADs the authority to approve some import payments and certain other payments. Exchange controls are not applied to payments for authorized imports. Foreign exchange control is inoperative.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may acquire and hold gold coins for numismatic purposes only.
On external trade	Yes.	Imports of gold are permitted under an MOF license for industrial purposes only.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports of domestic currency outside the ECCU are limited to EC $10,000, as prescribed by the ECCB.

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Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	Residents are free to open foreign exchange accounts in local banks.
Held domestically	Yes.	
Approval required	No.	
Held abroad	n.r.	
Approval required	n.r.	
Accounts in domestic currency held abroad	n.a.	
Accounts in domestic currency convertible into foreign currency	n.a.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts may be opened by nonresidents with MOF authorization and credited only with remittances from overseas. MOF permission is required to credit these accounts with remittances in Eastern Caribbean dollars, foreign currency notes and coins, and payments by residents. These accounts may be debited for payments abroad without MOF authorization. Operating banks must submit quarterly statements of accounts to the MOF.
Approval required	Yes.	
Domestic currency accounts	Yes.	External accounts may be opened for nonresidents with MOF authorization. These accounts are maintained in Eastern Caribbean dollars and may be credited with inward remittances in foreign currency and with transfers from other external accounts. Credits and debits to these accounts are subject to the regulations governing foreign exchange accounts.
Convertible into foreign currency	Yes.	
Approval required	Yes.	Approval is required for amounts exceeding allocated limits.
Blocked accounts	n.a.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for	Yes.	

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release of foreign exchange for imports		
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Payments for authorized imports are permitted on application and submission of documentary evidence and, where required, a license.
Import licenses and other nontariff measures	Yes.	Most goods may be imported freely. Imports of some goods that compete with typical exports of other CARICOM countries and the OECS are subject to licensing.
Positive list	No.	
Negative list	Yes.	Imports of certain goods that compete with locally made products are prohibited.
Open general licenses	Yes.	Certain goods require a license for public health or safety reasons.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	In accordance with the fourth phase of the CARICOM CET, import tariff rates range from 0% to 20%. In addition, imports are subject to a VAT ranging from 0% to 15% and levied on the tariff-inclusive value of imports. Goods imported from the CARICOM countries are exempt from import tariffs and are subject only to the VAT. A customs service charge of 4% is imposed on the c.i.f. value of all imported goods, with certain exceptions.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Some commodities, such as fertilizer, are subject to a state import monopoly.

Exports and Export Proceeds

Repatriation requirements	Yes.	
Surrender requirements	Yes.	Export proceeds must be surrendered within six months of receipt, but this regulation is inoperative.
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Export proceeds must be converted to Eastern Caribbean dollars and deposited in an ECCB account, unless the exporter has a foreign exchange account to which the proceeds may be credited.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Preshipment inspection by the Customs Department is required.
Other	No.	

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Export licenses	Yes.	Specific licenses are required for the exportation to any destination of some agricultural goods included in the CARICOM marketing protocol and in the CARICOM Oils and Fats Agreement. The licenses are issued by the Ministry of Trade, which, in some cases, has delegated its authority to the St. Vincent Central Marketing Corporation. Exports of goats, sheep, and lobsters are subject to licensing to prevent depletion of stocks.
Without quotas	Yes.	
With quotas	Yes.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Duties are levied on selected commodities.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The limits are the equivalent of EC$2,500 a year for travel outside the ECCB area and EC$6,000 a year for business travel.
Indicative limits/bona fide test	Yes.	These allocations may be increased with MOF authorization.
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	MOF approval is required.
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	Residents are usually not permitted to purchase foreign currency securities abroad for private purposes. Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
Sale or issue abroad by residents	No.	

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Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	Issuers must be registered with the Securities Commission.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	A license must be obtained to sell investment securities.
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	MOF approval is required.
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	MOF approval is required.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	

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Outward direct investment	Yes.	
Inward direct investment	Yes.	Investment in equity requires an alien landholding license.
Controls on liquidation of direct investment	No.	The remittance of proceeds is permitted, subject to the discharge of liabilities related to the investment.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	
Purchase locally by nonresidents	Yes.	An alien landholding license is required.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	
Transfer into the country by immigrants	Yes.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Borrowing abroad by ADs to finance their domestic operations requires MOF approval.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	MOF approval is required.
Lending locally in foreign exchange	Yes.	Transactions of this type are generally not permitted.
Purchase of locally issued securities denominated in foreign exchange	Yes.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	

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Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Under the Banking Act, investment of a licensed financial institution in another (single) financial institution (including a subsidiary) may not exceed 10% of the capital base. The aggregate amount of such investment, which a licensed financial institution may undertake in other financial institutions (including subsidiaries), may not exceed 25% of its capital base. As per Section 10 of the Banking Act, financial institutions can no longer acquire or hold shares or ownership interest in a nonfinancial firm (for example, in commercial, agricultural, or industrial company or unincorporated entity).
In banks by nonresidents	No.	The new Banking Act further specifies and strengthens the conditions dealing with fit and proper tests under which the CB can grant a license to nonresidents to operate in the ECCU (whether through a branch, subsidiary, or newly acquired bank).
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	The Social Security Board imposes limits on the management of pension funds.
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	n.a.	
Limits (max.) on securities issued by	n.a.	

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nonresidents	
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.

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Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

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No significant changes occurred in the exchange and trade system.

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SUDAN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 5, 1957.
Article VIII	Yes.	Date of acceptance: October 29, 2003.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the Request for a 39-Month Arrangement Under the Extended Credit Facility with Sudan states that, as of June 21, 2021, Sudan continues to maintain the measures subject to Fund jurisdiction under Article VIII, Sections 2 (a) and 3 as set forth in the staff report for the 2019 Article IV consultation. Sudan maintained the following measures subject to IMF jurisdiction under Article VIII, Sections 2 (a) and 3: (1) An exchange restriction arising from the government's limitations on the availability of foreign exchange and the allocation of foreign exchange to certain priority items; (2) an MCP and exchange restriction arising from the establishment of an official exchange rate (the Central Bank of Sudan (CBOS) rate) for use in all government exchange transactions which in practice differs by more than 2% from the rate used by commercial banks; (3) an MCP and exchange restriction arising from large spreads between the CBOS rate and the parallel market exchange rate because of the CBOS' limitation on the availability of foreign exchange which channels current international transactions to the parallel market; and (4) an exchange restriction and a MCP arising from the imposition by the government of a cash margin requirement for most imports (Country Report No. 20/72). (Country Report No. 21/142)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Sudan is the Sudanese Guinea (SDG).
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual		
Multiple	Yes.	The exchange rate structure is classified as multiple as a result of MCPs that arise because of the: (1) establishment of an official exchange rate (the CBOS rate) for use in all government exchange transactions which in practice differs by more than 2% from the rate used by commercial banks; (2) large spreads between the CBOS rate

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		and the parallel market exchange rate because of the CBOS' limitation on the availability of foreign exchange which channels current international transactions to the parallel market; and (3) imposition by the government of a cash margin requirement for most imports. As of February 21, 2021, the CBOS announced the unification of the official exchange rate (excluding the customs valuation exchange rate) with the market rate at the prevailing market rate. The CBOS calculates the indicative exchange rate every day based on commercial banks purchases of foreign currencies, calculated as the weighted average of the previous day's trading excluding CBOS sales/purchases from the government. In addition, commercial banks and foreign exchange bureaus may determine their rate in a ±5% band around the CBOS indicative rate with an allowed maximum profit margin of 0.75%. As of June 22, 2021, the CBOS announced the unification of the customs exchange rate. Effective March 8, 2022, the exchange is freely determined by commercial banks and exchange bureaus on a daily basis. The exchange rate adopted by the CBOS in all transactions (government and private sectors) is the weighted average of commercial banks and exchange bureaus daily exchange rate. Since the adoption of floating exchange rate policy, the gap between the official rate and the parallel market rate is estimated to be 0.3% on average.
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is classified as free floating. A free floating rate used by commercial banks is determined in the interbank market, in which participants deal directly with each other. The main objective of the policy is exchange rate stability. To maintain the stability of exchange rate, the CBOS intervenes occasionally in foreign exchange market by offering foreign currency whenever needed. The CBOS does not disclose information on its interventions to the public. The de facto exchange rate arrangement is classified as stabilized.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	Effective March 8, 2022, the reference exchange rate adopted by the CBOS in all transactions (government and private sectors) is the weighted average of commercial banks and exchange bureaus daily exchange rate. Commercial banks and foreign exchange bureaus may determine their rate freely without any restrictions, with maximum profit margin of 0.75% for commercial banks and 1% for exchange bureaus.

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Previously, as of February 21, 2021, the CBOS announced the unification of the official exchange rate (excluding the customs valuation exchange rate) with the market rate at the prevailing market rate. The CBOS calculated the indicative exchange rate every day based on commercial banks purchases of foreign currencies, calculated as the weighted average of the previous day's trading excluding CBOS sales/purchases from the government. In addition, commercial banks and foreign exchange bureaus could determine their rate in a ±5% band around the CBOS indicative rate with an allowed maximum profit margin of 0.75%.

Monetary policy framework

Exchange rate anchor

U.S. dollar

Euro

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

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Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The monetary policy framework is primarily a nominal exchange rate anchor vis-à-vis the US dollar. The operational target is the reserve money. The CBOS aims to control broad money as a monetary target and intervenes directly in the market by lending to banks in the event of a liquidity shortage.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	As a temporary arrangement, each client is permitted only one foreign currency check not exceeding US$100,000 in the clearinghouse.
Spot exchange market	Yes.	Exchange bureaus operate under a license from the CBOS, which organizes and monitors them. As of December 31, 2022, there were about 13 licensed bureaus. Exchange bureaus may not buy foreign exchange from the CBOS. The operations of foreign exchange bureaus are limited to the purchase and sale of banknotes. They may maintain accounts abroad with their correspondents but may not make foreign exchange transactions directly with the CBOS. As of February 21, 2021, the CBOS announced the unification of the official exchange rate (excluding the customs valuation exchange rate) with the market rate at the prevailing market rate. In addition, commercial banks and foreign exchange bureaus could determine their rate in a ±5% band around the CBOS indicative rate with an allowed maximum profit margin of 0.75%. As of June 22, 2021, the CBOS announced the unification of the customs exchange rate. Effective March 8, 2022, the exchange is freely determined by commercial banks and exchange bureaus on daily basis. In addition, commercial banks and foreign exchange bureaus may determine their rate freely without any restrictions, with maximum profit margin of 0.75% for commercial banks and 1% for exchange bureaus. Since the adopting of floating exchange rate policy, the gap between the official rate and the parallel market rate is estimated to be 0.3% on average.
Operated by the central bank	Yes.	The CBOS sells foreign exchange to commercial banks in accordance with the importance of the imported commodity, with priority for strategic needs. The CBOS does not deal with government and public entities directly. In rare cases, there may be a direct deal with the government, such as a “clean payment.” Clean payments are unconverted currency payments—for example, profit transfers, transfers meant for embassies abroad and for government

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		travel, airline transfers, etc.
Foreign exchange standing facility	No.	
Allocation	Yes.	The CBOS sells foreign exchange to commercial banks whenever needed, with priority on strategic and necessity needs.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	All commercial banks are licensed. The CBOS sells foreign exchange to commercial banks in accordance with the importance of the imported commodity, with priority on strategic needs. The CBOS intervenes directly with market participants at its own rate. The maximum allowed bid-ask spread is 0.75% for all currencies.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	Forward exchange contracts are prohibited.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	The CBOS encourages banks to deal with their correspondents in all other currencies, including the US dollar, and to expand the network of correspondents by maintaining foreign exchange accounts with all foreign convertible currencies, including the US dollar. Banks must encourage customers to carry out all transactions and contracts in all other currencies, including the US dollar, or in the currency of origin of the goods or service if the currency in question is convertible. It is also permitted to submit customer bills in all currencies in convertible foreign currency, including the US dollar.
Controls on the use of domestic currency	Yes.	Local currency may not be used in the free zone. The domestic currency cannot be used for the settlement of international current or capital transactions.
For current transactions and payments	Yes.	The domestic currency cannot be used for the settlement of international current transactions.
For capital transactions	Yes.	The domestic currency cannot be used for the settlement of international current transactions.
Transactions in capital and money market instruments	Yes.	The domestic currency cannot be used for the settlement of international current transactions.
Transactions in derivatives and other instruments	Yes.	The domestic currency cannot be used for the settlement of international current transactions.
Credit operations	Yes.	The domestic currency cannot be used for the settlement of international current transactions.
Use of foreign exchange among residents	Yes.	The SDG is the legal tender used for the settlement of transactions among residents inside the country.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	Bilateral payment agreements are inoperative.
Operative	No.	
Inoperative	Yes.	There was an agreement with Egypt that has been suspended since 1992.
Regional arrangements	Yes.	Sudan is a member of COMESA.

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Clearing agreements	Yes.	Sudan is a member of the COMESA clearinghouse.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The administration of exchange controls has been delegated to commercial banks.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	The export of gold is permitted by any natural or legal person, subject to controls. Companies that have a concession in the field of gold mining are allowed to export it in accordance with the signed agreements and 70% of production after deducting zakat, sovereign returns, and business profits in kind, and keeping them in their own accounts inside or outside Sudan for their various purposes. The other 30% must be sold to the CBOS or its authorized representative. Micro mining companies are allowed to export it in accordance with the signed agreements and 15% of production after deducting zakat, sovereign returns, and business profits in kind. The other 85% must be sold to the CBOS or its authorized representative. Companies operating in the area of mining waste may export, pursuant to Circular No. 23/2022, their entire production after the operating profits, sovereign returns, and zakat (tax) have been deducted in kind from the total production of these companies, provided the earnings are repatriated and kept in special accounts for this purpose within Sudan and used in accordance with the regulations.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may carry Sudanese banknotes up to SDG 200 outside the country to meet sudden expenses. The nature of control is quantitative limitations.
Foreign currency	No.	Travelers leaving the country must declare any amount exceeding US $3,000 in cash. This measure aims to combat money laundering and financing of terrorism.
On imports	Yes.	
Domestic currency	Yes.	Travelers may carry Sudanese banknotes not exceeding SDG 200, for the purpose of meeting sudden expenses.
Foreign currency	No.	Travelers entering the country must declare any amount exceeding US$3,000 in cash. This measure aims to combat money laundering and financing of terrorism.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	All residents, except the government, public institutions, and public sector enterprises, may maintain foreign exchange accounts with commercial banks. These accounts may be credited and used without

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		restriction. Local banks may not open accounts for the federal government or public institutions.
Approval required	No.	
Held abroad	Yes.	Only banks may maintain these accounts. Residents are not allowed to open foreign exchange accounts abroad unless approved by the CBOS.
Approval required	Yes.	Governor's approval is required.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Diplomatic, foreign, and international regional missions and organizations; foreign charities; aid organizations; and foreign companies and contractors and their nonresident personnel may open special foreign accounts with authorized banks. These may be credited with transfers from abroad and withdrawals from other special accounts. Special foreign exchange accounts may be used for transfers abroad to finance foreign travel, purchase local currency to finance local payments, make foreign currency payments to local institutions authorized to sell goods and services for foreign currency, and finance imports. Banks may determine cash withdrawal limits in accordance with their internal policy. Banks must buy foreign exchange from special foreign accounts in favor of commercial banks at their announced exchange rate price plus commission.
Approval required	No.	
Domestic currency accounts	Yes.	Current accounts in local currency may be opened in commercial banks by authorized individuals and organizations, subject to documentary requirements, such as a certificate of university registration in the case of students in educational institutions.
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	Yes.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Letters were circulated to the commercial banks regarding the issuance of commodities specification certificate while importing certain commodities.
Domiciliation requirements	Yes.	Importers must present a valid import registration from the Ministry of Foreign Trade, along with the following documents: (1) bill of lading; (2) final invoice; (3) certificate of origin; (4) packing list; and

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		(5) any other document needed by the importer.
Preshipment inspection	Yes.	Certificate of conformity is required for preshipment inspection.
Letters of credit	No.	In addition to LCs, other payment methods are also allowed.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of some goods, including alcohol, narcotics, gambling instruments, and weapons, are prohibited for religious reasons and in the interest of health and national security. Banks may not engage in any banking arrangements for the importation of goods on the above list. Nil value imports are prohibited except for importation for investment purposes in accordance with the policies and procedures of the National Investment Authority or import for investments established under agreements with the Government of Sudan approved by the Ministry of Finance and Economic Planning.
Open general licenses	Yes.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports from Israel are prohibited. All CBOS import procedures must be followed in the free zone area, and shipping documents for imported commodities from the free zone area must be exchanged through banks inside and outside the free zone area. Local banks may not finance and/or engage in any banking arrangements to import from the free zones, whether on their own behalf or on behalf of customers. All methods of payment are allowed for the importation of all commodities.
Import taxes and/or tariffs	No.	
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds must be repatriated. Export proceeds based on sight LCs must be repatriated as soon as the documents are examined by the foreign importer's correspondent bank but no later than one month from shipment. Pursuant to Circular No. 17/2022, proceeds of cash against documents (CAD) exports must be repatriated as soon as the documents are delivered to the correspondent bank abroad but no later than 45 days from shipment. Gold exports must be paid in advance. Partial export shipments are allowed, provided a separate export form is approved for each shipment and the export proceeds of the portion shipped are monitored by the relevant bank and repatriated within the period specified by the CBOS. Export proceeds of mining companies that have agreements with the government may be used to meet their business needs.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Export proceeds may be used as follows: (1) for imports subject to controls and (2) to be sold to the issuing bank or any other bank.

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		All methods of payment may be used for export-related payments, including documentary credits (sight), documentary credits (deferred), CAD, and documents against acceptance. The export earnings recovery period for transactions carried out by means of documentary credits (sight) or CAD must be on acceptance of the documents, within a maximum of 30 days from the date on which the documents are received by the importer's bank. Facilities may be granted for the payment of export transactions by means of documentary credits (demand) or documents against acceptance, provided the period of the facilities does not exceed 90 days from the shipment date. This applies to the goods announced by the Ministry of Industry and Trade for the purpose of promoting trade and opening new markets.
Surrender to authorized dealers	Yes.	
Financing requirements	No.	
Documentation requirements	Yes.	This is according to the method of payment.
Letters of credit	Yes.	
Guarantees	Yes.	
Domiciliation	Yes.	In the case of CAD, LCs, and deferred payments, the following documents are needed: - Bill of lading. - Health documents. - Export contract. In the case of advance payment, only the export contract and the SWIFT regarding the export transferred value are required.
Preshipment inspection	Yes.	Preshipment procedure to be followed depends on the contract stated between the exporter and the importer, and customs procedures involving quality and quantity of the exported commodity.
Other	Yes.	Exporters must obtain insurance for the proceeds of exports of animals and their products. Exporters of animals must issue a letter of guarantee to the transporting company. Banks must implement the export procedures issued by the CBOS on exports from the free zones and all transit trade regulations for goods that move through the free zone to neighboring countries. Exports between the free zone area and the rest of the world are regulated by the free zone authorities.
Export licenses	Yes.	Export procedures were transferred to the commercial banks after the introduction of the new Electronic IMEX program for imports and exports.
Without quotas	Yes.	The following goods are not permitted to be exported under consignment as they are in strong demand in the international market: sesame, cotton, hibiscus, camels, cows, sheep, goats, skins, and meat.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	

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Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	Local banks may process transfers and current payments for banks operating in the free zone. They are not allowed to transfer any amounts related to profits or return on capital for private companies operating within the free zone; such remittances must be processed by banks operating within the free zone.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	The tax clearance certificate required for transfers abroad of profits generated by enterprises other than joint-stock companies is for business profit tax only.
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	Credit cards may be used freely abroad.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Generally, sales of foreign exchange to any person for use in direct investment, for the purchase of real estate, or for deposit abroad are not permitted.
Repatriation requirements	No.	Residents are not allowed to keep foreign accounts abroad unless approved by the governor at CBOS.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Nonresidents may purchase debt securities in the primary market not exceeding 10% of the total issued securities.
Sale or issue locally by nonresidents	Yes.	These transactions are subject to approval by the MOF.
Purchase abroad by residents	Yes.	Approval requirement from the CBOS and Khartoum Stock Market is needed for purchase abroad by residents.
Sale or issue abroad by residents	Yes.	Local banks may not sell shares abroad, unless approved by the governor of the CBOS. These transactions are subject to approval by the CBOS and the Khartoum Stock Market.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase debt securities in the primary market not exceeding 10% of the total issued securities.
Sale or issue locally by nonresidents	Yes.	These transactions are subject to approval by the MOF.
Purchase abroad by residents	Yes.	These transactions are subject to approval by the CBOS and the Khartoum Stock Market.
Sale or issue abroad by residents	Yes.	These transactions are subject to approval by the CBOS and the Khartoum Stock Market.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase debt securities in the primary market not exceeding 10% of total issues.
Sale or issue locally by nonresidents	Yes.	These transactions are subject to approval by the MOF.
Purchase abroad by residents	Yes.	These transactions are subject to approval by the CBOS.
Sale or issue abroad by residents	Yes.	These transactions are subject to approval by the CBOS and the Khartoum Stock Market.
On collective investment securities	n.r.	There are no collective investment securities in the market.

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Purchase locally by nonresidents	n.r.	
Sale or issue locally by nonresidents	n.r.	
Purchase abroad by residents	n.r.	
Sale or issue abroad by residents	n.r.	
Controls on derivatives and other instruments	n.r.	There are no derivative transactions in the market.
Purchase locally by nonresidents	n.r.	
Sale or issue locally by nonresidents	n.r.	
Purchase abroad by residents	n.r.	
Sale or issue abroad by residents	n.r.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Governor’s approval is required.
To residents from nonresidents	No.	

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Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Gambling is prohibited by law.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	
Lending locally in foreign exchange	Yes.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	
In banks by nonresidents	Yes.	Local banks may not sell shares abroad, unless approved by the governor of the CBOS.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	

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On nonresident assets and liabilities	No.
Provisions specific to institutional investors	Yes.
Insurance companies	Yes.
Limits (max.) on securities issued by nonresidents	Yes.
Limits (max.) on investment portfolio held abroad	Yes.
Limits (min.) on investment portfolio held locally	Yes.
Currency-matching regulations on assets/liabilities composition	No.
Pension funds	Yes.
Limits (max.) on securities issued by nonresidents	Yes.
Limits (max.) on investment portfolio held abroad	Yes.
Limits (min.) on investment portfolio held locally	Yes.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	Yes.
Limits (max.) on securities issued by nonresidents	Yes.
Limits (max.) on investment portfolio held abroad	Yes.
Limits (min.) on investment portfolio held locally	Yes.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.

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For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other	n.a.

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instruments	
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Exchange rate structure		
Multiple	*03/08/2022*	The exchange is freely determined by commercial banks and exchange bureaus on a daily basis. The exchange rate adopted by the Central Bank of Sudan in all transactions (government and private sectors) is the weighted average of commercial banks and exchange bureaus daily exchange rate.
Official exchange rate	*03/08/2022*	Commercial banks and foreign exchange bureaus may determine their rate freely without any restrictions, with maximum profit margin of 0.75% for commercial banks and 1% for exchange bureaus. Previously, commercial banks and foreign exchange bureaus could determine their rate in a ±5% band around the Central Bank of Sudan indicative rate with an allowed maximum profit margin of 0.75%.
	03/08/2022	The reference exchange rate adopted by the Central Bank of Sudan in all transactions (government and private sectors) is the weighted average of commercial banks and exchange bureaus daily exchange rate.
Foreign exchange market		
Spot exchange market	*03/08/2022*	The exchange is freely determined by commercial banks and exchange bureaus on a daily basis.
	03/08/2022	Commercial banks and foreign exchange bureaus may determine their rate freely without any restrictions, with maximum profit margin of 0.75% for commercial banks and 1% for exchange bureaus. Previously, commercial banks and foreign exchange bureaus could determine their rate in a ±5% band around the Central Bank of Sudan indicative rate with an allowed maximum profit margin of 0.75%.

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SURINAME

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		April 27, 1978.
Article VIII	Yes.	Date of acceptance: June 29, 1978.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Suriname is the Surinamese dollar.
Other legal tender	Yes.	Eighteen commemorative gold coins are legal tender.
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangement are classified as floating. In accordance with the Resolution of June 3, 2021, No. 6778/21, the Centrale Bank van Suriname (Central Bank of Suriname – CBvS) adopted a floating (flexible) exchange rate system on June 7, 2021. Under this exchange rate system, the CBvS refrains from

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		foreign exchange interventions, except in cases of disorderly market conditions. Disorderly market conditions are defined as an intraday depreciation of the USD/SRD exchange rate in excess of 2%. The foreign exchange intervention option has not been utilized by the CBvS as of June 7, 2021, because the intraday depreciation of the SRD has rarely occurred.
Free floating		
Official exchange rate	Yes.	The CBvS records USD and EUR exchange rates established on the basis of the supply and demand mechanism on the foreign exchange market, where banks and currency exchange houses trade foreign currency in a transparent and orderly manner. This means that the CBvS, on the basis of all reported transaction volumes and the price quotations of banks and currency exchange houses, calculates weighted average USD and EUR exchange rates three times a day and publishes these exchange rates accordingly. These exchange rates apply to the valuation of goods and services expressed in foreign currency and overseas government foreign exchange transfers.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The CBvS has adopted a reserve money targeting regime geared toward price stability. The change of the exchange regime is an integral part of the implementation of this monetary policy framework, in which not the exchange rate but reserve money is applied as the policy target for controlling inflation. The CBvS conducts open market operations through auctioning of CBvS term deposits followed by the issuance of Central Bank Certificates to meet its reserve money target, which in turn will have an impact on inflation.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		

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Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	Twenty money transaction offices and ten commercial banks are licensed by the CBvS to deal in foreign exchange as of December 31, 2022. Money transaction offices comprise currency exchange houses (15) and money remittance offices (5). The money transaction offices and commercial banks may make foreign exchange transactions with the CB through a foreign exchange auction platform. Banks and currency exchange houses conduct spot sales and purchases on the local foreign exchange market. Banks may but currency exchange houses may not maintain accounts abroad. Both the Money Transaction Offices Supervision Act 2012 and the Banking and Credit Institutions Supervision Act mention the issuance of specific guidelines for the operations of money transaction offices and banking and credit institutions.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	

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Auction	Yes.	The CBvS introduced foreign exchange auction rules in 2021. The auctions are limited to cases of disorderly market conditions, defined as intraday depreciation in the USD/SRD exchange rate of more than 2%. In such circumstances, the CBvS may sell up to US$2 million during the day through a competitive auction, and gross sales of foreign currency by the CBvS will be limited to US$20 million a quarter. The CBvS did not make any intervention in the foreign currency market between June 30, 2022, and June 30, 2023.
Fixing	No.	
Interbank market	Yes.	There are no restrictions on interbank foreign exchange transactions. Banks are encouraged to trade among themselves, but foreign exchange trading between banks is very limited and negligible. Ten commercial banks may trade in the interbank foreign exchange market.
Over the counter	Yes.	The market operates over the counter. There are no market makers or brokers.
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Settlements in Surinamese dollars between residents of Suriname and other countries are not permitted. Related payments must be made in specific convertible currencies (Australian dollars, Canadian dollars, Eastern Caribbean dollars, euros, Japanese yen, Norwegian kroner, Swedish kronor, Swiss francs, pounds sterling, and US dollars).
For current transactions and payments	Yes.	For capital income items, such as interest and dividend payments, Foreign Exchange Commission (FEC) permission is required.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	FEC permission is required.
Transactions in derivatives and other instruments	Yes.	FEC permission is required.
Credit operations	Yes.	FEC permission is required.
Use of foreign exchange among residents	Yes.	The Surinamese dollar is the only legal tender; payments in foreign currency between residents are discouraged and only permitted if the parties agree to the terms set among themselves.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Suriname is a member of CARICOM and participates in the CARICOM Single Market and Economy. So far, there are no payments arrangements with other member countries of CARICOM or with other countries in the region.

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Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Ministry of Economic Affairs, Entrepreneurship and Technological Innovation grants export and import licenses for goods on the negative list. The FEC grants licenses to individuals and companies for capital income payments and other capital account transactions in foreign exchange.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Producers of gold may sell only to authorized gold buyers, who are permitted to sell nuggets at freely negotiated prices for industrial and artistic purposes. Dealings between residents in gold bars and other forms of unworked gold, with the exception of nuggets, are prohibited. Residents other than the monetary authorities, producers of gold, and authorized industrial and dental users are not allowed to hold or acquire gold in any form other than nuggets, jewelry, or coins, at home or abroad, without special permission.
On external trade	Yes.	Imports and exports of gold require exchange licenses from the FEC. The CBvS has an option to purchase 5% of the gold being exported at the price agreed with the purchaser, but it does not avail of this option. Residents arriving from abroad, however, may bring in gold freely, subject to declaration and provided they surrender it to the CBvS within 20 days. Nonresident travelers are allowed to bring in gold, subject to declaration; they may also freely re-export the declared amount. Imports of gold are subject to a duty of 5%. Imports and exports of all forms of gold are subject to a "statistical and consent duty" of 2%.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Amounts exceeding SRD 150 are not allowed without FEC permission.
Foreign currency	Yes.	Effective August 31, 2022, residents exporting US$10,000 and more or equivalent in other convertible currencies must submit a written permission of the FEC. Previously, FEC written permission was required for amounts above US$50,000 and a Customs declaration was required for amounts between US$10,000 and US$50,000. Nonresidents may take out of the country up to the amount they brought in and declared on entry.
On imports	Yes.	
Domestic currency	Yes.	Imports exceeding SRD 10,000 require FEC permission.
Foreign currency	Yes.	Effective August 31, 2022, travelers must declare amounts of US$10,000 and more or equivalent in other convertible currencies to Customs. Previously, the declaration requirement applied to amounts between US$10,000 and US$50,000, and amounts above US$50,000 required permission of the FEC. Effective August 31, 2022, residents importing US$10,000 (previously US$50,000) and more or equivalent in other convertible currencies must submit a written permission of the FEC.

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Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open foreign exchange accounts with domestic and foreign-owned banks and hold foreign securities. Balances in these accounts and holdings of foreign assets may be used freely for transactions other than capital transactions. These accounts may not be credited with foreign exchange earnings resulting from the sale of real estate in Suriname or from exports of mineral and non-mineral commodities. All transfers between residents and nonresidents must be reported to the CBvS for statistical purposes.
Approval required	No.	
Held abroad	Yes.	Residents may open foreign exchange accounts with foreign banks and hold foreign securities. Balances in these accounts and holdings of foreign assets may be used freely for transactions other than capital transactions. All transfers between residents and nonresidents must be reported to the CBvS for statistical purposes.
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents, whether banks or nonbanks, may open accounts in US dollars and in euros with domestic banks with FEC permission; no overdrafts are permitted. These accounts may not be credited with Surinamese dollars. All transfers between residents and nonresidents must be reported to the CBvS for statistical purposes.
Approval required	Yes.	
Domestic currency accounts	Yes.	Nonresidents other than banks may open accounts in Surinamese dollars freely with domestic banks. These accounts may not be overdrawn. Authorized banks may open nonresident accounts in Surinamese dollars in the name of nonresident banks; these accounts also may not be overdrawn. Authorized banks may open nonresident accounts on behalf of nonresidents drawing pensions from the government or under company-sponsored plans. A special permit is required to transfer pensions abroad. Nonresident accounts in Surinamese dollars may not be credited with Surinamese banknotes mailed from abroad.
Convertible into foreign currency	No.	
Approval required	Yes.	
Blocked accounts	Yes.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.
Advance payment requirements	No.

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Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Purchases of foreign exchange to settle import payments must be supported by invoices.
Import licenses and other nontariff measures	Yes.	Import licenses are required only for goods on the negative list. Importers must be registered with the national chamber of commerce.
Positive list	No.	
Negative list	Yes.	Imports of the following are prohibited, unless a license has been obtained from the Ministry of Economic Affairs, Entrepreneurship and Technological Innovation: wild animals and plants that are not indigenous to Suriname; pesticides (based on the Fund for Special Operations list of the Inter-American Development Bank); used cars and motorcycles more than 8 years old and buses more than 15 years old; collectors' items more than 20 years old; chemical and radioactive waste; and chemical, biological, and nuclear weapons. Imports of other items, including explosives and narcotics, are prohibited for reasons of public safety or health.
Open general licenses	Yes.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports of certain types of goods require permission from ministries operating under specific acts of parliament, that is, the Ministry of Economic Affairs, Entrepreneurship and Technological Innovation, the Ministry of Agriculture, Livestock and Fisheries and the Ministry of Natural Resources. Importers must obtain certificates of importation issued by the relevant ministry for imports of the following: animals and birds or their eggs; brood eggs; animal parts and products; psychotropic products for human medicinal purposes; medicines for human beings and animals; microorganisms for research; waste products; and refrigerators, air conditioners, and equipment containing chlorofluorocarbons.
Import taxes and/or tariffs	Yes.	In addition to customs duties, a "statistical and consent duty" of 2% is levied on the c.i.f. value of commercial imports, except for those (1) of the CARICOM region, (2) related to agreements of the government of Suriname, and (3) for which the MOF has granted tax exemption. Suriname applies the fourth phase of the CARICOM CET; as a result, the maximum external tariff rate is 50%. The turnover tax for imported goods is 12%.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Exporters must transfer their export proceeds fully to their accounts with local commercial banks within 60 days after the exports have

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		been conducted.
Surrender requirements	Yes.	
Surrender to the central bank	No.	As of December 15, 2021, the requirement for exporters and cambios to sell part of their foreign exchange proceeds to the CBvS is suspended.
Surrender to authorized dealers	Yes.	Effective September 9, 2022, pursuant to General Decree No. 226, exporters are mandated to sell 35% of all revenue from the export of gold and other goods to commercial banks within five days of repatriation (previously, exporters had to sell 30% to the CBvS, but this requirement was suspended as of December 15, 2021). Effective March 1, 2023, the deadline for surrender was reduced from five days to immediate surrender upon repatriation of the export proceeds.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Preshipment inspection is conducted by the Customs Office.
Other	No.	
Export licenses	Yes.	Export licenses are required only for goods on the negative list. Licenses are issued by the Ministry of Economic Affairs, Entrepreneurship and Technological Innovation in cooperation with the Ministries of Justice and Police, Public Health, and Agriculture, Livestock and Fisheries. Licenses are issued by these offices for exports of the following: round timber logs, peeled wood, leatherwood, explosives, narcotics, medicinal plants and herbs, wild animals and plants, and products made from gold or other precious metals not defined under the Foreign Currency Law of 1947. The exportation of bamboo is prohibited.
Without quotas	Yes.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Exports are subject to a “statistical fee” of 0.5% and consent duty of 0.1% of their f.o.b. value. Exports of processed and semi-processed wood are subject to taxes ranging from 5% to 20%, except for exports to CARICOM member countries.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Documents, such as invoices, supporting transfers are required to be

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		submitted at the commercial banks.
Investment-related payments	Yes.	Transfers of profits from investments are subject to FEC approval.
Prior approval	Yes.	Imports and exports of capital are subject to FEC approval.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Documents, such as invoices, supporting transfers are required to be submitted at the commercial banks.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Documents, such as invoices, supporting transfers are required to be submitted at the commercial banks.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Approval is not required for payments related to medical costs, studies abroad, and family maintenance; however, a bona fide test is applied.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	The amount that a relocating family may take out is determined on a case-by-case basis by the FEC.
Indicative limits/bona fide test	Yes.	Documents, such as invoices, supporting transfers are required to be submitted at the commercial banks.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Commercial banks apply limits according to their internal prudential standards.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Documents, such as invoices, supporting transfers are required to be submitted at the commercial banks.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Exporters must transfer their export proceeds fully to their accounts with local commercial banks within 60 days after the exports have been conducted.
Surrender requirements	Yes.	
Surrender to the central bank	No.	As of December 15, 2021, the surrender requirement for exporters and cambios to sell part of their foreign exchange proceeds to the CBvS was suspended.

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Surrender to authorized dealers	Yes.	Effective September 9, 2022, pursuant to General Decree No. 226, exporters are mandated to sell 35% of all revenue from the export of gold and other goods to commercial banks with five days of repatriation (previously, exporters had to sell 30% to the CBvS, but this requirement was suspended as of December 15, 2021). Effective March 1, 2023, the deadline for surrender was reduced from five days to immediate surrender upon repatriation of the export proceeds.
Restrictions on use of funds	No.	There are no limitations other than those imposed on capital transactions.

Capital Transactions

Controls on capital transactions	Yes.	All capital transactions are subject to FEC approval.
Repatriation requirements	Yes.	There is no specific deadline for repatriation.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	FEC approval is required.
Sale or issue locally by nonresidents	Yes.	FEC approval is required.
Purchase abroad by residents	Yes.	Subject to certain requirements, residents may buy or sell in specified countries Surinamese corporate shares that have been designated as negotiable by the FEC. All other transactions in shares or other securities of a participating nature are subject to FEC approval, which is granted on a case-by-case basis. Pension funds may not invest more than 60% of assets. The maximum limit for non-life insurance companies is 5% of technical provisions and for the life insurance companies is 5% of the actuarial liabilities.
Sale or issue abroad by residents	Yes.	FEC approval is required.
Bonds or other debt securities	Yes.	These transactions are subject to FEC approval, which is granted on a case-by-case basis.
Purchase locally by nonresidents	Yes.	FEC approval is required.
Sale or issue locally by nonresidents	Yes.	FEC approval is required.
Purchase abroad by residents	Yes.	FEC approval is required. Pension funds may not invest more than 60% of assets. The maximum limit for non-life insurance companies is 5% of technical provisions and for the life insurance companies is 5% of the actuarial liabilities.
Sale or issue abroad by residents	Yes.	FEC approval is required.
On money market instruments	Yes.	These transactions are subject to FEC approval, which is granted on a case-by-case basis.
Purchase locally by nonresidents	Yes.	FEC approval is required.
Sale or issue locally by nonresidents	Yes.	FEC approval is required.

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Purchase abroad by residents	Yes.	FEC approval is required. Pension funds may not invest more than 60% of assets. The maximum limit for non-life insurance companies is 5% of technical provisions and for the life insurance companies is 5% of the actuarial liabilities.
Sale or issue abroad by residents	Yes.	FEC approval is required.
On collective investment securities	Yes.	These transactions are subject to FEC approval, which is granted on a case-by-case basis.
Purchase locally by nonresidents	Yes.	FEC approval is required.
Sale or issue locally by nonresidents	Yes.	FEC approval is required.
Purchase abroad by residents	Yes.	FEC approval is required. Pension funds may not invest more than 60% of assets. The maximum limit for non-life insurance companies is 5% of technical provisions and for the life insurance companies is 5% of the actuarial liabilities.
Sale or issue abroad by residents	Yes.	FEC approval is required.
Controls on derivatives and other instruments	Yes.	These transactions are subject to FEC approval, which is granted on a case-by-case basis.
Purchase locally by nonresidents	Yes.	FEC approval is required.
Sale or issue locally by nonresidents	Yes.	FEC approval is required.
Purchase abroad by residents	Yes.	FEC approval is required. Pension funds may not invest more than 60% of assets. The maximum limit for non-life insurance companies is 5% of technical provisions and for the life insurance companies is 5% of the actuarial liabilities.
Sale or issue abroad by residents	Yes.	FEC approval is required.
Controls on credit operations	Yes.	These transactions are subject to FEC approval, which is granted on a case-by-case basis.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	FEC approval is required.
To residents from nonresidents	Yes.	FEC approval is required.
Financial credits	Yes.	
By residents to nonresidents	Yes.	FEC approval is required.
To residents from nonresidents	Yes.	FEC approval is required.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	FEC approval is required.
To residents from nonresidents	Yes.	FEC approval is required.
Controls on direct investment	Yes.	These transactions are subject to FEC approval, which is granted on a case-by-case basis.
Outward direct investment	Yes.	FEC approval is required.
Inward direct investment	Yes.	FEC approval is required.
Controls on liquidation of direct	Yes.	Transfers of foreign exchange (including loans) imported by

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investment		nonresident entrepreneurs for their company's use are treated as "permitted at any time." Similarly treated are transfers of capital proceeds from the sale to residents or the liquidation of fully or partly foreign-owned companies or other types of businesses established by nonresidents with foreign capital after July 31, 1953. The FEC does not allow outward capital transfers of unregistered investment-related inflows.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Residents may not purchase real estate abroad without FEC permission.
Purchase locally by nonresidents	Yes.	An FEC license is needed.
Sale locally by nonresidents	Yes.	FEC approval is required.
Controls on personal capital transactions	Yes.	These transactions are subject to FEC approval, which is granted on a case-by-case basis.
Loans	Yes.	
By residents to nonresidents	Yes.	FEC approval is required.
To residents from nonresidents	Yes.	FEC approval is required.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	FEC approval is required.
To residents from nonresidents	Yes.	FEC approval is required.
Settlement of debts abroad by immigrants	Yes.	FEC approval is required.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	The FEC may allow emigrants (heads of families) to transfer foreign exchange in a lump sum or in regular periodic remittances corresponding to the proceeds from the sale of assets held in Suriname. The amounts of these transfers are determined on a case-by-case basis.
Transfer into the country by immigrants	Yes.	FEC approval is required.
Transfer of gambling and prize earnings	Yes.	FEC approval is required.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Authorized banks' external transactions are limited, in principle, to those on behalf of their customers.
Borrowing abroad	Yes.	External borrowing is not allowed without FEC permission.
Maintenance of accounts abroad	No.	Banks do not need approval to open correspondent accounts abroad.
Lending to nonresidents (financial or commercial credits)	Yes.	Authorized banks are allowed to invest in short-term financial assets at correspondent banks abroad.
Lending locally in foreign exchange	Yes.	Banks may only provide foreign exchange loans to borrowers with regular and uninterrupted foreign currency income from abroad, as well as to persons and companies that have foreign currency income in Suriname due to the supply of goods and services to international organizations.
Purchase of locally issued securities denominated in foreign exchange	No.	There are no restrictions for residents to purchase locally issued securities denominated in foreign exchange.

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Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve ratio for foreign currency deposits is determined independently of those for Surinamese dollar balances. Effective April 5, 2023, the reserve ratio for domestic currency deposits is 44% (previously 39%). However, the effective reserve ratio for domestic currency deposits is somewhat lower. The gap between the nominal and effective ratio is explained by the following exemptions: (1) Housing loans: commercial banks are permitted to on-lend up to 10% of their Surinamese dollar reserve base for housing loans and had effectively used around 4% of the reserve base as of end-October 2023; (2) T-bills purchase: in July 2014, the banks were allowed a one-off purchase of T-bills, which amount equals around 1% of the reserve base as of end-October 2023; (3) COVID-19 support: on May 20, 2020, banks were allowed to utilize 7.5% of the reserve base to provide credit to households and corporates that are affected by the COVID-19 pandemic. Effective May 20, 2022, this facility ended; and (4) Budget support: as of June 29, 2020, banks were allowed to utilize up to 6.5% of their reserve base to lend to the government to finance government expenditures in June and July 2020. In September 2021, and April and May 2022, part of this budget support was repaid by the government. The outstanding amount of this budget support is 1% of the reserve base as of end-October, 2023. There is an averaging provision for the required reserves in domestic currency. The reserve ratio for foreign currency deposits is 50%.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Effective April 5, 2023, the CBvS introduced a guidance to the commercial banks limiting the increase in their stock of SRD credit to the private sector to 20% over a 12-month period, through end-March 2024. The aim is to contain the strong credit growth of 2022 and the first quarter of 2023 so as to mitigate pressure on the exchange rate and inflation.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	The CBvS has not issued investment regulations to the financial sector, but provisions on capital transactions in the Foreign Exchange Arrangement and certain regulations of FEC are applicable to overseas investments by banks and nonresidents.
Abroad by banks	Yes.	FEC approval is required.
In banks by nonresidents	Yes.	FEX approval is required.
Open foreign exchange position limits	Yes.	

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On resident assets and liabilities	Yes.	The following limits apply: (1) No bank may have a net open position in any one foreign currency exceeding 10% of its Tier I capital. (2) No bank may have an aggregate open position in all foreign currencies exceeding 20% of its Tier I capital. Effective February 17, 2023, banks need to take measures at a position of approximately 7.5% to prevent the limit from being exceeded; in the event of an excessive long position, it must be disposed of other than by sale to foreign currency depositors.
On nonresident assets and liabilities	Yes.	The following limits apply: (1) No bank may have a net open position in any one foreign currency exceeding 10% of its Tier I capital. (2) No bank may have an aggregate open position in all foreign currencies exceeding 20% of its Tier I capital. Effective February 17, 2023, banks need to take measures at a position of approximately 7.5% to prevent the limit from being exceeded; in the event of an excessive long position, it must be disposed of other than by sale to foreign currency depositors.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Capital transactions with nonresidents are not allowed without FEC approval.
Limits (max.) on securities issued by nonresidents	Yes.	The maximum limit is 5% of the technical provisions for non-life and 5% of the actuarial liabilities for the life insurance companies.
Limits (max.) on investment portfolio held abroad	Yes.	The limit on securities, term deposits, and current accounts is for each 5% of the technical provisions for non-life and 5% of the actuarial liabilities for the life insurance companies.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	Currency-matching rules are not applied.
Pension funds	Yes.	Capital transactions with nonresidents are not allowed without FEC approval.
Limits (max.) on securities issued by nonresidents	Yes.	Maximum of 60% of assets.
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Capital transactions with nonresidents are not allowed without FEC approval.
Limits (max.) on securities issued by nonresidents	Yes.	There are no limits, but FEC approval is required.
Limits (max.) on investment portfolio held abroad	Yes.	There are no limits, but FEC approval is required.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	Currency-matching rules are not applied.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	

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Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	The controls applicable to current and capital transactions in general for residents and nonresidents may also be applicable when crypto assets are used.
Controls on unbacked tokens	Yes.	
Acquisition by residents	Yes.	
Use among residents	No.	
Between residents and nonresidents	Yes.	
For current transaction	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	

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Transactions in derivatives and other instruments	Yes.
Credit operations	Yes.
Controls on utility and security tokens	Yes.
Acquisition by residents	Yes.
Use among residents	No.
Between residents and nonresidents	Yes.
For current transaction	Yes.
For capital transactions	Yes.
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	Yes.
Credit operations	Yes.
Controls on stablecoins	Yes.
Acquisition by residents	Yes.
Use among residents	No.
Between residents and nonresidents	Yes.
For current transaction	Yes.
For capital transactions	Yes.
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	Yes.
Credit operations	Yes.
Controls on crypto exchanges and trading platforms	Yes.
Domestic exchanges	Yes.
Access to crypto exchange/trading platform by residents	Yes.

Changes during 2022 and 2023

Arrangements for Payments and Receipts

Controls on exports and imports of banknotes		
On exports		
Foreign currency	*08/31/2022*	Residents exporting US$10,000 and more or equivalent in other convertible currencies must submit a written permission of the Foreign Exchange Commission (FEC). Previously, FEC written permission was required for amounts above US$50,000 and a Customs declaration was required for amounts between US$10,000 and US$50,000.
On imports		

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Foreign currency	*08/31/2022*	Travelers must declare amounts of US$10,000 and more or equivalent in other convertible currencies to Customs. Previously, the declaration applied to amounts between US$10,000 and US$50,000, and amounts above US$50,000 required permission of the Foreign Exchange Commission.
	08/31/2022	Residents importing US$10,000 (previously US$50,000) and more or equivalent in other convertible currencies must submit a written permission of the Foreign Exchange Commission.

Exports and Export Proceeds

Repatriation requirements

Surrender requirements

Surrender to authorized dealers	*09/09/2022*	Pursuant to General Decree No. 226, exporters are mandated to sell 35% of all revenue from the export of gold and other goods to commercial banks within five days of repatriation (previously, exporters had to sell 30% to the Central Bank of Suriname, but this requirement was suspended as of December 15, 2021).
	03/01/2023	The deadline for surrender was reduced from five days to immediate surrender upon repatriation of the export proceeds.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to authorized dealers	*09/09/2022*	Pursuant to General Decree No. 226, exporters are mandated to sell 35% of all revenue from the export of gold and other goods to commercial banks with five days of repatriation (previously, exporters had to sell 30% to the Central Bank of Suriname, but this requirement was suspended as of December 15, 2021).
	03/01/2023	The deadline for surrender was reduced from five days to immediate surrender upon repatriation of the export proceeds.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements	*05/20/2022*	The facility allowing banks to utilize 7.5% of the reserve base to provide credit to households and corporates that are affected by the COVID-19 pandemic ended.
	04/05/2023	The reserve ratio for domestic currency deposits was increased to 44% from 39%.
Credit controls	*04/05/2023*	The Central Bank of Suriname introduced a guidance to the commercial banks limiting the increase in their stock of SRD credit to the private sector to 20% over a 12-month period, through end-March 2024. The aim is to contain the strong credit growth of 2022 and the first quarter of 2023 so as to mitigate pressure on the exchange rate and inflation.

Open foreign exchange position limits

On resident assets and liabilities	*02/17/2023*	Banks need to take measures at a position of approximately 7.5% to prevent the limit from being exceeded; in the event of an excessive long position, it must be disposed of other than by sale to foreign currency depositors.
On nonresident assets and liabilities	*02/17/2023*	Banks need to take measures at a position of approximately 7.5% to prevent the limit from being exceeded; in the event of an excessive long position, it must be disposed of other than by sale to foreign

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currency depositors.

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SWEDEN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 31, 1951.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Sweden is bound by restrictive measures imposed by the EU, including measures mandated by the UN which the EU transposes into EU law. All EU restrictive measures in force are kept under constant review, and changes are made continuously to lists of persons, entities, and groups. For a full updated overview, see www.sanctionsmap.eu. In accordance with Regulations of the EC, certain restrictions are maintained solely for the preservation of national and international security as follows: (1) freezing of funds and economic resources of listed natural or legal persons, entities, and groups that are part of or associated with the Taliban; (2) freezing of funds and economic resources of (a) persons, entities, and bodies responsible for serious violations of human rights or the repression of civil society and democratic opposition, or whose activities otherwise seriously undermine democracy or the rule of law in Belarus; natural or legal persons, entities, or bodies associated with them; (b) persons, entities, or bodies benefitting form or supporting the Lukashenko regime and legal persons, entities, and bodies owned or controlled by them; (3) freezing of funds and economic resources of persons whose activities undermine the sovereignty, territorial integrity, constitutional order, and international personality of Bosnia and Herzegovina, or whose activities otherwise seriously threaten the security situation in Bosnia and Herzegovina or undermine the Dayton/Paris General Framework Agreement for Peace and the Annexes thereto, including measures established in the implementation of the said Agreement; and natural or legal persons associated with them (no person listed yet); (4) freezing of funds and economic resources of certain persons, entities, and bodies in Burundi; (5) freezing of funds and economic resources of certain persons, entities, and bodies in the Central African Republic; (6) freezing of funds and economic resources of certain persons, entities, and bodies in Democratic Republic of the Congo; (7) freezing of funds and economic resources of certain persons, entities, and bodies in view of the situation in Lebanon (no person listed yet); (8) freezing of funds and economic resources of certain persons, entities, and bodies to address serious human rights violations and abuses; (9) freezing of funds and economic resources of certain persons in Guinea (Conakry); (10) freezing of funds and economic resources of certain persons in Guinea-Bissau; (11) (a) freezing of funds and economic resources of persons responsible for serious human rights violations in the Islamic Republic of Iran and

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persons, entities, and bodies associated with them and (b) freezing of funds and economic resources of listed persons, entities, and bodies implicated in or associated with the nuclear and missile technology programs in Iran; (12) freezing of funds and economic resources of certain persons and entities in Iraq; (13) freezing of funds and economic resources of certain persons and entities in Democratic People's Republic of Korea; (14) freezing of funds and economic resources of persons suspected of involvement in planning, sponsoring, organizing, or perpetrating the murder of former Prime Minister of Lebanon Rafik Hariri on February 14, 2005, in Lebanon (no person listed yet); (15) freezing of funds and economic resources of listed persons, entities, and bodies in Libya; (16) freezing of funds and economic resources of listed persons, entities, and bodies in Mali; (17) freezing of funds and economic resources of certain persons and entities in Somalia; (18) freezing of funds and economic resources of certain persons and entities in South Sudan; (19) freezing of funds and economic resources of certain persons and entities in Sudan; (20) freezing of funds and economic resources of certain persons, entities, and bodies in Syria; (21) freezing of funds, other financial assets, and economic resources of persons, groups, enterprises, and entities associated with ISIL (Da'esh) and Al-Qaida and freezing of funds and economic resources of certain persons, groups, and entities with a view of combating terrorism; (22) freezing of funds and economic resources of certain persons responsible for misappropriation of Tunisian government funds and natural or legal persons and entities associated with them; (23) freezing of funds and economic resources of certain persons identified as responsible for the misappropriation of Ukrainian state funds and persons responsible for human rights violations in Ukraine, and natural or legal persons, entities, or bodies associated with them; (24) freezing of funds and economic resources of certain persons or entities responsible for, actively supporting, or implementing actions or policies that undermine or threaten the security in Ukraine, obstructing the work of international organizations in Ukraine, or supporting such actions; furthermore of certain entities in Crimea or Sevastopol whose ownership has been transferred contrary to Ukrainian law and of certain persons or entities that have benefitted from such a transfer or are conducting transactions with the separatist groups in the Donbass region of Ukraine; as well as of certain persons and entities actively supporting or benefitting from Russian decision makers responsible for the annexation of Crimea or the destabilization of eastern Ukraine; moreover of natural or legal persons, entities, or bodies conducting transactions with the separatist groups in the Donbass region of Ukraine; (25) freezing of funds of certain persons and entities engaging in or providing support for acts that threaten the peace, security, and stability in Yemen; (26) freezing of funds and economic resources of listed natural and legal persons, entities, and bodies in Zimbabwe; (27) freezing of funds and economic resources of certain persons, entities, and bodies in Venezuela; (28) freezing of funds and economic resources of certain persons, entities, and bodies in Nicaragua; (29) freezing of funds and economic resources of certain persons, entities, and bodies in view of Turkey's unauthorized drilling activities in the Eastern Mediterranean; (30) freezing of funds and economic resources of certain persons, entities, and bodies in Myanmar (Burma); (31) freezing of funds and economic resources of certain persons, entities, and bodies to address the proliferation and use of chemical weapons; (32) freezing of funds and economic resources of certain persons, entities, and bodies to address cyber-attacks; (33) specific restrictive measures with regard to China in relation to the events at the

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		Tiananmen Square protests in 1989; (34) prohibiting the satisfying of certain claims by the Haitian authorities; (35) restrictive measures in relation to the campaign against Latin script schools in the Transnistrian region; (36) restrictive measures with regard to Montenegro in line with the UNSC Regulation 757(1992) and related resolutions; (37) restrictive measures with regard to Serbia in line with UNSC Resolution 757(1992) and related resolution; (38) measures protecting against the efforts of the extra-territorial application of certain legislation adopted by the United States. In 2021–2022, the EU revoked the sanctions regime against those responsible for the misappropriation of Egyptian State funds and adopted a new sanctions regime on the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine (effective February 23, 2022). No other (geographic or horizontal) sanctions regime was imposed or revoked in 2021–2022. Within the given time period (2021–2022), hundreds of groups have been listed, and some delisted, within the scope of various geographic and horizontal sanctions regimes (imposed before 2021). The vast majority of these listings have been made within the various sanctions' regimes against Russia. The rest have been listed and delisted within those sanctions regimes that were imposed before 2021: These legal acts have been previously reported to the IMF. The listed groups can be found in the legal documents that are published and continuously updated on www.sanctionsmap.eu.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Sweden is Swedish krona.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The de jure and de facto exchange rate arrangements are free

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		floating. The exchange rate of the krona is determined on the basis of supply and demand in the foreign exchange market. Foreign exchange interventions are allowed under extraordinary circumstances (for example, participation in concerted interventions with other CBs). The Sveriges Riksbank (SR) has not intervened in the foreign exchange market since June 14, 2001.
Official exchange rate	Yes.	Effective April 3, 2023, the krona exchange rate is determined in a CB-concerted teleconference managed by the ECB every banking day around 2:10 p.m. and announced at 4:00 p.m. Central European Time (CET). This ECB reference exchange rate is used, among other purposes, for commercial contracts. The use of the exchange rate is not mandatory in commercial contracts.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The monetary policy framework is flexible inflation targeting.
Target setting body	Yes.	
Government		
Central Bank	Yes.	Effective January 1, 2023, the SR Act states that the overriding objective of the Riksbank is to maintain price stability through permanently low and stable inflation. Without neglecting the price stability objective, the Riksbank shall also contribute to a balanced development of production and employment. Previously, the Riksbank had specified price stability as 2% annual change in the CPI and fixed mortgage rates.
Monetary Policy Committee		
Central Bank Board	Yes.	Effective January 1, 2023, the Riksbank is led by an Executive Board consisting of five members appointed for a period of five or six years. Previously, the Riskbank had an Executive Board consisting of six members. The Board holds five scheduled monetary policy meetings every year. At these meetings, the Executive Board establishes its majority view of what is considered a well-balanced monetary policy. There is no separate MPC. The Executive Board of the Riksbank decides on the direction and magnitude of various tools used for monetary policy purposes.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target	Yes.	According to the SR Act, effective January 1, 2023, the objective of monetary policy is to maintain price stability through a permanently low and stable inflation. The Riksbank has defined the objective as a

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		target of 2% for the annual change in the CPI with a fixed mortgage interest rate (the CPIF). Previously, the Riksbank had interpreted this objective to mean a low stable rate of inflation, precisely using a variation band around the inflation target (1%–3%).
Target with tolerance band		
Band/Range		
Target measure	Yes.	
CPI	Yes.	The Riksbank's inflation target variable is the CPI with a fixed mortgage interest rates (CPIF). The CPIF is calculated using the same data and in the same way as the CPI, excluding the effect of changes to mortgage rates. The weights in the consumption basket are the same in CPI and CPIF; however, the mortgage index is kept fixed in CPIF. The reason for changing the target variable from the CPI to the CPIF in 2017 was that the former has had drawbacks as guidance for monetary policy. One such drawback was that changes to the repo rate affect household mortgage rates, which then has an effect on the CPI, as households' living costs also change.
Core inflation		
Target horizon	Yes.	There is no predefined time horizon for when the target of 2% CPIF inflation is to be achieved. Effective January 1, 2023, the Riksbank shall adjust monetary policy so that inflation returns to its target within a reasonable time. Previously, the Riksbank adjust monetary policy so that inflation was expected to be fairly close to the target in two years' time.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The SR uses the repo rate as its key signaling rate. With this rate, the SR indicates what the overnight rate will be one week ahead. If there is a liquidity deficit in the banking system, the SR supplies funds at this interest rate by buying securities through weekly repos or lending against eligible collateral. In the event of a liquidity surplus, the SR issues Riksbank certificates to withdraw funds remunerated at the repo rate. The banking system as a whole has a large liquidity surplus at present.
Target corridor band	Yes.	The Riksbank has modified its operational framework for the implementation of monetary policy to make it simpler and more flexible. The changes imply that the Riksbank has introduced a narrow symmetrical interest rate corridor of 0.10 percentage points around the Riksbank's repo rate. To steer the overnight rate, so that it lies close to the Riksbank's policy rate, the Riksbank offers its monetary policy counterparties to borrow unlimited amounts of SEK against eligible collateral at an interest rate 0.10 percentage points above the Riksbank's repo rate and to deposit unlimited amounts of SEK at an interest rate 0.10 percentage points below the Riksbank's repo rate. As of October 9, 2019, the Riksbank ceased to conduct daily fine-tuning transactions. The deposit rate is 0.10 percentage points below the Riksbank's repo rate (since October 9, 2019). The interest rate on the Riksbank's lending facility is 0.10 percentage points above the repo rate. In addition to the standing facilities, the Riksbank also uses market operations with its monetary policy counterparties to steer the overnight rate. In recent years, the Riksbank has chosen to implement its expansionary monetary policy partly by purchasing securities. As a consequence, the banking system has a large liquidity surplus toward the Riksbank. To drain liquidity from the banking system, the Riksbank issues Riksbank certificates with one-week

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		maturity once a week, normally on Tuesdays, at an interest equal to the repo rate. If the banking system were to have a liquidity deficit instead, the Riksbank could provide liquidity through monetary policy repos to the repo rate or lend against eligible collateral at the repo rate. Also in the wake of COVID-19, the Riksbank has ensured that more liquidity remain in the overnight market by limiting the issuance of Riksbank certificates.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	The governor of the SR appears before the Riksdag Committee on Finance twice a year for a discussion on monetary policy.
Other	Yes.	In accordance with SR Act, the Riksbank compiles an Account of monetary policy every year. The account is used as a basis for the Parliamentary Committee on Finance's examination and assessment of monetary policy.
Transparency	Yes.	
Publication of votes	Yes.	Press releases state how the individual members had voted and provided the main motivation for any reservations entered.
Publication of minutes	Yes.	The minutes of the Executive Board's monetary policy meetings are published approximately ten days after the respective meeting. The minutes are attributed, so it is possible to see who has put forward which argument, as well as how individual members voted.
Publication of inflation forecasts	Yes.	Decisions on the repo rate are normally made five times a year, and on each occasion, a Monetary Policy Report is also published. This contains analyses of the factors that determine inflation and forecasts for the repo rate, inflation, and the development of the real economy over the coming years – in other words, the most important factors on which the monetary policy decisions are based.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	ADs are allowed to freely determine their bid-ask spreads and foreign exchange commissions in transactions with their clients.
Spot exchange market	Yes.	Credit institutions are allowed to deal in foreign exchange under their credit institution license. Other actors who carry out currency operations on a large scale need to be registered with the Swedish financial supervisory authority (FSA) (Finansinspektionen), which grants the necessary licenses. There are no specific rules for the operation of foreign exchange bureaus.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Approximately, 10 commercial banks operate in the interbank foreign exchange market.
Over the counter	Yes.	

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Brokerage	Yes.	The foreign exchange market operates largely based on a handful of electronic platforms/brokerage system.
Market making	Yes.	The foreign exchange market operates based on electronic brokerage systems, but there is also a market-making agreement whereby the Riksbank's counterparties in foreign exchange transactions agree to make markets in EURSEK and USDSEK.
Forward exchange market	Yes.	The SR is allowed to conduct foreign exchange swaps.
Official cover of forward operations	Yes.	The SR and certain government agencies participate in the forward exchange rate market. However, such transactions are not conducted for the purposes of influencing the krona exchange rate. The SR occasionally participates in the foreign exchange derivatives market (in kronor) in connection with payment of the Swedish contribution to the EU.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Sweden is a member of the EU.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	

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Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	Natural persons entering or leaving the EU and carrying cash of a value of €10,000 or more must declare that sum to the competent authorities of the Member State through which they are entering or leaving the EU. The obligation to declare is not considered fulfilled if the information provided is incorrect or incomplete.
Domestic currency	Yes.	
Foreign currency	Yes.	
On imports	Yes.	Natural persons entering or leaving the EU and carrying cash of a value of €10,000 or more must declare that sum to the competent authorities of the Member State through which they are entering or leaving the EU. The obligation to declare is not considered fulfilled if the information provided is incorrect or incomplete.
Domestic currency	Yes.	
Foreign currency	Yes.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. All of these provisions also apply to Swedish occupational pension undertakings.

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Approval required	No.	
Accounts in domestic currency held abroad	Yes.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. All of these provisions also apply to Swedish occupational pension undertakings.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Nonresidents, including those who have emigrated, may have external krona accounts. These accounts may be used for payments and transfers and may be converted to any foreign currency.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	

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Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	The restrictions are in line with general EU rules.
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	Yes.	The restrictions are in line with general EU rules (including rules for agriculture and fisheries).
Other nontariff measures	Yes.	Import restrictions apply to certain categories of food, as well as to narcotic drugs, weapons, live animals, radioactive materials, and other items.
Import taxes and/or tariffs	Yes.	Goods imported into Sweden from countries outside the EU are subject to VAT and customs duties in accordance with EU legislation. Furthermore, alcohol products, tobacco products, energy products, and certain other products brought to Sweden from another EU member country or imported from a country that is not an EU member are subject to Swedish excise duty, which is calculated in different ways and at different rates depending on the type of duty and the type of product.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	

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Other	No.	
Export licenses	Yes.	Use of export licenses is in line with general EU rules (including rules for agriculture and fisheries). Council Regulation (EC) No. 1236/2005 provides for export prohibition/export authorization requirement for goods which could be used for capital punishment, torture, etc.
Without quotas	Yes.	Use of export licenses is in line with general EU rules (including rules for agriculture and fisheries).
With quotas	Yes.	Use of export licenses is in line with general EU rules (including rules for agriculture and fisheries).
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Controls apply only to the purchase locally by nonresidents of shares or other securities of a participating nature and of money market instruments.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Controls apply to shares or other securities of a participating nature that may be affected by laws on inward direct investment in fishing and civil aviation.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested

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		in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. All of these provisions also apply to Swedish occupational pension undertakings.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. All of these provisions also apply to Swedish occupational pension undertakings.

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Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. All of these provisions also apply to Swedish occupational pension undertakings.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. If another country within the EEA has provisions that impose restrictions on the location of

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		assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. All of these provisions also apply to Swedish occupational pension undertakings.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. All of these provisions also apply to Swedish occupational pension undertakings.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	

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Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. All of these provisions also apply to Swedish occupational pension undertakings.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to the following types of investment: (1) Investments in airlines established in Sweden must be owned by more than 50% and effectively controlled by EU countries and/or nationals of EU countries, unless otherwise provided for through an international agreement to which the EU is a signatory. (2) A vessel is considered to be Swedish and entitled to fly the Swedish flag if owned to the extent of more than one half by Swedish nationals or Swedish legal persons. A ship may fly the Swedish flag even if the holder is not a Swedish national or a Swedish legal person under the following conditions: (a) It is registered with the Swedish Register of Ships. (b)

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		It is part of an economic activity set up in Sweden. (c) Operation of the ship is supervised and managed from Sweden, and the ship is more than 50% owned by a citizen of an EEA country or a legal person established in accordance with the legislation of that country whose registered office, headquarters, or principal place of business is within that area. (3) Natural persons who own periodicals printed in Sweden must reside in Sweden or be citizens of the EEA. Juridical persons who own such periodicals must be established in the EEA. Periodicals, radio programs, and technical recordings must have a responsible editor domiciled in Sweden. (4) Law firms doing business under the title "advokat" must be owned by members of the Swedish Bar Association unless the Bar grants a waiver. Only EU, EEA and Swiss residents may be admitted as members of the Swedish Bar Association. (5) Less than 50% of the votes in a limited auditing company may be held by non-EEA residents. The Supervisory Board of Public Accountants may grant exemptions. (6) A depositary of a UCITS under EU Directive No. 85/611 must either have its registered office in the same EU country as that of the enterprise or be established in the EU country if its registered office is in another EU country. Regulation (EU) No. 2019/452, established an EU-wide framework for FDI screening and for the European Commission and the Member States to coordinate their actions on foreign investments. Any operator of security-sensitive activities must conduct a specific protective security assessment, a suitability examination and a consultation with the Armed Forces or the Swedish Security Service if the operator intends to transfer: (1) all or any part of its security-sensitive activities or (2) property that is of significance to Sweden's security or an international protective security commitment that is binding on Sweden. The new obligations do not apply to transfers of real property. The Government may also issue regulations on further exemptions or order such exemptions in individual cases.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets

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	covering technical provisions apply. All of these provisions also apply to Swedish occupational pension undertakings.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.
Controls on personal capital transactions	No.
Loans	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.
Borrowing abroad	No.
Maintenance of accounts abroad	No.
Lending to nonresidents (financial or commercial credits)	No.
Lending locally in foreign exchange	No.
Purchase of locally issued securities denominated in foreign exchange	No.
Differential treatment of deposit accounts in foreign exchange	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Differential treatment of deposit accounts held by nonresidents	No.
Reserve requirements	No.
Liquid asset requirements	No.

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Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	For Swedish credit institutions, there are no limits on net open foreign exchange positions, but if the sum of an institution's overall net foreign exchange and net gold positions, calculated as set out in CRR Article 352 (Regulation (EU) No. 575/2013), including for foreign exchange and gold positions for which own funds requirements are calculated using an internal model, exceeds 2% of its total own funds, the institution must calculate an own funds requirement for foreign exchange risk. This requirement is the sum of its overall net foreign exchange and net gold positions in the reporting currency multiplied by 8%.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. All of these provisions also apply to Swedish occupational pension

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		undertakings.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	The implementation of the Solvency II Directive has resulted in that Swedish insurance companies, as a main rule, are no longer bound by explicit restrictions on the currency and location of the assets covering technical provisions. The localization of the assets of Swedish insurance companies must be made in a manner which ensures their availability. Moreover, the assets must be invested in a manner appropriate to the nature and duration of the insurance/reinsurance liabilities. Those assets must be invested in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objective. Moreover, the assets must be invested in a manner which seeks to avoid excessive reliance on a certain asset, issuer or group of companies, geographical area, and risk accumulation in the portfolio in its entirety. All of these provisions also apply to Swedish occupational pension undertakings.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical provisions apply. All of these provisions also apply to Swedish occupational pension undertakings.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	If another country within the EEA has provisions that impose restrictions on the location of assets within occupational pension businesses, Swedish insurance companies carrying out occupational pension business in such country must, at the request of such country, also apply such provisions. For the part of the businesses of Swedish insurance companies which constitute occupational pension businesses, and Swedish pension funds, there are certain restrictions on the location of the assets covering technical provisions. As a rule, these assets must be located within the EEA or, if the risk is outside the EEA, in Sweden. These assets may be in other jurisdictions if the preferential claim of the policyholders of these assets is not adversely affected. The geographical restrictions do not apply to conditional bonuses or unit-linked insurance for which the policyholder holds the risk. Assets used to cover debt must be invested in a manner which limits the risk for currency exchange losses, but no explicit restrictions on the currency of the assets covering technical

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		provisions apply. Controls apply if assets are to form part of the assets representative of the technical reserves of a private pension fund. Risks related to currency matching must be limited. All of these provisions also apply to Swedish occupational pension undertakings.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	

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Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.

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Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*02/23/2022*	The EU adopted a new sanctions regime (restrictions on goods and provision of financial assistance) on the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine.

Exchange Arrangement

Official exchange rate	*04/03/2023*	The ECB Governing Council changed the computation time of the euro foreign exchange rates (also known as the ECB reference rates) to around 14:10 Central European Time (CET), to avoid overlaps with publication time (14:15 CET). Previously, reference rates took place at 14:15 CET.
Monetary policy framework		
Inflation-targeting framework		
Target setting body		
Central Bank	*01/01/2023*	The Sveriges Riksbank Act states that Riksbank's primary objective is to maintain price stability through permanently low and stable inflation while not neglecting the price stability objective and contributing to a balanced development of production and employment. Previously, the Riksbank had specified price stability as 2% annual change in the CPI and fixed mortgage rates.
Central Bank Board	*01/01/2023*	The Riksbank is led by an Executive Board consisting of five members appointed for a period of five or six years. Previously, the Riskbank had an Executive Board consisting of six members.
Inflation target		
Target number		
Point target	*01/01/2023*	The objective of monetary policy is to maintain price stability through permanently low and stable inflation, defined as a target of 2% for the cannula change in the CPI with a fixed mortgage interest rate (CPIF). Previously, the Riksbank had interpreted this objective to mean a low stable rate of inflation, precisely using a variation band around the inflation target (1%–3%).
Target horizon	*01/01/2023*	The Riksbank shall adjust monetary policy so that inflation returns to its target within a reasonable time. Previously, the Riksbank adjust monetary policy so that inflation was expected to be fairly close to the target in two years' time.

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SWITZERLAND

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		May 29, 1992.
Article VIII	Yes.	Date of acceptance: May 29, 1992.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Switzerland's Federal Act on the Implementation of International Sanctions (Embargo Act, EmbA; CC 946.231) is the legal basis for coercive measures (asset freezes, transfer prohibitions) to implement sanctions by the UN, the Organization for Security and Cooperation in Europe (OSCE), or Switzerland's major trading partners, aiming to restore compliance with international public law, and in particular the respect for human rights. Such measures are adopted in the form of ordinances of the Federal Council (the Swiss government). In implementation of UNSC resolutions and/or in accordance with EU regulations, Switzerland maintains certain restrictions on current international payments and transfers with respect to Belarus, Burundi, the Central African Republic, the Democratic Republic of the Congo, Guinea, Guinea-Bissau, Haiti (effective December 16, 2022), the Islamic Republic of Iran, Iraq, the Democratic People's Republic of Korea, Lebanon, Libya, Mali, Moldova (effective June 28, 2023), Myanmar, Nicaragua, Somalia, South Sudan, Sudan, Syria, Russia/Ukraine, Venezuela, Yemen, Zimbabwe, and individuals and entities associated with Osama bin Laden, Al-Qaida, or the Taliban.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Switzerland is the Swiss franc.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		

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Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The exchange rate of the Swiss franc is determined by market forces in the foreign exchange market. However, the Swiss National Bank (SNB) is willing to be active in the foreign exchange market as necessary to ensure appropriate monetary conditions. If there were to be an excessive appreciation of the Swiss franc, the SNB would be prepared to purchase foreign currency. If the Swiss franc were to weaken, however, the SNB would also consider selling foreign currency. The SNB publishes its foreign exchange interventions on a quarterly basis. All settlements are made at free-market rates. In 2022, the Swiss franc (CHF) was mainly driven by (expectations of) monetary policy tightening. After moderate fluctuation up to mid-June, the CHF appreciated over the course of three months following monetary policy tightening by the SNB, and in light of economic growth concerns in Europe on the back of rising energy prices. Since September, the CHF depreciated again slightly in nominal trade-weighted terms. This depreciation was mostly because of the stronger euro and was in line with (expectations of) monetary policy tightening in the euro area that offset appreciation pressure coming from the weaker US dollar. The de facto exchange arrangement was reclassified to floating from crawl-like, effective January 7, 2022.
Free floating		
Official exchange rate	No.	There is no official or reference exchange rate.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		

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Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The monetary policy framework is based on an explicit definition of price stability – an annual CPI inflation rate of less than 2% – as a long-term anchor. Policy decisions are guided by a conditional inflation forecast over a three-year horizon. To ensure price stability, the SNB maintains appropriate monetary conditions. These are determined by the interest rate level and exchange rates. The SNB sets the level of the SNB policy rate. In so doing, it seeks to keep the secured short-term Swiss franc money market rates close to the SNB policy rate. The most important secured short-term Swiss franc interest rate is Swiss Average Rate Overnight (SARON). If necessary, the SNB may also use additional monetary policy measures to influence the exchange rate or the interest rate level. A key communication device is the conditional inflation forecast chart,

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		which is based on the assumption that the SNB policy rate set when the forecast is published will remain constant over the three-year forecast period.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	All transactions in the foreign exchange market are made at free-market rates.
Spot exchange market	Yes.	The foreign exchange market operates predominantly on a market-making agreement. Apart from legal requirements, no restrictions apply to market participants in this OTC market.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Banks are free to determine their bid-ask spreads and commissions in interbank transactions. In case of intervention, the SNB intervenes directly with market makers and market participants at their quoted rates and proposes its own quotes to market participants.
Over the counter	No.	
Brokerage	Yes.	Brokers operate in the foreign exchange interbank market.
Market making	Yes.	The interbank foreign exchange market operates predominantly on a market-making agreement, with various, mainly electronic, broker, and interbank market systems used for trading.
Forward exchange market	Yes.	There are no officially fixed premiums and discount rates applicable to forward exchange contracts. All contracts are negotiated at free-market rates. The SNB may be active in the swap market for monetary policy operations.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.

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Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Import and export licenses, which are issued freely, are required for commercial imports and exports of certain articles containing gold. Licenses are not required for imports or exports of gold coins or bullion.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Deposit accounts held abroad are permitted to be held within tied assets of an insurance company, if the legal framework applicable to the investment recognizes the Swiss Financial Market Supervisory Authority's (FINMA's) insolvency procedures and the seniority of the claim to the tied assets in accordance with Swiss law so that no special enforcement or other interventions by an authority or third party become necessary. For occupational pension funds, there is a limit of 30% of total assets for the investment in foreign currency without hedge. This limit is non-binding for pension funds that demonstrate to have prudential portfolio management practices.

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Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Deposit accounts held abroad are permitted to cover the technical reserves of an insurance company, if the legal framework applicable to the investment recognizes FINMA's insolvency procedures and the seniority of the claim to the tied assets in accordance with Swiss law so that no special enforcement or other interventions by an authority or third party become necessary.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	
Open general licenses	Yes.	Licenses are required mostly for agricultural products.
Licenses with quotas	Yes.	Licenses with quotas are required for specific agricultural products.
Other nontariff measures	Yes.	Import controls apply to weapons and war material and for sanitary or phytosanitary reasons. Imports of rough diamonds are permitted only under the Kimberley Process Certification Scheme.

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Import taxes and/or tariffs	Yes.	In general, customs duties are levied based on the gross weight of goods. On industrial goods, import tariffs are generally very low (average 0.20% ad valorem equivalent). On agricultural goods, they average 5.9% ad valorem equivalent. The tariff rates on agricultural goods that are imported above quota may range up to several hundred percent (in ad valorem terms). In the framework of the General Agreement on Tariffs and Trade (GATT) Uruguay Round, all quantitative restrictions and measures with equivalent effects concerning agricultural products have been converted to tariffs. To maintain the market access opportunities prevailing during 1986–1988, 28 tariff rate quotas were set for specific agricultural and livestock goods (fruits, vegetables, meats, wines, etc.).
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	The government has a monopoly on imports of 80 proof or higher undenatured ethyl alcohol, but private sector imports are permitted with authorization. Cantons have a monopoly on imports of salt.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	A system of general and individual licenses applies to controlled exports.
Without quotas	Yes.	Exports of weapons, war material, and dual-use goods that may be used for the production of conventional weapons and weapons of mass destruction are controlled and require a license. Exports of rough diamonds are permitted only under the Kimberley Process Certification Scheme.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	

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Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.

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Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Insurance companies subject to tied assets may not cover their technical reserves with shares (issued by either residents or nonresidents) in excess of 30% of the required amount of the tied assets. Shares must be traded on a liquid market and regular market and must be sellable at short notice. Shares not traded and shares of affiliated companies are not allowed for tied assets. For occupational pension funds, there is a limit of 30% of total assets for the investment in foreign currency without hedge. This limit is non-binding for pension funds that demonstrate to have prudential portfolio management practices.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	The FINMA Circular No. 2016/5 does not stipulate any limit on bond investments. The Circular treats asset-backed security (ABS), mortgage-backed security (MBS), and collateralized debt obligations under the category securitized assets, which are subject to a limit of 10% of the required amount of the tied assets. A general requirement applied to the tied assets is that the creditworthiness of the issuer needs to be verifiable. For occupational pension funds, there is a limit of 30% of total assets for the investment in foreign currency without hedge. This limit is non-binding for pension funds that demonstrate to have prudential portfolio management practices.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Money market instruments issued by nonresidents are allowed to be held within tied assets of an insurance company if their run time is less than twelve months and the legal framework applicable to the investment recognizes FINMA's insolvency procedures or the investments are securitized and traded on a market (market price identifiable). For occupational pension funds, there is a limit of 30% of total assets for the investment in foreign currency without hedge. This limit is non-binding for pension funds that demonstrate to have prudential portfolio management practices.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	The distribution of foreign collective investment securities ("CIS") to non-qualified investors is subject to approval by the Swiss FINMA. The issuer of foreign CIS distributed to non-qualified investors has to mandate a representative and a paying agent in Switzerland. Representatives of foreign CIS must be licensed by the Swiss FINMA. Client advisers of domestic or foreign distributors have to sign up to an adviser register if the distributor is not subject to prudential supervision. The sale or distribution of domestic and foreign CIS is subject to a stamp duty.
Purchase abroad by residents	Yes.	For occupational pension funds, there is a limit of 30% of total assets for the investment in foreign currency without hedge. This limit is non-binding for pension funds that demonstrate to have prudential portfolio management practices. Irrespective of the domicile of the collective investments, shares of collective investments need to be traded in a regulated and liquid market and be supervised under an effective regulatory regime to be able to be assigned to the tied assets of an insurance company. To reduce concentration risk, the single collective investment is limited to 5% of the target amount; this limit is lifted if a number of predefined conditions are met.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	According to the Supervision Ordinance, the insurance companies can use derivative instruments to: (1) hedge the assets, (2) hedge the payments from insurance obligations, (3) prepare asset acquisition, and (4) enhance the investment earnings. While the use of derivatives for asset hedging has no limit, there are several restrictions on the use of derivatives by insurance companies for other purposes. A general condition for using derivatives is that all obligations are fully covered. For occupational pension funds, there is a limit of 30% of total assets for the investment in foreign currency without hedge. This limit is

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		non-binding for pension funds that demonstrate to have prudential portfolio management practices.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	For occupational pension funds, there is a limit of 30% of total assets for the investment in foreign currency without hedge. This limit is non-binding for pension funds that demonstrate to have prudential portfolio management practices. Granting of loans to nonresidents by insurance companies is not restricted, especially for companies not subject to tied asset regulation. For insurance companies subject to tied asset requirements, however, according to FINMA Circular No. 2016/5, only loans granted to the following borrowers can be assigned to tied assets: Swiss public bodies, banks domiciled in Switzerland, other borrowers domiciled in Switzerland with a minimum degree of creditworthiness of level 3.
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Granting of loans to nonresidents by insurance companies is not restricted, especially for companies not subject to tied asset regulation. For insurance companies subject to tied asset requirements, however, according to FINMA Circular No. 2016/5, only loans granted to the following borrowers can be assigned to tied assets: Swiss public bodies, banks domiciled in Switzerland, and other borrowers domiciled in Switzerland with a minimum degree of creditworthiness of level 3. For occupational pension funds, there is a limit of 30% of total assets for the investment in foreign currency without hedge. Occupational pension funds also have to observe a limit of 15% for alternative investments, including claims with alternative character. Infrastructure investments are considered a separate investment category from the alternative investment category. Swiss property title deeds and debt acknowledgments by Swiss public entities are exempted from this category. These limits are non-binding for occupational pension funds that demonstrate to have prudential portfolio management practices.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to the (1) establishment of companies for the distribution and exhibition of films; (2) acquisition of real estate, which is subject to authorization by the relevant cantonal authority if the acquirer does not use the property to operate a permanent establishment; (3) registration of a ship in Switzerland serving two

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		points on the Rhine or of a vessel intended to offer commercial maritime transport services; (4) registration of an aircraft in Switzerland and investment in an airline under majority Swiss control, unless other provisions of international agreements to which Switzerland is a party apply; (5) investment in the sectors of hydroelectricity, oil and gas pipelines, and nuclear energy; (6) investment in a broadcasting company; and (7) investment in the sectors of betting and gambling services.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	According to the FINMA Circular No. 2016/5, real estate investments outside Switzerland are not permitted for the purposes of tied assets of an insurance company. For occupational pension funds, there is a limit of 10% of total assets for the investment in real estate located outside Switzerland derived as follows: There is a limit for the investment in real estate of 30% of total assets, and real estate located outside Switzerland is not permitted to exceed one-third of all investment in real estate. All these limits are non-binding for occupational pension funds that demonstrate to have prudential portfolio management practices.
Purchase locally by nonresidents	Yes.	Purchases by foreigners who are not permanent residents in Switzerland and by enterprises with headquarters abroad or under foreign control are subject to authorization. The reservation applies only to the acquisition of real estate, which is subject to authorization by the competent cantonal authority when the acquirer does not use the property to operate a permanent establishment. However, no authorization is required for the acquisition of premises for professional use and business activities and of principal residences for the purpose of personal housing needs by foreigners who are domiciled in Switzerland. For the acquisition of holiday residences and secondary residences for the purpose of personal housing needs, authorization is subject to quotas and is granted on verification of the purpose. Purely financial investments and trade in apartments are prohibited (with some exceptions).
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	

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Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	While the general investment principles (Asset Liability Management orientation, safety, profitability, diversification, liquidity) of the FINMA Circular No. 2016/5 apply to all insurance companies, the specific guidelines refer to those insurance companies who need to hold tied assets according to the law. These are of qualitative as well as of quantitative nature. Quantitative limits such as counterparty exposure limit (5%) or foreign currency exposure limit (20%) intend to mitigate various risks, for example, concentration risk or currency mismatch risk. The FINMA Circular No. 2016/5 also sets out asset-class-specific guidelines and

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		investment restrictions (mentioned in the sections above), which are in line with the stipulated general investment principle.
Limits (max.) on securities issued by nonresidents	Yes.	Besides the asset-type-specific limits (for example, 30% for equity), securities issued by nonresidents need to be securitized and traded on a market so that a market price can be identified or the legal framework applicable to the investment must recognize FINMA's insolvency procedures.
Limits (max.) on investment portfolio held abroad	Yes.	To ensure the enforceability of the invested assets in case of bankruptcy, the investments held abroad can only be assigned to the tied assets, if the legal framework applicable to the investment recognizes FINMA's insolvency procedures and the seniority of the claim to the tied assets in accordance with Swiss law so that no special enforcement or other interventions by an authority or third party become necessary. According to the FINMA Circular No. 2016/05, "Investment Guidelines – Insurance Companies" generally allows a foreign custody abroad as long as the aforementioned preconditions are fulfilled.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	According to the Asset Liability Management principles of the FINMA Circular No. 2016/5, liabilities arising from insurance contracts should match with the assets of the relevant currencies. Assets in currencies other than the reference currency should not exceed 20% of the required amount of the tied assets. This limit takes into consideration the effects of hedging.
Pension funds	Yes.	There are transparency requirements for occupational pension funds in the area of nontraditional bonds (especially securitized vehicles). Furthermore, securities lending and repo agreements must fulfill certain minimal conditions. As before, pension funds are usually not allowed to leverage their assets.
Limits (max.) on securities issued by nonresidents	Yes.	The Ordinance on Occupational Benefit Plans Concerning Old Age, Survivors, and Disability of January 1, 2021, regulates occupational pension funds. It treats residents and nonresidents mostly in the same way, stresses the need for supervision of counterparty risks and for sophisticated portfolio diversification, and strengthens the prudent investor principle. For occupational pension funds, there is a limit of 10% of total assets for the investment in real estate located outside Switzerland derived as follows: There is a limit for the investment in real estate of 30% of total assets, and real estate located outside Switzerland is not permitted to exceed one-third of all investment in real estate. There is also a limit of 30% of total assets for the investment in foreign currency without hedge. There is also a limit of 15% for alternative investments, including claims with alternative character. Infrastructure investments are considered a separate investment category from the alternative investment category. Swiss property title deeds and debt acknowledgments by Swiss public entities are exempted from this category. All these limits are non-binding for occupational pension funds that demonstrate to have prudential portfolio management practices.
Limits (max.) on investment portfolio held abroad	Yes.	The Ordinance on Occupational Benefit Plans Concerning Old Age, Survivors, and Disability of January 1, 2021, regulates occupational pension funds. It treats residents and nonresidents mostly in the same way, stresses the need for supervision of counterparty risks and for sophisticated portfolio diversification, and strengthens the prudent investor principle. For occupational pension funds, there is a limit of 10% of total assets for the investment in real estate located outside Switzerland derived as follows: There is a limit for the investment in real estate of 30% of total assets, and real estate located outside

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		Switzerland is not permitted to exceed one-third of all investment in real estate. There is also a limit of 30% of total assets for the investment in foreign currency without hedge. There is also a limit of 15% for alternative investments, including claims with alternative character. Infrastructure investments are considered a separate investment category from the alternative investment category. Swiss property title deeds and debt acknowledgments by Swiss public entities are exempted from this category. All these limits are non-binding for occupational pension funds that demonstrate to have prudential portfolio management practices.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	For occupational pension funds, there is a limit of 30% of total assets for the investment in foreign currency without hedge. This limit is non-binding for pension funds that demonstrate to have prudential portfolio management practices.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	Wholesale or retail central bank digital currency (CBDC) is not regulated.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	Wholesale or retail CBDC is not regulated.
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	

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Controls on CBDC launched by another jurisdiction	No.	Wholesale or retail CBDC is not regulated.
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	Swiss regulation is principle-based and technology-neutral. This means that tokenized securities and tokenized means of payments are treated the same way as their traditional counterparts. FINMA raised awareness of this fact in 2018 by publishing a guideline on initial coin offerings (ICOs) where payment tokens, utility tokens, and asset tokens (securities tokens) are described. Unbacked tokens, such as Bitcoin and Ether, may also fall under Banking regulation in addition to AML/CFT regulation.
Acquisition by residents	Yes.	There are certain controls for regulated institutions (for example, pension funds and insurance companies).
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	Yes.	Swiss regulation is principle-based and technology-neutral. This means that tokenized securities and tokenized means of payments are treated the same way as their traditional counterparts. FINMA raised awareness of this fact in 2018 by publishing a guideline on ICOs where payment tokens, utility tokens, and asset tokens (securities tokens) are described.
Acquisition by residents	Yes.	There are certain controls for regulated institutions (for example, pension funds and insurance companies).
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market	No.	

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instruments		
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	Issuance of stablecoins in general requires a prudential status (that is, as a bank or as a manager of collective investment schemes). These prudential requirements are laid out in FINMA's stablecoin guidelines (2019). In its 2021 Annual Report, FINMA clarified its expectations regarding mitigation of risks to market integrity created by stablecoins (p. 19): "All persons disposing of stable coins must be sufficiently identified by the issuing institution or by adequately supervised distribution partners in order to comply with the due diligence obligations under the Anti-Money Laundering Act for all transactions with stable coins."
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	On a technology-neutral basis, either requirements regarding securities trading activities (that is, securities exchange regulation or securities dealers regulation) or regarding trading/exchange of payment instruments (that is, banking regulation) apply.
Access to crypto exchange/trading platform by residents	No.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*12/16/2022*	Switzerland maintains certain restrictions on current international payments and transfers with respect to Haiti.
	06/28/2023	Switzerland maintains certain restrictions on current international payments and transfers with respect to Moldova.

Exchange Arrangement

Classification		
Floating	*01/07/2022*	The de facto exchange arrangement was reclassified to floating from crawl-like.

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SYRIA

(Position as of December 31, 2017)

Status under IMF Articles of Agreement

Date of membership	April 10, 1947.	
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2009 Article IV Consultation with Syria states that, as of February 12, 2010, Syria continued to maintain, under Article XIV, restrictions on payments and transfers for current international transactions, including administrative allocation of foreign exchange. Syria also maintained exchange measures that are subject to IMF approval under Article VIII: (1) prohibition against purchases by private parties of foreign exchange from the banking system for some current international transactions; (2) an MCP resulting from divergences of more than 2% between the official exchange rate and officially recognized market exchange rates; (3) a non-interest-bearing advance import deposit requirement of 75%–100% for public sector imports; and (4) an exchange restriction arising from the net debt under inoperative bilateral payments arrangements with the Islamic Republic of Iran and Sri Lanka. (Country Report No. 10/86)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Syria is the Syrian pound.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual	Yes.	The exchange rate system is dual because it consists of two rates: (1) the official rate of LS 11.20/11.25 per US dollar, which applies to interest arising from former bilateral payments agreements, pending agreements on their rescheduling, and (2) the exchange rate for all other transactions (foreign exchange market exchange rate), which unifies the other exchange rates and is announced by the Central Bank of Syria (CBS) daily.
Multiple		
Classification		
No separate legal tender		

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Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is a pegged exchange rate within horizontal bands. Given the developments in the official rate, the emergence of the parallel market, and the intervention rate, the de facto exchange rate arrangement is classified as other managed arrangement. This classification is based on the information as of end-April 2017.
Floating		
Free floating		
Official exchange rate	Yes.	Each business day at 9:30 a.m., the foreign exchange management team, comprising the governor and representatives from across the CBS, convenes to determine the official exchange rate for the pound against the SDR basket. The information that contributes to their decision includes the previous close-of-business information regarding foreign exchange operations and positions of the local banks. The governor, or the governor's deputy if the governor is absent, makes the final decision on the US dollar–pound exchange rate. After this rate is set, all other cross-rates for currencies in the basket are calculated and published. The official exchange rate of the pound is used for imports of certain materials specified by Prime Ministerial Decision No. 14184 of August 10, 2011, and its amendments.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the SDR.
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		

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Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set their exchange rates and commissions in transactions with their clients.
Spot exchange market	Yes.	The foreign exchange market consisted of 2 public banks, 11 conventional private banks, and 3 Islamic banks in addition to 15 exchange companies and 43 exchange bureaus. All partners in the foreign exchange market are licensed by the CBS. Licensed banks, exchange companies, and exchange bureaus may deal with the CBS. Exchange companies may deal with all foreign currency payments, including banknotes and current and capital transactions, on behalf of their clients in the same way as licensed banks. Exchange bureaus may only purchase and sell banknotes. Exchange companies are

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		allowed to make external remittances and hold accounts abroad not exceeding 30% of their capital.
Operated by the central bank	Yes.	The CBS intervenes via purchases and sales of foreign exchange directly with licensed banks. It proposes the spot price on its daily announced foreign exchange quotes for trading with licensed banks. The CBS intervenes in the market through trading of both US dollars and euros against pounds with the local banks and financial institutions according to its daily bulletin issued exclusively for this purpose, depending on the daily information about foreign exchange offers and demand in the local market.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	Yes.	
Interbank market	Yes.	There is a nascent interbank foreign exchange market. The participants in the interbank foreign exchange market are licensed by the CBS and include 2 public banks, 11 conventional private banks, and 3 Islamic banks.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	The foreign exchange market operates with market makers.
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Any convertible currency may be used for the settlement of export transactions. No currency requirements are imposed on outgoing payments. All payments to and receipts from Israel are prohibited. With a few exceptions, non-Syrians visiting Syria may settle their first- and second-class international hotel bills in foreign exchange.
Controls on the use of domestic currency	Yes.	Sometimes, the CB imposes limitations on the use of domestic currency for liquidity management purposes.
For current transactions and payments	Yes.	Nonresidents are generally required to settle their airfares in convertible currency.
For capital transactions	No.	Syrian, Arabi, and foreign investors may transfer abroad all their shares in investments on completion of their business in Syria.
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	This is permitted through authorized banks, exchange bureaus, and exchange companies.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There is an operative bilateral payments agreements with the Islamic Republic of Iran.

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Inoperative	Yes.	There is an inoperative bilateral payments agreements with the Islamic Republic of Iran.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Ministry of Economy and Trade (MOET) determines policy with regard to imports and exports and issues import licenses. The CBS issues exchange licenses for capital transactions.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Controls apply to gold coin and bullion transactions.
On external trade	Yes.	Imports of gold are subject to import licensing; gold exports are allowed as long as an equal weight of gold is imported within three months (MOET Decision No. 2366-2006).
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Residents traveling abroad may take with them up to LS 2,000 a trip unless they are traveling to Jordan or Lebanon. Travelers to Jordan and Lebanon who are not eligible for a foreign exchange allowance may take with them up to LS 7,500 a trip. Nonresidents leaving Syria may reconvert up to the equivalent of LS 25,000 to foreign exchange, provided the amount is less than the amount initially exchanged through authorized banks within two months of departure.
Foreign currency	Yes.	Residents traveling abroad may purchase foreign currency from banks, exchange bureaus, and exchange companies on presentation of their passport, visa, and airline ticket and take with them foreign exchange up to the equivalent of US$3,000 a trip. Travelers to Jordan and Lebanon may buy US$1,000 at the border each time they cross. The foreign currency amount is recorded in the traveler's passport to prevent circumvention. Nonresidents may take abroad any amount of foreign exchange declared when they entered the country; without a declaration, they may take out US$5,000.
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	Residents may open foreign exchange accounts in authorized banks with funds originating abroad. Deposits may be transferred to other resident accounts or for deposit abroad without limitation. Deposits in the form of banknotes may be withdrawn or transferred abroad. Residents may buy foreign exchange up to the equivalent of US $120,000, provided they deposit it at an authorized domestic bank for at least six months.

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Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open accounts in convertible foreign currency in authorized banks for the deposit of funds from abroad. Balances in such accounts may be sold to local banks, transferred abroad without restriction, or used to pay for authorized imports. Temporary nonresident accounts may be opened in the name of nonresidents temporarily residing in Syria.
Approval required	No.	
Domestic currency accounts	Yes.	These accounts may be credited with the proceeds of foreign currency sold to authorized banks and with other receipts in foreign currency or in pounds; they may be debited to pay for expenses in Syria. Neither the account balances nor the interest accrued on these accounts is transferable.
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	Yes.	Proceeds from the sale of real estate in Syria by nonresidents must be deposited in blocked domestic currency accounts. LS 180,000 or its equivalent a year may be transferred abroad from such accounts. Accounts may be debited for expenses in Syria.

Imports and Import Payments

Foreign exchange budget	Yes.	The foreign exchange requirements of government trading agencies are met with the annual foreign exchange budget; these agencies automatically receive import licenses on submission of documentation of their import requirements.
Financing requirements for imports	Yes.	Banks may finance all types of imports, except imports of gold and cars.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	Yes.	A non-interest-bearing advance deposit is required for public sector imports. The deposit is set as a certain percentage of the value of the import and differs depending on the case. Private sector imports are not subject to this requirement if they are financed from abroad. If authorized banks make settlements with an LC, an import deposit is required by banks, based on the solvency of the client (the importer).
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Importers must have a “commercial record,” which may be acquired based on a domiciliation document.
Preshipment inspection	No.	

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Letters of credit	Yes.	Private importers may choose to import products not included on the negative list by opening LCs at authorized banks.
Import licenses used as exchange licenses	Yes.	Importers must obtain written approval from the MOET to import certain items.
Other	No.	
Import licenses and other nontariff measures	Yes.	Some imports require licenses.
Positive list	Yes.	
Negative list	Yes.	There is a general list of goods that may not be imported. The negative list for imports includes items prohibited for security, health, or religious reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports from Syrian-free zones are allowed for certain industrial goods and for goods imported directly from the country of origin. Imports of commodities originating in Israel are prohibited. There is a restricted list of products whose importation is a public sector monopoly.
Import taxes and/or tariffs	Yes.	An import surcharge of 1% is applied to all imports; government imports and imports of certain essential items are exempt. Imports for customs duty purposes are valued at the quarterly exchange rate published by the CBS and calculated based on the previous month's average exchange rate between the pound and the US dollar. Import tariffs range up to 100%. All previous special levies on imports have been replaced with a unified import surcharge system with rates ranging from 6% to 35%.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Many basic commodities (for example, paper, salt, tobacco, wheat, and certain agricultural machinery) are imported only by state trading agencies or, for their account, by certain private sector importers.

Exports and Export Proceeds

Repatriation requirements	No.	All repatriation requirements have been lifted, and exporters are no longer required to repatriate the proceeds from exports, according to CBS Instruction No. 476 (2009).
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	Yes.	Authorized banks may accept prepayments for exports of Syrian products.
Documentation requirements	Yes.	
Letters of credit	Yes.	
Guarantees	Yes.	
Domiciliation	Yes.	
Preshipment inspection	Yes.	
Other	No.	

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Export licenses	Yes.	Exports of wheat, barley, cotton, cotton yarn, and their derivatives are made by the government organizations dealing in cereals and cotton. Petroleum product exports are handled by the State Petroleum Marketing Office. Exports of certain other commodities are also reserved for government agencies, state trading agencies, and specified companies. Exports of a few goods to all countries and all exports to Israel are prohibited.
Without quotas	Yes.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	All payments for public and private sector invisible transactions are effected at the market exchange rate. Residents may transfer with the required documentation up to US$10,000 a month in foreign exchange to pay for allowable invisible transactions.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Companies authorized under Investment Law No. 8 may transfer their net profits for the financial year on submission of a transfer request before the date of the transfer.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents may buy US$3,000 each time they travel abroad on presentation of their passport, visa, and airline ticket. The foreign currency amount is recorded in the traveler's passport to prevent circumvention. Travelers to Jordan and Lebanon may buy US$1,000 at the border each time they cross. On departure, Syrian residents must pay an exit tax of LS 800 a person if traveling to Arab countries and LS 1,500 a person for other destinations. An airport stamp tax of LS 200 is added to this tax. Syrian citizens, both residents and nonresidents, may obtain one international credit card, with a limit of US$10,000 a month or its equivalent in foreign currency, for travel payments.
Indicative limits/bona fide test	No.	
Personal payments	Yes.	
Prior approval	No.	

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Quantitative limits	Yes.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	Up to US$1,000 a month in pension income may be transferred in foreign currency converted at the market exchange rate to Syrians living abroad.
Indicative limits/bona fide test	Yes.	Up to 50% of salaries received by foreign technicians and experts employed in Syria may be transferred abroad. Foreign staff connected with FDI may transfer 100% of severance pay.
Credit card use abroad	Yes.	
Prior approval	Yes.	
Quantitative limits	Yes.	Syrian citizens, both residents and nonresidents, may obtain one international credit card with a limit of US$10,000 a month or its equivalent in foreign currency.
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents may transfer up to US$10,000 a month in foreign exchange to pay for any invisible transaction. Residents may transfer up to US$5,000 a year in foreign exchange as personal aid to their relatives and up to US$2,000 a year for newspaper subscriptions and membership fees and dues. Transfers for trade fair participation are allowed twice a year up to US$10,000.
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	n.a.	
Surrender to authorized dealers	n.a.	
Restrictions on use of funds	Yes.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	n.a.	
Surrender to authorized dealers	n.a.	
Controls on capital and money market instruments	Yes.	Exports of capital require Export Obligation approval.

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On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents are allowed to purchase shares and other securities listed on the Damascus stock exchange.
Sale or issue locally by nonresidents	Yes.	Proceeds from the sale of domestic shares may be transferred only with the permission of the Export Obligation.
Purchase abroad by residents	Yes.	Authorized banks may acquire portfolio investments abroad not exceeding 30% of their own capital.
Sale or issue abroad by residents	Yes.	These transactions require the approval of the Syrian Commission on Financial Markets and Securities.
Bonds or other debt securities	Yes.	The Syrian government has been issuing treasury bills since 2010.
Purchase locally by nonresidents	n.r.	These transactions do not exist.
Sale or issue locally by nonresidents	Yes.	These transactions are not allowed.
Purchase abroad by residents	Yes.	These transactions are not allowed. Authorized banks may acquire portfolio investments abroad not exceeding 75% of their own capital.
Sale or issue abroad by residents	Yes.	
On money market instruments	Yes.	Two instruments are available: (1) investment certificates issued by the Popular Credit Bank as an agent of the government. These carry an interest rate of 7.5% a year and have a 10-year maturity but a short-term effective holding period and (2) CDs issued by authorized banks. CDs have many maturity dates (one, two, and three years) and interest rates depending on their maturity (9%, 9.5%, and 10%, respectively).
Purchase locally by nonresidents	n.r.	These transactions do not exist.
Sale or issue locally by nonresidents	n.r.	These transactions do not exist.
Purchase abroad by residents	Yes.	Authorized banks may acquire portfolio investments abroad not exceeding 75% of their capital.
Sale or issue abroad by residents	Yes.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	n.r.	These transactions do not exist.
Sale or issue locally by nonresidents	n.r.	These transactions do not exist.
Purchase abroad by residents	Yes.	These transactions are not allowed.
Sale or issue abroad by residents	Yes.	These transactions are not allowed.
Controls on credit operations	Yes.	
Commercial credits	Yes.	

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By residents to nonresidents	Yes.	These transactions are not allowed.
To residents from nonresidents	Yes.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	These transactions are not allowed.
To residents from nonresidents	Yes.	Residents may borrow from nonresidents only for financing investment projects.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	These transactions are not allowed.
Inward direct investment	Yes.	Inward direct investment is subject to licensing, according to Law No. 8 on Investments. Investors may hold foreign currency accounts to finance convertible currency requirements. These accounts may include all capital and loans obtained in foreign currency and 100% of proceeds from exports. All profits may be transferred freely. Syria has investment guarantee agreements with France, Germany, Switzerland, and the United States. Companies licensed under the investment law may exchange for local currency at the market exchange rate part of their assets, duly deposited at Syrian banks, to cover basic needs and local liabilities.
Controls on liquidation of direct investment	No.	Law No. 8 on Investments allows an investor to transfer foreign exchange capital after payment of taxes without time limitations.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Foreigners may acquire real estate.
Sale locally by nonresidents	Yes.	Foreigners may not sell real estate until two years after the date of acquisition.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Gifts, endowments, inheritances, and legacies must be from a legitimate source, in accordance with the decisions of the Anti-Money-Laundering Commission.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	n.a.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These assets must be from a legitimate source, in accordance with

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		the decisions of the Anti-Money-Laundering Commission.
Transfer into the country by immigrants	Yes.	
Transfer of gambling and prize earnings	Yes.	These transactions are allowed in accordance with the decisions of the Anti-Money-Laundering Commission.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	For the limitations of granting credit from commercial banks denominated in local currency by setting percentages for financing different kinds of sectors.
Borrowing abroad	Yes.	Banks and investors licensed according to the Law on Investment may borrow abroad. Investors must borrow through local banks.
Maintenance of accounts abroad	Yes.	Banks and exchange companies may have correspondent accounts abroad. Only exchange companies require CBS permission to open correspondent accounts abroad.
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents is generally subject to licensing by the Export Obligation.
Lending locally in foreign exchange	Yes.	Banks may finance private sector imports in the form of (1) six months' deferred payment for licensed imports or (2) a one-year foreign currency loan for imports used for export production or reexportation. Banks may lend in foreign exchange to residents to finance investment projects. All investors covered by the Law on Investment may borrow in foreign currency to finance investment projects.
Purchase of locally issued securities denominated in foreign exchange	n.a.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	Both foreign and domestic currency deposits are subject to a reserve requirement of 5%.
Liquid asset requirements	No.	The same liquidity ratio applies to domestic and foreign currency deposits.
Interest rate controls	Yes.	Interest rates to deposits in foreign currency are ±1% LIBOR.
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	10% for all deposits. 5% for financing productive sector.
Liquid asset requirements	Yes.	
Interest rate controls	Yes.	Interest rates to deposits in foreign currency are ±1% LIBOR.
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Authorized banks may acquire portfolio investments not exceeding 75% of their capital.
In banks by nonresidents	Yes.	Nonresidents may invest in private banks up to 60% of the total ownership. The minimum capital requirement is LS 10 billion and LS 15 billion for traditional and Islamic banks, respectively.
Open foreign exchange position limits	Yes.	Banks may build open foreign exchange positions of up to 65% of their capital. The net open foreign exchange position is calculated daily as the difference between foreign assets and liabilities on the balance sheet plus net swap transactions.
On resident assets and liabilities	Yes.	

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On nonresident assets and liabilities	Yes.
Provisions specific to institutional investors	n.a.
Insurance companies	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Pension funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.
Investment firms and collective investment funds	n.a.
Limits (max.) on securities issued by nonresidents	n.a.
Limits (max.) on investment portfolio held abroad	n.a.
Limits (min.) on investment portfolio held locally	n.a.
Currency-matching regulations on assets/liabilities composition	n.a.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.

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For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other	

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instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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TAJIKISTAN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		April 27, 1993.
Article VIII	Yes.	Date of acceptance: December 9, 2004.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with Tajikistan states that, as of January 3, 2022, the Republic of Tajikistan maintains one exchange restriction and two multiple currency practices subject to IMF approval under Article VIII, Section 2(a) and Section 3 of the IMF's Articles of Agreement. Foreign exchange shortages, evidenced by market participants' reports of undue delays in obtaining foreign exchange and external payment arrears, persist in the commercial foreign exchange market as a result of the setting of exchange rates by commercial banks used in foreign exchange transactions, because of informal guidance by the NBT, which do not reflect market conditions. Because of this, not all demand for bona fide foreign exchange for current international transactions is satisfied, giving rise to an exchange restriction. One multiple currency practice arises because of the absence of a mechanism to prevent a potential deviation of more than 2% between: (i) the prevailing market exchange rate and (ii) the official exchange rate, which is required to be used for converting domestic currency (somoni) to foreign currency, and vice-versa, between accounts of individuals and legal entities opened within the same commercial bank. The second multiple currency practice arises because of the absence of a mechanism to prevent a potential deviation of more than 2% between: (i) the somoni-Russian ruble exchange rate (calculated as a cross-rate using the official exchange rate of the USD to somoni), which is required to be used for mandatory ruble surrender transactions and for the purchase/sale in the interbank market of rubles derived from the mandatory surrender and (ii) the market exchange rate banks may use for purchase/sale of Russian rubles derived from other sources. (Country Report No. 22/53)
Exchange measures imposed for security reasons	Yes.	Because of security considerations, the NBT sent lending institutions Letter No. 27.03-274/3494 of October 9, 2015, which is of an advisory nature, recommending that all lending institutions exercise particular care when engaging in banking relations and performing transactions with the following banks, which have been included on the Office of Foreign Assets Control (OFAC) Specially Designated Nationals List: ZAO (Closed Joint-Stock Company) Kont – liquidated, ZAO Kafolatbank – in the liquidation stage (NBT Executive Board Resolution No. 160 of October 27, 2021) and a branch of Tijorat Bank of the Islamic Republic of Iran.
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Exchange restrictions have been imposed in accordance with UNSC resolutions. Certain measures have been taken to freeze financial assets or other

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property of individuals and organizations included on the lists of persons involved in terrorism (consolidated (UNSC lists), international, and national lists).

Exchange Arrangement

Currency	Yes.	The currency of Tajikistan is the Tajik somoni.
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual		
Multiple	Yes.	The exchange rate structure is multiple because of the following multiple currency practices as a result of potential deviation of more than 2%: (1) between: (a) the prevailing market exchange rate and (b) the official exchange rate, which is required to be used for converting domestic currency (somoni) to foreign currency, and vice versa, between accounts of individuals and legal entities opened within the same commercial bank; and (2) between: (a) the somoni–Russian ruble exchange rate (calculated as a cross-rate using the official exchange rate of the US dollar to somoni), which is required to be used for mandatory ruble surrender transactions and (with a maximum variation of 0.5%) for the purchase/sale in the interbank market of rubles derived from the mandatory surrender and (b) the market exchange rate banks may use for purchase/sale of Russian rubles derived from other sources.
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is managed floating, with no predetermined path, but in practice the exchange rate is stabilized. From March 2022 through July 2022, the exchange rate increased its flexibility while still being managed. Beginning in July 2022, the somoni stabilized against the US dollar within a 2% band against the US dollar with one realignment in February 2023. Accordingly, the de facto exchange rate arrangement was reclassified twice: (1) to other managed from stabilized, effective March 10, 2022, and (2) to stabilized from other managed, effective July 21, 2022. Information about the overall volume of foreign currency purchased and sold in the domestic exchange market (in the dollar equivalent) is published on a monthly basis in the NBT's statistical bulletin.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		

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Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate of the US dollar is calculated on the basis of the weighted average exchange rates in transactions involving the purchase and sale of the US dollar for somoni in the interbank and intrabank foreign exchange markets as of 4:00 p.m. of the current day. The NBT has the right to adjust the calculated base weighted average exchange rate within a range of ±1.5%. A decision to make an adjustment is made by the NBT working group on exchange rate policy. The official exchange rates of other foreign currencies are calculated according to the rules for determining cross-rates using the ratio of the official exchange rate of the US dollar against the somoni and the exchange rates of the US dollar against other foreign currencies as established by their CBs or in international foreign exchange markets on that day. The official exchange rate is used for accounting purposes and for recording foreign exchange funds in somoni on the balance sheets of economic entities, for recalculation into somoni of mandatory state payments expressed in foreign currency, for calculating main macroeconomic indicators, and for analyzing the results of foreign economic activity. In accordance with NBT Executive Board Resolution No. 127 of September 29, 2017, the exchange rate in somoni for the purchase and sale of foreign currency for clients of the NBT is set by the NBT by agreement between the parties, taking into consideration the following conditions: – the exchange rate in somoni for the purchase of foreign currency must be no higher than the official exchange rate in effect on the day the transaction is performed; – the sale of foreign currency for somoni to the MOF must be performed at the official exchange rate in effect on the day the transaction is performed; – the sale of foreign currency for somoni to other public enterprises and organizations serviced by the Main Central Treasury Administration of the MOF must be performed at the official exchange rate in effect on the day the transaction is performed, plus a margin of 1.5%. The authorized banks independently set the exchange rate based on the domestic foreign exchange market situation, foreign exchange supply and demand, and the official bid by the clients.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The Republic of Tajikistan’s Monetary Policy Strategy for 2021–2025 states that the mechanism of monetary policy of the NBT is officially implemented under the reserve money targeting regime and its regulation is carried out to ensure stable money supply growth in the economy and also to maintain a stable level of demand and

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inflation.
The NBT is carrying out a number of reforms to make a gradual transition from a reserve money targeting regime to a new framework for the implementation of monetary policy – inflation targeting. Accordingly, at this time the NBT performs monitoring of reserve money as an operational objective of the monetary targeting regime, as well as the short-term interest rate in the interbank credit market.
The main focus of monetary and exchange policy is on the development of institutional reforms, instruments, and on increasing their impact on short-term interest rates in the money market, the level of aggregate demand and inflation, and its aim is to create a favorable climate and reliable foundation for making a gradual transition from a reserve money framework (quantity) to a new inflation-targeting framework (quality) for the implementation of monetary policy.

Monetary policy targets are defined in the Republic of Tajikistan's Projected Monetary Policy Guidelines for 2022 and the Medium Term. This document is reviewed by the NBT Executive Board and approved by the Republic of Tajikistan Parliament.
To identify the maintenance of price stability as a top priority, a quantitative medium-term inflation target of 6.0% (±2 percentage points) is published on the NBT's official website. The inflation target in Tajikistan is defined in the form of the inflation rate at the end of the year.
During the transition from reserve money to short-term interbank operations, a corridor for fluctuations in interbank operations was set at the refinancing rate ±3 percentage points. The upper limit of the corridor is overnight credits (refinancing rate +3 percentage points), and the lower limit of the corridor is overnight deposits (refinancing rate −3 percentage points).
The target corridor band for reserve money is set at ±5% of the established target.
The NBT is accountable to the Lower Chamber of the Supreme Assembly (Parliament) of the Republic of Tajikistan. The NBT submits to the Parliament the NBT's annual report and auditor's report as well as the Monetary Policy Projections of the Republic of Tajikistan and a report on their implementation.

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

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Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Participants in this market include the NBT and all lending and financial institutions (banks and microfinance organizations) licensed to perform banking operations in foreign exchange. Ads are allowed to determine freely their bid-ask spread and foreign exchange commissions with their clients.
Spot exchange market	Yes.	Participants in this market include the NBT and all lending and financial institutions (banks and microfinance organizations) licensed to perform banking operations in foreign exchange. Customers of lending institutions (individuals and legal entities) may perform currency exchange operations in both cash and noncash form at cash offices of banking institutions (head office, branch, and bank service centers). Microfinance organizations licensed to perform banking operations in foreign currency have the right to perform foreign exchange operations in both cash and noncash form. The foreign exchange market consists of the OTC interbank market and the market for intrabank client transactions, including to conduct exchange transactions with cash foreign currency. Currency exchange transactions are performed exclusively through cash offices of banking institutions (head office, branch, and bank

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		service centers). As of December 31, 2022, there were 25 lending institutions (13 banks and 12 microfinance institutions) participating in the interbank market. As of December 31, 2022, there were 1,294 cash offices entitled to perform currency exchange transactions within lending institutions, of which 939 belonged to authorized banks and 355 to authorized microcredit organizations.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	Market participants themselves dispose of acquired funds. In accordance with NBT Directive No. 07.03-99/366 of February 2, 2016, the requirement on the conversion of Russian rubles transferred by individuals without opening a bank account, and their disbursement in somoni, was introduced. Fifty percent of these funds acquired by banks for their own position in Russian rubles by 4:00 p.m. on any day had to be offered for sale in the interbank market (rubles purchase and sale auctions). In December 2019, the National Processing Center was created that provides for money transfers without opening a bank account with the NBT. In connection with this, all cross-border transfers without the opening of an account within the Republic of Tajikistan are performed through the National Processing Center, and on the basis of this, 50% of the amount of the transfers is automatically transferred to a commercial bank and the rest is offered for sale in the interbank foreign exchange market at the exchange rate for money transfers at the time the auction is held. Auction participants are the NBT and all lending institutions (banks and microfinance organizations) licensed to perform banking operations in foreign exchange. The NBT acts as a temporary intermediary for these transactions, and a volume-based auction is conducted to distribute the rubles to banks. The portion of funds in Russian rubles not purchased by other auction participants remains at the disposal at the NBT.
Fixing	No.	
Interbank market	Yes.	Participants in this market include the NBT and all lending institutions (banks and microfinance organizations) licensed to perform banking operations in foreign exchange. There are no limits on the bid-ask spread and commission of market participants. The NBT is not a market maker and does not quote buying and selling prices to other market participants. As of December 31, 2022, participants in the interbank foreign exchange market comprised 28 lending institutions (13 banks and 15 microfinance organizations).
Over the counter	Yes.	
Brokerage	No.	
Market making	Yes.	The operation of the foreign exchange market is based on market makers, who continuously quote buying and selling prices to other market participants. As of December 31, 2022, 10 market makers operated on Tajikistan's foreign exchange market as evidenced by their quotations on the TJS Rate Quotes page at the Rafinitiv platform in real time.

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Forward exchange market	Yes.	Bilateral foreign exchange contracts exist with maturity equal to or above two days. There is no separate legal framework for regulating forward operations, and there are no restrictions on conducting such operations.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Residents and nonresidents may use somoni for the settlement of all transactions without exception. Settlements between residents and nonresidents involving international payments may be made in any foreign currency.
Controls on the use of domestic currency	No.	Somoni may be used for the settlement of international current and capital transactions, on the basis of agreements.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	The NBT issues short-term loans to lending institutions (intraday loans, overnight loans, credit auction loans). It also provides emergency loans (for a term not exceeding three months). The loans are issued in the domestic currency.
Use of foreign exchange among residents	Yes.	The Law on Foreign Exchange Regulation and Foreign Exchange Control prohibits foreign exchange operations between residents, except: (1) operations in which one party is the NBT or the MOF; (2) operations by authorized banks and other authorized entities in accordance with a license or other regulatory legal act; (3) payment of bank service fees and fines related to contracts for bank services in foreign currency; (4) deposits and savings in foreign currency placed by individuals on their own behalf or on behalf of others; (5) buying, selling, disbursement of income, or redemption of securities of residents and nonresidents denominated in foreign currency; (6) repayment and transfer of funds on export (import) contracts with transferable LCs; (7) mutual settlements with residents engaged in activities under Article 5, part 1; (8) payments for foreign business travel; (9) transfer or assignment of foreign exchange assets between individuals for charitable purposes; (10) transfer or assignment of foreign exchange assets between charitable institutions; (11) expediting, shipping, and for-hire carrier (freight, charter) contracts when services are provided by a freight forwarder or expediter, shipping company, or carrier for exports or imports of goods or movement of goods across Tajikistan and under insurance contracts for such goods; (12) payment of taxes and other mandatory payments under the law; and (13) the following operations by individuals: (a) donation of foreign exchange assets to Tajikistan, government bodies, and local government authorities; (b) donation of foreign exchange assets to individuals and legal

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		entities; (c) bequest of foreign exchange assets as an inheritance; (d) transfer of foreign exchange into or from Tajikistan without opening a bank account; (e) purchase or sale and exchange or substitution of foreign exchange cash from an authorized bank or authorized person.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The NBT establishes the procedures for foreign exchange transactions and monitors their observance, issues licenses to lending institutions for banking operations in foreign exchange, conducts exclusive supervision of their activity, sets open foreign exchange position limits for lending institutions, and monitors the transactions of lending institutions. The MOF monitors the status of government and government-guaranteed debt and registers inward direct investment. The MOF sets targets for tax collection, the Tax Committee collects taxes, and the Customs Service collects VAT and customs duties on international trade operations.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Gold-mining joint ventures are subject to controls. All activities of gold-mining companies are subject to government controls. All of the gold produced is purchased by two entities – the Republic of Tajikistan MOF and the NBT.
On domestic ownership and/or trade	Yes.	The sale of precious metals and precious stones in the domestic market is carried out only in domestic currency. Enterprises engaged in production and extraction have the right to offer their products for sale to other commercial entities only after the needs of the authorized body of the Republic of Tajikistan government for the purchase of precious metals have been met.
On external trade	Yes.	The exportation of gold and other precious metals is controlled by the government. Exports from the Republic of Tajikistan of coins made of precious metals that are legal tender are performed by the NBT and by lending institutions following the procedure determined by the NBT.
Controls on exports and imports of banknotes	Yes.	The customs authorities of Tajikistan have control over imported and exported cash currencies and securities in the domestic and foreign currencies in accordance with the customs legislation. Exports and imports of foreign exchange and foreign exchange assets in the Republic of Tajikistan are regulated by Instruction No. 234 "On the Procedure for the Import and Export of Foreign Exchange Assets into and from the Republic of Tajikistan." In the event that information provided in a declaration of the importation or exportation of foreign exchange assets is found to be

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		incorrect, or if imported or exported foreign exchange assets subject to mandatory declaration are not reported, the Customs Service of Tajikistan may require that the sender provide additional information about the source of the foreign exchange assets and about their further use. The Customs Service of Tajikistan may, when necessary, establish cases of money laundering, financing of terrorism, and financing of the proliferation of weapons of mass destruction, to suspend and restrict the movement of foreign exchange assets, including the following cases: (1) in the event that money laundering, financing of terrorism, and financing of the proliferation of weapons of mass destruction, or the commission of predicate crimes, are suspected; (2) in the event of an incorrect mandatory declaration or failure to provide information about the exportation and importation of foreign exchange assets. In addition, as per part 2, article 28 of the Republic of Tajikistan Law on Combating Money Laundering, Financing of Terrorism, and Financing of the Proliferation of Weapons of Mass Destruction (as amended on March 15, 2023, No. 1950), customs authorities shall collect information on declared or otherwise detected cash funds and bearer liquid assets transported across the customs border, including their amount and the identity data of the person transporting them, and shall ensure storage for at least 5 years in the following cases: (1) when the amount stated in the mandatory written declaration exceeds the minimum amount established for the declaration; (2) in case the declaration incorrectly states the amount of cash or bearer liquid assets transported across the customs border; (3) in the event of suspected legalization (laundering) of proceeds of crime, financing of terrorism and financing of proliferation of weapons of mass destruction. The above information must be available to the authorized body in the field of legalization (laundering) of proceeds of crime, combating the financing of terrorism and financing the proliferation of weapons of mass destruction and must be provided on its request.
On exports	Yes.	
Domestic currency	No.	Resident and nonresident individuals may export domestic currency in compliance with customs laws of Tajikistan.
Foreign currency	Yes.	Resident individuals may export foreign currency up to US$3,000 subject to voluntary declaration; amounts between US$3,000 and US$10,000 may be exported with a written declaration; and amounts over US$10,000 require a written declaration and presentation of documents confirming the source of foreign exchange for the exportation from Tajikistan. Nonresident individuals may export foreign currency up to US$3,000 subject to voluntary declaration; amounts above US$3,000 require a written declaration and presentation of documents confirming the source of foreign exchange for the exportation from Tajikistan. Documents confirming the source of foreign exchange for the exportation from Tajikistan are: (1) a customs declaration processed by customs authorities and confirming the importation of foreign exchange assets into Tajikistan by an individual (residents and nonresidents); (2) a document confirming the performance of exchange and/or conversion transactions with foreign currency issued to individuals (residents and nonresidents) by authorized banks (or branches thereof) or by their structural subdivisions when selling foreign exchange cash to individuals; (3) a document confirming the performance of foreign exchange transfer transactions issued to individuals (residents and

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		nonresidents) by authorized banks (or branches thereof) or by their structural subdivisions when disbursing cash that has been transferred without the opening of a bank account; (4) a cash debit slip issued to a customer by authorized banks (or branches thereof) or by their structural subdivisions when cash is withdrawn or disbursed from a domestic currency account or from a foreign exchange account; (5) a cash debit slip issued by authorized banks (or branches thereof) or by their structural subdivisions when foreign exchange cash is disbursed from a legal entity's current account to cover business travel expenses for its employees and in other cases provided for by the legislation; and (6) a cash debit slip issued by the NBT Central Cash Office to cover business travel expenses for its employees and employees of organizations supported by the budget and agencies serviced at the Central Treasury of the MOF of Tajikistan. Legal entities may export domestic currency through lending institutions without restriction, provided they comply with customs regulations.
On imports	Yes.	
Domestic currency	No.	Domestic cash currency may be imported without limitations.
Foreign currency	Yes.	Imports by individuals (residents and nonresidents) are permitted without restriction, but customs rules must be observed. Amounts exceeding US$3,000 require a written declaration. Legal entities may import only through lending institutions licensed to perform foreign exchange transactions. A customs fee is levied on imports of cash by lending institutions according to the following schedule: US$10 for amounts less than US$5,000, US$20 for US$5,001–US$10,000, US$70 for US$10,001–US$50,000, US$150 for US$50,001–US$100,000, US$400 for US$100,001–US$500,000, US$800 for US$500,001–US$1,000,000, and US$900 for US$1,000,001 and above. Under paragraph 3 of Instruction No. 234 on the Procedure for the Import and Export of Foreign Exchange Assets into and from the Republic of Tajikistan (approved by NBT Executive Board Resolution No. 30 of March 15, 2018, and registered by the Justice Ministry No. 153b on June 5, 2018), amendments and additions as of February 21, 2020, No. 153b, "import of foreign exchange assets by individuals (resident and non-resident) into the Republic of Tajikistan is not subject to any restrictions provided requirements of the Republic of Tajikistan customs legislation are complied with."

Resident Accounts

Foreign exchange accounts permitted	Yes.	According to the Law on Foreign Exchange Regulation and Foreign Exchange Control, resident individuals must conduct settlements on foreign exchange operations through bank accounts with authorized banks, except as indicated under Article 8. Resident legal entities must conduct settlements on foreign exchange operations through bank accounts with authorized banks, except as indicated under Article 13, part 2. According to this law, residents and nonresidents conducting foreign exchange transactions in Tajikistan must provide reports, data, and documentation as required by law. Authorized banks must obtain from residents and nonresidents information on the purpose and

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		destination of payments and transfers in foreign exchange. Instruction No. 251 established the threshold for the deposit of foreign exchange cash in legal entities' bank accounts without a supporting document to confirm the source of the funds at the equivalent of 1,750 times the reference indicator. In accordance with Instruction No. 251, individuals deposit foreign currency in their own bank accounts with no restrictions on the amounts and without the presentation of supporting documents to confirm the source of the funds. Effective January 1, 2022, in accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60).
Held domestically	Yes.	There are no restrictions related to the opening and operation of foreign exchange accounts with local banks. Balances may be transferred at local banks without limitations. Balances on these accounts can be freely transferred abroad.
Approval required	No.	
Held abroad	Yes.	Residents may open bank accounts in foreign currency with nonresident banks without restriction in amounts and for purposes that are consistent with the requirements of the system for combating money laundering and the financing of terrorism. Balances may be transferred in and out of the country without limitations.
Approval required	No.	Residents must notify the tax authority with which they are registered and the NBT within 10 days of opening an account with a nonresident bank. The NBT must issue residents a supporting document within five business days of notification. The funds in a bank account with a nonresident bank are at residents' disposal and may be used freely.
Accounts in domestic currency held abroad	No.	Residents are not allowed to open accounts in domestic currency abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	All accounts in domestic currency are convertible.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Accounts may be opened at any lending institution. According to the Law on Foreign Exchange Regulation and Foreign Exchange Control, residents and nonresidents involved in foreign exchange transactions in Tajikistan must provide reports, data, and documents on these operations following the procedure established by law. Authorized banks must require that residents and nonresidents indicate the purpose and destination of payments and money transfers related to foreign exchange transactions. Nonresidents may transfer foreign or national currency from their accounts in foreign banks to accounts in authorized banks without limitation, and may freely transfer from their accounts in authorized banks to accounts with foreign banks. Nonresidents may without limitation transfer foreign currency to each other through their own accounts with authorized banks subject to observance of the legislation of Tajikistan.
Approval required	No.	
Domestic currency accounts	Yes.	Balances may be transferred in and out of the country without limitations.
Convertible into foreign currency	Yes.	All accounts in domestic currency are convertible. Nonresidents may convert the balances of their domestic currency accounts to foreign currency and transfer them abroad freely.

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Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Legal entities and individuals may acquire foreign currency in the foreign exchange market without restriction and without the presentation of documents confirming the purpose and intended use of this foreign currency. To make a payment abroad, a contract, agreement, or shipping documents must be presented. The value of all imported goods must be equal to the amount paid for them. If goods are not delivered, the importer must return the funds transferred earlier within the time period stipulated in the contract. According to the Law on Foreign Exchange Regulation and Foreign Exchange Control, authorized banks performing residents' foreign exchange operations must require specification by residents of the deadline for the transfer of foreign currency to their bank accounts according to the foreign exchange contract (transaction) for exports or imports of goods (work and services). If the deadline for the fulfillment of obligations changes or circumstances affect the transfer of foreign currency to the account within the established deadline, residents must notify the authorized bank and provide supporting documentation.
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The importation of firearms, narcotics, poisons, chemical weapons, and nuclear materials is prohibited.
Open general licenses	No.	
Licenses with quotas	Yes.	Licenses with quotas apply to imports of ethyl alcohol and alcoholic beverages.
Other nontariff measures	Yes.	Imports of tobacco and tobacco products require licenses.
Import taxes and/or tariffs	Yes.	Imports are subject to taxes and duties in accordance with the legislation of Tajikistan.
Taxes collected through the exchange	No.	

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system

State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Foreign exchange proceeds from exports must be credited to residents' accounts with lending institutions or to their accounts abroad. Foreign exchange export proceeds must be received in full and in a timely fashion, within the period stipulated in the contract. According to the Law on Foreign Exchange Regulation and Foreign Exchange Control, residents are required, within the time specified in the contract, to take the necessary steps for receipt to their accounts in authorized banks domestic or foreign currency deposited by nonresidents for the purpose of payment for the exportation of goods (work and services). Residents may, with respect to mutual settlements for exports and imports of goods (work and services), choose not to deposit domestic or foreign currency in their accounts in authorized banks in the following cases: (1) transfer of domestic or foreign currency to their account with an authorized bank or account of a third person on fulfillment of obligations according to foreign exchange contracts; (2) transfer of domestic or foreign currency to their account with a foreign bank to finance their subsidiaries abroad; (3) termination of a nonresident's obligations in the offsetting of mutual claims; (4) replacement of a nonresident's original obligations by new obligations or fulfillment by another arrangement between the same persons; (5) assignment to a third party of the right of claim on obligations; and (6) receipt of insurance payments when an insured event occurs under a risk insurance contract in connection with a failure by the nonresident to fulfill its obligations. Authorized banks engaged in residents' foreign exchange operations must require residents to specify or clarify the time of deposit of foreign currency in their bank accounts, according to the exchange agreement (the transaction) for the exportation of goods (work and services). In the case of a change in the terms for fulfillment of obligations, or a situation affecting the deposit of foreign currency to the account within a specified time limit, residents are obliged to notify the authorized bank and to provide supporting evidence and substantiated facts.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	According to the Law on Foreign Exchange Regulation and Foreign Exchange Control, authorized banks performing residents' foreign exchange operations must require specification by residents of the deadline for the transfer of foreign currency to their bank accounts according to the foreign exchange contract (transaction) for exports or imports of goods (work and services). If the deadline for the fulfillment of obligations changes or circumstances affect the transfer of foreign currency to the account within the established deadline,

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		residents must notify the authorized bank and provide supporting documentation.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Advance payment is required for exports of cotton fiber.
Export licenses	Yes.	Licenses are required for the production, processing, and exportation of tobacco and tobacco products.
Without quotas	No.	
With quotas	Yes.	Licenses with quotas apply to exports and wholesale purchases of ethyl alcohol and alcoholic beverages.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	There is a 3% sales tax on exports of aluminum and a processing tax on aluminum of TJS 65 a ton. There is a 10% sales tax on cotton fiber.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	The rules described here apply to all types of invisible current transactions and transfers specified in this section. Payments to nonresidents by residents require supporting documentation. Residents and nonresidents may make transfers unrelated to commercial activity without opening a bank account. From September 29, 2017, the threshold for the undocumented transfer of foreign currency without opening a bank account for all purposes is set at 1,750 times the reference indicator. All payments by legal entities and individuals related to payment for the cost of imported goods, work, and services received by them must be performed only through their bank accounts. From September 29, 2017, the threshold of 1,750 times the reference indicator was established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash. Effective January 1, 2022, in accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60).
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documents for the payment must be presented. All payments by legal entities and individuals related to payment for the cost of imported goods, work, and services received by them must be performed only through their bank accounts. Residents and nonresidents may make transfers unrelated to commercial activity without opening a bank account. Effective January 1, 2022, in accordance with the Republic of

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		Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60).
Investment-related payments	Yes.	Transfers of interest, dividends, and other investment income; repayment of loans; and the amortization of direct investment do not require authorization.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documents for the payment must be presented. Residents and nonresidents may make transfers unrelated to commercial activity without opening a bank account. All payments by legal entities and individuals related to payment for the cost of imported goods, work, and services received by them must be performed only through their bank accounts. Effective January 1, 2022, in accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60).
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documents for the payment must be presented. Residents and nonresidents may make transfers unrelated to commercial activity without opening a bank account. Effective January 1, 2021, in accordance with the Republic of Tajikistan Law on the State Budget for 2021, one reference indicator is equal to TJS 60 (previously, it was TJS 58). Effective January 1, 2022, in accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60).
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documents for the payment must be presented. Residents and nonresidents may make transfers unrelated to commercial activity without opening a bank account. From September 29, 2017, the threshold for the undocumented transfer of foreign currency without opening a bank account for all purposes is set at 1,750 times the reference indicator. All payments by legal entities and individuals related to payment for the cost of imported goods, work, and services received by them must be performed only through their bank accounts. From September 29, 2017, the threshold of 1,750 times the reference indicator was established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash. Effective January 1, 2022, in accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60).
Foreign workers' wages	Yes.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documents for the payment must be presented. From September 29, 2017, the threshold for the undocumented transfer of foreign currency without opening a bank account for all purposes is set at 1,750 times the reference indicator. From September 29, 2017, the threshold of 1,750 times the reference indicator was established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash. Effective January 1, 2022, in accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60).
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documents for the payment must be presented. Residents and nonresidents may make transfers unrelated to commercial activity without opening a bank account. From September 29, 2017, the threshold for the undocumented transfer of foreign currency without opening a bank account for all purposes is set at 1,750 times the reference indicator. All payments by legal entities and individuals related to payment for the cost of imported goods, work, and services received by them must be performed only through their bank accounts. The threshold of 1,750 times the reference indicator was established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash. Effective January 1, 2022, in accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60).

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	In accordance with the Law on Foreign Exchange Regulation and Foreign Exchange Control, Article 13: (1) residents are required to take appropriate measures within a term established by contract for crediting to their accounts with authorized banks of the following assets: (a) domestic or foreign currency transferred by nonresidents to residents for the purpose of payment for the export of goods (work and services) and (b) domestic or foreign currency transferred to nonresidents as an advance payment for the import of goods (work and services), in the case of partial or total default by the nonresident. (2) Residents may, with respect to mutual settlements for exports and imports of goods (work and services), choose not to deposit domestic

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		or foreign currency in their accounts in authorized banks in the following cases: (a) in fulfillment of obligations according to foreign exchange contracts; (b) to finance the activity of their structural subdivisions abroad; (c) in the case of interruption of obligations of nonresidents during bank clearing; (d) in the case of interruption of obligations of nonresidents during their substitution by new obligations or other procedures between the same persons; (e) in the case of assignment of claims on obligations to third persons; and (f) in the case of obtaining insurance payments when an insured event occurs under risk insurance contracts in connection with failure of obligations of nonresidents.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Transfers in Russian rubles made by individuals without opening a bank account and that are of a socially meaningful, noncommercial nature and purpose must be paid in domestic currency (NBT Instruction No. 7.0399/366 of February 2, 2016).
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Instruction No. 223 on the Procedure for the Notification of a Foreign Exchange Operation Involving the Movement of Capital (approved by NBT Executive Board Resolution No. 64 of June 2, 2017) aligned all legal standards and procedures related to the performance of foreign exchange operations involving the movement of capital under the notification regime. Pursuant to NBT Instruction No. 223, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT no later than five business days from the date the operation begins; in the event that a bank account is opened at a foreign bank, they must provide notification no later than 10 business days from the date the account is opened. The following foreign exchange operations by residents are subject to the notification requirement: (1) direct investments by residents in foreign countries; (2) the purchase of securities and shares of investment funds; (3) participation in the creation of authorized capital and other operations with derivative securities; (4) receipt or extension of commercial credits with maturity of more than one year; (5) the opening of bank accounts by residents at foreign banks; and (6) other operations recognized as foreign exchange operations involving the movement of capital according to international standards. It should be noted that Instructions No. 176 and No. 239 set the following standards to limit the investment risks of lending institutions: Pursuant to Instruction No. 176, the limit on investments for lending institutions is set at 10% of regulatory capital. It is worth noting that the 10% limit applies to investments in stocks (shares) of institutions

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		that are not deducted from the net fixed capital of lending institutions. In accordance with Instruction No. 239, a lending institution may not make investments in securities and stakes of foreign legal entities (nonresidents) without prior approval by the NBT. Also, a lending institution may not make investments in securities and shares of other legal entities that are not lending financial institutions in the amount exceeding 10% of its regulatory capital except securities and shares received by the lending institution through a banking operation.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Any person, acting directly or indirectly through other persons or together with them, who wants to acquire a controlling stake in a lending institution files a written application with the NBT. In accordance with Article 26 of the Republic of Tajikistan Law "On Banking," the acquisition of a controlling stake in a lending institution requires authorization by the NBT. Any person, acting directly or indirectly, independently or through other persons or together with them, who wants to acquire a controlling stake in a lending institution or becomes the controlling stake holder as a result of the acquisition of additional stocks (shares) files a written application with the NBT. The application may not be declined on the basis of the applicant being a nonresident. This is not a prudential regulation.
Sale or issue locally by nonresidents	Yes.	MOF registration and NBT clearance are required.
Purchase abroad by residents	Yes.	For foreign exchange operations involving the purchase of securities and shares of investment funds, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins. Pursuant to Instruction No. 176 of 2009, the limit on investments for lending institutions is set at 10% of regulatory capital. It should be noted that Instructions No. 176 and No. 239 set the following standards to limit the investment risks of lending institutions: Pursuant to Instruction No. 176, the limit on investments for lending institutions is set at 10% of regulatory capital. It is worth noting that the 10% limit applies to investments in stocks (shares) of institutions that are not deducted from the net fixed capital of lending institutions. In accordance with Instruction No. 239, a lending institution may not

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		make investments in securities and stakes of foreign legal entities (nonresidents) without prior approval by the NBT. Also, a lending institution may not make investments in securities and shares of other legal entities that are not lending financial institutions in the amount exceeding 10% of its regulatory capital except securities and shares received by the lending institution through a banking operation.
Sale or issue abroad by residents	Yes.	MOF registration and NBT clearance are required.
Bonds or other debt securities	Yes.	Registration with the MOF is required.
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	No.	For foreign exchange operations involving the purchase of securities and shares of investment funds, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins.
Sale or issue abroad by residents	Yes.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	Nonresidents may freely buy Treasury bills and other securities, including NBT CDs with a maturity of less than one year, through lending institutions. There are no control measures.
Sale or issue locally by nonresidents	No.	Nonresidents may freely sell and issue securities with a maturity of less than one year, and residents may freely buy such instruments. There are no control measures.
Purchase abroad by residents	No.	For foreign exchange operations involving the purchase of securities and shares of investment funds, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins.
Sale or issue abroad by residents	Yes.	
On collective investment securities	Yes.	The regulations governing money market instruments apply.
Purchase locally by nonresidents	No.	According to Instruction No. 189, Chapter I, paragraph 6, residents and nonresidents of Tajikistan (individuals and legal entities) may purchase securities.
Sale or issue locally by nonresidents	No.	According to Article 18 of the Law on the Securities Market, nonresidents may issue and sell securities in the domestic market.
Purchase abroad by residents	No.	For foreign exchange operations involving the purchase of securities and shares of investment funds, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the

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		operation begins.
Sale or issue abroad by residents	Yes.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	For participation in the creation of authorized capital and other operations with derivative securities, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins.
Sale or issue abroad by residents	No.	For participation in the creation of authorized capital and other operations with derivative securities, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins.
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	For obtaining or granting commercial credits with maturities of more than one year, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes no later than five business days from the date the operation begins. Data on loans made abroad are provided on a monthly basis by all economic units participating in foreign trade activity, regardless of their form of ownership.
To residents from nonresidents	No.	For obtaining or granting commercial credits with maturities of more than one year, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins. Data on loans attracted from abroad are provided on a monthly basis by all economic units participating in foreign trade activity, regardless of their form of ownership.
Financial credits	No.	
By residents to nonresidents	No.	For foreign exchange operations involving the movement of capital according to international standards, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the

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		operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins. Data on loans made abroad are provided on a monthly basis by all economic units participating in foreign trade activity, regardless of their form of ownership.
To residents from nonresidents	No.	For foreign exchange operations involving the movement of capital according to international standards, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins. Data on loans attracted from abroad are provided on a monthly basis by all economic units participating in foreign trade activity, regardless of their form of ownership.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	For foreign exchange operations involving direct investments in foreign countries, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT for statistical purposes, no later than five business days from the date the operation begins. Data on outward direct investment are provided on a monthly basis by all economic units engaged in foreign trade activity, regardless of their form of ownership. The data include all operations involving the movement of capital. Pursuant to Instruction No. 176, the limit on investments for lending institutions is set at 10% of regulatory capital. It is worth noting that the 10% limit applies to investments in stocks (shares) of institutions that are not deducted from the net fixed capital of lending institutions. In accordance with Instruction No. 239, a lending institution may not make investments in securities and stakes of foreign legal entities (nonresidents) without prior approval by the NBT. Also, a lending institution may not make investments in securities and shares of other legal entities that are not lending financial institutions in the amount exceeding 10% of its regulatory capital except securities and shares received by the lending institution through a banking operation.
Inward direct investment	No.	Notification to the NBT is required for statistical purposes. Data on inward direct investment are provided on a monthly basis by all economic units engaged in foreign trade activity, regardless of their form of ownership. The data include all operations involving the movement of capital. In accordance with Article 26 of the Republic of Tajikistan Law “On Banking,” the acquisition of a controlling stake in a lending institution requires authorization by the NBT. Any person, acting directly or indirectly, independently or through

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		other persons or together with them, who wants to acquire a controlling stake in a lending institution or becomes the controlling stake holder as a result of the acquisition of additional stocks (shares) files a written application with the NBT. The application may not be declined on the basis of the applicant being a nonresident. This is not a prudential regulation. Pursuant to Instruction No. 176, the limit on investments for lending institutions is set at 10% of regulatory capital. It is worth noting that the 10% limit applies to investments in stocks (shares) of institutions that are not deducted from the net fixed capital of lending institutions. In accordance with Instruction No. 239, a lending institution may not make investments in securities and stakes of foreign legal entities (nonresidents) without prior approval by the NBT. Also, a lending institution may not make investments in securities and shares of other legal entities that are not lending financial institutions in the amount exceeding 10% of its regulatory capital except securities and shares received by the lending institution through a banking operation.
Controls on liquidation of direct investment	No.	There are no restrictions on nonresidents' sale of their direct investment and transfer of the proceeds in foreign exchange abroad or on the conversion and transfer of proceeds in domestic currency abroad.
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	For foreign exchange operations involving the movement of capital according to international standards, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins.
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	For foreign exchange operations involving the movement of capital according to international standards, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins. Data on foreign loans made abroad are provided on a monthly basis by all economic units participating in foreign trade activity, regardless of their form of ownership.
To residents from nonresidents	No.	For foreign exchange operations involving the movement of capital according to international standards, residents of Tajikistan are required to provide all supporting documents, reports, data, and other necessary information about foreign exchange operations involving

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		the movement of capital to the authorized bank servicing the operation before payments and mutual settlements related to the given operation. In addition, notification must be sent to the NBT, for statistical purposes, no later than five business days from the date the operation begins. Data on foreign loans attracted from abroad are provided on a monthly basis by all economic units participating in foreign trade activity, regardless of their form of ownership.
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	Data need to be provided to the NBT for statistical purposes. Data on money transfers are provided on a daily basis by lending institutions that perform these operations. The data include all operations related to the transfer of funds.
Transfer into the country by immigrants	No.	Data need to be provided to the NBT for statistical purposes. Data on money transfers are provided on a daily basis by lending institutions that perform these operations. The data include all operations related to the transfer of funds.
Transfer of gambling and prize earnings	Yes.	Supporting documents must be presented to the bank effecting the transfer.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	According to Article 19 of the Law on Banking, the authorized capital of a lending institution must be in domestic currency. According to Article 19.7 of the Law on Banking, lending institutions may not form or add to their capital at the expense of funding from the state budget, state extrabudgetary funds, grants made to the Republic of Tajikistan government (with the exception of state-owned banks), or attracted and borrowed funds, with the exception of cases provided for under Article 55.1 of the Republic of Tajikistan Law on the NBT.
Borrowing abroad	No.	There are no restrictions on borrowing from abroad by the lending institutions. Notification to the NBT is required for statistical purposes. Data on foreign loans attracted from abroad are provided on a monthly basis by all economic units participating in foreign trade activity, regardless of their form of ownership.
Maintenance of accounts abroad	No.	Within 10 days of opening an account with a nonresident bank, residents (legal entities and individuals, regardless of the form of ownership) must notify the tax authority with which they are registered and the NBT.
Lending to nonresidents (financial or commercial credits)	No.	There are no restrictions on lending to nonresidents by the lending institutions. Notification to the NBT is required for statistical purposes. Data on foreign loans made abroad are provided on a monthly basis by all economic units participating in foreign trade activity, regardless of their form of ownership.
Lending locally in foreign exchange	No.	Data on credits and loans granted locally by lending institutions in any currency are provided to the NBT on a monthly basis. Data need

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		to be provided to the NBT for statistical purposes.
Purchase of locally issued securities denominated in foreign exchange	No.	There are no restrictions for the lending institutions for purchase of locally issued securities denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Pursuant to Resolution No. 23 of the Monetary Policy Board of the NBT of January 28, 2021, the required reserve ratio for domestic currency deposits is 3%, and for foreign-exchange-denominated deposits, it is 9%. Reserve requirements, as one of the key monetary policy instruments of the NBT, are a mechanism for regulating the overall liquidity of the banking system, which is used to control monetary aggregates. Reserve requirements are established for the purpose of maintaining the money supply at a certain level.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	Reserve requirements, as one of the key monetary policy instruments of the NBT, are a mechanism for regulating the overall liquidity of the banking system, which is used to control monetary aggregates. Reserve requirements are established for the purpose of maintaining the money supply at a certain level. The required reserve ratio for domestic currency deposits is 3%, and for foreign-exchange-denominated deposits, it is 9%. These requirements are similar for deposits of residents and nonresidents.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Pursuant to Instruction No. 176, the limit on investments for lending institutions is set at 10% of regulatory capital. It is worth noting that the 10% limit applies to investments in stocks (shares) of institutions that are not deducted from the net fixed capital of lending institutions. In accordance with Instruction No. 239, a lending institution may not make investments in securities and stakes of foreign legal entities (nonresidents) without prior approval by the NBT. Also, a lending institution may not make investments in securities and shares of other legal entities that are not lending financial institutions in the amount exceeding 10% of its regulatory capital except securities and shares received by the lending institution through a banking operation. Notification to the NBT is required for statistical purposes. Data on direct investment abroad are provided on a monthly basis by all economic units engaged in foreign trade activity, regardless of their form of ownership. The data include all operations involving the movement of capital.
In banks by nonresidents	No.	In accordance with Article 26 of the Republic of Tajikistan Law “On Banking,” the acquisition of a controlling stake in a lending institution requires authorization by the NBT. Any person, acting directly or indirectly, independently or through

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		other persons or together with them, who wants to acquire a controlling stake in a lending institution or becomes the controlling stake holder as a result of the acquisition of additional stocks (shares) files a written application with the NBT. The application may not be declined on the basis of the applicant being a nonresident. This is not a prudential regulation. Notification to the NBT is required for statistical purposes. Data on inward direct investment are provided on a monthly basis by all economic units engaged in foreign trade activity, regardless of their form of ownership. The data include all operations involving the movement of capital.
Open foreign exchange position limits	Yes.	The aggregate open long and short positions are each limited to 10% of a bank's capital. The limits on individual long and short positions in separate currencies are each 8% of the authorized capital of lending institutions. In accordance with Instruction No. 175 on Limits on the Open Foreign Exchange Position and the Procedure for their Calculation for Lending Institutions, "the following open foreign exchange position limits for lending organizations shall be established for each day: (a) for freely convertible foreign currencies: - the total amount of long open foreign exchange positions shall not exceed 10% of the regulatory capital of a lending organization; - the total amount of short open foreign exchange positions shall not exceed 10% of the regulatory capital of a lending organization; - long (short) open foreign exchange positions in individual foreign currencies shall not exceed 8% and 8% of the regulatory capital of a lending organization, respectively. For a non-freely convertible foreign currency: - the total amount of long (short) open foreign exchange positions shall not exceed 10% of the regulatory capital of a lending organization; - long (short) open foreign exchange positions in certain foreign currencies shall not exceed 8% of the regulatory capital of a lending organization."
On resident assets and liabilities	Yes.	The aggregate open long and short positions are each limited to 10% of a bank's capital. The limits on individual long and short positions in separate currencies are each 8% of the authorized capital of lending institutions. In accordance with Instruction No. 175 on Limits on the Open Foreign Exchange Position and the Procedure for their Calculation for Lending Institutions, "the following open foreign exchange position limits for lending organizations shall be established for each day: (a) for freely convertible foreign currencies: - the total amount of long open foreign exchange positions shall not exceed 10% of the regulatory capital of a lending organization; - the total amount of short open foreign exchange positions shall not exceed 10% of the regulatory capital of a lending organization; - long (short) open foreign exchange positions in individual foreign currencies shall not exceed 8% and 8% of the regulatory capital of a lending organization, respectively. For a non-freely convertible foreign currency: - the total amount of long (short) open foreign exchange positions shall not exceed 10% of the regulatory capital of a lending organization; - long (short) open foreign exchange positions in certain foreign currencies shall not exceed 8% of the regulatory capital of a lending organization."
On nonresident assets and liabilities	Yes.	The aggregate open long and short positions are each limited to 10% of a bank's capital. The limits on individual long and short positions in separate currencies are each 8% of the authorized capital of lending institutions. In accordance with Instruction No. 175 on Limits on the Open

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		Foreign Exchange Position and the Procedure for their Calculation for Lending Institutions, "the following open foreign exchange position limits for lending organizations shall be established for each day: (a) for freely convertible foreign currencies: - the total amount of long open foreign exchange positions shall not exceed 10% of the regulatory capital of a lending organization; - the total amount of short open foreign exchange positions shall not exceed 10% of the regulatory capital of a lending organization; - long (short) open foreign exchange positions in individual foreign currencies shall not exceed 8% and 8% of the regulatory capital of a lending organization, respectively. For a non-freely convertible foreign currency: - the total amount of long (short) open foreign exchange positions shall not exceed 10% of the regulatory capital of a lending organization; - long (short) open foreign exchange positions in certain foreign currencies shall not exceed 8% of the regulatory capital of a lending organization."
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
CBDC launched by another	n.a.	

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jurisdiction in circulation—retail and/or wholesale	
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Stabilized arrangement	*07/21/2022*	The de facto exchange rate arrangement was reclassified to stabilized from other managed.
Other managed arrangement	*03/10/2022*	The de facto exchange rate arrangement was reclassified to other managed from stabilized.

Resident Accounts

Foreign exchange accounts permitted	*01/01/2022*	In accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60).

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	*01/01/2022*	In accordance with the Republic of Tajikistan Law on the State

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		Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60). A threshold of 1,750 times the reference indicator is established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash.
Trade-related payments		
Indicative limits/bona fide test	*01/01/2022*	In accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60). A threshold of 1,750 times the reference indicator is established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash.
Investment-related payments		
Indicative limits/bona fide test	*01/01/2022*	In accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60). A threshold of 1,750 times the reference indicator is established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash.
Payments for travel		
Indicative limits/bona fide test	*01/01/2022*	In accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60). A threshold of 1,750 times the reference indicator is established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash.
Personal payments		
Indicative limits/bona fide test	*01/01/2022*	In accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60). A threshold of 1,750 times the reference indicator is established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash.
Foreign workers' wages		
Indicative limits/bona fide test	*01/01/2022*	In accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60). A threshold of 1,750 times the reference indicator is established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash.
Other payments		
Indicative limits/bona fide test	*01/01/2022*	In accordance with the Republic of Tajikistan Law on the State Budget for 2022, one reference indicator is equal to TJS 64 (previously, it was TJS 60). A threshold of 1,750 times the reference indicator is established for the deposit of foreign exchange cash for the purpose of its transfer by individuals without opening a bank account, without the presentation of supporting documents to confirm the source of the foreign exchange cash.

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TANZANIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 10, 1962.
Article VIII	Yes.	Date of acceptance: July 15, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Tanzania is the Tanzania shilling.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is free floating. In normal times, the Bank of Tanzania (BOT) participates in the foreign exchange market for liquidity management, as foreign exchange operations are an instrument of monetary policy and foreign reserves management consideration, to smooth out short-term volatility in the exchange rate in the case of outliers and when the movement is considerably inconsistent with economic fundamentals. During extraordinary times, such as periods of large shocks to the economy (recently COVID-19 and war in Ukraine), the BOT intervenes, while allowing exchange rate to partially absorb the effects of the shocks. The BOT is not required to indicate two-way quotes when it participates in the interbank market. The de facto exchange rate arrangement is classified as stabilized. The BOT does not publish information on foreign exchange interventions on the website.
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate is market determined and is weighted by the volume traded in the respective foreign currency. The official rate is published on the BOT website and is used for foreign exchange transactions by the BOT. Banks and other market players use the official exchange rate as a reference rate (indicative rate) in determining their trading rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The monetary policy aims to control money supply using reserve money as the operational target. Reserve money affects the extended broad money, which is the intermediate target, to contain inflation. The ultimate target of monetary policy is inflation and economic growth. The medium-term inflation target is 5%. The rate of inflation is measured as an annual change in CPI expressed in percent.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		

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CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	
Spot exchange market	Yes.	The interbank foreign exchange market (IFEM), in which the BOT and banks participate, is a spot exchange market at T+1. There is also a spot retail exchange market involving banks and their customers, and bureau de change. BOT licenses banks and foreign exchange bureaus to carry out foreign exchange transactions. As of December 31, 2022, there were 34 fully fledged commercial banks (currently, the active IFEM members), 5 community banks, 3 microfinance banks, 2 development banks, and 11 foreign exchange bureaus operating in Tanzania. Foreign exchange bureaus do not do business directly with the BOT. Foreign exchange bureaus are not allowed to operate accounts abroad. The bureaus are required to maintain local and foreign currency accounts with a commercial bank or a nonbank financial institution for their day-to-day transactions.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	

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Interbank market	Yes.	There is an IFEM. Participants are BOT and commercial banks, trading through the Reuters platform, and settlement is T+1. Currently, 34 banks participate in the exchange market. The spread for the bid-ask is ± TSh 10. The minimum amount of foreign exchange tradable for a given quoted price is, effective February 8, 2022, US$250,000 (previously $50,000). Effective June 1, 2023, all foreign exchange transactions exceeding US$1,000,000 per transaction in the retail market shall always be traded within the interbank foreign exchange market prevailing quoted prices. The BOT sells and purchases foreign exchange from banks at their quoted rates. All licensed banks by the BOT qualify to be members in the exchange market.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Banks perform forward and swap contracts among themselves and with their customers, especially those engaged in export and import transactions. The BOT does not conduct forward contracts with banks but may engage in swap transactions with them. The BOT conducts swaps on occasional basis. Some banks trade foreign exchange derivatives products on a small scale.
Official cover of forward operations	No.	The BOT does not offer forward cover against exchange rate risk arising from forward operations of banks.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	It is an offense for any person without BOT approval to operate a Tanzania shilling account for a nonresident, granting loans in Tanzania shillings to nonresidents, and/or granting any intraday overdraft in Tanzanian shillings to nonresidents.
For current transactions and payments	Yes.	The shilling may only be used for current transactions and payments in the East African Community, as provided for in the EAC MoU on currency convertibility.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	The Shilling may not be used outside Tanzania.
Transactions in derivatives and other instruments	Yes.	The Shilling may not be used outside Tanzania.
Credit operations	Yes.	The Shilling may not be used outside Tanzania.
Use of foreign exchange among residents	Yes.	A resident may hold any amount of foreign currency, sell to or purchase any amount of foreign currency from a bank, financial institution, or bureau de change, and open and maintain a foreign currency account with a bank or financial institution. Residents are not allowed to pay, quote, or receive any payment in foreign currency.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There is a bilateral MOU between Tanzania and Zambia on currency convertibility.
Inoperative	No.	

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Regional arrangements	Yes.	Tanzania participates in the EAC and SADC payment arrangements.
Clearing agreements	Yes.	There are agreements in the EAC under the East Africa Payment System (EAPS) and SADC under the SADC Integrated Regional Electronic Settlement System (SADC-RTGS).
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Foreign Exchange Act of 1992 authorizes the BOT to administer and manage exchange transactions in Tanzania. The BOT delegates authority to all licensed banks to effect foreign exchange transactions.
Payments arrears	Yes.	
Official	No.	
Private	Yes.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Only authorized persons may buy, borrow, sell, lend, hold, or otherwise deal in gold coins and gold bullion. Domestic ownership and/or trade of gold (coin and/or bullion), apart from raw gold, require Governor approval (Pursuant to Foreign Exchange Act 1992).
On external trade	Yes.	Only authorized persons may buy, borrow, sell, lend, hold, or otherwise deal in gold coins and gold bullion. All earnings, payments, or receivables derived from or in respect of mining operations or activities must be received in and accounted for in Tanzania. In addition, an export permit from the Mineral Commission is required.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Nonresidents are allowed to export domestic currency for numismatic purposes only. Following a currency convertibility agreement reached within EAC Partner States, residents may carry any amount of currency across borders to settle cross-border transactions with these countries.
Foreign currency	Yes.	Foreign currency exports are allowed only for bona fide purposes.
On imports	Yes.	
Domestic currency	Yes.	Permission from the BOT is required.
Foreign currency	No.	Residents and nonresidents may import any amount of foreign currency as long as they observe the AML/CFT requirements. Imports of foreign currency exceeding the equivalent of US$10,000 must be declared.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may open and maintain foreign exchange accounts with a bank or financial institution.
Approval required	No.	
Held abroad	Yes.	Holding of foreign exchange account outside the country is only allowed for externally acquired funds and, effective May 13, 2022, for securities settlement in EAC and SADC; otherwise, the opening

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		and maintaining of offshore foreign exchange accounts by residents are subject to restrictions. However, banks and financial institutions registered in Tanzania are permitted to maintain such accounts with foreign correspondent banks.
Approval required	Yes.	Banks may maintain foreign currency correspondent accounts abroad. Resident individuals require approval by the Governor when opening and maintain offshore foreign exchange accounts. No prior approval is required for resident banks and financial institution in opening for foreign exchange accounts held abroad.
Accounts in domestic currency held abroad	No.	Section 3(5) of the Foreign Exchange regulations 2022 restricts a resident, other than a bank or financial institution, to open or maintain an account outside the United Republic except for settlement of securities in the prescribed territory or expressly permitted by the Governor.
Accounts in domestic currency convertible into foreign currency	Yes.	Resident accounts held domestically are convertible to foreign currency.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open and maintain foreign exchange accounts with ADs.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents, except for EAC residents, are only permitted to open domestic currency accounts while temporarily residing in Tanzania and must close them when leaving the country.
Convertible into foreign currency	Yes.	Nonresident accounts held domestically are convertible to foreign currency, and balances may be transferred abroad freely.
Approval required	No.	
Blocked accounts	Yes.	Authorized banks may credit funds to or debit funds from blocked accounts of nonresidents with the approval of the BOT.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	ADs may make advance payments.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	The release of foreign exchange requires relevant documents for imports.
Domiciliation requirements	Yes.	Evidence of residency of individuals and corporate entities is required.
Preshipment inspection	No.	Preshipment inspection is not required. The requirements depend on the type of import.
Letters of credit	Yes.	Importers are free to import under LCs or open accounts.
Import licenses used as exchange licenses	No.	Import licenses apply to the negative list only.
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	

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Negative list	Yes.	Certain imports to the mainland from any source may be prohibited for health or security reasons. Only import items on the negative list require licenses.
Open general licenses	Yes.	
Licenses with quotas	Yes.	
Other nontariff measures	Yes.	For the protection of certain industries from unfair competition, permits and licenses are required for imports of sugar.
Import taxes and/or tariffs	Yes.	A four-band East African Customs Union CET structure of 0%, 10%, 25% and, effective July 1, 2022, 35% applies to goods imported to EAC Partner States. Selected sensitive items are subject to rates above35% as an additional protective measure for similar locally produced products. Most goods originating and traded within EAC are duty-free. Statutory exemptions are granted to investors registered by Tanzania Investment Centre, the diplomatic corps as well as to religious, educational, and welfare institutions.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Exporters are required to repatriate their export proceeds in foreign currency through banks after tax clearance within 90 days for all products effective May 13, 2022. Previously, it was 90 days for agriculture and natural resource products, and 180 days for manufactured products.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	Exporters may choose to export under LCs or open accounts.
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Licenses from the respective ministries are required for the exportation for some items for health, sanitary, or national heritage reasons.
Without quotas	Yes.	
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Taxes are applicable only on raw hides and skins, and cashews.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Relevant documentary evidence of the need for foreign exchange must be presented when purchasing foreign exchange from an AD.
Trade-related payments	Yes.	The release of foreign exchange for import payments requires the importer to submit invoice and any other relevant supporting documents.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Supporting documentation is required.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	The transfer of income from investments by nonresidents is not restricted, provided all tax obligations have been met. Remittances of dividends and income from portfolio investments require audited reports and authenticated documents confirming payment of all taxes.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Travel allowances exceeding the equivalent of US$10,000 require declaration and presentation of travel documents effective May 13, 2022.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Proper documentation from the relevant educational or medical institution is required.
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	Payment of fees for consulting, management, and royalty agreements requires duly executed documents, relevant invoice or fee notes, and tax clearances from the Revenue Authority.

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Bona fide tests apply to certain other payments.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	All proceeds from current account transactions must be repatriated within 90 days.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Foreign investors may purchase, sell, or transfer equities listed on the Dar es Salaam Stock Exchange. Foreign investors may purchase securities of a listed company or from an issuer in respect of which the issuer is making a public offer.
Purchase locally by nonresidents	No.	Foreign investors may purchase securities of a listed company or from an issuer making a public offering.
Sale or issue locally by nonresidents	Yes.	Only residents of EAC and, effective May 13, 2022, SADC are permitted to issue shares or securities of a participating nature.
Purchase abroad by residents	Yes.	Residents are permitted to purchase shares or securities of a participating nature in EAC and, effective May 13, 2022, SADC countries. Purchase of these securities outside EAC and SADC are not permitted unless funds used were externally acquired or approved by BOT.
Sale or issue abroad by residents	Yes.	Residents are permitted to sell or issue shares or securities of a participating nature in EAC and, effective May 13, 2022, SADC countries. Sale or issue of these securities outside EAC and SADC are not permitted unless approved by BOT.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Residents of EAC and, effective May 13, 2022, SADC are permitted to purchase bonds or other debt securities. Previously, it was required that (1) the amount acquired does not exceed 40% of the securities issued, (2) the amount acquired by the residents of a single EAC country does not exceed two-thirds of the amount issued, and (3) the securities acquired are not transferred to a resident within 12 months

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		of acquisition. All other nonresidents are only permitted to purchase corporate bonds.
Sale or issue locally by nonresidents	Yes.	Residents of EAC and, effective May 13, 2022, SADC are permitted to sell or issue bonds or other debt securities.
Purchase abroad by residents	Yes.	These purchases are allowed only if funded fully by external sources. However, this requirement does not apply if the purchase is within the EAC and, effective May 13, 2022, SADC.
Sale or issue abroad by residents	Yes.	Residents are allowed to sell or issue bonds and other debt securities in EAC and, effective May 13, 2022, SADC. The sale or issue of bonds and other debt securities outside EAC and SADC requires BOT approval.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Residents of EAC and, effective May 13, 2022, SADC are permitted to purchase money market instruments provided the securities acquired are not transferred to a resident within 6 months of acquisition. Previously, it was required that (1) the amount acquired does not exceed 40% of the securities issued, (2) the amount acquired by the residents of a single EAC country does not exceed two-thirds of the amount issued, and (3) the securities acquired are not transferred to a resident within 12 months of acquisition. Residents from outside EAC and SADC are not allowed to purchase such money market instruments.
Sale or issue locally by nonresidents	Yes.	Residents of EAC and, effective May 13, 2022, SADC are permitted to sell or issue money market instruments. Residents outside EAC and SADC are not permitted.
Purchase abroad by residents	Yes.	These purchases are allowed only if funded fully by external sources or approved by the BOT. However, this requirement does not apply if the purchase is within the EAC and, effective May 13, 2022, SADC.
Sale or issue abroad by residents	Yes.	Residents are allowed to sell or issue money market instruments in EAC and, effective May 13, 2022, SADC. The sale or issue of money market instruments outside EAC and SADC is not allowed.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Residents of EAC and, effective May 13, 2022, SADC are allowed to purchase collective investment scheme (CIS). Residents from outside EAC and SADC are not allowed.
Sale or issue locally by nonresidents	Yes.	Residents of EAC and, effective May 13, 2022, SADC are allowed to sell or issue CIS. Residents from outside EAC and SADC are not allowed.
Purchase abroad by residents	Yes.	These purchases are allowed only if funded fully by external sources or approved by BOT. Residents are allowed to purchase CIS issued in EAC and, effective May 13, 2022, SADC, provided they are issued by authorized entities by the relevant authority.
Sale or issue abroad by residents	Yes.	Residents are allowed to sell or issue CIS in EAC and, effective May 13, 2022, SADC. The sale or issue of CIS outside EAC is not allowed.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Proof of an underlying economic transaction is required.
Sale or issue locally by nonresidents	Yes.	Proof of an underlying economic transaction is required.
Purchase abroad by residents	Yes.	Proof of an underlying economic transaction is required.
Sale or issue abroad by residents	Yes.	Proof of an underlying economic transaction is required.

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Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	BOT approval is not required with respect to applications for foreign loans, overdrafts, structured external financing facilities, and deferred payments arrangements exceeding 365 days.
To residents from nonresidents	Yes.	Foreign credit accommodation to a resident with a tenure exceeding 365 days must be registered by the bank and assigned a Debt Registration Number. Section 25 (5) requires a resident borrower to submit a certified copy of the agreement and other relevant documents to a bank or financial institution for registration purposes within fourteen days after signing the underlying agreement.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Controls are in effect for the provision of securities, guarantees, and financial backup facilities to nonresident entities or for transfer of funds to service these facilities.
To residents from nonresidents	No.	There are no controls on these instruments if outside Tanzania, but they must be obtained through ADs and must be reported to the BOT.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Residents are permitted to engage in direct investment in any EAC and, effective May 13, 2022, SADC countries. Investments outside EAC and SADC countries require BOT approval or using externally generated funds.
Inward direct investment	No.	There are no restrictions or controls on inward direct investments after fulfilling licensing requirements.
Controls on liquidation of direct investment	No.	Procedures for liquidation exist.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Purchases of real estate in EAC and, effective May 13, 2022, SADC are allowed, but outside EAC and SADC such purchases require BOT approval or may be purchased using externally generated funds.
Purchase locally by nonresidents	Yes.	Any person who owns immovable property in Tanzania may assign or transfer the property to beneficiaries abroad, subject to Tanzanian laws and the consent of the commissioner for lands, provided the property was acquired with external resources.
Sale locally by nonresidents	Yes.	These transactions are subject to the consent of the commissioner for lands.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Capital account restrictions apply.
To residents from nonresidents	No.	Loan agreements are submitted to the BOT through commercial banks. Entities report all transactions relating to disbursements and debt service to their banks.
Gifts, endowments, inheritances, and legacies	Yes.	

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By residents to nonresidents	Yes.	Documentation requirements apply.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	As with any other settlement of debt abroad, a debt registration number from the BOT is required for debts exceeding a tenure of 365 days.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	BOT approval is required.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Transfer into the country is not subject to controls unless there are requirements set by the FIU. Transfers abroad require supporting documentation.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Borrowing is subject to external debt management regulations. Otherwise, banks and financial institutions are allowed to operate credit lines with correspondents.
Maintenance of accounts abroad	No.	Banks and financial institutions registered in Tanzania are permitted to maintain foreign exchange accounts with foreign correspondent banks.
Lending to nonresidents (financial or commercial credits)	Yes.	These transactions are restricted. Residents may not lend externally beyond one year except for trade credits. Guarantees, sureties, and financial backup facilities are restricted, regardless of their maturity.
Lending locally in foreign exchange	Yes.	These transactions are subject to open position limits.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These transactions are not permitted.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The BOT requires that all statutory reserves be held in local currency. The reserve requirement (RR) ratio is 6%. The RR is based on the average of 14-day lagged deposits' position, and each bank is required to keep at least 80% of the required statutory minimum reserves in the clearing account at the BOT on a daily basis, but the average for the entire maintenance period of 14 days must be at least 100% of the required statutory minimum reserve.
Liquid asset requirements	No.	Every bank or financial institution must maintain minimum liquid assets amounting to not less than 20% of its demand liabilities.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	The BOT applies a uniform RR across banks as well as on deposits and liabilities to nonresidents and residents.
Liquid asset requirements	No.	The liquid asset requirement is the same for deposits and liabilities to nonresidents and residents.
Interest rate controls	No.	All interest rates are determined by individual banks based on prevailing money market interest rates.
Credit controls	No.	

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Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The net open foreign exchange position limit is ±7.5% of core capital.
On nonresident assets and liabilities	Yes.	The net open foreign exchange position limit is ±7.5% of core capital.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	General permission is granted to investments within EAC and, effective May 13, 2022, SADC countries. The regulations governing the purchase abroad (other than EAC and SADC) by residents of shares or other securities of a participating nature apply.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds may invest in government securities issued by the governments of EAC states. The limit is set at 20%-100% of the total investment portfolio.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds may hold investment portfolio in government securities issued by the residents EAC states. The limit is set at 20%–100% of the total investment portfolio. Aggregate exposure outside Tanzania may not exceed 30% of the total investment portfolio of the scheme.
Limits (min.) on investment portfolio held locally	Yes.	Section 8i of the Social Security Schemes Investment Guidelines (as amended) applies. Aggregate exposure outside Tanzania may not exceed 30% of the total investment portfolio of the scheme; thus, the minimum portfolio held locally is 70%.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investment firms may hold investment portfolio with the residents of the EAC and, effective May 13, 2022, SADC states. There is no specific limit. However, the Capital Market and Securities (CMSA) may prescribe rules relating to the maximum and minimum limits of investments in securities issued by a single issuer, classes of securities, unquoted securities, and other holdings.
Limits (max.) on investment portfolio held abroad	Yes.	Investment firms may hold investment portfolio with the residents of the EAC and, effective May 13, 2022, SADC states. There is no specific limit. However, the CMSA may prescribe rules relating to the maximum and minimum limits of investments in securities issued by a single issuer, classes of securities, unquoted securities, and other holdings.
Limits (min.) on investment portfolio held locally	n.a.	There is no specific limit. However, CMSA may prescribe rules relating to the maximum and minimum limits of investments in

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	securities issued by a single issuer, classes of securities, unquoted securities, and other holdings.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.

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Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

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Spot exchange market

Interbank market	*02/08/2022*	The minimum amount of foreign exchange tradable for a given quoted price is US$250,000 (previously US$50,000).
	06/01/2023	All foreign exchange transactions exceeding US$1,000,000 per transaction in the retail market shall always be traded within the interbank foreign exchange market prevailing quoted prices.

Resident Accounts

Foreign exchange accounts permitted

Held abroad	*05/13/2022*	Holding of foreign exchange account outside the country is allowed for securities settlement in EAC and SADC.

Imports and Import Payments

Import taxes and/or tariffs	*07/01/2022*	The highest East African Customs Union CET rates is 35% (previously 25%).

Exports and Export Proceeds

Repatriation requirements	*05/13/2022*	Exporters are required to repatriate their export proceeds in foreign currency through banks after tax clearance within 90 days for all products. Previously, it was 90 days for agriculture and natural resource products, and 180 days for manufactured products.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Payments for travel

Indicative limits/bona fide test	*05/13/2022*	Travel allowances exceeding the equivalent of US$10,000 require declaration and presentation of travel documents.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Sale or issue locally by nonresidents	*05/13/2022*	Residents of SADC are permitted to issue shares or securities of a participating nature.
Purchase abroad by residents	*05/13/2022*	Residents are permitted to purchase shares or securities of a participating nature in SADC countries.
Sale or issue abroad by residents	*05/13/2022*	Residents are permitted to sell or issue shares or securities of a participating nature in SADC countries.

Bonds or other debt securities

Purchase locally by nonresidents	*05/13/2022*	Residents of SADC are permitted to purchase bonds or other debt securities. Previously, it was allowed only for residents of EAC and it was required that (1) the amount acquired does not exceed 40% of the securities issued, (2) the amount acquired by the residents of a single EAC country does not exceed two-thirds of the amount issued, and (3) the securities acquired are not transferred to a resident within 12 months of acquisition.
Sale or issue locally by nonresidents	*05/13/2022*	Residents of SADC are permitted to sell or issue bonds or other debt securities.
Purchase abroad by residents	*05/13/2022*	The requirement that these purchases are allowed only if funded fully by external sources does not apply if the purchase is within SADC.
Sale or issue abroad by residents		

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	05/13/2022	Residents are allowed to sell or issue bonds and other debt securities in SADC.
On money market instruments		
Purchase locally by nonresidents	*05/13/2022*	Residents of SADC are permitted to purchase money market instruments provided the securities acquired are not transferred to a resident within 6 months of acquisition. Previously, it was allowed only for residents of EAC and it was required that (1) the amount acquired does not exceed 40% of the securities issued, (2) the amount acquired by the residents of a single EAC country does not exceed two-thirds of the amount issued, and (3) the securities acquired are not transferred to a resident within 12 months of acquisition.
Sale or issue locally by nonresidents	*05/13/2022*	Residents of SADC are permitted to sell or issue money market instruments.
Purchase abroad by residents	*05/13/2022*	The requirement that these purchases are allowed only if funded fully by external sources or approved by the Bank of Tanzania does not apply if the purchase is within SADC.
Sale or issue abroad by residents	*05/13/2022*	Residents are allowed to sell or issue money market instruments in SADC.
On collective investment securities		
Purchase locally by nonresidents	*05/13/2022*	Residents of SADC are allowed to purchase collective investment scheme.
Sale or issue locally by nonresidents	*05/13/2022*	Residents of SADC are allowed to sell or issue collective investment scheme.
Purchase abroad by residents	*05/13/2022*	Residents are allowed to purchase collective investment scheme issued in SADC, provided they are issued by authorized entities by the relevant authority.
Sale or issue abroad by residents	*05/13/2022*	Residents are allowed to sell or issue collective investment scheme in SADC.
Controls on direct investment		
Outward direct investment	*05/13/2022*	Residents are permitted to engage in direct investment in any SADC countries.
Controls on real estate transactions		
Purchase abroad by residents	*05/13/2022*	Purchases of real estate in SADC are allowed.

Provisions Specific to the Financial Sector

Provisions specific to institutional investors		
Insurance companies		
Limits (max.) on investment portfolio held abroad	*05/13/2022*	General permission is granted to investments within SADC countries.
Investment firms and collective investment funds		
Limits (max.) on securities issued by nonresidents	*05/13/2022*	Investment firms may hold investment portfolio with the residents of the SADC states.
Limits (max.) on investment portfolio held abroad	*05/13/2022*	Investment firms may hold investment portfolio with the residents of the SADC states.

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THAILAND

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		May 3, 1949.
Article VIII	Yes.	Date of acceptance: May 4, 1990.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Banks and other financial institutions in Thailand have been instructed to freeze any movement of capital and assets of certain individuals, terrorists, and organizations associated with terrorism, pursuant to UNSC resolutions.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Thailand is the Thai baht (THB).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are classified as floating. Under the inflation-targeting monetary policy framework, the value of the baht is allowed to be determined by market forces,

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		reflecting demand and supply in the foreign exchange market. In the case that the resulting movements in THB are deemed excessive and unjustified by fundamentals, foreign exchange intervention can be undertaken to avoid disorderly market conditions. The data on interventions are not publicly available. However, the weekly and monthly data on gross international reserve are published on the CB's website, where international reserve assets comprise monetary gold, SDRs, reserve position in the fund, and foreign currency assets. In 2022, the baht has depreciated in line with regional currencies as the US dollar has soared to multi-decade highs from risk-off sentiment on Russia–Ukraine conflict, the Fed's rate hikes in response to surging inflation, and a growing concern about global recession risk.
Free floating		
Official exchange rate	Yes.	The baht–US dollar reference exchange rate is announced daily, based on the weighted average exchange rate of the previous day. The baht–US dollar reference exchange rate is widely used as a benchmark for marking to market the US dollars held by funds and corporations and for calculating profit and loss as a result of foreign exchange transactions for accounting purposes. The Bank of Thailand (BOT) also uses the baht–US dollar reference exchange rate to mark to market its foreign exchange reserves.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The BOT adopted flexible inflation targeting as its monetary policy framework since May 2000. The framework allows the BOT to pursue its primary mandate of price stability while also accounting for economic growth and financial stability.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	By December each year, the MPC makes a consensus decision regarding the monetary policy target for the following year and then proposes to the minister of finance. The MPC, with a cooperative agreement with the minister of finance, then determines targets of monetary policy for the following year which is regarded as the guideline for the State and the BOT for the purpose of implementing any measures to maintain price stability. The minister of finance

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		proposes the agreed targets of monetary policy to the Cabinet for approval. On approval, the target must be published in the Government Gazette. In the case where it is appropriate or necessary, the MPC may edit, change, or add targets of monetary policy, provided those stated in the above paragraph are complied with.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band		
Band/Range	Yes.	The headline inflation is targeted to reside within the range of 1%–3% over the medium term.
Target measure	Yes.	The headline inflation target is reviewed annually, although the target is set for the medium term.
CPI	Yes.	Headline inflation is defined as the year-on-year (y-o-y) change in CPI (all commodities) published monthly by the Ministry of Commerce.
Core inflation		
Target horizon	Yes.	The target is intended for the medium-term horizon. However, the law requires the target to be reviewed annually.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The one-day bilateral repurchase transaction rate is employed as the policy rate to signal the monetary policy stance.
Target corridor band	No.	
Other	No.	
Accountability	Yes.	
Open letter	Yes.	The MPC may send an open letter to the minister of finance, should average headline inflation in the past 12 months or a forecast of average headline inflation over 12 months ahead breach the target range. The open letter elaborates on underlying reasons and remedial actions, both taken and planned by the MPC, as well as the period within which headline inflation is expected to return to target. The MPC will also write an additional open letter every 6 months if average headline inflation based on the above criteria remains outside the target range.
Parliamentary hearings	No.	
Other	Yes.	The MPC reports its operations to the Cabinet every six months.
Transparency	Yes.	
Publication of votes	Yes.	Only the numbers of votes in favor of and against the decision are published.
Publication of minutes	Yes.	The edited minutes summarizing the MPC's assessment and discussion on economic and inflation outlook, financial market conditions, and their policy deliberation are released two weeks after each MPC meeting.
Publication of inflation forecasts	Yes.	The annual average inflation forecasts and Monetary Policy Report are published on a quarterly basis.
Other monetary framework		
Exchange tax	No.	

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Exchange subsidy	No.	
Foreign exchange market	Yes.	All foreign exchange transactions must be conducted through authorized banks and authorized nonbanks that are granted foreign exchange licenses by the MOF, namely authorized money changers, authorized money transfer agents, and authorized companies. As of June 30, 2023, there were 2,018 authorized money changers and 13 authorized money transfer agents.
Spot exchange market	Yes.	All foreign exchange transactions must be conducted through authorized banks and authorized nonbanks that are granted foreign exchange licenses by the MOF, namely authorized money changers, authorized money transfer agents, and authorized companies. As of June 30, 2023, there were 34 authorized banks, 2,018 authorized money changers, and 13 authorized money transfer agents. Residents may undertake spot foreign exchange transactions for permitted obligations or purposes. Nonresidents may engage in spot foreign exchange–baht transactions (t + 2 value date) freely with authorized banks.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of market participants. Interventions, if needed, are executed through the authorities' qualified counterparties. As of June 30, 2023, there were 34 participants in the interbank market.
Over the counter	Yes.	
Brokerage	Yes.	
Market making	Yes.	
Forward exchange market	Yes.	Nonresidents are free to enter into forward foreign exchange contracts with authorized banks to hedge their underlying trade or investment in Thailand. On top of this, registered nonresident corporates under Nonresident Qualified Company (NRQC) scheme can engage with onshore financial institutions by managing currency risks related to Thai baht more freely without having to provide proof of underlying for each transaction. In addition, NRQCs may manage Thai baht liquidity more flexibly without being subject to the end-of-day outstanding limit of B 200 million imposed on nonresident bath account. The scope for transaction is expanded to include anticipatory foreign exchange hedging and balance sheet hedging. Nonresident companies eligible for NRQCs are those who have trade and investment in Thailand only (with eligible underlying). Nonresident companies engaging in financial and gold businesses, and portfolio investment in Thailand cannot apply for NRQC scheme. Effective September 26, 2023, the BOT further relaxed the NRQC scheme to allow cross-border payment service businesses to participate in this scheme which are allowed only for project financing and direct investment.

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		Without proof of underlying domestic trade or investment, the overall outstanding limit on baht liquidity provided by a domestic financial institution to a nonresident group (as a consolidated entity) is B 200 million where the liquidity facilities include foreign exchange derivatives and overdrafts but do not include direct loans. The limit on baht borrowing by a domestic financial institution from a nonresident group is B 10 million. Residents in Thailand are free to engage in forward transactions with authorized banks to hedge foreign exchange risk arising out of committed or forecasted payments or receipts for current account or capital transactions. Unwinding of forward transactions for hedging foreign exchange exposure is freely allowed.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Transfers of foreign exchange among residents are generally allowed.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	The BOT has been making collaborative efforts with other CBs in ASEAN countries to establish cross-border linkages to facilitate Quick response (QR) code payment and innovative remittance. The initiatives that are in operation are as follows: –Cambodia: Since February 18, 2020, Thai and Cambodian banks have launched cross-border QR payments between the two countries. Cambodian tourists visiting Thailand can use their mobile banking applications to scan the Thai QR Codes of merchants in Thailand. Thai tourists are expected to use their Thai mobile banking applications to scan Cambodian QR Codes to pay for goods and services at merchants in Cambodia in 2022. –Singapore: A Thai payment service provider has launched a mobile wallet application that allows Thai e-wallet customers to make QR payments overseas through a Singaporean cross-border mobile payment provider (Q4 2018). Since April 4, 2019, Thai and Singaporean banks have launched the remittance service via sponsoring bank model between Thailand and Singapore. Additionally, both jurisdictions have launched cross-border QR payment linkage via switch model since September 2022. –Japan: Thai and Japanese commercial banks have launched cross-border QR payments between the two countries in 2018. –Vietnam: BOT and State Bank of Vietnam have collaborated to

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		spearhead the cross-border QR payment service between Thai and Vietnamese banks. Tourists from Thailand are able to pay for goods and services via VietQR at merchants of the participating banks in Vietnam, and tourists from Vietnam are able to pay via Thai QR Payment logo. –Malaysia: BOT and Bank Negara Malaysia have jointly steered the cross-border QR payment project between Thai and Malaysian banks to launch the service in 2021. In the first phase, tourists from Thailand are able to pay for goods and services via DuitNow QR at merchants of the participating banks in Malaysia. The opposite payment flow was introduced in early 2022. - Indonesia: BOT and Bank Indonesia have jointly steered the cross-border QR payment project between Thai and Indonesian banks. Tourists from Thailand are able to pay for goods and services via Quick Response Code Indonesian Standard (QRIS) at merchants of the participating banks in Indonesia, and tourists from Indonesia are able to pay via Thai QR Payment logo. The BOT and Monetary Authority of Singapore (MAS) have collaborated to introduce "PromptPay-PayNow," the cross-border real-time remittance service between the Thai and Singaporean banks. It is recognized as the world's first linkage between two real-time payment systems by connecting PromptPay and PayNow, which are the domestic real-time payment systems of both countries. The service allows the customers of participating banks to make and receive cross-border real-time fund transfers using mobile phone numbers as proxies. Thailand and Hong Kong Monetary Authority (HKMA) developed the cross-border Payment versus Payment linkage between Bank of Thailand Automated High-value Transfer Network (BAHTNET) and US Dollar Clearing House Automated Transfer System to facilitate THB/USD settlement to reduce foreign exchange settlement risk arising from different time zones. US Dollar Clearing House Automated Transfer System was in operation since July 17, 2014. Currently, BOT has included OTC foreign exchange swap transaction into Payment versus Payment system since January 2017. Thailand and Malaysia launched the local currency settlement framework on March 14, 2016, and its scope was expanded on January 2, 2018. Likewise, Thailand and Indonesia launched similar framework on January 2, 2018. These frameworks aim to promote the settlement of trade and direct investment in local currencies. Banks which fulfill key qualifications to facilitate bilateral trade are appointed to facilitate the frameworks.
Inoperative	No.	
Regional arrangements	Yes.	Thailand has already connected with 11 other Asian Payment Network (APN) members including Australia, China, Indonesia, Japan, Malaysia, Myanmar, Philippines, Singapore, South Korea, Sri Lanka, and Vietnam for cross-border automated teller machine (ATM) cash withdrawals and inquiry service.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The BOT administers exchange control on behalf of the MOF. Import and export licenses are issued by the Ministry of Commerce.
Payments arrears	No.	
Official	No.	

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Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may take out domestic currency banknotes, coins, and negotiable monetary instruments up to B 50,000. Travelers traveling to China (only Yunnan Province), countries bordering Thailand, and Vietnam may take out up to B 2 million. Amounts exceeding B 450,000 require declaration to a customs officer.
Foreign currency	No.	Up to US$15,000 in foreign currency banknotes, coins, and negotiable monetary instruments may be taken out of Thailand without a declaration to customs. Larger amounts must be declared to a customs officer.
On imports	No.	
Domestic currency	No.	Up to B 450,000 in domestic currency banknotes, coins, and negotiable monetary instruments may be brought into Thailand without a declaration to customs. Bringing in more than B 450,000 is subject to declaration.
Foreign currency	No.	Up to US$15,000 in foreign currency banknotes, coins, and negotiable monetary instruments may be brought into Thailand without a declaration to customs. Bringing in more than US$15,000 is subject to declaration.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may maintain foreign exchange accounts without restrictions.
Approval required	No.	
Held abroad	Yes.	Residents are allowed to maintain foreign exchange accounts abroad for portfolio investment and for future payment of permitted obligations.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Depositing baht in an account abroad is allowed for future payment of permitted obligations abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	Residents may convert baht to foreign currency for payment of permitted obligations or for other purposes abroad.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may maintain foreign exchange accounts without limitation. The accounts may be freely credited and debited.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open two types of nonresident baht accounts (NRBAs): NRBA for securities and NRBA for general purposes. Transfers are not allowed between different types of accounts. The limit on the outstanding balance of each type of account is B 200

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		million a nonresident. Exception applies to registered nonresident corporates under NRQC scheme. NRQCs can engage with onshore financial institutions more freely by managing Thai baht liquidity more flexibly without having to provide proof of underlying for each transaction and without being subject to the end-of-day outstanding limit of B 200 million imposed on NRBAs. Effective September 26, 2023, the BOT further relaxed the NRQC scheme to allow cross-border payment service businesses to participate in this scheme. Previously, only those foreign companies that were involved in transactions related to trade and FDI were eligible to participate in NRQC.
Convertible into foreign currency	Yes.	Nonresidents may convert the balances in their domestic currency accounts with authorized banks in Thailand to foreign currency and transfer the funds abroad.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Most goods may be freely imported, but import licenses are required for certain goods.
Positive list	No.	
Negative list	Yes.	Imports of some goods are prohibited for security or social reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Milk product producers must purchase a minimum amount of locally produced milk if they import skim milk into Thailand.
Import taxes and/or tariffs	Yes.	Ad valorem and/or specific duties are imposed on imports. In addition, special duties are levied on certain products. Tariff rates are 0 for almost all goods imported from AFTA countries.

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Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Export proceeds in an amount equivalent to US$1 million or above must be repatriated immediately after payment is received and within 360 days from the export date. The export proceeds exceeding threshold could also be used to offset foreign currency expenses without having to be repatriated, and without prior approval from the BOT.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	All products may be exported freely. However, exports of rice, canned tuna, sugar, certain types of coal and charcoal, and textile products are subject to licensing and quantitative restrictions and, in a few cases, approval, regardless of destination.
Without quotas	Yes.	
With quotas	Yes.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Exports of wood, wood articles, and hides are subject to ad valorem or specific duties.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	

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Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds in an amount equivalent to US$1 million or above must be repatriated immediately after payment is received and within 360 days of receipt. The proceeds exceeding threshold could also be used to offset foreign currency expenses without having to be repatriated, and without prior approval from the BOT.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

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Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Proceeds in an amount equivalent to US$1 million or above must be repatriated immediately after payment is received and within 360 days of receipt. The proceeds exceeding threshold could also be used to offset foreign currency expenses without having to be repatriated, and without prior approval from the BOT.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	The issuance of equity and debt securities requires Securities Exchange Commission (SEC) approval as follows: (1) by Thai entities for an offering in Thailand and abroad and (2) by foreign entities for an offering in Thailand. Institutional investors—that is, BOT, commercial banks, financial institutions established under a specific law, securities companies, derivatives intermediary, life insurance companies, non-life insurance companies, mutual funds, private funds, provident funds, government pension fund, social security fund, and the following investors, that is, listed companies on the Stock Exchange of Thailand (SET), juristic persons incorporated under the law of Thailand with the assets of at least B 5 billion and Qualified Investor—may invest freely in foreign securities abroad.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may purchase shares; however, foreign equity participation may be limited if a company engaged in business is subject to the provisions of the Foreign Business Act or other laws. Investment exceeding the limit may be made by holding nonvoting depository receipts. Financial institutions' foreign equity participation is limited to 25% of total shares in locally incorporated banks, finance companies, and credit finance companies. The combined holdings of individuals and their family members may not exceed 5% of a bank's total shares and 10% of those of finance companies and land banks. Foreign investors may hold more than 49% of total shares in local financial institutions for up to 10 years, after which the number of shares is grandfathered and nonresidents may not purchase new shares until their percentage falls to 49%. Foreign equity participation is limited to 49% in other Thai corporations. Larger holdings are subject to BOT approval. For securities companies and derivatives business operators, there is no limit of foreign equity participation. A person who holds share of any securities companies or derivatives business operator exceeding 10% is a major shareholder who must obtain the approval by SEC office to ensure that such shareholders are appropriately fit and proper and must not have prescribed disqualified characters.
Sale or issue locally by nonresidents	Yes.	Foreign-incorporated companies must obtain approval from the SEC to make an equity offering in Thailand.
Purchase abroad by residents	Yes.	Institutional investors are allowed to invest in foreign securities without limit. There is no investment limit in foreign assets for

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		investors regulated under the SEC. Retail investors, regardless of their financial assets sizes, are allowed to invest in foreign securities without the need to go through local intermediaries for up to US$5 million an investor a year. Moreover, there is no limit for investment in securities abroad through local intermediaries, such as brokerage firms and asset management companies.
Sale or issue abroad by residents	Yes.	Thai-incorporated companies must obtain approval from the SEC to make a public offering of equity in other countries.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may invest in baht-denominated debt securities without a minimum holding period requirement. However, investment in baht-denominated bonds issued by domestic financial institutions is subject to the overall outstanding baht borrowing limit of B 10 million a financial institution a nonresident group (as a consolidated entity). Effective January 4, 2022, nonresident investors who invest in debt securities issued in Thailand will be required to open segregated securities accounts at the Ultimate Beneficial Owner level and register for authentication with the BOT under the Bond Investor Registration Scheme. Trading of the debt securities must be settled through such accounts.
Sale or issue locally by nonresidents	Yes.	For baht-denominated debt securities issuances, these transactions may be made with the approval of the MOF, BOT, and SEC. The MOF allows foreign entities to issue baht-denominated bonds domestically with a minimum maturity of three years. Foreign-currency-denominated debt securities of foreign issuers require SEC approval.
Purchase abroad by residents	Yes.	Institutional investors are allowed to invest in foreign securities without limit. There is no investment limit in foreign assets for investors regulated under the SEC. Retail investors, regardless of their financial assets sizes, are allowed to invest in foreign securities without the need to go through local intermediaries for up to US$5 million an investor a year. Moreover, there is no limit for investment in securities abroad through local intermediaries.
Sale or issue abroad by residents	Yes.	Issuers of newly issued bonds must submit an application for approval to the SEC and demonstrate that an offer for sale/resale of such bonds will be made to investors in foreign countries. In addition, the denomination and settlement of these bonds must be made in foreign currencies.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may freely invest in baht-denominated money market instruments. However, investment in such instruments issued by domestic financial institutions is subject to the overall outstanding baht borrowing limit of B 10 million for a domestic financial institution from a nonresident group (as a consolidated entity). Domestic financial institutions may not issue or sell bills of exchange denominated in baht to nonresidents.
Sale or issue locally by nonresidents	Yes.	For baht-denominated debt securities issuances, these transactions may be made with the approval of the MOF, BOT, and SEC. The MOF allows foreign entities to issue baht-denominated bonds

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		domestically with a minimum maturity of three years. Foreign-currency-denominated debt securities of foreign issuers require SEC approval.
Purchase abroad by residents	Yes.	Institutional investors are allowed to invest in foreign securities without limit. There is no investment limit in foreign assets for investors regulated under the SEC. Retail investors, regardless of their financial assets sizes, are allowed to invest in foreign securities without the need to go through local intermediaries for up to US$5 million an investor a year. Moreover, there is no limit for investment in securities abroad through local intermediaries.
Sale or issue abroad by residents	Yes.	Only finance companies are allowed to issue negotiable certificates of deposits (NCDs) in foreign currency with more than a one-year maturity for sale to the public abroad or for sale to institutions that are authorized to deal in foreign exchange.
On collective investment securities	Yes.	ASEAN Collective Investment Schemes (ASEAN CIS), Asia Region Funds Passport (ARFP), and Hong Kong-Thailand Mutual Recognition of Fund (HK-TH MRF) may be offered to investors in the signatory countries. The fund offerings of ASEAN CISs, ARFP, and HK-TH MRF in Thailand must comply with SEC regulations.
Purchase locally by nonresidents	No.	Nonresidents may invest freely in CISs.
Sale or issue locally by nonresidents	Yes.	CISs issued by nonresidents may be offered locally only as units of foreign exchange-traded funds, ASEAN CISs, ARFP CISs, or HK-TH MRF. Such fund offerings must be approved by the SEC and must comply with SEC regulations.
Purchase abroad by residents	Yes.	Institutional investors are allowed to invest in foreign securities without limit. There is no investment limit in foreign assets for investors regulated under the SEC. Retail investors, regardless of their financial assets sizes, are allowed to invest in foreign securities without the need to go through local intermediaries for up to US$5 million an investor a year. Moreover, there is no limit for investment in securities abroad through local intermediaries.
Sale or issue abroad by residents	Yes.	SEC regulations do not restrict cross-border offering of CISs issued by residents. Entering into a host economy will, however, be subjected to the authorization of the host regulator.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may hedge foreign exchange risk from domestic trade or investment activities using derivatives instruments. Registered nonresident corporates under NRQC scheme can engage with onshore financial institutions more freely by managing currency risks related to Thai baht without having to provide proof of underlying for each transaction and without being subject to the generally applied end-of-day outstanding limit of B 200 million imposed on NRBAs. Without proof of underlying domestic trade or investment, the overall outstanding limit on baht liquidity provided by a domestic financial institution to a nonresident group (as a consolidated entity) is B 200 million. where the liquidity facilities include foreign exchange derivatives and overdrafts but do not include direct loans which are allowed only for project financing and direct investment.

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		The limit on baht borrowing by a domestic financial institution from a nonresident group is B 10 million. Nonresidents may deal in derivatives instruments traded on the Thailand Futures Exchange, except US dollar–baht futures. Also, pursuant to list 3 of the Foreign Business Act B.E. 2542 (1999), nonresidents who trades agricultural derivatives in the Thailand Futures Exchange are prohibited from making onshore physical delivery.
Sale or issue locally by nonresidents	Yes.	Only foreign-incorporated companies which have been granted an approval from the SEC for a public offering of newly issued shares can make a public offering of warrants. In this case such issuer must be approved by the SEC on full compliance the regulation on dual listing of securities.
Purchase abroad by residents	Yes.	Remittance of funds by residents for settlement of foreign exchange derivatives transactions linked to exchange rates involving Thai baht requires BOT approval. However, institutional investors and retail investors may engage with foreign counterparties in derivatives linked to foreign variables not involving Thai Baht to hedge risk exposure and enhance return on investment. There is no investment limit in foreign assets for investors regulated under the SEC. Retail investors may engage in such transactions up to the total limit on portfolio investment abroad of US$5 million an investor a year. Moreover, there is no limit for investment in derivatives abroad through local intermediaries.
Sale or issue abroad by residents	Yes.	Remittance of funds for settlement of foreign exchange derivatives transactions linked to exchange rates involving Thai baht requires BOT approval.
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	Thai juridical persons may lend to business entities abroad without limit. Effective March 1, 2022, the limit of US$50 million or its equivalent a year for Thai juridical person to lend to nonaffiliated companies abroad is abolished. Domestic financial institutions may provide direct loans in baht to nonresidents under certain conditions and may also extend direct baht loans up to an outstanding balance of B 5 million to a nonresident individual permitted to work in Thailand for personal consumption. Domestic financial institutions may provide baht liquidity through other facilities to nonresidents for domestic trade or investment activities. Without domestic trade or investment, the overall outstanding limit on baht liquidity provided by a domestic financial institution to a nonresident group (as a consolidated entity) is B 200 million where the liquidity facilities include foreign exchange derivatives and overdrafts but do not include direct loans which are allowed only for project financing and direct investment.
To residents from nonresidents	Yes.	Nonresidents are free to lend in baht to residents other than domestic financial institutions. Lending in baht to a domestic financial institution is subject to the overall outstanding limit of B 10 million

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		imposed on each domestic financial institution for borrowing in baht from a nonresident group (as a consolidated entity).
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Domestic financial institutions may guarantee transactions by nonresidents when handling bids or performance bonds to government agencies, government enterprises, or other juridical persons in Thailand. However, domestic financial institutions must receive stand-by LCs from financial institutions abroad as collateral (back-to-back guarantee).
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	Outward direct investment is freely allowed. Thai individuals are allowed to invest abroad in the form of direct investment without limit.
Inward direct investment	Yes.	Financial institutions' foreign equity participation is limited to 25% of total shares in locally incorporated banks, finance companies, and credit finance companies. The combined holdings of individuals and their family members may not exceed 5% of a bank's total shares and 10% of those of finance companies and land banks. Foreign investors may hold more than 49% of total shares in local financial institutions for up to 10 years, after which the number of shares is grandfathered and nonresidents may not purchase new shares until their percentage falls to 49%. Foreign equity participation is limited to 49% in other Thai corporations. Larger holdings are subject to BOT approval. Up to 100% foreign equity participation is permitted in the securities business (securities companies and asset management companies).
Controls on liquidation of direct investment	No.	All proceeds from liquidation of direct investment may be repatriated freely.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	Effective March 1, 2022, the limit of US$50 million a person a year for residents purchase of immovable assets including leasehold properties abroad without BOT approval is abolished.
Purchase locally by nonresidents	Yes.	The purchase of property with funds that originate from abroad is allowed. Ownership of property by foreign entities with majority shares in Thai financial institutions is, at present, governed by the Commercial Banking Act and the Act on the Undertaking of Finance Business, Securities Business, and Credit Foncier Business. Regulations on foreign ownership of condominiums and properties are administered by the Department of Lands of the Ministry of Interior.
Sale locally by nonresidents	No.	Nonresidents may sell their property without limitation.
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	Effective March 1, 2022, approval requirement for residents lending to nonresidents is abolished.
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Gambling is illegal in Thailand.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	An overall outstanding limit of B 10 million applies to borrowing in baht or transactions equivalent to borrowing in baht by a domestic financial institution from a nonresident group (as a consolidated entity).
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Domestic financial institutions may provide direct loans in baht to nonresidents under certain conditions and may also extend baht direct loans for personal consumption purposes up to an outstanding balance of B 5 million to a nonresident individual permitted to work in Thailand. Domestic financial institutions may provide baht liquidity through other facilities to nonresidents for domestic trade or investment activities. Without domestic trade or investment, the overall outstanding limit on baht liquidity provided by a domestic financial institution to a nonresident group (as a consolidated entity) is B 200 million where the liquidity facilities include foreign exchange derivatives and overdrafts but do not include direct loans which are allowed only for project financing and direct investment. The limit on baht borrowing by a domestic financial institution from a nonresident group is B 10 million.
Lending locally in foreign exchange	Yes.	Commercial lending in foreign currency to particular industries may be partially (50%) included as foreign assets to recognize the risk that banks may not be fully repaid as the exchange rate risk increases.
Purchase of locally issued securities denominated in foreign exchange	No.	Commercial banks may purchase locally issued securities denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	Nonresidents may open two types of NRBA: NRBA for securities and NRBA for general purposes. Transfers are not allowed between different types of accounts. The limit on the outstanding balance of each type of account is B 200 million a nonresident. Exception applies to registered nonresident corporates under NRQC.

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		NRQCs can engage with onshore financial institutions more freely by managing Thai baht liquidity more flexibly without having to provide proof of underlying for each transaction and without being subject to the end-of-day outstanding limit of B 200 million imposed on NRBA.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	Yes.	Interest on NRBA may be paid only on fixed deposit accounts with maturities of at least six months.
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Financial institutions—commercial banks, finance companies, and credit foncier companies (credit foncier company is a public limited company licensed to undertake credit foncier business by accepting deposit from public, granting mortgage loan, and purchasing immovable property under contract of sale with right of redemption)—may invest, purchase, and hold directly or indirectly shares of any company up to the following amounts, including the shares of nominee shareholders of financial institutions: (1) 20% of the total capital of the financial institution for shares in all companies; (2) 5% of the total capital for shares in each company; and (3) 10% of the total shares sold. In cases of debt restructuring or as security for a loan, financial institutions may seek BOT approval to hold more shares. The BOT may grant waivers, but with certain conditions.
In banks by nonresidents	Yes.	In principle, Thailand allows up to 25% foreign equity participation in commercial banks, finance companies, and credit foncier companies (credit foncier company is a public limited company licensed to undertake credit foncier business by accepting deposit from public, granting mortgage loan, and purchasing immovable property under contract of sale with right of redemption). The BOT may consider allowing foreign holdings between 25% and 49%. If deemed necessary to improve the condition or business of these institutions, the minister of finance, on recommendation of the BOT, may allow foreign investors to hold up to 100% of these institutions' shares for 10 years. After 10 years, foreign investors do not have to sell their shares but may not purchase additional shares, unless they hold less than 49% of total shares. Additional shares may then be acquired to bring foreign holdings up to the 49% maximum.
Open foreign exchange position limits	Yes.	The regulation on net foreign exchange exposure limits allows commercial banks to maintain a position for each currency relative to its capital fund up to 15% or US$5 million, whichever is greater, and to maintain an aggregate position relative to its capital fund up to 20% or US$10 million, whichever is greater.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	The regulations governing shares and other securities of a participating nature apply.
Insurance companies	Yes.	The Business and Investment Supervision Department in the Office of Insurance Commission's stead, oversees the investment operations of both life and non-life insurance companies, namely imposing investment limits per (1) asset class, (2) security issuer, and (3) counterparty, setting minimum requirements of qualitative nature, and those related to capital reserves.

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Limits (max.) on securities issued by nonresidents	Yes.	Since October 25, 2013, the limit for securities issued by nonresidents is set per issuer, to 5% of total invested assets, totaling to not more than 30%.
Limits (max.) on investment portfolio held abroad	Yes.	Since January 29, 2020, the total limit for financial instruments – equities, debts, mutual funds issued by nonresidents, and securitized loans granted to nonresidents are set to 30% of total invested assets.
Limits (min.) on investment portfolio held locally	Yes.	Since October 25, 2013, there are no minimum limits (% of total invested assets) on investment portfolio held locally, rather maximum limits per asset class as follows: (1) Deposits to Commercial Banks and Specialized Financial Institutions: No Limit; (2) Government Bonds: No Limit; (3) Corporate Bonds (incl. Structured Notes, Speculative Grade, and Unrated): 60%; (4) Equities (incl. listed and non-listed companies): 30%; (5) Mutual Funds (incl. Property Funds, REITs, Infrastructure Funds, Infrastructure REITs): 30%; (6) Derivatives (Plain-Vanilla only): Not More Than Risk Exposure; (7) Commercial Loans and Leases (Securitized): 20%; (8) Intra-Company Loans (Securitized): 5%; (9) Analyzation of Bills and Notes, and Guarantees: 5%; *The limits are set via positive list approach, investing in other asset classes are subject to the Office's approval.
Currency-matching regulations on assets/liabilities composition	Yes.	When investing in foreign securities (that bear known amount of cash flows for investors such as bonds), insurance companies must hedge their foreign exchange exposure based on their capital adequacy ratio (CAR). Insurance companies with CAR less than 250 must hedge at least 75% of their cash flow. Insurance companies with CAR over 250 but less than 380 must hedge at least 50% of their cash flow. Insurance companies with CAR over 380 can hedge freely according to the internal policy of the company's investment committee.
Pension funds	No.	The SEC oversees provident fund, a voluntary defined contribution plan jointly established by the employer and employee to serve as a long-term savings to support an employee on retirement.
Limits (max.) on securities issued by nonresidents	No.	The SEC investment rules require no limit on securities issued by nonresidents. Nevertheless, the following investment limits, namely (1) single entity limit, (2) group limit, (3) product limit, (4) concentration limit, and (5) employer's asset limit, still apply to any provident fund investment.
Limits (max.) on investment portfolio held abroad	No.	The SEC investment rules require no limit on investment portfolio held abroad. Nevertheless, the following internal investment limits, namely (1) single entity limit, (2) group limit, (3) product limit, (4) concentration limit, and (5) employer's asset limit, still apply to any provident fund investment.
Limits (min.) on investment portfolio held locally	No.	The SEC investment rules require no limit on investment portfolio held locally. Nevertheless, the following investment limits, namely (1) single entity limit, (2) group limit, (3) product limit, (4) concentration limit, and (5) employer's asset limit, still apply to any provident fund investment.
Currency-matching regulations on assets/liabilities composition	No.	Foreign investment of provident funds is only about 1% of the total asset under management.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	Mutual funds may invest without limit in securities issued by nonresidents. (*For Money Market Fund, foreign exposure must not exceed 50% of NAV, with currency risk being fully hedged.)
Limits (max.) on investment portfolio held abroad	No.	Mutual funds may invest without limit in foreign securities abroad. (*For Money Market Fund, foreign exposure must not exceed 50%

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		of NAV, with currency risk being fully hedged.)
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	The BOT has not launched a domestic retail central bank digital currency (CBDC) as general use. Nonetheless, in 2023, we conducted the pilot test with limited users and limited scopes (Project Bang Khun Phrom) to test and assess the effectiveness and viability of CBDC infrastructure and the benefit of using retail CBDC as a payment instrument and to support innovation. The project is separated into two tracks as follows: Foundation track which tested and evaluated on both business and technical aspects of using CBDC in conducting the basic payments, in particular, payment for goods and services among limited participants, participating stores, and financial service providers. Innovation track which tested the programmable feature of CBDC. A few innovative use cases presented by project's participants and private sector were adopted.
Wholesale	No.	The BOT has not launched a domestic wholesale CBDC as general use. Nonetheless, we participated in mBridge project which experiments with cross-border payments using wholesale CBDC based on distributed ledger technology (DLT). The mBridge pilot was conducted from August to September 2022 covering three transaction types: (1) issuance and redemption of CBDC between commercial banks and CBs, (2) cross-border payment in local CBDC between commercial banks, and (3) cross-border exchange of local CBDC against foreign currency CBDC between commercial banks.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	

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Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	Yes.	In general, the SEC has no restrictions on holding or trading of unbacked tokens among individuals in Thailand. Since April 1, 2022, however, the SEC has established the regulation to restrict the activities of licensed operators in the digital asset businesses. This regulation encompasses the holding, trading, or providing services to customers. Such digital asset business operators are prohibited from providing services relating to digital assets that has one of the following characteristics: (1) digital asset that is unlawful and (2) privacy coin. In addition to the aforementioned regulation, since January 1, 2021, digital asset exchanges must set the listing and delisting rules for digital assets, trading rules for digital assets and market maker rules. These exchange rules need to be approved by the SEC Board. Digital assets such as cryptocurrencies and digital tokens that are adhere to the listing rules are eligible for trading on licensed digital asset exchanges. Since June 11, 2021, listing and delisting rules of digital asset exchanges must also include the requirements for not providing or offering services (or listing) ready-to-use utility tokens or cryptocurrencies that has one of the following characteristics: (1) meme token; (2) fan token; (3) non-fungible token (NFT); and (4) tokens issued by the digital asset exchange itself or persons associated with the digital asset exchange for the transaction purpose taken place on the blockchain. Since July 16, 2018, the digital asset exchange is also prohibited from proprietary trading on digital assets.
Use among residents	Yes.	The SEC has no specific regulation to control the use of unbacked tokens among individuals. However, the BOT and the SEC have a collaborative approach to supervise the use of digital assets as a means of payment (“MOP”) to prevent any potential impact on the financial stability and economic system of the country. The SEC therefore has established the regulations to oversee digital asset business operators and restrict the use of digital assets as MOP. Since April 1, 2022, digital asset business operators must not provide any services, facilitating, or acting in a manner that supports or

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		promotes the use of digital asset as MOP. For instance, the digital asset business operators are not allowed to advertise, promote or present themselves as ready to provide MOP to merchants. These prohibitions also include the creation of systems designed to facilitate MOP and the establishment of a digital asset wallet for the purpose of using digital assets as MOP. In case where a digital asset business operator becomes aware that customers use accounts for MOP, the business operator must warn about account misuse and non-compliance with service conditions. Furthermore, this operator must take appropriate measures against customers who do not comply with the service conditions including temporarily suspending services, cancelling services, or any other similar actions.
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	To protect the interest of investors, the SEC have set the regulatory guideline governing the offering of foreign digital assets to residents, as well as in case where Thai digital asset business operators taking residents to invest in ICOs abroad. As announced July 11, 2018, the guidelines prescribe that the digital assets to be invested in must be sold in countries that are members of IOSCO and adhere to the multilateral signatory type A framework within the IOSCO MMOU. Furthermore, foreign ICOs must also offer their digital assets to retail investors residing in those country. Thai digital asset business operators must ensure that retail investors take the knowledge test prior to investing and invest in appropriate amount. Since October 1, 2021, to maintain nation's financial stability and effectively manage the risk exposure by digital assets business operators, the SEC has established the regulation to set the limit of foreign investment transactions undertaken by digital assets business operators according to the license received.
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on utility and security tokens	Yes.	
Acquisition by residents	Yes.	Since May 14, 2018, digital assets which fall under the Emergency Decree on Digital Asset Businesses B.E.2561 ("the DA decree"), as defined in Section 3, include cryptocurrency and digital token. However, whatever defined as securities under the Securities and Exchange Act B.E.2535 will not be in the scope of the DA decree. As a result, utility token is in the scope of the DA decree while security token may or may not be, depending on its substance. The DA decree lays out requirements for digital token offering. To offer newly issued digital tokens including investment token and not-ready-to-use utility token to the public, an issuer must submit filing for SEC approval and token must be sold through an approved digital portal service provider (ICO portal). However, such offering regulations are exempted for ready-to-use utility token. An issuer is neither required to seek an approval from the SEC nor to offer such

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		token to the public through ICO portal. To acquire the tokens, investors can make a payment in local currency (Thai baht) or cryptocurrencies specified by SEC. Retail investor can invest in ICO for up to 300,000 Thai baht a person while such limit does not apply to non-retail investors.
Use among residents	Yes.	Please refer to XIII.D.1.b.
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Please refer to XIII.D.1.c.2.i.
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	Yes.	
Acquisition by residents	Yes.	Please refer to XIII.D.1.a.
Use among residents	Yes.	Please refer to XIII.D.1.b.
Between residents and nonresidents	Yes.	
For current transaction	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Please refer to XIII.D.1.c.2.i.
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	Since July 17, 2018, those who intend to operate a digital asset exchange must be licensed by the Minister of Finance on the recommendation of the SEC. To receive such license, the applicant shall satisfy specified criteria and meet certain conditions such as demonstrating sufficient registered capital, efficient management teams, well-prepared operating systems that adheres to the licensed business activity. Since July 16, 2018, on receiving the license for undertaking digital asset exchange, the operators are required to comply with the SEC's regulatory framework, including business conducts for all digital asset business operators as well as specific conducts for digital asset exchange, as follows: (1) Dealing with client system: KYC/CDD and suitability test; (2) Risk and conflict management: risk management policy sufficient procedures, and measures to prevent conflict of interest; (3) Internal control system and Compliance system; (4) IT and Cyber security system: measures for protecting data, system, and clients' assets; (5) Asset custody system: separation of clients' asset and operators' asset, wallet and key management, separation of client's asset in hot and cold wallet, outsourcing the third-party custodian;

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		(6) Net capital requirement: sufficient registered capital and net capital; (7) Advertisement and sale promotion: submit digital asset advertisement to the SEC for approval; (8) Business transaction report for clients: report digital asset transactions to the SEC; (9) Governance structure: set criteria on management structure and executive director qualifications to ensures that the operation and risks can be managed effectively; (10) The specific conducts for digital asset exchange also includes: - Efficient digital asset selection system and trading and settlement system; - Disclosure of trading information (including pre-trade information and post-trade information.
Access to crypto exchange/trading platform by residents	Yes.	Since July 16, 2018, before providing services to customers, digital asset operators in Thailand must compile and evaluate customer's information by providing a screening process (KYC/CDD and Suitability test) for categorizing customer and evaluating their suitability for investing in digital assets. To evaluating the suitability of clients' investments, the digital asset operators must consider customer information in various aspects as follows: - financial status; - investment experiences; - investment knowledge; - investment objectives; - level of acceptable risks. In case that the customers refuse to provide essential information, which cause the digital assets business operators to be unable to assess the suitability of their investment, the digital assets business operators may refuse to provide service to them.

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Forward exchange market	*09/26/2023*	The Bank of Thailand further relaxed the Nonresident Qualified Company scheme to allow cross-border payment service businesses to participate in this scheme which are allowed only for project financing and direct investment.

Nonresident Accounts

Domestic currency accounts	*09/26/2023*	The Bank of Thailand further relaxed the Nonresident Qualified Company scheme to allow cross-border payment service businesses to participate in this scheme which are allowed only for project financing and direct investment. Previously, only those foreign companies that were involved in transactions related to trade and FDI were eligible to participate in NRQC.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments	
On capital market securities	
Bonds or other debt securities	

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Purchase locally by nonresidents	*01/04/2022*	Nonresident investors who invest in debt securities issued in Thailand will be required to open segregated securities accounts at the Ultimate Beneficial Owner level and register for authentication with the Bank of Thailand under the Bond Investor Registration Scheme. Trading of the debt securities must be settled through such accounts.
Controls on credit operations		
Financial credits		
By residents to nonresidents	*03/01/2022*	The limit of US$50 million or its equivalent a year for Thai juridical person to lend to nonaffiliated companies abroad is abolished.
Controls on real estate transactions		
Purchase abroad by residents	*03/01/2022*	The limit of US$50 million a person a year for residents purchase of immovable assets including leasehold properties abroad without Bank of Thailand approval is abolished.
Controls on personal capital transactions		
Loans		
By residents to nonresidents	*03/01/2022*	Approval requirement for residents lending to nonresidents is abolished.

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TIMOR-LESTE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		July 23, 2002.
Article VIII	Yes.	Date of acceptance: July 23, 2002.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The official currency of Timor-Leste is the US dollar.
Other legal tender	Yes.	Timorese coins also circulate, and these are legally convertible to US dollars at par.
Exchange rate structure		
Unitary		
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an exchange arrangement with no separate legal tender. The US dollar is legal tender and circulates freely.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The US dollar is legal tender and circulates freely in Timor-Leste. Timorese coins also circulate, and these are legally convertible to US dollars at par. The Central Bank Law states that the primary objective of the Central Bank of Timor-Leste (Banco Central de Timor-Leste—CBTL) is to achieve and maintain domestic price stability.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		

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Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	There is no centralized domestic foreign exchange market, but foreign exchange transactions are affected through four foreign-owned commercial banks and three licensed currency exchange bureaus.
Spot exchange market	Yes.	There is no centralized domestic foreign exchange market, but foreign exchange transactions are affected through four foreign-owned commercial banks and three licensed currency exchange bureaus.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	There is no interbank foreign exchange market.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.

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Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Domestic transactions and settlements must be conducted in domestic currency.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The CBTL regulates the domestic and foreign currency payment and settlement systems and is responsible for the administration of exchange control.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	Controls are as per Instruction No. 4/2017 on Exportation and Importation Currencies.
On exports	Yes.	
Domestic currency	Yes.	Transfers of more than US$20,000 in cash or its equivalent out of Timor-Leste in the official currency of Timor-Leste must have CBTL authorization.
Foreign currency	Yes.	Transfers of more than US$20,000 in cash or its equivalent out of Timor-Leste in the foreign currency must have CBTL authorization.
On imports	Yes.	
Domestic currency	Yes.	Transfers of more than US$20,000 in cash or its equivalent into Timor-Leste in the official currency of Timor-Leste must have CBTL authorization.
Foreign currency	Yes.	Transfers of more than US$20,000 in cash or its equivalent into Timor-Leste in the foreign currency of Timor-Leste must have CBTL authorization.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Balances may be transferred abroad freely.
Approval required	No.	

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Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	No.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Except for selected items (for example, cigarettes and alcohol—within certain limits—and the household items of returning former residents), a uniform ad valorem tariff of 2.5% applies to all

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	imports; excise taxes apply to a relatively narrow range of imports (mainly gasoline and diesel fuel, tobacco products, and alcoholic beverages). A sales tax of 2.5% is also applied to the combined value of customs assessment, import duty, and excise tax.
Taxes collected through the exchange system	No.
State import monopoly	No.

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.
Other	No.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.	Domestic capital and money markets have not yet been developed.
Repatriation requirements	No.	
Surrender requirements	No.	

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Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on derivatives and other instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on credit operations	No.
Commercial credits	No.
By residents to nonresidents	No.

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To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Ownership of land by foreigners is prohibited.
Sale locally by nonresidents	Yes.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	

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Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	Domestic transactions must be conducted in US dollars.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Domestic transactions must be conducted in US dollars.
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	No.	No limits apply to institutional investors.
Insurance companies	No.	No limits apply to insurance companies.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	No limits apply to investments by pension funds.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	

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Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	No limits apply to investment firms and collective investment funds.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.

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Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.

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Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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TOGO

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		August 1, 1962.
Article VIII	Yes.	Date of acceptance: June 1, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	A regional framework to fight money laundering (AML) and the financing of terrorism (AFT) exists through two WAEMU Directives from 2002 (AML) and 2007 (AFT) as amended. This comprehensive framework facilitates the implementation of UNSC resolutions based on a list of persons and entities prepared by the committee. Effective March 31, 2023, the regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Asset Service Providers (VASPs); (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons (PEPs).

Exchange Arrangement

Currency	Yes.	The currency of Togo is the CFA franc (XOF).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		

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No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement of the WAEMU is a conventional peg. Togo participates in a currency union with seven other members of the WAEMU and has no separate legal tender. A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, to replace the agreement dated December 4, 1973. The Monetary Cooperation Agreement is based on three pillars: (1) a common issuing institution, (2) fixed parity with the euro, and (3) a guarantee of unlimited convertibility.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The CFA franc is officially pegged to the euro at the fixed exchange rate of CFAF 655.957 per euro. Exchange rates for other currencies are derived from the rates for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. The official rate is used for accounting and valuation. The Conference of Heads of State and Government may decide to amend the Monetary Cooperation Agreement between the WAMU member countries and France. Effective September 2, 2022, Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the euro. The operational target of price stability is defined as an annual inflation rate in the WAEMU that falls within a band of ±1% around a central rate of 2%. The harmonized CPI is the benchmark rate to measure inflation.
Composite		
Other		
Monetary aggregate target		

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Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	Yes.	Authorized intermediaries apply a 0.6% commission on transfers to countries outside the WAEMU. This commission is transferred in

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		full to the National Treasury and makes up part of its tax revenue.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries (authorized intermediary banks and authorized non-electronic exchange dealers) freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which must be traded against CFAF at the fixed rate of CFAF 655.957 per euro. The commission on foreign exchange transactions may not exceed 2%. Instruction No. 013-11-2015 on the terms and conditions for conducting rapid money transfers as a subagent within the WAEMU is in effect.
Spot exchange market	Yes.	Entities authorized to conduct non-electronic foreign currency transactions are authorized intermediary banks and individuals or companies authorized by order of the minister of finance, with the consent of the BCEAO. As of December 31, 2022, 63 institutions, including 14 banks and 49 authorized OTC exchange dealers, were to trade on the foreign exchange market. Authorized intermediaries must comply with the provisions for non-electronic exchange operations with euro banknotes and issue a receipt for all operations with customers. In addition, authorized intermediaries must (1) permanently post at their windows the rates actually charged for the different currencies and (2) post notification that a transaction slip must be issued for all foreign exchange transactions on presentation of the requestor's identity document. As of December 31, 2022, there were 63 institutions licensed to deal in the foreign exchange market. The minister of finance issues approvals, after consulting the BCEAO. Authorized intermediaries must comply with the provisions for executing banknote foreign exchange transactions involving foreign currency and issue a receipt for all transactions with clients. Banks and registered banknote exchange houses are intermediaries authorized by the Ministry of Economy and Finance (MEF) to carry out foreign exchange transactions with the public. The exchange houses may perform transactions in foreign currencies other than euros with the BCEAO. Registered banknote exchange houses may not make transfers or payment in foreign currencies with other countries or maintain accounts abroad. In operations with customers, authorized intermediaries (authorized intermediary banks and OTC dealers) freely determine the buying and selling rates of foreign currencies, with the exception of the euro, which is traded at the official fixed rate of CFAF 655.957 and may be subject to a maximum commission of 2.0%.
Operated by the central bank	Yes.	The BCEAO deals directly with the government and other public entities, and the official rate is used for valuation.
Foreign exchange standing facility	Yes.	The BCEAO exchanges foreign currency for CFA francs at the rates published in the international markets, with the exception of the euro, which is traded at the official fixed rate of 655.957 per euro. The non-electronic currency exchange windows are open to owners of accounts on the BCEAO books and to the general public. A commission of 0.5% is charged on all transactions with the public (purchases and sales) and all withdrawals by banks and financial institutions (including euro withdrawals). However, commissions are not charged on cash foreign exchange transactions conducted by governments, officials of Member States of the WAMU on missions abroad, officials of the CB and their beneficiaries, and on payments made by banks and financial institutions.
Allocation	No.	

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Auction	No.	
Fixing	No.	
Interbank market	Yes.	Transactions in CFA francs between authorized intermediaries are allowed. As of December 31, 2022, 14 commercial participated in the interbank market in domestic currency. There is no interbank foreign exchange market in the WAEMU area.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Residents of the WAEMU zone are permitted to conduct the following transactions on the foreign exchange derivatives market with authorized intermediary banks established in the WAMU or with foreign banks: outright forward foreign exchange contracts (over the counter), foreign exchange options, foreign exchange swaps, and cross-currency swaps. Transactions in foreign exchange options are limited to the following two types of transactions: options to purchase foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign bank, or options to sell foreign currency, purchased by residents of the WAEMU zone from an authorized intermediary bank established in the WAMU or from a foreign credit institution. Authorized intermediary banks are required to simultaneously cover the exchange risk they incur with respect to derivative instruments traded with their customers. The underlying commercial and financial operations must relate to imports and exports of goods and services by a resident, foreign borrowing operations by a resident (drawings and repayments), or FDI in a resident company. All legitimate foreign currency needs are ultimately met by the BCEAO.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Payments with countries outside the WAEMU are made in foreign currencies. Trade with other WAEMU countries is settled in CFA francs.
Controls on the use of domestic currency	Yes.	The CFA franc may not be used as payment for current international transactions and for capital transactions with countries outside the WAEMU.
For current transactions and payments	Yes.	CFA francs may not be used for settlement of international transactions outside the WAEMU.
For capital transactions	Yes.	The CFA franc may not be used for capital transactions with countries outside the WAEMU. Investments by residents of the WAEMU zone outside the WAEMU are subject to prior authorization by the minister of finance, and at least 75% of the investment must be financed through foreign borrowing.
Transactions in capital and money market instruments	Yes.	Foreign investment by residents of the WAEMU zone is subject to authorization by the MOF. At least 75% of the investment must be financed through foreign borrowing. The interested party must request authorization through a letter designating the authorized intermediary to settle the payment. Purchases of foreign negotiable securities authorized by the regional capital markets authority to be

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		issued or sold in WAEMU members do not require MEF authorization.
Transactions in derivatives and other instruments	Yes.	Residents of WAEMU member countries may engage in the following operations on derivatives and other instruments with accredited banks established in the WAEMU or foreign banks: (1) forward contract, foreign exchange swaps, and options. Operations on derivatives with foreign banks outside the WAEMU can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone.
Credit operations	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted by authorized intermediaries to nonresidents of the WAEMU zone are subject to prior authorization by the Directorate of External Financial Relations of the MOF, after BCEAO approval.
Use of foreign exchange among residents	Yes.	The CFA franc is the only legal tender, and residents of the WAEMU zone may not use foreign exchange for domestic transactions.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	A monetary cooperation agreement between the WAEMU member states and France was concluded on December 21, 2019, replacing the previous agreement dated December 4, 1973. This monetary cooperation agreement is based on three pillars: (1) a common bank of issue; (2) a fixed exchange rate parity with the euro; and (3) an unlimited convertibility guarantee.
Clearing agreements	Yes.	There is a multilateral clearing agreement between the WAEMU countries and the other ECOWAS member countries (Cabo Verde, The Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone) as part of the WAMA. All payments for current transactions between countries whose CBs are WAMA members may be made under the clearing agreement. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS members and payments for exports from one member country to another member country of finished products originating in countries whose CB or monetary authority is not a WAMA member.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The institutional reform of the WAMU and the BCEAO went into effect April 1, 2010, with the adoption of the following new basic instruments: (1) the WAMU Treaty, (2) the BCEAO Charter, (3) the Bank Regulation Act, and (4) the Convention governing the WAMU Banking Commission. Exchange control is administered jointly by the MOF and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the MOF. The BCEAO is also authorized to collect—either directly or through banks, financial institutions, the postal administration, or judicial agents—information necessary to compile balance of payments statistics. Customs officers monitor outflows of foreign exchange and confirm importation and exportation of goods. All WAEMU residents are treated as residents of Togo for the purpose of calculating the external position of banks, domiciliation and repatriation of export revenue, issuance and sales of securities, gold imports and exports, investment and lending transactions, and the material exportation of means of payment and of securities by postal

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		package or ordinary mail. However, for statistical purposes with regard to the balance of payments, all countries other than Togo are considered foreign countries. Moreover, all transfer transactions with other countries must be made through the registered intermediary banks, the postal service, or the BCEAO.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	
On external trade	Yes.	Gold imports and exports require MOF authorization, except (1) imports and exports by the Public Treasury and the BCEAO; (2) imports and exports of items with a low gold content (lined or plated objects); and (3) imports and exports, by travelers, of objects made of gold limited to a total weight of 500 grams. Imports and exports of gold within the WAEMU area are not subject to any restrictions.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Travelers may freely export CFA franc banknotes from one WAEMU member country to another. Resident individuals (from a WAEMU member country) and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from sending and receiving CFA franc banknotes issued by the BCEAO.
Foreign currency	Yes.	The re-exportation of foreign banknotes by nonresident travelers (that is, residing outside of a WAEMU member country) is permitted up to the equivalent of CFAF 500,000; re-exportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on exit. Residents of the WAEMU zone traveling to countries that are not WAEMU members are required to declare foreign currency on their person in excess the equivalent of CFAF 1 million. They are allowed to carry up to the equivalent of CFAF 2 million a person in banknotes not issued by the BCEAO. Amounts in excess of this ceiling may be exported in the form of traveler's checks, prepaid debit and payment cards, conventional debit and payment cards, or other means of payment. Foreign exchange allowances issued by authorized intermediaries in the form of traveler's checks or prepaid debit and payment cards must be based on the need to cover customary, personal travel expenses, if they exceed the equivalent of CFAF 2 million a person. The issue of foreign currency to resident travelers is subject to the presentation of travel documents and a valid passport or national identification card.
On imports	Yes.	
Domestic currency	Yes.	Resident and nonresident travelers may freely import domestic currency. However, WAEMU resident individuals and legal entities other than the BCEAO and its banking and commercial correspondents outside the WAEMU are prohibited from receiving

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		banknotes in domestic currency.
Foreign currency	No.	There are no restrictions on resident and nonresident travelers' importation of foreign-currency-denominated means of payment, which must be declared to customs authorities if they exceed the equivalent of CFAF 5 million. Resident travelers must surrender foreign banknotes and other foreign-currency-denominated means of payment exceeding CFAF 500,000 to an authorized intermediary within eight days of arrival in any WAEMU member country.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	Yes.	Foreign exchange accounts in currencies other than the euro may be opened domestically with MOF authorization after non-objection from the BCEAO. The authorization specifies the operations that may be credited or debited on each such an account. These accounts are valid for a renewable term of up to one year. They cannot be credited with deposits of CFA banknotes or by debiting a CFA franc account. On expiration of the term set in the authorization, accounts are closed unless a new authorization is obtained.
Held abroad	Yes.	
Approval required	Yes.	Individuals who are resident of the WAEMU temporarily staying or traveling outside of WAEMU may open bank accounts outside the WAEMU to deposit foreign currency legally exported and any income acquired outside of the WAEMU during their travel or temporary stay outside of the WAEMU. These individuals are required to repatriate balances on such accounts within 30 days of return to the WAEMU. In any circumstance other than the foregoing, opening of foreign accounts by WAEMU residents is subject to MOF authorization by after non-objection from the BCEAO. The MOF authorization specifies the operations that may be credited or debited on such accounts. In the event of a failure to obtain a new MOF authorization, the accredited intermediary must request that the account be closed by the end of the term authorized and that any balance be repatriated to a WAEMU member country within eight days.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	Yes.	Intermediaries authorized in the WAEMU are authorized to open accounts in euros for the benefit of nonresidents, subject to proof of their status and actual residence. Nonresident accounts denominated in foreign currency other than euros are subject to BCEAO authorization. Nonresident foreign currency accounts are valid for a renewable period of two years. In the event of a failure to obtain renewal (through a new BCEAO authorization for foreign exchange other than the euro), these accounts must be closed. The balances of these accounts may be freely transferred abroad after verification.
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	Authorized intermediaries may open nonresident accounts in CFA

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		francs and in euros, under their own responsibility, depending on the status and actual residence of the applicant. These accounts may be debited for spot purchases of foreign exchange.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirements	Yes.	Import transactions from outside the CFA franc area exceeding CFAF 10 million must be effected through an authorized bank.
Preshipment inspection	Yes.	Imports arriving by sea and exceeding the equivalent of CFAF 3 million, and overland imports exceeding CFAF 1.5 million, are subject to inspection.
Letters of credit	No.	LCs may be opened for all import operations, regardless of origin. LCs are not required.
Import licenses used as exchange licenses	No.	
Other	Yes.	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	Yes.	Certain imports (for example, narcotics) are prohibited from any source.
Positive list	Yes.	
Negative list	Yes.	
Open general licenses	Yes.	Licenses are issued for imports of pharmaceuticals, explosives, and firearms.
Licenses with quotas	No.	
Other nontariff measures	Yes.	Quantitative restrictions may be applied to products for public health and security reasons.
Import taxes and/or tariffs	Yes.	The ECOWAS CET consists of five tariff brackets: 0%, 5%, 10%, 20%, and 35%. A statistical tax of 1% and a community solidarity levy of 1% are also applied on imports from ECOWAS non-member countries. Imports from countries that are not ECOWAS members are subject to a 0.5% community levy (CL/ECOWAS).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	Yes.	Resident economic operators are required to collect and repatriate the entire proceeds from the sale of goods abroad to the bank with which the transaction is domiciled within one month from the payment due date. The payment due date is the date provided in the commercial contract; as a rule, it should be within a maximum of 120 days from the merchandise shipment date.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Authorized intermediaries must surrender their customers' foreign currency receipts to the BCEAO by transfer via the bank of issue. For purposes of covering its current foreign currency requirements, an authorized intermediary bank may hold a maximum of 20% of export receipts as own foreign exchange resources. However, it must ensure that its total foreign exchange resources to cover its requirements do not exceed 5% of total customer demand deposits; otherwise, the surplus must be surrendered to the BCEAO.
Surrender to authorized dealers	Yes.	Proceeds must be surrendered to authorized banks within 30 days after the payment due date. Sales of foreign currency by exporters to ADs other than the domiciling bank are permitted, provided they furnish the domiciling bank with the documents required for the domiciliation file to be closed.
Financing requirements	No.	
Documentation requirements	Yes.	Export transactions are subject to a customs declaration.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Export transactions of more than CFAF 10 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Preshipment inspection	Yes.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Diamonds, gold, and all other precious metals are subject to MOF authorization. Exports to all countries require licenses in certain cases.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Phosphate rock is subject to a specific export tax.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments and transfers for current transactions with WAEMU and non-WAEMU countries may be made freely through authorized intermediaries. Transfers exceeding CFAF 500,000 are subject to documentary requirements. Payments and receipts of foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions.

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Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to freight and insurance (including transfers of insurance not related to commercial transactions), unloading and warehousing costs, administrative costs, commissions, and customs duties and fees are permitted in general, subject to the presentation of supporting documentation to the authorized intermediary.
Investment-related payments	Yes.	
Prior approval	Yes.	Payments for depreciation of direct investments require MOF authorization, because this type of depreciation is not specifically mentioned in the regulations.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Outward transfers of interest payments and proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Residents of the WAEMU zone traveling for tourism or business purposes to non-WAEMU countries may take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person a trip; larger amounts may be taken out of the country in the form of traveler's checks, prepaid debit or payment cards, traditional debit or payment cards, or other means of payment and must be justified by requirements related to ordinary personal travel expenses.
Indicative limits/bona fide test	Yes.	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued. Foreign currency allocations delivered by authorized intermediaries in the form of traveler's checks or prepaid debit and payment cards must be justified by requirements related to ordinary personal travel expenses if they exceed the equivalent of CFAF 2 million a person.
Personal payments	Yes.	
Prior approval	Yes.	Approval is required for payment of family maintenance expenses abroad.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	All personal payments may be made through an authorized bank, subject to presentation of supporting documents. Payments abroad related to pensions and benefits resulting from an employment contract, education costs, family maintenance, and alimony may be executed freely on presentation of documentation.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the

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		appropriate documentation.
Credit card use abroad	Yes.	The use of credit cards is allowed when issued by specialized institutions which, where applicable, must report such transactions on a quarterly basis to the BCEAO.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	For travelers, allocations of foreign currency in the form of debit and payment card must be justified by requirements related to travel and personal expenses if they exceed the equivalent of CFAF 2 million.
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	As a general rule, payments abroad above CFAF 500,000 related to other current operations are permitted subject to the presentation of supporting documentation to the relevant authorized intermediary.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from invisible transactions with non-WAEMU countries must be repatriated. Residents of the WAEMU zone are required to surrender to an authorized intermediary all revenues and income in foreign currency collected abroad or received from a nonresident. Such operations must be conducted within no more than one month after the payment due date.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	Proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month. Residents of the WAEMU zone must surrender foreign currency revenue and proceeds received abroad or remitted by a nonresident to an authorized intermediary bank within one month of the payment due date. Resident travelers must surrender to an authorized intermediary, within eight days of their arrival in Togo, foreign banknotes and other means of payment denominated in foreign currency worth more than the equivalent of CFAF 500,000.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except (1) amortization of debts and repayment of short-term loans to finance industrial and commercial operations, (2) payments required on foreign exchange derivatives transactions or raw material or commodity derivatives transactions, and (3) transfers of the proceeds of liquidated investments or the sale of foreign securities by nonresidents of the WAEMU zone. Capital receipts from non-

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		WAEMU countries are generally permitted.
Repatriation requirements	Yes.	Proceeds from the sale or liquidation of residents of the WAEMU zone's investments abroad must be repatriated within one month through a registered intermediary, if the resident does not have a reinvestment authorization.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Holdings exceeding the current needs of the credit institution must be surrendered to the BCEAO immediately. Credit institutions may hold net claims in foreign exchange with their banking correspondents outside the WAEMU to cover their current foreign exchange requirements in connection with customer transactions. In addition, ADs must surrender to the BCEAO, at its request, all BCEAO-issued currency and all or part of their assets in euros and in other foreign currencies.
Surrender to authorized dealers	Yes.	The proceeds from the sale or liquidation of residents of the WAEMU zone's investments abroad must be repatriated and surrendered, if the resident has no reinvestment authorization, within one month through an authorized intermediary. The surrender requirement applies to proceeds from all capital transactions.
Controls on capital and money market instruments	Yes.	RCPSFM authorization is required for the following operations: (1) issuance or marketing of securities and real assets of foreign entities, (2) canvassing, and (3) publicity or advertising for investment abroad. Nonresident entities that solicit the public of the WAEMU must obtain BCEAO authorization as the entity in charge of regulating the external financial relations of the WAEMU countries. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange. The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
On capital market securities	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are unrestricted. However, these purchases are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization, with the prior authorization of the BCEAO acting in its capacity as the authority in charge of regulating external financial relations. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of Togolese

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		entities, foreign investors are required to make a declaration to the MOF. Residents of the WAEMU zone may also issue securities abroad, except for those constituting a loan.
Bonds or other debt securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to declaration to the MOF for statistical purposes. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. There is no minimum holding period.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization from the MOF and supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries is authorized by the RCPSFM. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a declaration to the MOF. Issuance of securities abroad constituting a loan to nonresidents of the WAEMU zone must be made through an authorized intermediary bank and must be declared to the MOF for statistical purposes.
On money market instruments	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	Purchases in the country by nonresidents of the WAEMU zone are subject to declaration for statistical purposes only.
Sale or issue locally by nonresidents	Yes.	The issuance and sale of money market instruments by nonresidents of the WAEMU zone are subject to RCPSFM authorization, with authorization of the BCEAO in its capacity as the authority regulating external financial relations. There are no controls on the sale of money market instruments resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of money market instrument transactions by transfer abroad or credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation (Article 8, Rule No. 09/10/CM/UEMOA).
Purchase abroad by residents	Yes.	The purchase of foreign money market instruments by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign money market instruments whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM. The sale of money market instruments to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell money market instruments abroad, except those constituting a loan. Sales liquidating an

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		investment abroad are subject to declaration to the minister of finance for statistical purposes.
On collective investment securities	Yes.	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	No.	These purchases are subject to prior declaration to the MOF and the BCEAO for statistical purposes. There are no controls on the sale of securities resulting from divestiture of an investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation.
Sale or issue locally by nonresidents	Yes.	The issuance of securities and the sale of corporate or foreign securities by nonresidents of the WAEMU zone are subject to RCPSFM authorization with the authorization of the BCEAO in its capacity as the authority regulating external financial relations. Settlement of securities transactions by transfer abroad or credit to a nonresident account requires submission of an exchange authorization to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	Yes.	The purchase of foreign securities by residents of the WAEMU zone and the transfer abroad of funds for this purpose are subject to MOF authorization and must be at least 75% financed with foreign borrowing. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	No.	Residents of the WAEMU zone may sell local corporate securities abroad. If these operations result in foreign control of resident entities, foreign investors are required to make a declaration to the MOF. The sale of securities for liquidation of an investment abroad must be declared to the MOF for statistical purposes. Issuance of securities constituting a loan by residents of the WAEMU zone to nonresidents of the WAEMU zone must be made through an authorized bank and must be reported to the MOF for statistical purposes.
Controls on derivatives and other instruments	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Residents of the WAEMU zone may hedge risk using derivatives. They must be backed by the residents of the WAEMU zone's imports or exports of raw materials and commodities. Residents of the WAEMU zone are not authorized to purchase raw materials or commodities on foreign markets for delivery within the framework of a derivatives transaction in raw materials or commodities.
Purchase locally by nonresidents	Yes.	Residents of the WAEMU zone may hedge risk using foreign exchange derivatives for the following commercial and financial operations: (1) imports and exports of goods and services; (2) foreign borrowing operations by a resident (drawings and repayments); and (3) negotiation of FDI in a resident enterprise. Foreign exchange derivatives can only relate to the purchase or sale, by a resident, of foreign exchange other than the euro or another currency from the Franc Zone. The use of exchange risk hedging derivatives on the domestic market is reserved exclusively for Union residents. Purchase of derivatives locally by nonresidents is not permitted.
Sale or issue locally by nonresidents	Yes.	Residents are authorized to carry out transactions on approved foreign exchange derivative instruments on foreign exchange derivatives markets with nonresident banks.

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Purchase abroad by residents	Yes.	These instruments are subject to general regulations that apply to securities and investments. Residents of the WAEMU zone may freely purchase abroad or from nonresidents of the WAEMU zone call or put options on primary commodities or securities transactions. Residents of the WAEMU zone may not purchase commodities or securities in foreign markets to be delivered in complying with a put option contract. Put options must be placed on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract. Residents of the WAEMU zone are permitted to purchase foreign currency purchase options on the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign credit institution.
Sale or issue abroad by residents	Yes.	Residents of the WAEMU zone do not require prior authorization to purchase foreign currency put options in the foreign exchange derivatives market from an authorized intermediary bank established in the WAMU or from a foreign (that is, nonresident of WAEMU) credit institution.
Controls on credit operations	Yes.	Borrowing by residents of the WAEMU zone from nonresidents of the WAEMU zone must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	There are no controls on credits related to exports of goods, provided the date on which payment falls due is not more than 120 days after the date of shipment.
To residents from nonresidents	No.	There are no controls, and repayments of commercial credits are generally conducted without prior authorization, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date, to the licensed intermediary bank responsible for handling the repayment.
Financial credits	Yes.	
By residents to nonresidents	Yes.	These credits require MOF approval. Outward transfers necessary to service such facilities require an exchange authorization, subject to the approval of the MOF and substantiated by documentation.
To residents from nonresidents	No.	There are no controls on these credits, but they must be reported for statistical purposes to the MOF and the BCEAO when granted and when repaid, except for the following credits: (1) mail overdrafts: CFA franc overdrafts for durations not to exceed the normal mail delivery times; (2) LCs available by acceptance, issued to exporters at the request of the authorized intermediaries' foreign correspondent banks; and (3) credit provided pursuant to a financial agreement between a WAEMU member country and a foreign government or pursuant to an interbank arrangement approved by the Directorate of External Finance. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayment of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction. Borrowing abroad is unrestricted.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	The granting of guarantees and sureties is subject to MOF approval. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to MOF approval and the submission of supporting documents.
To residents from nonresidents	No.	These facilities may be granted freely, although the funds required

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		for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require declaration to the MOF and the BCEAO for statistical purposes.
Controls on direct investment	Yes.	Direct investment implies control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 10% of the capital of a company. All investment outside of WAEMU by residents of the WAEMU, including investment through foreign companies under the direct or indirect control of WAEMU residents and investment by foreign branches or subsidiaries of companies established in a WAEMU member country, requires MEF authorization.
Outward direct investment	Yes.	All investment abroad by residents of the WAEMU zone is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	No.	FDI, including by resident companies directly or indirectly under foreign control and by branches or subsidiaries of foreign companies, must be reported to the MOF and the BCEAO for statistical purposes. A share is not considered a direct investment, unless it exceeds 10% of the capital of a company.
Controls on liquidation of direct investment	No.	The liquidation of investments abroad must be reported to the MOF and the BCEAO for statistical purposes. Reinvestment of the liquidation proceeds is subject to MOF authorization. If reinvestment is not authorized, the proceeds from the liquidation must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents of the WAEMU zone is unrestricted but must be reported to the MOF and the BCEAO for statistical purposes.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	These purchases require MOF authorization.
Purchase locally by nonresidents	No.	Purchases for purposes other than direct investment in a business, branch, or company do not require prior authorization. They require declaration to the MOF and the BCEAO for statistical purposes.
Sale locally by nonresidents	No.	Sales by nonresidents of the WAEMU zone to residents of the WAEMU zone require the submission of supporting documentation to the authorized intermediary handling the settlement and must be declared to the MOF and the BCEAO for statistical purposes.
Controls on personal capital transactions	Yes.	Personal capital transactions between residents of the WAEMU zone and nonresidents of the WAEMU zone must be made through the BCEAO, the postal administration, or an authorized intermediary bank, unless MOF authorization is obtained.
Loans	Yes.	The regulations governing securities and investments apply.
By residents to nonresidents	Yes.	These transactions require MOF authorization. The individuals concerned may not engage in such operations as a professional occupation unless they are licensed and included on the list of financial institutions.
To residents from nonresidents	No.	These transactions may be made freely but are subject to declaration to the MOF and the BCEAO for statistical purposes when disbursed and when repaid.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Inheritances and dowries are generally allowed. Gifts and

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		endowments, however, are subject to MOF and BCEAO authorization. These transactions must be conducted through an authorized intermediary and comply with the relevant AML and terrorism financing provisions.
To residents from nonresidents	No.	These transactions do not require authorization but are subject to declaration to the minister of finance and the BCEAO for statistical purposes.
Settlement of debts abroad by immigrants	Yes.	Immigrants with resident status must obtain MOF authorization to settle debts contracted abroad while they were nonresidents of the WAEMU zone.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	These transactions are subject to MOF authorization if the value exceeds CFAF 500,000 a person. There are no restrictions on transfers of amounts below this threshold.
Transfer into the country by immigrants	Yes.	Foreign accounts (in foreign currency or CFA francs) of nonresidents of the WAEMU zone who become residents of the WAEMU zone must be closed. However, these residents of the WAEMU zone may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents of the WAEMU zone. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.	These transfers are conducted freely via authorized intermediaries, subject to the presentation of supporting documents and compliance with the relevant provisions on combating money laundering and financing of terrorism.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	The uniform act concerning dormant accounts on the books of financial institutions of WAMU member countries, adopted by the WAMU Council of Ministers, took effect September 28, 2012. WAMU Council of Ministers Decision No. CM/UMOA/023/12/2012 of December 14, 2012, establishes the deadline (December 31, 2013) for insertion of the uniform act into the WAMU members' national legal systems. The relevant provisions were adopted by the Togolese National Assembly on June 12, 2014, and formally enacted by the President of the Republic on June 16, 2014.
Borrowing abroad	No.	Foreign borrowing is unrestricted. For statistical purposes, these transactions must be declared to the MOF and the BCEAO when granted and when repaid.
Maintenance of accounts abroad	No.	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions on their own behalf or on behalf of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements. In accordance with Regulation No. 09/2010/CM/UEMOA on the External Financial Relations of the WAEMU Member States, to cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency. The total amount of these assets may not exceed 5% of the clients' outstanding demand deposits. Assets in excess of foreign currency requirements must be surrendered to the BCEAO.
Lending to nonresidents (financial or commercial credits)	Yes.	Commercial lending is allowed. Financial credits are subject to MOF authorization following BCEAO approval.

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Lending locally in foreign exchange	Yes.	There are no explicit regulations regarding these transactions, but MOF authorization is required with BCEAO approval.
Purchase of locally issued securities denominated in foreign exchange	Yes.	These purchases require MOF authorization if their issuance was not approved by the RCPSFM.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	No.	A reserve requirement of 3% has been applicable to banks in the WAEMU zone since March 16, 2017. Demand deposits, other debit deposit accounts, and loan accounts are included in the calculation of required reserves. The following four elements are taken into account in calculating the required reserves to be established in the CB: (i) demand deposits; (ii) short-term loans; (iii) gross claims abroad, including customer deposits in foreign currency; (iv) medium- and long-term loans. Required reserves are therefore established on a standard, settlement, or securities account based on eligibility for calculation of reserves allocated by the MPC.
Liquid asset requirements	No.	In accordance with the prudential framework applicable to banks and financial institutions carrying out banking operations in the WAEMU, the minimum liquid asset requirement is 75%. A 50% transformation ratio is also required to ensure that banks continually have more stable financing sources to finance their long-term uses.
Interest rate controls	No.	
Credit controls	Yes.	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents of the WAEMU zone are subject to MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Yes.	Banking regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	Yes.	Any overdraft or advance granted to a nonresident requires MOF authorization and BCEAO approval.
Investment regulations	Yes.	The regulations governing direct investment apply.
Abroad by banks	Yes.	All investment abroad by residents of the WAEMU zone is subject to MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for the purchase of foreign securities whose issuance or offering for sale in the WAEMU countries has been authorized by the RCPSFM.
In banks by nonresidents	Yes.	These transactions may, depending on their volume, be subject to MOF authorization. According to the banking law, investment in a bank by any person that would change the blocking minority and/or the majority of voting rights requires authorization of the MOF.
Open foreign exchange position limits	Yes.	No prudential ratios apply. Banks may not maintain open foreign exchange positions because of the surrender requirement. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts to assist in the smooth completion of international payments, up to the equivalent of 5% of total customer demand deposits. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits

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		that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency.
On resident assets and liabilities	Yes.	No prudential ratios apply. Banks may not maintain open foreign exchange positions because of the surrender requirement. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts to assist in the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency.
On nonresident assets and liabilities	Yes.	No prudential ratios apply. Banks may not maintain open foreign exchange positions because of the surrender requirement. However, the BCEAO grants individual dispensations that allow banks to keep working balances in their correspondent accounts to assist in the smooth completion of international payments. To cover their foreign currency requirements, banks are authorized to hold in banking institutions located in non-WAEMU countries: (1) demand deposits that may not exceed the total amount of import payments domiciled by clients in their books, payable within a period of eight days, and (2) demand deposits that may not exceed the balance of their open foreign accounts denominated in foreign currencies other than the euro and their open resident accounts denominated in foreign currency.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	Controls are imposed by the CIMA Code of the CFA franc area members.
Limits (max.) on securities issued by nonresidents	Yes.	Insurance companies may subscribe up to 40% of the total amount of regulated commitments of securities issued by nonresidents of the WAEMU zone that are offered publicly and traded regularly in a regulated market controlled by a CIMA member and listed by the Control Commission after approval by the appropriate CB or after being officially listed on a stock exchange of a CIMA member country (Paragraph 2 of Article 335-1 of the CIMA Code).
Limits (max.) on investment portfolio held abroad	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Limits (min.) on investment portfolio held locally	Yes.	The CIMA Code requires insurance companies of each CIMA member country to invest domestically a minimum of 50% of resources collected locally, with the remainder to be invested only in other CIMA member countries.
Currency-matching regulations on assets/liabilities composition	Yes.	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind by foreign governments, local authorities, foreign companies, or international institutions are subject to authorization by the

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		RCPSFM.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold with RCPSFM authorization in WAEMU member countries, all investment abroad by residents of the WAEMU zone is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance, presentation, and floating of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to RCPSFM authorization.
Limits (max.) on investment portfolio held abroad	Yes.	With the exception of foreign securities issued or sold in WAEMU member countries with RCPSFM authorization, all investment abroad by WAEMU residents is subject to MEF authorization and must be at least 75% financed with foreign borrowing.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CB does not yet have a digital currency.
Retail	No.	The CB does not yet have a digital currency.
Wholesale	No.	The CB does not yet have a digital currency.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.a.	
Acquisition by residents	n.a.	

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Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Crypto assets	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on unbacked tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on utility and security tokens	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.

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Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on stablecoins	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Acquisition by residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Use among residents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Between residents and nonresidents	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For current transaction	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
For capital transactions	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in capital and money market instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In

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		addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Transactions in derivatives and other instruments	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Credit operations	Yes.	No specific regulations on crypto assets have been adopted yet. In addition, the circulation of such assets in the WAEMU is not permitted as the CFA franc is the only legal tender in member countries.
Controls on crypto exchanges and trading platforms	n.a.	
Domestic exchanges	n.a.	
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
Other security restrictions	*03/31/2023*	The regional framework was revised, and a draft law was adopted by the Council of Ministers of the Union. The law contains new provisions on preventive measures applicable to all reporting entities. These cover mainly the following points: (1) the redefinition of the scope of application of the law by reducing the number of reporting entities to three categories established by the FATF, namely financial institutions, Designated Non-Financial Businesses and Professions, and Virtual Asset Service Providers; (2) the strengthening of the States' role in implementing targeted financial penalties by designating a national body responsible for managing frozen, seized, or confiscated criminal assets and their recovery; (3) the strengthening of preventive measures; (4) the strengthening of responsibilities that fall to the competent authorities in regulating and supervising financial institutions; (5) review of the definitions of politically exposed persons.

Exchange Arrangement

Official exchange rate	*09/02/2022*	Executive Order No. 2022-21 of September 2, 2022, authorizing the ratification of the Cooperation Agreement, signed on December 21, 2019, in Abidjan (Republic of Côte d'Ivoire) between the Governments of the Member States of the West African Monetary Union and the Government of the French Republic was adopted. Under the monetary reform, the obligation to centralize foreign exchange reserves with the French Treasury has ended, and France has withdrawn from the Governance Bodies of the Central Bank.

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TONGA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 13, 1985.
Article VIII	Yes.	Date of acceptance: March 22, 1991.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Tonga is the Tongan pa'anga.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate arrangement is a pegged exchange rate within horizontal bands. The external value of the pa'anga is determined on the basis of a weighted currency basket comprising the US dollar, Australian dollar, New Zealand dollar, and Fijian dollar. The basket weights are determined based on the proportions of trade with trading partners. The exchange rate of the pa'anga in terms of the US dollar, the intervention currency, is fixed daily by

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		the National Reserve Bank of Tonga (NRBT) within a band of ±5% a month. Under Section 34 of the NRBT Act, the external value of the pa'anga is determined from time to time in a manner approved by the NRBT board, after consultation with the MOF, in view of Tonga's obligations connected with international monetary agreements in which it takes part. Section 35(1) of the NRBT Act empowers the NRBT to set the exchange rate. Because the composite weights cannot be confirmed, the de facto exchange rate arrangement is classified as other managed.
Floating		
Free floating		
Official exchange rate	Yes.	The NRBT sets the US dollar–pa'anga exchange rate daily, which the banks use to set their exchange rates for the public. The official exchange rate set by the NRBT is the rate applicable for the transactions conducted by the NRBT for its customers, which are banks, government, public enterprises, and international agencies. The value of the pa'anga, which is the official exchange rate, is determined on the basis of a weighted currency basket comprising the US dollar, Australian dollar, New Zealand dollar, and Fijian dollar.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		

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Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The monetary policy framework includes an exchange rate anchor vis-à-vis a composite comprising the US dollar, Australian dollar, New Zealand dollar, and Fijian dollar. The exchange rate basket is intended to reduce exchange rate variability, maintain external competitiveness, and minimize imported inflation. The monetary policy framework includes monitoring the monetary aggregates, but no targets are set. A policy rate is also set, which is equivalent to the interest rate paid on commercial banks' exchange settlement accounts with the CB. The policy rate floor system is currently set at 0. The CB board determines the monetary policy settings, and the board's decision is published on a monthly basis following the board's monthly meetings.
Exchange tax	Yes.	A levy is imposed on foreign exchange transactions. It is assessed and paid at a rate of half a cent imposed as part of the spread of the pa'anga value of every purchase and sale of foreign currency. The levy applies only if the spread is more than half a cent.
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks and authorized foreign exchange dealers (FEDs) may freely set their exchange rates and commissions in transactions with their clients, with the exception of banks' spreads on telegraphic transfers in US dollars, Australian dollars, and New Zealand dollars, which are limited to 220 basis points, 300 basis points, and 350 basis points, respectively.
Spot exchange market	Yes.	The NRBT has licensed four commercial banks and sixteen FEDs. Only licensed banks may make spot foreign exchange transactions directly with the NRBT; FEDs transact only with commercial banks. FEDs may conduct money conversion (conversion of foreign currency notes to or from pa'anga) and/or remittance business

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		(inward and outward remittances). Ten FEDs hold Type A licenses, five hold Type B licenses, and one holds a Type C license. FEDs with Type A licenses are authorized to conduct money conversions, make foreign currency payments on behalf of their clients, and receive funds from overseas (both inward and outward remittances). FEDs with Type B licenses are authorized to receive funds only from overseas (inward remittances), and the Type C license is for money conversion only. Licensed banks are authorized to conduct foreign exchange business under their banking license. Licensed banks and FEDs may maintain accounts abroad without NRBT approval.
Operated by the central bank	Yes.	The NRBT operates a foreign exchange fixing arrangement.
Foreign exchange standing facility	Yes.	The NRBT sets the US dollar–pa'anga rate on a daily basis and buys and sells foreign exchange at these exchange rates with commercial banks. The NRBT deals with commercial banks and the government, public enterprises, and international agencies on demand. For the commercial banks' transactions, they are required to list all the underlying customers. All foreign currency payments from pa'anga accounts, through either the commercial banks or the NRBT, are subject to the exchange control requirements, so supporting documents are provided accordingly, which verify whether the transactions are bona fide.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are four commercial banks, which are licensed by the NRBT, and they may trade among themselves. The NRBT does not intervene directly with market participants at their quoted rates. The NRBT sets the US dollar–pa'anga exchange rate, which is used for the NRBT's daily foreign currency transactions with commercial banks, and these deals are at the commercial banks' initiative. Commercial banks also maintain nostro accounts, and their total balances may not exceed T$1 million daily. Excess foreign exchange must be sold to the NRBT within two business days. The NRBT imposes limits on commercial banks' spreads on telegraphic transfers in US dollars, Australian dollars, and New Zealand dollars of 220 basis points, 300 basis points, and 350 basis points, respectively. There are no limits on the spreads for interbank foreign currency transactions (among commercial banks only).
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	Foreign exchange market operations (commercial banks and their own customers) are based on a market-making agreement.
Forward exchange market	Yes.	Commercial banks may provide forward exchange cover for their customers up to the equivalent of each bank's current capital position. The NRBT does not participate in the foreign exchange derivatives market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements are normally made in convertible currencies acceptable to both parties. Tax and customs duty must be paid in pa'anga, according to Regulation No. 5 of the Revenue Services

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		Administration Regulations 2003 and Section 19 of the Customs Act 2007.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	For payments involving conversion from pa'anga to foreign currency, the NRBT's exchange control requirements are applicable, including exchange among residents.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Tonga participates in PACER Plus and PICTA, including the PICTA-Trade in Services Agreement (PICTA-TIS). Tonga is a nontrading member of PICTA and has signed PACER with nine other Forum Island countries, Australia, and New Zealand.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The NRBT administers the Foreign Exchange Control Directive. The NRBT delegates to banks and authorized FEDs the approval authority for (1) current and capital payments not exceeding the equivalent of T$100,000 with supporting documents, except for travel payments, whose limit is T$20,000; (2) capital and current payments below T$5,000 a month without supporting documents; and (3) gift payments up to T$50,000 a remitter a beneficiary a year without supporting documents. All current and capital payments and transfers exceeding T$100,000 require NRBT approval. Lending institutions in Tonga may lend to nonresident individuals and businesses without NRBT approval.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	Removal or exportation of cash across the border equivalent to or exceeding T$10,000 must be approved by the NRBT.
On exports	Yes.	
Domestic currency	Yes.	Cash exports of T$10,000 or more (both domestic and foreign

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		currency cash totaling the equivalent of T$10,000 or more) require NRBT approval under the Foreign Exchange Control Act 2018. The Customs Act restricts exports of cash except with written permission of the NRBT governor. A valid passport, airline ticket, and evidence of the source of cash are required.
Foreign currency	Yes.	Cash exports of T$10,000 or more (both domestic and foreign currency cash totaling the equivalent of T$10,000 or more) require NRBT approval under the Foreign Exchange Control Act 2018. The Customs Act restricts exports of cash except with written permission of the NRBT governor. A valid passport, airline ticket, and evidence of the source of cash are required. All exports of cash of T$10,000 or more, whether shipped as cargo or hand carried, must be declared to customs. Failure to do so amounts to a false misleading declaration under Customs and Excise Management Act Order 2007; the sanctions include administrative penalties under Section 82 and prosecution under Section 93B of the law.
On imports	No.	
Domestic currency	No.	Cash imports of T$10,000 or more are restricted under customs laws and must be declared on the arrival card. Approval is not required.
Foreign currency	No.	Cash imports equivalent to T$10,000 or more are restricted under customs laws and must be declared on the arrival card. Approval is not required.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange accounts are permitted for both residents and nonresidents. The NRBT allows banks to open these accounts as long as the funds come from abroad. Outward transfers from foreign currency accounts do not require NRBT approval. Foreign currency account deposits or withdrawals to or from local pa'anga accounts or other local foreign currency accounts must be converted to their pa'anga equivalent before conversion to the relevant foreign currency.
Approval required	Yes.	NRBT approval is required to open foreign currency accounts or make payments to these accounts when sourced from local funds.
Held abroad	Yes.	Residents require approval from the NRBT to open and maintain foreign exchange accounts abroad. NRBT approval is required for the transfer of funds from pa'anga accounts held locally (subject to the exchange control requirements) to accounts abroad.
Approval required	Yes.	Residents require approval from the NRBT to open and maintain foreign exchange accounts abroad.
Accounts in domestic currency held abroad	Yes.	Transfers to pa'anga accounts abroad require NRBT approval regardless of the amount.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign exchange accounts may be opened for residents and nonresidents. The NRBT allows banks to open these accounts as long as the funds come from abroad. Outward transfers from foreign currency accounts do not require NRBT approval. Foreign currency account deposits or withdrawals to or from local pa'anga accounts or other local foreign currency accounts must be converted to their pa'anga equivalent before conversion to the relevant foreign currency.

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Approval required	Yes.	NRBT approval is required to open these accounts or make payments to these accounts if they are sourced from local funds.
Domestic currency accounts	Yes.	Nonresidents may hold domestic currency accounts.
Convertible into foreign currency	Yes.	Nonresidents may convert the balances of their pa'anga accounts held domestically with banks to foreign currency and make transfers abroad in compliance with the exchange control requirements. Nonresident withholding tax on interest of 15% of the gross amount is applicable.
Approval required	Yes.	NRBT approval is required for transfers from domestic currency accounts to foreign currency accounts held in Tonga in compliance with the exchange control requirements. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, tax clearance is required for all funds sent overseas other than those for imported goods.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	An accumulated delegated limit of T$500,000 an applicant on advance import payments is granted to banks. NRBT approval is required for larger amounts. An invoice is required, and once the goods arrive and are cleared by customs, customs import entry forms must be submitted to the NRBT.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	The NRBT's exchange control requirements for import payments include an invoice and customs import entry forms. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, transfers for imported goods, regardless of the amount, no longer require tax clearance.
Import licenses and other nontariff measures	Yes.	Special licenses are required for selected imports, such as firearms, explosives, alcoholic beverages, tobacco and cigarettes, and other restricted imports. A business license is required for all commercial imports and other commercial merchandise. Goods imported under this license must not (1) be counterfeit; (2) be labeled in a way that is false, misleading, or deceptive as to the nature or character of the goods; or (3) be described or presented on any label by words or pictures or in any way that suggests any other goods with which such goods may be confused. Labeling must be in Tongan or English.
Positive list	No.	
Negative list	Yes.	Imports of noxious gases and fireworks are prohibited. The following

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		are prohibited under Business Licenses Act 2002, Schedule 1: (1) storage, disposal, or transport of nuclear or toxic waste; (2) pornography; (3) exportation, importation, or production of products prohibited under the laws of Tonga; (4) prostitution; (5) processing or exportation of endangered species; and (6) production of weapons. The following are prohibited under the Customs and Excise Management Act Order 2007: (1) base, counterfeit, or imitation currency or banknotes or imitation postage or revenue stamps of any country or dye, plates, instruments, or materials capable of making such coins, currency, banknotes, or revenue or postage stamps; (2) counterfeit goods; (3) indecent or obscene books, paintings, drawings, cards, lithographic or other engravings, photographs, prints, films, or other indecent products that depict child pornography; (4) goods bearing the royal arms of Tonga or closely resembling them for the purpose of deception, unless the importer has His Majesty's written authority to use them in connection with trade, business, calling, or profession; (5) books, written or printed matter, and sound and visual recordings that the chief commissioner by notice declares prohibited on account of copyright or intellectual property right laws that apply in Tonga; (6) books and written or printed matter and sound and visual recordings declared by chief commissioner's notice to be seditious or that advocate violence, lawlessness, or disorder; (7) toxic or hazardous waste; (8) goods whose importation is prohibited by any other law of Tonga; (9) mutton and lamb breast; and (10) vehicles principally designed for personal transportation whose model years are 15 years or older.
Open general licenses	No.	
Licenses with quotas	Yes.	Imports of certain items are restricted for cultural, environmental, health, or security reasons. Imports of ozone-depleting substances and of firearms and ammunition have predetermined quotas.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Ad valorem import tariffs on most goods range up to 20%. Some items (including petroleum, tobacco, vehicles, and alcoholic beverages) are subject to specific excise tax rates: petroleum, T$0.65 a liter; petroleum gases, T$300 a metric ton; tobacco, T$750 for 1,000 sticks/kg (imported) and T$580 for 1,000 sticks/kg; cigarettes made from imported tobacco and locally manufactured, T$100 for 1,000 sticks/kg; cigarettes made from locally grown tobacco and locally manufactured, T$750/kg. For other tobacco products, rates are as follows: imported, T$200/kg local tobacco (Tapaka Tonga); vehicles, T$0.35–T$0.75/cc of engine capacity; and alcohol, T$65/lal (lal denotes liters of alcohol contained in a mixture) for imports, T$25/lal for locally produced beer, and T$35 for locally produced spirits. Excise taxes are imposed on imports of animal fats (T$2/kg), flavors in powdered and ready-to-drink form (T$4/kg), confectionery sugar (T$5/kg), chocolate in blocks or slabs T$5/kg, instant noodles (imported $2/kg), ice cream and sausages (locally manufactured T$0.50/kg, imported T$1/kg), sweet biscuits (T$1.50/kg), fruit juices containing sugar exceeding 5g/100ml but less than 20g/ltr (T$1.50/ltr), fruit juices containing sugar exceeding 20g/100ml (T$4/ltr), other sugar sweetened beverages with sugar not exceeding 5g/100ml (locally manufactured T$0.05/ltr), other sugar sweetened beverages with sugar exceeding 5g/100ml but not exceeding 20g/ltr (locally manufactured T$0.75/ltr, imported T$1.50/ltr), other sugar sweetened beverages with sugar exceeding 20g/ltr (locally manufactured T$1.50/ltr, imported T$4/ltr), mayonnaise (T$2/kg), ice cream (imported T$1.50/ltr, locally manufactured T$0.25/ltr), and turkey tail (manufactured T$0.50/kg, imported $2/kg). The

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		government is not exempt from duty or taxes. Imports are also subject to a 15% consumption tax, which registered businesses may claim back as input tax. Imports by public international organizations, foreign governments, participants in agreements with the government of Tonga, and charitable organizations do not pay consumption tax (provided such exemptions are specifically stipulated in the agreement with the Government of Tonga), and the rate is 0 on fuel, aircraft, and vessel parts for use in public domestic air and shipping services. Imports by diplomatic missions, international organizations, officers under technical assistance agreements, charitable organizations, and returning residents (absent for two years) are exempt from tariffs and taxes. Electricity has a rate of 0 for consumption tax, and there are exemptions from duty and consumption tax for agricultural and fishing sector inputs. Some manufacturing inputs are also duty-free. As of March 27, 2020, imports of goods directly concerning measures to combat the spread and possible spread of COVID-19 in Tonga are exempt from customs duty, excise tax, and consumption tax. Imports of food items and personal hygiene consumer goods not for commercial purposes are exempt from customs duty, excise tax, and consumption tax. Imports of building materials for the constructions of private dwellings, community project buildings, and education project buildings are exempt from customs duty and consumption tax. Following implementation of the nutrient profile model (NPM) to classify foods according to their health profile and apply excise tax on unhealthy foods, excise taxes are imposed on importation of unhealthy instant noodles, waffles and wafers, fruit and vegetable juices, and sugared and sweetened beverages.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Exporters of goods, including fish (sea cucumbers), must repatriate to a pa'anga account with a bank licensed in Tonga within six months of exportation at least 60% of foreign exchange earnings from the sale of goods, unless the NRBT has approved an extension of this period or the retention of funds in a foreign currency account with a local bank or overseas.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Repatriated export proceeds must be surrendered on repatriation, unless the NRBT has approved an extension of this period or the retention of funds in a foreign currency account with a local bank or overseas.
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	Yes.	Customs documentation regarding exports must be completed, and

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		each shipment is inspected by the customs export officer. In the case of agricultural commodities inspected by the Ministry of Agriculture, Food and Forestry, customs relies on the inspections conducted by that ministry to complete the customs export clearance, and there is no separate inspection required by customs.
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Licenses are required for exports weighing more than 10 kg. Licenses are granted liberally.
With quotas	Yes.	There are export quotas only for sea cucumbers, which are stipulated in the export license. Other export quotas, such as for sandalwood, are at the discretion of the Ministry of Agriculture, Food and Forestry.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	Banks and authorized FEDs are delegated the authority to approve all payments not exceeding T$100,000. An invoice is required for payments of services. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Prior approval	Yes.	All payments above T$100,000 require prior approval from the NRBT. The NRBT delegated to banks and authorized FEDs the authority for current payments below T$5,000 per transaction without supporting documents. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	Banks and authorized FEDs are delegated the authority to approve all payments not exceeding T$100,000, subject to the exchange control documentary requirements. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Prior approval	Yes.	All payments above T$100,000 require prior approval from the NRBT. The NRBT delegated to banks and authorized FEDs the authority for current payments below T$5,000 per transaction without supporting documents. For loan repayments, only the loan agreement and repayment schedule are required.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	Banks and authorized FEDs are delegated the authority to approve payments of travel allowances not exceeding T$20,000 or its equivalent a traveler a trip. An airline ticket and valid passport are

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		still required for travel payments. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Prior approval	Yes.	NRBT approval is required for amounts exceeding T$20,000 or its equivalent a traveler a trip.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	Yes.	
Prior approval	Yes.	As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance. NRBT approval and submission of supporting documents are required for gift payments above T$50,000 a remitter a beneficiary a year. Authorized FEDs are delegated the approval authority for smaller amounts. Gift payments up to T$50,000 a remitter a beneficiary a year without supporting documents are permitted. The documentation requirements for education and medical payments are as follows: acceptance letter and statement/invoices of tuition fees and expenses for education payments and invoice/letter from the medical institution for medical payments. Education and medical payments may be made to third parties, such as parents or guardians of the student and relative or caregiver of the patients overseas.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	Yes.	Banks and authorized FEDs are delegated the authority to approve payment of wages and salaries for amounts not exceeding T $100,000, subject to evidence of an employment contract (or pay stub). The employment contract or pay stub must indicate that tax has been deducted. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance. It is no longer necessary to provide evidence of “sources of funds from offshore” for wages paid in foreign currency cash to foreign crew members. The current requirement is for evidence of “receipt of funds from offshore” to be paid to foreign crew members in foreign currency cash in Tonga.
Prior approval	Yes.	NRBT approval is required for amounts exceeding T$100,000.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	Banks and authorized FEDs are delegated the authority to approve credit card payments of up to T$100,000 an application with the provision of the monthly statements due. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Prior approval	Yes.	NRBT approval is required for amounts above T$100,000. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Quantitative limits	No.	

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Indicative limits/bona fide test	No.	
Other payments	Yes.	Banks and authorized FEDs are delegated the authority to approve current transfers of up to T$100,000 an application, subject to the exchange control documentary requirements. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than for imported goods require tax clearance.
Prior approval	Yes.	NRBT approval is required for amounts above T$100,000. The NRBT delegated to banks and authorized FEDs the authority for current payments below T$5,000 a transaction without supporting documents.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Banks and authorized FEDs are delegated the authority to approve capital payments not exceeding T$100,000 an application, subject to provision of unaudited accounts and company resolution. NRBT approval is required for outward capital payment transactions exceeding T$100,000 accompanied by the audited accounts and company resolution. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance. Lending institutions in Tonga are delegated authority to lend to nonresident individuals and businesses without NRBT approval.
Repatriation requirements	Yes.	If foreign reserves fall to critical levels of two months' equivalent of imports of goods and services, investors, such as local companies, including nonfinancial companies, pension funds, collective investment funds, and individuals, must take reasonable steps to realize their offshore investment, and any amount due or accrued on the investment must be repatriated to Tonga. The repatriation of funds must take place within two months of notification from the NRBT, and funds must be transferred and held in an account with a bank licensed in Tonga. Failure to comply is an offense under the Foreign Exchange Control Act 2018 and is liable on conviction to a fine not exceeding T$10,000 for an individual and not exceeding T $200,000 for a corporate body. Such an event has not yet been triggered.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market	Yes.	

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instruments		
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Transfer or issuance of securities in Tonga by nonresidents and of foreign securities by any branch, office, or agency in Tonga of a person resident outside Tonga requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, outward transfers other than for imported goods require tax clearance.
Sale or issue locally by nonresidents	Yes.	Transfer or issuance of securities in Tonga by nonresidents and of foreign securities by any branch, office, or agency in Tonga of a person resident outside Tonga requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, outward transfers other than for imported goods require tax clearance.
Purchase abroad by residents	Yes.	Banks and authorized FEDs may make outward transfers for portfolio investment, including equity and debt securities and financial derivatives; offshore investments by business entities, retirement funds, individuals, and other applicants up to T$100,000, subject to the exchange control documentary requirements, and up to T$5,000 a transaction without supporting documents. For transactions exceeding T$100,000, NRBT approval is required. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Sale or issue abroad by residents	Yes.	Transfers or issuance of securities by residents requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Transfer or issuance of securities in Tonga by nonresidents and of foreign securities by any branch, office, or agency in Tonga of a person resident outside Tonga requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, outward transfers other than for imported goods require tax clearance.
Sale or issue locally by nonresidents	Yes.	Transfer or issuance of securities in Tonga by nonresidents and of foreign securities by any branch, office, or agency in Tonga of a person resident outside Tonga requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, outward transfers other than for imported goods require tax clearance.
Purchase abroad by residents	Yes.	Transfer or issuance of securities by residents requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Sale or issue abroad by residents	Yes.	Transfer or issuance of securities by residents requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Transfer or issuance of securities in Tonga by nonresidents and of foreign securities by any branch, office, or agency in Tonga of a person resident outside Tonga requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19

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		tax policy, outward transfers other than for imported goods require tax clearance.
Sale or issue locally by nonresidents	Yes.	Transfer or issuance of securities in Tonga by nonresidents and of foreign securities by any branch, office, or agency in Tonga of a person resident outside Tonga requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, outward transfers other than for imported goods require tax clearance.
Purchase abroad by residents	Yes.	Transfer or issuance of securities by residents requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Sale or issue abroad by residents	Yes.	Transfer or issuance of securities by residents requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Transfer or issuance of securities in Tonga by nonresidents and of foreign securities by any branch, office, or agency in Tonga of a person resident outside Tonga requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, outward transfers other than for imported goods require tax clearance.
Sale or issue locally by nonresidents	Yes.	Transfer or issuance of securities in Tonga by nonresidents and of foreign securities by any branch, office, or agency in Tonga of a person resident outside Tonga requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, outward transfers other than for imported goods require tax clearance.
Purchase abroad by residents	Yes.	Transfer or issuance of securities by residents requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Sale or issue abroad by residents	Yes.	Transfer or issuance of securities by residents requires NRBT approval. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Banks and authorized FEDs are delegated to authorize outward transfers for portfolio investment and financial derivatives up to T $100,000, subject to the exchange control documentary requirements, and up to T$5,000 a transaction without supporting documents. For transactions exceeding T$100,000, NRBT approval is required if the transaction involves a payment abroad regardless of whether the payment is made by a resident or nonresident. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Sale or issue locally by nonresidents	Yes.	Banks and authorized FEDs are delegated to authorize outward transfers for portfolio investment and financial derivatives up to T $100,000, subject to the exchange control documentary requirements, and up to T$5,000 a transaction without supporting documents. For transactions exceeding T$100,000, NRBT approval is required if the transaction involves a payment abroad regardless of whether the payment is made by a resident or nonresident. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy,

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		all outward transfers other than those for imported goods require tax clearance.
Purchase abroad by residents	Yes.	Banks and authorized FEDs are delegated to authorize outward transfers for portfolio investment and financial derivatives up to T $100,000, subject to the exchange control documentary requirements, and up to T$5,000 a transaction without supporting documents. For transactions exceeding T$100,000, NRBT approval is required if the transaction involves a payment abroad regardless of whether the payment is made by a resident or nonresident. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Sale or issue abroad by residents	Yes.	Banks and authorized FEDs are delegated to authorize outward transfers for portfolio investment and financial derivatives up to T $100,000, subject to the exchange control documentary requirements, and up to T$5,000 a transaction without supporting documents. For transactions exceeding T$100,000, NRBT approval is required if the transaction involves a payment abroad regardless of whether the payment is made by a resident or nonresident. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
Controls on credit operations	No.	Lending institutions in Tonga were delegated authority to lend to nonresident individuals and businesses without NRBT approval.
Commercial credits	No.	
By residents to nonresidents	No.	Lending institutions in Tonga were delegated authority to lend to nonresident individuals and businesses without NRBT approval.
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	Lending institutions in Tonga were delegated authority to lend to nonresident individuals and businesses without NRBT approval.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	Lending institutions in Tonga were delegated authority to lend to nonresident individuals and businesses without NRBT approval.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	NRBT approval is required for outward transfers for direct investment, including equity capital and portfolio investments, for amounts above T$100,000. Approval for lower amounts was delegated to banks and authorized FEDs, subject to the exchange control documentary requirements, and up to T$5,000 a transaction without supporting documents.
Inward direct investment	Yes.	Controls on FDI are codified in the Foreign Investment Act 2002. Foreign investors and foreign companies with more than 25% of stock owned by foreigners must obtain a foreign investment registration certificate and a business license to operate in Tonga. Foreign investment is allowed in all sectors except those reserved for Tongans, which include (1) retail food and grocery business; (2) taxi service; (3) used motor vehicle dealership; (4) exports of green and mature coconuts; (5) wholesaling activity; (6) baking of white bread loaves; (7) raising of chickens for the production of eggs; (8)

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		passenger vehicles for hire; (9) wiring and installation of residential and commercial buildings whose capital investment is less than T $500,000; (10) Tongan cultural activities, including (a) folklore, folk poetry, and folk riddles, (b) folk songs and instrumental folk music, (c) folk dances and folk plays, and (d) woodwork, jewelry, handicrafts, costumes, and indigenous textiles; (11) production/farming of (a) root crops (yams, taro, sweet potato, and cassava), (b) squash, (c) paper mulberry, (d) pandanus, and (e) kava; (12) fishing activities comprising (a) reef fishing, (b) inshore fishing within 12 nautical miles (Zone C) in water less than 1,000 meters deep, and (c) bottom fishing in water less than 500 meters deep; and (13) security business. Restricted business activities are open to foreigners under certain conditions. Joint ventures may be allowed if the project is deemed beneficial to Tonga. Approval usually takes three days. Once licensed, foreign manufacturing and tourism projects are eligible for incentives that are available.
Controls on liquidation of direct investment	Yes.	NRBT approval is required if the transaction requires an outward transfer from a pa'anga account in Tonga.
Controls on real estate transactions	Yes.	NRBT approval is required if the transaction requires an outward transfer from a pa'anga account in Tonga.
Purchase abroad by residents	Yes.	NRBT approval is required for payments for real estate overseas above T$100,000. A copy of the purchase agreement, legal documents relating to the purchase, and evidence of source of funds is to be provided to the NRBT.
Purchase locally by nonresidents	Yes.	The requirements of the Land Act apply to the sale of land to nonresidents. The NRBT may by directive prohibit, restrict, or regulate the acquisition or transfer of real estate in Tonga other than a lease not to exceed five years by nonresidents.
Sale locally by nonresidents	Yes.	If the funds received from selling real estate locally by nonresidents are to be transferred abroad, the NRBT exchange control requirements will be applied, which require the sales agreement. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance. Banks and authorized FEDs may transfer up to T$100,000, subject to the exchange control documentary requirements, and up to T$5,000 a transaction without supporting documents. NRBT approval is required if the amount exceeds T$100,000.
Controls on personal capital transactions	Yes.	
Loans	No.	
By residents to nonresidents	No.	Lending institutions in Tonga were delegated authority to lend to nonresident individuals and businesses without NRBT approval.
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	NRBT approval and submission of supporting documents are required for gift payments above T$50,000 a remitter a beneficiary a year. Authorized FEDs are delegated the approval authority for smaller amounts. Gift payments up to T$50,000 a remitter a beneficiary a year without monthly limit without supporting documents are delegated to authorized FEDs. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance.
To residents from nonresidents	No.	

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Settlement of debts abroad by immigrants	Yes.	Banks and authorized FEDs are delegated to approve loan payments of up to T$100,000 an applicant, subject to the provision of a loan agreement. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance. NRBT approval is required for payments exceeding T$100,000.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Banks and authorized FEDs are delegated the authority to approve migrant transfers of up to T$100,000 an application, subject to the provision of a valid passport and permanent visa, evidence of source of funds, and an airline ticket and tax clearance, as required by the Ministry of Revenue and Customs. As of June 9, 2020, as part of the Ministry of Revenue and Customs COVID-19 tax policy, all outward transfers other than those for imported goods require tax clearance. All migrant transfers exceeding this amount require NRBT approval.
Transfer into the country by immigrants	No.	There are no restrictions on transfers of personal assets into the country by immigrants.
Transfer of gambling and prize earnings	Yes.	NRBT approval is required if the transaction requires an outward transfer from a pa'anga account in Tonga.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	Yes.	A limit of T$1 million applies to commercial banks' total net nostro account balances. Any excess must be sold to the NRBT within two business days. There are no limits on individuals or companies maintaining accounts overseas.
Lending to nonresidents (financial or commercial credits)	No.	Lending institutions in Tonga were delegated authority to lend to nonresident individuals and businesses without NRBT approval.
Lending locally in foreign exchange	Yes.	Foreign currency loans must be financed from overseas banks or customer foreign exchange receipts. Banks may not buy foreign exchange from the NRBT to finance foreign currency loans. Local borrowing by customers to fund profit remittances is prohibited.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	The statutory reserves deposit amount is 10% of deposits and similar liabilities of banks in both local and foreign currency. There are no separate reserve requirements for foreign currency and local currency.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	

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Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	NRBT Prudential Statement No. 11 imposes limits on overall net positions (25% of eligible capital) and single currency net positions (12.5% of eligible capital).
On resident assets and liabilities	Yes.	NRBT Prudential Statement No. 11 imposes limits on overall net positions (25% of eligible capital) and single currency net positions (12.5% of eligible capital).
On nonresident assets and liabilities	Yes.	NRBT Prudential Statement No. 11 imposes limits on overall net positions (25% of eligible capital) and single currency net positions (12.5% of eligible capital).
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	

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CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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TRINIDAD AND TOBAGO

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 16, 1963.
Article VIII	Yes.	Date of acceptance: December 13, 1993.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2021 Article IV Consultation with Trinidad and Tobago states that, as of January 21, 2022, Trinidad and Tobago maintains an exchange restriction and two MCPs subject to the IMF's approval under Article VIII, Section 2(a) and Section 3. The exchange restriction arises from the authorities' restriction of the exchange rate (that is, by restricting the maximum market buy and sell rates, and prohibiting foreign exchange transactions beyond the maximum rates), while not providing enough foreign exchange (that is, through the CBTT's foreign exchange interventions) to meet all demand for current transactions at that rate. The CBTT also limits sales of its foreign exchange intervention funds to meeting only "trade-related" demand, which do not include non-trade transactions that are, however, current international transactions as defined under Article XXX(d) of the IMF's Articles of Agreement and encourages ADs to similarly prioritize sales of foreign exchange obtained from other sources. Furthermore, the authorities prioritize provision of foreign exchange to certain manufacturers and importers of necessities (foods and medicines) through special foreign exchange facilities within the EximBank. These actions result in undue delays in accessing foreign exchange to make payments or transfers for current international transactions and external payment arrears. The two MCPs arise from the absence of a mechanism to prevent the potential deviation of more than 2% at any given time among several effective exchange rates regulated by the authorities, for spot exchange transactions; namely: (1) The potential 2% deviation between: (a) on the one hand, the CBTT's intervention rate and the ADs' sell rates (the maximum of which is anchored on the intervention rate plus fixed margins), and (b) on the other hand, the ADs' buy rates (the maximum of which is limited at the previous day's mid-rate). (2) The potential 2% deviation between: (a) on the one hand, the buy and sell rates for foreign exchange transactions between the CBTT and the government, and (b) on the other hand, the ADs' sell rates. (Country Report No. 22/73)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Trinidad and Tobago is the Trinidad and Tobago dollar.

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Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual		
Multiple	Yes.	The system is multiple as the authorities' actions give rise to several exchange rates for spot exchange transactions, resulting in MCPs. The exchange rates for spot transactions in effect include: (1) the CBTT's intervention rate, (2) the ADs' selling rates, the ceiling of which is set by the CBTT based on fixed margins over the latest intervention rate, (3) the ADs' buying rates for purchases from the market, the ceiling of which is established at the prior day's mid-rate as guided and monitored by the CBTT, (4) the CBTT to government's selling rate, which is set at the prior day's average selling rate, and (5) the CBTT from government's buying rate, which is set at the prior day's mid-rate. The two MCPs arise from the absence of a mechanism to prevent the potential deviation of more than 2% at any given time among these multiple effective exchange rates regulated by the authorities, for spot exchange transactions, namely: (1) the potential 2% deviation between: (a) on the one hand, the CBTT's intervention rate and the ADs' selling rates (the maximum of which is anchored on the intervention rate plus fixed margins), and (b) on the other hand, the ADs' buying rates (the maximum of which is limited at the previous day's mid-rate); (2) the potential 2% deviation between: (a) on the one hand, the buying and selling rates for foreign exchange transactions between the CBTT and the government, and (b) on the other hand, the ADs' selling rates.
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange rate arrangement is floating. The CBTT intervenes regularly, and with no significant developments in the domestic foreign exchange market, the exchange rate has remained relatively stable. Because the Trinidad and Tobago dollar stabilized within a 2% band against the US dollar, the de facto exchange rate arrangement is classified as stabilized. The CBTT publishes daily and monthly purchases and sales by the CB and ADs.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official or reference exchange rate is used by various parties to process specific transactions and is calculated as the weighted average exchange rate for the US dollar of all transactions settled

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		during the prior business day by commercial banks and other ADs. The selling and buying rates have a ceiling that is defined by a fixed margin over the latest intervention rate, and the prior day's mid-rate as guided and monitored by the CB. The intervention rate is not published.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		

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Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks and nonbank financial institutions may conduct foreign exchange transactions, both spot and forward, with the public without limitation. ADs determine their selling rates to maintain a maximum spread of 1% above the CB intervention rate on the intervention settlement date with fixed margins thereafter for all spot transactions. ADs determine their buying rates, the maximum of which is limited at the previous day's mid-rate.
Spot exchange market	Yes.	As of August 31, 2023, there were 13 institutions: 8 commercial banks and 5 nonbank financial institutions, licensed by the CBTT to deal in foreign exchange with the public. These institutions constitute the group of ADs. Since 2018, the EximBank holds a limited-scope AD license to conduct specific foreign exchange transactions. The terms and conditions of this license are in accordance with the existing laws and regulations. Through the EximBank, the authorities prioritize provision of foreign exchange to certain manufacturers. Through the US$100-million EximBank facility, eligible small and medium exporters are able to obtain foreign exchange to finance inputs for export operations. Foreign exchange bureaus are also licensed by the CBTT, but they may only buy currency notes, coins, and traveler's checks and sell currency notes and coins (Clause 1 of the Terms and Conditions agreed to by all operators on the issuance of a license from the CBTT). As of August 31, 2023, there were four authorized foreign exchange bureau operators with 66 locations; they do not conduct foreign exchange transactions directly with the CBTT.
Operated by the central bank	Yes.	Until May 2012, the CBTT intervened in the foreign exchange market solely through a predetermined allocation system. In May 2012, the CBTT introduced an auction system that operated alongside its usual fixed allocation system for a portion of its intervention. The last auction held under this system was in June 2014.
Foreign exchange standing facility	Yes.	The CBTT also provides a Foreign Exchange Liquidity Guarantee Facility to the ADs. The facility provides a source of liquidity that ADs can draw on if needed to quickly reduce an extended open position during times when there is a paucity of supply, as happens seasonally in the domestic market. Whilst the facility has been in existence since 2009, it was never utilized by the ADs and was temporarily suspended. The facility was reestablished in March 2017 and operates periodically. Effective January 1, 2022, there is a Foreign Exchange Liquidity Guarantee Facility for a period of 12 months. The Facility was renewed in advance effective April 8,

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		2022, for additional 12 months ending December 31, 2023. During 2022, the ADs accessed a total of US$20.6 million from the facility, while the ADs accessed US$37.5 million from the facility during January to August 2023.
Allocation	Yes.	The CBTT allocates some foreign exchange as part of its intervention. This system is based, among other things, on ADs' market share, asset base, and distribution network. Based on these criteria, dealers and their allocations are assessed annually. Intervention funds are to be used to settle trade-related requests for foreign exchange from the public. The CBTT encourages ADs to prioritize foreign exchange interventions to meet trade-related demand.
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is an interbank foreign exchange market, which as of August 31, 2023, comprises 12 ADs licensed by the CB. The other AD in the market holds a limited-scope license for specific foreign exchange transactions. The ADs trade among themselves at freely determined rates, without any additional conditions. The CBTT does not intervene directly with individual participants.
Over the counter	Yes.	The market operates over the counter. The CBTT intervenes directly by selling, at its discretion, foreign currency to ADs in amounts and at prices that it determines based on market conditions.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Only ADs may engage in forward transactions, which are used on a very limited basis.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements are made in Canadian dollars, euros, Japanese yen, Swiss francs, pounds sterling, and US dollars.
Controls on the use of domestic currency	No.	No controls apply to the use of domestic currency in international transactions.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	No person may buy, sell, borrow, or lend foreign currency to any person other than an AD without a license from the CBTT under the Exchange Control Act.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	

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Regional arrangements	No.	The CBTT has no special payment system arrangements with CARICOM.
Clearing agreements	Yes.	The CBTT is the agent for the inoperative CARICOM Multilateral Clearing Facility.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange control authority is vested in the CBTT by the MOF under the Exchange Control Act.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Residents may purchase, hold, and sell gold coins for numismatic purposes, as long as one party to the transaction is a gold and foreign currency AD.
On external trade	Yes.	Exports of gold are controlled by the Ministry of Trade, Industry and Investment and are subject to specific export licenses, which are normally issued only to monetary authorities.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	A customs declaration is required for amounts exceeding TT$20,000.
Foreign currency	No.	A customs declaration is required for amounts exceeding the equivalent of US$5,000.
On imports	No.	
Domestic currency	No.	A customs declaration is required for amounts exceeding TT$20,000.
Foreign currency	No.	A customs declaration is required for amounts exceeding the equivalent of US$5,000.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents may have deposit accounts in local banks, and balances may be freely transferred abroad.
Approval required	No.	
Held abroad	Yes.	Investment and brokerage accounts may be held abroad, and transfers to a foreign currency deposit account at a local bank are permitted. A source of funds declaration is required for amounts larger than TT$60,000. There are no restrictions for residents of Trinidad and Tobago to open accounts in other jurisdictions.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents may freely open and maintain accounts abroad in Trinidad and Tobago dollars, but because the Trinidad and Tobago dollar is not a “hard currency,” such instruments are rarely, if ever, offered by foreign financial institutions.
Accounts in domestic currency convertible into foreign currency	Yes.	There are no restrictions on the amount of foreign currency residents may convert from their local currency accounts.

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	There are no limitations for nonresidents. While there is no restriction to nonresidents transferring funds to accounts abroad, all foreign currency transactions are limited to availability of foreign exchange by each financial institution.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	There are no limitations on conversion. While there is no restriction to nonresidents transferring funds to accounts abroad, all foreign currency transactions are limited to availability of foreign exchange by each financial institution.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	The authorities prioritize provision of foreign exchange to certain manufacturers through the EximBank. In 2018, the US$100-million EximBank facility was launched, through which eligible small and medium exporters are able to obtain foreign exchange to finance inputs for export operations. Additionally, as of April 30, 2020, the authorities launched another facility to EximBank to prioritize the provision of foreign exchange to certain companies for the import and manufacture of COVID-19-related necessities. Both facilities are still active as of August 31, 2023.
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Duty-free licenses are granted to local concessionary manufacturers for imports of certain inputs for manufacturing.
Positive list	No.	
Negative list	Yes.	Imports of firearms, ammunition, and narcotics are tightly controlled.
Open general licenses	Yes.	All goods, unless exempt for reasons of health or security or included on the negative list, may be imported without a license.
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports of food and drugs must satisfy prescribed standards. Imports

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		of meat, live animals, plants, and mining materials are subject to specific regulations.
Import taxes and/or tariffs	Yes.	Under the fourth phase of the CARICOM CET, customs' duty rates on most goods range from 5% to 20%. The rate on agricultural products is 40%. The rates on new motor vehicles range from 25% to 45%. All goods from CARICOM countries are exempt, as are imports of some foodstuffs, fertilizers, and raw materials. Local companies that produce import substitutes or export goods may receive a customs duty exemption from the Ministry of Trade, Industry and Investment.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Imports of animal feed, flour, rice, petroleum, and edible oils are traded principally by government-owned companies.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	Yes.	The authorities prioritize provision of foreign exchange to certain manufacturers through the EximBank. In 2018, the US$100-million EximBank facility was launched, through which eligible small and medium exporters would be able to obtain foreign exchange to finance inputs for export operations. To qualify, a business must export a minimum of 30% of its production and agree to repatriate a certain amount of its foreign exchange earnings.
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Individual licenses are required for some foodstuffs, firearms and explosives, animals, gold, petroleum and petroleum products, and certain products not produced locally. Export licenses for all other commodities are granted under OGLs. General licenses may also be issued at the discretion of the Ministry of Trade, Industry and Investment.
Without quotas	Yes.	Most export licenses are granted without quotas.
With quotas	Yes.	Quotas are sometimes established for the exportation of some products, including fish, on the basis of local supply.
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Cross-border trading of shares of companies listed on the respective stock exchanges is permitted among the residents of Barbados, Jamaica, and Trinidad and Tobago; residents and companies of Barbados and Jamaica are designated as residents of Trinidad and Tobago for exchange control purposes in cross-border trading.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	Cross-border trading of shares of companies listed on the respective stock exchanges is permitted among the residents of Barbados, Jamaica, and Trinidad and Tobago; residents and companies of Barbados and Jamaica are designated as residents of Trinidad and Tobago for exchange control purposes in cross-border trading.
Purchase locally by nonresidents	Yes.	Holding shares in local companies is subject to compliance with the provisions of the Foreign Investment Act. There is an MOF approval requirement for the holding of shares of local companies by nonresidents pursuant to Section 5.1 of the Foreign Investment Act, 1990, Chapter 70:07. There are also quantitative restrictions on the holding of shares of local companies by nonresidents: Section 5.2 of the Foreign Investment Act, 1990, Chapter 70:07 states that a foreign investor may not acquire shares in a local public company without obtaining a license where the holding of such shares by him either directly or indirectly results in 30% or more of the total cumulative shareholding of the company being held by foreign investors. Notwithstanding, Section 5.3 of the Act states gives the president powers to grant any regional or international organization an exemption from the requirements of a license in respect of shareholding in a public company, whereas such shareholding will not be taken into account in determining the total shareholding referred to in Section 5.2.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	At least 70% of the total assets of pension plans must originate in Trinidad and Tobago; hence, assets abroad are limited to 30%. Insurance companies must match at least 70% of liabilities with assets of the same currency as the liabilities.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	At least 70% of the total assets of pension plans must originate in Trinidad and Tobago; hence, assets abroad are limited to 30%. Insurance companies must match at least 70% of liabilities with assets of the same currency as the liabilities.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	At least 70% of the total assets of pension plans must originate in Trinidad and Tobago; hence, assets abroad are limited to 30%. Insurance companies must match at least 70% of liabilities with assets of the same currency as the liabilities.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	At least 70% of the total assets of pension plans must originate in Trinidad and Tobago; hence, assets abroad are limited to 30%. Insurance companies must match at least 70% of liabilities with assets of the same currency as the liabilities.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	

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To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Holding shares in local companies is subject to compliance with the provisions of the Foreign Investment Act. There is an MOF approval requirement for the holding of shares of local companies by nonresidents pursuant to Section 5.1 of the Foreign Investment Act, 1990, Chapter 70:07. There are also quantitative restrictions on the holding of shares of local companies by nonresidents: Section 5.2 of the Foreign Investment Act, 1990, Chapter 70:07 states that a foreign investor may not acquire shares in a local public company without obtaining a license where the holding of such shares by him either directly or indirectly results in 30% or more of the total cumulative shareholding of the company being held by foreign investors. Notwithstanding, Section 5.3 of the Act states gives the president powers to grant any regional or international organization an exemption from the requirements of a license in respect of shareholding in a public company, whereas such shareholding will not be taken into account in determining the total shareholding referred to in Section 5.2.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Holding interest in real estate is subject to compliance with the provisions of the Foreign Investment Act. Foreign investors may acquire land not exceeding one acre for residential purposes without a license. The minister of finance may by order prescribe areas in which foreign investors may not acquire land without a license. Foreign investors may acquire land not exceeding five acres for the purpose of trade or business without a license.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize	No.	

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earnings

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	All institutions licensed under the Financial Institutions Act (FIA), 2008, must comply with the limits on credit exposures under Section 42(1) of the FIA, whether lending is to residents and/or nonresidents (lending is limited to 25% of capital base, except for exposures which are exempted under Section 42(1)(a)–(g)).
Lending locally in foreign exchange	No.	All institutions licensed under the FIA, 2008, must comply with the limits on credit exposures under Section 42(1) of the FIA, whether lending is in local and/or foreign currency (lending is limited to 25% of capital base, except for exposures which are exempted under Section 42(1)(a)–(g)).
Purchase of locally issued securities denominated in foreign exchange	No.	The FIA defines "credit exposures" as amount at risk arising through the extension of credit or funds by a licensee and includes, inter alia "… investments including equities, participations, guarantees and acceptance." All institutions licensed under the FIA, 2008, must comply with the limits on credit exposures under Section 42(1) of the FIA, whether securities are purchased locally and/or abroad/ if denominated in local and/or foreign currency (lending is limited to 25% of capital base, except for exposures which are exempted under Section 42(1)(a)–(g)). The Financial Institutions (Capital Adequacy) Regulations 2020 apply. The capital charges for credit and market risk are impacted by securities locally issued and denominated in foreign exchange.
Differential treatment of deposit accounts in foreign exchange	Yes.	Foreign currency deposits are not covered by deposit insurance.
Reserve requirements	Yes.	The reserve requirement applicable to domestic currency deposits in banks is set at a reduced rate of 14% as a COVID-19 measure. From time to time, the CB may also request licensed bank and nonbank financial institutions to hold a certain percentage of their prescribed liabilities in a secondary reserve, usually on a remunerated basis. A reserve requirement of 9% applies to nonbank institutions. There are no reserve requirements on foreign currency deposits.
Liquid asset requirements	No.	Effective January 1, 2023, the liquid assets ratio is no longer required to be reported (previously, a liquid asset ratio of 20% on foreign currency deposits was required).
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	

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Investment regulations	No.	
Abroad by banks	No.	The FIA defines "credit exposures" as amount at risk arising through the extension of credit or funds by a licensee and includes, inter alia "… investments including equities, participations, guarantees and acceptance." All institutions licensed under the FIA, 2008, must comply with the limits on credit exposures under Section 42(1) of the FIA, whether investments are made locally and/or abroad (lending is limited to 25% of capital base, except for exposures which are exempted under Section 42(1)(a)–(g)).
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	Institution's foreign currency exposure is taken into account when the minimum capital adequacy requirement is computed. The Financial Institutions (Capital Adequacy) Regulations 2020 were promulgated, thus completing Phase 1 of the CB's Basel II/ III implementation plan. The capital charge for market risk includes foreign exchange risk. The minimum capital adequacy requirement is 10%.
On nonresident assets and liabilities	Yes.	Institution's foreign currency exposure is taken into account when the minimum capital adequacy requirement is computed. The Financial Institutions (Capital Adequacy) Regulations 2020 were promulgated, thus completing Phase 1 of the CB's Basel II/ III implementation plan. The capital charge for market risk includes foreign exchange risk. The minimum capital adequacy requirement is 10%.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	The Insurance Act 2018 as amended by the Insurance Amendment Act 2020 (IA 2018) together with 9 Regulations apply. Risk charges are applied to assets (and liabilities) to determine regulatory capital. The Capital Adequacy Ratio, that is, available capital to required capital, must be maintained in excess of 150%. As of January 1, 2021, pursuant to Insurance Act 2018, foreign branches are not allowed, and any existing foreign branches are required to restructure within 18 months of effective date of the Act. However, during the transition period, foreign branches are required to comply with the old Insurance Act of 1980.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	The risk charges on capital and regulations in respect of investments are contained in the Insurance (Capital Adequacy) Regulations 2020. Pursuant to Section 83 of the IA 2018, an insurer which has branches outside Trinidad and Tobago must maintain adequate assets to support liabilities to foreign policyholders. Pursuant to Section 85 of the IA 2018, where any liability in respect of policies is payable in a foreign currency, the insurer must invest in foreign assets in that currency an amount no less than 70% of such foreign currency liability. Furthermore, pursuant to Section 87 of the IA 2018, insurers are prohibited from directly/indirectly holding 20% or more shares or ownership interest in any non-financial entity; and in an unincorporated entity of a value equal to 25% or more of the insurer's capital base, and in aggregate of a value equal to 100% or more of the capital base. Furthermore, acquisition of 10% or more of shares in a financial entity must be approved by the Regulator. Pursuant to Section 89 of the IA 2018, an insurer cannot

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		directly/indirectly incur credit exposure to a person/borrower group or related group in aggregate amount that exceeds 25% of its capital base and 800% in the aggregate, subject to exemptions in Section 89 (1)(a) to (e) and (1A). An insurer's direct/indirect credit exposures to a connected party or connected party group are limited to 10% of its capital base and 25% in the aggregate pursuant to Section 90 of the IA 2018. Approval is required for certain transactions (Section 88) and prohibitions on certain types of activities (Section 92).
Limits (min.) on investment portfolio held locally	Yes.	The risk charges on capital and regulations in respect of investments are contained in the Insurance (Capital Adequacy) Regulations 2020. Pursuant to Section 83 of the IA 2018, an insurer which has branches outside Trinidad and Tobago must maintain adequate assets to support liabilities to foreign policyholders. Pursuant to Section 85 of the IA 2018, an insurer must invest in assets in Trinidad and Tobago an amount equal to at least 70% of its policy benefit and other insurance contract liabilities and participating policies surplus that are denominated in Trinidad and Tobago dollars. Furthermore, pursuant to Section 87 of the IA 2018, insurers are prohibited from directly/indirectly holding 20% or more shares or ownership interest in any non-financial entity; and in an unincorporated entity of a value equal to 25% or more of the insurer's capital base, and in aggregate of a value equal to 100% or more of the capital base. Furthermore, acquisition of 10% or more of shares in a financial entity must be approved by the Regulator. Pursuant to Section 89 of the IA 2018, an insurer cannot directly/indirectly incur credit exposure to a person/borrower group or related group in aggregate amount that exceeds 25% of its capital base and 800% in the aggregate, subject to exemptions in Section 89(1)(a) to (e) and (1A). An insurer's direct/indirect credit exposures to a connected party or connected party group are limited to 10% of its capital base and 25% in the aggregate pursuant to Section 90 of the IA 2018. Approval is required for certain transactions (Section 88) and prohibitions on certain types of activities (Section 92).
Currency-matching regulations on assets/liabilities composition	Yes.	Pursuant to Capital Adequacy Regulations 2020 – Schedule 8 Foreign Currency Mismatch Risk, assets in Trinidad and Tobago must be at least 70% of insurance liabilities denominated in TT$ (Section 85); similarly where insurance liabilities are denominated in foreign currency, the insurer must invest in foreign assets in that currency no less than 70% of such foreign currency liabilities. Pursuant to Section 83 of the IA 2018, an insurer that has branches outside of Trinidad and Tobago must maintain adequate assets to support liabilities to foreign policyholders.
Pension funds	Yes.	Schedule 7 (S7) of the Insurance Act 2018 (the Act) applies to pension plans. The S7 imposes controls and lists assets approved for the pension funds. Allowable investment assets include: (1) bonds, debentures, and other evidence of indebtedness by issuers approved by the Act; (2) guaranteed investment certificates issued by a trust company in approved countries; (3) ordinary or preferred shares of a company incorporated in Trinidad and Tobago and approved by the CBTT; (4) ordinary or preferred shares of a company incorporated in any country approved by the CBTT; (5) units, certificates, and other evidence of participation in an indebtedness program of the Unit Trust Corporation of Trinidad and Tobago; (6) mortgages and real estate in Trinidad and Tobago; and (7) cash deposits in any bank or other financial institution licensed under the FIA. Restrictions under the S7 are as follows: (1) Investments in ordinary shares may not exceed 50% of the assets in Trinidad and Tobago except for a well-funded pension plan (with a funding ratio in excess of 150%) for which the limit is 70%. (2) Investments in real estate or

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		leaseholds may not exceed 20% of the total value or assets. (3) No single mortgage may exceed 10% of the total assets. (4) Investment is not allowed in trust bonds, debentures, or other evidence of indebtedness on which payment of principal or interest is in default. (5) Investments in a single corporation may not exceed 30% of the ordinary shares of the corporation. Collective investment fund certificates of participation are limited to 10% and may not include securities issued by the Unit Trust.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	The Insurance (Pension Fund Plan Investments) Regulations 2020 of the Insurance Act 2018 states that at least 70% of a registered plan's total assets must originate in Trinidad and Tobago; hence, a pension plan's assets abroad are limited to 30%.
Limits (min.) on investment portfolio held locally	Yes.	The Insurance (Pension Fund Plan Investments) Regulations 2020 of the Insurance Act 2018 states that at least 70% of a registered plan's total assets must originate in Trinidad and Tobago; hence, at least 70% of a pension plan's assets must be held locally.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	Collective investment fund certificates of participation are limited to 10% and may not include securities issued by the Unit Trust. This only applies to Pension plans registered under the Insurance Act, 2018. Other investment schemes are governed by guidelines established by the Trinidad and Tobago Securities and Exchange Commission (TTSEC).
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.

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For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Crypto assets	No.	There is no regulatory framework in place.
Controls on unbacked tokens	No.	There is no regulatory framework in place.
Acquisition by residents	No.	There is no regulatory framework in place.
Use among residents	No.	There is no regulatory framework in place.
Between residents and nonresidents	No.	There is no regulatory framework in place.
For current transaction	No.	There is no regulatory framework in place.
For capital transactions	No.	There is no regulatory framework in place.
Transactions in capital and money market instruments	No.	There is no regulatory framework in place.
Transactions in derivatives and other instruments	No.	There is no regulatory framework in place.
Credit operations	No.	There is no regulatory framework in place.
Controls on utility and security tokens	No.	There is no regulatory framework in place.
Acquisition by residents	No.	There is no regulatory framework in place.
Use among residents	No.	There is no regulatory framework in place.
Between residents and nonresidents	No.	There is no regulatory framework in place.
For current transaction	No.	There is no regulatory framework in place.
For capital transactions	No.	There is no regulatory framework in place.
Transactions in capital and money market instruments	No.	There is no regulatory framework in place.
Transactions in derivatives and other		

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instruments	No.	There is no regulatory framework in place.
Credit operations	No.	There is no regulatory framework in place.
Controls on stablecoins	No.	There is no regulatory framework in place.
Acquisition by residents	No.	There is no regulatory framework in place.
Use among residents	No.	There is no regulatory framework in place.
Between residents and nonresidents	No.	There is no regulatory framework in place.
For current transaction	No.	There is no regulatory framework in place.
For capital transactions	No.	There is no regulatory framework in place.
Transactions in capital and money market instruments	No.	There is no regulatory framework in place.
Transactions in derivatives and other instruments	No.	There is no regulatory framework in place.
Credit operations	No.	There is no regulatory framework in place.
Controls on crypto exchanges and trading platforms	No.	There is no regulatory framework in place.
Domestic exchanges	No.	There is no regulatory framework in place.
Access to crypto exchange/trading platform by residents	No.	There is no regulatory framework in place.

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Spot exchange market

Operated by the central bank

Foreign exchange standing facility	*01/01/2022*	There is a Foreign Exchange Liquidity Guarantee Facility for a period of 12 months.
	04/08/2022	The Foreign Exchange Liquidity Guarantee Facility from January 1, 2022, was renewed in advance for additional 12 months ending December 31, 2023.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Liquid asset requirements	*01/01/2023*	The liquid assets ratio is no longer required to be reported (previously, a liquid asset ratio of 20% on foreign currency deposits was required).

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TUNISIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		April 14, 1958.
Article VIII	Yes.	Date of acceptance: January 6, 1993.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	In accordance with UNSC resolutions, Tunisia maintains certain exchange restrictions related to Iraq and the former Federal Republic of Yugoslavia (Serbia and Montenegro), which are subject to notification to the IMF in accordance with IMF Executive Board Decision No. 144 (52/51).
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Tunisia is the Tunisian dinar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating, as indicated on the Central Bank of Tunisia (BCT—Banque Centrale de Tunisie) website. The BCT intervenes in the foreign exchange market to reduce erratic fluctuations in the exchange rate on the market. The BCT ceased interventions outside the auction mechanism, and calls for tender (appel d'offre) became the sole intervention method. The de facto exchange rate arrangement is classified as a crawl-like arrangement. The BCT publishes the results of foreign currency

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		tenders on its BCTADJ Reuters and Bloomberg contribution page on a daily basis and the amount of its interventions on the CB's website. The results of the tender are published on the same day.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The BCT's reference exchange rate is based on the results of foreign exchange auctions to allow for price discovery. The BCT's reference exchange rates are used for transactions between the BCT and the government. Customs also uses the BCT's reference rates for valuation. On August 1, 2018, the BCT began resorting to competitive foreign exchange auctions to support price discovery in the foreign exchange market but maintained bilateral transactions. Since January 1, 2019, the foreign exchange auctions became daily and the BCT ceased interventions outside the auction mechanism, and calls for tender (appel d'offre) became the sole intervention method.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		

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Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	Since 2011, the CB has adopted a transitional regime that places greater emphasis on the dynamics of inflation and its determinants, and on its short- and medium-term outlook in formulating its monetary policy stance. This framework replaced the monetary targeting strategy, which had shown its limitations in managing the post-revolutionary phase, notably because of the instability of the money multiplier (cf. "Tunisia Monetary Policy Since the Arab Spring: The Fall of the Exchange Rate Anchor and Rise of Inflation Targeting" by K.M. El Hamiani, N. End, and R. Kolsi, IMF WP/20/167). This new framework was reinforced by Article 7 of Law No. 2016-35 of April 25, 2016, Establishing the Charter of the BCT, which removed any ambiguity around the BCT's main mission, which is the preservation of price stability. Under the current monetary policy framework, the interest rate is BCT's preferred monetary policy instrument, and inflation projections constitute the intermediate target. This transition was made possible by the development of analytical and operational frameworks for monetary policy. In collaboration with a number of CBs, the BCT has succeeded in setting up an analysis and forecasting system to assess risks surrounding the inflation outlook. In addition, in 2017 it focused on reforming its regulatory framework for conducting monetary policy through the publication of Circular No. 2017-02 on the Implementation of Monetary Policy by the BCT, which defines the monetary policy instruments, the money market participants, and eligible collateral for refinancing.

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		This framework favored a restrictive monetary policy stance that resulted in an increase in the policy rate in February 2019 to 7.75%, which strongly supported the disinflationary process, and succeeded in reducing the inflation rate from a maximum of 7.7% in June 2018 to 4.9% at the end of 2020, thus returning to positive real interest rates, an action whose beneficial effects were soon felt in terms of reduced external vulnerability, accumulation of foreign exchange reserves, and appreciation of the dinar against the major currencies. These developments enabled an easing of monetary policy to mitigate the impact of the COVID-19 crisis on the domestic economy. To this end, the BCT decided to lower its key rate by 100 basis points, bringing it down to 6.75% in March 2020, then by 50 basis points to 6.25% at the end of September 2020, amid a relaxation of inflationary pressures. Despite an unfavorable international and national environment (unprecedented health and economic crises, tense socio-political climate, etc.), the BCT is still working on a number of prerequisites (macroeconomic stabilization, exchange rate flexibility, deepening of the markets, and monetary policy communication). To this end, and as part of the 2019–2021 strategic project "Clear, transparent, and credible governance for the conduct of monetary policy," the BCT has requested technical assistance from the IMF for the preparation of a roadmap for the migration to an explicit inflation targeting framework.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Authorized intermediaries are free to determine their bid-ask spread and foreign exchange commission with their clients, except for marker makers. The maximum margin between the bid and ask price to be displayed by a market maker is 30 percentage in points (pips) at the most, for a maximum amount in foreign currency (EUR or USD) of 3 million (compared to a margin of 15 pips provided for in the old circular).
Spot exchange market	Yes.	Regarding OTC activity, authorized intermediary banks may perform OTC operations through specialized agencies referred to as exchange bureaus. Exchange bureaus publish buying and selling exchange rates in dinars and transact with clients for foreign banknotes and traveler's checks. This activity is carried out via simple declaration to the BCT and is subject to Circular No. 2008-04. Exchange bureau operations are limited to buying and selling foreign banknotes and traveler's checks. Banks carry out transactions with the BCT and open accounts with foreign correspondents. Transactions in the foreign exchange market are conducted at exchange rates freely negotiated by banks. On the functioning of the foreign exchange market, all resident and nonresident authorized intermediaries may act as counterparties in transactions carried out in the foreign exchange market. As of December 31, 2022, there are 28 banks, 8 leasing companies, 2 factoring companies, and 2 investment banks. There are about 20 active participants in the foreign exchange market. Twenty-three banks participate actively in the exchange market.
Operated by the central bank	Yes.	

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Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	Currency swaps are carried out through auctions at the initiative of the BCT, which consist of spot buying or selling of dinars in exchange for foreign currency and simultaneously undertaking to resell or repurchase the amount in the future at a predetermined rate. On August 1, 2018, the BCT began resorting to competitive foreign exchange auctions to support price discovery in the foreign exchange market but maintained bilateral transactions. The results of the auctions are published daily after each auction on the BCT contribution pages on Reuters. On January 1, 2019, the foreign exchange auctions became more frequent to support price discovery in the foreign exchange market and the BCT ceased interventions outside the auction mechanism, and calls for tender (appel d'offre) became the sole intervention method.
Fixing	No.	
Interbank market	Yes.	Commercial banks, including offshore banks acting on behalf of their resident customers, conduct transactions at freely negotiated rates. There is no limit on the spread between the buying and selling rates or on commissions of market participants, except for market makers. Market makers must present a firm two-way spot rate. The maximum margin between the bid and ask price to be displayed by a market maker is 30 pips at the most, for a maximum amount in foreign currency (EUR or USD) of 3 million. Resident banks trade freely in foreign currencies in the spot market among themselves, with their foreign correspondents, and with nonresident banks operating in Tunisia. On August 1, 2018, the BCT began intervening in the interbank market through competitive foreign exchange auctions to support price discovery. As of January 1, 2019, the foreign exchange auctions have been held on a daily basis to support price discovery in the foreign exchange market and the BCT ceased interventions outside the auction mechanism, and calls for tender (appel d'offre) became the sole intervention method. All authorized intermediaries (resident and nonresident banks) may act as counterparties in spot exchange transactions. As of December 31, 2022, twenty-three banks participate actively in the exchange market.
Over the counter	Yes.	Most of the transactions in the foreign exchange market occur over the counter.
Brokerage	No.	
Market making	Yes.	There is an electronic bank interlinking platform which was established to compile and monitor in real time the transactions conducted on the foreign exchange market. As of December 31, 2022, ten banks are currently classified as market makers. The maximum margin between the bid and ask price to be displayed by a market maker is 30 pips at the most, for a maximum amount in foreign currency (EUR or USD) of 3 million.
Forward exchange market	Yes.	Authorized intermediaries are authorized to perform foreign currency/dinar and foreign currency/foreign currency forward exchange transactions with their customers as part of their commercial and financial operations in accordance with the regulations in force. For foreign currency/dinar forward exchange transactions performed with nonresident customers, an authorized intermediary sells only dinars forward against foreign currency, except for transactions involving the transfer of capital and investment income.

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The maturity of the forward exchange contract must coincide with the contractual settlement date of the underlying transaction. For financial transactions involving the repatriation or transfer of capital and investment income, the maximum hedging period is set at 12 months.

Authorized intermediaries are authorized to perform foreign currency/dinar and foreign currency/foreign currency forward exchange transactions with one another as part of the management of their foreign exchange positions.

For forward exchange transactions performed with nonresident authorized intermediaries, a resident authorized intermediary only sells forward dinars against foreign currency. Authorized intermediaries are authorized to perform forward foreign currency/foreign currency exchange transactions with foreign financial institutions as part of the management of their foreign exchange positions and in compliance with the regulations provided for under Title V of this circular relating to risk management rules.

Authorized intermediaries are authorized to conclude foreign currency/dinar and foreign currency/foreign currency exchange options with their customers as part of their commercial and financial operations in accordance with the regulations in force. For this purpose, authorized intermediaries may offer their clients, within the framework of a single commercial or financial transaction, a call or put foreign exchange option, a combination of foreign exchange options, or a combination of a foreign exchange option and a forward exchange contract.

For foreign currency/dinar exchange options offered to nonresident customers, an authorized intermediary sells only dinars against foreign currencies, except for transactions involving the transfer of capital and investment income. The maturity of the exchange option must coincide with the contractual settlement date of the underlying transaction. For transactions involving the repatriation or transfer of capital and income, the maximum exchange option period is 12 months.

The exercise price of an exchange option and the premium are freely negotiated between an authorized intermediary and a customer.

Authorized intermediaries may trade foreign currency/dinar and foreign currency/foreign currency options among themselves as part of the management of their foreign exchange positions.

For foreign currency/dinar exchange options offered to nonresident authorized intermediaries, a resident authorized intermediary sells only dinars against foreign currencies.

Authorized intermediaries are authorized to trade foreign currency/foreign currency exchange options with foreign financial institutions as part of the management of their foreign exchange positions and in compliance with the regulations provided for under Title V of this circular relating to risk management rules. Authorized intermediaries are authorized to perform foreign currency/dinar and foreign currency/foreign currency exchange swap transactions with their customers.

Foreign exchange swaps in which a resident customer buys spot and sells forward foreign currency against dinars must be backed by transactions carried out abroad in accordance with the regulations in force. These swaps may be performed with an authorized intermediary other than the paying agent of the underlying transaction.

For foreign currency/dinar exchange swaps performed with nonresident customers, an authorized intermediary only buys spot and sells forward dinars.

Authorized intermediaries are authorized to perform foreign

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currency/dinar and foreign currency/foreign currency exchange swap transactions among themselves.
For foreign currency/dinar exchange swaps performed with nonresident authorized intermediaries, an authorized intermediary only buys spot and sells forward dinars.
Authorized intermediaries are authorized to perform foreign currency/dinar and foreign currency/foreign currency exchange swap transactions with foreign financial institutions in compliance with the regulations provided for under Title V of this circular relating to risk management rules.
For foreign currency/dinar exchange swap transactions performed with foreign financial institutions, an authorized intermediary only buys spot and sells forward dinars.
Authorized intermediaries are authorized to perform “plain vanilla” interest rate swap (IRS) transactions with their customers as part of their financial transactions in dinars and foreign currencies in accordance with the regulations in force.
The schedule of an IRS contract must coincide with the contractual settlement dates of the underlying transaction. Authorized intermediaries are authorized to perform IRS transactions among themselves and with foreign financial institutions to hedge against the interest rate risk incurred on the portfolio of IRS performed with their customers, in accordance with the regulations set forth in Title V of this circular relating to risk management rules.
Authorized intermediaries are authorized to perform foreign currency/dinar and foreign currency/foreign currency “plain vanilla” cross-currency swap (CCS) transactions with their customers as part of their financial transactions in foreign currency in accordance with the regulations in force.
For foreign currency/dinar currency swaps performed with nonresident customers, an authorized intermediary only sells dinars against foreign currency, except for transactions involving the transfer of capital and investment income.
The schedule of a currency swap contract must coincide with the contractual settlement dates of the underlying transaction.
Authorized intermediaries are authorized to perform foreign currency/dinar and foreign currency/foreign currency swaps among themselves to hedge against the exchange rate risk incurred on the portfolio of currency swaps performed with their customers.
Authorized intermediaries are authorized to perform foreign currency/foreign currency swaps with foreign financial institutions to hedge against the exchange rate risk incurred on the portfolio of currency swaps performed with their customers, in accordance with the regulations set forth in Title V of this circular relating to risk management rules. A currency swap may be terminated prior to its final maturity, in whole or in part, in accordance with international practices.
Authorized intermediaries are authorized to perform forward rate agreement (FRA) transactions involving the dinar and foreign currencies with their customers as part of their financial transactions in accordance with the regulations in force.
The hedge schedule must coincide with the contractual settlement date of the underlying transaction.
Authorized intermediaries are authorized to perform FRA transactions among themselves and with foreign financial institutions to hedge against the interest rate risk incurred on the portfolio of FRAs performed with their customers, in accordance with the regulations set forth in Title V of this circular relating to risk management rules.
Authorized intermediaries are authorized to perform on behalf of

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		their customers hedging transactions against commodity price fluctuations with foreign financial institutions or in organized international markets, in accordance with the regulations set forth in Title V of this circular relating to risk management rules. The authorized hedging instruments are standard "plain vanilla" instruments in the OTC market, including those whose settlement depends on the average underlying price over a given period, and instruments traded in organized international markets. Hedging contracts must be for inputs and/or outputs in the form of commodities within the economic operator's operating cycle. The economic operator may benefit from a hedging program over several fiscal years. The prices of the derivatives are freely negotiated between the customer and the counterparty bank. The BCT does not participate in the foreign exchange derivatives market.
Official cover of forward operations	Yes.	The national reinsurance company manages the exchange cover mechanism for banks and financial institutions with respect to their borrowing abroad.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Settlements between Tunisia and other countries may be made in any convertible currency (traded in the interbank market) or in convertible dinars through foreign accounts. Payments to Israel are prohibited. Settlements between Tunisia and Algeria, Libya, Mauritania, and Morocco may be effected through convertible accounts in the national currencies concerned at the respective CBs and in foreign currencies accepted by the respective CBs.
Controls on the use of domestic currency	Yes.	Payments in convertible dinars may be made abroad or from abroad through convertible dinar foreign accounts maintained domestically in the name of the foreign creditors or debtors or of their banks, respectively.
For current transactions and payments	Yes.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	The dinar is the currency of account and the currency of payment in transactions among residents, unless otherwise authorized by the BCT, subject to the opinion of the MOF.
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Settlements with Algeria, Libya, Mauritania, and Morocco may be effected through convertible national currency accounts at the respective CBs.
Clearing agreements	No.	
Barter agreements and open accounts	No.	

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Administration of control	Yes.	Exchange control is administered by the BCT. The BCT delegates authority over payments for imports and most invisibles to the authorized intermediaries. The Ministry of Trade administers foreign trade control, which entails issuing import and export authorization for products not covered by the liberalization of foreign trade.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Gold may be acquired only from authorized importers by jewelry craftspeople, legal entities established by jewelry craftspeople to supply gold to their members, agencies legally permitted to process gold for use as in manufacturing and authorized by joint order of the minister of finance and the minister responsible for arts and crafts, and individuals who need gold for scientific, training, or occasional use, with authorization by the minister for the sector.
On external trade	Yes.	Gold may be imported by the BCT as well as by one or more other agencies so authorized by decree. Imports and exports of other forms of gold are subject to authorization from the BCT and the Ministry of Trade.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports of dinar banknotes and coins are prohibited, unless authorized by the BCT or unless the BCT has signed an agreement with the counterparties or another pertinent authority abroad. According to an agreement between the BCT and the Central Bank of Libya (CBL), citizens of both countries may export Tunisian dinars and Libyan dinars in banknotes for tourism-related or personal purposes.
Foreign currency	Yes.	Nonresident travelers wishing to reexport the foreign exchange equivalent of amounts equal to or exceeding TD 5,000 must declare to customs the foreign currencies they are importing on arrival. The reconversion of Tunisian banknotes (dinars) to foreign currency by nonresident travelers for reexportation occurs on presentation of a foreign exchange voucher or receipt if the amount is less than TD 5,000 or if the foreign exchange used in the purchase of the dinars was received abroad in the form of a check, draft, money order, or any other evidence of a claim or by debiting a foreign account in foreign currency or in convertible dinars. A foreign exchange import declaration of foreign currency in foreign banknotes approved by customs is also required if the amount of foreign exchange from dinar reconversion equals or exceeds the equivalent of TD 5,000 and if the dinars were derived from the surrender of foreign currencies physically imported from abroad. The reexport of foreign banknotes from Tunisia cannot exceed a ceiling of 30,000 dinars a person a trip. The export of foreign banknotes not converted to dinars on entry into Tunisia is subject to the customs declaration, when the amount to be reexported is equal to or exceeds 20,000 dinars.
On imports	Yes.	
Domestic currency	Yes.	The importation of dinar banknotes and coins is prohibited, unless the BCT has signed agreements with the counterparties or another

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		pertinent authority abroad. According to an agreement between the BCT and the CBL, nationals of both countries may import Tunisian dinars and Libyan dinars in banknotes for tourism-related or personal purposes.
Foreign currency	No.	According to an agreement between the BCT and the CBL, nationals of both countries may import Tunisian dinars and Libyan dinars in banknotes for tourism-related or personal purposes. Travelers may freely import foreign banknotes. However, a customs declaration must be submitted for imported banknotes, regardless of amount, if the banknotes are to be deposited in a foreign currency or convertible dinar account or to pay for imports of goods and services into Tunisia. Apart from these two cases, the importation of foreign banknotes by travelers is subject to the customs declaration, when the amount is equal to or exceeds the equivalent of 20,000 dinars.

Resident Accounts

Foreign exchange accounts permitted	Yes.	Pursuant to Circular No. 2017-04 of June 23, 2017, the following resident individuals may open Resident Physical Person (PPR) accounts in foreign exchange: (1) Tunisian nationals transferring their normal residence and/or assets legitimately acquired abroad to Tunisia; (2) foreign nationals resident in Tunisia; (3) individuals holding capital stakes in resident legal entities that export goods or services; (4) individuals having status as foreign exchange subagents or those holding capital stakes in resident legal entities having status as foreign exchange subagents; (5) service providers targeting nonresidents established outside of Tunisia as defined in Annex 1 to this Circular; (6) diplomatic staff and public sector officers seconded abroad; and (7) individuals hired by resident employers to carry out missions having a minimum duration of six months in connection with contracts that can be executed abroad. The same individual cannot simultaneously hold a PPR account in foreign exchange or in convertible dinars and a business travel allowance (Allocation Voyages d'Affaires—AVA). PPR accounts in foreign exchange or in convertible dinars may be freely credited with revenue or proceeds from assets legitimately acquired abroad or funds deriving from the closing of one of the account holder's foreign accounts in foreign exchange or convertible dinars; 20% of the earnings distributed in connection with the previous fiscal year and paid in dinars to persons holding capital stakes in resident legal entities that export goods or services; the account will be funded in proportion with the holder's capital stakes in the company; 5% of the amount of foreign exchange surrendered during the previous year in connection with subagency foreign exchange activities carried out by the account holder or by a company in which the account holder owns capital stakes; in this case, the account is funded proportionally with the holder's capital stakes in the company; remuneration for service providers for their services to nonresidents outside of Tunisia; wage savings of diplomatic staff and public officers seconded abroad; remuneration in dinars accrued to persons hired by resident employers under a contract that can be executed abroad in connection with an expatriation indemnity; proceeds from the surrender and/or transfer of revenue deriving from assets acquired abroad by debiting this account; interest accrued on funds deposited to the PPR account calculated as provided under the current regulatory texts. All account credit operations are subject to prior authorization from the BCT. Credits to PPR accounts through the deposit of foreign banknotes require a valid foreign exchange import declaration in the name of the account holder and approved by the customs authorities.

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		PPR accounts in foreign exchange or in convertible dinars may be freely debited with the surrender of foreign exchange on the foreign exchange market and any payments in dinars; any outward payments for duly justified personal expenses on behalf of the account holder, his or her spouse, parents, or children resident for purposes of foreign exchange; any transfers for the acquisition directly by the account holder of real and movable property located abroad, outward rights and claims, and to execute any act of management in connection with assets legitimately held abroad. However, the account holder is not permitted to place assets in bank accounts abroad; any transfers involving final payments in connection with the final departure of the foreign national who is the account holder, justified with a certificate of change of residence issued by the competent authorities, along with a certificate that the interested party's tax situation has been regularized, or a certificate of exemption. Any other debits to the account are subject to prior authorization from the BCT. Transfers by debiting PPR accounts may take place by credit transfer, check drawn on the authorized intermediary with which the account is opened, by international payment card, or in cash, exclusively to cover subsistence expenses. PPR account holders are subject to the obligations incumbent on residents under the regulatory texts governing foreign exchange and foreign trade, and particularly to the requirement to declare foreign assets provided under the foreign exchange code.
Held domestically	Yes.	Professional accounts in foreign currency may be opened by (1) resident individuals, (2) Tunisian legal entities, and (3) foreign legal entities in Tunisia with foreign currency assets in connection with their activities. These accounts may be credited with (1) up to 100% of foreign exchange proceeds from the account holder's exports and foreign currency loans contracted in under current regulations, (2) interest accrued on the balances of these accounts, (3) transfers from the account holder's other professional accounts in the same foreign currency or any other foreign currency, and (4) deposits of banknotes imported by foreigners and declared at customers. Foreign banknotes are deposited on the basis of a copy of the foreign currency import declaration accompanied by the original. After signing off on the two documents and indicating the amount paid in foreign currency, the authorized intermediary returns the original to its holder. Credit operations on the account must be performed on the basis of appropriate documents (contracts, pro forma, final invoices, etc.). Accounts may be debited for (1) payment of current operations pertaining to the activity for which they were opened and (2) other transactions with general or specific authorization. Balances may be sold in the foreign exchange money market. Holders of professional foreign exchange accounts must first use the cash in their account and should retain in the account only amounts they actually need to pay their expenses in foreign currency. Any surplus must be surrendered for dinars in the foreign exchange market. Furthermore, authorized intermediaries may sell foreign currency spot or through hedging to account holders with funds in their professional foreign exchange account(s) only to acquire funds for payments exceeding the amount available in these accounts. Foreign currency term deposits are deemed to be deposits available in the account. Authorized intermediaries must require operators to certify that they do not have the necessary funds available in their professional foreign exchange accounts with another authorized intermediary before selling foreign exchange to them.

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		Residents may freely open foreign currency international trading accounts for payments related to their international trade and brokerage operations and associated expenses. These accounts may be credited with (1) the proceeds from exports of goods for which advance payment was received, (2) profits and/or commissions from international trade and brokerage operations, (3) foreign currency loans contracted to finance trade operations, (4) foreign currency from trade operations repurchased in the exchange market after it is sold in the market, and (5) interest generated by deposits in the account. They may be debited for (1) payments for purchases made within the framework of international trade operations and associated expenses, (2) settlement of expenses related to international brokerage operations, (3) repayment of foreign currency loans, (4) settlement of current operations carried out under exchange and foreign trade regulations and any operation carried out with general or special authorization, and (5) sales of foreign currencies in the exchange market. The "start-up accounts in foreign currency" may be opened in the name of each resident company, with the "start-up" label issued in accordance with the regulations in force. The "start-up account in foreign currency" may be credited with: (1) foreign currency originating from export transactions of goods and services carried out by the start-up account holder; (2) foreign currency originating from (a) nonresident participation in the capital of the start-up, (b) acquisitions by nonresidents of bonds convertible into shares issued by the start-up, (c) advances in associated current accounts, and (d) in general any form of quasi-equity in the start-up's foreign currency. The import of foreign currency for these operations must be the subject of investment forms drawn up in accordance with the regulations in force; (3) profits accruing to the start-up, made in respect of its investments referred to in paragraph (d) of Article 4 of Circular No. 2019-01; (4) interest earned on sums held in this account under the conditions set by the BCT for the foreign currency accounts of residents; and (5) transfers from another "start-up account in foreign currency" of the same holder.
Approval required	No.	No authorization is required to open the accounts of the above-mentioned residents.
Held abroad	Yes.	Resident firms that are holders of contracts abroad (whether involving the performance of services or the execution of work) may open accounts denominated in the nonconvertible local currency of the country where the contract is performed to deposit the portion of the price earmarked to finance local expenses. However, resident banks may freely open correspondent current accounts abroad.
Approval required	Yes.	BCT authorization is required for residents to open accounts abroad.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	To pay their expenses in foreign currency, holders of professional foreign exchange accounts must first use the cash in their account and retain in the account only amounts they actually need. Surplus must be surrendered for dinars in the foreign exchange market. Furthermore, authorized intermediaries may sell foreign currency spot or through hedging to account holders who have deposits in their professional foreign exchange account(s) only to acquire funds to make payments in excess of the amount available in these accounts. Foreign currency term deposits are deemed to be deposits available in the account. Authorized intermediaries must require operators to certify that they do not have the necessary funds available in their professional foreign exchange accounts with

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		another authorized intermediary before selling foreign exchange to them. PPR accounts in convertible dinars may be opened by resident individuals authorized to open PPR accounts in foreign currencies. "Tourist travel" accounts in convertible dinars may be opened by resident individuals with the balance of a travel allowance not fully used up abroad. These accounts may be freely credited no later than 15 days after returning to Tunisia with (1) the unused amount of the allowance and (2) interest earned on the amounts deposited in the accounts. The accounts may be freely debited for (1) payments in Tunisia, (2) the purchase of foreign exchange or the issuance of an international payment card linked to the account of its holder for payment of living expenses abroad, and (3) payment from Tunisia of foreign hotel booking expenses on behalf of the account holder by means of an international payment card.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Foreign accounts in convertible currency may be opened by all nonresidents, regardless of nationality. These accounts may be credited with (1) receipts in convertible foreign currency (banknotes must be declared at customs); (2) foreign exchange remitted to the account holder by a nonresident; (3) authorized payments by residents in favor of the account holder; (4) interest payable by authorized intermediaries on foreign exchange deposits in these accounts; (5) transfers from other foreign accounts; and (6) the proceeds of cashed checks, traveler's checks, or drafts in convertible currency and made out by a nonresident to the order of the account holder. Other credits require BCT authorization, either directly or by delegation. These accounts may be debited freely for (1) payments of any kind in Tunisia; (2) transfers abroad or delivery of foreign currency to the account holder, another nonresident beneficiary, or residents who are permanent representatives or salaried employees of the account holder; and (3) transfers to other foreign accounts. Nonresident Libyans may open accounts in foreign exchange called foreign currency accounts of nonresident Libyans. These accounts may be credited with funds from (1) sales of foreign banknotes in any amount without customs declaration of importation, as set out in the foreign exchange notice published in the Official Journal of the Tunisian Republic of February 3, 2006, and Circular to Authorized Intermediaries No. 94-13 of September 7, 1994, and (2) interest on the account in accordance with BCT regulations. These accounts may be freely debited for (1) payments of any kind in Tunisia in dinars and (2) investment in currency in accordance with the regulations. Other debits and credits are subject to BCT approval. These accounts may not be overdrawn.
Approval required	No.	
Domestic currency accounts	Yes.	Domestic nonresident accounts may be opened by authorized intermediaries in the name of nonresident individuals of foreign nationality residing temporarily in Tunisia. These accounts may be credited without authorization from the BCT with the following: (1) transfers of funds from abroad in convertible currency; (2) revenue of any kind accruing in Tunisia to the account holder; (3) liquid assets from estates settled in Tunisia; (4) proceeds from the repayment of loans in dinars by debiting the account; and (5) transfers from another domestic nonresident account opened in the name of the account holder. They may be debited for (1) support of account holders and their family in Tunisia, (2) payment of costs of managing

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property in Tunisia, (3) lending to residents, and (4) transfers to another domestic nonresident account opened in the name of the account holder.

Special dinar accounts may be opened freely by nonresident foreign enterprises with contracts in Tunisia. These enterprises are authorized to open for each contract a single special account in dinars, in which they may deposit the portion of the contract price payable in dinars to cover their local expenses. These accounts may also be credited with funds from a foreign account in foreign exchange or in convertible dinars, the dinar equivalent of any transfer in convertible foreign currency from abroad, and interest accruing on funds deposited in the account. The accounts may be freely debited for enterprises' contract-related expenses in Tunisia. These enterprises are free to retransfer dinar equivalents credited to their foreign exchange accounts, provided the funds available in the account are sufficient to cover the transfer. Any transfer operations from such accounts must be authorized by the BCT. Interest is paid at the same rates as those applied to resident demand accounts in dinars.

Capital accounts may be opened freely in the name of a nonresident individual of foreign nationality or by a nonresident legal entity. Subject to certain conditions, capital accounts may be credited, without the approval of the BCT, with the proceeds of sales on the stock exchange or the contractual or advance redemption of transferable Tunisian securities; the sales proceeds of real estate through an attorney at the Supreme Court, or of rights to real estate situated in Tunisia; and funds from another capital account. Capital accounts may be freely debited for the living expenses in Tunisia of account holders and their family, up to TD 100 a person a week, provided the total withdrawals from one or more capital accounts in a calendar year do not exceed TD 2,000. Such accounts may also be debited, subject to certain conditions, for expenses connected with the management of Tunisian securities; the maintenance, repair, and insurance of real estate and all taxes; and transfer for credit to another capital account. Balances on capital accounts are freely transferable between nonresidents of foreign nationality, with the exception of legal entities governed by public law. Subject to certain conditions, they may also be debited to assist the account holder's parents and offspring residing in Tunisia, up to TD 50 a person a month. These accounts do not pay interest and may not be overdrawn.

Suspense accounts may be opened by all nonresidents regardless of nationality and may be used for crediting all proceeds accruing to nonresidents and awaiting use. These proceeds may, on general or specific approval, be used in Tunisia for specific purposes, transferred abroad, or transferred to other nonresident accounts. Suspense accounts may be debited, without the authorization of the BCT, for payments to the Tunisian government or public institutions or payment of the expenses for managing securities deposited in a suspense file opened in the name of the account holder. They may also be debited for settlement of living expenses in Tunisia by account holders and their family, up to TD 100 a person a week, provided the total withdrawals in any calendar year from one or more accounts do not exceed TD 2,000 a family. In addition, a suspense account holder traveling in Tunisia between November 1 and March 31 of the following year may withdraw from the account an amount equal to the foreign exchange imported for the trip and surrendered to the BCT, an authorized intermediary, or a subagency, provided the total withdrawals for the living expenses of account holders and their family do not exceed TD 2,000 a year.

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		Nonresident individuals of Libyan nationality may freely open accounts in Tunisian dinars. These accounts may be freely credited with funds from (1) cash payments in dinars made by the account holder or by any other nonresident individual of Libyan nationality; (2) the dinar equivalents of funds from convertible currency accounts of nonresidents; (3) convertible dinar accounts of nonresidents; (4) an account in dinars opened in the name of a nonresident Libyan; and (5) investment income from funds in the account as prescribed by the BCT for dinar accounts. These accounts may be debited freely for (1) payments in Tunisia in dinars, including for credit to dinar accounts of nonresident Libyans opened in the name of a nonresident Libyan, and (2) investment in dinars in accordance with the regulations. Other debits and credits are subject to approval by the BCT. These accounts may not be overdrawn.
Convertible into foreign currency	Yes.	Foreign accounts in convertible dinars may be opened by all nonresidents, regardless of nationality. These accounts may be freely credited with (1) the dinar proceeds from sales of foreign currency on the foreign exchange market (banknotes must be declared at customs); (2) proceeds from authorized payments by residents in favor of the account holder; (3) proceeds from the conversion of cashed checks, traveler's checks, or drafts expressed in foreign currency and made out by a nonresident to the order of the account holder; (4) transfers from other foreign accounts; and (5) interest on balances in these accounts. No other amount may be credited to these accounts without BCT authorization, granted either directly or by delegation. These accounts may be freely debited for (1) payments of any kind in Tunisia and (2) purchases on the foreign exchange market of foreign currency either for transfers abroad or for delivery to the account holder, to any other nonresident beneficiary, or to residents who are representatives or salaried employees of the account holder. Nonresident Libyans may open accounts in convertible dinars called "accounts in convertible dinars of nonresident Libyans." These accounts may be credited with funds from (1) the sale of foreign banknotes, in any amount without customs declaration of importation, as set out in the foreign exchange notice published in the Official Journal of the Tunisian Republic of February 3, 2006, and Circular to Authorized Intermediaries No. 94-13 of September 7, 1994, and (2) interest earned on funds deposited in the account as determined by the BCT for foreign currency accounts of nonresidents. These accounts may be debited for (1) payments in Tunisia in dinars and (2) investment in convertible dinars in accordance with the regulations. Other debits and credits are subject to approval by the BCT. These accounts may not be overdrawn.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	To pay their expenses in foreign currency, resident holders of professional foreign exchange accounts must first use the funds in their account and retain in the account only amounts they actually need. Surplus must be surrendered for dinars in the foreign exchange market. Furthermore, authorized intermediaries may sell foreign currency spot or through hedging to account holders who have deposits in their professional foreign exchange account(s) only to acquire funds to make payments in excess of the amount available in

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		these accounts. Foreign currency term deposits are deemed to be deposits available in the account. Authorized intermediaries must require operators to certify that they do not have the necessary funds available in their professional foreign exchange accounts with another authorized intermediary before selling foreign exchange to them.
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Resident operators may make advance payments for their imports, provided they are issued with a first-demand bank guarantee. The issuance of such a guarantee is not required for the settlement of advance payments relating to the importation of products intended for direct use by the resident importer in the production cycle of goods or services of its business or of products necessary for the execution of a government contract, and this, within the limit of the quantities provided for by this contract. Circular No. 2020-02 clarified and eased certain requirements for advance payment. The advance payment may not exceed 50% of the value of the import operation subject to the payment, except when the value of the imported products does not exceed TD 20,000. The advance payment must be made on submission of the commercial contract or a copy of the market contract. Advance payment of the price of imported goods is permitted, provided: (1) the imported goods are intended for direct use by the resident importer in the production cycle of goods or services of its business; (2) the value of the goods subject to the import operation is not more than TD 20,000 as stipulated in the commercial contract; and (3) the advance payment is required by the supplier under the commercial contract. Sales prices may be settled by any means of payment, where the related contracts provide for payment terms of up to 60 days from the date of shipment of the goods. Sales for which the related contracts provide for payment terms ranging from 61 days to 360 days from the date of shipment of the goods are made freely when they meet one of the following conditions: (1) They are accompanied by a payment guarantee issued by a nonresident bank. (2) They provide for the opening of an irrevocable documentary credit or standby LC for the benefit of the resident exporter. (3) They provide for payment by a draft issued in the name of the approved intermediary or endorsed in its favor and endorsed by a nonresident bank. (4) They are covered by an export credit insurance policy. In addition, sales for which the related contracts provide for payment periods ranging from 61 days to 360 days from the date of shipment of goods and which do not meet one of the conditions referred to in Article 11 paragraph 1 of Circular No. 2020-02 as well as sales providing for payment periods exceeding 360 days are subject to prior authorization of the BCT. For sales paid by documentary credit or documentary remittance against payment or acceptance, the exporter must submit to the Authorized Intermediary, on receipt of the goods by the carrier, the documents representing the goods (final invoice, transport document, etc.). Any direct delivery of these documents to the customer or the carrier is prohibited.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	Financial settlement of imports may be effected through the authorized intermediary with which the import operation is

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		domiciled.
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Importers must have a tax identification number. Financial settlement of imports is effected, based on (1) an import authorization for products not liberalized, (2) the commercial invoice for products for which trade has been liberalized, (3) the commercial contract for the importation of empty packaging to be reexported filled and for merchandise imported into Tunisia for reexportation after inward processing, and (4) customs documents documenting that the merchandise has actually entered the country.
Import licenses and other nontariff measures	Yes.	Imports are free of licensing requirements, except those that affect security, law and order, hygiene, health, morals, protection of fauna and flora, or cultural heritage, and are effected by a commercial invoice domiciled with an authorized intermediary. Goods not liberalized need an import authorization granted through the Ministry of Trade. Imports of raw materials, semifinished products, spare parts, and equipment that are paid for by sources outside Tunisia and do not involve the payment or delivery of foreign currency may be effected by enterprises for their own use without foreign trade formalities, up to TD 100,000 or its equivalent a year. Furthermore, companies exclusively engaged in exporting goods or services or established in an industrial park and holders of permits for exploration, research, and the operation of concessions in the hydrocarbon sector and contractors or subcontractors employed by such companies may import freely, without foreign trade formalities, any goods required for their production process, subject only to customs declaration.
Positive list	No.	
Negative list	Yes.	Goods not covered by the liberalization of foreign trade and those that have an impact on security, law and order, hygiene, health, morals, protection of flora and fauna, and cultural heritage are included in a list issued by decree, published on the BCT website.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports from Israel are prohibited. Some items, a list of which is drawn up by the Ministry of Trade, are subject to technical import controls.
Import taxes and/or tariffs	Yes.	In addition to customs duties, imports are subject to VAT and, in some cases, to consumption tax. Certain imports destined for domestic investment projects are eligible for full or partial exemption from import duties.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	All export proceeds must be repatriated within 10 days of the payment due date. When the export of goods is payable by simple transfer (no payment guarantee), the settlement period granted to a nonresident customer by a resident exporter must not exceed 60 days

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		from the date of shipment. Nonresident companies exclusively engaged in exporting goods or services and covered by Law No. 2016-71 of September 30, 2016, relating to investment, as well as nonresident international trading companies and nonresident enterprises established in an economic business park, are not required to repatriate or surrender their export proceeds. Authorized intermediaries must repatriate to their CB accounts any positive balance on correspondent accounts related to residents' foreign exchange transactions at the end of every business day. Balances resulting from nonresident transactions may be kept in correspondent accounts and invested abroad. Exports by nonresidents are subject only to customs declaration.
Surrender requirements	Yes.	Resident exporters may retain in their professional accounts up to 100% of their foreign exchange export proceeds and their foreign currency loans contracted in accordance with existing exchange regulations. To pay their expenses in foreign currency, holders of professional foreign exchange accounts must first use the funds in their account and should retain in the account only amounts they actually need. Any surplus must be surrendered for dinars in the foreign exchange market, potentially amounting to 100% of the proceeds repatriated.
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	Resident exporters may retain in their professional accounts up to 100% of their foreign exchange export proceeds and their foreign currency loans contracted in accordance with existing exchange regulations. To pay their expenses in foreign currency, holders of professional foreign exchange accounts must first use the funds in their account and should retain in the account only amounts they actually need. Any surplus must be surrendered for dinars in the foreign exchange market, potentially amounting to 100% of the proceeds repatriated.
Financing requirements	No.	Resident operators may agree to terms of up to 360 days for payment of their exports, under the regulations.
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	Exports of goods must be domiciled with an approved intermediary.
Preshipment inspection	Yes.	Some products listed by the Ministry of Trade are subject to technical export controls.
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Most exports are free from licensing requirements, and certain goods may be exported with an authorization issued by the Ministry of Trade. Tunisia has signed bilateral FTAs with Egypt, Iraq, Jordan, Libya, Morocco, Syria, and Turkey providing for the reduction of tariff barriers. A quadripartite FTA was signed with the Mediterranean Arab countries (Egypt, Jordan, and Morocco).
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	

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Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	Transfers may be made without restriction for payment of freight, storage, and warehousing services; transit and administrative fees; customs duties; commissions; and fees for analyses and controls of materials and products.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	Income from foreign capital invested in accordance with the laws and regulations in effect and interest on foreign currency loans contracted by residents in accordance with the regulations in effect may be transferred freely in accordance with the provisions of Article 1 of the Foreign Exchange and Foreign Trade Code and various BCT circulars. Rent from real estate purchased or constructed before 1956, owned by nonresidents, may be transferred. Rent from second homes owned by nonresidents and integrated into tourism projects is freely transferable.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	The annual allowance for tourism travel is TD 6,000 an adult and TD 3,000 a child under 10. The AVA for exporters is 25% of export proceeds for the current year. Any unused portion of this allowance may be carried forward to subsequent years, provided the cumulative amount does not exceed the annual limit of TD 500,000. Resident individuals or legal entities that have concluded contracts for studies, design, works, monitoring, control, and other services with a contracting authority based outside Tunisia may apply to approved intermediaries for AVAs for “Contracts Executable Abroad.” The amount of this AVA is set at 15% of the portion of the contract price payable in convertible currencies under which the granting of the allowance is requested. These individuals and entities can combine the “Exporter” AVA and the “Contracts Executable Abroad” AVA. Under no circumstances may the foreign currency receipts that have already been used for the calculation of the transfer rights under one of the two allowances be included in the foreign currency receipts accepted for the calculation of the transfer. Resident individuals and legal entities that do not receive “Exporter” or the “Contracts Executable Abroad” AVAs and that carry out a professional activity requiring travel abroad and that are among the activities listed in the list may apply to approved intermediaries for AVAs for “Other Activities.” The amount of the “Other Activities” AVA is set at: 8% of the turnover excluding taxes of the previous year declared to the tax authorities with a ceiling of TD 50,000 a

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		calendar year for the activities mentioned in numbers 1–25 of the list in Annex No. 2 to Circular No. 2020-03. The allowance is set at TD 400,000 a calendar year for banking activity. Developers of new projects for which the execution requires travel abroad may receive an AVA for "Other Activities" of TD 50,000.
Indicative limits/bona fide test	Yes.	Ceilings may be raised on approval in case of documented need.
Personal payments	Yes.	There are no restrictions on the transfer of pensions.
Prior approval	Yes.	Alimony payments to an ex-spouse and child support under a final judgment are freely transferable.
Quantitative limits	Yes.	The annual allowance for expenses related to travel abroad for reasons of health is TD 1,500. Persons accompanying patients may transfer up to TD 250 a trip in the case of medical or paramedical staff and TD 1,000 in all other cases. The annual settlement allowance for residents pursuing studies abroad is TD 4,000, and the monthly living expense allowance for each cycle for students is TD 3,000. Registration fees and education allowances are freely transferable up to the amount because of a foreign educational institution. The amounts that may be transferred abroad for professional training are TD 4,000 for each training cycle as a settlement allowance and TD 3,000 a month for living expenses. Registration and training fees are freely transferable up to the amounts required by the foreign training institution.
Indicative limits/bona fide test	Yes.	The limit of TD 1,500 for expenses related to travel abroad for reasons of health may be exceeded if the patient's condition requires several trips abroad during the same year.
Foreign workers' wages	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Foreign employees working in Tunisia as contractors or technical cooperation personnel may transfer without restriction the full amount of their pay net of taxes, including bonuses and allowances. There is no limit on transfers of savings from salaries. The same applies to Tunisian individuals residing abroad, recruited by a nonresident parent company located abroad and seconded by it to its subsidiaries in Tunisia.
Credit card use abroad	Yes.	Operators eligible for the AVA may use their credit cards abroad. The tourism travel allowance may be transferred using international payment cards. The cards may also be used for transfers of funds from tourist travel accounts. Annual allowance usable by international payment card is granted to any resident company and to any resident individual Tunisian national holding a diploma at least equivalent to a baccalaureate, up to annual ceilings of TD 10,000 and TD 1,000, respectively, to freely engage in Internet transactions such as payment for subscription or hosting costs for websites or mobile applications, advertising and access to subcontracting platforms, and expenses related to the collection of information and the purchase of online training services, application development tools, and software licenses. The amount of the maximum annual allowance is set at TD 100,000 for any resident company having obtained the "Startup" Label in accordance with the regulations in force.
Prior approval	Yes.	Authorized intermediaries are required to comply with the ceilings that have been set.
Quantitative limits	Yes.	Those eligible for the AVA may use their international payment

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		cards abroad only to the extent of their entitlement for the allowance.
Indicative limits/bona fide test	Yes.	Authorized intermediaries are required to comply with the ceilings that have been set.
Other payments	Yes.	Subscription fees for journals and periodicals, membership fees, dues for foreign associations and organizations, publication fees for scientific articles, payments for literary and artistic rights, legal proceedings, arbitrage, and attorney fees are freely transferable. Payments that are not on subsistence expenditure, in connection with contracts for works, studies, monitoring, supervision, and other services carried out abroad, excluding commercial agreements for the purchase of selling merchandise abroad (constituting international trade operations provided under Circular No. 2001-01 of January 10, 2001), may be carried out freely after repatriations executed under the agreement.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Residents are required to repatriate promptly all remuneration for services rendered to nonresidents and all proceeds from invisible transactions received from abroad.
Surrender requirements	No.	Resident exporters may retain in their professional foreign exchange accounts 100% of their foreign currency from export earnings as well as from their foreign exchange borrowing contracted in accordance with the exchange regulations in effect (individuals may not take out foreign currency loans). To pay their expenses in foreign currency, holders of professional foreign exchange accounts must first, under their authority, use the funds in their account and should retain in the account only amounts they actually need, which may potentially amount to 100% of the proceeds repatriated. Resident individuals providing services abroad are exempted from surrendering foreign currency proceeds, which are earmarked for deposit in a PPR account in foreign exchange or in convertible dinars.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	Yes.	Foreign exchange deposited in professional accounts must be used in accordance with the rules governing the operation of accounts of this type.

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	Yes.	Residents are required to repatriate promptly all income from investment abroad as well as all proceeds from the divestiture or liquidation of such investments.
Surrender requirements	Yes.	
Surrender to the central bank	No.	
Surrender to authorized dealers	Yes.	All proceeds from an investment abroad (dividends, interest, proceeds from the sale or liquidation of investment, etc.) must be surrendered without delay on the foreign exchange market.
Controls on capital and money market	Yes.	There are controls on all transactions in capital and money market

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instruments		instruments.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Stocks in existing companies in Tunisia may be acquired freely with foreign exchange transferred from abroad by foreign nonresidents. Authorization from the Higher Investment Commission (HIC) for acquisition by foreigners of shares with voting rights when the foreign ownership in the capital of the companies is equal to or more than 50% is no longer required. The following two operations are no longer subject to prior authorization from the BCT: (1) acquisition, through outward payment of the relevant price, of stock or equity stakes in resident companies operating in Tunisia in accordance with the relevant legislation, by a nonresident individual or legal entity of foreign nationality from a nonresident individual or legal entity of foreign nationality, and (2) subscription by nonresidents to increase capital in companies established in Tunisia in accordance with the relevant legislation, by conversion of advances on their partner current accounts arranged in foreign exchange to capital stakes in accordance with the current foreign exchange regulations.
Sale or issue locally by nonresidents	Yes.	Nonresidents may sell freely shares of companies established in Tunisia. They may also transfer freely net real proceeds from the sale of shares that were purchased with foreign exchange transferred from abroad for an investment made in accordance with the legislation in effect, pursuant to Article 1 of the Foreign Exchange and Foreign Trade Code and Circular No. 2018-14 of December 26, 2018, relating to investment in foreign currency by nonresidents in Tunisia.
Purchase abroad by residents	Yes.	The acquisition of assets abroad by residents is subject to BCT authorization. However, resident exporters may transfer freely the equivalent of TD 100,000–1 million a year, or up to TD 3 million a year for those who use the foreign exchange export proceeds held in their professional accounts to finance equity participation in companies abroad. Nonexporting companies may transfer funds abroad for equity participation in the amount of TD 100,000–500,000.
Sale or issue abroad by residents	Yes.	Any act intended to dispose of or to change the composition of the assets of persons abroad and to reduce their rights to these assets is subject to the approval of the BCT. All residents are required to declare to the BCT and to repatriate their foreign assets invested from Tunisia. However, Tunisian nationals returning to Tunisia from abroad and foreign individuals in Tunisia are subject to the obligation to declare and repatriate their assets accumulated abroad before the date of change of residence.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Subscription by nonresident foreigners of debt securities issued by the government or resident companies is subject to BCT approval, except (1) 20% of the estimated semiannual amount of treasury bond issues and (2) 20% of bonds issued by resident companies listed on the stock exchange or with a rating from a rating agency. Such bonds are not subject to a minimum holding period requirement.
Sale or issue locally by nonresidents	Yes.	Transfers linked to the redemption of public securities are made on the basis of a notification of execution delivered by the intermediary authorized to engage in transactions involving such securities and after verification—with respect to the latter, as in the case of private securities—that the initial acquisition was financed by means of

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		imported foreign exchange, pursuant to the provisions of Circular No. 2020-13 of June 2, 2020. The issue of bonds or other debt securities on the national market by nonresidents is subject to prior authorization.
Purchase abroad by residents	Yes.	The acquisition of assets abroad by residents is subject to BCT authorization. However, the holders of PPR accounts in foreign currency may purchase securities abroad by debiting these accounts.
Sale or issue abroad by residents	Yes.	Any act intended to dispose of or to change the composition of the assets of residents abroad and to reduce their rights to these assets is subject to the approval of the BCT. All residents are required to declare to the BCT and to repatriate their foreign assets invested from Tunisia.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Transfers linked to the redemption of public securities are made on the basis of a notification of execution delivered by the intermediary authorized to engage in transactions involving such securities and after verification—with respect to the latter, as in the case of private securities—that the initial acquisition was financed by means of imported foreign exchange.
Sale or issue locally by nonresidents	Yes.	Transfers linked to the redemption of public securities are made on the basis of a notification of execution delivered by the intermediary authorized to engage in transactions involving such securities and after verification—with respect to the latter, as in the case of private securities—that the initial acquisition was financed by means of imported foreign exchange.
Purchase abroad by residents	Yes.	The acquisition of assets abroad by residents is subject to authorization. However, the holders of PPR accounts may purchase securities abroad by debiting these accounts. These acquisitions are possible only when they are made by PPR account holders and are subject to declaration to the BCT.
Sale or issue abroad by residents	Yes.	Any act intended to dispose of or to change the composition of the assets of residents abroad and to reduce their rights to these assets is subject to the approval of the BCT. All residents are required to declare to the BCT, dispose of and repatriate their assets abroad. Investment income from PPR accounts of resident individuals is not covered by the disposal obligation.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents may acquire freely shares of Tunisian mutual funds with foreign exchange transferred from abroad.
Sale or issue locally by nonresidents	Yes.	Nonresidents may transfer freely net real proceeds from sales of Tunisian mutual fund shares acquired with foreign exchange transferred from abroad. The issuance of SICAV (Société d'investissement à capital variable—an open-ended collective investment scheme) and other collective investment securities on the domestic market by nonresidents is governed by Law No. 2009-64 of August 12, 2009, promulgating the code on financial services rendered to nonresidents.
Purchase abroad by residents	Yes.	The acquisition of assets abroad by residents is subject to authorization. However, resident exporters may transfer freely the equivalent of TD 100,000–1 million a year or, using funds from their professional accounts, up to TD 3 million a year to finance equity participation in companies located abroad. Nonexporting companies may transfer funds abroad for equity participation in the amount of TD 100,000–500,000.
Sale or issue abroad by residents	Yes.	Residents must promptly repatriate any proceeds from an investment abroad, as well as the proceeds from the eventual sale or liquidation

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		of such investment pursuant to the Foreign Exchange and Foreign Trade Code.
Controls on derivatives and other instruments	Yes.	Controls apply to all transactions in derivatives and other instruments. However, resident banks may engage in (1) foreign currency swaps maturing in up to 12 months with nonresident banks operating in Tunisia and with foreign correspondent banks; (2) foreign currency/dinar swaps maturing in up to 12 months among themselves and with resident enterprises, provided the transactions in question back actual commercial or financial transactions; and (3) foreign currency/convertible dinar swaps, by making spot purchases and forward sales of convertible dinars to nonresident banks operating in Tunisia, foreign correspondent banks, and nonresident enterprises operating in Tunisia. For the purposes of hedging against foreign exchange rate risk, resident and nonresident authorized intermediaries may enter into FRAs for terms of up to 12 months with resident enterprises or with their foreign correspondent banks.
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	These credits require BCT approval, except for credits in foreign currency granted on the money market to refinance import or export operations of nonresident industrial enterprises established in Tunisia. Authorized intermediaries may finance, out of resources from the foreign exchange money market, the imports and exports of nonresident service companies established in Tunisia, as well as exports of products of local origin by nonresident international trading companies established in Tunisia. These nonresident companies may also be granted operating loans against resources in the foreign exchange money market. In addition, resident banks may extend short-term dinar loans to nonresident companies to finance local operating expenses and to finance the purchase, on the local market, of products and merchandise necessary for the nonresidents' operations. Resident banks may extend operating loans against resources in the foreign exchange money market to nonresident service companies in Tunisia engaged in imports and exports as well as to nonresident international trading companies in Tunisia engaged in exports of products of local origin. Resident exporting companies may have foreign currency credits on foreign currency money market resources for investment transactions.
To residents from nonresidents	Yes.	Pursuant to Circular No. 2020-13, resident enterprises may, for their own business needs, contract foreign currency loans from nonresidents. Foreign currency loans whose repayment period does not exceed 12 months are freely contracted up to the following amounts: (1) TD 25 million a calendar year for banks and financial institutions approved within the framework of Law No. 2016-48 and (2) TD 10 million a calendar year for other enterprises, including micro-finance companies. Foreign currency loans with a repayment period exceeding 12 months are freely contracted under the following conditions: (1) without limit of amount for the banks and

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		financial institutions referred to in Article 3, listed on the stock exchange or having obtained a rating from one of the rating organizations appearing on the list in the appendix of the Circular; (2) up to a limit of TD 50 million a calendar year for other enterprises, including micro-finance companies referred to in Article 3, provided these enterprises are listed on the stock exchange or have obtained a rating from one of the rating organizations appearing on the list in the Annex of the Circular; and (3) up to a limit of TD 30 million a calendar year for enterprises that do not meet the condition of listing on the stock exchange or rating.
Financial credits	Yes.	
By residents to nonresidents	Yes.	The granting by resident banks of short-term dinar-denominated credits to nonresident companies established in Tunisia to finance local expenses in dinars is free.
To residents from nonresidents	Yes.	Pursuant to Circular No. 2020-13, resident enterprises may, for their own business needs, contract foreign currency loans from nonresidents. Foreign currency loans whose repayment period does not exceed 12 months are freely contracted up to the following amounts: (1) TD 25 million a calendar year for banks and financial institutions approved within the framework of Law No. 2016-48 and (2) TD 10 million a calendar year for other enterprises, including micro-finance companies. Foreign currency loans with a repayment period exceeding 12 months are freely contracted under the following conditions: (1) without limit of amount for the banks and financial institutions referred to in Article 3, listed on the stock exchange or having obtained a rating from one of the rating organizations appearing on the list in the appendix of the Circular; (2) up to a limit of TD 50 million a calendar year for other enterprises, including micro-finance companies referred to in Article 3, provided these enterprises are listed on the stock exchange or have obtained a rating from one of the rating organizations appearing on the list in the Annex of the Circular; and (3) up to a limit of TD 30 million a calendar year for enterprises that do not meet the condition of listing on the stock exchange or rating.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Resident banks may freely issue bid bonds, performance bonds, advance payment bonds, contract holdback bonds, or any other bonds on behalf of resident exporters of goods or services to guarantee their obligations to nonresidents. They may also freely issue guarantees for the payment by residents, on the order of resident importers, with respect to their purchases from nonresident suppliers. The same applies to the issuance and establishment of repayment guarantees for foreign currency loans freely contracted by residents.
To residents from nonresidents	Yes.	At the request and with the counter guarantee of a nonresident bank, resident banks may grant the usual bank guarantees required of nonresident service providers by residents in connection with business contracts, work contracts, and service contracts executable in Tunisia.
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Direct investment by residents abroad is generally subject to BCT approval. However, resident exporting companies may freely transfer the equivalent of TD 50,000–500,000 a year to finance representative or liaison offices abroad; TD 100,000–1 million a year for foreign

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		investment in the form of branches, subsidiaries, and equity participation in companies; and up to TD 3 million a year for investments funded from foreign exchange export proceeds held in professional accounts. For nonexporting companies, the limit on transfers abroad for the same types of investment is TD 50,000–250,000 to finance representative or liaison offices and TD 100,000–500,000 for branches, subsidiaries, and equity participation abroad. Residents may freely participate in the capital of nonresident companies established in Tunisia, at the time either of incorporation or of a capital increase and through the purchase of shares or equity in such companies.
Inward direct investment	Yes.	Foreigners may invest in most economic sectors. However, the participation of nonresident foreigners in certain sectors remains subject to BCT approval after a favorable opinion from the supervisory authority. Foreign nonresidents may, using foreign exchange transferred from abroad, purchase shares or equity in companies in Tunisia under Law No. 2016-71 of September 30, 2016, on Investment, or at the time of a capital increase beyond their preferential subscription rights without exchange authorization, subject to compliance with the legislation governing the activity. Foreign nonresidents may purchase land and buildings in industrial zones and land in tourism areas for economic development projects with foreign exchange transferred from abroad.
Controls on liquidation of direct investment	No.	All FDIs carried out legitimately in Tunisia with foreign exchange transferred from abroad are guaranteed the right to repatriate the net proceeds from the sale or liquidation of the invested capital, even if the net proceeds exceed the initial value of the foreign exchange invested.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Purchases require BCT approval, except transactions debited from PPR accounts in foreign currency or convertible dinars.
Purchase locally by nonresidents	Yes.	Purchases by nonresident foreigners require BCT approval. However, foreign nonresidents may freely purchase land and buildings in industrial zones and land in tourism areas for economic projects with foreign exchange transferred from abroad.
Sale locally by nonresidents	Yes.	Authorization is required for sales other than those made to a resident and involving real estate that is the subject of a land title. These sales are recorded in the Land Registry solely on presentation of documentation showing that the price was deposited by the buyer in a suspense or capital account maintained in the name of the seller on the books of an authorized intermediary.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Residents must obtain BCT approval for lending to nonresidents.
To residents from nonresidents	Yes.	Residents must obtain BCT approval for borrowing from nonresidents.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Authorization is not required to take possession of an inheritance established in Tunisia for the benefit of a nonresident. The transfer of proceeds from gifts, endowments, and inheritances not previously guaranteed is subject to BCT approval.
To residents from nonresidents	Yes.	Authorization is not required for gifts from nonresidents to residents and for taking possession of an inheritance established abroad for a resident. Proceeds from gifts and inheritances must be declared and

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		repatriated.
Settlement of debts abroad by immigrants	Yes.	Repayment of debt contracted in foreign currencies by nonresident immigrants from dinar accounts is subject to approval by the BCT.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	The transfer of the proceeds from assets not qualifying for the transfer guarantee is subject to approval by the BCT.
Transfer into the country by immigrants	Yes.	Nonresident Tunisian nationals returning permanently to the country must declare their assets or proceeds and revenue from their assets abroad.
Transfer of gambling and prize earnings	Yes.	The cash transfer of the proceeds of earnings from casino games duly authorized, including by the gaming commission, is not restricted. Such transfers are generally allowed as of the opening of the casino pursuant to an approval granted by the BCT.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Resident credit institutions may contract all types of foreign currency loans (for example, buyer credits, supplier credits, financial loans, and financial leases) for their business needs from nonresidents, up to, TD 25 million a year if the repayment period does not exceed 12 months. There is no limit on such loans if their maturity is longer than 12 months and they are contracted by credit institutions rated by a rating agency and by credit institutions listed on the stock exchange.
Maintenance of accounts abroad	Yes.	Resident banks may freely open correspondent accounts with foreign banks. Authorized intermediaries must repatriate to their CB account at the end of every business day any balance on their correspondent accounts related to residents' foreign exchange transactions. Balances resulting from nonresident transactions may be kept in correspondent accounts and invested abroad.
Lending to nonresidents (financial or commercial credits)	Yes.	BCT approval is required for loans granted by resident banks to nonresidents. However, resident banks may freely extend loans in the foreign exchange money market to nonresident industrial enterprises in Tunisia for operating expenses and to finance their imports and exports. Authorized intermediaries may finance, out of resources from the foreign exchange money market, the imports and exports of nonresident service companies in Tunisia, as well as exports of products of local origin by nonresident international trading companies in Tunisia. These nonresident companies may also receive operating loans against resources in the foreign exchange money market. Resident banks may extend dinar loans to nonresident companies to finance local (dinar-denominated) operating expenses and purchases of products and merchandise necessary for their operations. Such loans may not be used to purchase foreign exchange and must be placed in special accounts.
Lending locally in foreign exchange	Yes.	Resident banks may freely finance in the foreign exchange money market the import and export operations of resident entities. They may lend foreign exchange to exporting resident companies to finance investments made under current foreign exchange regulations. They may also freely lend their foreign currency surpluses to other resident banks and to their correspondent banks in exchange for loans with the same maturity in another currency.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Purchases of locally issued securities denominated in foreign exchange are subject to BCT approval.
Differential treatment of deposit accounts	Yes.	

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in foreign exchange		
Reserve requirements	Yes.	Tunisia does not impose reserve requirements on foreign currency deposit accounts. Only deposits in dinars are taken into account in the calculation of the reserve requirement at a rate of 1%. To determine the reserve requirement, a rate of 1% is imposed on demand deposits and other liabilities to customers.
Liquid asset requirements	Yes.	The liquidity ratio requirement takes foreign currency deposits into account and is calculated as the ratio between readily convertible assets and callable liabilities. The numerator is primarily composed as follows: cash and holdings with the BCT and banks (100%); short-term discount portfolio (60%); advances on deposit accounts, cash vouchers, and other financial income (100%); debtor accounts (7%); and collection portfolio and security holdings in portfolio and listed on the stock exchange (100%). The denominator of the liquidity ratio is primarily composed of the following, weighted as follows: borrowing from the BCT, banks, and specialized financial institutions (100%); required credit balance on the required reserve (100%); demand accounts (60%); special savings accounts (3%); time accounts; other financial instruments (13%); CDs (40%); and funds in transit (comptes exigibles après encaissement—accounts payable after cashing—100%).
Interest rate controls	Yes.	The remuneration on foreign exchange accounts is freely negotiated with banks. Dinar balances in suspense accounts and capital accounts do not earn interest.
Credit controls	n.a.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	Dinar deposits of nonresidents are included in the calculation of the reserve requirement ratios.
Liquid asset requirements	Yes.	The liquidity ratio requirement takes nonresidents' deposits into account.
Interest rate controls	Yes.	Interest rates on dinar and convertible dinar deposits of nonresidents are freely negotiated, except for demand accounts, for which there is a cap of 2%. The annual interest rate on foreign exchange accounts in convertible dinars held by Tunisian residents abroad and special accounts in convertible dinars must equal at least the average overnight money market rate minus 2 percentage points (pps). The minimum interest rate on savings in dinars is 3.50%.
Credit controls	n.a.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Approval of the MOF and the BCT is required for a credit institution to open an office or branch. Resident banks may invest abroad up to 20% of the foreign exchange assets belonging to their resident customers, according to the terms and conditions specified by the BCT. However, this measure has not yet been implemented.
In banks by nonresidents	Yes.	Approval is required for any acquisition of capital in a bank or other financial institution and, in all cases, for the acquisition of a proportion of the voting rights equal to or exceeding one-tenth, one-fifth, one-third, one-half, or two-thirds of the voting rights, as well as of any instrument that may result in the transfer of a significant proportion of the assets, potentially changing its financial structure or the focus of its activities.
Open foreign exchange position limits	Yes.	Net open positions of banks operating in the foreign exchange market resulting from both spot and forward transactions are limited to 10% of banks' net own funds in each currency, with a limit of 20% for positions in all currencies. The net open position regulation also

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		includes a provision that banks must liquidate a foreign exchange position if it has lost more than 3% of its value if it is equal to or higher than TD 200,000.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	No outward investment is allowed for institutional investors.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	No outward investment is allowed for institutional investors.
Limits (max.) on investment portfolio held abroad	Yes.	No outward investment is allowed for institutional investors.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	No outward investment is allowed for institutional investors.
Limits (max.) on investment portfolio held abroad	Yes.	No outward investment is allowed for institutional investors.
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	Yes.	Any acquisition on the stock exchange of one-twentieth, one-tenth, one-fifth, one-third, one-half, or two-thirds of the capital of a company that is involved in public deposit taking must be declared to that company, the Financial Board, and the Securities Exchange. Nonresidents may acquire freely shares of Tunisian mutual funds with foreign exchange transferred from abroad.
Limits (max.) on securities issued by nonresidents	n.a.	Residents may freely participate in the capital of nonresident companies established in Tunisia, at the time either of incorporation or of a capital increase and through the purchase of shares or equity in such companies.
Limits (max.) on investment portfolio held abroad	Yes.	For nonexporting companies, the limit on transfers abroad is TD 50,000–250,000 to finance representative or liaison offices and TD 100,000–500,000 for branches, subsidiaries, and equity participation abroad.
Limits (min.) on investment portfolio held locally	Yes.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.	
Retail	n.a.	
Wholesale	n.a.	
CBDC launched by another jurisdiction in circulation—retail	n.a.	

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and/or wholesale	
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.

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Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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TÜRKIYE

(Position as of September 30, 2023)

Status under IMF Articles of Agreement

Date of membership		March 11, 1947.
Article VIII	Yes.	Date of acceptance: March 22, 1990.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	For the implementation of the UNSC Resolution (UNSCR) No. 1267 and its successor resolutions related to individuals and entities associated with Al-Qaida, Taliban, and Da'esh, and UNSCR No. 1373 related to combating terrorism and the financing of terrorism, Türkiye maintains an asset freezing mechanism under provisions of the Law No. 6415 on the Prevention of Financing of Terrorism (Official Gazette No. 28561 of February 16, 2013). Besides, for the implementation of UNSCR Nos. 1718 and 2223 and their successor resolutions, Türkiye maintains an asset freezing mechanism under provisions of the Law No. 7262 on Countering Financing of Proliferation (Official Gazette No. 31351 of December 31, 2020). Türkiye maintains the following exchange measures in accordance with EU regulations: the Islamic Republic of Iran, Iraq, Liberia, certain individuals associated with the previous government of the former Federal Republic of Yugoslavia, and Zimbabwe. Türkiye maintains security restrictions imposed by the following UNSCRs: (1) Resolution No. 1737, which bans the supply of nuclear-related materials and technology and calls for a freeze of the assets of key individuals and companies related to the Iranian nuclear program; (2) Resolution No. 1747, which imposes an arms embargo and expands the freeze on Iranian assets; (3) Resolution No. 1803, which extends the asset freeze and directs states to monitor the activities of Iranian banks, inspect Iranian ships and aircraft, and monitor the movement of individuals involved with the program; (4) Resolution No. 1929, which bars Iran from activities related to ballistic missiles, tightens the arms embargo, imposes travel bans on individuals involved with Iranian shipping lines, and recommends that countries inspect Iranian cargo, prohibit servicing of Iranian vessels involved in prohibited activities, closely watch Iranian individuals and entities when dealing with them, prohibit Iranian banks from opening on their territory and entering into relationships with their banks if it could contribute to the nuclear program, and prevent financial institutions operating in their territory from opening offices and accounts in Iran; and (5) Resolution Nos. 1970 and 1973, which impose an arms embargo on Libya, freeze assets, and impose a travel ban on those listed in the annexes of the resolutions.
Other security restrictions	No.	

Exchange Arrangement

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Currency	Yes.	The currency of Türkiye is the Turkish lira (TRY) (TL), replacing the new TL, which was used during a transitional period from January 1, 2005, through December 31, 2008.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is free floating. Under the current regime, the foreign exchange supply and demand is mainly determined by economic fundamentals, the monetary and fiscal policies implemented, international developments and expectations. The Central Bank of the Republic of Türkiye (CBRT) has no nominal or real exchange rate target. The CBRT does not conduct foreign exchange buying or selling transactions to determine the level or direction of the exchange rates. To ensure that the foreign exchange market operates efficiently, the CBRT closely monitors exchange rate developments and related risk factors and continue to take the necessary measures and employ due instruments. The CBRT announced the general framework of the monetary and exchange rate policies envisaged for 2023 in a document titled "Monetary Policy and Liraization Strategy for 2023" on December 30, 2022. The CBRT continues swap transactions to contribute to the TL and foreign exchange liquidity management of banks. TL currency swap transactions via the quotation method with one-week maturity; Borsa İstanbul (BIST) Swap Market transactions, which was started on May 15, 2019 (ended in late 2021), and swap auctions conducted via the traditional method, are used in line with the banks' needs. The one-week repo auction rate is valid for the TL interest rate in swap transactions conducted via the quotation method and BIST Swap Market transactions were conducted consistent with the monetary policy rates. In 2022, the bid amount that each bank can submit in the swap auctions was again increased to maximum 50% of the total auction amount. Depending on market conditions, the CBRT continues to conduct the TL-settled foreign exchange futures transactions at the Derivatives Market (VIOP) operating under the BIST. TRY Gold Swap Market and foreign exchange Gold Swap Market transactions increase the effectiveness of banks' liquidity management and contribute to the inclusion of gold savings into the financial system. Purchases of gold domestically produced from ore

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		against TL were suspended in October 2020 to contribute the local market gold supply and restarted in May 2021. Stock and flow data regarding the swap transactions conducted by the CBRT with the banks in domestic markets and TL-settled foreign exchange futures transactions conducted on the BIST Derivatives Market have been released on a daily basis on the CBRT's website under the heading Statistics/Markets Data. From July 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar, with one realignment in November 2022. Therefore, the de facto exchange rate arrangement was reclassified to "crawl-like" from "floating", effective July 28, 2022. The classification in the AREAER is based on data available until April 30, 2023. Data since then show a higher volatility in the bilateral Turkish lira-U.S. dollar exchange rate. While more observations would be needed to reassess a de facto classification, if this higher volatility were to persist, it would suggest that the Turkish lira may no longer behave in a manner consistent with an assessment of a crawl-like arrangement.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	There is no official exchange rate determined by the CBRT. However, there is an indicative rate, which is determined through six CBRT observations between 10:00 a.m. and 3:00 p.m., at one-hour intervals, taking the average value of the averages of the buying and selling rates as quoted by banks in the interbank foreign exchange market for US$1. The arithmetic average of the six observed values thus obtained is the CBRT's midrate for US$1. The buying and selling rates for US$1 are calculated based on the midrate. Similarly, the respective cross-rates of the currencies for which the CBRT announces indicative exchange rates are collected between 10:00 a.m. and 3:00 p.m. at one-hour intervals. The indicative exchange rates are announced at 3:30 p.m. and used for accounting transactions and some branch transactions of the CBRT, but there are no mandatory rates for individuals or entities. After the introduction of the Foreign Exchange-Protected Deposit Scheme, the CBRT also started to publish the relevant exchange rates and gold prices at one-hour intervals daily.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The CBRT has a formal inflation-targeting framework since 2006.
Target setting body	Yes.	

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Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	Inflation target is set jointly by the government and CBRT.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	From 2012 onward, the target is 5% CPI inflation at the end of the year. A 2-percentage-point (pp) uncertainty band is set around the inflation target of 5%.
Band/Range		
Target measure	Yes.	
CPI	Yes.	The headline CPI is publicly announced by the Turkish Statistical Institute (TURKSTAT). The end-year CPI inflation is calculated in year-on-year (y-o-y) terms.
Core inflation		
Target horizon	Yes.	The horizon over which the inflation target must be accomplished is two years.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	On June 1, 2018, the CB simplified its operational framework of monetary policy and decided to adopt the one-week repo rate as the sole monetary policy rate. The CB overnight borrowing and lending rates since this date are determined at 150 basis points (bps) below/above the one-week repo rate, and the CBRT borrowing rate for Late Liquidity Window operations would be 0%. The MPC does not make separate announcements for these rates. On October 22, 2020, the margin between the CBRT Late Liquidity Window lending rate and overnight lending rate was set as 300 bps. The CBRT provides all short-term funding through its main policy instrument, the one-week repo auction rate since November 2020.
Target corridor band	Yes.	From June 1, 2018, the target corridor band is determined between 150 bps below/above the policy rate, that is, the one-week repo rate.
Other	Yes.	From June 1, 2018, the CB overnight borrowing and lending rates are determined at 150 bps below/above the one-week repo rate (the policy rate) and the CB borrowing rate for Late Liquidity Window operations is 0%. On October 22, 2020, the CBRT set the margin between the CB Late Liquidity Window lending rate and overnight lending rate at 300 bps.
Accountability	Yes.	
Open letter	Yes.	If the end-year inflation outcome breaches the upper or lower end of the uncertainty band, the CBRT is required by law to send a letter to the government to explain the reasons behind why the target was missed. The uncertainty band, which is an element of the CBRT's

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		accountability, has been set at 2 pps in both directions around the inflation target. At the end of each quarter, if there is a deviation from the inflation target by more than 2 pps, the CBRT will disclose via Inflation Reports the reasons for deviation and the measures that have been already taken or to be taken to achieve the target. If realized inflation falls outside the uncertainty band at the end of the year, the CBRT will submit an "Open Letter" to the Government.
Parliamentary hearings	Yes.	Two presentations are made by the governor to the Council of Ministers. Two presentations are made by the governor to the parliament's Plan and Budget Committee.
Other	No.	
Transparency	Yes.	
Publication of votes	No.	No information is published on the number of votes.
Publication of minutes	Yes.	The CBRT used to hold policy meetings each month and publicly announce the minutes on a monthly basis. Then starting from 2017, the number of policy meetings has been reduced to 8, and the minutes will be announced within a week following the policy meeting date. In 2020, the MPC began to hold 12 meetings at each year on a preannounced timetable. The monetary policy decision and a brief statement explaining its rationale are announced, together with its English translation, on the CBRT website at 2 p.m. immediately after the meeting. The summary of the MPC meeting that contains detailed assessments of the MPC will be released on the CBRT website within five working days following the meeting.
Publication of inflation forecasts	Yes.	The CBRT announces the inflation forecasts through quarterly inflation reports.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely set their exchange rates and commissions in transactions with their clients. Banks are allowed to freely trade all foreign currencies by the amendment of Decree No. 32 on the Protection of the Value of Turkish Currency.
Spot exchange market	Yes.	Banks, the General Directorate of Post and Telegraph Organization Branches (PTT), and exchange offices (authorized institutions) are authorized to deal in foreign exchange with the public in the spot market. The Ministry of Treasury and Finance grants licenses to the foreign exchange bureaus. As of December 31, 2022, there were 730 exchange offices operating in Türkiye with 136 branches. Banks are legally authorized to perform foreign exchange transactions. As of December 31, 2022, there were 47 banks and 6 participation (The term "Islamic banks" is replaced with the term "participation banks" in accordance with the definition stated in Banking Law No. 5411) banks operating in the foreign exchange market.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	To support the foreign exchange liquidity, the transaction limits of the banks in the CBRT Foreign Exchange and Banknotes Markets were increased by approximately 130% to US$50 billion (as calculated by current EURUSD parity) on September 1, 2015. The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 2.5% to 2.75% effective March 21, 2022; to 3.25% effective May 5, 2022; to 4% effective June 16,

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2022; to 4.75% effective July 28, 2022; to 5.50% effective September 22, 2022; to 6.25% effective November 3, 2022; to 6.75% effective December 15, 2022; to 7% effective February 2, 2023; to 7.25% effective March 23, 2023; to 7.5% effective May 4, 2023; and to 7.75% effective July 31, 2023; and the selling rate for foreign exchange deposits for USD at one-month maturity was increased from 3.25% to 3.5% effective March 21, 2022; to 4% on May 5, 2022; to 4.75% on June 16, 2022; to 5.5% on July 28, 2022; to 6.25% on September 22, 2022; to 7% on November 3, 2022; to 7.5% on December 15, 2022; to 7.75% on February 2, 2023; to 8% on March 23, 2023; to 8.25% on May 4, 2023; and to 8.5% on July 31, 2023. The selling rate for foreign exchange deposits for EUR at one-week maturity was increased from 2.00% to 2.50% and at one-month maturity from 3% to 3.50% on July 28, 2022. The selling rate for foreign exchange deposits for EUR at one-week maturity was increased from 5.75% to 6% and at one-month maturity from 6.25% to 6.5% on September 22, 2023. When deemed necessary, without any need for a press release, these rates, the rates applied to banks' borrowings of the USD and EUR from the CB as a last resort facility, may be adjusted in either direction at 9:30 a.m. on business days and will be valid for the same business day. The rates are announced through Anadolu Agency DV006, Reuters CBTJ, and Bloomberg CBT pages.

The CBRT introduced the facility of foreign exchange deposits as collateral at two-day maturity in addition to one-week, two-week, and one-month maturities since February 25, 2020. The buying rate for this facility was set at 5.5% for USD and 4% for EUR, in line with other maturities. The buying rate on collateral foreign exchange deposits for the USD was increased from 0% to 0.25% effective March 21, 2022; to 0.75% effective May 5, 2022; to 1.5% effective June 16, 2022; to 2.25% effective July 28, 2022; to 3% effective September 22, 2022; to 3.75% effective November 3, 2022; to 4.25% effective December 15, 2022; to 4.5% effective January 6, 2023; to 4.75% effective February 2, 2023; to 5% effective March 23, 2023; to 5.25% effective May 4, 2023; and to 5.5% effective July 31, 2023 for two-day, one-week, two-week, and one-month maturities. The buying rate on collateral foreign exchange deposits for the EUR was also increased from 0% to 0.5% for two-day, one-week, two-week, and one-month maturities effective July 28, 2022.
The buying rate on collateral foreign exchange deposits for the EUR was also increased from 3.75% to 4% for two-day, one-week, two-week, and one-month maturities effective September 22, 2023.

Since November 2018, TL currency swap market is available to enhance banks' efficiency in TL and foreign exchange liquidity management. These transactions are conducted at one-week maturities via quotation method with banks, and with one-, three-, and six-month maturities via the traditional (multi-price) auction method since August 2019.

In 2021, the foreign exchange demand of US$6.111 billion of state-owned enterprises was met by the CBRT via direct selling method, and in the first half of 2022, the foreign exchange demand of US$17.972 billion of state-owned enterprises was met by the CBRT via direct selling method.
The CBRT started to purchase of gold domestically produced from ore against TL in 2018 to contribute inclusion of gold savings into

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		the financial system. On August 15, 2018, foreign exchange against gold market and location swap facilities were introduced. The CBRT conducts gold buying and selling transactions against foreign exchange in its spot market and location swap transactions as the banks demand. The commission rate charged over the TL equivalent of gold deposited to a custody center abroad in gold location swap transactions was reduced from 5 per 10,000 to 0 on September 14, 2020. In the same manner, to contribute inclusion of gold savings into the financial system and the liquidity management of banks, a TL Gold Swap Market (for transactions on the buy side) was introduced on May 6, 2019. The CBRT gradually raised the limit for TL Gold Swap Market to 169 tons as of June 30, 2022. In addition, Foreign Exchange Gold Swap Markets (for transactions on both the buy and sell sides) were introduced on October 2, 2019. Initial limit for Foreign Exchange Gold Swap Market was assigned as 100 tons for each (buy/sell) side. For the sell side, limit has been maintained at 100 tons whereas buying limit has risen to 168 tons as of June 30, 2022. The CBRT also started to sell gold against foreign exchange at the BIST Precious Metals and Diamond Market on September 25, 2020, buy gold against TL as of June 11, 2021, and sell gold against TL effective February 28, 2022.
Allocation	No.	
Auction	Yes.	The CBRT may intervene directly or through flexible auctions in the market, in case of unhealthy price formations because of speculative behavior stemming from a loss in market depth. The CBRT has issued the following auction guidelines for Foreign Exchange Buying–Selling Auctions against TL: (1) Only banks authorized to operate in Foreign Exchange and Banknotes Markets in the CB may participate in intraday auctions. (2) The number and other details of the auction are announced through Reuters CBTQ, Bloomberg CBT/Foreign Exchange Auctions, and Anadolu Agency DV007 pages. Following the announcement of the auction, banks may submit their offers within 15 minutes. (3) Offers may be sent via the CBRT Payment Systems Auction System (IhS). (4) Auctions are held under the multiple price method. (5) The results of the auctions are announced through Reuters CBTQ, Bloomberg CBT/Foreign Exchange Auctions, and Anadolu Agency DV007 pages within 15 minutes of the deadline for submission of the offers. (6) The minimum offer amount is US$1 million and larger amounts in multiples thereof. (7) The maximum bid amount for each bank is limited to 10% of the total auction amount. (8) Banks may not change their offer amounts and/or prices during the auction. (9) The full amount of offers received is met up to the auction amount. (10) If there is more than one offer at the price at which the auction is finalized, the distribution is made on pro-rata basis. (11) Banks that do not fulfill their obligations arising from the auctions are subject to the sanctions specified in the Implementation Instructions of the Foreign Exchange and Banknotes Markets. On December 1, 2021, December 3, 2021, December 10, 2021, December 13, 2021, and December 17, 2021, the CBRT directly intervened in the market via selling transactions because of unhealthy price formations. Since December 2014, the CBRT continues to supply foreign exchange to energy state-owned enterprises. Foreign exchange is provided directly by selling from CBRT currency rate; there is no

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		auction. With the aim of enhancing flexibility and instrument diversity of the TL and foreign exchange liquidity management within the current monetary and exchange rate policy framework, the CBRT held foreign exchange deposits against TL deposit auctions between January 18, 2017, and March 22, 2019, and conducted TL-settled forward foreign exchange sale auctions between November 20, 2017, and December 31, 2018, and then between December 29, 2021, and February 15, 2022, to help exporting and importing companies to manage exchange rate risk, TL-settled foreign exchange forward sales were carried out at the CBRT via auctions with maturities of 1 month and 3 months. Moreover, the CBRT continues to conduct TL-settled forward foreign exchange transactions which were started on August 31, 2018, at the Derivatives Market (VIOP) operating under BIST, with the aim of contributing to the effective functioning of foreign exchange. On the contrary, TL deposits against foreign exchange deposits auctions were ended on March 22, 2019.
Fixing	No.	
Interbank market	Yes.	Banks may carry out foreign exchange transactions according to Decree No. 32 and the Banking Law. There are no limitations on foreign exchange transactions among banks. The main participants in the foreign exchange market are banks and exchange offices. As of December 31, 2022, there were 52 banks (including two banks under management of the Savings Deposit Insurance Fund (SDIF) and six branches of foreign banks) and 730 exchange offices in the foreign exchange market. Regulations on foreign exchange transactions are issued by the Ministry of Treasury and Finance.
Over the counter	Yes.	There is a functioning OTC foreign exchange market in which banks may engage in foreign exchange transactions.
Brokerage	Yes.	The foreign exchange market usually operates on the basis of an electronic broker system such as Reuters or some other brokers. Banks also provide foreign exchange quotes via Reuters page IYIX directly and update them throughout the day. The pricing is continuous in the market, with quotes given from 9:00 a.m. to 6:00 p.m. throughout the day on Reuters page IYIX or by brokers. After the domestic market closes, quotes continue to be provided by brokers in the international markets.
Market making	No.	
Forward exchange market	Yes.	Banks may carry out forward transactions according to Decree No. 32 on the Protection of the Value of Turkish Currency. From September 20, 2018, banks which are authorized in accordance with BIST regulations and the CBRT may trade on BIST Swap Market. In the market, swap transactions are carried out aiming the exchange of TL and US dollar, TL and euro currencies with each other in the determined conditions. Orders are placed only on House accounts. Takasbank provides central counterparty service for the Market and guarantees the settlement termination by acting as buyer to the seller and seller to the buyer for any transaction executed between December 2021 and February 2022, to help exporting and importing companies to manage exchange rate risk, TL-settled foreign exchange forward sales were carried out at the CBRT via auctions with maturities of 1 month and 3 months. Depending on market conditions, CBRT continues to conduct the TL-settled foreign exchange futures transactions at the Derivatives

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		Market (VIOP) operating under the BIST. Between December 29, 2021 and February 15, 2022, to help exporting and importing companies' exchange risk management. TL-settled foreign exchange forward sales were carried out at the CBRT via auctions with maturities 1 month and 3 months. Effective April 14, 2022, CBRT started to conduct Turkish Lira-Settled Foreign Exchange Forward Selling transactions, and these transactions continued until July 14, 2023.
Official cover of forward operations	Yes.	The CBRT may carry out swap, forward, and derivatives transactions with respect to its reserve position in light of the exchange rate policy.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Residents may conduct foreign exchange transactions and execute contracts among themselves in foreign currency as stated and permitted under exchange legislation.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	Outstanding balances of an agreement with Poland are being settled in accordance with the terms of that agreement.
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The Ministry of Treasury and Finance and the CBRT administer exchange controls.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	No.	Standard unwrought precious metals produced by the Mint, refineries authorized by the Ministry of Treasury and Finance of Türkiye, and foreign refineries included in the Refineries List published by BIST may be traded domestically. On the other hand, printed precious metals produced by the Mint and refineries authorized by the Ministry of Treasury and Finance of Türkiye may be traded in

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		Türkiye. Standard unwrought precious metals and printed precious metals may be bought and sold by refineries, intermediary institutions dealing in precious metals that are members of the BIST(those intermediary institutions have to obtain a license from Ministry of Treasury and Finance of Türkiye) and jewelry enterprises authorized by the Ministry of Trade of Türkiye. Nonstandard unwrought precious metals may be sold to juridical entities freely; however, they cannot be sold to natural persons residing in Türkiye other than jewelry businesses authorized by the Ministry of Trade of Türkiye. Buying and selling of wrought precious metals and stones or articles containing them, except printed precious metals, may be conducted freely.
On external trade	Yes.	In accordance with the Foreign Trade Regime, exports of precious metals and stones or articles containing them may be conducted freely. Imports and exports of standard and nonstandard unwrought precious metals must be declared to the customs administration and are not subject to the provisions of the Imports and Exports Regime, Decrees and Regulations. Import of nonstandard unprocessed precious metals is free within the scope of the Inward Processing Regime Decree (IPRD). Nonstandard unprocessed precious metals except from the ones in IPRD and standard unprocessed precious metals (gold, silver, platinum, and palladium) may be imported by only the CBRT and intermediary institutions dealing in precious metals that are members of the BIST (the companies who want to import standard unwrought precious metals have to obtain a license from the Ministry of Treasury and Finance of Türkiye) without being subject to the provisions of the Foreign Trade Regime, but the latter must surrender the gold to the BIST within three days. But imports of BIST members which are within the scope of IPRD are not delivered to BIST. A written notice is sufficient. Selling operations of gold imported by BIST members must initially take place in the BIST. Banks may open gold deposit accounts for natural and juridical entities in Türkiye and abroad. However, the gold must be delivered to banks by account holders or transferred through bank accounts in Türkiye or abroad or sold by banks to open gold deposit accounts. Banks may trade in precious metals according to Article 4/h of the Banking Law. Within the framework of the foreign exchange regulations, banks may extend gold credits to customers. The buying and selling prices of gold are freely determined by banks. Intermediary institutions dealing in precious metals may obtain gold credits from abroad on their own behalf and/or on behalf of their customers. However, unprocessed gold obtained and brought into Türkiye as a credit must be transferred to the BIST within three days. Travelers may import and export ornamental articles of precious metals and stones valued at not more than the equivalent of US$15,000. Articles exceeding this value may be exported only if they were declared on arrival or with proof that they were purchased in Türkiye.
Controls on exports and imports of banknotes	Yes.	According to the provision of Article 16 of the Law No. 5549 on Prevention of Laundering Proceeds of Crime (Official Gazette No. 26323 of October 18, 2006), travelers making a physical cross-border transportation of Turkish currency, foreign currency, or payment instruments, must disclose them fully and accurately on the request of Customs Administration. In case no explanations are made or are false or a misleading explanation is made on the request by the authorities, values carried along by the travelers must be sequestrated by the Customs Administration. The Customs Administration must impose an administrative fine equal to one-tenth of the amount

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		carried along on travelers who do not make a disclosure and one-tenth of the difference between the value carried along and the value disclosed on travelers who make a false disclosure about the amount. Besides, the case must be considered as suspicious and must be conveyed to MASAK (Mali Suçları Araştırma Kurulu—the Financial Crimes Investigation Board) and other related authorities. The provisions of this paragraph may not apply to the differences up to TRY 1,500. (According to Article 28 of the Law No. 5549 on Prevention of Laundering Proceeds of Crime, fixed amounts, which is stated in the Articles 13 and 16 of this Law, are applied at the beginning of each year by increasing the rate of revaluation determined in accordance with the Tax Procedure Law No. 213 of April 1, 1961, for the previous year. The amounts up to ten new TLs are not considered in the calculations. According to calculations, the amount for 2022 is TRY 8,000.) Besides, the Ministry of Trade issued a Circular No. 2016/1 about the implementation. Accordingly, passengers entering or leaving Türkiye are obliged to disclose their cash that they are carrying with them when they are officially invited to disclose.
On exports	Yes.	
Domestic currency	Yes.	According to Decree No. 32 on the Protection of the Value of Turkish Currency (as amended), the threshold for a person to take out Turkish currency abroad is TRY 25,000; Communiqué No. 2008-32/34 attached to the Decree No. 32 Regarding the Protection of the Value of Turkish Currency, published in Official Gazette No. 29578 of December 30, 2015, was amended to set principles for taking out Turkish currency and foreign currency banknotes as follows: taking out Turkish currency and payment instruments denominated in Turkish currency greater than TRY 25,000, accompanied by a traveler must be declared to customs authorities with cash declaration form issued by the Trade Ministry. The obligation to declare is not fulfilled if the traveler makes no declaration or if the information provided is incorrect or misleading. In the event of failure to comply with the declaration obligation, cash must be sequestrated and the matter reported to MASAK, the MASAK as suspicious case. Also, it must be reported to the public prosecution office to impose a fine for failure to comply with the declaration obligation. Besides, the Ministry of Trade issued a Circular No. 2016/1 about the implementation. Accordingly, passengers entering or leaving Türkiye are obliged to disclose their cash that they are carrying with them when they are also officially invited to disclose.
Foreign currency	Yes.	According to Decree No. 32 on the Protection of the Value of Turkish Currency (as amended), the threshold for a person to take out foreign currency banknotes abroad without any obligations is €10,000 or its equivalent. Decree No. 32 on the Protection of the Value of Turkish Currency, published in Official Gazette No. 29578 of June 11, 2015, was amended to authorize the ministry to set principles for taking out foreign currency banknotes greater than €10,000 or its equivalent. According to Communiqué No. 2008-32/34 attached to the Decree No. 32 Regarding the Protection of the Value of Turkish Currency, published in Official Gazette No. 29578 of December 30, 2015, for taking out foreign exchange greater than €10,000 or its equivalent accompanied by a traveler must be declared to customs authorities with cash declaration form issued by the Trade Ministry. The obligation to declare is not fulfilled if the traveler makes no declaration or the information provided is incorrect or misleading. In the event of failure to comply with the declaration obligation, cash

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		must be sequestrated and the matter reported to MASAK, MASAK as suspicious case. Also, it must be reported to the public prosecution office to impose a fine for failure to comply with the declaration obligation. Besides, the Ministry of Trade issued a Circular No. 2016/1 about the implementation. Accordingly, passengers entering or leaving Türkiye are obliged to disclose their cash that they are carrying with them when they are officially invited to disclose.
On imports	No.	According to the provision of Article 16 of the Law No. 5549 on Prevention of Laundering Proceeds of Crime (Official Gazette No. 26323 of October 18, 2006), travelers making a physical cross-border transportation of Turkish currency, foreign currency, or payment by them, must disclose them fully and accurately on the request of Customs Administration. In case no explanations are made or false or misleading explanation is made on the request by the authorities, values carried along by the travelers must be sequestrated by the Customs Administration. The Customs Administration must impose an administrative fine equal to one-tenth of the amount carried along on travelers who do not make a disclosure and one-tenth of the difference between the value carried along and the value disclosed on travelers who make a false disclosure about the amount. Besides, the case must be considered as suspicious and must be conveyed to MASAK and other related authorities. The provisions of this paragraph may not apply to the differences up to TRY 1,500. (According to Article 28 of the Law No. 5549 on Prevention of Laundering Proceeds of Crime, fixed amounts, which is stated in Articles 13 and 16 of this Law, are applied at the beginning of each year by increasing the rate of revaluation determined in accordance with the Tax Procedure Law No. 213 of April 1, 1961, for the previous year. The amounts up to ten new TLs are not considered in the calculations. According to calculations, the amount for 2022 is TRY 8,000.) Besides, the Ministry of Trade issued a Circular No. 2016/1 about the implementation. Accordingly, passengers entering or leaving Türkiye are also obliged to disclose their cash that they are carrying with them when they are officially invited to disclose.
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	The CBRT and banks may open foreign exchange accounts on behalf of residents. Account holders may freely use such accounts. In addition to banks, payment and electronic money institutions can also open foreign exchange accounts on behalf of residents, as long as it will be used for cross border payment transactions. (the restrictions regarding the foreign exchange accounts that can be held at payment and electronic money institutions are stated in the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers).
Approval required	No.	
Held abroad	Yes.	There are no restrictions with regard to deposits abroad, except when these assets are to form part of the cover of the technical reserves of an insurance company. Insurance, reinsurance, and pension companies may invest their technical reserves in financial institutions established in OECD countries to cover risk held outside Türkiye.

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Approval required	No.	
Accounts in domestic currency held abroad	Yes.	There are no restrictions with regard to deposits abroad, except for those that cover technical reserves of an insurance company. Insurance, reinsurance, and pension companies may invest their technical reserves in financial institutions established in OECD countries to cover risk held outside Türkiye.
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	The CBRT and banks may open foreign exchange accounts on behalf of nonresidents. Account holders may freely use such accounts. In addition to banks, payment and electronic money institutions can also open foreign exchange accounts on behalf of nonresidents.
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports of certain items are restricted or prohibited for environmental, security, health, or public morality reasons or in accordance with international obligations. These items include certain carcinogenic dyes, chemicals used in the production of chemical weapons or other arms and ammunition, counterfeit labels, gambling instruments, narcotics, and ozone-depleting substances. Import licenses, which are issued by the relevant authorities, are

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		required for a limited group of items, including some machinery, motor vehicles, and chemicals, and a number of items related to civil aircraft. Imports of old, used, renovated, faulty, or obsolete goods are subject to permission from the Ministry of Trade.
Open general licenses	No.	
Licenses with quotas	Yes.	With the expiration of the WTO Agreement on Textiles and Clothing, quotas on textiles and clothing under that agreement, and those implemented to harmonize Türkiye's import policy with that of the EU, were abolished.
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Türkiye applies the EU's GSP (except for some countries, such as India, Vietnam, and Indonesia and GSP+) with the GSP rates indicated in List II and List III of the Import Regime. In this context, preferences are granted for all industrial products and industrial components of processed agricultural products covered by the EU's GSP program. Least developed countries have duty- and quota-free access to the Turkish market for all industrial products under Chapters 25–97 (except Chapter 93) and for processed agricultural products in terms of industrial components covered by the customs union between Türkiye and the EU. In accordance with the EU's GSP program, for developing economies, duties have been suspended or reduced in accordance with the sensitivity of the product. Beneficiary countries are announced annually in annexes to the import regime decree. The simple average tariff rates that apply to imports of (1) industrial products are 4.2% and (2) agricultural products listed in Annex 1 of the Import Regime are 58%. Türkiye also provides additional market access possibilities to countries with which it has preferential agreements. Duty rates that are lower than MFN rates are applied for industrial and certain agricultural products originating in these countries. From December 31, 2017, India, Indonesia, and Vietnam were excluded from GSP of Türkiye. Changes taken in response to COVID-19 pandemic: The additional customs duty (ACD) on respirators was eliminated. The customs duty applied on the import of ethyl alcohol was removed for use in the production of cologne and disinfectant. The customs duty applied on the import of ethyl alcohol was restored for use in the production of cologne and disinfectant. The ACD on the import of "Disposable medical masks (for one-time use)" was removed and this regulation is still in effect. For industrialists producing baker's yeast, the customs duty currently applied is 31.5% on molasses imports. Decrease in import tariffs of some cold rolled stainless steel (from 12% to 8%). Elimination of ACDs for 520 products (ex duty rates between 1.9% and 25%) (product groups: metal items/tools, items of iron and steel products, construction materials, construction machinery, automotive spare parts, and consumption items). Elimination of ACDs of bottles (colored glass) (from 25% to 0%). Implementation of ACDs for electrical cars (from 0% to 10%). The customs duties were restored to their pre-pandemic levels, which are 15% on paddy for seed and 34% for other paddies and rice. Effective January 1, 2023, the duties on wheat, barley, and corn

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		imports were restored at their pre-pandemic levels, respectively, at 45%, 35%, and 25% (customs duties for these goods were 0% until December 31, 2022). Effective January 1, 2023, the customs duty on red lentil imports was increased again to 19.3% from 9% (customs duties for lentils were 0% until December 31, 2022). Effective June 30, 2022, application of 0% level customs duties on sunflower and safflower seeds, canola seeds and crude oils (sunflower, safflower, canola, soy, and corn oils), and crude and refined palm oils import was extended until December 31, 2022. Effective January 1, 2023, the customs duties on sunflower and safflower seeds, canola seeds and crude oils (sunflower, safflower, canola, soy, and corn oils), and crude and refined palm oils were restored to their pre-pandemic levels, which are 0%, 36%, 67.5%, 19.5%, and 31.2%, respectively. The ACD on the import of "motorcycles and bicycles and some of their parts" was restored to its pre-pandemic levels. The ACD on the import of "some parts of engines, golf cars, baby carriages and parts, some other vehicles, other floating structures (for example, rafts, tanks, coffer-dams, landing stages, buoys, and beacons)" has been applied. The ACD on the import of "special-purpose motor vehicles, some parts of motorcycles, semi-trailers" has been applied. The ACD on the import of "safety seat belts, other trailers and semi-trailers, vehicles drawn by animals and parts" has been applied.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	The CBRT is the sole importer of special types of paper used for printing banknotes and similar valuable papers, treasury bills, and securities issued by the Privatization Administration.

Exports and Export Proceeds

Repatriation requirements	Yes.	According to the Communiqué No. 2018-32/48 Regarding the Decree No. 32 on Protection of the Value of Turkish Currency, export proceeds relating to export transactions carried out by residents in Türkiye must be transferred or brought to the intermediary bank directly and without delay following the importer's payment. The period of bringing export proceeds to country cannot exceed except several exceptions 180 days from the date of actual export.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Effective January 3, 2022, the requirement of selling to CBRT at least 25% of the export proceeds was put into effect. Effective April 15, 2022, the requirement to sell export proceeds has increased to 40%. Effective April 2022, although it is not mandatory, if the foreign currency obtained from foreign exchange earning services/operations is brought to the country and sold to a bank, the full equivalent of these foreign currencies is paid to the seller in Turkish currency and at least 40% of the amount is sold to the Central Bank (CBRT) by the bank.

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Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	Preshipment inspections are carried out only if requested by the importing country.
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	All goods, other than those whose exportation is prohibited by law, decrees, or international agreements, may be exported freely within the framework of the Export Regime Decree. However, within the framework of WTO rules, restrictions and prohibitions on exports may be imposed in case of market turmoil; scarcity of the goods to be exported; concerns about public safety, morals, or health; or environmental concerns. (Restricted goods include several varieties of flora and fauna.) Exports of articles of artistic, historical, or archeological value are also restricted.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Hazelnuts and raw skins are subject to export taxes levied as deductions payable to the Support and Price Stabilization Fund, at a rate equivalent to US$0.08 and US$0.04 a kilogram for shelled and in-shell hazelnuts, respectively, and US$0.50 a kilogram for raw skins.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	

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Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Credit cards may be used on a revolving basis up to the equivalent of US$50,000. Balances exceeding this limit must be settled within 30 days.
Indicative limits/bona fide test	Yes.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market	Yes.	According to Decree No. 32 on the Protection of the Value of

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instruments		Turkish Currency, purchases and sales of domestic securities and other instruments by nonresidents and of foreign securities by residents are free of restrictions. However, securities transactions must be carried out through banks and intermediary institutions authorized under the capital markets legislation, and all related transfers must be carried out through banks (including participation banks). Securities and derivative instruments issued or offered to the public by resident legal persons other than public institutions may be freely sold abroad if the prospectus or issue documents are approved by the Capital Markets Board (CMB). According to Communiqué No. III-37.1 on Principles Regarding Investment Services, Investment Activities, and Ancillary Services, investment services and activities obtained by persons residing in Türkiye, including from investment firms on their own initiative and from financial institutions abroad, accounts opened at such institutions, cash and other assets transferred to such accounts, and transactions in these accounts are beyond the scope of this Communiqué, provided activities such as promotion, advertisement, and marketing are not intended for persons residing in Türkiye. CMB Communiqué on the Foreign Capital Market Instruments, Depository Receipts, and Foreign Investment Funds (VII-128.4) was amended in 2015 to provide some exemptions for the sale of capital market instruments other than those giving shareholder rights by foreign issuers of which the Ministry of Treasury and Finance or CB is a member/shareholder or for listing on the Turkish stock exchange of these types of instruments already issued abroad.
On capital market securities	Yes.	Securities transactions must be carried out through banks and intermediary institutions authorized under the capital markets legislation. Istanbul Clearing, Settlement and Custody Bank Inc. (Takasbank) is authorized to provide cash and securities settlement transactions as the central clearing and settlement institution to BIST equities, debt securities, foreign securities, derivatives, and precious metals markets. Securities delivery/receipt as well as cash obligations of BIST members arising from the buy–sell transactions in the related markets are executed via Takasbank. Additionally, rights related to dematerialized capital market instruments are monitored by the Central Registry Agency. Central Registry Agency is the central securities depository for capital market instruments which are decided by CMB to be dematerialized.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	Purchases of domestic securities and other instruments by nonresidents are free of restrictions, except for investments in (1) mining, except through a company established in Türkiye; (2) exploration and exploitation of petroleum by enterprises controlled or owned by foreign countries, unless authorization is granted; (3) radio and television broadcasting, whose foreign partner share may not exceed 50%. Further, Law No. 6112 on the Establishment of Radio and Television Enterprises and Their Media Services Article 19f reads as follows: “A foreign real or legal person can directly become a partner of maximum two media service providers. If foreign real or legal persons hold shares in companies that are shareholders of media service providers and become an indirect partner of the broadcasters, the chair, the deputy chair and the majority of the Board of Executives and the general director of the broadcasting enterprises have to be the citizens of Republic of Türkiye, and the majority of the votes in the general assemblies of broadcasting enterprises should belong to real or legal persons having Turkish citizenship. In main contracts of such corporations, the arrangements

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		ensuring these provisions must be stated clearly"; (4) the accounting sector; (5) transportation, in accordance with cabotage rights; and (6) electricity, in the scope of privatization activities; foreign individuals and legal entities may not have a controlling market share in electricity generation, transmission, and distribution. Securities transactions must be carried out through banks and intermediary institutions authorized under the capital markets legislation, and all related transfers must be carried out through banks.
Sale or issue locally by nonresidents	Yes.	Foreign capital markets instruments and related terms are defined in the CMB Communiqué on the Foreign Capital Market Instruments, Depository Receipts and Foreign Investment Funds (VII-128.4) as follows: "Foreign capital market instruments" refers to securities issued by foreign corporations or foreign states and local administrations, except for foreign investment fund units, as further defined in subparagraph (ş) of first paragraph of Article 3 of the Capital Market Law (No. 6362); a "Foreign corporation" refers to a corporation or, an establishment issuing capital market instruments according to laws of the relevant country, out of persons resident abroad, as defined in the Governmental Decree on Protection of Value of Turkish Currency No. 32 and "Foreign investment fund units" refer to securities which are issued by a foreign investment fund classified as a collective investment scheme founded abroad, and are considered as other capital market instruments. The issuance, public offering, private placement, and sale of foreign capital market instruments, fund units, and depository receipts by nonresidents are subject to the provisions of the capital markets legislation. Under Capital Markets Law No. 6362, nonresident and resident issuers must submit the prospectus to the CMB for approval before a public offering. The principles regarding public offering, private placement, sales to qualified investors, and sales must conform to the provisions of the relevant Communiqué appropriate for the nature of the relevant capital market instrument, unless specified otherwise by the regulations of the CMB. Under the CMB Communiqué on the Foreign Capital Market Instruments, Depository Receipts, and Foreign Investment Funds, issuers must apply to the CMB for approval of prospectus or issue documents prepared for foreign capital market instruments and depository receipts for the following transactions: (1) public offerings of foreign capital market instruments and depository receipts; (2) sales of foreign capital market instruments and depository receipts through private placement and/or to qualified investors; (3) shares issued by foreign corporations whose shares are traded on the stock exchange through capital contributions and capital contributions to be paid from equities. Further, the Communiqué (1) establishes the requirements for public disclosure, auditing, and independent auditing reports of foreign corporations in line with the Capital Market Law and related subregulations; (2) establishes a new tool of public disclosure called the Investor Information Document that replaces the circular to inform investors; (3) sets the minimum requirement for NAV of the fund at €10 million or the equivalent in other currencies and stipulates that they must have been traded for at least three years; (4) indicates that controversy among representative and foreign fund units may be solved through arbitration; and (5) requires that foreign investment fund units sold in Türkiye be recorded collectively or individually by rightful owners in accounts opened in the name of the fund representative in the organization of registry where ownership records are kept abroad. In addition, foreign investment fund units must be registered electronically but separately for rightful owners in a subaccount of the fund representative in the Central Registry Agency. Foreign capital market instruments offered to the public

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		must comply with the following: (1) They must not have been rejected for trading on an exchange of the country of issue by the exchange or capital market authority for protection of investors or on similar grounds. (2) The foreign capital market instruments must have been drawn up in liras or foreign currency whose daily exchange rates are announced by the CBRT. (3) Foreign debt instruments must have received an investment rating for long-term demand according to the rating scale of the rating agency of the issuing corporation. This rating must be received one year before application to the CMB. (4) In case of public offering of foreign capital market instruments, foreign companies must appoint a representative agent whose qualifications and obligations are set by Communiqué No. VII-128.4. (5) The financial reports to be drawn up by foreign corporations (financial statements, annual report of the board of directors, statement of responsibility reports) and their preparation must comply with the accounting standards accepted in CMB regulations for corporations whose shares are traded on the stock exchange or, if deemed appropriate by the CMB, with internationally accepted accounting standards. (6) Foreign corporations are subject to the same principles as corporations whose shares are traded on the stock exchange, in terms of independent audit obligations of financial statements. The independent auditing of financial tables must be conducted by an independent auditing firm included on the list of authorized independent auditing firms of the CMB or an international independent auditing firm to which these firms belong, in compliance with internationally accepted independent auditing standards. (7) Foreign corporations must fulfill all obligations concerning public disclosure to which similar corporations in Türkiye are subject.
Purchase abroad by residents	Yes.	There are no restrictions with regard to assets, except when these assets are to form part of the cover of the technical reserves of an insurance company. Insurance, reinsurance, and pension companies may invest their technical reserves in securities issued by residents of OECD countries to cover their risk held outside Türkiye. Securities transactions must be carried out through banks and intermediary institutions authorized under the capital markets legislation, and all related transfers must be carried out through banks (including participation banks).
Sale or issue abroad by residents	Yes.	The sale, issuance, and public offering of capital market instruments abroad by resident legal entities, except public institutions and establishments, are not restricted, provided the document regarding the issue is submitted to and approved by the CMB, pursuant to the capital markets legislation. The Capital Markets Law regulates the registration of capital market instruments. Securities transactions must be carried out through banks and intermediary institutions authorized under the capital markets legislation, and all related transfers must be carried out through banks (including participation banks).
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	Nonresidents (including investment companies and investment funds abroad) may purchase all kinds of securities and other capital market instruments through banks and intermediary institutions that are authorized under the capital market legislation.
Sale or issue locally by nonresidents	Yes.	Foreign capital markets instruments and related terms are defined in the CMB Communiqué on the Foreign Capital Market Instruments, Depository Receipts, and Foreign Investment Funds (VII-128.4) as follows: “Foreign capital market instruments” refer to securities issued by foreign corporations or foreign states and local

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		administrations, except for foreign investment fund units, as further defined in subparagraph (ş) of the first paragraph of Article 3 of the Capital Market Law (6362); a "Foreign corporation" refers to a corporation or, an establishment issuing capital market instruments according to laws of the relevant country, from persons resident abroad, as defined in the Governmental Decree on Protection of Value of Turkish Currency No. 32, and "Foreign investment fund units" refer to securities issued by a foreign investment fund classified as a collective investment scheme founded abroad, and are considered as other capital market instruments. The issuance, public offering, private placement, and sale of foreign capital market instruments and depository receipts by nonresidents are subject to the provisions of the capital markets legislation. Nonresident and resident issuers must apply to the CMB for the approval of the prospectus before public offering. The principles regarding public offering, private placement, sales to qualified investors, and sales must be carried out within the framework of the provisions of the Communiqué appropriate for the nature of the capital market instrument, unless specified otherwise by the regulations of the CMB. In accordance with the CMB Communiqué on Foreign Capital Market Instruments, Depository Receipts, and Foreign Investment Funds (VII-128.4), issuers must apply to the CMB for approval of the prospectus or issuance document of the following foreign capital market instruments and depository receipts: (1) public offerings of foreign capital market instruments and depository receipts, (2) sales of foreign capital market instruments and depository receipts through private placement and/or to qualified investors, and (3) shares issued by foreign corporations whose shares are traded on the stock exchange through capital contributions and capital contributions to be paid from equities. Foreign capital market instruments offered to the public in Türkiye (1) must not have been rejected for trading on the exchange of the country of issue by the exchange or capital market authority on protection of investors and on similar grounds; (2) must have been drawn up in liras or foreign currencies whose daily exchange rates are announced by the CBRT; (3) must have received an investment rating for long-term demand according to the rating scale of the rating agency of the issuing partnership; this rating must be received one year before application to the CMB; (4) in case of public offering of foreign capital market instruments, foreign companies must appoint a representative agent whose qualifications and obligations are set by Communiqué No. VII-128.4; (5) must have financial reports drawn up by foreign corporations (financial statements, annual report of board of directors, statement of responsibility reports) prepared in compliance with the accounting standards accepted in CMB regulations for corporations whose shares are traded on the stock exchange or, if deemed appropriate by the CMB, with internationally accepted accounting standards; (6) are subject to the same principles as corporations whose shares are traded on the stock exchange, in terms of independent audit obligations of financial statements; independent auditing of financial tables must be conducted by the independent auditing firms listed by the CMB or the international independent auditing firms of which they are members, in compliance with internationally accepted independent auditing standards; and (7) must fulfill all obligations concerning public disclosure to which similar corporations residing in Türkiye are subject.
Purchase abroad by residents	Yes.	There are no restrictions with regard to assets, except when these assets are to form part of the cover of the technical reserves of an insurance company. Insurance, reinsurance, and pension companies

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		may invest their technical reserves in securities issued by residents of OECD countries to cover risk held outside Türkiye. These assets are also held as collateral, provided they are at Takasbank (Istanbul Settlement and Custody Bank Inc.). Securities transactions must be carried out through banks and intermediary institutions authorized under the capital markets legislation, and all related transfers must be carried out through banks (including participation banks).
Sale or issue abroad by residents	Yes.	The sale, issuance, and public offering of capital market instruments abroad by resident legal entities, except public institutions and establishments, are not restricted, provided the document regarding the issue is approved by the CMB, pursuant to the capital markets legislation. The Capital Markets Law regulates the registration of capital market instruments. In addition to the regulations governing shares or other securities of a participating nature, issuers are required to submit the issue document regarding the issued capital market instrument to be approved by the CMB pursuant to the Communiqué Prospectus and Issue Document (II-5.1).
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	Purchases of domestic securities and other instruments by nonresidents are free of restrictions. However, securities transactions must be carried out through banks and intermediary institutions authorized under the capital markets legislation, and all related transfers must be carried out through banks (including participation banks).
Sale or issue locally by nonresidents	Yes.	Controls apply to the issuance and public sale of money market securities, except for securities that are not regulated under the current legislation on capital markets, such as CDs and bankers' acceptances. Commercial paper, bank bills, and bank-guaranteed bills with a maturity of less than one year are subject to CMB regulations. Nonresidents are required to apply to the CMB for approval of the prospectus and offer these securities to the public according to Communiqué on Foreign Capital Market Instruments Depository Receipts, and Foreign Investment Funds (VII-128.4).
Purchase abroad by residents	Yes.	There are no restrictions with regard to assets, except when these assets are to form part of the cover of the technical reserves of an insurance company. Insurance, reinsurance, and pension companies may invest their technical reserves in securities issued by residents of OECD countries with regard to their risk held outside Türkiye. Securities transactions must be carried out through banks and intermediary institutions authorized under the capital markets legislation, and all related transfers must be carried out through banks (including participation banks).
Sale or issue abroad by residents	Yes.	Commercial paper, bank bills, and bank-guaranteed bills with a maturity of less than one year are subject to the regulations of the CMB. Issuers must apply to the CMB for the approval of the issue document before issuing these securities in a foreign capital market.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Pursuant to Communiqué No. VII-128.4, the sale through active marketing or issuance of these instruments is subject to CMB legislation. Foreign collective investment companies are required to apply to the CMB for approval of fund rules just as domestic collective investment companies must do, before offering their securities to the public. Foreign collective investment companies must have a representative that is a bank or a broadly authorized intermediary institution in Türkiye.

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		Public offerings are made by this representative and/or through banks or intermediary institutions authorized by the representative. Fund representative must apply to the CMB for approval of prospectus.
Purchase abroad by residents	Yes.	There are no restrictions with regard to purchase of assets abroad by residents, except when these assets are to form part of the cover of the technical reserves of an insurance company. Insurance, reinsurance, and pension companies may invest their technical reserves in securities issued by residents of OECD countries with regard to their risk held outside Türkiye. Resident collective investment funds may invest up to 20% of the fund's NAV in foreign exchange-traded funds.
Sale or issue abroad by residents	Yes.	According to Capital Markets Law No. 6362, national collective investment companies must apply to the CMB for approval when issuing or selling securities in Türkiye or abroad.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	Purchases of derivatives and other instruments by nonresidents are free of restrictions. However, securities transactions must be carried out through banks and intermediary institutions authorized under the capital markets legislation, and all related transfers must be carried out through banks (including participation banks).
Sale or issue locally by nonresidents	Yes.	According to Capital Markets Law No. 6362, the performance of investment services and activities as a regular occupation, business, or a professional activity requires permission from the CMB. Investment services and activities may only be performed by investment firms, which are defined as intermediary institutions as well as other capital market institutions established to perform investment services and activities, the establishment and operation principles of which are designated by the CMB, and banks. Sale and issuance of derivatives are regarded as investment service and activity, which require permission of the CMB. The only exception is noncommercial or nonoccupational sale and purchase of derivative instruments by natural or legal persons among themselves without intermediation of an investment firm. According to Communiqué No. III-37.1 on Principles Regarding Investment Services, Investment Activities, and Ancillary Services, investment services and activities obtained by persons residing in Türkiye, including from investment firms on their own initiative and from financial institutions abroad, accounts opened at such institutions, cash and other assets transferred to such accounts, and transactions in these accounts are beyond the scope of this Communiqué, provided activities such as promotion, advertisement, and marketing are not intended for persons residing in Türkiye.
Purchase abroad by residents	Yes.	There are no restrictions with regard to assets abroad, except when these assets are to form part of the cover of the technical reserves of an insurance company. Insurance, reinsurance, and pension companies may invest their technical reserves in financial institutions established in OECD countries to cover their risk held outside Türkiye. There are no controls on derivatives traded abroad whose underlying instruments are the same as those traded in local derivative exchanges. According to Decree No. 32, leveraged transactions and derivative transactions determined to be subject to the same provisions as the former must be conducted by the people resident in Türkiye only through competent institutions authorized by the CMB. Starting March 13, 2017, leveraged transaction of foreign exchange, precious metals, and other assets designated by the CMB must only be conducted by resident through competent institutions authorized by the CMB.

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		Leveraged transactions are defined as “sale and purchase transactions through leverage of the foreign exchange, precious metals, and other assets designated by the CMB, on an electronic platform, in consideration of collateral deposited” in the Communiqué No. III-37.1. Furthermore, Article 99 of the Capital Markets Law states that unauthorized leveraged transaction activities which have been carried out via Internet and directed to persons residing in Türkiye by companies abroad must be banned by blocking off the access to the relevant website by the Information and Communications Technologies Authority on the request of the CMB.
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	Credits extended by nonresidents with a maturity of more than one year that are obtained by the public sector or guaranteed by the Treasury must be registered in the External Financing Information System maintained by the Ministry of Treasury and Finance. All other credits are monitored by the CBRT for statistical purposes.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Restrictions apply only to commodity credits of more than two years for exports of nondurable goods and of more than five years for exports of other goods.
To residents from nonresidents	Yes.	Residents may freely obtain TL credits from abroad, provided they use such credits through banks (including participating banks). With an amendment to Decree No. 32, the authority to determine the maximum maturity period for pre-financing credits is delegated to the Ministry of Treasury and Finance. These credits can be utilized to finance exportation. An amendment on foreign exchange legislation has been put into force from May 2, 2018 (Official Gazette No. 30312 of January 25, 2018). With the new legislation, in general, Turkish residents, who do not have income in foreign currency, cannot take loans in foreign currency domestically or from abroad. The rule will be applied to all Turkish residents apart from those which have some special conditions. For residents that have income in foreign currency who have foreign exchange liabilities less than US$15 million, can borrow in foreign exchange according to a limit which does not exceed the sum of their foreign exchange income of the last three fiscal years.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Banks, financial leasing companies, factoring companies, financing companies resident in Türkiye, and other persons determined by the ministry can extend foreign currency and TL loans to nonresidents. Residents may extend financial credits in foreign exchange and liras to their parent companies, group companies, affiliates, and subsidiaries abroad. There are no restrictions with regard to assets abroad, except when these assets are to form part of the cover of the technical reserves of an insurance company. Insurance, reinsurance, and pension companies may invest their technical reserves in financial institutions established in OECD countries to cover their risk held outside Türkiye.
To residents from nonresidents	Yes.	An amendment on foreign exchange legislation has been put into force from May 2, 2018 (Official Gazette No. 30312 of January 25, 2018). With the new legislation, in general, Turkish residents, who do not have income in foreign currency, cannot take loans in foreign currency domestically or from abroad. The rule will be applied to all Turkish residents apart from those which have some special

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		conditions. For residents that have income in foreign currency who have foreign exchange liabilities less than US$15 million, can borrow in foreign exchange according to a limit which does not exceed the sum of their foreign exchange income of the last three fiscal years.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Controls apply to investment in (1) mining, except through a company established in Türkiye; (2) exploration and exploitation of petroleum by enterprises controlled or owned by foreign countries, unless authorization is granted; (3) radio and television broadcasting, whose foreign partner share may not exceed 50%. Further, Law No. 6112 on the Establishment of Radio and Television Enterprises and Their Media Services Article 19f reads as follows: "A foreign real or legal person can directly become a partner of maximum two media service providers. If foreign real or legal persons hold shares in companies that are shareholders of media service providers and become an indirect partner of the broadcasters, the chair, the deputy chair and the majority of the Board of Executives and the general director of the broadcasting enterprises have to be the citizens of Republic of Türkiye, and the majority of the votes in the general assemblies of broadcasting enterprises should belong to real or legal persons having Turkish citizenship. In main contracts of such corporations, the arrangements ensuring these provisions must be stated clearly"; (4) the accounting, auditing, and bookkeeping services sector; (5) transportation, in accordance with cabotage rights; (6) electricity, in the scope of privatization activities; foreign individuals and legal entities may not have a controlling market share in electricity generation, transmission, and distribution; (7) education; foreign real or legal persons may not set up education institutions unless all students are foreigners. International private education institutions may be set up by real or legal persons on authorization of the Council of Ministers. For tertiary education institutions, the majority in the administrative bodies must be Turkish nationals; (8) aviation; no more than 49% equity participation by foreigners is allowed. Licenses to operate airlines are only granted to locally incorporated companies whose management is under the control of Turkish citizens and the majority of voting shares are owned by Turkish citizens. Airlines, of which the majority of shares are controlled by foreigners, are not permitted to carry passengers from one national airport to another. To obtain ground handling services licenses (A and C Group Licenses), the majority authorized administration and representation of the company must be Turkish. The contract of such a company has to guarantee that the votes of its majority shareholders belong to Turkish nationals; (9) fishing; foreign persons may not obtain a fishing license. Enterprises that are established in Türkiye in conformity with the legislation on FDI are subject to prior authorization and license requirements of the Ministry of Agriculture and Forestry. According to Communiqué No. 2012/66 of August 18, 2012, on Regulation of Fish Hunting, foreign persons cannot operate in tuna fishing by renting Turkish vessels; (10) banking; permission to establish a bank, which has to be

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		founded in the form of a joint-stock company, or to open the first branch of a foreign bank in Türkiye, must be given by the Banking Regulation and Supervision Board; (11) port services; port services are provided under concession agreements; (12) advisory services on foreign and international law by foreign lawyers in the Turkish territory; except for establishment in the form of "foreign attorney partnership (yabancı avukatlık ortaklığı)" and based on reciprocity; (13) health-related services; foreign persons can only establish private hospitals with the permission of the Ministry of Health; (14) pharmaceuticals and medical products; an enterprise, which will produce pharmaceuticals or medical products, has to be managed by a responsible director who must be Turkish National.
Controls on liquidation of direct investment	No.	Proceeds may be transferred abroad freely but must be reported to the CBRT.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	There are no restrictions with regard to assets abroad, except when these assets are to form part of the cover of the technical reserves of an insurance company. Insurance, reinsurance, and pension companies may invest their technical reserves in real estate located in OECD countries to cover their risk held outside Türkiye.
Purchase locally by nonresidents	Yes.	There is no reciprocity requirement in real estate acquisitions of foreign real persons, and the Council of Ministers, in compliance with legal restrictions, bilateral international relations, and national interests, is authorized to determine the countries authorized to acquire real estate in Türkiye. The total area of the real estate acquired by foreign real persons may not exceed 10% of the privately owned land in the town and 30 hectares a person across the country. The Council of Ministers may also authorize an increase of 30 hectares not more than twice. If a foreign real or legal person acquires vacant land, a project must be developed within two years and submitted to the relevant ministry for approval. The project must be monitored by the same ministry. These restrictions for foreign real and legal persons do not apply to the pledge on real estate. In case of national interest, the Council of Ministers may limit, suspend, or prohibit the acquisition of immovable and/or limited rights in rem of foreign real and legal persons in terms of country, person, geographic area, duration, number, ratio, sort, qualification, area, or quantity. In principle, foreign capital companies established in Türkiye may freely acquire and use real estate to conduct business activities listed in the articles of association of their companies. Within this context, companies controlled by foreign investors (the companies in which foreign shareholders own at least 50% of the shares or have the authority to assign or dismiss the majority of the managers), willing to acquire immovable and/or limited rights in rem in Türkiye, must apply to the Provincial Planning and Coordination Directorate (Prefecture Office) at the location of the property by presenting the required documents. Moreover, acquisitions in military zones and special security zones require permission from the Turkish military authorities and province governorships, respectively. These restrictions for foreign capital companies do not apply to the pledge on real estate, liquidation of such pledges, acquisitions of real estate within the context of mergers and divisions of the companies, acquisitions in specific investment areas such as organized industrial zones, technology development zones, or free zones, and acquisitions of banks for the collection of their receivables. However, the banking regulation stipulates liquidation of such properties within a specific time frame.

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		Golden visa scheme is in place with the amendment of the Regulation on the Implementation of the Turkish Citizenship Law such that foreign persons may acquire Turkish citizenship by purchasing real estate of at least US$1 million, which is validated by the Ministry of Environment and Urbanization. Effective July 2022, payments for real estate purchased in Türkiye and payments obligations of real estate sales promise contracts by persons who do not have citizenship ties with the Republic of Türkiye are fulfilled in foreign currency. This foreign currency is sold to a bank before the title deed transactions and by the bank to the Central Bank (CBRT). Payments are made to those concerned in Turkish lira.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	Personal capital in the form of cash may be freely transferred into and out of the country, in accordance with exchange legislation through the banking channel. Inward and outward personal capital transfers in kind may be effected, in accordance with customs and exchange legislation.
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	Banks and financial leasing companies, factoring companies, and financing companies, which are resident in Türkiye, can freely use foreign currency credits from abroad.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Banks, financial leasing companies, factoring companies, financing companies resident in Türkiye, and other persons determined by the ministry operating in Türkiye may extend credit in foreign exchange to nonresidents. Such credit may also be extended in liras.
Lending locally in foreign exchange	Yes.	In an attempt to contain risks associated with resident foreign exchange borrowing, an amendment on foreign exchange legislation has been put into force from May 2, 2018 (Official Gazette No. 30312 of January 25, 2018). With the new legislation, in general,

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		Turkish residents, who do not have income in foreign currency, cannot take loans in foreign currency domestically or from abroad. The rule will be applied to all Turkish residents apart from those which have some special conditions. For residents that have income in foreign currency who have foreign exchange liabilities less than US$15 million, can borrow in foreign exchange according to a limit which does not exceed the sum of their foreign exchange income of the last three fiscal years. With the amendment, most of the exceptions in the former regulation were preserved. However, according to previous regulation, banks could extend foreign exchange credit to residents without considering whether they have foreign currency income or not, if the credit has an average maturity exceeding one year and is in an amount not less than US$5 million. With the new regulation, this exception was removed and the rule of borrowing in foreign currency according to a limit which does not exceed the sum of foreign currency income of last three fiscal years has been put into practice for ensuring the firms borrow prudently and manage their foreign exchange risk efficiently.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Reserve requirements (RR) are used to improve the effectiveness of the monetary transmission mechanism and to support financial stability in Türkiye. Banks (including participation banks) and financing companies must maintain RRs at the CBRT for deposits and other liabilities. Reserve requirement ratios (RRRs) are differentiated by currency, maturity, and type of liabilities. RRRs on foreign exchange liabilities are significantly higher than TL liabilities, especially for short-term liabilities. Effective August 18, 2023 (with the maintenance period starting on September 1, 2023), the RRR for foreign exchange deposit/participation funds with a maturity of up to 1 month has been increased by 400 bps to 29%. Currently, the RRRs for foreign exchange deposits/participation funds are given below: (1) Demand deposits, notice deposits and up to 1 month maturities: 29%. (2) Deposits/participation funds up to 3 months, 6 months and 1-year maturities: 25%. (3) Precious metal deposits/participation funds up to 1-year maturities: 26%. (4) Deposits/participation funds with 1-year or longer maturity: 19%. (5) Precious metal deposits/participation funds with 1-year or longer maturity: 22%. (6) Other liabilities up to one-year maturity (including one year): 21%. (7) Other liabilities up to two-year maturity (including two years): 16%. (8) Other liabilities up to three-year maturity (including three years): 11%. (9) Other liabilities up to five-year maturity (including five years):

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		7%. (10) Other liabilities longer than five-year maturity: 5%. Effective April 29, 2022 (with the maintenance period starting on May 13, 2022), RRRs of financing companies, which were 0% since June 14, 2019, have been set at the same level as banks for TL, while the foreign exchange RR ratio has been determined as 3% until the 2022 year end. As stated in the "Monetary and Exchange Rate Policy for 2022," the costs of foreign currency liabilities will be increased while mechanisms to promote TL deposits will be prioritized. Effective May 27, 2022 (with the maintenance period starting on June 10, 2022), it was decided to differentiate foreign exchange deposit RRRs according to the conversion rate of real person's foreign exchange deposits to TL deposits, and accordingly, it was decided to implement additional RRR of: - 500 bps for banks with a conversion rate below 5%, and - 300 bps for banks with a conversion rate between 5% and 10%. Effective January 15, 2023, it has been decided to set RRRs at 0% for the increase in foreign exchange liabilities with maturities longer than 6 months provided directly from abroad until the end of 2023. Effective April 28, 2023 (with the maintenance period starting on May 12, 2023), instead of RRR based on conversion rate, 500 bp was added to the RRR for the foreign currency liabilities of the banks whose Turkish lira share is below 60%. The Turkish lira share target of 60% has been reduced to 57% effective from the calculation period of July 7, 2023. Effective August 18, 2023, as part of the simplification process, it has been decided to end the implementation of reserve requirement practice based on the TL (including foreign exchange-protected deposits) share. Effective September 29, 2023, calculation of the commission rates regarding RRs held for foreign exchange deposits has been revised and differentiated according to the transition from foreign exchange-protected accounts to TL accounts and the renewal of these accounts. The ROM facilities were gradually terminated (foreign exchange facility was terminated on October 1, 2021, and standard gold and scrap gold facilities were terminated effective June 23, 2023).
Liquid asset requirements	Yes.	Foreign currency deposits/participation funds are treated as less stable deposits/participation funds and 10% runoff rate is applied to foreign exchange retail deposits, whereas 5% runoff rate is applied to national currency deposits. This implementation is in compliance with Basel III LCR Framework. The two LCRs deposit and participation banks must maintain such that the total LCR must be 100% and foreign exchange LCR must be 80%. Effective June 24, 2022 (with the maintenance period starting on July 29, 2022), banks will maintain additional TL long-term fixed-rate securities for foreign exchange deposits/participation funds Current securities maintenance ratio is 5%.
Interest rate controls	No.	
Credit controls	No.	

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Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	The opening of branches or representative offices, establishment of companies, and participation in existing companies abroad by banks founded in Türkiye are subject to BRSA approval, on the condition of compliance with the corporate governance and protective provisions set forth in the Banking Law and the principles established by the BRSA.
In banks by nonresidents	Yes.	Acquisition of shares that results in one person directly or indirectly owning shares representing 10% or more of the capital of a bank; acquisition of shares that results in one person owning capital shares exceeding 10%, 20%, 33%, or 50% of the capital of a bank; and transfers of shares that result in one person's capital shares falling below these limits are subject to BRSA approval. Transactions that result in a reduction in the number of shareholders to fewer than five, or in shares being assigned without permission, may not be registered. These rules apply to the acquisition of voting rights and establishment of rights to usufruct in connection with shares. The assignment and transfer of preferential shares that confer the right to promote a member to the board of directors or audit committee or issue new shares require BRSA approval, regardless of the above limits. In the application of these regulations, there is no distinction between residents and nonresidents.
Open foreign exchange position limits	Yes.	The BRSA regulates, supervises, and monitors all banks' open foreign exchange positions. All foreign-exchange-indexed assets and liabilities must be accounted for fully as foreign assets and foreign liabilities. Banks are required to maintain a balance in their foreign exchange assets and liabilities and maintain foreign exchange positions that are in line with their own funds. The absolute value of the weekly arithmetic mean of daily ratios between net foreign exchange positions and own funds must be no greater than 20%. If the maximum is exceeded, banks must inform the BRSA. The weekly excess must be eliminated within two weeks. The weekly excess may not exceed more than six times in a calendar year, even if it is eliminated. This ratio is also calculated on consolidated basis since 2006 and it is calculated using consolidated own fund calculation periods. (This edit reflects clarification, it does not reflect a change in regulation/practice since the last update.)
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	For insurance companies, limitations on investment instruments apply equally to residents and nonresidents.
Limits (max.) on securities issued by nonresidents	Yes.	There are no restrictions with regard to assets, except for those that cover technical reserves. Insurance, reinsurance, and pension companies may invest their technical reserves in securities issued by

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		residents of OECD countries to cover risk held outside Türkiye.
Limits (max.) on investment portfolio held abroad	Yes.	There are no restrictions with regard to assets, except for those that cover technical reserves. Insurance, reinsurance, and pension companies may invest their technical reserves in deposits in financial institutions established in OECD countries to cover their risk held outside Türkiye.
Limits (min.) on investment portfolio held locally	Yes.	Securities of any one company held by insurance companies may not exceed 10% of its equity, and a single group's securities may not exceed 20% of its equity. Insurance companies must invest their technical reserves in the following assets: Turkish currency, foreign currency traded by the CBRT, demand and time deposits in Turkish currency, deposit accounts in foreign currency, loan facilities on investment fund participation certificates, profit- or loss-sharing certificates, treasury bonds, state bonds, foreign-currency-indexed bonds, receivables from insurance and reinsurance operations, blocked accounts of credit cards, private sector bonds, bank and financing bonds, asset-based securities, stocks, real estate and certificates of real estate repurchase, long-term loan facilities to natural persons and secured by mortgages, deferred tax assets, prepaid taxes and funds, other noncurrent assets other than real estate, and other money and capital market instruments determined by the Ministry of Treasury and Finance. Insurance companies must invest their deposits in the following: (1) liras or foreign exchange traded by the CBRT or accounts in such currencies; (2) government bonds, treasury bills, and other securities issued by OECD countries or temporary receipts drawn up by the CBRT for such assets, provided they are in the name of the insurance company; (3) share certificates of companies, at least 51% of whose capital is owned by government economic establishments or public economic institutions; (4) share certificates and debentures traded on the stock exchange, provided they do not in general exceed 30% of the total securities, the share of those belonging to one company does not exceed 10% of the total securities, or the share of those belonging to one capital group does not exceed 20% of the total securities; and (5) participation certificates in investment funds, provided those belonging to one founder do not exceed 10% of the total securities.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds investing in foreign money and capital market instruments in an amount equal to at least 80% of the portfolio are required to use the word "Foreign" in their commercial names. Pension funds, which do not use the word "Foreign" in their commercial names, may invest in foreign money and capital market instruments up to 50% of their portfolio. Up to 20% of the portfolio may be invested in investment funds and foreign mutual funds registered by the CMB. The investment for a single fund may not exceed 4% of the portfolio. Exchange-traded funds traded on foreign exchanges may be included in the portfolios of pension funds up to 10% without registration with the CMB.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds investing in foreign money and capital market instruments in an amount equal to at least 80% of the portfolio are required to use the word "Foreign" in their names. Pension funds, which do not use the word "Foreign" in their commercial names, may invest in foreign money and capital market instruments up to 50% of their portfolio. Pension funds investing in money and capital market instruments issued in foreign currency of domestic and foreign issuers in an amount equal to at least 80% of the portfolio are

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		required to use the word “Foreign Exchange” in their names. (CMB Decision No. i-SPK.4632 s.kn.17.3 (March 3, 2016 tarih ve 7/223 s.k.)). Up to 20% of the portfolio may be invested in investment funds and foreign mutual funds registered with the CMB. The investment for a single fund may not exceed 4% of the portfolio. Exchange-traded funds traded on foreign exchanges may be included in the portfolios of pension funds up to 10% without registration with the CMB. The rating for foreign debt instruments must bear adequate protection and investment grade in terms of its borrowing structure, sensitivity to changes in the market, and default risk. Rating documents of the relevant instruments must be kept within the body of the fund.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	Real estate investment companies (REICs), venture capital and private equity investment companies, and securities investment companies (1) are subject to a minimum capital requirement stated in the relevant Communiqués; (2) must have independent members on their board of directors and list their qualifications; (3) may obtain paid advisory services from related companies as determined by the CMB; (4) may open accounts in participation banks; and (5) must employ sufficient personnel and maintain technical equipment. Mutual funds are subject to the following: (1) Protected or guaranteed funds may include private sector bonds and notes in their portfolios without concentration limits. (2) A fund service unit may be established with the founders, portfolio managers, or another institution. (3) Mutual funds and protected funds may include lease certificates (SUKUK) in their portfolios. Protected or guaranteed funds may invest in lease certificates (SUKUK) issued by the private sector without concentration limits. (4) Funds of funds may have up to 25% of total number of fund units or exchange-traded fund units in total number of units of the investment fund included in their portfolio. Moreover, funds of funds may invest up to 20% of their portfolio in a fund or an exchange-traded fund (Article 26). (5) Mutual funds may invest in the same types of funds with different investment strategies. (6) Exchange-traded funds traded on foreign exchanges may be included in the portfolios of mutual funds up to 20% without registration with the CMB. (7) Hedge funds may invest in foreign funds that are not registered by the CMB but are registered by the related authorities. (8) Mutual funds may invest in the precious metals lending market up to 75% of their portfolios. (9) There is a limit on the total expense ratio. The Capital Markets Law ensures compliance with the UCITS regulations, increases effectiveness and competitiveness, and complies with changes and improvements in the financial sector. Investment funds investing in foreign money and capital market instruments in an amount equal to at least 80% of the fund NAV must use the word “foreign” in their name. In share and debt instruments funds that do not use this word in their names, foreign money and capital market instruments may be included in the fund portfolio for up to 20% of the fund NAV. Regarding funds investing at least 80% of the fund total value in foreign money and capital market instruments, fund units may be purchased and redeemed in foreign currencies, at the daily purchase and sale exchange rates announced by the CBRT, by taking the opinion of the CBRT and Ministry of Treasury and Finance, and with the approval of the CMB. Funds investing at least 80% of their NAV in foreign money

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		and capital market instruments may enter into OTC repo contracts abroad to meet their cash requirements, provided the contract assets are kept in custody in the central settlement and custody institution of the relevant jurisdiction. Communiqué No. III-56.1 regarding Portfolio Custody Services is in effect. Communiqué No. III-48.1 regarding REICs was amended to align it with legislation on infrastructure investment companies. Communiqué No. III-55.1 regarding Portfolio Management Companies is in effect. Communiqué No. III-48.3 regarding Venture Capital and Private Equity Investment Companies and Activities of Such Companies is in effect. Communiqué No. III-52.1 regarding Mutual Funds is in effect. Communiqué No. III-52.2 regarding Exchange-Traded Investment Funds is in effect. Communiqué No. III-52.3 regarding Real Estate Investment Funds regulates the sale of these funds which is limited to qualified investors and the Communiqué is expected to further diversify types of institutional investors operating in Türkiye and to provide additional financing sources for real estate markets. Communiqué No. III-52.4 regarding Venture Capital Investment Funds paves the way for establishment of venture capital investment funds similar to those operating in European jurisdictions. The guidelines for Investment Funds, which can be considered further extension of the Communiqué regarding investment funds, were published. (CMB Decision No. i-SPK.52.4 s.kn.17.3 (June 20, 2014 tarih ve 19/614 s.k.) Since January 2015, Turkish Electronic Fund Distribution Platform is in effect. Turkish Electronic Fund Distribution Platform, an electronic platform, is a fund supermarket that provides investors access to all funds registered by the CMB. In July 2021, a similar platform (Private Pension Trading Platform) was established for providing information and access to pension funds. Investment firms are defined as intermediary institutions, banks, and other capital market institutions established to perform investment services and activities. Intermediary institutions are required to fulfill general conditions, which are specified in Communiqué No. III-39.1 “Principles of Establishment and Activities of Investment Firms,” such as (1) fulfilling minimum capital requirement stated in the relevant Communiqués, (2) employing sufficient personnel and maintaining technical equipment, (3) establishing a data process infrastructure for having a sound operational management, and (4) taking security measures including insurance. Additionally, rules and principles regarding the establishment, founders, shareholders, personnel, starting of operations, obligations and liabilities, decentralized organization units, outsourcing of services, activities, cessation of activities, and collaterals of investment firms engaged in investment services and activities and ancillary services are stated in this Communiqué. In addition to the general conditions, several other specific requirements should be fulfilled for every relevant investment service or activity by the investment firm. All requirements are specified in Communiqué No. III-37.1 “Principles Regarding Investment Services, Activities and Ancillary Services.”
Limits (max.) on securities issued by nonresidents	Yes.	REICs, other than REICs operating a portfolio consisting solely of infrastructure investments and services, may invest up to 49% of their total assets in foreign real estate and foreign capital market instruments and in subsidiaries. For REICs operating a portfolio consisting solely of infrastructural investments and services, that

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		maximum rate is 25%.
Limits (max.) on investment portfolio held abroad	Yes.	Exchange-traded funds traded on foreign exchanges may be included in the portfolios of mutual funds up to 20% without registration with the CMB. Investment funds investing in foreign money and capital market instruments in an amount equal to at least 80% of the fund NAV must use the word “Foreign” in their name. In share and debt instruments funds that do not use this word in their names, foreign money and capital market instruments may be included in the fund portfolio for up to 20% of the fund NAV. Regarding funds investing at least 80% of the fund total value in foreign money and capital market instruments, fund units may be purchased and redeemed in foreign currencies, at the daily purchase and sale exchange rates announced by the CBRT, by taking the opinion of the CBRT and Ministry of Treasury and Finance, and with the approval of the CMB. Funds investing at least 80% of their NAV in foreign money and capital market instruments may enter into OTC repo contracts abroad to meet their cash requirements, provided the contract assets are kept in custody in the central settlement and custody institution of the relevant jurisdiction. Investment funds investing in money and capital market instruments issued in foreign currency of domestic and foreign issuers in an amount equal to at least 80% of the fund NAV are required to use the word “Foreign Exchange” in their names.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.

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Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	No.	
Use among residents	Yes.	The Regulation on the Disuse of Crypto Assets in Payments introduces restrictions only for the crypto assets, that are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments, used in payments and this kind of usage is not allowed. Within this regulation, crypto assets cannot be used among residents in payments.
Between residents and nonresidents	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
For current transaction	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
For capital transactions	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
Transactions in capital and money market instruments	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
Transactions in derivatives and other instruments	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
Credit operations	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents

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		for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
Controls on utility and security tokens	Yes.	
Acquisition by residents	No.	
Use among residents	Yes.	The Regulation on the Disuse of Crypto Assets in Payments introduces restrictions only for the crypto assets, that are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments, used in payments and this kind of usage is not allowed. Within this regulation, crypto assets cannot be used among residents in payments.
Between residents and nonresidents	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
For current transaction	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
For capital transactions	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
Transactions in capital and money market instruments	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
Transactions in derivatives and other instruments	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
Credit operations	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
Controls on stablecoins	Yes.	Certain stablecoins, that are issued 1 to 1 fiat currency and fulfill the requirements for the electronic money, will be regulated under payment services regulation according to the Regulation on Payment Services and Electronic Money Issuance and Payment Service. Stablecoins that are issued 1 to 1 fiat currency will become electronic money if they fulfill the requirements in the regulations. Then, only these kinds of stablecoins can be used in payments as electronic money. Otherwise, the Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments.
Acquisition by residents	No.	

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Use among residents	Yes.	The Regulation on the Disuse of Crypto Assets in Payments introduces restrictions only for the crypto assets, that are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments, used in payments and this kind of usage is not allowed. Within this regulation, crypto assets cannot be used among residents in payments. However, stablecoins that are issued 1 to 1 fiat currency will become electronic money if they fulfill the requirements in the regulations. Then, only these kinds of stablecoins can be used in payments as electronic money.
Between residents and nonresidents	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments. However, stablecoins that are issued 1 to 1 fiat currency will become electronic money if they fulfill the requirements in the regulations. Then, only these kinds of stablecoins can be used in payments as electronic money.
For current transaction	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments. However, stablecoins that are issued 1 to 1 fiat currency will become electronic money if they fulfill the requirements in the regulations. Then, only these kinds of stablecoins can be used in payments as electronic money.
For capital transactions	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments. However, stablecoins that are issued 1 to 1 fiat currency will become electronic money if they fulfill the requirements in the regulations. Then, only these kinds of stablecoins can be used in payments as electronic money.
Transactions in capital and money market instruments	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments. However, stablecoins that are issued 1 to 1 fiat currency will become electronic money if they fulfill the requirements in the regulations. Then, only these kinds of stablecoins can be used in payments as electronic money.
Transactions in derivatives and other instruments	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments. However, stablecoins that are issued 1 to 1 fiat currency will become electronic money if they fulfill the requirements in the regulations. Then, only these kinds of stablecoins can be used in payments as electronic money.
Credit operations	Yes.	The Regulation on the Disuse of Crypto Assets in Payments restricts the transaction of crypto assets between residents and nonresidents for only the use in payments in Türkiye unless the crypto assets are not classed as fiat money, deposit money, electronic money, payment

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		instrument, securities, or other capital market instruments. However, stablecoins that are issued 1 to 1 fiat currency will become electronic money if they fulfill the requirements in the regulations. Then, only these kinds of stablecoins can be used in payments as electronic money.
Controls on crypto exchanges and trading platforms	No.	The payment and electronic money institutions may not intermediate the fund transfers from and to the platforms providing services of trading, custody, transfer, or issuance related to crypto assets.
Domestic exchanges	No.	The payment and electronic money institutions may not intermediate the fund transfers from and to the platforms providing services of trading, custody, transfer, or issuance related to crypto assets.
Access to crypto exchange/trading platform by residents	No.	The payment and electronic money institutions may not intermediate the fund transfers from and to the platforms providing services of trading, custody, transfer, or issuance related to crypto assets.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Crawl-like arrangement	*07/28/2022*	From July 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar, with one realignment in November 2022. Therefore, the de facto exchange rate arrangement was reclassified from floating to crawl-like.
Foreign exchange market		
Spot exchange market		
Operated by the central bank		
Foreign exchange standing facility	*02/28/2022*	The Central Bank of the Republic of Türkiye started to sell gold against Turkish lira.
	03/21/2022	The buying rate on collateral foreign exchange deposits for the USD was increased from 0% to 0.25%.
	03/21/2022	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 3.25% to 3.5%.
	03/21/2022	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 2.5% to 2.75%.
	05/05/2022	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 3.5% to 4%.
	05/05/2022	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 2.75% to 3.25%.
	05/05/2022	The buying rate on collateral foreign exchange deposits for the USD was increased from 0.25% to 0.75%.
	06/16/2022	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 4% to 4.75%.
	06/16/2022	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 3.25% to 4%.
	06/16/2022	The buying rate on collateral foreign exchange deposits for the USD was increased from 0.75% to 1.5%.
	07/28/2022	The buying rate on collateral foreign exchange deposits for the USD was increased from 1.5% to 2.25%.
	07/28/2022	The selling rate for foreign exchange deposits at one-month maturity from 3% to 3.50% for EUR
	07/28/2022	The buying rate on collateral foreign exchange deposits for the EUR was also increased from 0% to 0.5% for two-day, one-week, two-week, and one-month maturities.
	07/28/2022	The selling rate for foreign exchange deposits at one-week maturity was increased from 2.00% to 2.50% for EUR.

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07/28/2022	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 4.75% to 5.5%.
07/28/2022	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 4% to 4.75%.
09/22/2022	The buying rate on collateral foreign exchange deposits for the USD was increased from 2.25% to 3% for two-day, one-week, two-week, and one-month maturities.
09/22/2022	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 5.5% to 6.25%.
09/22/2022	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 4.75% to 5.50%.
11/03/2022	The buying rate on collateral foreign exchange deposits for the USD was increased from 3% to 3.75% for two-day, one-week, two-week, and one-month maturities.
11/03/2022	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 6.25% to 7%.
11/03/2022	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 5.50% to 6.25%.
12/15/2022	The buying rate on collateral foreign exchange deposits for the USD was increased from 3.75% to 4.25% for two-day, one-week, two-week, and one-month maturities.
12/15/2022	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 7% to 7.5%.
12/15/2022	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 6.25% to 6.75%.
01/06/2023	The buying rate on collateral foreign exchange deposits for the USD was increased from 4.25% to 4.5%.
02/02/2023	The buying rate on collateral foreign exchange deposits for the USD was increased from 4.5% to 4.75%.
02/02/2023	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 7.5% to 7.75%.
02/02/2023	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 6.75% to 7%.
03/23/2023	The buying rate on collateral foreign exchange deposits for the USD was increased from 4.75% to 5% for two-day, one-week, two-week, and one-month maturities.
03/23/2023	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 7.75% to 8%.
03/23/2023	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 7% to 7.25%.
05/04/2023	The buying rate on collateral foreign exchange deposits for the USD was increased from 5% to 5.25% for two-day, one-week, two-week, and one-month maturities.
05/04/2023	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 8% to 8.25%.
05/04/2023	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 7.25% to 7.5%.
07/31/2023	The buying rate on collateral foreign exchange deposits for the USD was increased from 5.25% to 5.5% for two-day, one-week, two-week, and one-month maturities.
07/31/2023	The selling rate for foreign exchange deposits for USD at one-month maturity was increased from 8.25% to 8.5%.
07/31/2023	The selling rate for foreign exchange deposits for USD at one-week maturity was increased from 7.5% to 7.75%.
09/22/2023	The selling rate for foreign exchange deposits for EUR at one-week maturity was increased from 5.75% to 6%.
09/22/2023	The buying rate on collateral foreign exchange deposits for the EUR was increased from 3.75% to 4% for two-day, one-week, two-week, and one-month maturities.

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	09/22/2023	The selling rate for foreign exchange deposits for EUR at one-month maturity from 6.25% to 6.5%.
Forward exchange market	*04/14/2022*	The Central Bank of the Republic of Türkiye started to conduct Turkish Lira-Settled Foreign Exchange Forward Selling transactions, and these transactions continued until July 14, 2023.

Imports and Import Payments

Import taxes and/or tariffs	*06/30/2022*	Application of 0% level customs duties on sunflower and safflower seeds, canola seeds and crude oils (sunflower, safflower, canola, soy, and corn oils), and crude and refined palm oils import was extended until December 31, 2022.
	01/01/2023	The duties on wheat, barley, and corn imports were restored at their pre-pandemic levels, respectively, at 45%, 35%, and 25% (customs duties for these goods were 0% until December 31, 2022).
	01/01/2023	The customs duty on red lentil imports was increased again to 19.3% from 9% (customs duties for lentils were 0% until December 31, 2022).
	01/01/2023	The customs duties on sunflower and safflower seeds, canola seeds and crude oils (sunflower, safflower, canola, soy, and corn oils), and crude and refined palm oils were restored to their pre-pandemic levels, which are 0%, 36%, 67.5%, 19.5%, and 31.2%, respectively.

Exports and Export Proceeds

Repatriation requirements

Surrender requirements

Surrender to the central bank	*01/03/2022*	The requirement of selling to Central Bank of the Republic of Türkiye at least 25% of the export proceeds was put into effect.
	04/15/2022	The requirement to sell export proceeds has increased to 40%.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements	*04/29/2022*	Reserve requirement ratios of financing companies, which were 0% since June 14, 2019, have been set at the same level as banks for Turkish lira, while the foreign exchange reserve ratio has been determined as 3% until the 2022 year-end (with the maintenance period starting on May 13, 2022).
	05/27/2022	It was decided to differentiate foreign exchange deposit reserve requirement ratios (RRRs) according to the conversion rate of real person's foreign exchange deposits to Turkish lira deposits, and accordingly, it was decided to implement additional RRR of: - 500 basis points (bps) for banks with a conversion rate below 5%, and - 300 bps for banks with a conversion rate between 5% and 10% (with the maintenance period starting on June 10, 2022).
	01/15/2023	It has been decided to set reserve requirement ratios at 0% for the increase in foreign exchange liabilities with maturities longer than 6 months provided directly from abroad until the end of 2023.
	04/28/2023	With the maintenance period starting on May 12, 2023, instead of Reserve Requirement Ratio (RRR) based on conversion rate, 500 bp was added to the RRR for the foreign currency liabilities of the banks whose Turkish lira share is below 60%.
	06/23/2023	The standard gold and scrap gold ROM facilities were terminated.

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	07/07/2023	The Turkish lira share target of 60% has been reduced to 57%.
	08/18/2023	As part of the simplification process, it has been decided to end the implementation of reserve requirement practice based on the Turkish lira (including foreign exchange-protected deposits) share.
	08/18/2023	With the maintenance period starting on September 1, 2023, the Reserve Requirement Ratio for foreign exchange deposit/participation funds with a maturity of up to 1 month has been increased by 400 bps to 29%.
	09/29/2023	Calculation of the commission rates regarding Reserve Requirements held for foreign exchange deposits has been revised and differentiated according to the transition from foreign exchange-protected accounts to Turkish lira accounts and the renewal of these accounts.
Liquid asset requirements	*06/24/2022*	Banks will maintain additional Turkish lira long-term fixed-rate securities for foreign exchange deposits/participation funds (with the maintenance period starting on July 29, 2022).

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TURKMENISTAN

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 22, 1992.
Article VIII		
Article XIV	Yes.	

Exchange Measures

Restrictions and/or multiple currency practices	n.a.	Information is not publicly available.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Other security restrictions may include measures such as monitoring to combat money laundering and the financing of terrorism in accordance with the law adopted in Turkmenistan in 2015, as well as payments to persons subject to international sanctions.

Exchange Arrangement

Currency	Yes.	The currency of Turkmenistan is the Turkmen manat (TMT).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional peg. The Central Bank of Turkmenistan (CBT) is responsible for exchange rate policy implementation. The Cabinet of Ministers of Turkmenistan (CMT) takes ultimate responsibility for economic policy decisions.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		

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Floating		
Free floating		
Official exchange rate	Yes.	From January 1, 2015, the CBT established exchange rate at TMT 3.50 per US dollar. Transactions in foreign currency may be reflected in accounting records at nominal value and for accounting purposes may be converted to domestic currency at the official exchange rate in effect at the time of its completion. With each change in the official exchange rate, balances in foreign currency accounts (deposits) in domestic currency must be recalculated without changing the nominal value of the foreign currency balance. The official rates are used in all official transactions, including mandatory foreign exchange sales, and for accounting and valuation purposes.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The monetary policy framework is an exchange rate anchor vis-à-vis the US dollar.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		

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Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The official rates are used in all official transactions, including mandatory foreign exchange sales, and for accounting and valuation purposes. For all other transactions, the exchange rates in all foreign exchange market segments may deviate from the official exchange rates only by up to 0.25% for selling and 0.5% for buying, including fees and commissions.
Spot exchange market	Yes.	Foreign currency is generated through the purchase of foreign exchange by authorized credit institutions at the Interbank Currency Exchange of Turkmenistan (ICET), interbank OTC market, and by foreign exchange bureaus from individuals. There are 204 foreign exchange bureaus operating in the country, opened by authorized credit institutions on the basis of a permit by the CBT. Foreign exchange bureaus only perform exchange operations (with individuals). SOEs are required to conduct their foreign exchange transactions in the ICET, either directly or through banks' intermediation. Banks and individual entrepreneurs and private legal entities, through banks' intermediation, can conduct foreign exchange transactions in the ICET or the interbank OTC market. Authorized banks may conduct their clients' foreign exchange transactions (except for government-owned institutions and enterprises) with their own resources and without recourse to the ICET.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	In trading at the ICET, resident legal entities, whatever their organizational or legal form, may sell and purchase foreign currency directly or through intermediaries. Participants pay the ICET a commission on transactions as determined by a resolution of the president of Turkmenistan. The exchange rate of foreign currency is defined as the weighted average price of all transactions with a

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		specific foreign currency. The CBT intervenes in the ICET to prevent adverse currency fluctuations.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There is an established interbank foreign exchange market in Turkmenistan. Authorized credit institutions may sell and purchase foreign exchange directly in the exchange market and/or through correspondent banks. When selling or buying foreign exchange, rates established by participants in the interbank market may not deviate more than 0.25% and 0.5% from the official rate for the sale and purchase transactions, respectively, including fees and commissions. There are eight operating authorized banks, including three state-owned commercial banks and five joint-stock commercial banks.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	International transactions take place through correspondent accounts. Settlements with countries with which Turkmenistan has bilateral payments agreements are made in accordance with the terms of these agreements. Both domestic and foreign currency may be used for foreign trade transactions. Settlements and payments between residents are made in domestic currency only. The use of foreign currency for payments in Turkmenistan is governed by Turkmen legislation.
Controls on the use of domestic currency	Yes.	Controls apply in accordance with the Law of Turkmenistan on the CBT, Law of Turkmenistan on Foreign Exchange Regulation and Control in Foreign Economic Relations, and the CBT instructions on provision of loans, bank accounts, noncash settlements, and cash operations of banks in Turkmenistan.
For current transactions and payments	No.	These transactions and payments are regulated by the general rules according to the foreign exchange legislation, and there are no special restrictions.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	According to the Law of Turkmenistan on the CBT and Law of Turkmenistan on Foreign Exchange Regulation and Control in Foreign Economic Relations, the manat is the sole legal tender. Foreign currency may not be used for payments between residents, except as stipulated by law. In 2020, the list of transactions where payments between residents are allowed in foreign currency was expanded.

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Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	Yes.	Approval of the CMT is required for SOEs only for a certain list of goods.
Administration of control	Yes.	Foreign exchange control in Turkmenistan is exercised by the CMT and the exchange control bodies and agents. The CBT has authority over foreign exchange transactions of credit institutions and foreign currency exchanges. According to the Law on Foreign Exchange Regulation and Control in Foreign Economic Relations of 2011, exchange control agents in Turkmenistan are authorized credit institutions; stock, currency, and commodity exchanges; keepers of state registers and state registrars; bodies of the customs service of Turkmenistan; bodies of the tax service of Turkmenistan; other bodies authorized to exercise foreign exchange control under Turkmenistan law. Along with the CBT, the exchange control bodies in Turkmenistan are the central executive bodies authorized by the CMT within their competence established by the legislation of Turkmenistan.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	A license is required for domestic trade in gold.
On external trade	Yes.	A license is required for international trade in gold.
Controls on exports and imports of banknotes	Yes.	National and foreign banknotes may be imported or exported freely. If the total amount of imported or exported currency exceeds the limit of freely available currency (set by the CBT), it must be declared at the customs office.
On exports	Yes.	
Domestic currency	No.	One-time exports from Turkmenistan of national cash currency by residents and nonresidents exceeding the limit for freely available currency set by the CBT (US$10,000.00) must be declared at customs by submitting a declaration of the entire amount.
Foreign currency	No.	One-time exports from Turkmenistan of foreign cash currency by residents and nonresidents exceeding the limit for freely available currency set by the CBT (US$10,000.00) must be declared at customs by submitting a declaration of the entire amount.
On imports	Yes.	
Domestic currency	No.	One-time imports into Turkmenistan of national cash currency by residents and nonresidents exceeding the limit for freely available currency set by the CBT (US$10,000.00) must be declared at customs by submitting a declaration of the entire amount.

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Foreign currency	No.	One-time imports into Turkmenistan of foreign cash currency by residents and nonresidents exceeding the limit for freely available currency set by the CBT (US$10,000.00) must be declared at customs by submitting a declaration of the entire amount.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Legal entities and individuals may hold foreign exchange accounts with authorized credit institutions. Each resident legal entity or branch or representative office thereof, and each resident non-incorporated sole proprietor, may have a current foreign currency account opened to service its principal activity in only one authorized credit institution. These accounts may be opened for legal entities with a certificate of registration issued by the Foreign Investments Registration Turkmenistan Ministry of Finance and the Economy (MFE). All external payments from these accounts must be made in accordance with CBT procedures. Authorized credit institutions may open foreign currency accounts (deposits) for individuals without restriction. Individuals may use these accounts for transactions both personally and through authorized persons in accordance with the law.
Approval required	No.	
Held abroad	Yes.	Resident legal entities (their branches and representative offices) may open accounts in foreign credit institutions subject to registration with the authorized credit institutions. Opening (closing) of such accounts by resident entrepreneurs that are not legal entities requires notification of the authorized credit institutions. Resident individuals may open such accounts without restriction.
Approval required	Yes.	State-owned resident legal entities (their branches and representative offices) may open (close) accounts in foreign credit institutions with the approval of the CMT. Nongovernment resident legal entities (their branches and representative offices) may open such accounts with approval of their owner.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Domestic currency can be converted to foreign currency according to the existing regulations.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Legal entities and individuals may open foreign exchange accounts in accordance with the Law of Turkmenistan on Foreign Exchange Regulation and Control in Foreign Economic Relations. Each nonresident legal entity or branch or representative office thereof, and each nonresident non-incorporated sole proprietor, may have a current foreign currency account opened to service its principal activity in only one authorized credit institution. Authorized credit institutions may open foreign currency accounts (deposits) for nonresident individuals without restriction.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open accounts (deposits) in domestic currency in the territory of Turkmenistan in authorized credit institutions.
Convertible into foreign currency	Yes.	

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Approval required	No.	
Blocked accounts	n.a.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	Advance payments for imports of goods and services by SOEs may not exceed 25%, and prepayments must be guaranteed by first-class-rated banks. Prepayments by SOEs exceeding 25% and/or without guarantee from first-class-rated banks may be made only with permission from the CMT. Private individuals who are sole proprietors may make advance payments for imports up to 100% pursuant to the terms of the transaction agreement involving a payment of US$1 million or less. Private legal entities may make advance payments for imports up to 100% pursuant to the terms of the transaction agreement without restriction.
Advance import deposits	Yes.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	
Preshipment inspection	Yes.	Foreign trade transactions must be registered with the State Commodity Exchange (COMEX), except for import transactions involving a payment of US$1 million or less by sole proprietors operating under the simplified procedure. Banks process payments in foreign exchange for imports according to the terms of the foreign trade contract.
Letters of credit	No.	Letters of credit for import payments are not mandatory.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Import contracts, except for import transactions by sole proprietors involving a payment of US$1 million or less, must be registered with the COMEX.
Positive list	No.	
Negative list	Yes.	Imports of a small number of goods on a negative list (for example, arms and narcotics) are prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Excise taxes are levied on a specific list of goods (alcoholic beverages, cigarettes, jewelry, and cars).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	Yes.	Under the Law on Foreign Exchange Regulation and Control in Foreign Economic Relations, foreign exchange proceeds on residents' accounts from current and capital transactions with nonresidents must be repatriated.
Surrender requirements	Yes.	SOEs are required to contribute a certain portion of their receipts from exports of natural gas and oil and petroleum products to the CRT. Such contributions are allocated to the international reserves. A portion of the rest of the export receipts are subject to surrender to the CBT according to the general rules on surrendering export proceeds. Private sector companies are exempt from the surrender requirement. In May 2020, the President signed a decree establishing the Reserve Currency Fund under the CBT. In accordance with the document, the Fund's amounts are planned to be concentrated in the CBT and revenues in foreign currency of ministries, sectoral departments, their accountable enterprises/institutions, and all legal entities with state participation will be transferred to it.
Surrender to the central bank	Yes.	SOEs must surrender a portion of their foreign exchange export proceeds to the CBT through ICET. In May 2020, the President signed a decree establishing the Reserve Currency Fund under the CBT. In accordance with the document, the Fund's amounts are planned to be concentrated in the CBT and revenues in foreign currency of ministries, sectoral departments, their accountable enterprises/institutions, and all legal entities with state participation will be transferred to it.
Surrender to authorized dealers	No.	
Financing requirements	Yes.	
Documentation requirements	Yes.	
Letters of credit	Yes.	
Guarantees	Yes.	
Domiciliation	No.	
Preshipment inspection	Yes.	
Other	n.a.	
Export licenses	Yes.	Export contracts must be registered with the COMEX, with the exception of private sector contracts involving exports of goods of one's own production without restrictions on the amount, and exports of goods produced by households and private companies in the country up to US$200,000.
Without quotas	No.	
With quotas	Yes.	Quantitative restrictions are imposed on exports of cotton and other raw materials to protect domestic supplies of goods.
Export taxes	Yes.	
Collected through the exchange system	Yes.	SOEs must contribute a certain portion of their receipts from exports of natural gas and petroleum products to the CRT. Such contributions are allocated to the international reserves.
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	Payments and money transfers for foreign currency transactions of residents and nonresidents through foreign currency accounts (deposits) in authorized credit institutions are subject to documentation.
Trade-related payments	Yes.	
Prior approval	Yes.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments and money transfers for foreign currency transactions of residents and nonresidents through foreign currency accounts (deposits) in authorized credit institutions are subject to documentation.
Investment-related payments	Yes.	In accordance with the Law on Foreign Investments, after payment of taxes, profits may be reinvested in Turkmenistan, held in bank accounts in domestic or other currencies, or transferred abroad.
Prior approval	Yes.	
Quantitative limits	Yes.	There is a US$300 monthly absolute limit on the purchase of foreign exchange by individuals, regardless of whether the foreign exchange is transferred to the individual's payment card to be used abroad or transferred abroad via wire transfer.
Indicative limits/bona fide test	Yes.	Bona fide tests are applied by the Agency for Protection of the Economy against Risks with the MFE. Payments and money transfers for foreign currency transactions of residents and nonresidents through foreign currency accounts (deposits) in authorized credit institutions are subject to documentation.
Payments for travel	Yes.	
Prior approval	Yes.	Employees are sent on business trips by managers of the enterprises, and this is documented by orders (directives) issued by the managers of the given enterprises.
Quantitative limits	Yes.	Amounts (limits) for business travel expenses are set in accordance with a regulatory act. There is a monthly absolute limit of a US$300 on the purchase of foreign exchange by individuals, regardless of whether the foreign exchange is transferred to the individual's payment card to be used abroad or transferred abroad via wire transfer.
Indicative limits/bona fide test	No.	
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	There is an annual absolute limit of US$12,000 on the purchase of foreign exchange by individuals for education expenses, as well as an annual limit of US$20,000 for medical expenses.
Indicative limits/bona fide test	Yes.	The amounts for medical and tuition expenses of individuals may be paid in a lump sum or in installments on provision of supporting documents (for example, an invoice). Payments and money transfers for foreign currency transactions of residents and nonresidents through foreign currency accounts (deposits) in authorized credit institutions are subject to documentation.
Foreign workers' wages	Yes.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments and money transfers for foreign currency transactions of residents and nonresidents through foreign currency accounts (deposits) in authorized credit institutions are subject to documentation.
Credit card use abroad	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	There is an annual absolute limit of US$12,000 on the purchase of foreign exchange by individuals for education expenses, as well as an annual limit of US$20,000 for medical purposes. The limits are applicable, regardless of whether the foreign exchange is transferred to the individual's payment card to be used abroad or transferred abroad via wire transfer.
Indicative limits/bona fide test	Yes.	The amounts for education and medical expenses abroad may be paid in a lump sum or in installments on provision of supporting documents (for example, an invoice).
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	There is a monthly absolute limit on the purchase of foreign exchange by individuals of a US$300, regardless of whether the foreign exchange is transferred to the individual's payment card to be used abroad or transferred abroad via wire transfer.
Indicative limits/bona fide test	Yes.	Payments and money transfers for foreign currency transactions of residents and nonresidents through foreign currency accounts (deposits) in authorized credit institutions are subject to documentation.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	Yes.	SOEs, after deduction for the international reserves, must surrender a portion of foreign currency proceeds to the CBT for its use in currency intervention. In May 2020, the President signed a decree establishing the Reserve Currency Fund under the CBT. In accordance with the document, the Fund's amounts are planned to be concentrated in the CBT and revenues in foreign currency of ministries, sectoral departments, their accountable enterprises/institutions, and all legal entities with state participation will be transferred to it.
Surrender to the central bank	Yes.	SOEs, after deduction for the international reserves, must surrender a portion of their foreign exchange proceeds from the sale of goods and services to the CBT through ICET. In May 2020, the President signed a decree establishing the Reserve Currency Fund under the CBT. In accordance with the document, the Fund's amounts are planned to be concentrated in the CBT and revenues in foreign currency of ministries, sectoral departments, their accountable enterprises/institutions, and all legal entities with state participation will be transferred to it.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

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Capital Transactions

Controls on capital transactions	Yes.	These transactions are regulated by the Law on Foreign Exchange Regulation and Control in Foreign Economic Relations and by MOF and CBT regulations. Foreign exchange transactions involving the movement of capital between residents and nonresidents that exceed the CBT limit of US$10,000.00 are subject to registration and notification. Foreign exchange transactions involving the movement of capital between government-owned resident legal entities and nonresidents must be authorized by the CMT.
Repatriation requirements	Yes.	
Surrender requirements	Yes.	SOEs, after deduction for the international reserves, must surrender a portion of foreign currency proceeds to the CBT for use in currency intervention. In May 2020, the President signed a decree establishing the Reserve Currency Fund under the CBT. In accordance with the document, the Fund's amounts are planned to be concentrated in the CBT and revenues in foreign currency of ministries, sectoral departments, their accountable enterprises/institutions, and all legal entities with state participation will be transferred to it.
Surrender to the central bank	Yes.	SOEs, after deduction for the international reserves, must surrender a portion of their foreign exchange proceeds to the CBT through the ICET. In May 2020, the President signed a decree establishing the Reserve Currency Fund under the CBT. In accordance with the document, the Fund's amounts are planned to be concentrated in the CBT and revenues in foreign currency of ministries, sectoral departments, their accountable enterprises/institutions, and all legal entities with state participation will be transferred to it.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	Securities may be issued and circulated in Turkmenistan after registration with the MOF.
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	These transactions are subject to quotas by the CMT.
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
On money market instruments	Yes.	These transactions are subject to quotas by the CMT.
Purchase locally by nonresidents	Yes.	

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Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	Yes.	
Controls on derivatives and other instruments	No.	No market exists for transactions in derivatives.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	Credit institutions operate under licenses issued by the CBT. Controls apply to all credit and guarantee transactions.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Financial credits	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	
Inward direct investment	Yes.	There are no restrictions on investments by legal entities. Investors are required to register with the Department for State Registration of Legal Entities and Investment Projects of the MFE.
Controls on liquidation of direct investment	Yes.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	
Purchase locally by nonresidents	Yes.	
Sale locally by nonresidents	Yes.	

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Controls on personal capital transactions	Yes.
Loans	Yes.
By residents to nonresidents	Yes.
To residents from nonresidents	Yes.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	A CBT license is required.
Borrowing abroad	Yes.	
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	Yes.	
Lending locally in foreign exchange	Yes.	
Purchase of locally issued securities denominated in foreign exchange	Yes.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	
Liquid asset requirements	Yes.	
Interest rate controls	No.	
Credit controls	Yes.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	
Liquid asset requirements	Yes.	
Interest rate controls	Yes.	
Credit controls	Yes.	
Investment regulations	Yes.	

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Abroad by banks	Yes.	
In banks by nonresidents	Yes.	
Open foreign exchange position limits	Yes.	The CBT may set limits in accordance with the Law on Foreign Exchange Regulation and Control in Foreign Economic Relations. As established by the CBT, the absolute amount of open positions in each currency must not exceed 10% of the available equity capital, and the absolute amount of open positions in all currencies must not exceed 15% of the available equity capital.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	A CBT and/or an MFE license is required for investments, depending on the type of institutional investor.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.

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Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.

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Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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TUVALU

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		June 24, 2010.
Article VIII	Yes.	Date of acceptance: October 7, 2016.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Tuvalu is the Australian dollar.
Other legal tender	n.a.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender	Yes.	The exchange rate arrangement is an arrangement with no separate legal tender. The currency of Tuvalu is the Australian dollar, which circulates freely.
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		

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Official exchange rate	No.	
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite		
Other	Yes.	The Australian dollar is legal tender and circulates freely.
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		

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Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Although the Exchange Control regulations are restrictive and prescribe approval requirements from the National Bank of Tuvalu (NBT), a commercial bank, or the minister of finance for most payments and transfers, in practice, approval is not required and transactions are administered liberally.
Spot exchange market	Yes.	There is no central monetary institution. As of December 31, 2022, the NBT is the only bank in Tuvalu handling foreign exchange transactions. The NBT buys and sells foreign exchange at rates determined daily by the NBT's board on the basis of rates quoted in the international markets plus specific spreads dependent on the currency.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	No.	
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other	No.

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instruments		
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Tuvalu participates in PACER and PICTA.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	
Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	No.
Held domestically	No.
Approval required	No.
Held abroad	No.
Approval required	No.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency	No.

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convertible into foreign currency

Nonresident Accounts

Foreign exchange accounts permitted	No.	
Approval required	No.	
Domestic currency accounts	No.	
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	The documents required for release of foreign exchange for imports include LC application, invoices, bills of lading, or airway bills.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	No.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	No.	
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.

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Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.
Other	No.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.

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Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On money market instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
On collective investment securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on derivatives and other instruments	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Controls on credit operations	No.
Commercial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Financial credits	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Guarantees, sureties, and financial backup facilities	No.
By residents to nonresidents	No.

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To residents from nonresidents	No.
Controls on direct investment	No.
Outward direct investment	No.
Inward direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Purchase abroad by residents	No.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.
Controls on personal capital transactions	No.
Loans	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Borrowing abroad	No.
Maintenance of accounts abroad	No.
Lending to nonresidents (financial or commercial credits)	No.
Lending locally in foreign exchange	No.
Purchase of locally issued securities denominated in foreign exchange	No.
Differential treatment of deposit accounts in foreign exchange	No.
Reserve requirements	No.

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Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Differential treatment of deposit accounts held by nonresidents	No.
Reserve requirements	No.
Liquid asset requirements	No.
Interest rate controls	No.
Credit controls	No.
Investment regulations	No.
Abroad by banks	No.
In banks by nonresidents	No.
Open foreign exchange position limits	No.
On resident assets and liabilities	No.
On nonresident assets and liabilities	No.
Provisions specific to institutional investors	No.
Insurance companies	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Pension funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.
Investment firms and collective investment funds	No.
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

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Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.

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For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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UGANDA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 27, 1963.
Article VIII	Yes.	Date of acceptance: April 5, 1994.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Transactions are not allowed with countries subject to UN sanctions.

Exchange Arrangement

Currency	Yes.	The currency of Uganda is the Ugandan shilling.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The authorities intervene in Uganda's foreign exchange market when short-term fluctuations jeopardize its orderly operation. The Bank of Uganda (BOU) intervenes in the interbank foreign exchange market (IFEM) at the banks' quoted rates using the best bid-ask principle.

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		The BOU publishes information on its interventions in its bimonthly, quarterly state of the economy, and annual reports. The information includes amounts purchased and sold through the reserve buildup program, interventions, and targeted transactions. The data are made available in the Monetary Policy Report two weeks following the MPC Meeting. The de facto exchange rate arrangement is floating.
Free floating		
Official exchange rate	Yes.	The daily official exchange rate is calculated as the midrate computed from the simple average interbank quotes of exchange rates for purchases and sales of foreign exchange. The average rate for the previous month is used by the customs authority for tax computation on imports. The BOU's foreign exchange transactions with government (ministries, departments, and agencies) are conducted at the day's opening spot rates.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee	Yes.	Decisions are made by consensus of all members of the MPC. The CB decides on the type of target, in this case a medium-term target with a band. Temporarily, between June and August 2020, decisions on monetary policy were made by the governor, following discussion and consultation with the MPC.
Central Bank Board		
Other	Yes.	The inflation target is set out in the East African Monetary Union (EAMU) Protocol.
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band	Yes.	A 5% medium-term target ±3 percentage points on core inflation has been specified and publicly announced.
Band/Range		
Target measure	Yes.	

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CPI		
Core inflation	Yes.	Inflation target is expressed as average annual core inflation. Core inflation excludes energy, fuel, and utilities and food crops.
Target horizon	Yes.	The target horizon stands at 1–3 years.
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The policy rate used by the CB is the Central Bank Rate (CBR). The short-term policy rate that is guided by the CBR is the seven-day interest rate. In October 2022, the BOU raised the CBR to 10% in response to the rising inflationary pressures.
Target corridor band	Yes.	The monetary policy framework uses the BOU interest rate (called the CBR) as a signaling device of the monetary policy stance to meet the inflation target. The CBR guides the seven-day interbank money market rate, which is the operational target of monetary policy. The seven-day interbank money market rate can fluctuate within a band of ±2 percentage points around the CBR without the BOU intervention. The CBR as of December 31, 2022, was 10. The rediscount rate is set as the CBR plus a margin of 3 percentage points, and the Bank Rate (the rate at which commercial banks borrow from the BOU through the Lombard window) at a margin of 4 percentage points on the CBR.
Other	n.a.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	The BOU is statutorily expected to appear before parliament to answer queries that may arise from the Auditor General's report. The frequency of these hearings depends on whether there are any issues raised by the Auditor General.
Other	Yes.	Inflation forecasts and explanation of any deviations from the previous forecasts are published.
Transparency	Yes.	
Publication of votes	No.	No information on votes of individual members or total number of votes in favor or against the decision is published.
Publication of minutes	No.	The minutes of the meetings of the MPC are not published.
Publication of inflation forecasts	Yes.	Every two months, inflation forecasts are published in the MPC Statement and Reports that follow the MPC meetings.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks and foreign exchange bureaus are free to set exchange rates and commissions in transactions with their clients.
Spot exchange market	Yes.	The BOU is authorized to grant licenses to deal in foreign exchange. ADs include commercial banks and foreign exchange bureaus. ADs may freely determine their bid-ask spreads and foreign exchange commissions in transactions in the retail market with their clients. However, ADs that participate in the wholesale market (IFEM) must maintain a 10 shilling spread on the bid-ask quotes they post on the Reuters Dealing System. Foreign exchange bureaus may operate if they are licensed by the BOU and adhere to the Foreign Exchange Act (FEA) and regulations. There were 236 authorized foreign

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		exchange bureaus as of December 31, 2022, which engaged in transactions with commercial banks and the public, but not with the BOU. There are no restrictions on foreign exchange bureaus' accounts abroad, although their operations are limited to spot transactions and OTC purchases and sales of foreign currency. There are special licenses permitting foreign exchange bureaus to transfer or receive funds to or from abroad on behalf of their clients, which they must perform through international money transfer agencies or domestic banks, with which they must maintain an account for clients' funds. As of December 31, 2022, there were 92 money remitters.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The BOU occasionally intervenes in the interbank foreign exchange rate market to stem volatility. It also conducts opportunistic purchases of US dollars to build up reserves. These interventions take place through auctions conducted using the Reuters Dealing System. Participation in the IFEM is restricted to Tier 1 financial institutions. The BOU Act 2000, Section 19, authorizes the auctioning of foreign currency and states that "the bank may buy and sell foreign currency at rates determined by market conditions and on terms that may be determined by the Board." Since August 2010, the BOU has been conducting opportunistic purchases for reserve building through auctions on a daily basis depending on the prevailing IFEM conditions, as ensuring smooth and stable exchange rate movements takes precedence over reserve buildup. Interventions in the IFEM are only conducted when the market experiences high volatility of the shilling. Intervention amounts are not announced in advance. In conducting intervention, the banks that are hit on the Reuters Dealing System by the CB at their quoted rate are obligated to execute a transaction for a minimum of, effective September 12, 2022, US$500,000 (previously US$250,000). Participants are not required to use the acquired foreign currency for any specific purpose. Commercial banks that are members of the IFEM may participate. The intervention amounts are announced with a lag in the CB's Monetary Policy, State of the Economy, and Annual reports.
Fixing	No.	
Interbank market	Yes.	In the IFEM, as of December 31, 2022, 23 banks (excluding the CB) traded among themselves. The BOU intervenes in the IFEM at the commercial banks' quoted rates, using the best bid-ask principle. Participants in the IFEM must maintain a 10 shilling spread on the bid-ask quotes they post on the Reuters Dealing System.
Over the counter	Yes.	
Brokerage	No.	
Market making	Yes.	
Forward exchange market	Yes.	Authorized banks may deal with customers in the forward exchange market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	Authorized payments, including import payments to nonresidents,

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		may be made in shillings for credit to a nonresident's account in Uganda or in the currency of the country of residence of the payee. Other convertible currencies may also be accepted for international payments.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Except with the permission of the CB, individuals and institutions do not engage in foreign exchange business.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	
Inoperative	No.	
Regional arrangements	Yes.	Uganda remains a signatory to the East African Payment System master agreement, which it signed in 2011. The agreement allows the connection of the Real-Time Gross Settlement systems of the EAC partner states into a regional Real-Time Gross Settlement system. Uganda went live on the East African Payment System in November 2013 and four countries—namely Kenya, Rwanda, Tanzania, and Uganda—are live on the system. Currently, tests are being carried out with Burundi. Uganda is also a signatory to the COMESA Regional Payment and Settlement System (REPSS) agreement, which allows member countries to directly transfer funds within the region, through member countries' CBs, the settlement bank (Bank of Mauritius), and the COMESA Clearing House. The system went live in Uganda on February 28, 2014, and is currently operational in the Democratic Republic of the Congo, Egypt, Eswatini, Kenya, Malawi, Mauritius, Rwanda, Uganda, and Zambia.
Clearing agreements	Yes.	The REPSS is an electronic platform that facilitates cross-border payments within COMESA. The REPSS operates through the COMESA Clearing House, located in Harare, Zimbabwe, and through the Bank of Mauritius, which serves as the Settlement Bank. Payments are settled in convertible currencies, namely US dollars and euros.
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	Yes.	
Official	Yes.	As of December 31, 2022, external debt legacy arrears stood at US $78.29 million, owed to three countries: Tanzania (US$58.25 million), Nigeria (US$20.04 million), and Iraq (US$1,291).
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	

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On domestic ownership and/or trade	Yes.	Residents may hold and acquire gold coins for numismatic purposes. Only monetary authorities and licensed dealers are allowed to hold or acquire gold in any form other than jewelry.
On external trade	Yes.	Dealing in gold in any form other than jewelry constituting the personal effects of a traveler requires a license issued by the Ministry of Energy and Mineral Development. On the basis of these licenses, the Ministry of Trade, Industry, and Cooperatives issues export and import permits.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	No.	No monetary limits apply to exports of cash by residents or nonresidents. Section 8 of the FEA (2004) states that "the Bank of Uganda may, by regulations, impose restrictions on the importation into or exportation from Uganda of banknotes, coins, traveler's checks, and securities denominated in the currency of Uganda and in foreign currency."
Foreign currency	Yes.	No monetary limits apply to exports of cash by residents or nonresidents. Section 9.2 of the FEA (2004) states that "all payments in foreign currency, to or from Uganda, between residents and non-residents, or between nonresidents, shall be made through a bank." Section 9.3 of the FEA (2004) states that "every transfer of foreign exchange to or from Uganda shall be through a person licensed to carry out the business of money transfers."
On imports	Yes.	
Domestic currency	No.	No monetary limits apply to imports of cash by residents or nonresidents. Section 8 of the FEA (2004) states that "the Bank of Uganda may, by regulations, impose restrictions on the importation into or exportation from Uganda of banknotes, coins, traveler's checks, and securities denominated in the currency of Uganda and in foreign currency."
Foreign currency	Yes.	There are no monetary limits on cash banknotes brought into Uganda by residents or nonresidents. Section 9.2 of the FEA (2004) states that "all payments in foreign currency, to or from Uganda, between residents and nonresidents, or between nonresidents, shall be made through a bank." Section 9.3 of the FEA (2004) states that "every transfer of foreign exchange to or from Uganda shall be through a person licensed to carry out the business of money transfers."

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents are free to open accounts in domestic or foreign currency locally. There are no restrictions on the operation of the accounts as long as anti-money-laundering regulations are not violated.
Approval required	No.	
Held abroad	Yes.	Residents are free to open accounts in foreign currency abroad.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents are free to open accounts in domestic currency abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents are free to open and maintain foreign exchange accounts. There are no restrictions on the operation of the accounts as long as anti-money-laundering regulations are not violated.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents are free to open and maintain domestic currency accounts.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Counterfeit currency notes and coins, pornographic materials, used tires of light commercial and passenger vehicles, all soaps and cosmetic products containing mercury, narcotic drugs under international control, etc., are on the negative list. The complete list of prohibited goods is referenced in the EAC Customs Management Act, 2004, Second Schedule (ss. 18, 19, and 20).
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Customs duties on goods imported from countries outside the EAC are 0% for essential goods, raw materials, and capital goods; 10% for intermediate goods; and 25% for finished goods. There is also an environmental levy of 10% on motor vehicles, excluding commercial vehicles eight years old and older.

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Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	No.	
Without quotas	No.	
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	No.	Section 9.2 of the FEA (2004) states that "all payments in foreign currency, to or from Uganda, between residents and nonresidents, or between nonresidents, shall be made through a bank."
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	Yes.	
Prior approval	Yes.	BOU ended the COVID-19 market-wide restriction on payment of dividends and other discretionary payments by supervised financial institutions (SFIs), effective May 31, 2022. The policy which was introduced in April 2020 achieved its objectives. It enabled SFIs to grow their capital buffers to a level that is more than double the minimum requirements. The restriction affected a considerable

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		number of banks with nonresident shareholders. The payment of dividends remains subject to BOU approval, and every SFI that applies must comply with: (1) requirements of the Financial Institutions Act 2004 and Microfinance Deposit-Taking Institutions (MDI) Act 2003; (2) Basel II capital requirements demonstrate that it has adequate capital buffers to absorb potential shocks by submitting a satisfactory forward looking Internal Capital Adequacy Assessment Program(ICAAP) assessment report that takes into account ability to withstand a range of macroeconomic risks; and (3) Financial Institutions (Capital Buffers and Leverage Ratio) Regulations, 2020. BOU's approval will also take into consideration the prevailing macroeconomic conditions and outlook.
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	There are no controls, as stated in Section 20.1 of the FEA, which repealed the Exchange Control Act. However, money laundering is prohibited.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	

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Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	The Land Amendment Act (2004) stipulates that leases on land granted to non-Ugandans, irrespective of their residency status, may not exceed 99 years.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Commercial banks may borrow from abroad however, should they need to classify the borrowing as part of Tier 2 capital or as administered funds they would need to consult with the BOU.
Maintenance of accounts abroad	Yes.	Account balances may range between 20% and 50% of total capital, depending on the rating of the correspondent financial institution. See Section 8 of the Financial Institutions (Foreign Exchange Business) rules, 2010.
Lending to nonresidents (financial or commercial credits)	Yes.	A financial institution may not open or set up a subsidiary, branch, or representative office or transact financial institution business outside Uganda or acquire an interest in any enterprise conducting business outside Uganda, except with the consent of the CB.
Lending locally in foreign exchange	Yes.	Lending in foreign currency may have a maximum maturity of not more than one year unless the borrower has a clearly defined income stream in the currency being borrowed that matches the longer-term maturity of the loan, and it may not exceed in aggregate 80% of a bank's total foreign currency deposits. See Section 7 of the Financial Institutions (Foreign Exchange Business) rules, 2010.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Banks must maintain with the BOU unremunerated cash reserves of, effective June 23, 2022, 10% (previously 8%) against all deposit liabilities, irrespective of the denomination and term.
Liquid asset requirements	No.	It is 20% against deposit liabilities for both domestic and foreign currency accounts.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	

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Open foreign exchange position limits	Yes.	Rule 6 of the Financial Institutions (Foreign Exchange Business) Rules, 2010, states that the daily foreign exchange open position of authorized financial institutions must lie within ±25% of a financial institution's core capital in the previous quarter.
On resident assets and liabilities	Yes.	The maximum limit for the net open position in foreign currencies generally or in any specified foreign currency that the financial institution may create may not exceed 25% of the core capital of the financial institution.
On nonresident assets and liabilities	Yes.	The maximum limit for the net open position in foreign currencies generally or in any specified foreign currency that the financial institution may create may not exceed 25% of the core capital of the financial institution.
Provisions specific to institutional investors	No.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.

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Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.

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Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Foreign exchange market

Spot exchange market

Operated by the central bank

Auction	*09/12/2022*	In conducting intervention, the banks that are hit on the Reuters Dealing System by the CB at their quoted rate are obligated to execute a transaction for a minimum of US$500,000 (previously US $250,000).

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments

Prior approval	*05/31/2022*	Bank of Uganda (BOU) ended the COVID-19 market-wide restriction on payment of dividends and other discretionary payments by supervised financial institutions introduced in April 2020. The payment of dividends remains subject to BOU approval.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*06/23/2022*	Banks must maintain with the Bank of Uganda unremunerated cash reserves of 10% (previously 8%) against all deposit liabilities, irrespective of the denomination and term.

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UKRAINE

(Position as of October 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 3, 1992.
Article VIII	Yes.	Date of acceptance: September 24, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the First Review under the Stand-By Arrangement, Requests for Extension and Rephasing of Access of the Arrangement, Waivers of Nonobservance of a Performance Criterion, Financing Assurances Review, and Monetary Policy Consultation with Ukraine states that, as of November 8, 2021, Ukraine continues to maintain one exchange restriction and two MCPs, but a roadmap is in place to gradually phase them out. The exchange restriction arises from limits on the availability of foreign exchange for certain non-trade current international transactions (the limit on individuals' and corporates' investments abroad may capture some current transactions). The MCPs arise from: (1) the use of multiple price foreign exchange auctions conducted by the National Bank of Ukraine (NBU) without a mechanism to prevent a spread deviation of more than 2% between the auction and market exchange rates and (2) the use of the official exchange rate for exchange transactions with the government without a mechanism to prevent a spread deviation of more than 2% between the official exchange rate and market exchange rates. (Country Report No. 21/250)
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Restrictions established by the Cabinet of Ministers of Ukraine in accordance with UNSC resolutions remain in place for certain transactions with the Democratic Republic of the Congo, the Democratic Republic of Somalia, the Democratic People's Republic of Korea, Guinea-Bissau, Lebanon, and South Sudan. Restrictions with respect to the Libyan Arab Jamahiriya, the Taliban, and Al-Qaida remain in place. Following the entry into force of the Law of Ukraine No.1644-VII of August 14, 2014, On Sanctions, sanctions are introduced by decision of the Ukraine National Security and Defense Council, and in particular with respect to Iran: Ukraine National Security and Defense Council Decisions of May 20, 2016, on Implementation of UNSC Resolution No. 2231 of July 20, 2015, Concerning the Joint Comprehensive Plan of Action with Respect to Sectoral Sanctions (introduced by Decree No. 254/2016 of the President of Ukraine of June 15, 2016, and approved by Ukraine Supreme Council Resolution No. 1471-VIII of July 14, 2016), and on Implementation of UNSC Resolution No. 2231 of July 20, 2015, Concerning the Joint Comprehensive Plan of Action with Respect to Personal Sanctions (introduced by Decree No. 254/2016 of the President of Ukraine of June 15, 2016).

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		Restrictions also apply to certain transactions with Nicaragua from February 1, 2021, and with Mali and Yemen, effective February 19, 2021. On October 28, 2021, new restrictions were introduced against Yemen. Effective February 24, 2022, under a state of martial law pursuant to Resolution No. 18 of February 24, 2022, the performance of transactions by servicing banks involving the transfer of funds from accounts of residents of Russia/the Republic of Belarus (with the exception of standalone transactions within Ukraine) has been halted for accounts of legal entities (other than banks) whose ultimate beneficiary owners are residents of Russia/the Republic of Belarus (excepting standalone transactions within Ukraine). In addition, authorized institutions are prohibited from performing any exchange transactions: (1) using Russian rubles/Belarusian rubles; (2) in which one of the participants is a legal entity or individual whose location (of registration or permanent residence) is in Russia/the Republic of Belarus; (3) to fulfill obligations to legal entities or individuals whose location (of registration or permanent residence) is in Russia/the Republic of Belarus. Effective February 22, 2023, sectoral sanctions were imposed on financial institutions of Russia as mandated by the decision of the National Security and Defense Council of Ukraine dated February 22, 2023, and enacted by Presidential Decree No. 82/2023 of February 22, 2023. Also, effective May 27, 2023, by decision of the National Security and Defense Council of Ukraine of May 27, 2023, sectoral sanctions were imposed on the Islamic Republic of Iran (as enacted by Presidential Decree No. 308/2023 of May 27, 2023).
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Ukraine is the Ukrainian hryvnia (UAH).
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual		
Multiple	Yes.	The exchange rate structure is classified as multiple because of MCPs, which arise from (1) the use of multiple price foreign exchange auctions conducted by the NBU without a mechanism to prevent a spread deviation of more than 2% between the auction and market exchange rates and (2) the use of the official exchange rate for exchange transactions with the government without a mechanism to prevent a spread deviation of more than 2% between the official exchange rate and market exchange rates.
Classification		

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No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	The de jure exchange arrangement is classified as floating. The NBU may use foreign currency interventions for the purpose of accumulating international reserves, smoothing out the functioning of the foreign exchange market, and maintaining the transmission of the key interest rate as the main monetary policy instrument. The NBU publishes data on foreign exchange interventions for the current week on its website every Friday in the end of the day. Namely, weekly amounts of purchases and sales by types of interventions are published. The official exchange rate of the hryvnia against foreign currencies is established, and the reference exchange rate of the hryvnia against the US dollar and the accounting prices of bank metals is calculated every business day in accordance with the Regulation on the establishment of the official exchange rate of the hryvnia against foreign currencies and on the calculation of the reference exchange rate of the hryvnia against the US dollar and of the accounting prices of bank metals, as approved by the Resolution No. 148 of the Board of the NBU of December 10, 2019 (as amended). The NBU suspended the floating exchange rate regime after the start of Russia's full-scale invasion of Ukraine and introduced a number of temporary administrative restrictions on foreign exchange transactions and cross-border capital flows. Since February 24, 2022, the official exchange rate of the hryvnia against the US dollar has been fixed with a one-time realignment on July 21, 2022. Since the beginning of the war, the fixed exchange rate and foreign exchange market interventions have become key instruments of the National Bank to ensure macro-financial stability. In the period between February 24, 2022, and March 20, 2022, the official exchange rate of the hryvnia against other foreign currencies and the SDRs, as well as the accounting prices of bank metals were fixed as of February 24, 2022. Since March 21, 2022, the official exchange rate of the hryvnia against other foreign currencies and the accounting prices of bank metals were established in accordance with the procedure that was in effect before the introduction of martial law, that is based on the official exchange rates of the hryvnia against the US dollar and Bloomberg FX Fixing quotations. In 2022, the net foreign exchange sales by the NBU amounted to US$25.0 billion. In 2023 (as of October 17, 2023), the balance of the NBU's foreign exchange interventions was negative and constituted US$21.1 billion. Since February 2022, the exchange rate stabilized within a 2% band against the US dollar with one realignment in July 2022. Therefore, the de facto exchange rate arrangement was reclassified to stabilized from floating, effective February 23, 2022.
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	In the period of martial law, the reduced effectiveness of market instruments and high uncertainty in the conditions of the full-scale war make it impossible to implement monetary policy in the format of inflation targeting with a floating exchange rate. Effective February 24, 2022, the hryvnia exchange rate against the US dollar was fixed at the level of 29.2549 hryvnia per US dollar. In the period between February 24, 2022, and March 20, 2022, the official exchange rate of the hryvnia against other foreign currencies and the SDRs, as well as the accounting prices of bank metals were fixed as of February 24, 2022. Effective March 21, 2022, the official exchange rates of the hryvnia against other foreign currencies and SDR have been set, and the accounting prices of bank metals have been calculated in accordance with the procedure that was in effect before the introduction of martial law, that is based on the official exchange rates of the hryvnia against the US dollar and Bloomberg fixing quotations in accordance with the Regulation on the setting of the official exchange rate of the hryvnia against foreign currencies and on the calculation of the reference exchange rate of the hryvnia against the US dollar and of the accounting prices of bank metals, as approved by the Resolution No. 148 of the Board of the NBU of December 10, 2019 (as amended). Effective July 21, 2022, the NBU set and fixed the hryvnia exchange rate at the level of 36.5686 hryvnia per the US dollar. On October 3, 2023, the NBU transitioned to a managed floating exchange rate of the hryvnia against the US dollar, which meant eliminating the provision whereby the exchange rate of the hryvnia against the US dollar was set and fixed and resuming the establishment of the exchange rate in the manner that was practiced before the beginning of the large-scale invasion. Effective October 3, 2023, the NBU has re-introduced the methodology of calculating the official exchange rate of the hryvnia against the US dollar, which was in effect before the full-scale invasion. Official exchange rate of the hryvnia against foreign currencies is set, and the reference exchange rate of the hryvnia against the US dollar and the accounting prices of bank metals calculated every business day in accordance with the Regulation on the setting of the official exchange rate of the hryvnia against foreign currencies and on the calculation of the reference exchange rate of the hryvnia against the US dollar and of the accounting prices of bank metals, as approved by the Resolution No. 148 of the Board of the NBU of December 10, 2019 (as amended). Effective January 4, 2022, the calculation of the official UAH/USD exchange rate takes into account all “tod”, “tom”,

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and spot deals on the purchase/sale of US dollars in a volume from US$100,000 through US$5 million that were conducted on the Ukrainian foreign exchange market by banks with other banks and with the NBU on the day of calculating the official exchange rate, and which were reported to the NBU via the Bloomberg trading and information system through relevant data channels by 3:00 p.m. The information on the official hryvnia exchange rate against foreign currencies and the calculated accounting prices for investment metals are published on the NBU's official website no later than 3:30 p.m. on the day of setting/calculation and is sent to subscribers of the NBU's email service.

The calculation methodology provides for a three-stage cut-off system for transactions with extreme parameters.

Previously, the official hryvnia exchange rate against the US dollar was calculated based on information about all transactions involving the purchase and sale of US dollars on "tod," "tom," and "spot" terms, which on the day of calculation of the official exchange rate took place in the interbank currency market of Ukraine between banks and between banks and the NBU, and information whereof was provided by the NBU trading information systems until 3:30 p.m. of the current business day.

The method of calculation provided a two-stage system for cutting off transactions with extreme parameters. The method had been in place since August 1, 2018, at the NBU.

The official exchange rate of the hryvnia against foreign currencies and bank metals is used by residents and nonresidents for recording transactions with foreign currencies and bank metals in their accounting records, and in other cases as envisaged by the legislation of Ukraine, and for foreign exchange transactions of the NBU with the State Treasury Service of Ukraine.

Monetary policy framework

Exchange rate anchor	Yes.	
U.S. dollar	Yes.	Since August 2015, the NBU has conducted its monetary policy based on the inflation-targeting framework. Monetary Policy Strategy of the NBU confirms a consistent commitment to the inflation-targeting regime and a constant inflation target of 5% ±1 percentage point and the principles of monetary policy. Despite the full-scale war, the NBU remains committed to its mandate to ensure price and financial stability, which are the keys to achieving sustainable economic growth. At the same time, the lower effectiveness of market instruments and high uncertainty have rendered it temporarily impossible to conduct monetary policy in the conventional inflation targeting framework. The approaches to fulfilling the NBU's priority functions, as well as the objectives and principles of monetary policy, have had to be changed, and these changes were set forth in the Monetary Policy Guidelines for the Duration of Martial Law. Effective February 24, 2022, the NBU fixed the USD/UAH exchange rate to preserve macroeconomic stability in Ukraine, curb the panic and prevent uncontrolled inflationary spiral. Amid high uncertainty caused by the war, the fixed exchange rate acted as the main anchor for stabilizing expectations and the key tool for achieving the NBU's

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goals. Maintaining exchange rate sustainability is the key stabilization measure to ensure steady disinflation and support the adaptation of the economy to the conditions of full-scale war. Not only does it have a direct restraining effect on the growth in the cost of goods and services, it also eases underlying price pressures through its positive influence on expectations.
Among other things, foreign exchange market sustainability is supported by the NBU's active foreign exchange interventions, the calibration of a number of administrative restrictions (in particular, restrictions on foreign exchange transactions and capital movement), ceasing monetary financing, and ensuring that hryvnia assets are attractive.

The NBU will return to the usual principles of inflation targeting with a floating exchange rate as conditions permit. This commitment is formalized in the Monetary Policy Guidelines for the Duration of Martial Law (adopted by the NBU Council on April 15, 2022). Returning to inflation targeting is the ultimate goal of the implementation of Strategy for Easing Foreign Exchange Restrictions, Transition to Greater Exchange Rate Flexibility, and Return to Inflation Targeting.

Euro

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

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Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Foreign currency may be traded in the foreign exchange market of Ukraine and in the international foreign exchange market via the NBU and market participants (banks that have obtained a banking license, nonbank financial institutions, and postal service operators that have obtained a license from the NBU to perform currency valuables trade), and through a central counterparty, which is a clearing institution authorized to conduct central counterparty clearing operations in accordance with the Law of Ukraine On Capital Markets and Regulated Commodity Markets and licensed by the National Bank).). Market participants may perform the following operations: (1) purchase and/or sale of foreign currency for hryvnias in the foreign exchange market of Ukraine; (2) purchase and/or sale of bank metals for hryvnias by banks in the foreign exchange market of Ukraine; (3) exchange of one foreign currency for another or one bank metal for another bank metal or foreign currency by banks without limit in the foreign exchange market of Ukraine and in the international foreign exchange market. Foreign currency is traded on “tod,” “tom,” “spot,” “swap,” and “forward” terms. Banks perform foreign exchange transactions on swap terms in the foreign exchange market of Ukraine: (1) with the NBU and CCP—with foreign currency;

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(2) with other banks and bank customers (including international financial institutions [IFIs])—with foreign currency and bank metals.

Banks are prohibited from performing swap transactions with customers:

(1) who are residents, other than individuals, if the first part of the transaction involves the sale of foreign currency/bank metals to the customer;

(2) who are nonresidents, if the first part of the transaction involves the purchase of foreign currency/bank metals from the customer.

Banks perform foreign exchange transactions on forward terms (with or without the delivery of the underlying asset) in the foreign exchange market of Ukraine with other banks and bank customers.

The central counterparty conducts currency swap transactions with banks.

Bank customers, with the exception of individuals, may perform foreign exchange transactions involving the purchase of foreign currency from banks and may perform forward foreign exchange transactions:

(1) for the hedging of risk associated with a change in the exchange rate of foreign currency against the hryvnia in transactions:

(a) involving exports/imports of goods;

(b) of resident borrowers under credit agreements (loan agreements) for the attraction of funds from nonresidents or banks;

Banks may perform forward foreign exchange transactions with individuals without restriction.

Banks may perform foreign exchange transactions based on a banking license issued by the NBU in accordance with the Law of Ukraine on Banks and Banking.

Banks may perform their own transactions involving trade in foreign currency/bank metals within the open foreign exchange position limits established by the NBU.

Banks may perform transactions with customers involving the purchase, sale, and exchange of foreign currency/bank metals at the exchange rate specified in the request or instruction to perform such a transaction.

Banks may receive commission fees for transactions performed on behalf of customers, which must be paid exclusively in the domestic currency of Ukraine.
Banks may use both the transaction confirmation system (on a voluntary basis) and any other means acceptable to the parties to the transaction (for example, SWIFT) to confirm interbank transactions involving the purchase/sale of foreign currency in the currency market of Ukraine.

At the same time, banks may conclude deals at any time, regardless of the time set for the transaction confirmation system.

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Banks confirm transactions with the NBU involving the purchase/sale of foreign currency through the transaction confirmation system if the NBU uses this system for the confirmation of transactions.

The transaction confirmation system operates on business days (Monday through Friday) from 9:00 a.m. to 7:00 p.m. Kyiv time.

Banks may engage in trading in foreign currency/bank metals regardless of the operating hours of the transaction confirmation system.

Beginning February 24, 2022, banks are prohibited from conducting transactions involving trade in foreign currency (including for clients), excepting certain transactions, a list of which has been established by Resolution No. 18 (the list is not exhaustive and is reviewed based on the current situation on the exchange market and the state's needs during a state of martial law). Because of Russia's military aggression against Ukraine, all exchange transactions are being conducted in consideration of the limitations established in NBU Resolution No. 18, dated February 24, 2022.

The NBU suspended the floating exchange rate regime following the start of the Russian invasion. Effective February 24, 2022, the hryvnia was pegged to the US dollar as at UAH 29.2549 to the US dollar.

Effective July 21, 2022, the NBU set and fixed the exchange rate of the hryvnia to the USD at 36.5686 hryvnias to the US dollar.

Effective October 3, 2023, a managed floating exchange rate regime was introduced. Correspondingly, the exchange rate of the hryvnia against the US dollar was resumed to be set in the manner that had been practiced before the large-scale invasion.

Effective May 21, 2022, the NBU lifted restrictions on the exchange rate at which market participants were selling cash foreign exchange to their customers (between April 14, 2022, and May 20, 2022, these transactions were allowed to use a rate that could not deviate by more than 10% from the official rate of the NBU, effective on the day of a transaction).

Since August 6, 2022, the NBU has removed restrictions on the rate at which market participants were buying cash foreign exchange from their customers (between April 14, 2022 and August 5, 2022, these operations were allowed to be carried out at a rate that was not lower than the official rate of the NBU in force on the day of the transaction, while in the period from March 1, 2022 to April 13, 2022, cash foreign exchange was bought from customers at the official rate of the NBU in force on the day of the transaction). The exchange rate restriction for transactions with electronic payment instruments was also removed, and issuing banks for debiting/crediting from/to the customer's account for transactions made with the use of electronic payment instruments, if the currency in which the interbank transfer is made does not coincide with the currency of the customer's account, use such an exchange rate of the hryvnia against a foreign currency that is set by the issuing bank and

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		effective on the day of transaction recording by the bank. Effective February 24, 2022, banks' operations were pegged to the official rate of the NBU in effect on the day of a transaction. Effective March 1, 2022, banks' operations were conducted at a rate that could deviate by no more than 1% from the official rate of the NBU as in effect on the day of the transaction. Effective October 3, 2023, the NBU abolished the pegging of the hryvnia exchange rate on banks' operations to the official hryvnia exchange rate for non-cash foreign currency purchase and sale operations by banks (including on instructions of their clients). Banks can buy and sell non-cash foreign exchange (including on instructions of their clients) at the rate set by the bank on the date of the transaction. The NBU has established a procedure for banking system operations during the period of martial law for the purpose of ensuring reliability and stability in banking system functions, effective February 24, 2022. The NBU also determined the procedure for maintaining the Register of currency exchange offices. The NBU has established regulation for the purpose of determining aspects of the functioning of the money and exchange markets during the period of martial law, assisting in increasing the volumes of transactions with sovereign bonds of Ukraine. Before October 2022, the NBU Resolution No. 26 on Approval of the Regulation on Procedure of Licensing Currency Valuables dated March 26, 2021, was in force. This Regulation was repealed by NBU Board Resolution No. 216 effective October 7, 2022, amending NBU Board Resolution No. 153 on Approval of the Regulation on the Licensing and Registration of Financial Service Providers and Requirements for Providing Financial Services dated December 24, 2021. These amendments were intended to unify approaches to licensing financial service providers, financial payment service providers, and providers of limited payment services. Specifically, this regulation regulates the procedure for issuing a license to trade in currency valuables.
Spot exchange market	Yes.	Currency exchange transactions include: (1) the purchase of foreign currency cash from (resident and nonresident) individuals for cash hryvnias or noncash hryvnias with subsequent posting to these individuals' own current accounts; (2) the sale of foreign currency cash to (resident and nonresident) individuals for cash hryvnias or noncash hryvnias from these individuals' own current accounts; (3) the exchange of foreign currency cash of one country for foreign currency cash of another country for (resident and nonresident) individuals. These transactions may be performed by banks, nonbank financial institutions, postal service providers, and currency exchange offices of banks. Banks, nonbank financial institutions, and postal service providers may change the purchase and sale exchange rates for currency exchange transactions during the course of a business day. Nonbank financial institutions and their standalone divisions and

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currency exchange offices of banks, nonbank financial institutions, and postal service providers may begin operations following registration of an electronic cash register with the tax authorities.

As of October 24, 2023, a total of 30 nonbank financial organizations and the national postal service, Ukrpochta, may perform currency exchange operations (in their local branches, offices, and exchange points) and a total of 63 banks were entitled to conduct foreign currency exchange operations.

Effective February 24, 2022, banks, nonbank financial institutions, and postal service providers are permitted to perform only transactions that involve the purchase of foreign currency from clients (the sale of foreign currency in cash to clients is prohibited). Banks are prohibited from conducting transfers of individuals on current non-commercial transactions, other than the cases defined in Resolution No. 18 (this list is revised based on the current situation on the exchange market and the government's requirements under martial law conditions).

Effective April 14, 2022, banks, nonbank financial institutions, and postal service providers are also permitted to perform transactions involving the sale of foreign currency in cash to individual clients. Cash foreign exchange may only be sold within the amount that exceeds the total purchase of foreign exchange over the total sales of foreign exchange. The excess amount must be calculated beginning April 13, 2022, and for the following transaction/working days.

Effective July 27, 2022, the sale of foreign currency in cash to clients must be conducted within the limits of an amount defined as the sum of two components: the amount by which a purchase of foreign currency in cash exceeds the amount of its sale for all foreign currencies, calculated beginning April 13, 2022, and the subsequent transaction/working days, and 50% of the amount of a purchase of non-cash foreign currency from individuals for all currencies, calculated beginning April 13, 2022, and the subsequent transaction/working days. The total of these components is calculated in dollar equivalent. To convert it, one uses the official exchange rate of the hryvnia to the foreign currency, as set by the NBU as of the date of this calculation.

Effective September 6, 2022, banks are allowed to include in the calculation of the volume of sale of cash foreign exchange 100% of non-cash foreign exchange purchased from individuals in all foreign currencies, which is calculated starting from April 13, 2022, and over the subsequent banking/working days, and effective April 21, 2023, 120% of the volume of purchase of non-cash foreign exchange.

Effective September 16, 2023, banks, nonbank financial institutions, and postal service operators have also included in the calculation of the volume of sales of cash foreign exchange sales the balances of foreign exchange cash on hand at these institutions as of April 13, 2022.

Effective February 24, 2022, the NBU established exchange rate rules for the purchase and sale of cash foreign exchange.

Banks and nonbank financial institutions were buying cash foreign exchange from their customers at the official rate of the NBU in

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		effect on the day of the transaction. Effective April 14, 2022, these operations were allowed to be carried out at a rate that was not lower than the official rate of the NBU in effect on the day of the transaction. Effective August 6, 2022, the NBU has removed restrictions on the rate at which banks and nonbank financial institutions were buying cash foreign exchange from their customers, and such transactions use an exchange rate in effect on the day of the transaction. Effective April 14, 2022, banks and nonbank financial institutions have been selling cash foreign exchange to their customers at a rate that cannot deviate by more than 10% from the official exchange rate of the NBU, which is in effect on the day of the transaction. Effective May 21, 2022, the NBU lifted restrictions on the rate at which banks and nonbank financial institutions are allowed to sell cash foreign exchange to their customers, and henceforth such transactions are carried out at the rate effective on the day of the transaction.
Operated by the central bank	Yes.	In June 2023, the National Bank approved and published a Strategy for easing foreign exchange restrictions, moving to greater exchange rate flexibility, and returning to inflation targeting (hereinafter referred to as the Strategy). The document was adopted in pursuance of Ukraine's commitments under the IMF's Extended Fund Facility program to gradually lift currency restrictions of the war period and move to a greater exchange rate flexibility. On October 2, 2023, the NBU announced transition to a managed floating exchange rate. Effective October 3, 2023, on business days from 10:00 a.m. to 3:30 p.m., the NBU has been transacting with banks on "tod" terms to buy and sell US dollars through the Refinitive and/or Bloomberg trading and information systems to fulfill the following tasks: (1) covering the structural component of net demand for foreign exchange in the currency market of Ukraine by selling (usually daily) US dollars in the amount that corresponds to the estimates of the NBU of the size of the above-mentioned structural component of net demand; (2) smoothing Ukraine's foreign exchange market operations by buying or selling US dollars in the event of abnormal changes in the quotations of the hryvnia exchange rate against the US dollar and/or limited capacity of the foreign exchange market to balance and/or temporary loss of pricing benchmarks by the foreign exchange market. The said transactions will be conducted in the form of interventions at a single rate, interventions at the best rate and currency auctions. The NBU conducts daily operations with banks (on working days starting at 3:30 p.m.) to buy and sell US dollars on "tom" terms. The bank is entitled to participate in such operations on "tom" terms, as defined in paragraph 18 of the Resolution, only if such operations are carried out by the bank to meet the defense needs of Ukraine. Such operations must be carried out at the official exchange rate of the hryvnia against the US dollar, which is set on the day of the operation and will be valid on the next working day after the day of setting. The banks communicate to the NBU through the Refinitive and Bloomberg trading and information systems or by telephone (at the telephone numbers which the NBU informs the banks separately) the amount of US dollars to be sold or purchased on "tom" terms,

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which may not be less than US$100,000.

Effective February 24, 2022, because of the full-scale war of Russia against Ukraine and the introduction of martial law, the NBU temporarily changed its approaches to foreign exchange market interventions. The NBU carried out daily transactions with banks and IFIs to buy and sell US dollars, and until May 9, 2022, inclusive, also to buy and sell Euros. Such transactions were carried out without amount limitation on “tod” (from 9:00 a.m. to 3:00 p.m.) and “tom” (after 3:00 p.m.) terms via Refinitive and Bloomberg systems, or over the phone on prepayment by the bank if Refinitive and Bloomberg were not available. The exchange rate for: (1) purchase of USD by the NBU from banks/IFIs was set at the official UAH/USD exchange rate on the day of the transaction; (2) sale of USD by the NBU to banks/IFIs was set at the official UAH/USD exchange rate on the day of the transaction, increased by 1% and rounded to the fourth decimal place.

Starting from February 24, 2022, with the imposition of martial law, until October 2, 2022, the NBU carried out only single-rate foreign exchange interventions, selling at the official exchange rate plus 1% and purchasing at the official exchange rate (paragraph 18 of Resolution No. 18 (from February 24, 2022, to October 2, 2022, inclusive). From October 20, 2022, the NBU has been purchasing and selling foreign currency to households at the official exchange rate to make deposits (paragraph 1218 of Resolution No. 18).

A bank is allowed to participate in transactions under the terms and conditions defined in paragraph 18 of Resolution No. 18 only if such transactions are carried out by the bank to meet the defense needs of Ukraine.

Banks are allowed to conduct foreign exchange transactions with the NBU, provided they comply with the net long open currency position over the preceding 10 days.

According to the Monetary Policy Guidelines, during martial law, the NBU will strive to restore the full operation of the foreign exchange market as soon as possible and return to the floating exchange rate regime, if this does not create threats to the stable functioning of the banking and/or financial system of the state. As soon as administrative restrictions are lifted and operations on the foreign exchange market revive, the National Bank will return to foreign exchange interventions taking into account the tasks and principles established in the Foreign Exchange Interventions Strategy of the NBU.

Effective May 10, 2022, the NBU stopped the daily purchase and sale of Euro with banks and IFIs and began conducting operation solely in US dollars.

Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	Interventions may be conducted at a single rate, at the best rate and currency auctions. In accordance with the Resolution of the NBU Board No. 26 of January 31, 2019, on Approval of the Regulation on Currency Interventions of the NBU in the Foreign Exchange Market of

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		Ukraine, the NBU may conduct any interventions from its usual toolkit. The NBU may conduct currency interventions on the "tod", "tom", and spot terms. The NBU may conduct currency interventions on the swap terms only at a single rate. During the martial law, regulatory legal acts of the NBU may be in force to the extent not contradicting Resolution No. 18. Intervention at a single exchange rate takes place either (1) by collecting bids from market participants for the purchase/sale/exchange of foreign currency at a single exchange rate and their proportional fulfillment within the limits of the volume determined for currency intervention or (2) by placing an offer to buy/sell foreign currency at a single exchange rate in the trading information system (Bloomberg or Refinitiv) and accepting offers from market participants before the supply is exhausted. The NBU informs banks that a foreign currency auction is to be held by posting the information on the official website of the NBU, as well as by means of the trading information system, if the auction is held using this system. Conditions are specified by the NBU in the notification. The NBU informs banks participating in an auction of the cut-off exchange rate and the weighted-average exchange rate for the auction by posting the information on the official website of the NBU, as well as by means of the trading information system, if the auction is held using this system. An intervention using the best exchange rate is carried out either (1) by asking market participants for the price of purchase/sale of foreign currency through the trading information system and the transaction at the best offered price or (2) by choosing the best price for the purchase/sale of foreign currency from the quotes of market entities available in the trading information system and conducting a transaction with a market entity that offers this price. The list of banks entitled to participate in an intervention at the best exchange rate, which is carried out by requesting the banks' prices for the purchase/sale of foreign currency, includes 20 banks selected on the basis of a set of criteria such as the volume of interbank transactions, the volume of transactions with customers, and the size of bank assets. This list of banks was first published on October 31, 2016, and it is updated every quarter.
Fixing	No.	
Interbank market	Yes.	The NBU engages in trading in foreign currency and/or bank metals for the purpose of performing the functions assigned to it by the legislation of Ukraine. The NBU may carry out currency interventions in the interbank currency market of Ukraine by holding currency auctions, interventions at a single rate, or interventions at the best rate. Banks perform their own transactions involving trade in foreign currency/bank metals within the open foreign exchange position limits established by the NBU.

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		Banks perform transactions with customers involving the purchase, sale, and exchange of foreign currency/bank metals at the exchange rate specified in the request or instruction to perform such a transaction. Banks receive commissions for transactions performed on behalf of customers, which are paid exclusively in hryvnias. Banks may use both the transaction confirmation system (on a voluntary basis) and any other means acceptable to the parties to the transaction (for example, SWIFT) to confirm interbank transactions involving the purchase/sale of foreign currency in the currency market of Ukraine. Banks confirm transactions with the NBU involving the purchase/sale of foreign currency through the transaction confirmation system if the NBU uses this system for the confirmation of transactions. The transaction confirmation system operates on business days (Monday through Friday) from 9:00 a.m. to 7:00 p.m. Kyiv time. Banks engage in trading in foreign currency/bank metals regardless of the operating hours of the transaction confirmation system. Effective February 24, 2022, banks are prohibited from performing transactions involving trade in foreign currency (including for clients), with the exception of certain transactions, a list of which is established in Resolution No. 18 (the list is revised based on the current situation on the exchange market and the government's requirements in conditions of martial law). Per Resolution No. 18, as of February 24, 2022, banks must perform transactions involving trade in foreign currency in accordance with the exchange-rate rules established by the NBU for exchange transactions (transactions involving the purchase and sale of cashless and cash foreign currency, for transactions with electronic means of payment).
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	There are no market makers in the interbank foreign exchange market.
Forward exchange market	Yes.	Banks perform foreign exchange transactions on swap terms in the foreign exchange market of Ukraine: (1) with the NBU, CCP—with foreign currency; (2) with other banks and bank customers (including IFIs—with foreign currency and bank metals. Banks are prohibited from performing swap transactions with customers: (1) who are residents (other than individuals), if the first part of the transaction involves the sale of foreign currency/bank metals to the customer; (2) who are nonresidents, if the first part of the transaction involves

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the purchase of foreign currency/bank metals from the customer.

Banks perform foreign exchange transactions on forward terms (with or without the delivery of the underlying asset) in the foreign exchange market of Ukraine with other banks and bank customers.

Bank customers may perform forward transactions:

(1) to hedge risk associated with a change in the exchange rate of foreign currency against the hryvnia in transactions;

(a) involving exports/imports of goods;

(b) of resident borrowers under credit agreements (loan agreements) for the attraction of funds from nonresidents or banks;

Banks perform forward foreign exchange transactions for individuals without restriction.

The new foreign exchange legislation does not prohibit the performance of transactions with other foreign currency derivatives, or transactions in foreign currency with other derivative financial instruments based on underlying assets in foreign currency, foreign currency exchange rates, interest rates, and indices.

Comprehensive regulation of transactions with derivatives is provided for in Law of Ukraine No. 738-IX of June 19, 2020, on Amendments to Certain Legislative Acts of Ukraine Concerning Simplification of the Attraction of Investments and the Introduction of New Financial Instruments.

Banks may perform transactions with derivatives both in the foreign exchange market of Ukraine and on stock exchanges.

On April 2, 2016, the Regulation on the Performance of Swap Transactions by the NBU for the Purchase and Sale of Foreign Currency (NBU Board Resolution No. 222 of March 31, 2016) entered into force. Currency swap transactions between the NBU and banks are performed with US dollars and euros. The NBU Executive Board determines the maximum term for which swap transactions may be performed. The NBU does not perform forward swap transactions for which the size of the haircut has not been approved.

Effective February 24, 2022, banks were prohibited from performing transactions involving trade in foreign currency (including for clients), with the exception of certain transactions, a list of which is established by Resolution No. 18 (the list is reviewed based on the current situation on the exchange market and the government’s needs during martial law).

Effective March 4, 2022, “swap” transactions were permitted with resident clients, if the first part of the transaction provides for a purchase of foreign currency from a resident client.

Effective March 21, 2022, transactions involving the purchase of foreign currency by clients on “forward” terms under forward contracts are permitted that were signed before February 23, 2022 (inclusive).

Effective April 4, 2022, “swap” transactions with clients were

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		permitted under a foreign currency exchange for the group 1 Classifier. Effective April 30, 2022, banks are prohibited from entering into money market derivative contracts (other than swaps), on the basis of which the parties to such a contract incur an obligation to purchase or sell foreign currency/precious metals for hryvnias, as well as derivative money market contracts (other than swaps), the baseline for which is the exchange rate of the foreign currency to the hryvnia, the exchange rate (rates of several currencies) expressed in hryvnia, and the price of precious metals—in hryvnia. Effective June 15, 2022, banks are permitted to perform transactions on "swap" terms with a foreign bank/depository that has a securities account in the NBU, to purchase and sell foreign currency, if the first part of the transaction provides for the bank to sell foreign currency to a foreign bank/depositors that has a securities account in the NBU. Effective July 16, 2022, banks are permitted to transact on swap terms with a central counterparty, which has the right to provide CCP clearing services in accordance with the Law of Ukraine on Capital Markets and Regulated Commodity Markets, and has obtained a license from the NBU to perform settlements on currency swap transactions and settlements in foreign currency on transactions on bonds of the domestic government loan of Ukraine denominated in foreign currency, as well as to carry out other currency transactions with securities.
Official cover of forward operations	No.	To prevent the spread of systemic risks resulting from market participants' foreign currency derivatives contracts, the NBU may adopt a decision regarding the date on which banks must create and hold reserves for forward transactions. Reserves must be held by banks in hryvnias in a correspondent account at the NBU in addition to their required reserves. The requirements of this provision do not extend to foreign currency forwards that are the second leg of foreign currency swaps.

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	Payments to and receipts from all countries are settled in foreign currency and also in hryvnias.
For current transactions and payments	Yes.	Residents may conduct transactions in hryvnias with nonresidents through hryvnia correspondent accounts of nonresident banks with authorized Ukrainian banks for: (1) settlements between residents and nonresidents for exports and imports of goods (products, services, work, intellectual property rights, other non-property rights intended for sale/paid transfer); (2) transactions by residents with nonresidents under credit agreements/loan agreements related to the provision of funds (a credit/loan) by a nonresident to a resident borrower and/or the fulfillment of debt obligations to a nonresident for a credit/loan attracted by a resident borrower (repayment of a credit/loan, payment of interest, and other payments established under the relevant agreement); (3) transactions related to the performance of foreign investments in

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Ukraine and their return (including the return of profits, income, and other funds earned by foreign investors from investment activity in Ukraine). The regulatory legal acts of the NBU do not contain a ban on the recovery of foreign investment and the payment of dividends to a foreign investor by transferring funds in hryvnia by a resident legal entity to the account of a nonresident legal entity/investment account of a foreign investor opened with a Ukrainian bank. Such funds can currently be used by a foreign investor to make further investments in Ukraine;

(4) transfers of funds to accounts of foreign investors/nonresidents in Ukraine from a correspondent account with a Ukrainian bank held by a depository foreign bank that has a securities account at the NBU. Effective February 24, 2022, in accordance with Resolution No. 18 of February 24, 2022, during martial law the transfer of funds in hryvnia-to-hryvnia correspondent accounts of nonresident banks in resident banks is prohibited, except for transactions on bonds of the domestic government loan of Ukraine denominated in national currency, where a party of such transaction is a nonresident bank (subparagraph 231 of paragraph 14 of Resolution No. 18);

(5) the posting of funds account holders receive from the sale of securities, ownership interest, or other assets in Ukraine that do not constitute foreign investment items in Ukraine for the owner of the account, as well as the receipt of income, profits, or other resources from such items;

(6) transactions involving guarantees/sureties provided by nonresident guarantors/sureties that ensure fulfillment of obligations of resident debtors to resident creditors;

(7) transactions involving guarantees/sureties provided by nonresident guarantors/sureties that ensure fulfillment of obligations of resident debtors to nonresident creditors (provided the obligation of the resident debtor that is backed by the guarantee/surety arises from contracts/transactions referred to under paragraphs 1–5 above);

(8) transactions involving guarantees provided by a resident guarantor (bank, nonbank financial institution) that ensure the fulfillment of obligations of resident debtors to nonresident creditors (provided the obligation of the resident debtor that is backed by the guarantee arises from contracts/transactions referred to under paragraphs 1–5 above);

(9) transactions related to the satisfaction of a nonresident's claims as a creditor through the sale of collateral for hryvnias or the payment of insurance compensation to a nonresident under insurance contracts within Ukraine if a resident debtor fails to fulfill its obligations under the relevant contract (provided the creditor's rights of claim with respect to the resident debtor's obligations arose from contracts/transactions referred to under paragraphs 1–5 above);

(10) transactions by the Personal Deposit Guarantee Fund, or authorized official of the Fund, related to the satisfaction of nonresident creditors' claims during the liquidation of a bank;

(11) transactions pursuant to a court ruling or a decision by other bodies (or officials) that is subject to enforcement;

(12) transactions related to the payment of taxes, levies, and other

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mandatory fees according to the legislation of Ukraine and/or foreign states;

(13) transactions involving the transfer of funds from/to a nonresident bank's correspondent accounts at Ukrainian banks/the NBU;

(14) transactions involving the placement of deposits and the return of funds from such transactions, including interest on deposits and on balances of funds in the accounts;

(15) transactions involving the transfer of funds from/to correspondent accounts of other nonresident banks;

(16) transactions involving trade in foreign exchange assets;

(17) settlements under derivative contracts;

(18) transactions by a liquidator of a legal entity to satisfy claims of nonresident creditors during the liquidation of the given legal entity;

(19) transfers by a nonresident bank of funds to a current account opened for its representative office or branch in Ukraine;

(20) transactions between banks and nonresident legal entities under credit agreements and other types of agreements that stipulate for banks to provide nonresidents with hryvnias for the purchase by the nonresident of domestic government bonds of Ukraine, with the funds to be repaid to the bank no later than 14 business days from the day when hryvnias are provided;

(21) transactions involving the purchase/sale of domestic bonds, payment of income on them, and their redemption;

(22) transactions by nominal holders with securities in accordance with the Law of Ukraine on the Depository System of Ukraine;

(23) transactions involving the payment/receipt of a commission;

(24) transfers of funds from abroad to accounts of nonresidents in Ukraine;

(25) transfers of funds from accounts of nonresidents in Ukraine to nonresidents' accounts abroad;

Residents may conduct settlements with nonresidents on export and import transactions in hryvnias through hryvnia correspondent accounts of nonresident banks with authorized Ukrainian banks, provided they present to the servicing bank documents/information confirming the legality of the payment.

The bank servicing a resident must monitor compliance with the deadlines for settlements under export-import operations (timely receipt of export earnings for goods delivered or prepaid imported goods).

NBU Board Resolution No. 165, dated July 29, 2022, provides the particulars of regulation and supervision of activities involving trade

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		in exchange assets in the form of cash during the period of martial law. End-user access to information, including the register of premises in which exchange transactions are carried out that involve the use of cash money in national and/or foreign currencies is regulated in accordance with Resolution No. 39, dated March 6, 2022, "Concerning Regulation of the Activities of Participants in the Nonbank Financial Services Market, Nonbank Financial Group, Payment Market Participants, Collection Agencies, and Legal Entities Possessing a License to Provide Banks with Cash Handling Services, During the Period of Martial Law in Ukraine." In accordance with Resolution of the NBU Board No. 18, effective February 24, 2022, "Regarding Banking System Functioning during Martial Law," a ban has been established on transborder transfers from Ukraine made by authorized institutions because of the imposition of martial law and on the transfer of funds to correspondent accounts of nonresident banks in hryvnia/foreign currency, that have been opened in resident banks (including transfers that authorized institutions perform by order of their clients), other than transactions enacted separately (the list of transactions for which an exception from the ban on transfers is being reviewed based on the currency situation on the exchange market and the government's requirements under martial law).
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective July 14, 2022, central counterparty and banks are allowed to conduct cash leg settlement of transactions with domestic sovereign bonds of Ukraine exclusively in the currency in which domestic sovereign bonds of Ukraine are denominated. Previously, according to the currency law, the national currency of Ukraine, the hryvnia, could be used to settle transactions to purchase and sell domestic government debt securities denominated in both foreign currency and hryvnia.
Transactions in derivatives and other instruments	Yes.	The Law of Ukraine on Capital Markets and Organized Commodity Markets regulates the conclusion and execution of derivative contracts, change of parties to derivative contracts and transactions with financial instruments in the capital markets. Pursuant to Resolution No. 18, effective April 30, 2022, banks are temporarily prohibited from entering into a number of money market derivative contracts (except for swaps), specifically: (1) contracts on the basis of which the parties to the contract have obligations to purchase or sell foreign currency or investment metals for hryvnia; (2) contracts based on the hryvnia exchange rate against foreign currencies, foreign currency index (exchange rates of several foreign currencies) denominated in hryvnia, and price of investment metals in hryvnia.
Credit operations	Yes.	Banks may grant loans to their resident clients in hryvnias and foreign currency (except consumer loans to individuals, who are granted loans only in hryvnias); nonresident banks and other nonresident legal entities may receive loans (the few allow currently) in foreign currency (loans in hryvnias—only where so provided); nonresident individuals may receive consumer loans in hryvnias. Residents (including banks and other financial institutions) are prohibited from issuing loans/providing financial assistance in hryvnia to nonresidents, except when: (1) a bank/nonbank financial institution issues consumer loan in

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		hryvnia to nonresident individual; (2) a resident bank issues loan to a nonresident legal entity for the purposes of purchasing Ukrainian domestic government bonds by the nonresident with the loan maturity not later than 14 business days from the day of granting the hryvnia loan; (3) a credit (loan, financial aid) is transferred to an account of a foreign investor representative office under a production sharing agreement in the territory of Ukraine for the purposes of the production sharing agreement. It is prohibited to provide credit (loans) denominated in the currency of an occupying country (Russian rubles). Effective May 21, 2022, banks are prohibited from: - restructuring debt under credit agreements in a foreign currency, if such agreements were entered into by creditor banks with client borrowers (other than interbank loans) by replacing the currency used to fulfill the obligation under such a foreign currency bank loan with hryvnias (with the exception of isolated cases involving restructuring under consumer credit agreements as stipulated in Section IV, Item 7 of the Law of Ukraine "On Consumer Lending)"; - granting credit in hryvnias, to be used for a borrower client to pay off a bank loan in foreign currency.
Use of foreign exchange among residents	Yes.	The hryvnia is the sole legal tender in Ukraine, taking into account the special considerations established by the second part of Article 5 of the Law of Ukraine on Foreign Exchange and Foreign Exchange Operations (referred to hereinafter as the Law on Foreign Exchange). Foreign currency may be used by residents: (1) in the performance of operations by banks to provide banking and other financial services on the basis of a banking license; (2) in the performance of operations by nonbank financial institutions and postal service operators that have a license from the NBU to perform foreign exchange operations; (3) in the performance of operations involving the placement of, payment of monetary income on, and redemption of bonds and Treasury bills of Ukraine denominated in foreign currency, if so indicated in the securities prospectus (by the terms of their placement); (4) in the performance of operations involving the purchase/sale of government securities denominated in foreign currency, if the initiator or recipient of such a foreign exchange operation is a bank; (5) when performing transactions involving foreign investments, with the profits and income (including dividends) being returned to a foreign investor, and other funds that are received legally, as a result of foreign investment activities; (6) on other transactions as defined by the Customs Code of Ukraine and/or regulatory legal acts of the NBU. Regulation on transactions performed with exchange assets, approved by Resolution of the NBU Board No. 2, dated January 2, 2019, identified an additional number of transactions for which

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settlements may be conducted in foreign currency or in hryvnias within the territory of Ukraine; among others, such permitted transactions include:

- transactions performed by IFIs or on their behalf, if Ukraine is a member of such an IFI;

- transactions involving the sale of sovereign debt bonds of Ukraine, denominated in foreign currency, to residents by investment firms/nonbank financial institutions;

- transactions involving purchases by investment firms/nonbank financial institutions from residents (banks, investment firms, and individuals) of sovereign debt bonds nominated in foreign currency (without investment firms/nonbank financial institutions having the ability to purchase foreign currency by for purposes of performing settlements on such purchases from residents (other than banks));

- transactions of the central counterparty to sell bonds of the domestic government loan of Ukraine denominated in foreign currency to investment firms (under contracts/deals/ transactions made in the own interest of investment firms and/or in the interest of their clients, who are residents, foreign investors, or nonresidents);

- transactions of the central counterparty to buy bonds of the domestic government loan of Ukraine denominated in foreign currency from investment firms (under contracts/deals/transactions made in the own interest of investment firms and/or in the interest of their clients, who are banks, other investment firms, resident individuals, foreign investors, or nonresidents);

- transactions of the central counterparty to make and secure settlements for purchase or sale of bonds of the domestic government loan of Ukraine denominated in foreign currency;

- transactions, where provided by international agreements of Ukraine;

- transactions performed by between a financial institution and the Cabinet of Ministers of Ukraine in the context of implementing an international agreement of Ukraine on credits/grants/loans.

Banks are prohibited from conducting settlements in foreign currency when buying government securities denominated in a foreign currency from residents (other than banks and individuals) (Regulation on Protective Measures and Identifying a Procedure for Performing Certain Transactions in Foreign Currency, approved by Resolution of the NBU Board No. 5, dated January 2, 2019, as amended).
Effective July 14, 2022, central counterparty and banks are allowed to conduct cash leg settlement of transactions with domestic sovereign bonds of Ukraine exclusively in the currency in which domestic sovereign bonds of Ukraine are denominated.

Effective February 24, 2022, banks are prohibited from issuing savings certificates denominated in a foreign currency.
In accordance with Resolution No. 18 of February 24, 2022, effective February 28, 2023, residents have been allowed to transfer foreign exchange funds from within Ukraine and from abroad to a special fund-raising account of the NBU to support the Armed Forces of

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		Ukraine and/or to the accounts of the Cabinet of Ministers of Ukraine, ministries and other public authorities of Ukraine, as well as to charities, the goals and activities of which are to consolidate the country's defense capability and mobilization readiness, and to support the Armed Forces of Ukraine and territorial defense forces.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	There are arrangements with the Baltic countries, Russia, and the other FSU countries.
Regional arrangements	Yes.	
Clearing agreements	No.	
Barter agreements and open accounts	Yes.	Barter is one of the forms of trade of Ukrainian companies in their transactions, used largely with the Baltic countries, Russia, and other FSU countries. The use of barter in foreign trade transactions is prohibited for a group of goods determined by the Ukrainian Cabinet of Ministers.
Administration of control	Yes.	Foreign exchange supervision in Ukraine is administered by foreign exchange supervisory bodies and foreign exchange supervisory agents. According to the Law on Foreign Exchange, foreign exchange supervisory bodies are the NBU and the central executive branch authority responsible for the development and implementation of state tax policy. Authorized institutions (banks, nonbank financial institutions, and postal service operators that have obtained a license in accordance with the Law on Foreign Exchange) are foreign exchange supervisory agents that are accountable to the NBU. When foreign exchange transactions are performed, authorized institutions directly supervise compliance with the requirements of the foreign exchange legislation by residents (except for other authorized institutions) and nonresidents who are performing foreign exchange transactions through these authorized institutions. Foreign exchange supervision is not performed with regard to transactions involving exports and imports in an amount that is below the threshold established for financial transactions (stipulated in Article 20 of the Law of Ukraine on Preventing and Combating Money Laundering, the Financing of Terrorism, and the Financing of Proliferation of Weapons of Mass Destruction (No. 361-IX, dated December 6, 2019). The procedure for the performance of foreign exchange supervision by foreign exchange supervisory agents is established by the NBU. Foreign exchange supervisory agents may request documents related to the performance of foreign exchange transactions from participants in foreign exchange transactions, and participants must provide such documents at the request of foreign exchange supervisory agents within the specified deadlines. In order for authorized institutions to prevent their customers from

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		using these institutions to perform foreign exchange transactions that do not meet the requirements of Ukrainian law, an authorized institution is required to perform a comprehensive analysis and verification of documents (information) concerning foreign exchange transactions, if the presentation of the relevant documents (information) is provided for by Ukrainian law for certain transactions identified by the NBU. In accordance with Ukrainian legislation pertaining to money laundering and combating the financing of terrorism, banks and nonbank institutions must report the following to the specially authorized agency: (1) threshold financial transactions [where a financial transaction is considered a threshold transaction if its amount is equal to or greater than UAH 400,000, or UAH 55,000 for businesses that provide services related to lotteries and/or gambling, or the equivalent in foreign currency, bank metals, or other assets, as well as; if one or more of the attributes defined in Article 20, part 1, paragraphs 2–5 of the Law of Ukraine "Preventing and Combating Money Laundering, Terrorism Financing, and Proliferation Financing"] (No. 361-IX, dated December 6, 2019) is present; (2) suspicious financial transactions (activities), or attempts to perform them, regardless of the amount (financial transactions or an attempt to perform them, regardless of the amounts in which they are performed, are considered suspicious if there is a suspicion or sufficient grounds for suspicion that they result from criminal activities or are related to or involve financing of terrorism or of the proliferation of weapons of mass destruction). Article 13 of the Law on Foreign Exchange stipulates that if the NBU establishes settlement deadlines for the exports of goods by residents, funds are to be credited to residents' accounts in Ukrainian banks within the time limits as specified in the contracts, but not later than the deadline and in the amount established by the NBU. Should delivery of goods and services exceed the settlements deadline for the exports and imports of goods, such a deadline can be extended by decision of the central executive body responsible for the implementation of the economic development policy.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Banks engage in trade in bank metals on the basis of a banking license issued by the NBU in accordance with the Law of Ukraine on Banks and Banking. Banks are prohibited from conducting transactions involving the sale of bank metals without physical delivery, for noncash hryvnias to customers (individuals, legal entities, individual entrepreneurs), that exceed a negligible amount during a calendar day within the bank per customer. Conversion is made at the exchange rate determined based on the official exchange rates for bank metals established by the

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		NBU on the day the transaction is performed. The above prohibition does not apply to: (1) interbank transactions and transactions involving the sale of precious metals by banks to enable resident customers to fulfill their obligations to the bank in bank metals under credit agreements; (2) transactions involving the purchase by legal entities/individual entrepreneurs of bank metals for noncash hryvnias on the condition that they need to do so as a result of their business activities. Effective February 24, 2022, banks are prohibited from performing transactions involving the purchase and sale of bank metals. Effective March 8, 2022, transactions involving the purchase of bank metals by customers were permitted, with physical delivery at branches and bank divisions located in territories that are under threat of occupation by an aggressor state/occupier state. Effective May 9, 2022, transactions involving the sale of bank metals to individual customers were permitted, with or without physical delivery. Effective August 20, 2022, customers are allowed to purchase bank metals with physical delivery in branches and offices of banks. Banks may sell bank metals with physical delivery to customers within the remaining stock of bank metals in the bank's vaults as of August 19, 2022. This remaining stock may be complemented by any excess of bank metals purchased and physically delivered over the volume of bank metals sold, for all bank metals with physical delivery, as calculated in troy ounces for each metal separately starting from August 19, 2022, and during the subsequent banking/working days. Effective December 13, 2022, the volume of bank metals that were purchased (paid for) prior to August 19, 2022, and entered in the books after that date may be added to the above-mentioned remaining stock.
On external trade	Yes.	Individuals/legal entities and banks must declare bank metals pursuant to a procedure established by the Cabinet of Ministers of Ukraine. A legal entity may import or export bank metals into or beyond Ukraine without restrictions on the amounts, subject to a written declaration to the customs authority of the full amount, provided such import/export is necessitated by their business activities. A contract with a counterparty or equivalent document serves as the basis for a legal entity to import or export bank metals into or from Ukraine. A contract with a counterparty or a document serving in its place, or a contract for the delivery of bank metals to the NBU, serves as grounds for a legal entity to import bank metals (that were previously removed from the customs territory of Ukraine). Banks may perform the cross-border movement of bank metals on the basis of a banking license and relevant contracts with counterparties or a document serving in the place of such contracts. Legal entities/banks may export bank metals manufactured by

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		Ukrainian producers with a written waiver from the NBU, declining to purchase such bank metals (produced by Ukrainian manufacturers) that are being exported. An individual may import into or export from Ukraine bank metals whose value does not exceed the equivalent of €10,000 without written declaration to the customs authority. An individual may import into or export from Ukraine bank metals whose value is equal to or greater than the equivalent of €10,000 with a written declaration of the full amount to the customs authority. The conversion of the value of bank metals to euros is performed at the cross-rate determined on the basis of the official exchange rate of the hryvnia to the corresponding currencies and bank metals established by the NBU on the day they cross the customs border of Ukraine, bank metals. Effective March 4, 2022, through March 12, 2022 (inclusively), because of the introduction of martial law in Ukraine, individual residents were allowed to move bank metals across the border without displaying confirmation documents.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Individuals may import/export domestic currency cash in an amount that does not exceed the equivalent of €10,000 without written declaration to the customs authority. The conversion of the amount of cash to euros is performed at the official exchange rate of the hryvnia to the euro established by the NBU on the day the cash crosses the customs border of Ukraine. Exports of domestic currency by individuals in amounts equal to or greater than the equivalent of €10,000 require written declaration to the customs authority. When domestic currency cash is exported from Ukraine in an amount that exceeds the equivalent of €10,000, in addition to a written declaration to the customs authority, resident individuals must also present documents confirming the withdrawal of cash from their own bank accounts in the amount exceeding the equivalent of €10,000 on the day of exportation. Effective March 4, 2022, through March 13, 2022, individual residents were allowed to export domestic cash without submitting supporting documents. Legal entities (including banks) may export domestic currency cash from Ukraine through an authorized representative without restriction, subject to written declaration to the customs authority of the full amount, if such exportation is necessary for their business activities.
Foreign currency	Yes.	Individuals may export foreign currency cash in an amount that does not exceed the equivalent of €10,000 without written declaration to the customs authority. The conversion of the value of foreign currency cash to euros is performed at the cross-rate determined on the basis of the official exchange rate of the hryvnia to the corresponding foreign currencies established by the NBU on the day the cash crosses the customs

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		border of Ukraine. Exports of foreign currency by individuals in an amount equal to or greater than the equivalent of €10,000 are subject to written declaration to the customs authority. When exporting foreign currency cash exceeding the equivalent of €10,000, in addition to a written declaration to the customs authority, resident individuals must also present documents confirming the withdrawal of foreign currency cash from their own bank accounts and a receipt for the currency exchange with this cash (if such a transaction was performed) in the amount that exceeds the equivalent of €10,000 on the day of exportation. Legal entities (including banks) may export foreign currency cash through an authorized representative without restriction, subject to written declaration to the customs authority of the full amount, if such exportation is necessary for their business activities.
On imports	Yes.	
Domestic currency	Yes.	Individuals may import domestic currency cash not exceeding the equivalent of €10,000 without written declaration to the customs authority. The conversion of the amount of cash to euros is performed at the official exchange rate of the hryvnia against the euro established by the NBU on the day the cash crosses the customs border of Ukraine. The importation of domestic currency by individuals equal to or greater than the equivalent of €10,000 is subject to written declaration to the customs authority. Legal entities (including banks) may import domestic currency cash through an authorized representative without restriction, subject to written declaration to the customs authority of the full amount, if such importation is necessary for their business activities.
Foreign currency	Yes.	Individuals may import domestic currency cash not exceeding the equivalent of €10,000 without written declaration to the customs authority. The conversion of the value of foreign currency cash to euros is performed at the cross-rate determined on the basis of the official exchange rate of the hryvnia against the corresponding foreign currencies established by the NBU on the day the cash crosses the customs border of Ukraine. The importation of foreign currency by individuals in an amount equal to or greater than the equivalent of €10,000 is subject to written declaration to the customs authority. Legal entities (including banks) may import foreign currency cash through an authorized representative without restriction, subject to written declaration to the customs authority of the full amount, if such importation is necessary for their business activities.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Banks may open deposit accounts, current accounts, and escrow

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		accounts for residents of Ukraine (legal entities, autonomous units thereof, autonomous units of nonresident legal entities doing business in Ukraine on behalf of a nonresident legal entity, sole proprietorships, independent professionals and private individuals), transaction accounts (for a nonbank provider of payment services, exclusively for purposes of ensuring the performance of payment transactions of their users) and correspondent accounts for other resident banks to carry out interbank payments. Banks may open accounts for their resident clients both in hryvnias and in foreign currencies. Effective August 1, 2022, the Law of Ukraine on Payment Services entitles nonbank payment service providers to open payment accounts to residents of Ukraine (legal entities, autonomous units thereof, autonomous units of nonresident legal entities doing business in Ukraine on behalf of a nonresident legal entity, sole proprietorships, and private individuals). Resident legal entities and sole proprietorships may freely open accounts in foreign currency with banks for the performance of settlements with respect to current transactions and transactions associated with capital flows, in accordance with Ukrainian law. Certain conditions apply to the use of these accounts, as specified in Resolution of the NBU Board No. 5, dated January 2, 2019. Time deposits may be paid back to the owner before the expiration of their term if so provided for in the time deposit agreement with the bank (amendment to the NBU Board Resolution No. 516 of December 3, 2003). By law (currently, pursuant to the Law of Ukraine “Securing the Rights and Freedoms of Citizens and Legal Order within the Temporarily Occupied Territory of Ukraine” from April 27, 2014):” - it is prohibited to attract deposits and/or issue loans (credit) denominated in the currency of the occupier state (Russian rubles); - it is prohibited to transfer funds between temporarily occupied territory and other areas of Ukraine. From February 24, 2022, through February 28, 2022, Resolution No. 18 established a ban on withdrawing foreign exchange cash from customer foreign exchange accounts in Ukraine. From March 1, 2022, such operations are allowed in an amount not exceeding the equivalent of UAH 30,000 a day, and from March 21, 2022, in an amount not exceeding the equivalent of UAH 100,000 a day (including cash withdrawn outside Ukraine).
Approval required	No.	
Held abroad	Yes.	
Approval required	Yes.	Residents may open accounts at foreign financial institutions and to perform foreign exchange transactions through these accounts. Residents must notify tax authorities of the use of their foreign currency accounts and provide statistical reporting to the NBU. When residents transfer foreign currency to their own accounts abroad, the transfer amount must not exceed the established annual limits (pursuant to Regulation No. 5, dated January 2, 2019).

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		Resident legal entities may purchase and transfer foreign currency for placement in their accounts abroad in an amount not exceeding €2 million, or the equivalent in another currency, a year. This limit does not extend to banks' operations and transfers of funds by resident legal entities to accounts of their branch offices, representative offices, and other separate subdivisions without the creation of a legal entity, opened abroad, with the exception of those opened in states (territories) listed by the Cabinet of Ministers of Ukraine as offshore zones and/or recognized by the Supreme Council of Ukraine as an aggressor or occupying state, and/or that do not comply with or do not comply properly with the recommendations of international or intergovernmental organizations involved in combating money laundering, terrorism financing, or financing of proliferation of weapons of mass destruction. From February 5, 2021, resident individuals may purchase and transfer foreign currency for placement in their accounts abroad in an amount not exceeding €200,000 a year or the equivalent in another currency. These limits do not extend to residents' placement in foreign accounts of foreign currency originating outside Ukraine; for example, funds received by residents outside Ukraine in the form of wages, stipends, pensions, child support, dividends, cash, etc., may be placed in foreign accounts without restriction. Banks must be prohibited from purchasing non-cash foreign currency on the instructions of resident clients for purposes of placing funds in deposit accounts in a bank, and/or an overseas account in a foreign financial institution. Because of the introduction of martial law through Regulation No. 18 of February 24, 2022, a ban was introduced effective February 24, 2022, on transborder transfers from Ukraine by authorized institutions, as well as funds transfers to correspondent accounts of nonresident banks in hryvnias or foreign currency in resident banks (including transfers conducted by authorized institutions under instructions from their clients), other than individual transactions (a list of transactions for which an exception is provided based on the current situation on the exchange market and the government's requirements under martial law). This ban extends to fund transfers from Ukraine for residents to replenish their own overseas accounts in foreign financial institutions.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	Yes.	Foreign currency may be purchased if there are grounds/obligations supported by the relevant documents. These requirements do not apply to transactions involving individuals' purchase of small amounts of noncash foreign currency (see the definition under IV.E.1.). These transactions are performed without grounds/obligations. A bank performs such transactions (with the same individual on the same calendar day at the same bank) on the basis of a request or a remote instruction from a customer without the presentation of documents related to the performance of the foreign exchange transaction. Since July 20, 2021, residents (legal entities and individual

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entrepreneurs) are permitted to purchase noncash foreign currency as well and without having to indicate grounds/obligations that support the need to perform such a transaction (that is, without submitting documents to the servicing bank that confirm the need to purchase foreign currency for certain purposes, and accordingly, without indicating the reason for the purchase of the foreign currency): up to the daily limit of 100,000 euros (or the equivalent thereof) established for transactions by a single resident involving the purchase of foreign currency without grounds/obligations.

The provision requiring the sale of foreign currency by bank customers within 10 business days of the date it is posted to a current account if it is not used for needs indicated in the request to purchase the currency does not extend to individuals and the purchase of foreign currency up to the daily limit of €100,000 (or the equivalent at the official exchange rate of the hryvnia against the foreign currency set by the NBU).

The return of a time deposit prior to the expiration of the term established by the agreement is permitted if provided for under the bank time deposit agreement (Amendment to NBU Board Resolution No. 516 of December 3, 2003).

Pursuant to Resolution No. 18 of February 24, 2022, under martial law conditions effective February 24, 2022, it is prohibited to perform transactions involving trade in foreign currency (including for clients), and/or to conduct transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident banks in hryvnias or foreign currency that are held in resident banks (including transfers that authorized institutions carry out on instructions from their clients), other than standalone transactions. A separate list of transactions for which an exception from the ban has been made on trade in foreign currency, and a list of transactions for which an exception has been made from the ban on transfers from Ukraine, will be reviewed, based on the current situation on the exchange market and the government's requirements under martial law.

As of July 9, 2022, resident clients (legal entities) are required to use foreign currency purchased beginning July 11, 2022, following established procedure, within 2 days after it is credited to their current account for the needs noted in their request to purchase currency.

Effective August 29, 2023, banks have been authorized to sell to natural persons non-cash foreign exchange (without the need to confirm that such an operation is duly reasoned or obligated) in the amount not exceeding an equivalent of UAH 50,000 during a calendar month in one bank. The bank sells foreign exchange at the rate set by the bank on date of transaction. The foreign exchange purchased is credited by the bank to the current account of the natural person (the requirement of 2-day use of the foreign exchange purchased does not apply to such operations).

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Ukrainian banks may open deposit accounts, current accounts, and escrow accounts for nonresidents of Ukraine (legal entities, representative offices of such legal entities in Ukraine that are not doing business in Ukraine on behalf of a nonresident legal entity,

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official representations, international institutions and their autonomous offices that enjoy immunity and diplomatic privileges, as well as representative offices of other institutions located outside Ukraine that are established and operate under the laws of a foreign state and do not do business as defined by law, and private individuals), and correspondent accounts for other nonresident banks to carry out interbank payments. Banks may open accounts for their nonresident clients both in hryvnias and in foreign currencies.

Effective August 1, 2022, the Law of Ukraine on Payment Services has entitled nonbank payment service providers to open payment accounts for nonresidents of Ukraine (natural persons).

The procedure for the use of accounts by nonresidents is established by Regulation No. 5 of January 2, 2019 (in effect February 7, 2019).

Direct foreign investors may open nonresident corporate accounts, investment accounts, deposit accounts, and escrow accounts in Ukraine.

An investment account of a foreign investor in foreign currency may be used in accordance with Ukrainian law for:

(1) foreign investments in Ukraine and the return of foreign investments, income, profits, and other funds earned by the foreign investor from investment activity in Ukraine;

(2) trading in foreign currency;

(3) posting/transfer of funds from/to other accounts held by the foreign investor in Ukraine/abroad;

(4) posting of funds transferred by other nonresidents from abroad as authorized by the holder of the investment account for the performance of operations involving investment activity in Ukraine by the holder of the investment account;

(5) operations involving the posting of funds from a deposit account of another foreign investor opened at a bank in Ukraine, in connection with assignment to the holder of the investment account by the foreign investor of rights of claim under a bank deposit agreement with regard to the payment of a monetary sum (deposit) and interest earned on the deposit;

(6) posting of interest accrued on balances of funds on the foreign investor’s investment account;

(7) posting of funds mistakenly transferred from the account;

(8) settlements with customs authorities as specified by the legislation of Ukraine;

(9) the return of funds received in error.

The posting of foreign currency cash to investment accounts is not permitted.

There are no restrictions on the purchase and transfer abroad by residents, foreign investors, and nonresidents of foreign exchange for the return of foreign investments, income, profits, and other funds

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earned by a foreign investor from investment activity in Ukraine. Banks perform such operations, provided there is documentary confirmation that the return of funds is being performed in connection with foreign investment operations.

Accounts of permanent representative offices of foreign legal entities that conduct all or part of their business activities in Ukraine may be used to perform the following kinds of transactions:

(1) with cash and checks;

(2) trading in foreign currency;

(3) payment/return of funds for business travel abroad;

(4) posting of funds transferred from abroad in the name of the holder of the account through Ukrainian banks;

(5) posting of funds transferred within Ukraine in accordance with the legislation of Ukraine;

(6) posting of funds transferred within Ukraine from one's own current or deposit account/transfer of funds to one's own current or deposit account (including the posting of interest accrued on balances of funds on one's own current or deposit account);

(7) transfers in favor of a resident legal entity, if the payment of funds received from abroad specifies that these funds belong to the given resident in accordance with an agreement (contract, arrangement);

(8) transfers of funds to an account of a resident legal entity at a bank as a charitable donation;

(9) transfers of funds outside Ukraine to accounts of nonresident legal entities whose interests in Ukraine are represented by these permanent representative offices (also in the event such an account is being closed);

(10) posting of proceeds whose receipt is not in conflict with the legislation of Ukraine;

(11) transfers of funds to pay for participation in international symposiums, seminars, conferences, exhibitions, and athletic events.

During the period of martial law in Ukraine, because of Russia's military aggression against Ukraine, all exchange transactions must be carried out in consideration of the restrictions stipulated in NBU Board Resolution No. 18, dated February 24, 2022.
By law (currently, pursuant to the Law of Ukraine "Securing the Rights and Freedoms of Citizens and Legal Order within the Temporarily Occupied Territory of Ukraine" " from April 27, 2014):"
- it is prohibited within the territory of Ukraine to solicit deposits and/or provide loans (credit) denominated in the currency of the occupier state (Russian rubles);
- it is prohibited to transfer funds between the temporarily occupied territory of Ukraine and other areas of Ukraine.

Pursuant to Resolution No. 18, effective February 24, 2022, it is

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		prohibited under the state of martial law to perform transactions involving trade in foreign currency (including for clients) and/or effect transborder transfers from Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in hryvnias or foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), other than standalone transactions. Standalone transactions for which an exception from the ban on trade in foreign currency, and a list of transactions for which an exception is provided from the ban on conducting transfers from Ukraine, will be reviewed based on the current situation on the exchange market and the requirements of the government under martial law. In addition, beginning March 4, 2022, a list of exceptions for transferring funds (other than Russian rubles/Belarusian rubles) was defined, to which the above ban does not apply (the list is not exhaustive and is reviewed based on the current situation).
Approval required	Yes.	
Domestic currency accounts	Yes.	Ukrainian banks may open deposit accounts, current accounts, and escrow accounts in hryvnias for nonresidents of Ukraine (legal entities, representative offices of such legal entities in Ukraine that are not doing business in Ukraine on behalf of a nonresident legal entity, official representations, international institutions and their autonomous offices that enjoy immunity and diplomatic privileges, as well as representative offices of other institutions located outside Ukraine that are established and operate under the laws of a foreign state and do not do business as defined by law, and private individuals), and correspondent accounts for nonresident banks. The procedure for the use of accounts is established by NBU Executive Board Resolution No. 5 of January 2, 2019 (in effect February 7, 2019). Effective August 19, 2023, funds can be credited to retail current accounts in national currency of gig professionals under gig contracts and to members of supervisory boards/boards of directors/executive bodies of joint-stock companies under civil law contracts concluded by such members with joint-stock companies. Direct foreign investors may open nonresident corporate accounts, investment accounts, deposit accounts, and escrow accounts in Ukraine. An investment account of a foreign investor in domestic currency may be used in accordance with the legislation of Ukraine for: (1) foreign investments in Ukraine and the return of foreign investments, income, profits, and other funds earned by the foreign investor from investment activity in Ukraine; (2) trading in foreign currency; (3) posting/transfer of funds from/to other accounts held by foreign investors in Ukraine/abroad; (4) posting of funds transferred by other nonresidents from abroad/current accounts in Ukraine as authorized by the holder of the investment account for the performance of operations involving investment activity in Ukraine by the holder of the investment account;

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(5) operations involving the posting of funds from a deposit account of another foreign investor opened at a bank in Ukraine, in connection with the assignment to the holder of the investment account by that foreign investor of rights of claim under a bank deposit agreement with regard to the payment of a monetary sum (deposit) and interest earned on the deposit;

(6) posting of interest accrued on balances of funds on the foreign investor's own investment account;

(7) posting of funds mistakenly transferred from the account;

(8) settlements with customs, tax, and other authorities as specified by the legislation of Ukraine;

(9) settlements with residents (professional participants in the stock market, appraisers, notaries, attorneys, brokers, other residents/nonresidents) for goods (products, work, services) related to the performance/return of foreign investments, including the maintenance (servicing) of foreign investment projects in Ukraine;

(10) payment for services to a Ukrainian bank servicing an account;

(11) return of funds received in error;

(12) posting of funds transferred from a correspondent account with a Ukrainian bank by a depository foreign bank that has a securities account at the NBU.

Current accounts may be opened for (1) official representative offices and representative offices of nonresident legal entities that represent their interests but do not do business in Ukraine; (2) representative offices of foreign banks; and (3) organizations and institutions (program or project management groups) running international or technical assistance programs and projects.
The following operations take place through current accounts in domestic currency for settlements related to the maintenance of an official representative office, representative offices of nonresident legal entities not doing business in Ukraine (including representative offices of foreign banks), institutions (program management groups, international assistance and international technical assistance project management groups), and for carrying out charitable activities in Ukraine:

(1) trading in foreign currency;

(2) posting of funds received by an embassy or consulate for consular services performed, including funds received in cash;

(3) payments for property and motor vehicle insurance for a representative office, as well as for life and health insurance for its employees, including compensation payments (Section X, paragraph 120, subparagraph 3, of NBU Resolution No. 5 of January 2, 2019);

(4) posting of funds from the sale of property in Ukraine belonging to a representative office and funds from the leasing of property;

(5) payments of cash for expenses to resident individuals who have entered into a contract (agreement) with a nonresident legal entity for

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employment outside Ukraine, related to travel within Ukraine in the event of their departure from the country, and the return of the unused balance;

(6) posting of funds transferred within Ukraine from one's own current or deposit account/transfer of funds to one's own current or deposit account (including the posting of interest accrued on the balance of funds on one's own current or deposit account);

(7) posting of funds received as reimbursement of VAT paid by a representative office on a purchase in domestic currency of property for its own needs in Ukraine;

(8) posting of funds received pursuant to a court ruling or a decision by other bodies (or officials) that is subject to enforcement;

(9) posting of funds received by a representative office of a nonresident bank in Ukraine from its correspondent domestic currency account with a Ukrainian bank;

(10) posting of funds previously transferred in error by a representative office from the account (in excess of the required amount) and returned by economic entities in connection with a failure to fulfill or partial fulfillment of their obligations under agreements concluded by the representative office to pay expenses related to its maintenance, or from resident legal entities previously transferred to them by the representative office from this account for charitable contributions/from the transfer of funds received in error from the account. These funds are posted to the account of a representative office/transferred from this account in an amount that does not exceed the sum previously transferred/received;

(11) transfers by an official representative office, a representative office of a nonresident legal entity, or a representative office of a nonresident bank of charitable contributions to resident legal entities in accordance with the legislation of Ukraine;

(12) transfers of funds for needs under the charter of an international organization and its branch offices, which enjoy immunity and diplomatic privileges, and the charter of the representative office of a nonresident legal entity;

(13) transfers of funds for the implementation by an organization or institution (program or project management group) of international assistance and international technical assistance programs and projects;

(14) settlements in Ukraine related to the maintenance of a representative office, organization, or institution (including wages, payment of rent, purchase and maintenance of equipment and motor vehicles, or repair of the building or premises), as well as the performance of hospitality functions;

(15) posting of funds received from the sale of foreign currency on Ukraine's foreign exchange market by a nonresident legal entity that is engaged in arranging for the financing of diplomatic and consular missions, for the purpose of providing for the maintenance of an official representative office.

Nonresident banks may open correspondent accounts in hryvnias

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with banks for settlements between residents and nonresidents.

A correspondent account in the domestic currency of Ukraine opened with a bank by a nonresident bank may be used for:

(1) settlements between residents and nonresidents for exports and imports of goods (products, services, work, intellectual property rights, and other non-property rights intended for sale/paid transfer);

(2) transactions by residents with nonresidents under credit agreements/loan agreements that are related to the provision of funds (a credit/loan) by a nonresident to a resident borrower and/or the fulfillment of debt obligations to a nonresident for a credit/loan attracted by a resident borrower (repayment of a credit/loan, payment of interest, and other payments established under the relevant agreement);

(3) transactions related to the performance of foreign investments in Ukraine and their return (including the return of profits, income, and other funds earned by foreign investors from investment activity in Ukraine);

(4) transfers of funds to accounts of foreign investors/nonresidents in Ukraine from a correspondent account with a Ukrainian bank of a depository foreign bank that has a securities account at the NBU;

(5) deposits of funds that the account holder has received from the sale of securities, ownership interest, or other assets in Ukraine that do not constitute foreign investment items in Ukraine, as well as the receipt of income, profits, or other resources from such items by the account holder;

(6) transactions involving guarantees/sureties that are provided by nonresident guarantors/sureties and that ensure the fulfillment of obligations of resident debtors to resident creditors;

(7) transactions involving guarantees/sureties that are provided by nonresident guarantors/sureties and that ensure the fulfillment of obligations of resident debtors to nonresident creditors (provided the obligation of the resident debtor that is backed by the guarantee/surety arises from contracts/transactions referred to under paragraphs 1–5 above);

(8) transactions involving guarantees that are provided by a resident guarantor (bank, nonbank financial institution) and that ensure the fulfillment of obligations of resident debtors to nonresident creditors (provided the obligation of the resident debtor that is backed by the guarantee arises from contracts/transactions referred to under paragraphs 1–5 above);

(9) transactions related to the satisfaction of a nonresident's claims as a creditor through the sale of collateral for hryvnias or the payment of insurance compensation to a nonresident under insurance contracts within Ukraine in the event that a resident debtor fails to fulfill its obligations under the relevant contract (provided the creditor's rights of claim with respect to the resident debtor's obligations arose from contracts/transactions referred to under paragraphs 1–5 above);

(10) transactions by the Personal Deposit Guarantee Fund, or an authorized official of the Fund, related to the satisfaction of

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nonresident creditors' claims during the liquidation of a bank;

(11) transactions pursuant to a court ruling or a decision by other bodies (or officials) that is subject to enforcement;

(12) transactions related to the payment of taxes, levies, and other mandatory fees according to the legislation of Ukraine and/or foreign states;

(13) transactions involving the transfer of funds from/to a nonresident bank's correspondent accounts at Ukrainian banks/the NBU;

(14) transactions involving the placement of deposits and the return of funds from such transactions, including interest on deposits and on balances of funds in the accounts;

(15) transactions involving the transfer of funds from/to correspondent accounts of other nonresident banks;

(16) transactions involving trade in foreign exchange assets;

(17) settlements under derivative contracts;

(18) transactions by a liquidator of a legal entity to satisfy claims of nonresident creditors during the liquidation of the legal entity;

(19) transfers by the nonresident bank of funds to a current account opened for its representative office or branch in Ukraine;

(20) transactions between banks and nonresident legal entities under credit agreements and other types of agreements stipulating that a bank will provide a nonresident with hryvnias for the purchase by said nonresident of domestic government bonds of Ukraine, with the funds to be repaid to the bank no later than 14 business days from the day when hryvnias are provided;

(21) transactions involving the purchase/sale of domestic bonds, payment of income on them, and their redemption;

(22) transactions by nominal holders with securities in accordance with the Law of Ukraine on the Depository System of Ukraine;

(23) transactions involving the payment/receipt of a commission;

(24) transfers of funds from abroad to accounts of nonresidents in Ukraine;

(25) transfers of funds from accounts of nonresidents in Ukraine to the nonresidents' accounts abroad.

The following operations are performed through a nonresident legal entity's current accounts in domestic currency:

(1) settlements with residents for exports/imports of goods (products, services, work, intellectual property rights, and other non-property rights intended for sale/paid transfer);

(2) settlements with residents under loan agreements that involve the fulfillment of debt obligations to the account holder on a loan

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attracted by a resident borrower (repayment of the loan, payment of interest, and other payments established by the loan agreement);

(3) operations related to the performance of foreign investments in Ukraine and their return (including of profits, income, and other funds earned by foreign investors from their investment activity in Ukraine) and operations involving the purchase/sale of securities of foreign issuers that are circulated in Ukraine;

(4) deposits of funds the account holder has received from the sale of securities, real estate, ownership interests, or other assets in Ukraine that do not constitute foreign investment items in Ukraine for the account holder, as well as the receipt of income, profits, or other resources from such items by the account holder;

(5) deposits of funds the account holder has received from the sale of external government bonds of Ukraine;

(6) operations involving guarantees/sureties provided by the account holder that ensure the fulfillment of obligations of resident debtors to resident creditors;

(7) operations involving guarantees/sureties provided by the account holder that ensure fulfillment of obligations of resident debtors to nonresident creditors (provided the obligation of the resident debtor that is backed by the guarantee/surety arises from contracts/transactions referred to under paragraphs 1–4 above);

(8) operations involving guarantees provided by a resident guarantor (authorized institutions) that ensure the fulfillment of obligations of resident debtors to the account holder (provided the obligation of the resident debtor that is backed by the guarantee arises from contracts/transactions referred to under paragraphs 1–4 above);

(9) operations related to the satisfaction of the account holder's claims as a creditor through the sale of collateral for hryvnias or the payment of insurance compensation to the account holder under insurance contracts within Ukraine if a resident debtor fails to fulfill its obligations under the relevant contract (provided the creditor's rights of claim with respect to the resident debtor`s obligations arose from contracts/transactions referred to under paragraphs 1–4 above);

(10) operations performed by the Personal Deposit Guarantee Fund, or an authorized official of the Fund, related to the satisfaction of nonresident creditors' claims during the liquidation of a bank;

(11) operations pursuant to a court ruling or a decision by other bodies (or officials) that is subject to enforcement;

(12) payments of taxes, fees, and other mandatory payments;

(13) transfers of funds from/to the nonresident's account(s) at banks in Ukraine and abroad;

(14) operations involving the placement of deposits and the return of funds from such transactions, including interest on deposits and on balances of funds on the account(s);

(15) transfers of funds from/to the current account(s) of other nonresident legal entities in Ukraine;

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(16) operations involving trade in foreign exchange assets;

(17) settlements under derivative contracts;

(18) operations with a liquidator of a legal entity to satisfy claims of a nonresident creditor (account holder) during the liquidation of the given legal entity;

(19) transfers of funds to/from a current account(s) of its own representative office in Ukraine;

(20) transactions by nominal holders with securities in accordance with the Law of Ukraine on the Depository System of Ukraine;

(21) posting of interest accrued on balances of funds on its investment account;

(22) posting of funds mistakenly transferred from this account and return of funds received in error;

(23) transfers to customs, tax, and other authorities as provided for by the legislation of Ukraine;

(24) operations related to the provision of financial assistance by the account holder to residents on the condition that it be repaid/the return of such assistance;

(25) payment for the services of a servicing Ukrainian bank;

(26) posting of funds transferred from a correspondent account opened at a Ukrainian bank by a foreign depositary bank that has a securities account with the NBU.

A current account of permanent representative offices of foreign legal entities that conduct all or some of their business in Ukraine through this representative office is used according to the rules for current accounts of resident legal entities, except in cases involving the purchase of foreign currency in the Ukrainian exchange market.

Nonresident banks may open correspondent accounts in hryvnias with Ukrainian banks for settlements between residents and nonresidents under foreign trade agreements. The EBRD may use correspondent accounts in hryvnias with Ukrainian banks for settlements by residents with the EBRD under lending agreements in hryvnias. Funds in hryvnias received by the EBRD from Ukrainian banks based on interbank lending operations may be credited to EBRD correspondent accounts in hryvnias.

Accounts of IFIs may be used to perform transactions in hryvnia including transactions related to the issuance of hryvnia bonds of these organizations in Ukraine.

Time deposits in domestic currency may be withdrawn before maturity, if allowed under the agreement with the bank.

The withdrawal of a time deposit before the expiration of the term established by the agreement is permitted if provided for under the bank time deposit agreement (Amendment to NBU Board Resolution No. 516 of December 3, 2003).

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		In accordance with Resolution of the NBU Board No. 18, effective February 24, 2022, under martial law it is prohibited to perform foreign currency trading transactions (including for clients), and/or perform transborder transfers from Ukraine, as well as money transfers to correspondent accounts of nonresident banks in hryvnia/foreign currency, that have been opened in resident banks (including transfers that authorized institutions perform by order of their clients), other than standalone transactions. Standalone transactions for which an exception from the ban on foreign currency trading is provided, and a list of transactions that qualify for an exception from the ban on transfers from Ukraine, will be reviewed based on the current situation on the exchange market and the government's needs under martial law. As of March 4, 2022, a list of exceptions for transferring funds (other than Russian rubles/Belarusian rubles) was defined, to which the above ban does not apply (the list is not exhaustive and is reviewed based on the current situation).
Convertible into foreign currency	Yes.	The purchase of foreign currency from current accounts of permanent representative offices of foreign legal entities that do all or some of their business in Ukraine through these representative offices is performed for (1) transferring foreign currency to the account of the nonresident legal entity whose interests in Ukraine are represented by this representative office, within the limits of the balance of funds in the account; (2) the payment of expenses related to business travel outside Ukraine and operating expenses for vehicles traveling outside Ukraine; and (3) payment for participation in international symposiums, seminars, conferences, exhibitions, and athletic events. The purchase of foreign currency from current accounts of an official representative office and representative offices of nonresident legal entities that are not doing business is performed for the purposes of (1) transferring foreign currency to the account of the relevant bodies of a foreign state or to the account of the nonresident legal entity whose interests in Ukraine are represented by the given representative office; (2) the payment of expenses related to business travel outside Ukraine; and (3) the payment of wages to employees of official representative offices (including supplemental payments, allowances, bonuses, and other incentive and compensation payments) if the individuals are not Ukrainian citizens or are not permanent residents of Ukraine, are accredited by the Ukrainian Ministry of Foreign Affairs, and work in Ukraine under valid employment agreements (contracts). Nonresident individuals may purchase foreign currency from hryvnia accounts within the limits of the balance of funds on these accounts (other than investment accounts) without providing to the bank documents related to the performance of a foreign exchange operation. In accordance with Resolution No. 18 of February 24, 2022, under martial law, it is prohibited effective February 24, 2022, to trade in foreign exchange (including in the interest of clients) and/or conduct cross-border transfers from Ukraine, as well as transfer funds to correspondent accounts of nonresident banks in hryvnia/foreign currency opened in resident banks (including transfers that authorized institutions carry out on behalf of their clients), except for individually designated transactions. A list of transactions to which the ban on foreign exchange trading does not apply, and a list of

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		transactions to which the ban on cross-border transfers does not apply, are being reviewed based on the current situation on the foreign exchange market and the needs of the state under martial law.
Approval required	Yes.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	Yes.	
Minimum financing requirements	No.	
Advance payment requirements	Yes.	If the NBU sets a deadline for the settlement of operations by residents involving imports of goods, their delivery may be performed within the deadlines specified in the agreements, but no later than the deadline set by the NBU starting from the date of the advance payment (prepayment). The deadline for settlements on foreign trade operations is 365 days. For certain operations involving imports of goods, the deadline for settlements (365 days) may be extended with approval of the central executive government body responsible for the implementation of economic development policy. The settlement deadlines do not extend to operations involving imports of goods (including incomplete settlements on operations), the amount of which (in the hryvnia equivalent at the official exchange rate against foreign currencies set by the NBU on the date of the operation) is less than the amount established for threshold financial transactions, which is UAH 400,000. Effective April 5, 2022, under a state of martial law, NBU Resolution No. 18 of February 24, 2022, temporarily reduced the settlement deadlines for export and import transactions performed after April 5, 2022: - a 90-day deadline was set for the period from April 5 through June 7, 2022; Effective June 8, 2022, the deadline for these transactions was increased to 120 calendar days; Effective July 9, 2022, the deadline for these transactions was increased to 180 calendar days; For import-export transactions carried out before April 5, 2022, the settlement deadlines were not revised and are 365 calendar days.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	Residents may purchase foreign currency in the Ukrainian foreign exchange market for import payments based on import contracts. When transferring and/or purchasing foreign currency under reinsurance agreements with nonresident reinsurers, resident insurers and resident insurance (reinsurance) brokers must provide the authorized bank with copies of these agreements. In February 24, 2022, temporary restrictions were imposed on transactions involving payment of imported goods that were delivered before February 23, 2021. If imports of goods with deliver occurred after February 23, 2021, purchases of foreign currency and funds transfers from Ukraine were allowed to pay for goods, as defined in Resolution of the Cabinet of Ministers of Ukraine No.

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		153, dated February 24, 2022, "Concerning Certain Matters of Securing Imports."
Domiciliation requirements	Yes.	Settlements on import operations are performed exclusively through current accounts at banks.
Preshipment inspection	No.	Inspection is not mandatory but may be undertaken by the Ukrainian Chamber of Commerce and Industry at the request of nonresidents.
Letters of credit	Yes.	Pursuant to NBU Resolution No. 18, effective February 24, 2022, banks are temporarily prohibited from conducting settlements on documentary and reserve credits/guarantees/counter-guarantees that were opened (confirmed, issued) after February 24, 2022, except in cases where such settlements are made for the purpose of effecting transactions of bank customers provided for in subparagraphs 2-6 of paragraph 14 of this Resolution (including for the purpose of making settlements for imports of goods, payment for which is permitted (explained in Section VII. C) and/or for the purpose of meeting the obligations under contracts for export of goods and/or for the purpose of meeting the obligations of a resident client to a nonresident customer of a tender regarding export of goods.
Import licenses used as exchange licenses	No.	
Other	Yes.	Individuals are no longer required to resell noncash foreign currency not used within 10 days in the foreign exchange market of Ukraine within 5 days and transfer any gains from the purchase of foreign exchange to the state budget. For legal entities, the requirement to resell noncash foreign currency not used within 10 days in the foreign exchange market within 5 days remains in place, but is no longer required to transfer any gains from those transactions to the budget. This rule does not apply to currency purchased within the daily limit of €100,000 (or the equivalent thereof). Effective February 24, 2022, the NBU introduced temporary restrictions on transactions to pay for imported goods delivered before February 23, 2021 (that is, transactions to purchase and transfer foreign currency from Ukraine are banned). In terms of importing goods with the delivery after February 23, 2021, the purchase of foreign currency and transfer of funds from Ukraine are allowed for payment for goods specified in the Resolution of the Cabinet of Ministers of Ukraine No. 153 on Certain Issues of Import Ensuring dated February 24, 2022. Pursuant to NBU Resolution No. 18, effective February 24, 2022, a requirement has been established that foreign currency purchased by a resident (other than banks) as of July 11, 2022, must be used within no more than two business days for the purposes indicated when purchasing the foreign currency. The settlement deadline (180 days) established for export/import operations does not extend to the following operations: (1) imports of goods under government defense procurement contracts and imports of defense-related goods; (2) imports of services or medicines under transactions of the Ukrainian Ministry of Health with specialized organizations, as well as imports of services for the treatment of persons with rare (orphan) diseases; (3) imports of goods used for the production of space and aviation equipment and assemblies;

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(4) goods and services subject to procurement in accordance with agreements with the civic organization “National Olympic Committee of Ukraine” and needed to support participation of Ukrainian national teams and official delegations of Ukraine in the Olympic Games, Youth Olympic Games, European Games, and other international athletic events held under the aegis of the International Olympic Committee, European Olympic Committees, and Association of National Olympic Committees (Resolution of the NBU Board No. 67, dated May 14, 2019);

(5) goods used to meet the requirements of the production sharing agreements and provided for by such agreements;

(6) military and dual-use goods, in accordance with end-user certificates or the terms of agreements (contracts), the final recipient of which are law enforcement agencies, the Ministry of Defense of Ukraine, military units of the Armed Forces of Ukraine, other military formations and entities engaged in the fight against terrorism in accordance with the law and/or participate in actions to ensure national security and defense, repel and deter the armed aggression of Russia, when such goods are acquired (paid for) during martial law (effective April 14, 2022);

(7) goods which were not imported before February 24, 2022, under foreign economic agreements (contracts) concluded by entities of the nuclear energy sector with those nonresidents that are subject to restrictions (moratoriums, prohibitions) established by regulatory legal acts on the relations with persons who are associated with the aggressor state (effective April 14, 2022);

(8) tourism industry products (services) imported under foreign economic agreements (contracts): offers or sale by tour operators of tourist products (services) of nonresidents (effective April 14, 2022);

(9) goods of certain codes of the Ukrainian Classifier of Goods for foreign trade that are imported by the businesses engaged in the generation, transmission, distribution and delivery of electrical energy under procurement contracts concluded in accordance with the Law of Ukraine “On Public Procurement” and/or the Resolution of the Cabinet of Ministers of Ukraine No. 1178 of October 12, 2022, on approval of the peculiarities of public procurement of goods, works and services for customers that are covered by the Law of Ukraine “On Public Procurement”
\(Resolution of the NBU Board No. 67 of May 14, 2019);

Temporarily, from February 24, 2022, for the duration of the martial law regime in Ukraine and during 90 days from the date of its termination or cancellation, any deadlines are annulled for the settlements for goods, works and services for which import operations of goods under foreign economic agreements (contracts) were carried out and not completed before February 24, 2022, if such contracts were concluded by Ukrainian foreign trade entities with foreign economic entities located in Russia or the Republic of Belarus, or which originate from Russia or the Republic of Belarus.

Residents and nonresidents may conduct foreign exchange operations involving the purchase of noncash foreign currency and/or the transfer of foreign currency/domestic currency if there are grounds/obligations for such operations, which must be confirmed by

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		relevant documents presented to banks for the performance of a purchase or to authorized institutions for the performance of a transfer (NBU Executive Board Resolution No. 2, dated January 2, 2019). Banks must conduct a thorough analysis and verify documents (information) concerning foreign exchange operations that support the purchase of foreign currency for settlements/transfers of funds outside Ukraine or to current accounts of nonresident legal entities in Ukraine, if the presentation of the relevant documents (information) is provided for by the legislation of Ukraine (NBU Board Resolution No. 8 of January 2, 2019).
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Nontariff measures are limited to those carried out for national security or environmental protection reasons.
Import taxes and/or tariffs	Yes.	There are three customs duty categories with a trade-weighted average rate of about 5% (including energy imports). The first category (preferred duty rate) applies to goods from countries with which Ukraine has FTAs, imports from developing economies, and imports from countries that have a preferential agreement with Ukraine. The second category (concessional duty rate) applies to imports from countries that have entered into MFN agreements with Ukraine. The third category applies to imports from other countries. A VAT of 20% is levied on most imports, and some imports are subject to excise taxes. As of January 1, 2016, the surcharge established on February 27, 2015, equal to 10% of the value of imports for all imported goods (with the exception of essential goods, including electricity, coal, oil, gas, and certain medical equipment, which were subject to a 5% surcharge), was repealed.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	According to NBU Executive Board Resolution No. 5 of January 2, 2019, the deadline for settlements on operations involving exports of goods is 365 calendar days. Exemption from the 365-day deadline may be granted by the central executive authority that implements government policy in economic development. The deadline for the payment of debt is calculated from the date of the customs processing of products being exported; in the case of the exportation of work, services, intellectual property rights, and/or other non-property rights, from the date a certificate, bill (invoice), or other document confirming delivery is prepared in written form (in hard copy or in electronic form).

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		Funds received by a resident from a nonresident under an export operation are to be posted to the resident's account at a bank in Ukraine. The deadline for settlements on foreign trade operations (365 days) does not extend to the following operations: (1) exports of goods under production-sharing agreements; (2) exports of work, services (other than transportation and insurance services and work), and intellectual property rights (part 1, paragraph 5, of NBU Executive Board Resolution No. 67 of May 14, 2019); (3) military and dual-use goods, in accordance with end-user certificates or the terms of agreements (contracts), the final recipient of which are law enforcement agencies, the Ministry of Defense of Ukraine, military units of the Armed Forces of Ukraine, other military formations and entities engaged in the fight against terrorism in accordance with the law and/or participate in actions to ensure national security and defense, repel and deter the armed aggression of Russia, when such goods are acquired (paid for) during martial law; (4) goods which were not imported before February 24, 2022, under foreign economic agreements (contracts) concluded by entities of the nuclear energy sector with those nonresidents that are subject to restrictions (moratoriums, prohibitions) established by regulatory legal acts on the relations with persons who are associated with the aggressor state. Effective April 5, 2022, under a state of martial law, the standards of NBU Resolution No. 18 of February 24, 2022, temporarily reduced the settlement deadlines for export and import transactions performed after April 5, 2022: - a 90-day deadline was set for the period from April 5 through June 7, 2022; Effective June 7, 2022, the deadline for these transactions was increased to 120 calendar days; Effective July 9, 2022, the deadline for these transactions was increased to 180 calendar days; For import-export transactions carried out before April 5, 2022, the settlement deadlines were not revised and are set at 365 calendar days.
Surrender requirements	No.	The surrender requirement for the portion of proceeds in foreign currency was eliminated in June 20, 2019.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	Yes.	Pursuant to NBU Resolution No. 18, effective February 24, 2022, banks are temporarily prohibited from conducting settlements on documentary and reserve credits/guarantees/counter-guarantees that were opened (confirmed, issued) after February 24, 2022, except in cases where such settlements are made for the purpose of effecting transactions of bank customers provided for in subparagraphs 2-6 of

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		paragraph 14 of this Resolution including for the purpose of making settlements for imports of goods, payment for which is permitted (explained in Section VII. C), and/or for the purpose of meeting the obligations under commodity export agreements and/or for the purpose of meeting the obligations of a resident client to a nonresident customer of a tender regarding export of goods.
Guarantees	Yes.	Pursuant to NBU Resolution No. 18, dated February 24, 2022, banks are temporarily prohibited from conducting settlements on documentary and reserve credits/guarantees/counter-guarantees that were opened (confirmed, issued) after February 24, 2022, except in cases where such settlements are made for the purpose of effecting transactions of bank customers provided for in subparagraphs 2-6 of paragraph 14 of this Resolution including for the purpose of making settlements for imports of goods, payment for which is permitted (explanation in Section VII.C), and/or for the purpose of ensuring fulfillment of obligations under commodity export agreements, and/or for the purpose of meeting the obligations of a resident client to a nonresident customer of a tender regarding export of goods.
Domiciliation	Yes.	Settlements on export operations are performed through accounts at Ukrainian banks.
Preshipment inspection	No.	Inspection is not mandatory but may be undertaken by the Ukrainian Chamber of Commerce and Industry at the request of residents.
Other	No.	
Export licenses	Yes.	
Without quotas	No.	
With quotas	Yes.	Goods subject to voluntary export restrictions or international agreements and those under the “special export regime” (coal, precious metal scrap, alcoholic beverages) are subject to export quotas and license requirements. The licenses required for these goods are, however, freely provided to exporters, except in the case of precious metal scrap. For grain exports, sales must take place through the agricultural commodity exchange. Export contract preregistration is limited to goods subject to voluntary export restrictions or antidumping measures. Registration of exports is automatic and for statistical purposes only.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Taxes are applied to exports of sunflower seeds, livestock, skins, and hides.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	Effective July 9, 2022, resident clients (legal entities) are required to use foreign currency purchased beginning July 11, 2022, following established procedure, within 2 days (previously 10) after it is credited to their current account for the needs noted in their request to purchase currency.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	.

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Investment-related payments	Yes.	Effective July 9, 2022, resident clients (legal entities) are required to use foreign currency purchased beginning July 11, 2022, following established procedure, within 2 days (previously 10) after it is credited to their current account for the needs noted in their request to purchase currency.
Prior approval	No.	
Quantitative limits	Yes.	Effective February 24, 2022, according to Resolution No. 18 of February 24, 2022, cross-border transfers of currency valuables from Ukraine are restricted during martial law and there are no exceptions for residents to make investments abroad. Effective March 23, 2023, the ban on the transfer of funds from Ukraine does not apply to the transfer to a foreign investor/nonresident of funds received in connection with the payment of income on domestic government bonds of Ukraine made after April 1, 2023, in accordance with the terms of their placement (issue). Effective May 22, 2023, the requirement of keeping the bond for the last 90 days was imposed to be able to repatriate the interest payment received.
Indicative limits/bona fide test	Yes.	When making payments for nonresidents, banks are required to check the documents that serve as the basis for the transactions being performed.
Payments for travel	Yes.	Effective July 9, 2022, resident clients (legal entities) are required to use foreign currency purchased beginning July 11, 2022, following established procedure, within two days (before 10 days) after it is credited to their current account for the needs noted in their request to purchase currency.
Prior approval	No.	
Quantitative limits	Yes.	Effective February 24, 2022, an individual may only sell foreign cash (no purchases allowed), without limitations on the amount. Effective April 14, 2022, individuals may purchase foreign cash. Transactions to sell foreign cash are performed by banks, nonbank financial institutions, postal service operators, within the limits of the amount that exceeds the overall volume of the purchase over the sale volume. This amount in excess is calculated starting from April 13, 2022, and on the subsequent operational/business days. Effective July 27, 2022, sales of foreign cash to clients are conducted within the bounds of an amount that is defined as the sum of two components: the volume by which the foreign cash exceeds the purchase of non-cash foreign currency among the individuals for all currencies that are calculated beginning April 13, 2022, and the following business/working days the amount of these components is calculated in dollar equivalent, for which the official exchange rate of the hryvnias to foreign currency as set by the NBU as of the date of such calculation. Effective September 6, 2022, banks are allowed to include in the calculation of the volume of cash foreign exchange sales 100% of non-cash foreign exchange purchases from individuals in all foreign currencies, starting from April 13, 2022, and over the subsequent banking/working days, and from April 21, 2023, 120% of non-cash foreign exchange purchases. Effective August 29, 2023, banks are allowed to sell non-cash foreign exchange to their retail customers without the need to

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		confirm any grounds/obligations for such a transaction, and the amount of such sales cannot exceed the equivalent of 50,000 hryvnia a calendar month a bank. The purchased cashless currency will be held on the customer's current account and the customer may use this currency for the purposes provided for in paragraph 14 of Resolution No. 18 (specifically, make payments using an electronic means of payment abroad from this account in foreign currency without limitation on the amount or to make a p2p transfer in the amount of UAH 100,000 in equivalent a calendar month) and according to the list set forth in Resolution No. 153. Effective September 16, 2023, banks, nonbank financial institutions and postal operators also include in the calculation of cash foreign exchange sales the balances of cash foreign exchange, which was at hand in these institutions as of April 13, 2022.
Indicative limits/bona fide test	Yes.	For legal entities, the requirement to resell noncash foreign currency not used within 10 days in the foreign exchange market within 5 days remains in place, but is no longer required to transfer any gains from those transactions to the budget. This rule does not apply to the purchase of foreign currency within the daily limit of €100,000 (in equivalent terms).
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Effective February 24, 2022, banks are prohibited from conducting transfers for individuals under current non-commercial transactions. Transfers are allowed to perform transactions involving payment of expenses for treatment in medical facilities of a foreign state, pay for expenses to transport patients, and pay expenses related to the death of citizens abroad (transportation and burial expenses), and effective September 16, 2023, payment for rehabilitation services, purchase of prostheses and their components, and payment for installation, maintenance and repair of prostheses are allowed. Effective March 21, 2022, transborder transfers are allowed to accounts of educational institutions of foreign states to pay for the cost of instruction. Transfers are also permitted in amounts up to 100,000 hryvnias a calendar month from individuals' accounts to individuals' accounts, using the electronic fund payment details of the payer and recipient (r2r transfers) and settlements performed using electronic means of payment, to pay for transactions with directly convertible (exchangeable) assets for funds and according to the rules and/or other internal documents of international payment systems that fall under the category of "quasi-cash" transactions [purchases of cryptocurrency are allowed, replenishing electronic wallets, purchases of gift certificates, transfers to bookmaker companies, payment for travelers' checks. The non-exhaustive trade codes that can be used for such transactions are: 4829; 6012; 6050; 6051; 6534; 6540; 7800; 7801; 7802; and 7995.] Effective April 4, 2022, transfers of foreign currency from individuals who are not business entities are allowed for the purpose of helping to increase the military capabilities of Ukraine with commodities included in the List of Critical Imports, approved by Resolution of the Cabinet of Ministers of Ukraine No. 153, dated February 24, 2022 (as amended), with the following codes pursuant to the Ukrainian classification of goods of foreign economic activity (UKTVED): 8507, 6211 43 90 00, 6506 10 80 00, 61–62, 6403–6405, 3926, 6217, 9005 10 00 00, 9005 80 00 00, 0 0 0 0 90 92

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		90, and 30, if the amount of such transaction(s) per calendar month in equivalent terms is less than UAH 400,000. Effective August 6, 2022, codes 8517 and 8525 had been added, and code 9025 was added effective November 5, 2022, and code 8806 was added effective March 2, 2023. Effective March 21, 2022, transfers from accounts of individuals in the domestic currency to accounts of individuals using the details of electronic payment instruments of the payer and the payee (p2ptransfers) and settlements through electronic means of payment to purchase assets that can be directly converted (exchanged for) to cash and, in line with the rules and/or other internal documents of international payment systems, are classified as quasi cash transactions were allowed in the amount of up to UAH 100,000 a bank customer a calendar month. Effective July 21, 2022, such transactions were allowed to be carried out in the reduced amount of up to UAH 30,000 (previously UAH 100,000) inclusive a bank customer a calendar month. Effective October 5, 2022, the transfers were prohibited. Effective April 22, 2022, purchases for the purpose of transferring funds to make insurance payments on insurance contracts of persons departing abroad to accounts of resident supporting companies are allowed, as well as insurance payments or payouts in the cases stipulated in Resolution No. 18. Transactions involving the transfer of tuition fees to the accounts of educational institutions of a foreign country are also permitted. Effective May 9, 2022, transborder transfers are allowed for child support payments, as well as transfers of foreign currency to individual nonresidents, purchased using funds received following the death of a member of the armed services, in accordance with Resolution of the Cabinet of Ministers of Ukraine No. 168, dated February 28, 2022, “Matters of Certain Payments to members of the armed services, enlisted soldiers and officers, police officers, and their families while martial law is in effect” (as amended). Effective October 1, 2022, transfers of tuition fees to the accounts of nonresident legal entities that accept tuition fees under authority granted by educational establishments are permitted. Effective December 13, 2022, nonresident service members are allowed to transfer their funds received as monetary allowance in accordance with the legislation of Ukraine in the amount not exceeding the equivalent of UAH 400,000 a calendar month. Such transactions may be carried out through a bank in which an account is opened for purpose of receiving such monetary allowance.
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	Yes.	Resolution of the NBU Board No. 18, effective February 24, 2022, has established limits on transactions using payment cards (the established restrictions are reviewed pursuant to the situation as it

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		unfolds on the exchange market). Effective March 1, 2022, settlements (payments for goods, work, and services) abroad are allowed using electronic means of payment, or to obtain cash. Effective July 21, 2022, settlements (payments for goods, work, and services) abroad are allowed using electronic means of payment (with the exception of settlements performed using a category 6211 merchant code): - for an amount equivalent to UAH 100,000, inclusively a calendar month from all of the bank client's accounts in the national currency; without limits on amounts from all of a bank client's foreign currency accounts.
Prior approval	No.	
Quantitative limits	Yes.	Economic entities that are residents of Ukraine may use electronic payment means for settlements with nonresidents under commercial international contracts involving exports/imports of goods, if a transaction made under the same contract on the same business day does not exceed UAH 400,000.
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	Yes.	Effective February 24, 2022, the NBU introduced temporary restrictions on transactions to pay for imports [products, services, works, intellectual property rights, and other non-property rights intended for sale (paid transfer)] delivered before February 23, 2021. In terms of importing goods with the delivery after February 23, 2021, the purchase of foreign currency and transfer of funds from Ukraine is allowed for payment for goods specified in the Resolution of the Cabinet of Ministers of Ukraine No. 153 on Certain Issues of Import Ensuring dated February 24, 2022.
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	The settlement deadline for receiving payment for exports is 365 days from the date of delivery. Exemptions from the 365-day deadline may be granted by the central executive authority for national economic development policy. Effective April 5, 2022, under martial law, the standards of NBU Resolution No. 18 of February 24, 2022, temporarily reduced the settlement deadlines for export and import transactions that were executed starting April 5, 2022: - a 90-day deadline for such transactions during the period from April 5, 2022, through June 7, 2022; Effective June 8, 2022, the deadline for the respective transactions was increased to 120 calendar days. Effective July 9, 2022, the deadline for the respective transactions was increased to 180 calendar days.

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		For transactions involving export-import of goods that were conducted before April 5, 2022, the deadlines were not revised and comprise 365 calendar days.
Surrender requirements	No.	The surrender requirement for a portion of proceeds in foreign currency was eliminated as of June 20, 2019.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	The surrender requirement for a portion of proceeds in foreign currency was eliminated as of June 20, 2019.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	The NBU has the right to introduce temporary surrender requirements for proceeds in foreign currency, including proceeds from export operations, for a period of up to six months.
Controls on capital and money market instruments	Yes.	After February 24, 2022, according to Resolution No. 18 of February 24, 2022, cross-border transfers of currency valuables from Ukraine are restricted during martial law and there are no exceptions for residents to make investments abroad.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Acquisition by a foreign investor of equity securities does not require state registration. Effective February 24, 2022, a temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to transactions involving the return of foreign investments.
Sale or issue locally by nonresidents	Yes.	Securities of foreign issuers may be traded in Ukraine once the admission for securities circulation within Ukraine is obtained from the National Securities and Stock Market Commission (NSSMC). The securities issue and/or prospectus must be registered in the country of issuer's origin or country, in which securities are traded on exchange. Securities should have International Securities Identification Number (ISIN) and Classification of Financial Instruments (CFI) code and be traded on at least one of the following foreign regulated markets: regulated markets from the group of Nasdaq, Inc, New York Stock Exchange, EU and Switzerland regulated markets, Hong Kong Exchanges and Clearing, London Stock Exchange, and Japan Exchange Group, Inc. The NSSMC is empowered, on its own initiative, to admit securities included in stock indices (S&P 500, NASDAQ 100, FTSE 100, DAX, CAC 40, and Nikkei 225) or debt securities issued by foreign states (Canada, Italy, Japan, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Federal

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		Republic of Germany, the French Republic) based on the relevant Resolution of the NSSMC/Order of the NSSMC authorized person. Foreign securities, which are included in S&P 500 list and which may be accounted on the securities account of Public Joint Stock Company (PJSC) National Depository of Ukraine (opened at the Clearstream Banking Luxembourg an international depository and clearing institution) were permitted by NSSMC on its own initiative for circulation in Ukraine. IFIs may issue bonds in hryvnias within Ukraine, provided they obtain the requisite approvals from the MOF of Ukraine (approved by NBU) in accordance with the procedure for issuing and circulating bonds of IFIs. Effective February 24, 2022, a temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to the funds gather in the issuance (or sale).
Purchase abroad by residents	Yes.	When a bank performs its own investment transactions abroad in securities of foreign issuers, such a funds transfer (foreign currency/UAH) may be permitted only if the bank is acquiring: (1) securities, the foreign issuers of which have an official rating no lower than investment grade; (2) debt securities issued abroad for the purpose of financing a credit (loan) granted by a nonresident bank; (3) shares of the Limited Liability Cooperative Company SWIFT. Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. From February 7, 2019, a bank may not conduct currency operations to transfer foreign currency/hryvnia for the purposes of purchasing foreign government bonds of Ukraine.
Sale or issue abroad by residents	Yes.	The issuance, placement, and circulation of securities of Ukrainian residents outside Ukraine take place on foreign regulated/unregulated markets and are governed by the laws of the foreign country where such securities are planned to be placed and circulated.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents are not required to deposit hryvnias in advance in the bid amounts for government securities in primary auctions. Transactions involving the purchase of government securities must be registered with the NBU depository. Authorized banks may acquire bonds on behalf of nonresidents at auctions. Purchases and transfers by residents, foreign investors, and nonresidents of foreign currency abroad for the return of foreign investments, income, profits, and other funds earned by a nonresident/foreign investor from investment activity in Ukraine must be confirmed by the relevant documents, which are submitted to the bank.

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		Banks are permitted to provide funds in UAH to nonresident legal entities under credit agreements/other types of agreements, for a period of 14 business days in order for such nonresidents to acquire state domestic bonds of Ukraine. Effective February 24, 2022, the cross-border transfer of currency valuables from Ukraine is restricted and there are no exceptions for the repatriation of investments abroad.
Sale or issue locally by nonresidents	Yes.	Securities of foreign issuers may be traded in Ukraine once the admission for securities circulation within Ukraine is obtained from the NSSMC. The securities issue and/or prospectus must be registered in the country of issuer's origin or country, in which securities are traded on exchange. Securities should have ISIN and CFI code and be traded on at least one of the following foreign regulated markets: regulated markets from the group of Nasdaq, Inc, New York Stock Exchange, EU and Switzerland regulated markets, Hong Kong Exchanges and Clearing, London Stock Exchange, and Japan Exchange Group, Inc. The NSSMC is empowered on its own initiative to grant admission to securities included in stock indices (S&P 500, NASDAQ 100, FTSE 100, DAX, CAC 40, and Nikkei 225) or debt securities issued by foreign states (Canada, Italy, Japan, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Federal Republic of Germany, the French Republic) based on the relevant Regulation of the NSSMC/Order of the NSSMC authorized person. Foreign securities, which are included in S&P 500 list and which may be accounted on the securities account of PJSC National Depository of Ukraine (opened at the Clearstream Banking Luxembourg, an international depository and clearing institution) were permitted by NSSMC on its own initiative for circulation in Ukraine. IFIs may issue bonds in hryvnias within Ukraine, provided they obtain the requisite approvals from the MOF of Ukraine (approved by NBU) in accordance with the procedure for issuing and circulating bonds of IFIs. Effective February 24, 2022, a temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to the funds gather in the issuance (or sale).
Purchase abroad by residents	Yes.	When a bank performs its own investment transactions abroad in securities of foreign issuers, such a funds transfer (foreign currency/UAH) may be permitted only if the bank is acquiring: (1) securities, the foreign issuers of which have an official rating no lower than investment grade; (2) debt securities issued abroad for the purpose of financing a credit (loan) granted by a nonresident bank; (3) shares of the Limited Liability Cooperative Company S.W.I.F.T. SC (Society for Worldwide Interbank Financial Telecommunication). Pursuant to Resolution No. 18 of February 24, 2022, effective February 24, 2022, there is a temporary ban on conducting transactions involving trade in foreign currency (including for clients), and/or performing transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident

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		banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), aside from standalone transactions. This ban on transferring funds from Ukraine also extends to transactions of residents (other than banks) involving transfers from Ukraine to carry out investments abroad. Transfers of foreign currency/UAH for a bank's own transactions, for it to acquire external government debt of Ukraine. Effective June 15, 2022, residents of Ukraine are allowed to keep the holdings of domestic sovereign debt of Ukraine in their account with foreign custodians that are participants of international central securities depository (ICSD) Clearstream Banking Luxembourg, and execute transactions therewith in ICSD system (before it was just for nonresidents). Effective October 7, 2023, banks are prohibited from alienating securities of foreign issuers and/or other actions, which may consequently result in the alienation of securities of foreign issuers, in favor of: (1) residents of Ukraine (excluding banks); (2) nonresidents, except for operations deriving from purchase and sale agreements in respect of such securities, when according to the terms of the agreement the cash leg settlement with nonresidents is performed exclusively in foreign currency outside of Ukraine and/or by cross-border transfer.
Sale or issue abroad by residents	Yes.	The issuance, placement, and circulation of securities of Ukrainian residents outside Ukraine take place on foreign regulated/unregulated markets and are governed by the laws of the foreign country where such securities are planned to be placed and circulated
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Effective February 24, 2022, a temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to transactions involving the repatriation of foreign investments.
Sale or issue locally by nonresidents	Yes.	Securities of foreign issuers may be traded in Ukraine once the admission for securities circulation within Ukraine is obtained from the NSSMC. The securities issue and/or prospectus must be registered in the country of issuer's origin or country, in which securities are traded on exchange. Securities should have ISIN and CFI code and be traded on at least one of the following foreign regulated markets: regulated markets from the group of Nasdaq, Inc, New York Stock Exchange, EU and Switzerland regulated markets, Hong Kong Exchanges and Clearing, London Stock Exchange, and Japan Exchange Group, Inc. The NSSMC is empowered, on its own initiative, to grant admission to securities included in stock indices (S&P 500, NASDAQ 100, FTSE 100, DAX, CAC 40, Nikkei 225) or debt securities issued by foreign states (Canada, Italy, Japan, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Federal Republic of Germany, the French Republic) based on the relevant Regulation of the NSSMC/Order of the NSSMC authorized person. Foreign securities, which are included in S&P 500 list and which

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		may be accounted on the securities account of PJSC National Depository of Ukraine (opened at the Clearstream Banking Luxembourg, an international depository and clearing institution) were permitted by NSSMC on its own initiative for circulation in Ukraine. IFIs may issue bonds in hryvnias within Ukraine, provided they obtain the requisite approvals from the MOF of Ukraine (approved by NBU) in accordance with the procedure for issuing and circulating bonds of IFIs. Effective February 24, 2022, a temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to the funds gather in the issuance (or sale).
Purchase abroad by residents	Yes.	When a bank performs its own investment transactions abroad in securities of foreign issuers, such a funds transfer (foreign currency/UAH) may be permitted only if the bank is acquiring: (1) securities, the foreign issuers of which have an official rating no lower than investment grade; (2) debt securities issued abroad for the purpose of financing a credit (loan) granted by a nonresident bank; (3) shares of the Limited Liability Cooperative Company S.W.I.F.T. SC (Society for Worldwide Interbank Financial Telecommunication). Pursuant to Resolution No. 18 of February 24, 2022, effective February 24, 2022, there is a temporary ban on conducting transactions involving trade in foreign currency (including for clients), and/or performing transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), aside from standalone transactions. This ban on transferring funds from Ukraine also extends to transactions of residents (other than banks) involving transfers from Ukraine to carry out investments abroad. From February 7, 2019, a bank may not conduct currency operations to transfer foreign currency/hryvnia for the purposes of purchasing foreign government bonds of Ukraine. Effective October 7, 2023, banks are prohibited from alienating securities of foreign issuers and/or other actions, which may consequently result in the alienation of securities of foreign issuers, in favor of: - residents of Ukraine (excluding banks); - nonresidents, except for operations deriving from purchase and sale agreements in respect of such securities, when according to the terms of the agreement the cash leg settlement with nonresidents is performed exclusively in foreign currency outside of Ukraine and/or by cross-border transfer.
Sale or issue abroad by residents	Yes.	The issuance, placement and circulation of securities of Ukrainian residents outside Ukraine take place on foreign regulated/unregulated markets and are governed by the laws of the foreign country where such securities are planned to be placed and circulated.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Effective February 24, 2022, a temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to

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		correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to transactions involving the repatriation of foreign investments.
Sale or issue locally by nonresidents	Yes.	Securities of foreign issuers may be traded in Ukraine once the admission for securities circulation within Ukraine is obtained from the NSSMC. The securities issue and/or prospectus must be registered in the country of issuer's origin or country, in which securities are traded on exchange. Securities should have ISIN and CFI code and be traded on at least one of the following foreign regulated markets: regulated markets from the group of Nasdaq, Inc, New York Stock Exchange, EU and Switzerland regulated markets, Hong Kong Exchanges and Clearing, London Stock Exchange, and Japan Exchange Group, Inc. The NSSMC is empowered, on its own initiative, to grant admission to securities included in stock indices (S&P 500, NASDAQ 100, FTSE 100, DAX, CAC 40, and Nikkei 225) or debt securities issued by foreign states (Canada, Italy, Japan, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Federal Republic of Germany, the French Republic) based on the relevant Regulation of the NSSMC/Order of the NSSMC authorized person. Foreign securities, which are included in S&P 500 list and which may be accounted on the securities account of PJSC National Depository of Ukraine (opened at the Clearstream Banking Luxembourg, an international depository and clearing institution) were permitted by NSSMC on its own initiative for circulation in Ukraine. IFIs may issue bonds in hryvnias within Ukraine, provided they obtain the requisite approvals from the MOF of Ukraine (approved by NBU) in accordance with the procedure for issuing and circulating bonds of IFIs.
Purchase abroad by residents	Yes.	When a bank performs its own investment transactions abroad in securities of foreign issuers, such a funds transfer (foreign currency/UAH) may be permitted only if the bank is acquiring: (1) securities, the foreign issuers of which have an official rating no lower than investment grade; (2) debt securities issued abroad for the purpose of financing a credit (loan) granted by a nonresident bank; (3) shares of the Limited Liability Cooperative Company S.W.I.F.T. SC (Society for Worldwide Interbank Financial Telecommunication). Pursuant to Resolution No. 18 of February 24, 2022, effective February 24, 2022, there is a temporary ban on conducting transactions involving trade in foreign currency (including for clients), and/or performing transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), aside from standalone transactions. This ban on transferring funds from Ukraine also extends to transactions of residents (other than banks) involving transfers from Ukraine to carry out investments abroad. From February 7, 2019, a bank may not conduct currency operations to transfer foreign currency/hryvnia for the purposes of purchasing foreign government bonds of Ukraine. Effective October 7, 2023, banks are prohibited from alienating securities of foreign issuers and/or other actions, which may

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		consequently result in the alienation of securities of foreign issuers, in favor of: - residents of Ukraine (excluding banks); -nonresidents, except for operations deriving from purchase and sale agreements in respect of such securities, when according to the terms of the agreement the cash leg settlement with nonresidents is performed exclusively in foreign currency outside of Ukraine and/or by cross-border transfer.
Sale or issue abroad by residents	Yes.	The issuance, placement, and circulation of securities of Ukrainian residents outside Ukraine take place on foreign regulated/unregulated markets and are governed by the laws of the foreign country where such securities are planned to be placed and circulated.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	Yes.	Effective February 24, 2022, banks are prohibited from performing transactions involving trade in foreign currency (including for clients), which includes derivatives. Effective March 21, 2022, transactions involving the purchase of foreign currency by clients on “forward” terms under forward contracts are permitted if signed before February 23, 2022 (inclusive).
Sale or issue locally by nonresidents	Yes.	There are no provisions allowing nonresidents to offer derivatives in the Ukrainian domestic foreign exchange market.
Purchase abroad by residents	Yes.	Pursuant to Resolution No. 18 of February 24, 2022, effective February 24, 2022, there is a temporary ban on conducting transactions involving trade in foreign currency (including for clients), and/or performing transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), aside from standalone transactions. This ban on transferring funds from Ukraine also extends to transactions of residents (other than banks) involving transfers from Ukraine to carry out investments abroad. Effective March 21, 2022, transactions involving the purchase of foreign currency by clients on “forward” terms under forward contracts are permitted if signed before February 23, 2022 (inclusive).
Sale or issue abroad by residents	Yes.	The issuance, placement, and circulation of securities of Ukrainian residents outside Ukraine take place on foreign regulated/unregulated markets and are governed by the laws of the foreign country where such securities are planned to be placed and circulated.
Controls on credit operations	Yes.	
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Residents may extend commercial credit to nonresidents with a maturity of up to 365 days. The limitation is tied to the requirement to repatriate export proceeds and receive imports in compliance with the deadline for the performance of settlements established by the NBU (365 days) with regard to commodity export and import transactions after the date of delivery and payment, respectively. Effective April 5, 2022, the standards of Resolution No. 18, dated February 24, 2022, have reduced the time limits for settlements on transactions involving export/import of goods that are conducted beginning April 5, 2022:

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		- a 90-day deadline was set for such transactions for the period from April 5, 2022, through June 7, 2022: Effective June 8, 2022, the deadline for the relevant transactions was increased to 120 calendar days: Effective July 9, 2022, the deadline for the relevant transactions was increased to 180 calendar days. For export-import transactions of goods that were performed before April 5, 2022, the deadline for settlements was not revised and comprises 365 calendar days.
To residents from nonresidents	Yes.	Effective February 24, 2022, the NBU introduced temporary restrictions on transactions to pay for imported goods delivered before February 23, 2021 (that is, transactions to purchase and transfer foreign currency from Ukraine are banned). In terms of importing goods with the delivery after February 23, 2021, the purchase of foreign currency and transfer of funds from Ukraine are allowed for payment for goods specified in the Resolution of the Cabinet of Ministers of Ukraine No. 153 on Certain Issues of Import Ensuring dated February 24, 2022.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Residents may not provide credits (loans, financial assistance) to nonresidents in hryvnias, with the exception of: (1) the granting of consumer credits to nonresident individuals by banks and nonbank financial institutions; (2) the granting of credits by banks to nonresidents for the purpose of the purchase by the nonresident of Ukrainian domestic government bonds, if the date for repayment to the bank of the given credit is more than 14 days from the date the credit is granted; (3) the granting of credits (loans, financial assistance) to the account of a representative office of a foreign investor under a production sharing agreement within the territory of Ukraine, which is done to meet the requirements of the production sharing agreement. Effective February 24, 2022, the standards of Regulation No. 18 have established a prohibition on transborder transfers from Ukraine/cash transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), which extends, among others, to residents' transactions involving provision of credit/loans to nonresidents (separate requirements are established for banks). Banks are prohibited from transferring funds from Ukraine for purposes of providing credit to nonresidents (except for foreign exchange loans to foreign financial institutions). Previously, banks could provide credits with no restrictions on the amount, while individuals and legal entities could provide loans within established limits.
To residents from nonresidents	Yes.	Effective February 24, 2022, the standards of Regulation No. 18 have established a temporary prohibition on transborder money transfers from Ukraine/cash transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their

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clients), other than standalone transactions. This prohibition on the transfer of cash from Ukraine extends, among others, to residents' transactions involving paying off credit/loans received from nonresidents (other than payoffs of loans by borrower banks in observance of the time limits established by lending agreements for such payments).

The temporary ban on funds transfers from Ukraine does not extend to individual cases, including transactions to fulfill resident obligations:
- that are guaranteed by the State of Ukraine;
- the creditors of which are IFIs of which Ukraine is a member, or IFIs under agreements with which Ukraine has obligated itself to ensure the legal regime that is granted to other international organizations;
- a bank's own transactions, including to pay off credit they have raised from nonresidents (but no earlier than the time limits set by the terms of the credit agreement).

Effective April 14, 2022, borrower banks have been prohibited from reducing the time limits for their fulfillment of debt obligations on credit and loans they had attracted under agreements with nonresidents (Resolution No. 18).

Later, the list of transactions permitted by Resolution No. 18 for the transfer of currency valuables from Ukraine was extended as follows:
- Effective June 16, 2023, transactions (except for early execution) of a resident borrower who is not a bank with a nonresident under a loan agreement if the loan under such an agreement (in whole or in part) is provided with the participation (by way of guarantee or surety) of IFIs or with the participation (by way of loan, insurance, guarantee, or surety) of a foreign export credit agency/foreign state through its authorized persons/foreign persons, whose participants (shareholders) include a foreign state or a foreign bank [provided a foreign state is a participant (shareholder) of this bank]. Effective October 7, 2023, funds may also be transferred from Ukraine for early fulfillment of obligations on those of these loans that are fully received and repaid after June 20, 2023;
- from June 21, 2023, transactions (except for early execution) of a resident borrower with a nonresident under a loan agreement concluded between them, whereby the provision/receipt of the total amount of the loan (including repayable financial assistance) is made only after June 20, 2023. The transfer of funds from Ukraine under such loans also requires compliance with separately established terms and conditions (the size of payouts should be limited at the maximum interest rate of 12% an annum; after June 20, 2023, funds under the loan agreement received from abroad must be credited to the current account of a resident borrower in a Ukrainian bank). For the purpose of transferring funds from Ukraine under such loan agreements, it is not allowed to buy foreign currency, as well as to use foreign currency, which is received as a loan from another resident (this restriction does not apply to loans with the maturity of more than 3 years. For such loans, it is allowed to buy foreign currency to transfer from Ukraine the amount of interest, and starting from the fourth year of the loan, foreign exchange can also be transferred to repay the principal of the loan).
- from September 16, 2023, transactions to fulfill the obligations of a resident borrower who is a state-owned enterprise or a company, 100% of shares (stocks) of which belong to the state, to a nonresident under a loan agreement between them, which were restructured on

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		the terms agreed by the Cabinet of Ministers of Ukraine, as well as for making other payments related to servicing such restructured obligations. The standards of Regulation No. 18 of February 24, 2022, which prohibit transfers from Ukraine, do not apply to funds transfers within Ukraine that are performed between accounts of residents and nonresidents in Ukrainian banks on foreign exchange transactions, permitted pursuant to the rules of such accounts (account rules are established in Regulation No. 5 of January 2, 2019). Thus, resident borrowers may transfer funds (in foreign currency/UAH) to pay off credit/loans, they received from nonresidents to current accounts of nonresidents in banks within Ukraine.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Pursuant to NBU Resolution No. 18, effective February 24, 2022, banks are temporarily prohibited from conducting settlements on documentary and reserve credits/guarantees/counter-guarantees that were opened (confirmed, issued) after February 24, 2022, unless otherwise agreed.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
Inward direct investment	No.	FDI in Ukraine may be made in foreign currency and hryvnias and does not have to be performed through investment accounts with authorized Ukrainian banks. Foreign investments do not require registration. State registration of investments has been discontinued.
Controls on liquidation of direct investment	Yes.	Effective February 24, 2022, a temporary ban is in effect on transborder transfers from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks, in hryvnias or foreign currency, in resident banks (including transfers that authorized institutions carry out on instructions from their clients), other than standalone transactions. This ban on transferring cash funds outside Ukraine extends to transactions involving the liquidation of direct investments.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
Purchase locally by nonresidents	No.	These transactions are considered as investment in Ukraine if they are made from an investment account or from an account of a nonresident legal entity opened in a Ukrainian bank or if money is transferred from abroad directly to the investment project.
Sale locally by nonresidents	Yes.	Effective February 24, 2022, a temporary ban is in effect on transborder transfers from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks, in hryvnias or

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		foreign currency, in resident banks (including transfers that authorized institutions carry out on instructions from their clients), other than standalone transactions. This ban on transferring cash funds outside Ukraine extends to transactions involving the return of foreign investments.
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	Effective February 24, 2022, the provisions of Regulation No. 18 of February 22, 2022, established a ban on cross-border transfers of funds from Ukraine/transfers of funds to correspondent accounts of nonresident banks in UAH/foreign exchange opened with resident banks (including transfers made by authorized institutions on the instructions of their clients), which applies, inter alia, to transactions of residents to issue loans to nonresidents (banks are subject to separate requirements).
To residents from nonresidents	Yes.	Effective February 24, 2022, the provisions of Regulation No. 18 of February 22, 2022, established a ban on cross-border transfers of funds from Ukraine/transfers of funds to correspondent accounts of nonresident banks in UAH/foreign exchange opened with resident banks (including transfers made by authorized institutions on the instructions of their clients), which applies, inter alia, to the repayment of the loans.
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	Effective February 24, 2022, according to Resolution No. 18 of February 24, 2022, cross-border transfers of currency valuables from Ukraine are restricted during martial law and there are no exceptions for residents to make investments abroad.
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	Yes.	Effective February 24, 2022, banks are prohibited from carrying out transfers of individuals on current non-commercial transactions, other than in the cases identified in Resolution No. 18 (the list is not exhaustive and is revised based on the current situation on the exchange market and the government's needs under conditions of martial law).
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Effective February 24, 2022, banks are prohibited from carrying out transfers of individuals on current non-commercial transactions, other than in the cases identified in Resolution No. 18 (the list is not exhaustive and is revised based on the current situation on the exchange market and the government's needs under conditions of martial law).
Transfer into the country by immigrants	No.	Transfers by nonresident individuals to Ukraine are unrestricted.
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	Effective April 14, 2022, borrower banks have been prohibited from reducing the time limits for their fulfillment of debt obligations on credit and loans they had attracted under agreements with nonresidents (Resolution No. 18 of February 24, 2022).

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Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Residents (including banks and nonbank financial institutions) are prohibited from granting credits (loans, financial assistance) in hryvnias to nonresidents and their representative offices in Ukraine, with the exception of: (1) the granting of a consumer loan to a nonresident individual by a bank or a nonbank financial institution; (2) operations between banks and nonresident legal entities under credit agreements/other types of agreements, which call for the provision of funds in hryvnias by a bank to a nonresident for the purchase of domestic government bonds of Ukraine by the nonresident, with a deadline for repayment of these funds to the bank no later than 14 business days from the date of disbursement of the funds in hryvnias; (3) operations with an IFI (or a representative office thereof); (4) the granting of credits (loans, financial assistance) to the account of a representative office of a foreign investor under a production sharing agreement within the territory of Ukraine, which is performed to meet the requirements of the production sharing agreement. Effective May 21, 2022, banks are prohibited from performing transfers of funds from Ukraine for purposes of providing credit to nonresidents (excepting credits to foreign financial institutions).
Lending locally in foreign exchange	Yes.	Banks may provide credits to their resident customers in hryvnias and in foreign currency (other than consumer credits to individuals, to whom credits are granted only in hryvnias). It is prohibited at the statutory level to provide credit (loans), denominated in the currency of the occupier state (Russian rubles). Effective February 24, 2022, banks are prohibited from granting loans in domestic currency to customers to repay the bank foreign exchange loans (including interest and other payments under a loan agreement in foreign currency). Effective May 21, 2022, banks are prohibited from: - restructuring debt under credit agreements in a foreign currency, if such agreements were entered into by creditor banks with client borrowers (other than interbank loans) by replacing the currency used to fulfill the obligation under such a foreign currency bank loan with hryvnias (effective July 23, 2022, with the exception of isolated cases involving restructuring under consumer credit agreements as stipulated in Section IV, Item 7 of the Law of Ukraine “On Consumer Lending”); - granting bank credit in a foreign currency, for a borrower client to pay off loan in UAH.
Purchase of locally issued securities denominated in foreign exchange	Yes.	On April 1, 2021, the NBU raised these risk weights from 0% to 20% for newly acquired domestic government bonds in foreign currency, and to 50% in December 31, 2021. An increase to 100% is scheduled for June 30, 2024. Banks are prohibited from conducting settlements in foreign currency when buying government securities denominated in a foreign

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		currency from residents (other than banks, investment firms, central counterparty, and individuals) (Regulation on Protective Measures and Identifying a Procedure for Performing Certain Transactions in Foreign Currency, approved by Resolution of the NBU Board No. 5, dated January 2, 2019, as amended). Effective July 14, 2022, central counterparty and banks are allowed to conduct cash leg settlement of transactions with domestic sovereign bonds of Ukraine exclusively in the currency in which domestic sovereign bonds of Ukraine are denominated.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	In 2023, the NBU started to raise gradually and in a differentiated way reserve requirements to promote term deposits in hryvnia. As of beginning of 2023, the reserves requirements were 0% for deposits in domestic currency and 10% for those in foreign exchange. Effective January 10, 2023, the requirements were: 5% (previously 0%) for hryvnia demand deposits and 15% (previously 10%) for foreign exchange demand deposits, 0% for term hryvnia deposits, 10% for term foreign exchange deposits, 5% for hryvnia (previously 0%), and 15% (previously 10%) for foreign exchange deposits from other nonresident banks and loans from international (except for financial) institutions and other nonresident organizations. Effective February 11, 2023, the requirements were: 10% for hryvnia demand deposits and 20% for foreign exchange demand deposits, 0% for hryvnia term deposits, 10% for foreign exchange term deposits, 10% for hryvnia and 20% for foreign exchange deposits from other nonresident banks and loans from international (except for financial) institutions and nonresident organizations. Effective March 11, 2023, the requirements were: 10% for hryvnia retail demand deposits, 20% for corporate demand deposits, 20% for foreign exchange retail demand deposits, 30% for foreign exchange demand corporate deposits, 0% for term hryvnia deposits, 10% for term foreign exchange deposits, 10% for hryvnia and 20% for foreign exchange deposits from other nonresident banks and loans from international (except for financial) institutions and other nonresident organizations. Effective May 11, 2023, the requirements were: 10% for hryvnia retail demand deposits, 20% for foreign exchange retail demand deposits, 20% for corporate demand deposits, 30% for foreign exchange demand corporate deposits, 0% for term hryvnia corporate deposits, 20% for short-term (up to 92 days) hryvnia retail deposits, 0% for long-term hryvnia retail deposits, 10% for term foreign exchange corporate deposits, 30% for short-term (up to 92 days) foreign exchange retail deposits, 10% for long-term foreign exchange retail deposits, 10% for hryvnia and 20% for foreign exchange deposits from other nonresident banks and loans from international (except for financial)

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		institutions and other nonresident organizations. Effective August 9, 2023, the requirements were set to: For current and short-term (up to 92 days) retail deposits: 20% in the hryvnia, 30% in foreign exchange; For long-term (over 92 days) retail deposits: 0% in the hryvnia, 10% in foreign exchange; For deposits of legal entities: 10% in the hryvnia, 20% in foreign exchange. The changes unified (leveled) reserve requirement ratios for corporate deposits, depending on maturity. The reasons behind the decision included the need to further minimize the risks associated with the banking system's structural surplus of liquidity and to address market distortions. Banks maintain reserve requirements on their correspondent accounts in the NBU in domestic currency.
Liquid asset requirements	Yes.	The LCR requirement is set separately for all currencies and for the group of foreign currencies (while also monitored in domestic currency). The lists of eligible high-quality liquid assets (HQLAs) in all currencies and in foreign currencies differ somewhat. In particular, domestic government debt securities denominated in foreign currencies with residual maturity over 30 days are eligible for HQLAs in all currencies; however, they are not eligible for HQLAs in foreign currencies. The LCR requirement is 100% in total and for the group of foreign currencies.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks may make investments abroad under a banking license, taking into consideration the restrictions established by legislative acts of Ukraine and NBU regulatory legal acts, in particular the Regulation on Protection Measures and Determination of the Procedure for the Performance of Certain Operations in Foreign Currency, approved by Resolution No. 5 of the NBU Board of January 2, 2019 (entered into force February 7, 2019, as amended). Pursuant to Article 50 of the Law of Ukraine on Banks and Banking, a bank may make direct investments with written permission from the NBU. In particular, a bank is prohibited from carrying out foreign exchange transactions for the transfer of foreign currency/hryvnia for the purpose of making its own investment abroad in securities of a foreign issuer, except for: (1) the purchase of securities whose foreign issuers have an official rating grade not lower than investment grade as confirmed by at least two leading world rating companies (Fitch Ratings, Standard &

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		Poor's, Moody's) as of the date of purchase of such securities by the bank; (2) purchase of debt securities issued abroad for the purpose of financing a loan granted to this bank by a nonresident; (3) purchase of shares of Limited Liability Cooperative Company SWIFT.
In banks by nonresidents	Yes.	Entities who intend to acquire substantial interest in a bank, or increase it, such that an individual or entity directly and/or indirectly, independently or together with other entities or persons, owns 10%, 25%, 50%, or 75% or more of the authorized capital or voting rights in the authorized capital of a bank, and/or regardless of formal ownership, has significant influence over the management or activities of a bank must notify that bank and the NBU of with the simultaneous submission to the NBU of a full package of documents defined by the Law of Ukraine "On Banks and Banking Activities" and the NBU regulations, to agree on the acquisition or increase of a significant participation in the bank. The NBU may prohibit the acquisition of, or increase in, material participation in a bank.
Open foreign exchange position limits	Yes.	Following the NBU's methodology, banks calculate limits for the overall long and short open foreign exchange positions, taking into account a bank's reserves for its asset-related operations in foreign exchange and the sums of the delta equivalent of an exchange derivative built into a financial instrument with an indexed value, as well as an option contract. Off-balance-sheet items are included in the calculation of the open foreign exchange positions. The limits of the total (short/long) open currency position are set as a percentage of the regulatory capital. Pursuant to NBU Board Decision No. 1019-RS of December 28, 2019, the exchange position calculation also takes into account the sums of the delta equivalent of an exchange derivative built into a financial instrument with an indexed value. In addition, the requirements concerning financial instruments with indexed values were canceled. As of September 6, 2021, the calculation of banks' foreign exchange positions will include the sums of the delta equivalent of an option contract (with or without delivery of the underlying asset). Since December 1, 2021, the limit of the aggregate long open currency position of a bank (L13-1) may not exceed 15% (previously 10%) of the regulatory capital; the limit of the aggregate short open (L13-2) foreign exchange position may not exceed 15% (previously 10%) of its regulatory capital in accordance with NBU Board Decision No. 573 of November 16, 2021, which amended Decision 184-RS of March 29, 2018. A 100% of the reserves for asset-related banking operations in foreign currency are included in the calculation of the total (long/short) open foreign exchange position limits. Effective May 4, 2022, the limit on a bank's overall long currency position (L13-1) may not exceed 5% of its regulatory capital; the limit on a bank's overall short open exchange position may not exceed 5% of its regulatory capital, pursuant to Resolution No. 18.

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		Effective September 2, 2022, in accordance with the Decision of the NBU Board No. 419 dated August 22, 2022, balances in the i-th foreign currency on accounts for accounting for reserves for active operations are included in the calculation of balance sheet and off-balance-sheet claims. Such balances are included in an amount that is not greater than the amount in the i-th foreign currency as of July 21, 2022, and which is recalculated in hryvnia equivalent at the official rate of the NBU on the date of calculation of the currency position limits. The exception is the amount of balances in reserve accounts for accrued interest income on active operations, which are not taken into account when calculating the Bi indicator as of July 21, 2022, but are taken in the current balance as of the date of calculation of the currency position limits.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Effective February 24, 2022, the standards of Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
Limits (max.) on investment portfolio held abroad	Yes.	There are no restrictions on investments using one's one funds, but pursuant to Directive No. 850 of June 7, 2018, of the National Commission, which is responsible for government regulation of the financial services markets, there are mandatory criteria and requirements regarding an insurer's capital adequacy, solvency, liquidity, profitability, asset quality, and operational risk. To meet solvency requirements, insurers are permitted to invest funds in stocks, bonds of Ukrainian issuers, local bonds, mortgage bonds, and government securities. To meet solvency requirements, an insurer may invest funds in bonds of IFIs, securities of foreign governments, securities of foreign issuers (stocks, bonds), provided securities of foreign issuers may be traded within Ukraine (the conditions for admitting securities of foreign issuers for trading within Ukraine are established by the National Commission for Securities and the Stock Market, Decision No. 34, dated February 21, 2021). Moreover, the credit rating of a foreign issuer's bonds must be no lower than A3/A. No limit is established. Insurers are also permitted to invest funds from insurance reserves in securities of issuers in foreign countries, corresponding to the established ratings (no lower than A3 or A), with the corresponding restrictions: for an insurer that has obtained a license to engage in life insurance – not more than 20% of insurance reserves, and for an insurer offering types of insurance other than life insurance – not more than 10% of insurance reserves. It is also permitted to enter into reinsurance agreements with reinsurers in currency (that meet the established requirements). Moreover, claims against resident insurers are accepted as coverage for insurance reserves – not more than 50% of insurance reserves, of which claims against nonresident insurers of a reinsurer that has obtained a license to engage in life insurance activities – not more

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		than 40% of insurance reserves. These ceilings do not apply to nuclear reinsurance, air, water and land transportation, agricultural insurance, health insurance, as well as claims against reinsurers in the reported but unpaid claims reserves. Effective February 24, 2022, the standards of Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Ukraine has also adopted the Law of Ukraine "On Insurance" (No. 1909-IX of November 18, 2021, entering into force January 1, 2024, except for certain transitional provisions that are postponed for 1–3 years), which is designed to meet the requirements of the EU Solvency II Directive, as well as the Law of Ukraine "On Financial Services and Financial Companies" (No. 1953-IX of December 14, 2021, entering into force January 1, 2024). The Law of Ukraine "On Insurance" envisages full-fledged transition to Solvency II requirements from January 1, 2027, for insurers that meet the size of business requirements. Before January 1, 2027, the solvency capital of all insurers will have to comply with the requirements of Solvency I, preceding EU Directive 2009/138. To implement the new law, the NBU has developed a draft regulatory act (replacing Directive No. 850), which will stipulate the need for currency alignment of all assets and liabilities, as well as insurance reserves and their covered assets, taking into account the requirements of the EU Solvency I Directives. This draft is planned to be approved and put into effect from January 1, 2024. It is also planned to lower the rating requirements of foreign issuers to BBB+.
Limits (min.) on investment portfolio held locally	Yes.	There are no restrictions on investment with one's own funds but, pursuant to Directive of the National Committee for Financial Services No. 850, dated June 7, 2018, mandatory criteria and requirements for capital adequacy and solvency, liquidity, profitability, asset quality, and riskiness of the insurer's activities. To meet requirements concerning the solvency of insurers, it is permitted to invest funds in stocks and bonds of Ukrainian issuers, local loan bonds, mortgage bonds, and government securities. At the same time, the credit rating of a foreign bond issuer must be no lower than A3/A. Funds in current accounts, bank deposits and real estate investments are also allowed. No limits are established. Insurers are also permitted to invest funds from insurance reserves in securities of Ukrainian issuers, with the following limitations: - shares of Ukrainian issuers: no more than 10% of insurance reserves, with no more than 3% of insurance reserves in the shares of a single issuer; - bonds of enterprises of Ukrainian issuers: for an insurer that has obtained a life insurance license: no more than 40% of insurance reserves, including no more than 10% of insurance reserves in the bonds of a single issuer and, for an insurer engaged in insurance other than life insurance; - not more than 30% of insurance reserves, including no more than 10% of insurance reserves in bonds of a single issuer;

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		- local loan bonds: no more than 10% of insurance reserves; - Ukrainian government bonds: no more than 95% of insurance reserves for an insurer that has obtained a license to engage in life insurance and, for an insurer practicing insurance other than life insurance, not more than 80% of insurance reserves; - bank deposits: no more than 90% (from March 6, 2022; previously 70%) of insurance reserves, of which bank metal deposits not more than 15% of insurance reserves (new limits are set for the period of martial law according to Resolution No. 39 of March 6, 2022); - real estate: not more than 20% of insurance reserves, of which not more than 10% of insurance reserves per investment target. Claims to resident insurers are accepted as a component of insurance reserves, but not more than 50% of insurance reserves (including claims to nonresidents), of which claims to resident reinsurers for an insurer licensed to provide insurance other than life insurance - not more than 10% of insurance reserves. These limits do not apply to reinsurance contracts for nuclear risks, air, water and land transportation, insurance of agricultural products, health insurance, as well as the claims to reinsurers for reported but not paid losses.
Currency-matching regulations on assets/liabilities composition	No.	In 2021, the NBU developed a draft regulation to replace Directive No. 850, and to implement the new Law of Ukraine "On Insurance" No. 190- IX of November 18, 2021, which will provide for the need for currency alignment of all assets and liabilities850, insurance reserves and the assets they cover, in light of the EU Solvency I requirements, which preceded EU Directive 2009/138. Nonetheless, Ukraine adopted the Law of Ukraine "On Insurance," No. 1909-IX, dated November 18, 2021, which is to be put into effect January 1, 2024, and was developed in light of the requirements of EU Directive. The National bank will develop regulations in adopting this Law, including ones concerning requirements on investing insurer funds. Requirements and restrictions have been established for the composition of acceptable insurer assets, with regard to shares and bonds of foreign issuers, bonds of IFIs, and securities of foreign states (Law of Ukraine on Financial Services and State Regulation of the Financial Services Market). Directive of the National Commission for State Regulation in Financial Services Markets No. 850, dated June 7, 2018, establishes mandatory criteria and standards of capital adequacy and solvency, liquidity, profitability, and asset quality and risk exposures of the operations of insurers, but does not contain requirements on exchange reconciliation as to asset composition and insurers' obligations, but when placing insurance reserve funds the insurer must observe requirements as to quality, security, profitability, liquidity, and diversification of assets. Along with this, the NBU developed a draft regulation to replace Directive No. 850, which stipulates the need for exchange reconciliation of insurance reserves and the assets they cover, taking into account the requirements of Directives 2009/138/ES. However, the adoption of these changes was suspended because of the introduction of martial law in Ukraine.
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The purchase of property, securities, and corporate rights outside Ukraine is considered investment abroad and is performed within the

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		limits established by the Regulation on Protection Measures and Determination of the Procedure for the Performance of Certain Operations in Foreign Currency, approved by NBU Executive Board Resolution No. 5 of January 2, 2019 (entered into force February 7, 2019, as amended). Resident legal entities may purchase and transfer foreign currency for investments abroad through the acquisition of securities in a total amount not exceeding €2 million a year or the equivalent in another currency. Effective February 24, 2022, the standards of Regulation No. 18 have established a temporary ban on the transborder transfer of cash funds from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks in hryvnias or foreign currency, opened in resident banks (including transfers that authorized institutions carry out on instructions from their clients), including transfers from Ukraine under foreign investment transactions.
Limits (max.) on investment portfolio held abroad	Yes.	Effective February 24, 2022, the standards of Regulation No. 18 have established a temporary ban on the transborder transfer of cash funds from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks in hryvnias or foreign currency, opened in resident banks (including transfers that authorized institutions carry out on instructions from their clients), including transfers from Ukraine under foreign investment transactions.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The purchase of property, securities, and corporate rights outside Ukraine is considered investment abroad and is performed within the limits established by the Regulation on Protection Measures and Determination of the Procedure for the Performance of Certain Operations in Foreign Currency, approved by NBU Executive Board Resolution No. 5 of January 2, 2019 (entered into force February 7, 2019, as amended). Resident legal entities may purchase and transfer foreign currency for investments abroad through the acquisition of securities in a total amount not exceeding €2 million a year or the equivalent in another currency. Effective February 24, 2022, the standards of Regulation No. 18 have established a temporary ban on the transborder transfer of cash funds from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks in hryvnias or foreign currency, opened in resident banks (including transfers that authorized institutions carry out on instructions from their clients), including transfers from Ukraine under foreign investment transactions.
Limits (max.) on investment portfolio held abroad	Yes.	Diversified mutual funds may not (1) acquire or invest in shares and bonds of foreign issuers cleared for trading on organized stock exchanges of foreign countries in amounts exceeding 20% of their total value; (2) acquire or invest in other assets, as allowed by law, in amounts exceeding 5% of their assets; (3) acquire or exchange securities issued by persons, asset management companies, or depositories affiliated with the mutual fund; or (4) acquire or invest in securities with income guaranteed by foreign governments in

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		amounts exceeding 20% of the total value of their assets. If a closed, undiversified mutual fund makes an exclusively private placement of its own securities, and more than 50% of its assets consist of corporate rights and securities not cleared for trading on the stock exchange or in the trading information system, it is treated as a high-risk (venture) fund. Only legal entities may be participants in high-risk funds. Effective February 24, 2022, the standards of Regulation No. 18 have established a temporary ban on the transborder transfer of cash funds from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks in hryvnias or foreign currency, opened in resident banks (including transfers that authorized institutions carry out on instructions from their clients), including transfers from Ukraine under foreign investment transactions.
Limits (min.) on investment portfolio held locally	Yes.	Diversified mutual funds may not (1) hold more than 30% of their total assets in monetary resources, bank accounts, savings certificates, and/or bonds issued by commercial banks; (2) invest more than 5% of their total assets in securities of one issuer; (3) invest more than 25% of their total assets in government securities with income guaranteed by the Cabinet of Ministers (investment in fewer than three types of government securities is prohibited); (4) invest more than 10% of their total assets in securities of local governments; (5) invest more than 20% of their total assets in corporate bonds issued by residents (except commercial banks); or (6) invest more than 40% of their total assets in shares of Ukrainian issuers. Assets of mutual funds are managed by asset management companies (the legal entity under Ukrainian legislation and licensed by the NSSMC). The total value of a mutual fund's assets managed by a single asset management company may not exceed the amount in the NSSMC charter and regulations.
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.

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Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	
Acquisition by residents	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or forex accounts. Effective October 5, 2022, the transactions from hryvnia accounts were canceled.
Use among residents	Yes.	Pursuant to Article 3 of the Law of Ukraine on Payment Services,

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		hryvnia as a unit of money of Ukraine is a sole legal tender in Ukraine must be accepted without any restrictions by all legal entities and individuals in the territory of Ukraine for transfers and settlements.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or foreign exchange accounts. Effective October 5, 2022, the transactions from hryvnia accounts were canceled.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012;

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		6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or foreign exchange accounts. Effective October 5, 2022, the transactions from hryvnia accounts were canceled.
Transactions in derivatives and other instruments	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or foreign exchange accounts. Effective October 5, 2022, the transactions from hryvnia accounts were canceled.
Credit operations	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012;

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		6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or foreign exchange accounts. Effective October 5, 2022, the transactions from hryvnia accounts were canceled.
Controls on utility and security tokens	Yes.	Ukraine has not yet developed a legislative framework for transactions with virtual assets.
Acquisition by residents	n.r.	
Use among residents	Yes.	Pursuant to Article 3 of the Law of Ukraine on Payment Services, hryvnia as a unit of money of Ukraine is a sole legal tender in Ukraine that must be accepted without any restrictions by all legal entities and individuals in the territory of Ukraine for transfers and settlements.
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on stablecoins	Yes.	
Acquisition by residents	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or foreign exchange accounts. Effective October 5, 2022, the transactions from

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		hryvnia accounts were canceled.
Use among residents	Yes.	Pursuant to Article 3 of the Law of Ukraine on Payment Services, hryvnia as a unit of money of Ukraine is a sole legal tender in Ukraine that must be accepted without any restrictions by all legal entities and individuals in the territory of Ukraine for transfers and settlements.
Between residents and nonresidents	Yes.	
For current transaction	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or foreign exchange accounts. Effective October 5, 2022, the transactions from hryvnia accounts were canceled.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers,

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		and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or foreign exchange accounts. Effective October 5, 2022, the transactions from hryvnia accounts were canceled.
Transactions in derivatives and other instruments	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or foreign exchange accounts. Effective October 5, 2022, the transactions from hryvnia accounts were canceled.
Credit operations	Yes.	Effective February 24, 2022, Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. Effective March 21, 2022, according to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers,

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		and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995. Effective April 20, 2022, the above-mentioned transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts. Effective May 9, 2022, the above-mentioned transactions cannot be used to replenish brokerage or foreign exchange accounts. Effective October 5, 2022, the transactions from hryvnia accounts were canceled.
Controls on crypto exchanges and trading platforms	n.r.	As of today, there are no legal frameworks in Ukraine to support transactions with virtual assets.
Domestic exchanges	n.r.	
Access to crypto exchange/trading platform by residents	n.r.	

Changes during 2022 and 2023

Exchange Measures

Exchange measures imposed for security reasons		
In accordance with IMF Executive Board Decision No. 144-(52/51)	*02/24/2022*	Under a state of martial law pursuant to Resolution No. 18 of February 24, 2022, the performance of transactions by servicing banks involving the transfer of funds from accounts of residents of Russia/the Republic of Belarus (with the exception of standalone transactions within Ukraine) has been halted for accounts of legal entities (other than banks) whose ultimate beneficiary owners are residents of Russia/the Republic of Belarus (excepting standalone transactions within Ukraine). In addition, authorized institutions are prohibited from performing any exchange transactions: (1) using Russian rubles/Belarusian rubles; (2) in which one of the participants is a legal entity or individual whose location (of registration or permanent residence) is in Russia/the Republic of Belarus; (3) to fulfill obligations to legal entities or individuals whose location (of registration or permanent residence) is in Russia/the Republic of Belarus.
	02/22/2023	Sectoral sanctions were imposed on financial institutions of Russia.
	05/27/2023	Sectoral sanctions were imposed on the Islamic Republic of Iran.

Exchange Arrangement

Classification		
Stabilized arrangement	*02/23/2022*	Since February 2022, the exchange rate stabilized within a 2% band against the US dollar with one realignment in July 2022. Therefore, the de facto exchange rate arrangement was reclassified to stabilized from floating.
Official exchange rate	*01/04/2022*	The calculation of the official UAH/USD exchange rate takes into account the information on all "tod", "tom", and "spot" deals on the purchase/sale of US dollars in a volume from US$100,000 through US$5 million that were conducted on the foreign exchange market of Ukraine by banks with other banks and with the National Bank of

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Ukraine (NBU) on the day of calculating the official exchange rate, and which were reported to the NBU via the Bloomberg trading and information system through relevant information exchange channels by 3:00 p.m.

The information on the official hryvnia exchange rate against foreign currencies and the calculated accounting prices for investment metals are published on the NBU's official website no later than 3:30 p.m. on the day of setting/calculation and is sent to subscribers of the NBU email service.

The calculation methodology provides for a three-stage cut-off system for transactions with extreme parameters.

Previously, the official hryvnia exchange rate against the US dollar was calculated based on information about all transactions involving the purchase and sale of US dollars on "tod," "tom," and "spot" terms, which on the day of calculation of the official exchange rate took place in the interbank currency market of Ukraine between banks and between banks and the NBU, and information whereof was provided by the NBU trading information systems until 3:30 p.m. of the current business day.

The method of calculation provided a two-stage system for cutting off transactions with extreme parameters. The method had been in place since August 1, 2018, at the NBU.

02/24/2022 In the period of martial law, the reduced effectiveness of market instruments and high uncertainty in the conditions of the full-scale war make it impossible to implement monetary policy in the format of inflation targeting with a floating exchange rate. The hryvnia exchange rate against the US dollar was fixed at the level of 29.2549 hryvnia per US dollar. The official exchange rate of the hryvnia against other foreign currencies and the SDRs, as well as the accounting prices of bank metals were fixed.

03/21/2022 The official exchange rates of the hryvnia against other foreign currencies and SDR have been set, and the accounting prices of bank metals have been calculated in accordance with the procedure that was in effect before the introduction of martial law, that is based on the official exchange rates of the hryvnia against the US dollar and Bloomberg fixing quotations in accordance with the Regulation on the setting of the official exchange rate of the hryvnia against foreign currencies and on the calculation of the reference exchange rate of the hryvnia against the US dollar and of the accounting prices of bank metals, as approved by the Resolution No. 148 of the Board of the National Bank of Ukraine of December 10, 2019 (as amended).

07/21/2022 The National Bank of Ukraine set and fixed the hryvnia exchange rate against the US dollar at the level of 36.5686 hryvnia per the US dollar.

10/03/2023 The National Bank of Ukraine has re-introduced the methodology of calculating the official exchange rate of the hryvnia against the US dollar, which was in effect before the full-scale invasion, as it transitioned to a managed floating exchange rate of the hryvnia against the US dollar, which meant eliminating the provision whereby the exchange rate of the hryvnia against the US dollar was set and fixed and resuming the establishment of the exchange rate in the manner that was practiced before the beginning of the large-scale invasion.

Monetary policy framework

Exchange rate anchor

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U.S. dollar	*02/24/2022*	The National Bank of Ukraine (NBU) fixed the USD/UAH exchange rate to preserve macroeconomic stability in Ukraine, curb the panic and prevent uncontrolled inflationary spiral. Amid high uncertainty caused by the war, the fixed exchange rate acted as the main anchor for stabilizing expectations and the key tool for achieving the NBU's goals. Previously, it was inflation-targeting. The NBU will return to the usual principles of inflation targeting with a floating exchange rate as conditions permit. This commitment is formalized in the Monetary Policy Guidelines for the Duration of Martial Law (adopted by the NBU Council on April 15, 2022). Returning to inflation targeting is the ultimate goal of the implementation of Strategy for Easing Foreign Exchange Restrictions, Transition to Greater Exchange Rate Flexibility, and Return to Inflation Targeting.
Foreign exchange market	*02/24/2022*	The hryvnia has been pegged to the US dollar as at UAH 29.2549 to the US dollar.
	02/24/2022	The National Bank of Ukraine has established regulation for the purpose of determining aspects of the functioning of the money and exchange markets during the period of martial law, assisting in increasing the volumes of transactions with sovereign bonds of Ukraine.
	02/24/2022	Banks' operations were pegged to the official rate of the National Bank of Ukraine in effect on the day of a transaction.
	02/24/2022	The National Bank of Ukraine (NBU) has made changes to the procedures under which nonbank financial institutions and postal service operators are issued licenses to perform exchange transactions. The NBU has established a procedure for banking system operations during the period of martial law for the purpose of ensuring reliability and stability in banking system functions.
	03/01/2022	Banks' operations were conducted at a rate that could deviate by no more than 1% from the official rate of the National Bank of Ukraine as in effect on the day of the transaction.
	05/21/2022	The National Bank of Ukraine (NBU) lifted restrictions on the exchange rate at which market participants were selling cash foreign exchange to their customers (between April 14, 2022, and May 20, 2022, these transactions were allowed to use a rate that could not deviate by more than 10% from the official rate of the NBU, effective on the day of a transaction).
	07/21/2022	The National Bank of Ukraine has set and fixed the exchange rate of the hryvnia to the USD at 36.5686 hryvnias to the US dollar.
	10/07/2022	Before October 2022, the National Bank of Ukraine (NBU) Resolution No. 26 on Approval of the Regulation on Procedure of Licensing Currency Valuables dated March 26, 2021, was in force. This Regulation was repealed by NBU Board Resolution No. 216 amending NBU Board Resolution No. 153 on Approval of the Regulation on the Licensing and Registration of Financial Service Providers and Requirements for Providing Financial Services dated December 24, 2021. These amendments were intended to unify approaches to licensing financial service providers, financial payment service providers, and providers of limited payment services. Specifically, this regulation regulates the procedure for issuing a license to trade in currency valuables.
	10/03/2023	A managed floating exchange rate regime was introduced. Correspondingly, the exchange rate of the hryvnia against the US dollar was resumed to be set in the manner that had been practiced before the large-scale invasion.
	10/03/2023	The National Bank of Ukraine abolished the pegging of the hryvnia exchange rate on banks' operations to the official hryvnia exchange

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		rate for non-cash foreign currency purchase and sale operations by banks (including on instructions of their clients). Banks can buy and sell non-cash foreign exchange (including on instructions of their clients) at the rate set by the bank on the date of the transaction.
Spot exchange market	*02/24/2022*	The National Bank of Ukraine (NBU) established exchange rate rules for the purchase and sale of cash foreign exchange. Banks and nonbank financial institutions were buying cash foreign exchange from their customers at the official rate of the NBU in effect on the day of the transaction
	02/24/2022	Banks, nonbank financial institutions, and postal service providers are permitted to perform only transactions that involve the purchase of foreign currency from clients (the sale of foreign currency in cash to clients is prohibited). Banks are prohibited from conducting transfers of individuals on current non-commercial transactions, other than the cases defined in Resolution No. 18 (this list is not exhaustive and is revised based on the current situation on the exchange market and the government's requirements under martial law conditions).
	04/14/2022	Banks, nonbank financial institutions, and postal service providers are permitted to perform transactions involving the sale of foreign currency in cash to individual clients (previously not permitted) at a rate that cannot deviate by more than 10% from the official exchange rate of the National Bank of Ukraine, which is in effect on the day of the transaction. Cash foreign exchange may only be sold within the amount that exceeds the total purchase of foreign exchange over the total sales of foreign exchange. The excess amount must be calculated beginning April 13, 2022, and for the following transaction/working days.
	04/14/2022	Banks and nonbank financial institutions were allowed to buy foreign exchange cash from their customers at a rate that was not lower than the official rate of the National Bank of Ukraine in effect on the day of the transaction.
	05/21/2022	The National Bank of Ukraine lifted restrictions on the rate at which banks and nonbank financial institutions are allowed to sell cash foreign exchange to their customers, and henceforth such transactions are carried out at the rate effective on the day of the transaction.
	07/27/2022	The sale of foreign currency in cash to clients must be conducted within the limits of an amount defined as the sum of two components: the amount by which a purchase of foreign currency in cash exceeds the amount of its sale for all foreign currencies, calculated beginning April 13, 2022, and the subsequent transaction/working days, and 50% of the amount of a purchase of non-cash foreign currency from individuals for all currencies, calculated beginning April 13, 2022, and the subsequent transaction/working days. The total of these components is calculated in dollar equivalent. To convert it one uses the official exchange rate of the hryvnia to the foreign currency, as set by the National Bank of Ukraine as of the date of this calculation. Previously, it was only the first component.
	08/06/2022	The National Bank of Ukraine removed restrictions on the rate at which banks and nonbank financial institutions were buying cash foreign exchange from their customers, and such transactions use an exchange rate in effect on the day of the transaction.
	09/06/2022	Banks are allowed to include in the calculation of the volume of sale of cash foreign exchange 100% of non-cash foreign exchange purchased from individuals in all foreign currencies, which is calculated starting from April 13, 2022, and over the subsequent banking/working days.
	04/21/2023	Banks are allowed to include in the calculation of the volume of sale of cash foreign exchange 120% (previously 100%) of non-cash foreign exchange purchased from individuals in all foreign

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		currencies, which is calculated starting from April 13, 2022, and over the subsequent banking/working days.
	09/16/2023	Banks, nonbank financial institutions, and postal service operators were allowed to include in the calculation of the volume of sales of cash foreign exchange sales the balances of foreign exchange cash on hand at these institutions as of April 13, 2022.
Operated by the central bank	*02/24/2022*	With the imposition of martial law, the National Bank of Ukraine (NBU) temporarily changed its approach to foreign exchange interventions which are no longer conducted under the Foreign Exchange Intervention Strategy of the NBU (approved by the NBU Board decision dated December 29, 2020, No. 769-рш) but according to the following procedure. Since the beginning of the full-scale war of Russia against Ukraine, the NBU enters daily into US and Euro sale and purchase transactions with banks and IFIs. Such transactions are effected without limiting the amount on "tod" terms (from 9:00 a.m. to 3:00 p.m.) and "tom" terms (starting from 3 p.m.) through the functionalities of Refinitive and Bloomberg or (if Refinitive and Bloomberg are unavailable) by phone against prepayment by the bank. To perform the transactions the amount of US dollars to be sold or purchased need to be no less than US$100,000. Exchange rate for: (1) purchases by the NBU from banks/IFIs of the US dollars is set at the level of the official exchange rate of hryvnia to the US dollar effective as of the day of the transaction; (2) sales by the NBU to banks/IFIs of the US dollars is set at the level of the official exchange rate of hryvnia to US dollar effective as of the day of the transaction increased by 1% and rounded to four decimal places. Banks will be permitted to conduct foreign exchange transactions with the NBU, provided they have complied with the net long open foreign exchange position for the preceding 10 days. Previously, as per Foreign Exchange Intervention Strategy of the NBU (approved by the NBU Board decision dated December 29, 2020, No. 769-рш), the NBU conducted four types of foreign exchange interventions: (1) foreign exchange auctions; (2) single-rate intervention; (3) best rate intervention; and (4) targeted intervention.
	05/10/2022	The National Bank of Ukraine stopped the daily purchase and sale of Euro with banks and international financial institutions and began conducting operation solely in US dollars.
	10/03/2023	On business days from 10:00 a.m. to 3:30 p.m. the National Bank of Ukraine (NBU) has been transacting with banks on "tod" terms to buy and sell US dollars through the Refinitive and/or Bloomberg trading and information systems to fulfill the following tasks: (1) covering the structural component of net demand for foreign exchange in the currency market of Ukraine by selling (usually daily) US dollars in the amount that corresponds to the estimates of the NBU of the size of the above-mentioned structural component of net demand; (2) smoothing Ukraine's foreign exchange market operations by buying or selling US dollars in the event of abnormal changes in the quotations of the hryvnia exchange rate against the US dollar and/or limited capacity of the foreign exchange market to balance and/or temporary loss of pricing benchmarks by the foreign exchange market. The said transactions will be conducted in the form of interventions at a single rate, interventions at the best rate and currency auctions. The NBU conducts daily operations with banks (on working days starting at 3:30 p.m.) to buy and sell US dollars on "tom" terms. The bank is entitled to participate in such operations on "tom" terms, as defined in paragraph 18 of the Resolution, only if such operations are

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		carried out by the bank to meet the defense needs of Ukraine. Such operations must be carried out at the official exchange rate of the hryvnia against the US dollar, which is set on the day of the operation and will be valid on the next working day after the day of setting. The banks communicate to the NBU through the Refinitive and Bloomberg trading and information systems or by telephone (at the telephone numbers which the NBU informs the banks separately) the amount of US dollars to be sold or purchased on "tom" terms, which may not be less than US$100,000.
Interbank market	*02/24/2022*	Banks are prohibited from performing transactions involving trade in foreign currency (including for clients), with the exception of certain transactions, a list of which is established in Resolution No. 18 (the list is not exhaustive and is revised based on the current situation on the exchange market and the government's requirements in conditions of martial law). Per Resolution No. 18, as of February 24, 2022, banks must perform transactions involving trade in foreign currency in accordance with the exchange-rate rules established by the NBU for exchange transactions (transactions involving the purchase and sale of cashless and cash foreign currency, for transactions with electronic means of payment).
Forward exchange market	*02/24/2022*	Banks were prohibited from performing transactions involving trade in foreign currency (including for clients), with the exception of certain transactions, a list of which is established by Resolution No. 18 (the list is not exclusive and is reviewed based on the current situation on the exchange market and the government's needs during martial law).
	03/04/2022	Swap transactions were permitted with resident clients, if the first part of the transaction provides for a purchase of foreign currency from a resident client.
	03/21/2022	Transactions involving the purchase of foreign currency by clients on "forward" terms under forward contracts are permitted that were signed before February 23, 2022 (inclusive).
	04/04/2022	Swap transactions with clients were permitted under a foreign currency exchange for the group 1 Classifier.
	04/30/2022	Banks are prohibited from entering into money market derivative contracts (other than swaps), on the basis of which the parties to such a contract incur an obligation to purchase or sell foreign currency/precious metals for hryvnias, as well as derivative money market contracts (other than swaps), the baseline for which is the exchange rate of the foreign currency to the hryvnia, the exchange rate (rates of several currencies) expressed in hryvnia, and the price of precious metals—in hryvnia.
	06/15/2022	Banks are permitted to perform transactions on "swap" terms with a foreign bank/depository that has a securities account in the National Bank of Ukraine (NBU), to purchase and sell foreign currency, if the first part of the transaction provides for the bank to sell foreign currency to a foreign bank/depositors that has a securities account in the NBU.
	07/16/2022	Banks are permitted to transact on swap terms with a central counterparty, which has the right to provide CCP clearing services in accordance with the Law of Ukraine on Capital Markets and Regulated Commodity Markets, and has obtained a license from the National Bank of Ukraine to perform settlements on currency swap transactions and settlements in foreign currency on transactions on bonds of the domestic government loan of Ukraine denominated in foreign currency, as well as to carry out other currency transactions with securities.

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Arrangements for Payments and Receipts

Prescription of currency requirements		
Controls on the use of domestic currency		
For current transactions and payments	*02/24/2022*	A ban has been established on transborder transfers from Ukraine made by authorized institutions because of the imposition of martial law and on the transfer of funds to correspondent accounts of nonresident banks in hryvnia/foreign currency, that have been opened in resident banks (including transfers that authorized institutions perform by order of their clients), other than transactions enacted separately (the list of transactions for which an exception from the ban on transfers is being reviewed based on the currency situation on the exchange market and the government's requirements under martial law).
	02/24/2022	During martial law, the transfer of funds in hryvnia-to-hryvnia correspondent accounts of nonresident banks in resident banks is prohibited, except for transactions on bonds of the domestic government loan of Ukraine denominated in national currency, where a party of such transaction is a nonresident bank.
For capital transactions		
Transactions in capital and money market instruments	*07/14/2022*	Central counterparty and banks are allowed to conduct cash leg settlement of transactions with domestic sovereign bonds of Ukraine exclusively in the currency in which domestic sovereign bonds of Ukraine are denominated. Previously, according to the currency law, the national currency of Ukraine, the hryvnia, could be used to settle transactions to purchase and sell domestic government debt securities denominated in both foreign currency and hryvnia.
Transactions in derivatives and other instruments	*04/30/2022*	Pursuant to Resolution No. 18, banks are temporarily prohibited from entering into a number of money market derivative contracts (except for swaps), specifically: (1) contracts on the basis of which the parties to the contract have obligations to purchase or sell foreign currency or investment metals for hryvnia; (2) contracts based on the hryvnia exchange rate against foreign currencies, foreign currency index (exchange rates of several foreign currencies) denominated in hryvnia, and price of investment metals in hryvnia.
Credit operations	*05/21/2022*	Banks are prohibited from: - restructuring debt under credit agreements in a foreign currency, if such agreements were entered into by creditor banks with client borrowers (other than interbank loans) by replacing the currency used to fulfill the obligation under such a foreign currency bank loan with hryvnias (with the exception of isolated cases involving restructuring under consumer credit agreements as stipulated in Section IV, Item 7 of the Law of Ukraine "On Consumer Lending"); - granting credit in hryvnias, to be used for a borrower client to pay off a bank loan in foreign currency.
Use of foreign exchange among residents	*02/24/2022*	Banks are prohibited from issuing savings certificates denominated in a foreign currency.
	07/14/2022	Central counterparty and banks are allowed to conduct cash leg settlement of transactions with domestic sovereign bonds of Ukraine exclusively in the currency in which domestic sovereign bonds of Ukraine are denominated.
	02/28/2023	Residents have been allowed to transfer foreign exchange funds from within Ukraine and from abroad to a special fund-raising account of the National Bank of Ukraine to support the Armed Forces of Ukraine and/or to the accounts of the Cabinet of Ministers of

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		Ukraine, ministries and other public authorities of Ukraine, as well as to charities, the goals and activities of which are to consolidate the country's defense capability and mobilization readiness, and to support the Armed Forces of Ukraine and territorial defense forces.
Controls on trade in gold (coins and/or bullion)		
On domestic ownership and/or trade	*02/24/2022*	Banks are prohibited from performing transactions involving the purchase and sale of bank metals.
	03/08/2022	Transactions involving the purchase of bank metals by customers were permitted, with physical delivery at branches and bank divisions located in territories that are under threat of occupation by an aggressor state/occupier state.
	05/09/2022	Transactions involving the sale of bank metals to individual customers were permitted, with or without physical delivery.
	08/20/2022	Customers are allowed to purchase bank metals with physical delivery in branches and offices of banks. Banks may sell bank metals with physical delivery to customers within the remaining stock of bank metals in the bank's vaults as of August 19, 2022. This remaining stock may be complemented by any excess of bank metals purchased and physically delivered over the volume of bank metals sold, for all bank metals with physical delivery, as calculated in troy ounces for each metal separately starting from August 19, 2022, and during the subsequent banking/working days.
	12/13/2022	The volume of bank metals that were purchased (paid for) prior to August 19, 2022, and entered in the books after that date may be added to the remaining stock as of August 19, 2022 (previously this was not included).
On external trade	*03/04/2022*	Through March 12, 2022 (inclusively), because of the introduction of martial law in Ukraine, individual residents were allowed to move bank metals across the border without displaying confirmation documents.
Controls on exports and imports of banknotes		
On exports		
Domestic currency	*03/04/2022*	Through March 13, 2022, individual residents were allowed to export domestic cash without submitting supporting documents.

Resident Accounts

Foreign exchange accounts permitted		
Held domestically	*02/24/2022*	A ban on withdrawing foreign exchange cash from customer foreign exchange accounts in Ukraine was established.
	03/01/2022	The withdrawal of foreign exchange cash is allowed in an amount not exceeding the equivalent of UAH 30,000 a day.
	03/21/2022	The withdrawal of foreign exchange cash is allowed in an amount not exceeding the equivalent of UAH 100,000 (previously UAH 100,000) a day (including cash withdrawn outside Ukraine).
	08/01/2022	The Law of Ukraine "On Payment Services" grants the right to open payment accounts for nonbank payment service providers for account servicing.
Held abroad		
Approval required	*02/24/2022*	A ban was introduced on transborder transfers from Ukraine by authorized institutions, as well as funds transfers to correspondent accounts of nonresident banks in hryvnias or foreign currency in resident banks (including transfers conducted by authorized institutions under instructions from their clients), other than individual transactions (a list of transactions for which an exception is provided based on the current situation on the exchange market and

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		the government's requirements under martial law). This ban extends to fund transfers from Ukraine for residents to replenish their own overseas accounts in foreign financial institutions.
Accounts in domestic currency convertible into foreign currency	*02/24/2022*	It is prohibited to perform transactions involving trade in foreign currency (including for clients), and/or to conduct transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident banks in hryvnias or foreign currency that are held in resident banks (including transfers that authorized institutions carry out on instructions from their clients), other than standalone transactions. A separate list of transactions for which an exception from the ban has been made on trade in foreign currency, and a list of transactions for which an exception has been made from the ban on transfers from Ukraine, will be reviewed, based on the current situation on the exchange market and the government's requirements under martial law.
	08/29/2023	Banks have been authorized to sell to natural persons non-cash foreign exchange (without the need to confirm that such an operation is duly reasoned or obligated) in the amount not exceeding an equivalent of UAH 50,000 during a calendar month in one bank. The bank sells foreign exchange at the rate set by the bank on date of transaction. The foreign exchange purchased is credited by the bank to the current account of the natural person (the requirement of 2-day use of the foreign exchange purchased does not apply to such operations).

Nonresident Accounts

Foreign exchange accounts permitted	*02/24/2022*	It is prohibited under the state of martial law to perform transactions involving trade in foreign currency (including for clients) and/or effect transborder transfers from Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in hryvnias or foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), other than standalone transactions. Standalone transactions for which an exception from the ban on trade in foreign currency, and a list of transactions for which an exception is provided from the ban on conducting transfers from Ukraine, will be reviewed based on the current situation on the exchange market and the requirements of the government under martial law.
	08/01/2022	The Law of Ukraine on Payment Services has entitled nonbank payment service providers to open payment accounts for nonresidents of Ukraine (natural persons).
Domestic currency accounts	*02/24/2022*	It is prohibited to perform foreign currency trading transactions (including for clients), and/or perform transborder transfers from Ukraine, as well as money transfers to correspondent accounts of nonresident banks in hryvnia/foreign currency, that have been opened in resident banks (including transfers that authorized institutions perform by order of their clients), other than standalone transactions.
	08/19/2023	Funds can be credited to retail current accounts in national currency of gig professionals under gig contracts and to members of supervisory boards/boards of directors/executive bodies of joint-stock companies under civil law contracts concluded by such members with joint-stock companies.
Convertible into foreign currency	*02/24/2022*	Under martial law, it is prohibited to trade in foreign exchange (including in the interest of clients) and/or conduct cross-border transfers from Ukraine, as well as transfer funds to correspondent accounts of nonresident banks in hryvnia/foreign currency opened in resident banks (including transfers that authorized institutions carry out on behalf of their clients), except for individually designated transactions.

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Imports and Import Payments

Financing requirements for imports		
Advance payment requirements	*04/05/2022*	Under a state of martial law, National Bank of Ukraine Resolution No. 18 of February 24, 2022, temporarily reduced the settlement deadlines for export and import transactions performed after April 5, 2022: - a 90-day deadline was set for the period from April 5 through June 7, 2022; For import-export transactions carried out before April 5, 2022, the settlement deadlines were not revised and are 365 calendar days.
	06/08/2022	The deadline for these transactions was increased to 120 calendar days.
	07/09/2022	The deadline for these transactions was increased to 180 calendar days.
Documentation requirements for release of foreign exchange for imports		
Letters of credit	*02/24/2022*	Banks are temporarily prohibited from conducting settlements on documentary and reserve credits/guarantees/counter-guarantees that were opened (confirmed, issued) after February 24, 2022, except in cases where such settlements are made for the purpose of effecting transactions of bank customers provided for in subparagraphs 2-6 of paragraph 14 of this Resolution (including for the purpose of making settlements for imports of goods, payment for which is permitted (explained in Section VII. C) and/or for the purpose of meeting the obligations under contracts for export of goods and/or for the purpose of meeting the obligations of a resident client to a nonresident customer of a tender regarding export of goods.
Other	*02/24/2022*	A requirement has been established that foreign currency purchased by a resident (other than banks) as of July 11, 2022, must be used within no more than two business days for the purposes indicated when purchasing the foreign currency.
	02/24/2022	The National Bank of Ukraine introduced temporary restrictions on transactions to pay for imported goods delivered before February 23, 2021 (that is, transactions to purchase and transfer foreign currency from Ukraine are banned). In terms of importing goods with the delivery after February 23, 2021, the purchase of foreign currency and transfer of funds from Ukraine are allowed for payment for goods specified in the Resolution of the Cabinet of Ministers of Ukraine No. 153 on Certain Issues of Import Ensuring dated February 24, 2022.
	04/22/2022	The following operations were excluded from the settlement deadline (180 days) established for export/import operations: Military and dual-use goods, in accordance with end-user certificates or the terms of agreements (contracts), the final recipient of which are law enforcement agencies, the Ministry of Defense of Ukraine, military units of the Armed Forces of Ukraine, other military formations and entities engaged in the fight against terrorism in accordance with the law and/or participate in actions to ensure national security and defense, repel and deter the armed aggression of Russia, when such goods are acquired (paid for) during martial law. Goods which were not imported before February 24, 2022, under foreign economic agreements (contracts) concluded by entities of the nuclear energy sector with those nonresidents that are subject to restrictions (moratoriums, prohibitions) established by regulatory legal acts on the relations with persons who are associated with the

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aggressor state.

Tourism industry products (services) imported under foreign economic agreements (contracts): offers or sale by tour operators of tourist products (services) of nonresidents.

Exports and Export Proceeds

Repatriation requirements	*04/05/2022*	Under a state of martial law, the standards of National Bank of Ukraine Resolution No. 18 of February 24, 2022, temporarily reduced the settlement deadlines for export and import transactions performed after April 5, 2022: - a 90-day deadline was set for the period from April 5 through June 7, 2022; For import-export transactions carried out before April 5, 2022, the settlement deadlines were not revised and are set at 365 calendar days.
	06/07/2022	The deadline for these transactions was increased to 120 calendar days.
	07/09/2022	The deadline for these transactions was increased to 180 calendar days.
Documentation requirements		
Letters of credit	*02/24/2022*	Banks are temporarily prohibited from conducting settlements on documentary and reserve credits/guarantees/counter-guarantees that were opened (confirmed, issued) after February 24, 2022, except in cases where such settlements are made for the purpose of effecting transactions of bank customers provided for in subparagraphs 2-6 of paragraph 14 of this Resolution including for the purpose of making settlements for imports of goods, payment for which is permitted (explained in Section VII. C), and/or for the purpose of meeting the obligations under commodity export agreements and/or for the purpose of meeting the obligations of a resident client to a nonresident customer of a tender regarding export of goods.
Guarantees	*02/24/2022*	Banks are temporarily prohibited from conducting settlements on documentary and reserve credits/guarantees/counter-guarantees that were opened (confirmed, issued) after February 24, 2022, except in cases where such settlements are made for the purpose of effecting transactions of bank customers provided for in subparagraphs 2-6 of paragraph 14 of this Resolution including for the purpose of making settlements for imports of goods, payment for which is permitted (explained in Section VII. C), and/or for the purpose of meeting the obligations under commodity export agreements and/or for the purpose of meeting the obligations of a resident client to a nonresident customer of a tender regarding export of goods.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers		
Trade-related payments	*07/09/2022*	Resident clients (legal entities) are required to use foreign currency purchased beginning July 11, 2022, following established procedure, within 2 days (previously 10) after it is credited to their current account for the needs noted in their request to purchase currency.
Investment-related payments	*07/09/2022*	Resident clients (legal entities) are required to use foreign currency purchased beginning July 11, 2022, following established procedure, within 2 days (previously 10) after it is credited to their current account for the needs noted in their request to purchase currency.
Quantitative limits	*02/24/2022*	According to Resolution No. 18 of February 24, 2022, cross-border transfers of currency valuables from Ukraine are restricted during martial law and there are no exceptions for residents to make investments abroad.

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	03/23/2023	The ban on the transfer of funds from Ukraine does not apply to the transfer to a foreign investor/nonresident of funds received in connection with the payment of income on domestic government bonds of Ukraine made after April 1, 2023, in accordance with the terms of their placement (issue).
	05/22/2023	The requirement of keeping the bond for the last 90 days was imposed for nonresidents to be able to repatriate the interest payment received on government bonds.
Payments for travel	*07/09/2022*	Resident clients (legal entities) are required to use foreign currency purchased beginning July 11, 2022, following established procedure, within 2 days (before 10 days) after it is credited to their current account for the needs noted in their request to purchase currency.
Quantitative limits	*02/24/2022*	An individual may only sell foreign cash (no purchases allowed), without limitations on the amount.
	04/14/2022	Individuals may purchase foreign cash. Transactions to sell foreign cash are performed by banks, nonbank financial institutions, postal service operators, within the limits of the amount that exceeds the overall volume of the purchase over the sale volume. This amount in excess is calculated starting from April 13, 2022, and on the subsequent operational/business days.
	07/27/2022	Sales of foreign cash to clients are conducted within the bounds of an amount that is defined as the sum of two components: the volume by which the foreign cash exceeds the purchase of non-cash foreign currency among the individuals for all currencies that are calculated beginning April 13, 2022, and the following business/working days the amount of these components is calculated in dollar equivalent, for which the official exchange rate of the hryvnias to foreign currency as set by the National Bank of Ukraine as of the date of such calculation.
	09/06/2022	Banks are allowed to include in the calculation of the volume of cash foreign exchange sales 100% of non-cash foreign exchange purchases from individuals in all foreign currencies, starting from April 13, 2022, and over the subsequent banking/working days, and from April 21, 2023, 120% of non-cash foreign exchange purchases.
	08/29/2023	Banks are allowed to sell non-cash foreign exchange to their retail customers without the need to confirm any grounds/obligations for such a transaction, and the amount of such sales cannot exceed the equivalent of 50,000 hryvnia a calendar month a bank. The purchased cashless currency will be held on the customer's current account and the customer may use this currency for the purposes provided for in paragraph 14 of Resolution No. 18 (specifically, make payments using an electronic means of payment abroad from this account in foreign currency without limitation on the amount or to make a p2p transfer in the amount of UAH 100,000 in equivalent a calendar month) and according to the list set forth in Resolution No. 153.
	09/16/2023	Banks, nonbank financial institutions and postal operators can also include in the calculation of cash foreign exchange sales the balances of cash foreign exchange, which was at hand in these institutions as of April 13, 2022.
Personal payments		
Quantitative limits	*02/24/2022*	Banks are prohibited from conducting transfers for individuals under current non-commercial transactions. Transfers are allowed to perform transactions involving payment of expenses for treatment in medical facilities of a foreign state, pay for expenses to transport patients, and pay expenses related to the death of citizens abroad (transportation and burial expenses).
	03/21/2022	Transfers from accounts of individuals in the domestic currency to accounts of individuals using the details of electronic payment instruments of the payer and the payee (p2ptransfers) and settlements

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	through electronic means of payment to purchase assets that can be directly converted (exchanged for) to cash and, in line with the rules and/or other internal documents of international payment systems, are classified as quasi cash transactions were allowed in the amount of up to UAH 100,000 a bank customer a calendar month.
03/21/2022	Transborder transfers are allowed to accounts of educational institutions of foreign states to pay for the cost of instruction. Transfers are also permitted in amounts up to 100,000 hryvnias a calendar month from individuals' accounts to individuals' accounts, using the electronic fund payment details of the payer and recipient (r2r transfers) and settlements performed using electronic means of payment, to pay for transactions with directly convertible (exchangeable) assets for funds and according to the rules and/or other internal documents of international payment systems that fall under the category of "quasi-cash" transactions [purchases of cryptocurrency are allowed, replenishing electronic wallets, purchases of gift certificates, transfers to bookmaker companies, payment for travelers' checks. As of May 10, 2022, there is no ability to replenish broker or foreign exchange accounts].
04/04/2022	Transfers of foreign currency from individuals who are not business entities are allowed for the purpose of helping to increase the military capabilities of Ukraine with commodities included in the List of Critical Imports, approved by Resolution of the Cabinet of Ministers of Ukraine No. 153, dated February 24, 2022 (as amended), with the following codes pursuant to the Ukrainian classification of goods of foreign economic activity: 8507, 6211 43 90 00, 6506 10 80 00, 61–62, 6403–6405, 3926, 6217, 9005 10 00 00, 9005 80 00 00, 0 0 0 0 90 92 90, and 30, if the amount of such transaction(s) per calendar month in equivalent terms is less than UAH 400,000.
04/22/2022	Purchases for the purpose of transferring funds to make insurance payments on insurance contracts of persons departing abroad to accounts of resident supporting companies are allowed, as well as insurance payments or payouts in the cases stipulated in Resolution No. 18. Transactions involving the transfer of tuition fees to the accounts of educational institutions of a foreign country are also permitted.
05/09/2022	Transborder transfers are allowed for child support payments, as well as transfers of foreign currency to individual nonresidents, purchased using funds received following the death of a member of the armed services, in accordance with Resolution of the Cabinet of Ministers of Ukraine No. 168, dated February 28, 2022, "Matters of Certain Payments to members of the armed services, enlisted soldiers and officers, police officers, and their families while martial law is in effect" (as amended).
07/21/2022	Transfers from accounts of individuals in the domestic currency to accounts of individuals using the details of electronic payment instruments of the payer and the payee (p2ptransfers) and settlements through electronic means of payment to purchase assets that can be directly converted (exchanged for) to cash and, in line with the rules and/or other internal documents of international payment systems, are classified as quasi cash transactions were reduced to an amount of up to UAH 30,000 (previously UAH 100,000) a bank customer a calendar month.
08/06/2022	Codes 8517 and 8525 were added to the transfers of foreign currency from individuals who are not business entities allowed for the purpose of helping to increase the military capabilities of Ukraine with commodities included in the List of Critical Imports.
10/01/2022	Transfers of tuition fees to the accounts of nonresident legal entities that accept tuition fees under authority granted by educational establishments are permitted.

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	10/05/2022	Transfers from accounts of individuals in the domestic currency to accounts of individuals using the details of electronic payment instruments of the payer and the payee (p2ptransfers) and settlements through electronic means of payment to purchase assets that can be directly converted (exchanged for) to cash and, in line with the rules and/or other internal documents of international payment systems, classified as quasi cash transactions were prohibited (previously of up to UAH 30,000 a bank customer a calendar month).
	11/05/2022	Code 9025 was added to the transfers of foreign currency from individuals who are not business entities allowed for the purpose of helping to increase the military capabilities of Ukraine with commodities included in the List of Critical Imports.
	12/13/2022	Nonresident service members are allowed to transfer their funds received as monetary allowance in accordance with the legislation of Ukraine in the amount not exceeding the equivalent of UAH 400,000 a calendar month. Such transactions may be carried out through a bank in which an account is opened for purpose of receiving such monetary allowance.
	03/02/2023	Code 8806 was added to the transfers of foreign currency from individuals who are not business entities allowed for the purpose of helping to increase the military capabilities of Ukraine with commodities included in the List of Critical Imports.
	09/16/2023	Payment for rehabilitation services, purchase of prostheses and their components, and payment for installation, maintenance and repair of prostheses are allowed.
Credit card use abroad	*02/24/2022*	Resolution of the National Bank of Ukraine Board No. 18 has established limits on transactions using payment cards (the established restrictions are reviewed pursuant to the situation as it unfolds on the exchange market).
	03/01/2022	Settlements (payments for goods, work, and services) abroad are allowed using electronic means of payment, or to obtain cash.
	07/21/2022	Settlements (payments for goods, work, and services) abroad are allowed using electronic means of payment (with the exception of settlements performed using a category 6211 merchant code): - for an amount equivalent to UAH 100,000, inclusively a calendar month from all of the bank client's accounts in the national currency; without limits on amounts from all of a bank client's foreign currency accounts.
Other payments		
Quantitative limits	*02/24/2022*	The National Bank of Ukraine introduced temporary restrictions on transactions to pay for imports [products, services, works, intellectual property rights, and other non-property rights intended for sale (paid transfer)] delivered before February 23, 2021. In terms of importing goods with the delivery after February 23, 2021, the purchase of foreign currency and transfer of funds from Ukraine is allowed for payment for goods specified in the Resolution of the Cabinet of Ministers of Ukraine No. 153 on Certain Issues of Import Ensuring dated February 24, 2022.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	*04/05/2022*	Under martial law, the standards of National Bank of Ukraine Resolution No. 18 of February 24, 2022, temporarily reduced the settlement deadlines for export and import transactions that were executed starting April 5, 2022: - a 90-day deadline for such transactions during the period from April 5, 2022, through June 7, 2022;

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		For transactions involving export-import of goods that were conducted before April 5, 2022, the deadlines were not revised and comprise 365 calendar days.
	06/08/2022	The deadline for the respective transactions was increased to 120 calendar days.
	07/09/2022	The deadline for the respective transactions was increased to 180 calendar days.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On capital market securities		
Shares or other securities of a participating nature		
Purchase locally by nonresidents	*02/24/2022*	A temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to transactions involving the return of foreign investments.
Sale or issue locally by nonresidents	*02/24/2022*	A temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to the funds gather in the issuance (or sale).
Purchase abroad by residents	*02/24/2022*	Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
Bonds or other debt securities		
Purchase locally by nonresidents	*02/24/2022*	The cross-border transfer of currency valuables from Ukraine is restricted and there are no exceptions for the repatriation of investments abroad.
Sale or issue locally by nonresidents	*02/24/2022*	A temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to the funds gather in the issuance (or sale).
Purchase abroad by residents	*02/24/2022*	There is a temporary ban on conducting transactions involving trade in foreign currency (including for clients), and/or performing transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), aside from standalone transactions. This ban on transferring funds from Ukraine also extends to transactions of residents (other than banks) involving transfers from Ukraine to carry out investments abroad.
	06/15/2022	Residents of Ukraine are allowed to keep the holdings of domestic sovereign debt of Ukraine in their account with foreign custodians that are participants of international central securities depository

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		(ICSD) Clearstream Banking Luxembourg, and execute transactions therewith in ICSD system (before it was just for nonresidents).
	10/07/2023	Banks are prohibited from alienating securities of foreign issuers and/or other actions, which may consequently result in the alienation of securities of foreign issuers, in favor of: (1) residents of Ukraine (excluding banks); (2) nonresidents, except for operations deriving from purchase and sale agreements in respect of such securities, when according to the terms of the agreement the cash leg settlement with nonresidents is performed exclusively in foreign currency outside of Ukraine and/or by cross-border transfer.
On money market instruments		
Purchase locally by nonresidents	*02/24/2022*	A temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to transactions involving the repatriation of foreign investments.
Sale or issue locally by nonresidents	*02/24/2022*	A temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to the funds gather in the issuance (or sale).
Purchase abroad by residents	*02/24/2022*	There is a temporary ban on conducting transactions involving trade in foreign currency (including for clients), and/or performing transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), aside from standalone transactions. This ban on transferring funds from Ukraine also extends to transactions of residents (other than banks) involving transfers from Ukraine to carry out investments abroad.
	10/07/2023	Banks are prohibited from alienating securities of foreign issuers and/or other actions, which may consequently result in the alienation of securities of foreign issuers, in favor of: - residents of Ukraine (excluding banks); - nonresidents, except for operations deriving from purchase and sale agreements in respect of such securities, when according to the terms of the agreement the cash leg settlement with nonresidents is performed exclusively in foreign currency outside of Ukraine and/or by cross-border transfer.
On collective investment securities		
Purchase locally by nonresidents	*02/24/2022*	A temporary prohibition is in effect on transborder transfers with Ukraine, as well as transfers of funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions conduct on behalf of their clients), other than individual transactions. This prohibition on funds transfers from Ukraine extends to transactions involving the repatriation of foreign investments.
Purchase abroad by residents	*02/24/2022*	There is a temporary ban on conducting transactions involving trade in foreign currency (including for clients), and/or performing transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), aside from standalone

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		transactions. This ban on transferring funds from Ukraine also extends to transactions of residents (other than banks) involving transfers from Ukraine to carry out investments abroad.
	10/07/2023	Banks are prohibited from alienating securities of foreign issuers and/or other actions, which may consequently result in the alienation of securities of foreign issuers, in favor of: - residents of Ukraine (excluding banks) - nonresidents, except for operations deriving from purchase and sale agreements in respect of such securities, when according to the terms of the agreement the cash leg settlement with nonresidents is performed exclusively in foreign currency outside of Ukraine and/or by cross-border transfer.
Controls on derivatives and other instruments		
Purchase locally by nonresidents	*02/24/2022*	Banks are prohibited from performing transactions involving trade in foreign currency (including for clients), which includes derivatives.
	03/21/2022	Transactions involving the purchase of foreign currency by clients on "forward" terms under forward contracts are permitted if signed before February 23, 2022 (inclusive).
Purchase abroad by residents	*02/24/2022*	There is a temporary ban on conducting transactions involving trade in foreign currency (including for clients), and/or performing transborder transfers from Ukraine, as well as funds transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on behalf of their clients), aside from standalone transactions. This ban on transferring funds from Ukraine also extends to transactions of residents (other than banks) involving transfers from Ukraine to carry out investments abroad.
	03/21/2022	Transactions involving the purchase of foreign currency by clients on "forward" terms under forward contracts are permitted if signed before February 23, 2022 (inclusive).
Controls on credit operations		
Commercial credits		
By residents to nonresidents	*04/05/2022*	The standards of Resolution No. 18, dated February 24, 2022, have reduced the time limits for settlements on transactions involving export/import of goods that are conducted beginning April 5, 2022: - a 90-day deadline was set for such transactions for the period from April 5, 2022, through June 7, 2022: For export-import transactions of goods that were performed before April 5, 2022, the deadline for settlements was not revised and comprises 365 calendar days.
	06/08/2022	The deadline for settlements on transactions involving export/import of goods was increased to 120 calendar days.
	07/09/2022	The deadline for settlements on transactions involving export/import of goods was increased to 180 calendar days.
To residents from nonresidents	*02/24/2022*	The National Bank of Ukraine introduced temporary restrictions on transactions to pay for imported goods delivered before February 23, 2021 (that is, transactions to purchase and transfer foreign currency from Ukraine are banned). In terms of importing goods with the delivery after February 23, 2021, the purchase of foreign currency and transfer of funds from Ukraine are allowed for payment for goods specified in the Resolution of the Cabinet of Ministers of Ukraine No. 153 on Certain Issues of Import Ensuring dated February 24, 2022.
Financial credits		
By residents to nonresidents	*02/24/2022*	The standards of Regulation No. 18 have established a prohibition on

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		transborder transfers from Ukraine/cash transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), which extends, among others, to residents' transactions involving provision of credit/loans to nonresidents (separate requirements are established for banks). Banks are prohibited from transferring funds from Ukraine for purposes of providing credit to nonresidents (except for foreign exchange loans to foreign financial institutions). Previously, banks could provide credits with no restrictions on the amount, while individuals and legal entities could provide loans within established limits.
To residents from nonresidents	*02/24/2022*	The standards of Regulation No. 18 have established a temporary prohibition on transborder money transfers from Ukraine/cash transfers to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), other than standalone transactions. This prohibition on the transfer of cash from Ukraine extends, among others, to residents' transactions involving paying off credit/loans received from nonresidents (other than payoffs of loans by borrower banks in observance of the time limits established by lending agreements for such payments). The temporary ban on funds transfers from Ukraine does not extend to individual cases, including transactions to fulfill resident obligations: - that are guaranteed by the State of Ukraine; - the creditors of which are international financial institutions (IFIs) of which Ukraine is a member, or IFIs under agreements with which Ukraine has obligated itself to ensure the legal regime that is granted to other international organizations; - a bank's own transactions, including to pay off credit they have raised from nonresidents (but no earlier than the time limits set by the terms of the credit agreement). The standards of Regulation No. 18 of February 24, 2022, which prohibit transfers from Ukraine, do not apply to funds transfers within Ukraine that are performed between accounts of residents and nonresidents in Ukrainian banks on foreign exchange transactions, permitted pursuant to the rules of such accounts (account rules are established in Regulation No. 5 of January 2, 2019). Thus, resident borrowers may transfer funds (in foreign currency/UAH) to pay off credit/loans, they received from nonresidents to current accounts of nonresidents in banks within Ukraine.
	04/14/2022	Borrower banks have been prohibited from reducing the time limits for their fulfillment of debt obligations on credit and loans they had attracted under agreements with nonresidents (Resolution No. 18).
	06/16/2023	The list of transactions permitted by Resolution No. 18 for the transfer of currency valuables from Ukraine was extended to transactions (except for early execution) of a resident borrower who is not a bank with a nonresident under a loan agreement if the loan under such an agreement (in whole or in part) is provided with the participation (by way of guarantee or surety) of international financial institutions or with the participation (by way of loan, insurance, guarantee, or surety) of a foreign export credit agency/foreign state through its authorized persons/foreign persons, whose participants (shareholders) include a foreign state or a foreign bank [provided a foreign state is a participant (shareholder) of this bank].

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	06/21/2023	The list of transactions permitted by Resolution No. 18 for the transfer of currency valuables from Ukraine was extended to transactions (except for early execution) of a resident borrower with a nonresident under a loan agreement concluded between them, whereby the provision/receipt of the total amount of the loan (including repayable financial assistance) is made only after June 20, 2023. The transfer of funds from Ukraine under such loans also requires compliance with separately established terms and conditions (the size of payouts should be limited at the maximum interest rate of 12% an annum; after June 20, 2023, funds under the loan agreement received from abroad must be credited to the current account of a resident borrower in a Ukrainian bank). For the purpose of transferring funds from Ukraine under such loan agreements, it is not allowed to buy foreign currency, as well as to use foreign currency, which is received as a loan from another resident (this restriction does not apply to loans with the maturity of more than 3 years. For such loans, it is allowed to buy foreign currency to transfer from Ukraine the amount of interest, and starting from the fourth year of the loan, foreign exchange can also be transferred to repay the principal of the loan).
	09/16/2023	The list of transactions permitted by Resolution No. 18 for the transfer of currency valuables from Ukraine was extended to transactions to fulfill the obligations of a resident borrower who is a state-owned enterprise or a company, 100% of shares (stocks) of which belong to the state, to a nonresident under a loan agreement between them, which were restructured on the terms agreed by the Cabinet of Ministers of Ukraine, as well as for making other payments related to servicing such restructured obligations.
	10/07/2023	Funds may also be transferred from Ukraine for early fulfillment of obligations on those of these loans (resident borrower who is not a bank with a nonresident under a loan agreement if the loan under such an agreement (in whole or in part) is provided with the participation (by way of guarantee or surety) of international financial institutions or with the participation (by way of loan, insurance, guarantee, or surety) of a foreign export credit agency/foreign state through its authorized persons/foreign persons, whose participants (shareholders) include a foreign state or a foreign bank [provided a foreign state is a participant (shareholder) of this bank]) that are fully received and repaid after June 20, 2023.
Guarantees, sureties, and financial backup facilities		
By residents to nonresidents	*02/24/2022*	Banks are temporarily prohibited from conducting settlements on documentary and reserve credits/guarantees/counter-guarantees that were opened (confirmed, issued) after February 24, 2022, unless otherwise agreed.
Controls on direct investment		
Outward direct investment	*02/24/2022*	Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
Controls on liquidation of direct investment	*02/24/2022*	A temporary ban is in effect on transborder transfers from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks, in hryvnias or foreign currency, in resident banks (including transfers that authorized institutions carry out on instructions from their clients), other than standalone transactions. This ban on transferring cash funds outside Ukraine extends to transactions involving the liquidation of direct investments.

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Controls on real estate transactions		
Purchase abroad by residents	*02/24/2022*	Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad. .
Sale locally by nonresidents	*02/24/2022*	A temporary ban is in effect on transborder transfers from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks, in hryvnias or foreign currency, in resident banks (including transfers that authorized institutions carry out on instructions from their clients), other than standalone transactions. This ban on transferring cash funds outside Ukraine extends to transactions involving the return of foreign investments.
Controls on personal capital transactions		
Loans		
By residents to nonresidents	*02/24/2022*	The provisions of Regulation No. 18 of February 22, 2022, established a ban on cross-border transfers of funds from Ukraine/transfers of funds to correspondent accounts of nonresident banks in UAH/foreign exchange opened with resident banks (including transfers made by authorized institutions on the instructions of their clients), which applies, inter alia, to transactions of residents to issue loans to nonresidents (banks are subject to separate requirements).
To residents from nonresidents	*02/24/2022*	The provisions of Regulation No. 18 of February 22, 2022, established a ban on cross-border transfers of funds from Ukraine/transfers of funds to correspondent accounts of nonresident banks in UAH/foreign exchange opened with resident banks (including transfers made by authorized institutions on the instructions of their clients), which applies, inter alia, to the repayment of the loans.
Gifts, endowments, inheritances, and legacies		
By residents to nonresidents	*02/24/2022*	According to Resolution No. 18 of February 24, 2022, cross-border transfers of currency valuables from Ukraine are restricted during martial law and there are no exceptions for residents to make investments abroad.
Settlement of debts abroad by immigrants	*02/24/2022*	Banks are prohibited from carrying out transfers of individuals on current non-commercial transactions, other than in the cases identified in Resolution No. 18 (the list is not exhaustive and is revised based on the current situation on the exchange market and the government's needs under conditions of martial law).
Transfer of assets		
Transfer abroad by emigrants	*02/24/2022*	Banks are prohibited from carrying out transfers of individuals on current non-commercial transactions, other than in the cases identified in Resolution No. 18 (the list is not exhaustive and is revised based on the current situation on the exchange market and the government's needs under conditions of martial law).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Borrowing abroad	*04/14/2022*	Borrower banks have been prohibited from reducing the time limits for their fulfillment of debt obligations on credit and loans they had attracted under agreements with nonresidents (Resolution No. 18 of

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		February 24, 2022).
Lending to nonresidents (financial or commercial credits)	*05/21/2022*	Banks are prohibited from performing transfers of funds from Ukraine for purposes of providing credit to nonresidents (excepting credits to foreign financial institutions).
Lending locally in foreign exchange	*02/24/2022*	Banks are prohibited from granting loans in domestic currency to customers to repay the bank foreign exchange loans (including interest and other payments under a loan agreement in foreign currency).
	05/21/2022	Banks are prohibited from: - restructuring debt under credit agreements in a foreign currency, if such agreements were entered into by creditor banks with client borrowers (other than interbank loans) by replacing the currency used to fulfill the obligation under such a foreign currency bank loan with hryvnias. - granting bank credit in a foreign currency, for a borrower client to pay off loan in UAH.
	07/23/2022	The exception of isolated cases involving restructuring under consumer credit agreements as stipulated in Section IV, Item 7 of the Law of Ukraine "On Consumer Lending" was established for the prohibition of banks restructuring debt under credit agreements in a foreign currency, if such agreements were entered into by creditor banks with client borrowers (other than interbank loans) by replacing the currency used to fulfill the obligation under such a foreign currency bank loan with hryvnias.
Purchase of locally issued securities denominated in foreign exchange	*07/14/2022*	The central counterparty and banks are allowed to conduct cash leg settlement of transactions with domestic sovereign bonds of Ukraine exclusively in the currency in which domestic sovereign bonds of Ukraine are denominated.
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*01/10/2023*	The reserve requirements were: 5% (previously 0%) for hryvnia demand deposits and 15% (previously 10%) for foreign exchange demand deposits, 0% for term hryvnia deposits, 10% for term foreign exchange deposits, 5% for hryvnia (previously 0%), and 15% (previously 10%) for foreign exchange deposits from other nonresident banks and loans from international (except for financial) institutions and other nonresident organizations.
	02/11/2023	The requirements were: 10% (previously 5%) for hryvnia demand deposits and 20% (previously 15%) for foreign exchange demand deposits, 0% for hryvnia term deposits, 10% for foreign exchange term deposits, 10% (previously 5%) for hryvnia and 20% (previously 15%) for foreign exchange deposits from other nonresident banks and loans from international (except for financial) institutions and nonresident organizations.
	03/11/2023	The requirements were: 10% for hryvnia retail demand deposits, 20% (previously 10%) for corporate demand deposits, 20% for foreign exchange retail demand deposits, 30% (previously 20%) for foreign exchange demand corporate deposits, 0% for term hryvnia deposits, 10% for term foreign exchange deposits, 10% for hryvnia and 20% for foreign exchange deposits from other nonresident banks and loans from international (except for financial) institutions and other nonresident organizations.
	05/11/2023	The requirements were: 10% for hryvnia retail demand deposits, 20% for foreign exchange retail demand deposits,

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		20% for corporate demand deposits, 30% for foreign exchange demand corporate deposits, 0% for term hryvnia corporate deposits, 20% (before 10%) for short-term (up to 92 days) hryvnia retail deposits, 0% for long-term hryvnia retail deposits, 10% for term foreign exchange corporate deposits, 30% (before 20%) for short-term (up to 92 days) foreign exchange retail deposits, 10% for long-term foreign exchange retail deposits, 10% for hryvnia and 20% for foreign exchange deposits from other nonresident banks and loans from international (except for financial) institutions and other nonresident organizations.
	08/09/2023	The requirements were set to: For current and short-term (up to 92 days) retail deposits: 20% in the hryvnia, 30% in foreign exchange For long-term (over 92 days) retail deposits: 0% in the hryvnia, 10% in foreign exchange. For deposits of legal entities: 10% in the hryvnia, 20% in foreign exchange. The changes unified (leveled) reserve requirement ratios for corporate deposits, depending on maturity. The reasons behind the decision included the need to further minimize the risks associated with the banking system's structural surplus of liquidity and to address market distortions.
Open foreign exchange position limits	*05/04/2022*	The limit on a bank's overall long currency position (L13-1) may not exceed 5% of its regulatory capital; the limit on a bank's overall short open exchange position may not exceed 5% of its regulatory capital, pursuant to Resolution No. 18. Previously, both limits were 15%.
	09/02/2022	In accordance with the Decision of the National Bank of Ukraine (NBU) Board No. 419 dated August 22, 2022, balances in the i-th foreign currency on accounts for accounting for reserves for active operations are included in the calculation of balance sheet and off-balance-sheet claims. Such balances are included in an amount that is not greater than the amount in the i-th foreign currency as of July 21, 2022, and which is recalculated in hryvnia equivalent at the official rate of the NBU on the date of calculation of the currency position limits. The exception is the amount of balances in reserve accounts for accrued interest income on active operations, which are not taken into account when calculating the B indicator as of July 21, 2022, but are taken in the current balance as of the date of calculation of the currency position limits.
Provisions specific to institutional investors		
Insurance companies		
Limits (max.) on securities issued by nonresidents	*02/24/2022*	The standards of Regulation No. 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
Limits (max.) on investment portfolio held abroad	*02/24/2022*	The standards of Regulation No. 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
Pension funds		
Limits (max.) on securities		The standards of Regulation No. 18 have established a temporary ban

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issued by nonresidents	*02/24/2022*	on the transborder transfer of cash funds from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks in hryvnias or foreign currency, opened in resident banks (including transfers that authorized institutions carry out on instructions from their clients), including transfers from Ukraine under foreign investment transactions.
Limits (max.) on investment portfolio held abroad	*02/24/2022*	The standards of Regulation No. 18 have established a temporary ban on the transborder transfer of cash funds from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks in hryvnias or foreign currency, opened in resident banks (including transfers that authorized institutions carry out on instructions from their clients), including transfers from Ukraine under foreign investment transactions.
Investment firms and collective investment funds		
Limits (max.) on securities issued by nonresidents	*02/24/2022*	The standards of Regulation No. 18 have established a temporary ban on the transborder transfer of cash funds from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks in hryvnias or foreign currency, opened in resident banks (including transfers that authorized institutions carry out on instructions from their clients), including transfers from Ukraine under foreign investment transactions.
Limits (max.) on investment portfolio held abroad	*02/24/2022*	The standards of Regulation No. 18 have established a temporary ban on the transborder transfer of cash funds from Ukraine and on the transfer of cash funds to correspondent accounts of nonresident banks in hryvnias or foreign currency, opened in resident banks (including transfers that authorized institutions carry out on instructions from their clients), including transfers from Ukraine under foreign investment transactions.

Digital Currencies and Crypto Assets

Crypto assets

Controls on unbacked tokens

Acquisition by residents	*02/24/2022*	Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
	03/21/2022	According to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995.
	04/20/2022	Transactions were allowed per client for the equivalent amount of up to UAH 100,000 a calendar month for transfers from retail foreign exchange and hryvnia accounts (previously only foreign exchange accounts).

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	05/09/2022	Transactions cannot be used to replenish brokerage or forex accounts.
	10/05/2022	The transactions from hryvnia accounts were canceled.
Between residents and nonresidents		
For current transaction	*02/24/2022*	Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
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	05/09/2022	Transactions cannot be used to replenish brokerage or forex accounts.
	10/05/2022	The transactions from hryvnia accounts were canceled.
For capital transactions		
Transactions in capital and money market instruments	*02/24/2022*	Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
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	10/05/2022	The transactions from hryvnia accounts were canceled.
Transactions in derivatives and other instruments	*02/24/2022*	Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
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Credit operations	*02/24/2022*	Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
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	10/05/2022	The transactions from hryvnia accounts were canceled.
Controls on stablecoins		
Acquisition by residents	*02/24/2022*	Regulation 18 of February 22, 2022, established a temporary prohibition on transborder transfers of funds from Ukraine/on

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		transferring funds to correspondent accounts of nonresident banks in UAH/foreign currency in resident banks (including transfers that authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
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		authorized institutions perform on instructions from their clients), including transfers from Ukraine on investment transactions abroad.
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	03/21/2022	According to Resolution No. 18, individuals are allowed cross-border transfers of up to UAH 100,000 a calendar month from all accounts of an individual opened in foreign exchange, transfers to accounts of

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	individuals using electronic means of the payer and beneficiary (p2p transfers) and settlements made with the use of electronic payment means to pay for transactions with assets that are directly converted (exchanged) to cash and, in accordance with the rules and/or other internal documents of international payment systems, recognized as quasi cash transactions. Such transactions include, not exhaustively: purchase of cryptocurrencies, replenishment of electronic wallets, purchase of gift certificates, transfers in favor of betting providers, and purchase of traveler's checks. The merchant category codes that may be used for such transactions are, not exhaustively: 4829; 6012; 6050; 6051; 6534; 6539; 6540; 7800; 7801; 7802; and 7995.
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UNITED ARAB EMIRATES

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 22, 1972.
Article VIII	Yes.	Date of acceptance: February 13, 1974.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	In accordance with UNSC Resolutions 1267 (1999) and 1373 (2001) and other related resolutions, accounts of individuals and/or organizations suspected of involvement in terrorism are frozen. Banks must verify the identity of anyone who transfers AED 3,500 or more or its equivalent in other currencies. Moneychangers must do so for transfers regardless of the amount.

Exchange Arrangement

Currency	Yes.	The currency of the United Arab Emirates (UAE) is the Emirati Dirham (AED).
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg	Yes.	The exchange rate arrangement is a conventional peg. The AED was pegged to the US dollar (USD) in 1980. In January 2003, the peg was legislated. The Central Bank of the UAE (CBUAE) publishes the official rate on Bloomberg and Refinitiv portals.
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		

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Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The AED is pegged to the USD, the anchor currency, at the midrate of AED 3.6725 per USD (1 AED = USD 0.2723). The official selling and buying rates are AED 3.6720 and AED 3.6730 per USD, respectively. The official midrate is used for accounting and valuation. The authority to change the exchange rate regime is vested in the federal government.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar	Yes.	The exchange rate mechanism is a fixed peg regime with the USD as the anchor currency.
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		

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Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The bid-ask spread and foreign exchange commissions are determined at banks' discretion.
Spot exchange market	Yes.	As of June 30, 2023, there were 61 commercial and Islamic banks operating in the UAE (23 domestic, 27 foreign) and 11 wholesale banks. All banks may engage in foreign exchange transactions. In addition, there are 83 foreign exchange bureaus, commonly called exchange companies or moneychangers. These institutions may maintain accounts and engage in foreign exchange transactions with the CBUAE and may have nostro accounts abroad with the CBUAE approval. There are three types of exchange companies: (1) Category 1, which may buy and sell only currency notes and traveler's checks; (2) Category 2, which may process remittances, buy, and sell currency notes and traveler's checks; and (3) in addition to transactions allowed for Category 2, they may also process wage protection systems (WPS) payments.
Operated by the central bank	Yes.	The CBUAE transacts daily in the spot market to convert net capital flows (mostly USD) and services the foreign exchange demand by banks and the government (which is structurally net seller of USD).
Foreign exchange standing facility	Yes.	The CBUAE buys and sells unlimited USD and AED to registered counterparties at the official exchange rate. Counterparties use the Reuters dealing code CBEM to deal with the CBUAE, which also executes purchases and sales of foreign currency against AED with the federal government and ministries, local governments, and public institutions through their CBUAE accounts.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The interbank market remains small with secondary market trading clustered around CBUAE's biweekly M-Bill auctions. All licensed banks participate in the interbank market, which is dominated by the six primary dealer banks for M-Bills. There are no limits set by the

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		CBUAE on bid-ask spreads or commissions of market participants.
Over the counter	Yes.	
Brokerage	Yes.	Some dealing is conducted via money brokers.
Market making	Yes.	The foreign exchange market operates on the basis of a market-making arrangement.
Forward exchange market	Yes.	The CBUAE offers the following funding facilities: (1) Foreign Exchange Swap Facility (FXSF) as fine-tuning open market operations (OMO) with terms of up to 14 days (auction) and 14 days or longer (bilateral), and (2) US Dollar Liquidity Facility (USDLF) as system-wide liquidity insurance during actual or prospective market stress. The facilities are provided to all banks in the UAE, whether or not they have a shortfall in their dirham net position.
Official cover of forward operations	Yes.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	CBUAE has swap agreements with the following countries: Central Bank of Turkey (effective January 19, 2022) and Central Bank of China (effective November 28, 2023).
Inoperative	No.	
Regional arrangements	Yes.	The UAE is a member of the GCC Customs Union. CBUAE is part of the Arab Regional Payment System (ARPS) (so called "BUNA"), which is a centralized multicurrency platform to enhance opportunities for financial integration and support economic and investment ties with the trading partners of Arab countries. BUNA aims to enable financial institutions, including commercial and CBs, to send and receive cross-border payments across the Arab region and beyond in Arab currencies, as well as key international currencies, in an efficient, cost-effective, risk-controlled and transparent environment. CBUAE joined the Arabian Gulf System for Financial Automated Quick Payment Transfer (AFAQ) effective December 13, 2023. The system is part of the regional infrastructure that Gulf Payments Company (GPC) – owned equally by the six GCC CBs, has developed to underpin inter-GCC payment systems through enabling real-time gross settlement (RTGS) transfers among the CBs of the member states.

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Clearing agreements	Yes.	The UAE hosts a Renminbi Clearing Center since 2017.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Banks must verify identity for transfers of Dh 3,500 or more or its equivalent in other currency. Moneychangers must do so for transfers regardless of the amount. Establishment of a business in a free zone requires proof of identity.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Importation and exportation of cash and monetary/financial bearer negotiable instruments exceeding AED 100,000 or the equivalent in other currency are subject to the Cash and Bearer Negotiable Instruments Declaration Regulation. Amounts exceeding the ceiling must be declared at border entry and exit points. Cash and monetary/financial bearer instruments imported or exported by juridical persons (banks, moneychangers, and other entities) must be declared on the appropriate declaration form regardless of their value.
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On imports	No.	
Domestic currency	No.	Importation and exportation of cash and monetary/financial bearer negotiable instruments exceeding AED 100,000 or the equivalent in other currency are subject to the Cash and Bearer Negotiable Instruments Declaration Regulation. Amounts exceeding the ceiling must be declared at border entry and exit points. Cash and monetary/financial bearer instruments imported or exported by juridical persons (banks, moneychangers, and other entities) must be declared on the appropriate declaration form regardless of their value.
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declared on the appropriate declaration form regardless of their value.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Resident individuals and institutions may hold accounts with banks in the UAE in any currency they deem necessary. Balances may be transferred freely.
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents are allowed to open foreign exchange accounts.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident individuals and institutions may hold call, savings, and time deposit accounts with banks in the UAE in any currency they deem necessary. Although balances may be transferred freely, a checkbook cannot be issued.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff	Yes.	Only licensed parties may engage in the import trade. Importers may

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measures		import only the goods specified in their licenses.
Positive list	No.	
Negative list	Yes.	Imports of a few products are prohibited for health, security, or moral reasons.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	
Import taxes and/or tariffs	Yes.	In accordance with the GCC Customs Union, a unified tariff of 5% applies to most dutiable goods.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Financing requirements	No.
Documentation requirements	No.
Letters of credit	No.
Guarantees	No.
Domiciliation	No.
Preshipment inspection	No.
Other	No.
Export licenses	No.
Without quotas	No.
With quotas	No.
Export taxes	No.
Collected through the exchange system	No.
Other export taxes	No.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.

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Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

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Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Foreign nationals may own up to 100% of commercial companies within the country after the company obtains the approval of the Department of Economic Development to increase foreign ownership and the approval of the company's general assembly to amend the articles of association and the approval of the Securities and Commodities Authority (SCA) on the assembly's decision, subject to some restrictions in strategic impact industries. Specifically, they may have majority ownership if their activity is in a sector set out in the positive list adopted in Cabinet Resolution No. 16/2020. For all other sectors, the requirement of a majority shareholding of more than 50% held by an UAE national still applies, with higher thresholds being applicable in certain sectors (for example, in banking, it is no less than 60% pursuant to Article 76 of the CBUAE Law). The same provision applies to investment funds unless their Prospectus states otherwise. In free zones, foreign ownership is permitted up to 100%. There are no minimum holding requirements either.
Sale or issue locally by nonresidents	Yes.	The issuance of capital market securities by nonresidents is allowed, provided the sellers/issuers comply with the listing requirements issued by the markets namely the Dubai Financial Market (DFM) and Abu Dhabi Securities Exchange (ADX). Pursuant to SCA Chairman of the Board Resolution No. (11/R.M) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint-Stock Companies, among other requirements, shares issued for offer may not exceed 30% of the issuing company's capital. Pursuant to Chairman of the Authority's Board of Directors' Resolution No. (05/Chairman) of 2023 on the Registration of Securities for Listing, any securities may be listed on the market only after registration with the Authority and in accordance with the conditions specified in the registration form prepared by the Authority. The Authority may require that the application for registration of securities be submitted by a listing advisor licensed by the SCA. The following regulations apply to the issuance of Depository Receipts and their listing on a market: (1) Depository Receipts may not be issued through a public offering or listed on a market without the approval of the Authority in accordance with the provisions of these Regulations; (2) Depository Receipts issued outside the State may not be offered through public offering inside the UAE or listed on a market without the approval of the Authority in accordance with the provisions of these Regulations.

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	After the Authority's approval, a company may issue bonds or Sukuk, whether or not they are convertible to shares in the company, for equal values per each issue.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	These transactions are subject to approval by the relevant regulatory authority (SCA).
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	The Authority grants its approval to issue Covered Warrants in any of the following events: (1) The issuer must comply with the financial solvency criteria to such an extent that covers the value of the issuance for which approval is required; (2) submit a proof that the issuance is guaranteed by another entity, bank, or financial institution that satisfies the financial solvency requirements; or (3) deposit underlying assets – as the case may be – on which the issuer wishes to issue Covered Warrants at the clearing house in the Market or with an independent custodian licensed by the Authority. Such underlying assets may not be sold, pledged, or transferred or disposed of during the whole validity period of warrants or until the date of right execution thereon.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	Nonresidents must have an account at the relevant Stock Market to purchase securities and a bank account to purchase units. Local established funds may promote units offshore if they have the required approvals in the foreign jurisdiction. There are no limits on purchase by nonresidents except as approved by the Prospectus and as specified by the local promoter.
Sale or issue locally by nonresidents	Yes.	The promotion (distribution) of foreign investment funds is only permitted after registered with the SCA. Funds that are registered for promotion must also select an SCA-approved local promoter to market its units. Foreign investment funds are only allowed to promote their units to professional investors with a minimum subscription of AED180,000. Effective January 17, 2023, the issuance of retail foreign fund's units is permitted through dual listing in one of the UAE stock exchanges ADX or DFM, subject to certain requirements by the UAE stock exchanges including minimum size, successful prior retail offering in the parent country. No more than 50% of the total units of a retail foreign investment fund may be listed in UAE stock exchanges.
Purchase abroad by residents	No.	It is permitted for residents to purchase from outside the UAE only through (reverse solicitation). Soliciting retail investors by foreign assets management companies is restricted, and only permitted through local feeder fund structure.

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		Soliciting professional investors by foreign assets management companies is permitted through registration with the SCA by local licensed promoter/ distributor.
Sale or issue abroad by residents	No.	Locally established Self-managed Investment company (SMIC) and Investment funds may have their units sold abroad as along as (1) they are done through the appropriate and approved channels (authorized to be sold by the foreign regulator in the foreign jurisdiction if this is required by the foreign jurisdictions regulations) and (2) the locally established investment fund is fully licensed by the SCA – locally established funds require an SCA-authorized Management Company to be established as well. A fund must first be authorized and approved in the UAE by the SCA before it may market and sell its units either in the UAE or abroad.
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Foreign nationals may own up to 100% of commercial companies within the country after the company obtains the approval of the Department of Economic Development to increase foreign ownership and the approval of the company's general assembly to amend the articles of association and the approval of the SCA on the assembly's decision, subject to some restrictions in strategic impact industries. Specifically, they may have majority ownership if their activity is in a sector set out in the positive list adopted in Cabinet Resolution No. 16/2020. For all other sectors, the requirement of a majority shareholding of more than 50% held by an UAE national still applies, with higher thresholds being applicable in certain sectors (for example, in banking, it is no less than 60% pursuant to Article 76 of the CBUAE Law).

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		The same provision applies to investment funds unless their Prospectus states otherwise. GCC citizens are treated as UAE nationals. In free zones, foreign ownership is permitted up to 100%.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	A system of freehold properties allows nonresidents to purchase and sell real estate, subject to each Emirate's specific rules.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Classification of loans and their provisions follow IFRS9 and international prudential standards to ensure realistic depiction of the financial positions of banks and other financial institutions.
Borrowing abroad	Yes.	
Maintenance of accounts abroad	Yes.	
Lending to nonresidents (financial or commercial credits)	Yes.	Banks operating in the UAE must maintain special deposits with the CBUAE equal to 30% of their dirham placements with, or loans to, nonresident banks, if these transactions have a remaining maturity of one year or less. Such deposits do not earn interest.
Lending locally in foreign exchange	Yes.	
Purchase of locally issued securities denominated in foreign exchange	Yes.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Reserve requirements are assessed as 1% on time deposits and 14% on demand deposits. In light of COVID-19, the latter was temporarily reduced to 7%. Effective April 12, 2023, the reserve

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		requirement for demand deposits was increased to 11%. There is no distinction in terms of the currency of the deposit, and the reserve requirement needs to be satisfied in AED.
Liquid asset requirements	No.	Banks subject to the LCR requirement are required to hold eligible liquid assets in the currency of the net outflow subject to materiality restraints. There is no distinction in terms of the currency of the deposit.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Banks may not invest more than 25% of their capital in shares or bonds issued by commercial companies. Debt securities of domestic sovereigns and foreign governments with investment grade credit rating are exempt from such limits.
In banks by nonresidents	Yes.	The acquisition of a significant shareholding by nonresidents of shares of national banks requires the CBUAE approval.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	The Insurance Authority (IA) in the UAE is merged with the CBUAE. The CBUAE's mandate includes supervision and regulation of licensed institutions ensuring financial stability and consumer protection in the insurance sector. According to the Financial Regulations for Insurance and Takaful Companies, the following limits apply: (1) The maximum limit for aggregate exposure in equity instruments of listed and unlisted companies within the UAE is 30% and the sub-limit for exposure to a single counterparty is 10%; (2) the maximum limit for aggregate exposure in government securities/instruments issued by the UAE and/or by one of the Emirates in the UAE is 100% and the sub-limit for exposure to a single counterparty is 25%; (3) the maximum limit for aggregate exposure in loans secured by life policies (excluding unit-linked funds' related policies) issued by the company is 30% and there is no sub-limit for exposure to a single counterparty in loans secured by life policies (excluding unit-linked funds' related policies) issued by the company; (4) the maximum limit for aggregate exposure in derivatives or complex financial instruments to be used for hedging purposes only is 1% and there is no sub-limit for exposure to a single counterparty; (5) the maximum limit for aggregate exposure in secured loans, deposits with nonbanks, debentures, bonds, and other debt instruments, which are rated strong or very strong by reputed and independent rating agency, is 30%, and

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		the sub-limit for exposure to a single counterparty is 20%; (6) the maximum limit for aggregate exposure in other invested assets is 10%; and (7) the maximum limit for aggregate exposure in real estate sector is 30%. Strong and very strong rating by an independent agency for investments inside or outside the UAE refers to ratings equivalent to or better than the following weighted average ratings for each asset class portfolio: "A" by Standard & Poor's (S&P), Fitch, A.M. Best, or "A2" by Moody's. The limits apply to total invested assets. The limits on aggregate exposure differentiate between investment abroad and at home pursuant to Article 3 of the Financial Regulations for Insurance Companies. The COVID-19-related discounts on motor insurance (up to 50%) were eliminated pursuant to Notice CBUAE/BIS/2023/4075 effective August 11, 2023. The reduction by AED 1 million to the previous value of the letter of guarantee to Insurance Brokers is still valid. New regulations and standards were issued in compliance with the Insurance Core Principles issued by the International Association of Insurance Supervisors (IAIS) in particular (ICP 7 – Corporate Governance) and (ICP 8 – Risk Management and Internal Controls) as follows: - Corporate Governance Regulation and Standards for Insurance Companies effective December 15, 2022. The main areas of focus are creating a corporate governance framework, requiring a risk management system, three lines of defense, board composition, compensation, internal controls, financial reporting, senior management and communications. - Risk Management and Internal Controls Regulation and Standards for Insurance Companies effective April 29, 2023. The main areas of focus are requiring an effective system of risk management and internal controls, control functions, stress testing of material risk, own risk solvency assessment (ORSA), outsourcing and countering fraud in insurance. - New Takaful Regulation and Standards were issued effective December 30, 2022, to introduce the "Higher Shari'ah Authority" and to clarify some articles. - "Clarifications re ESCROW Accounts requirements" effective February 3, 2023, which requires intermediaries (that is, brokers, agents and third party administrators) to deposit policyholder monies in ESCROW accounts, for the purposes of providing protection for such funds from unauthorized withdrawals.
Limits (max.) on securities issued by nonresidents	Yes.	Pursuant to Article 3, Section 1 of the Financial Regulations for Insurance Companies, the maximum limit for aggregate exposure in government securities/instruments issued by A-rated countries is 80%, and the sub-limit for exposure to a single counterparty is 25%, and the maximum limit for aggregate exposure in equity instruments of listed and unlisted companies outside the UAE is 20%, and the sub-limit for exposure to a single counterparty is 10%.
Limits (max.) on investment portfolio held abroad	Yes.	Requirement on domiciling of investments (Article 6, Section 1): Insurance companies are permitted to hold, for the purpose of investment, assets of its insurance fund for the UAE policies in a foreign jurisdiction with a sovereign rating, which is better or at least equivalent to the sovereign rating of the UAE. Total invested assets held outside the UAE may not exceed 50% of the total invested assets or 100% of the total technical provisions for policies outside the UAE only (excluding unit-linked funds), whichever is greater. The maximum limit for aggregate exposure in equity instruments of listed and unlisted companies outside the UAE is 20%, and the sub-limit for exposure to a single counterparty is 10%.

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Limits (min.) on investment portfolio held locally	Yes.	Insurance companies must invest at all times in the UAE the assets required to match the technical provisions, for policies inside the UAE only. The minimum limit and the maximum exposure to a single counterparty for aggregate exposure in cash at banks in the UAE and deposits with banks in the UAE (for example, current account, demand deposits, term deposits, notice deposits, and CDs) are 5% and 50%, respectively.
Currency-matching regulations on assets/liabilities composition	Yes.	Insurance companies adhere to the IFRS regarding the accounting for currency-matching. The Financial Regulations for Insurance and Takaful Companies in Section 1 (Regulations Pertinent to the Basis of Investing the Rights of the Policyholders), Article 1 (General Requirements for Investments) states that (1) for the purpose of matching of assets and liabilities, the assets held by an insurance company to cover its technical provisions and all other long-term insurance liabilities must: (a) have characteristics of safety, yield, and marketability which are appropriate to the type of business carried on by the company and (b) be diversified and adequately spread. (2) The assets must be of a sufficient amount, and of an appropriate currency and maturity, to ensure that the cash inflows from those assets will meet the expected cash outflows from the company's insurance liabilities as they become due. The IFRS 17 Insurance Contracts issued on May 18, 2017, entered into force effective January 1, 2023.
Pension funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	Yes.	There are no limits on investments by investment firms. There are different limits that are applied on investments by mutual funds including: (1) The Public Open-ended Mutual Fund. (2) The Public Close-ended Mutual Fund. (3) The Real Estate Investment Fund. (4) The Venture Capital Fund. (5) The Cash Investment Fund. The regulations for CISs are in-depth and cover detailed requirements. Applications for the registration of foreign and domestic mutual funds (CISs) are sent to the Emirates SCA for review and approval, which will grant or deny application within a 30-day period. Licenses are renewable on an annual basis. Mutual funds established in the UAE are subject to the SCA jurisdiction and are required to prepare a detailed prospectus which must be approved by the SCA and which must include information on the management, the company's board of directors, capital requirements, internal governance of the fund, investment policy, the manner in which the CIS units are issued and redeemed, subscription rights, redemption, rights of shareholders, method of evaluating fund assets and NAV, safe custody rules, policy and limits and controls of borrowing or funding as well as the funds' investments guidelines and scope of investment. The regulations also ensure that provisions for certain types of mutual funds including master funds, feeder funds (a public mutual fund affiliated to an umbrella fund excluded from investing in tradable securities and some other investments as determined by the SCA, with approximately 85% of their assets invested in the units of a

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		public master fund or public foreign fund), umbrella funds, and fund of funds. Master funds and feeder funds must satisfy the conditions for licensing. Management companies are required to obtain licenses from the SCA to establish and run mutual funds or CISs. Management companies are obliged to meet and adhere to the following standards: (1) regulate the management of the fund as well as management of administrative services; (2) legally represent the fund before third parties; (3) manage risks; (4) ensure the separation of client assets and correct custody; (5) appoint an SCA-approved safe custodian; (6) assess and value assets, calculate NAV of units, distribute profits as well as abide by all disclosure requirements; and (7) execute sale and purchase transaction in the markets using the principle of "best execution" and maintaining strict fiduciary duty/responsibilities for their clients.
Limits (max.) on securities issued by nonresidents	Yes.	There are different maximum limits on the portion of the investment portfolio held abroad; the limits depend on the type of mutual fund. For Public Close-Ended Mutual Fund, the management company must invest the funds in accordance with the following investment policy guidelines: (1) The ratio of investment in securities issued by one entity may not exceed 10% of the net value of the funds' assets or 10% of the issued capital; (2) the ratio of investment in unlisted securities may not exceed 10% of the fund's NAV; (3) the ratio of investment may not exceed 20% of the fund's NAV in securities listed in a foreign market, provided such a market is subject to a peer regulator comparable to the SCA; and (4) investment in financial derivatives may not exceed 1% of the fund's NAV.
Limits (max.) on investment portfolio held abroad	Yes.	There are different maximum limits on the portion of the investment portfolio held abroad; the limits depend on the type of mutual fund. For Public Close-Ended Mutual Fund, the management company must invest the funds in accordance with the following investment policy guidelines: (1) The ratio of investment in securities issued by one entity may not exceed 10% of the net value of the funds' assets or 10% of the issued capital; (2) the ratio of investment in unlisted securities may not exceed 10% of the fund's NAV; (3) the ratio of investment may not exceed 20% of the fund's NAV in securities listed in a foreign market, provided such a market is subject to a peer regulator comparable to the SCA; and (4) investment in financial derivatives may not exceed 1% of the fund's NAV.
Limits (min.) on investment portfolio held locally	Yes.	The minimum limits on the portion of investment portfolios held locally vary according to the type of mutual fund.
Currency-matching regulations on assets/liabilities composition	No.	There are no currency-matching regulations on asset/liability composition.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The CBUAE is currently implementing a multi-year Central Bank Digital Currency (CBDC) Program. CBUAE's CBDC the Digital Dirham aims to unlock innovation, accelerate the digital economy, and serve unmet needs. The program includes wholesale, retail, and cross-border CBDC. During 2023, the CBUAE established a robust and comprehensive legal and policy framework to support the issuance of CBDC as a legal tender. The policies formulated aim to ensure monetary and financial stability, counter financial crime and promote financial inclusion. The CBUAE enacted amendments to Central Bank Law in October 2023, the CBUAE may now issue currency in digital form alongside notes and coins. A number of UAE licensed financial institutions have been tested and connected to our CBDC infrastructures.
Retail	No.	

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Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	Yes.
Retail	n.r.
Wholesale	Yes.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	Yes.
Acquisition by residents	Yes.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other	n.a.

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instruments		
Credit operations	n.a.	
Controls on utility and security tokens	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on stablecoins	n.a.	
Acquisition by residents	n.a.	
Use among residents	n.a.	
Between residents and nonresidents	n.a.	
For current transaction	n.a.	
For capital transactions	n.a.	
Transactions in capital and money market instruments	n.a.	
Transactions in derivatives and other instruments	n.a.	
Credit operations	n.a.	
Controls on crypto exchanges and trading platforms	Yes.	
Domestic exchanges	Yes.	No virtual assets for investment purposes are permitted to be marketed and distributed in the UAE unless they have been accepted by an authorized virtual asset trading platform and registered with SCA. CBUAE's AML/CFT Rulebook applies to all licensed financial institutions. The rules in The Chairman of the Authority's Board of Directors' Decision No. (26/Chairman) of 2023 on the Regulation of the Virtual Asset Platform Operator came into force effective May 16, 2023.
Access to crypto exchange/trading platform by residents	n.a.	

Changes during 2022 and 2023

Arrangements for Payments and Receipts

Payments arrangements

Bilateral payments arrangements

Operative	*01/19/2022*	Central Bank of the United Arab Emirates's swap agreement with the Central Bank of Turkey came into force.

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	11/28/2023	Central Bank of the United Arab Emirates's swap agreement with the Central Bank of China came into force.
Regional arrangements	*12/13/2023*	Central Bank of the United Arab Emirates joined the Arabian Gulf System for Financial Automated Quick Payment Transfer. The system is part of the regional infrastructure that Gulf Payments Company – owned equally by the 6 GCCCBs, has developed to underpin inter-GCC payment systems through enabling RTGS transfers among the CBs of the member states.

Capital Transactions

Controls on capital transactions

Controls on capital and money market instruments		
On collective investment securities		
Sale or issue locally by nonresidents	*01/17/2023*	The issuance of retail foreign fund's units is permitted through dual listing in one of the United Arab Emirates (UAE) stock exchanges Abu Dhabi Securities Exchange or Dubai Financial Market, subject to certain requirements by the UAE stock exchanges including minimum size, successful prior retail offering in the parent country. No more than 50% of the total units of a retail foreign investment fund may be listed in UAE stock exchanges.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions		
Differential treatment of deposit accounts in foreign exchange		
Reserve requirements	*04/12/2023*	The reserve requirement for demand deposits was increased to 11% from 7%.
Provisions specific to institutional investors		
Insurance companies	*12/15/2022*	Corporate Governance Regulation and Standards for Insurance Companies were issued. The main areas of focus are creating a corporate governance framework, requiring a risk management system, three lines of defense, board composition, compensation, internal controls, financial reporting, senior management and communications.
	12/30/2022	New Takaful Regulation and Standards were issued to introduce the "Higher Shari'ah Authority" and to clarify some articles.
	02/03/2023	"Clarifications re ESCROW Accounts requirements" was issued, which requires intermediaries (that is, brokers, agents and third party administrators) to deposit policyholder monies in ESCROW accounts, for the purposes of providing protection for such funds from unauthorized withdrawals.
	04/29/2023	Risk Management and Internal Controls Regulation and Standards for Insurance Companies came into force. The main areas of focus are requiring an effective system of risk management and internal controls, control functions, stress testing of material risk, own risk solvency assessment, outsourcing and countering fraud in insurance.
	08/11/2023	The COVID-19-related discounts on motor insurance (up to 50%) were eliminated.
Currency-matching regulations on assets/liabilities composition	*01/01/2023*	The IFRS 17 Insurance Contracts issued on May 18, 2017, entered into force.

Digital Currencies and Crypto Assets

Controls on crypto exchanges and trading platforms

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Domestic exchanges	*05/16/2023*	The rules in The Chairman of the Authority's Board of Directors' Decision No. (26/Chairman) of 2023 on the Regulation of the Virtual Asset Platform Operator came into force.

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UNITED KINGDOM

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: February 15, 1961.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	The United Kingdom (U.K.) maintains certain financial sanctions that are put in place by the UN or the U.K. for the preservation of national and international security. The details of each sanction's regime with financial provisions can be found on the website of the Office of Financial Sanctions Implementation (OFSI). The list of sanctioned individuals and entities can be found on the OFSI consolidated list.
Other security restrictions	Yes.	The U.K. maintains certain financial sanctions that are put in place by the UN or the U.K. for the preservation of national and international security. The details of each sanction's regime with financial provisions can be found on the website of the OFSI. The list of sanctioned individuals and entities can be found on the OFSI consolidated list.

Exchange Arrangement

Currency	Yes.	The currency of the U.K. is the pound sterling. Gold sovereigns, crowns, and Britannias are legal tenders but do not circulate.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		

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Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The de jure and de facto exchange rate arrangements are free floating. The exchange rate of the pound sterling is determined on the basis of supply and demand in the foreign exchange market. The Bank of England (BOE) has a separate pool of foreign exchange reserves, which it uses at its discretion to intervene in support of its monetary policy objectives. A monthly press release issued by Her Majesty's Treasury (HMT) reports HMT and BOE intervention.
Official exchange rate	Yes.	The BOE calculates indicative exchange rates on a daily basis and publishes these on its website. These are not official rates. Exchange rates are determined as middle spot rates prevailing in the market at a given point in time. Separately, the BOE provides exchange rates to the IMF for SDR calculations and these rates are published daily by the IMF on their website.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	
Target setting body	Yes.	
Government	Yes.	The BOE's monetary policy objective is to deliver price stability and, subject to that, to support the government's economic objectives including those for growth and employment. Price stability is defined by the government's inflation target of 2% measured by the 12-month increase in the Consumer Prices Index. The remit recognizes the role of price stability in achieving economic stability more generally, and in providing the right conditions for sustainable growth in output and employment. The government's definition of the inflation target is specified at least once in every period of 12 months, announced each year by the Chancellor of the Exchequer in the remit for the MPC.
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	

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Point target	Yes.	The BOE pursues an explicit inflation target set by HMT – currently 2% on the CPI measure.
Target with tolerance band		
Band/Range		
Target measure	Yes.	
CPI	Yes.	The inflation target of 2% is expressed in terms of an annual rate of inflation based on the CPI. The remit is not to achieve the lowest possible inflation rate. Inflation below the target of 2% is judged to be just as bad as inflation above the target. The inflation target is therefore symmetrical.
Core inflation		
Target horizon	Yes.	The framework is based on the recognition that the actual inflation rate will on occasion depart from its target as a result of shocks and disturbances. Such factors will typically move inflation away from the target temporarily. Attempts to keep inflation at the inflation target in these circumstances may cause undesirable volatility in output because of the short-term trade-offs involved, and the MPC may therefore wish to allow inflation to deviate from the target temporarily.
Operating target (policy rate)	Yes.	The MPC currently influences monetary conditions in two main ways. First, it sets Bank Rate (and takes steps to ensure it is passed through to households and businesses). Second, it can use asset purchases, also known as "quantitative easing (QE). The Bank's first operational target currently is to keep overnight rates in wholesale sterling markets close to Bank Rate. We apply Bank Rate to reserves balances held with us by eligible financial firms. The MPC sets Bank Rate eight times a year, and its level remains fixed between each MPC announcement. Second, the Bank manages the MPC's asset purchases, which comprise a stock of U.K. government bonds and sterling non-financial investment-grade corporate bonds. In February 2022, the MPC voted to begin to reduce the stock of U.K. government bond purchases by ceasing to reinvest maturing assets. In September 2022, the MPC voted to begin sales of the gilts held to support the MPC's monetary policy remit; the Committee judged that over the 12 months from September 2022, a reduction in the stock of purchased gilts by around £80 billion would be appropriate. Sales auctions began on November 1, 2022. Since February 2022, the stock of government bond purchases has fallen from £875bn to £803bn as at end-June 2023. In September 2023, the MPC voted to increase the pace of unwind of its asset purchases, with a target of reducing the stock of purchased gilts by a further £100bn in the 12 months from September 2023. In February 2022, the MPC also set a target to unwind fully the stock of corporate bond purchases by no earlier than toward the end of 2023. Sales of these corporate bonds began in September 2022. In June 2023, the Bank announced that it had completed its sales of sterling non-financial investment-grade corporate bonds – the stock of corporate bond holdings was reduced from £19.1bn to £0.8bn. The remaining very short maturity bonds will be held in the portfolio and will mature fully by April 5, 2024.
Policy rate	Yes.	As of September 2023, the Bank Rate set by the MPC was an overnight rate of 5.25%.

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Target corridor band	No.	
Other	No.	
Accountability	Yes.	
Open letter	Yes.	Each year, the Chancellor of the Exchequer writes a letter to the Governor confirming the inflation target and the MPC's remit for monetary policy. If the target is missed by more than 1 percentage point in either direction, that is, if the annual rate of CPI inflation is more than 3% or less than 1%, the Governor of the BOE must write an open letter to the Chancellor setting out: (1) the outlook for inflation and, if relevant, the reasons why inflation has moved away from the target or is expected to move away from the target; (2) the policy action the Committee is taking in response; (3) the horizon over which the Committee judges it is appropriate to return inflation to the target; (4) the trade-off that has been made with regard to inflation and output variability in determining the scale and duration of any expected deviation of inflation from the target; and how this approach meets the government's monetary policy objectives.
Parliamentary hearings	Yes.	Four times a year, typically when the BOE publishes its Monetary Policy Report (called the Inflation Report prior to November 2019), MPC members attend a public meeting with the House of Commons Treasury Committee.
Other	No.	
Transparency	Yes.	
Publication of votes	Yes.	The minutes of the MPC meetings publish the votes of the individual members of the Committee.
Publication of minutes	Yes.	The MPC is committed to the greatest possible degree of transparency around its decision-making. The minutes of the MPC meetings are published simultaneously with the interest rate decision. They also record the votes of the individual members of the Committee. The minutes give a full account of the policy discussion, including differences of view.
Publication of inflation forecasts	Yes.	In addition to the MPC minutes, the BOE publishes its Monetary Policy Report (called the Inflation Report prior to November 2019). This report gives an analysis of the U.K. economy and the factors influencing policy decisions. The Monetary Policy Report also includes the MPC's latest forecasts for inflation and output growth.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Participants may freely determine their exchange rates and commissions in their transactions with clients. Where transactions take the form of Markets in Financial Instruments Directive (MiFID) business, including business that takes the form of ancillary services such as the MiFID Annex 1 B4 ancillary service of "foreign exchange services where these are connected to the provision of investment services," MiFID-based conduct requirements may apply, such as those in the Conduct of Business Sourcebook (COBS) 2.3.A.5R, 2.3.8R, and 4.5.10UK. Conduct-

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		based requirements in the Principles for Businesses also apply.
Spot exchange market	Yes.	Foreign exchange bureaus engaged only in spot foreign exchange transactions are not subject to licensing or regulation by the BOE as CB, the Prudential Regulation Authority as prudential regulator, or the Financial Conduct Authority (FCA) as financial conduct regulator. The U.K. version of Commission Delegated Regulation (EU) No. 2017/565 is identical in scope to the regulation in force in relation to instruments covered. Spot contracts which meet the criteria in the U.K. version of Article 10(2) of Commission Delegated Regulation (EU) No. 2017/565 are specifically excluded from the scope of financial instruments for the purposes of MiFID II-based obligations, so that firms only doing business in relation to such contracts are not subject to MiFID II-based authorization requirements. However, businesses that conduct spot foreign exchange transactions may engage in other activities that require FCA authorization. In addition, some firms may be subject to the separate authorization and registration obligations of the Payment Services Regulations 2017. Also, many foreign exchange bureaus that do not engage in activities that require FCA authorization must register with Her Majesty's Revenue and Customs (HMRC) under the Money Laundering, Terrorism Financing, and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs), which require foreign exchange bureaus (as well as money transmitters and check cashers) to investigate customers as part of customer due diligence. Banks and investment firms engaged in foreign exchange services connected with the provision of investment services are subject to certain conduct and other obligations for foreign exchange services pursuant to U.K. requirements imposed as part of MiFID II implementation and which form part of "retained EU law" under the EU (Withdrawal) Act 2018 (at the end of 2023, "retained EU law" will be renamed so that it will be known as "assimilated law").
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The market is not formally regulated; participants are encouraged to adhere to the foreign exchange Global Code which is a voluntary code of conduct. Although the foreign exchange Global Code has no direct statutory underpinning, noncompliance (depending on the circumstances, seriousness, frequency, and duration of the incidents) may raise issues, such as the integrity or competence of a market firm, relevant to the firm's authorization requirements under the Financial Services and Markets Act (FSMA) of 2000 and the FCA's Principles for Businesses. The FCA recognized the updated version of the foreign exchange Global Code (July 2021) as of November 19, 2021, and the three-year recognition period will last until November 22, 2024. This means that behavior that is in line with the foreign exchange Global Code will tend to indicate that a person subject to the FCA's Senior Managers and Certification Regime (SM&CR) is meeting their obligation to observe proper standards of market conduct under the FCA Principles for Business. The majority of the interbank market is made up of the 30 largest

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		banks; however, hundreds of banks participate given the many small entities that are active.
Over the counter	Yes.	Trading in wholesale interbank spot foreign exchange is facilitated by a multivenue direct and intermediated market structure. A large number of trading platforms attract liquidity from wholesale institutions authorized by the Prudential Regulation Authority and the FCA.
Brokerage	Yes.	The interbank market actively trades via brokers. Brokerage firms offer voice and electronic execution and provide multiclient trading venues.
Market making	Yes.	Many participants are market makers in the foreign exchange markets.
Forward exchange market	Yes.	The forward exchange market for contracts falls outside the scope of financial instruments for the purpose of MiFID-based regulation where it amounts to a means of payment as set out in Article 10 of the U.K. version of the Commission Delegated Regulation (EU) No. 2017/565 of April 25, 2016. The BOE participates in the forward foreign exchange market for reserves management and customer banking.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.
Operative	No.
Inoperative	No.
Regional arrangements	No.
Clearing agreements	No.
Barter agreements and open accounts	No.
Administration of control	No.
Payments arrears	No.
Official	No.
Private	No.

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Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	Gold bullion and coins are not subject to control. Section 10 of the 1971 Coinage Act provides, among other things, that no person may, except under the authority of a license granted by the Treasury, melt down or break up any metal coin in use in the U.K. or that was once in use but ceased to be so after May 16, 1969. There is a gold market in London in which gold bars are traded freely.
On external trade	Yes.	The exportation of gold in manufactured form more than 50 years old and valued at, as of January 1, 2021, £65,000 or more for each item or set of matching items requires a license from the Department for Digital, Culture, Media and Sport. Previously, this threshold was £44,236.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	People must declare cash of £10,000 or more if they carry it between Great Britain (England, Scotland, Wales) and another country. People must declare cash of €10,000 or more if they carry it between Great Britain (England, Scotland, Wales) and Northern Ireland. People must declare cash of €10,000 or more if carried between Northern Ireland and a non-EU country. There is no obligation to declare any amount of cash when traveling the other way, that is from Northern Ireland to Great Britain (England, Scotland, Wales).
Foreign currency	No.	People must declare cash of £10,000 or more if they carry it between Great Britain (England, Scotland, Wales) and another country. People must declare cash of €10,000 or more if they carry it between Great Britain (England, Scotland, Wales) and Northern Ireland. People must declare cash of €10,000 or more if carried between Northern Ireland and a non-EU country. There is no obligation to declare any amount of cash when traveling the other way, that is from Northern Ireland to Great Britain (England, Scotland, Wales).
On imports	No.	
Domestic currency	No.	People must declare cash of £10,000 or more if they carry it between Great Britain (England, Scotland, Wales) and another country. People must declare cash of €10,000 or more if they carry it between Great Britain (England, Scotland, Wales) and Northern Ireland. People must declare cash of €10,000 or more if carried between Northern Ireland and a non-EU country. There is no obligation to declare any amount of cash when traveling the other way, that is from Northern Ireland to Great Britain (England, Scotland, Wales).
Foreign currency	No.	People must declare cash of £10,000 or more if they carry it between Great Britain (England, Scotland, Wales) and another country. People must declare cash of €10,000 or more if they carry it between Great Britain (England, Scotland, Wales) and Northern Ireland. People must declare cash of €10,000 or more if carried between Northern Ireland and a non-EU country. There is no obligation to declare any amount of cash when traveling the other way, that is from Northern Ireland to Great Britain (England, Scotland, Wales).

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	No.	

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Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Import restrictions are in effect for public safety reasons and to satisfy international obligations. There is an import ban on a range of goods from a range of countries as a result of sanctions.
Open general licenses	Yes.	Most imports are admitted to the U.K. under an OGL.
Licenses with quotas	Yes.	As of January 1, 2021, certain products covered by the beef, pork, poultry, dairy, eggs, cereals, rice, sugar, olive oil and garlic sectors can be imported under tariff rate quota, subject to grant of a TRQ import license.
Other nontariff measures	Yes.	Imports of many agri-food products will be subject to domestic

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		regulations setting out various requirements for the import of goods (for example, phytosanitary requirements, marketing standards and documentary requirements). Imports of rough diamonds are permitted only if accompanied by a Kimberley Process certificate that has been validated by the exporting government and if secured within a tamper-resistant container with the original seals intact and the seals applied at export by the participant are not broken. The Kimberley Process certificate must also identify the consignment to which it refers. The importation of antipersonnel mines is subject to a ban. Licensing requirements apply to imports of firearms and ammunition, nuclear materials from outside the EU, certain torture equipment, endangered species (CITES), drug precursors, waste shipment, harvested timber, ozone-depleting substances, and civil explosives, items made of or containing ivory, fluorinated gases including hydrofluorocarbons and controlled drugs.
Import taxes and/or tariffs	Yes.	During the Brexit transition period, the U.K. continued to apply the EU's CET. As of January 1, 2021, the U.K. applies the U.K. Global Tariff. The MFN tariff applies to all imports not eligible for preferential access (for example, via an FTA).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Exports of rough diamonds are permitted only if accompanied by a validated Kimberley Process certificate and if secured within a tamper-resistant container with the original seals intact (EC Directive No. 2368/2002).
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Laws on inward direct investment and establishment apply.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents		

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	Yes.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	Under the Enterprise Act of 2002, ministers have certain powers to intervene in mergers that raise specified public interest considerations. Three considerations are currently specified: plurality of the media, financial stability, and maintaining in the U.K. the capability to combat and to mitigate the effects of public health emergencies. Under Section 58 of the Enterprise Act, ministers may add considerations with parliamentary approval. Use of the intervention powers means the competition authorities must consider the public interest issue identified by the minister in addition to competition issues raised by the merger. Ministers are bound by the findings of the competition authorities on the competition issues raised by the case, but decide whether a merger should be cleared, cleared subject to conditions, or blocked on the grounds of the specified public interest consideration. There are statutory timetables for considering a case and reaching decisions. Effective January 4, 2022, the National Security and Investment Act 2021 is the basis for the U.K.'s national security screening system for acquisitions of control over qualifying entities (such as businesses) and qualifying assets (land, physical assets, and intellectual property). The Act applies to all qualifying acquisitions of control, regardless of the nationality of the acquirer. Certain acquisitions within 17 sectors of the economy (specified in "Notifiable

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		Acquisition Regulations") are subject to mandatory notification and clearance requirements before they can take place. Other acquisitions (including those in the wider economy) can be voluntarily notified to receive a decision from the U.K. government about whether they will be "called in" for a full national security assessment. There is a statutory timetable – both for the initial screening of notifications and for full national security assessments. At the end of a national security assessment, the U.K. government must either issue a "final notification," in effect clearing the acquisition and confirming no further action will be taken under the Act, or make a "final order," imposing conditions on the acquisition to address the national security risk. This could include, as a last resort, blocking or unwinding an acquisition. The Deputy Prime Minister in the Cabinet Office is the quasi-judicial decision maker for all cases, and is supported by the Investment Security Unit. Businesses, investors, advisers, and others can contact the Unit to discuss current or future acquisitions that may be subject to the Act. Criminal and civil sanctions are available in the event of non-compliance. In addition, controls apply to the following: (1) non-EU investment in EU-based airlines is capped at 49% to ensure that the controlling stake remains within the EU; exceptions are allowed but require a signed agreement between the EU and the non-EU country; (2) investment in certain broadcasting licenses (including, in particular, commercial television, teletext, and radio licenses) other than by nationals of, or enterprises originating in, EU member countries; (3) acquisition of U.K. flag vessels, except through an enterprise incorporated in the U.K.; and (4) to the extent that under EC Directive No. 85/611, a depository of a UCITS must have its registered office either in the same EU country as that of the enterprise or be established in the EU country if its registered office is in another EU country. Restrictions apply to operations between residents of the Channel Islands and nonresidents: (1) Acquisition in Alderney of real property by non-EU nationals and enterprises from non-EU countries requires authorization unless the investor is forming or investing in a land-owning company. (2) Ownership in Sark of tenements is reserved for British nationals. Purchases of real estate in Jersey depend on economic and social needs tests or acquisition through the purchase of shares in a property holding company.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Restrictions apply to operations between residents of the Channel Islands and nonresidents: (1) Acquisition in Alderney of real property by non-EU nationals and enterprises from non-EU countries requires authorization unless the investor is forming or investing in a land-owning company. (2) Ownership in Sark of tenements is reserved for British nationals. Purchases of real estate in Jersey depend on economic and social needs tests or acquisition through the purchase of shares in a property holding company.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	

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By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Net spot liabilities in foreign currencies (that is, the net amount of

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		foreign currency resources funding sterling assets) form part of a bank's liabilities subject to a non-interest-bearing deposit requirement with the BOE. The required deposit is based on the average of reported eligible liabilities over a six-month period in excess of the equivalent of £600 million. This rule applies to building societies as well as to banks. The Bank consulted CRD payers in 2021 on the proposal of replacing the CRD scheme with a levy. This proposal to replace the CRD scheme with a levy to raise the funds to meet the costs of the BOE's policy functions was included in the financial services bill presented to parliament in 2023. Under expected timelines, the CRD scheme will continue until March 1, 2024, when the scheme will be replaced by a levy.
On resident assets and liabilities	Yes.	If the sum of an institution's overall net foreign exchange position and its net gold position exceeds a 2% threshold of own funds, the institution must calculate an own funds requirement for foreign exchange risk by multiplying the net open position by 8%. This requirement is applied to all firms and is reported via Common Reporting.
On nonresident assets and liabilities	Yes.	If the sum of an institution's overall net foreign exchange position and its net gold position exceeds a 2% threshold of own funds, the institution must calculate an own funds requirement for foreign exchange risk by multiplying the net open position by 8%. This requirement is applied to all firms and is reported via Common Reporting.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	U.K. insurers are subject to on-shored Solvency II regulation and are therefore subject to risk-based capital requirements to cover the risk of loss of own funds over a one-year period to the 99.5% confidence level. In addition to capital requirements, firms must ensure that their investments are consistent with the Prudent Person Principle, a qualitative set of risk management requirements. Smaller U.K. firms are subject to a different regulatory framework. This different regime applies to almost all direct insurance firms that fall below the S II Article 4 thresholds (and which therefore have less than £5M annual premium income), and to some special cases such as Pool Re. Most of these very small firms are mutual friendly societies writing life and health insurance business. These firms generally have fairly simple business plans, are not seeking to grow significantly in size, and are relatively risk adverse.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	U.K. insurers are subject to on-shored Solvency II regulation and are therefore subject to capital requirements and the Prudent Person Principle. The most relevant requirement of the Prudent Person Principle in this case is the requirement that assets backing technical provisions (insurance liabilities) are invested in a manner appropriate to the nature and duration of the liabilities.
Pension funds	No.	The U.K. uses the Prudent Person Principle: There are no explicit quantitative restrictions on pension funds' investments. Firms that manage personal or stakeholder pensions are subject to FCA

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		authorization and FCA Handbook requirements and Prudential Regulation Authority Rulebook requirements. There are also occupational pension schemes which are the regulatory responsibility of the Pensions Regulator and the restrictions imposed by the Occupational Pension Schemes (Investment) Regulations 2005 apply.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	There are no explicit limits on the amount of assets an investment firm may hold in the form of foreign exchange products or that must be held locally. However, investment firms, including firms executing client orders, managing portfolios, and dealing on their own behalf, are subject to risk requirements comprising foreign exchange components and own funds requirements relating to foreign exchange. A new prudential regime for MiFID investment firms be as of January 1, 2021, including the rules contained in the FCA's prudential sourcebook for MiFID investment firms (MIFIDPRU). A key provision is MIFIDPRU 4.12.2R – this obligation captures any positions in foreign exchange (see MIFIDPRU 4.11.1G). For non-MiFID investment firms, there are foreign exchange-related requirements in the Interim Sourcebook for Investment Business of the FCA's Handbook of rules and guidance (IPRU-INV). Authorized retail investment funds (UCITS and non-UCITS retail schemes) are subject to limits on investment in certain types of financial instruments pursuant to Chapter 5 of the FCA Handbook (FCA COLL) sourcebook and in chapter 15 of the same sourcebook in the case of 'long term asset funds'. There are also investment restrictions under the U.K.'s qualified investor scheme regime pursuant to Chapter 8 of the FCA COLL sourcebook. Other such restrictions arise in the case of fund types in the form of the requirements of the U.K. versions of the following regulations, which enable continuity in law application after EU law ceased to apply to the U.K.: The Money Market Funds Regulation (EU) No. 2017/1131, the U.K. version of the European long-term investment funds Regulation (EU) No. 2015/760, the U.K. version of the European venture capital funds Regulation (EU) No. 345/2013, and the U.K. version of the European social entrepreneurship fund Regulation (EU) No. 346/2013. As regards other collective investment funds (not traded on trading venues), there are generally no regulatory limits on their investments in securities issued by nonresidents, investment portfolios held abroad, and asset and liability composition. A collective investment fund may also impose its own limits according to its prospectus and investment objectives, and managers of AIFs may be subject to the retained EU law requirements in respect of the AIFMD (EU) No. 2011/61. More generally, where an open-ended or closed-ended fund is admitted to trading on a trading venue, such as a stock exchange, admission to trading and trading in the fund is subject to the rules of the venue. Where the venue is a trading venue in the form of a regulated market, multilateral trading facility or organized trading

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		facility, trading in the fund will also be subject to the requirements of the U.K. market abuse regime and those of the U.K. version of the Markets in Financial Instruments Regulation (No. 600/2014).
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	Currently, there is no specific regulation within the U.K. that deals with domestic circulation of retail central bank digital currency launched by another jurisdiction.
Retail	n.r.	
Wholesale	n.r.	
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	n.r.	Currently, there is no specific regulation within the U.K. that deals with domestic circulation of retail central bank digital currency launched by another jurisdiction.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	

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Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Crypto assets	Yes.	
Controls on unbacked tokens	Yes.	The FSMA 2000 (Financial Promotions) Order 2005 was recently amended to bring "qualifying cryptoassets", such as Bitcoin, within the scope of financial promotions regulation. This means that no person may communicate financial promotions in relation to qualifying cryptoassets that are capable of having an effect in the U.K. unless they are authorized under the FSMA 2000, the communication is approved by an authorized person, an exemption in the Financial Promotions Order applies, or – in the case of cryptoasset financial promotions only – the person is registered with the FCA under the MLRs 2017. Furthermore, when communicating a financial promotion in respect of qualifying cryptoassets, the communications must be fair, clear and not misleading and certain FCA rules will apply.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	Yes.	
For current transaction	n.r.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	Yes.	As of July 2019, FCA regulation of crypto derivatives includes prohibiting the sale of derivatives to retail customers.
Credit operations	n.r.	
Controls on utility and security tokens	n.r.	Security tokens are specified investments and so activities carried on in relation to them could be regulated activities under the FSMA 2000 (Regulated Activities) Order 2001 (RAO). A person must be authorized or exempt under FSMA to carry on regulated activities by way of business in the U.K. When investments and/or activities are within the regulatory perimeter, additional rules, regulations and controls will apply but will vary depending on the circumstances, and the nature of the investment and the activities in question.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Controls on stablecoins	Yes.	The FSMA 2023, expanded the scope of Part 5 of the Banking Act 2009 to include regulating payment systems involved in the transfer

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		of digital settlement assets (DSAs) and DSA service providers. DSAs are defined broadly and include stablecoins. The Bank's regime could potentially capture the regulation of exchanges and issuers, depending on a recognition order from HMT. The FSMA 2023 received Royal Assent in June 2023 and has now come into force. The effect of this is that U.K. regulators now have the powers to regulate and supervise stablecoin firms.
Acquisition by residents	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	Yes.	
For current transaction	n.r.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	Yes.	As of July 2019, FCA regulation of crypto derivatives includes prohibiting the sale of derivatives to retail customers.
Credit operations	n.r.	
Controls on crypto exchanges and trading platforms	n.r.	Cryptoassets exchange providers and custodian wallet providers carrying on business in the U.K. must be registered with the FCA under the MLRs meaning they are subject to anti-money laundering regulations. Additional rules, regulations and controls might apply to cryptoassets exchanges and trading platforms depending on the nature of the cryptoassets or crypto-related product/investment.
Domestic exchanges	n.r.	
Access to crypto exchange/trading platform by residents	n.r.	

Changes during 2022 and 2023

Capital Transactions

Controls on capital transactions

Controls on direct investment

Inward direct investment	*01/04/2022*	The National Security and Investment Act 2021 came into force which formed the United Kingdom's (U.K.) national security screening system for acquisitions of control over qualifying entities (such as businesses) and qualifying assets (land, physical assets, and intellectual property). The Act applies to all qualifying acquisitions of control, regardless of the nationality of the acquirer. Certain acquisitions within 17 sectors of the economy (specified in "Notifiable Acquisition Regulations") are subject to mandatory notification and clearance requirements before they can take place. Other acquisitions (including those in the wider economy) can be voluntarily notified to receive a decision from the U.K. government about whether they will be "called in" for a full national security assessment. There is a statutory timetable – both for the initial screening of notifications and for full national security assessments. At the end of a national security assessment, the U.K. government must either issue a "final notification," in effect clearing the acquisition and confirming no further action will be taken under the

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Act, or make a "final order," imposing conditions on the acquisition to address the national security risk. This could include, as a last resort, blocking or unwinding an acquisition. The Secretary of State for Business, Energy and Industrial Strategy is the quasi-judicial decision maker for all cases, and is supported by the Investment Security Unit. Businesses, investors, advisers, and others can contact the Unit to discuss current or future acquisitions that may be subject to the Act. Criminal and civil sanctions are available in the event of non-compliance.

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UNITED STATES

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: December 10, 1946.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	The United States maintains certain restrictions on payments and transfers for current international transactions to respond to threats to its national security, foreign policy, or economy. The Department of the Treasury (Treasury) administers economic sanctions programs having such restrictions with respect to Cuba and its nationals; the Islamic Republic of Iran; the Democratic People's Republic of Korea (DPRK); Libya; Syria; Yemen; the Crimea region of Ukraine; certain persons contributing to the situation in Ukraine; certain persons contributing to the situation in Venezuela, as well as certain transactions with respect to that country; certain persons contributing to the situation in Nicaragua; certain persons contributing to the situation in Belarus; certain persons contributing to the situation in Zimbabwe; certain persons undermining the sovereignty of Lebanon or its democratic processes and institutions; certain persons contributing to the situation in the Democratic Republic of the Congo; certain persons contributing to the situation in Somalia; certain persons contributing to the situation in the Central African Republic; certain persons with respect to South Sudan; certain persons with respect to Darfur; certain persons for destabilizing Sudan and undermining the goal of democratic transition; certain persons who threaten international stabilization efforts in the Western Balkans, including certain persons indicted by the International Criminal Tribunal for the Former Yugoslavia; the former Iraqi regime of Saddam Hussein, its senior officials, and their family members; certain persons who threaten stabilization efforts in Iraq; governments supporting terrorism; foreign organizations associated with terrorism; designated global terrorists; certain foreign financial institutions for engaging in certain activities in support of Hizballah; certain persons subject to sanctions with respect to Iran, North Korea, and Russia pursuant to the Countering America's Adversaries Through Sanctions Act; designated proliferators of weapons of mass destruction (WMD); significant transnational criminal organizations; designated narcotics traffickers; certain persons responsible for the detention, abuse, or death of Sergei Magnitsky and certain persons responsible for extrajudicial killings, torture, or other gross violations of internationally recognized human rights in Russia; persons engaged in certain significant, malicious cyber-enabled activities; certain persons engaged in serious human rights abuse or corruption; certain persons engaged in foreign interference in US elections; certain persons contributing to the

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situation in and in relation to Syria; certain persons subject to sanctions pursuant to the Protecting Europe's Energy Security Act; certain persons contributing to the situation in Hong Kong SAR; and certain persons engaged in specified harmful foreign activities of the Government of the Russian Federation. Further, Treasury prohibits the purchase or sale of publicly traded securities, or publicly traded securities that are derivative of or are designed to provide investment exposure to, such securities—according to certain timelines—of persons identified on the Non-SDN Chinese Military-Industrial Complex Companies List. Treasury also prohibits, under Executive Order 13662, the provision of financing for, and other dealings in new debt of longer than 14-day maturity (Directive 1), 30-day maturity (Directive 3), 60-day maturity (Directive 2), or new equity (Directive 1), persons identified on the Sectoral Sanctions Identification List. Treasury prohibits US banks from participating in the primary or secondary market for ruble- or non-ruble-denominated bonds issued by the Russian sovereign or lending ruble or non-ruble-denominated funds to the Russian sovereign (Directive 1A under Executive Order 14024 and the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 [CBW Act Directive]). Treasury maintains correspondent or payable-through account and transaction processing restrictions on certain Russia-related financial institutions (Directive 2 under Executive Order 14024). Treasury prohibits certain transactions in new debt or new equity of certain Russia-related entities (Directive 3 under Executive Order 14024). Treasury also prohibits transactions involving the CB, National Wealth Fund, or the MOF of the Russian Federation (Directive 4 under Executive Order 14024). Restrictions on transactions imposed by Treasury are specified under the following: (1) Cuban Assets Control Regulations, 31 Code of Federal Regulations (CFR) part 515; (2) Iranian Assets Control Regulations, 31 CFR part 535; Iranian Transactions and Sanctions Regulations, 31 CFR part 560; Iranian Financial Sanctions Regulations, 31 CFR part 561; Iranian Human Rights Abuses Sanctions Regulations, 31 CFR part 562 and Executive Orders 13606 (April 22, 2012) and 13608 (May 1, 2012) and Subtitle D of Title XII of Public Law No. 112-239; Executive Order 13846 (August 6, 2018), Executive Order 13871 (May 8, 2019), Executive Order 13876 (June 24, 2019), and Executive Order 13902 (January 10, 2020); and Executive Order 13949 (September 21, 2020); (3) Darfur Sanctions Regulations, 31 CFR part 546; (4) Syrian Sanctions Regulations, 31 CFR part 542; Caesar Syria Civilian Protection Act of 2019, Public Law No. 116-92, and Executive Order 13894 (October 17, 2019); (5) Zimbabwe Sanctions Regulations, 31 CFR part 541; (6) Belarus Sanctions Regulations, 31 CFR part 548, and Executive Order 13405 (June 20, 2006) and Executive Order 14038 (August 9, 2021); (7) Western Balkans Stabilization Regulations, 31 CFR part 588, and Executive Orders 13219 (June 26, 2001), 13304 (May 23, 2003), and 14033 (June 8, 2021); (8) Foreign Interference in US Elections Sanctions Regulations, 31 CFR part 579, and Executive Order 13848 (September 12, 2018); (9) Terrorism List Government Sanctions Regulations, 31 CFR part 596; (10) Foreign Terrorist Organizations Sanctions Regulations, 31 CFR part 597; (11) Global Terrorism Sanctions Regulations, 31 CFR part 594; (12) WMD Proliferators Sanctions Regulations, 31 CFR part 544; (13) Narcotics Trafficking Sanctions Regulations, 31 CFR part 536; (14) Foreign Narcotics Kingpin Sanctions Regulations, 31 CFR part 598; (15) Democratic Republic of the Congo Sanctions Regulations, 31 CFR part 547, and Executive Order 13671 (July 8, 2014); (16) Iraq Stabilization and Insurgency Sanctions Regulations, 31 CFR part 576; (17) Lebanon

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Sanctions Regulations, 31 CFR part 549; (18) Democratic People's Republic of Korea Sanctions Regulations, 31 CFR part 510 (April 10, 2020); (19) Libyan Sanctions Regulations, 31 CFR part 570, and Executive Order 13726; (20) Yemen Sanctions Regulations, 31 CFR part 552, and Executive Order 13611 (May 16, 2012); (21) Somalia Sanctions Regulations, 31 CFR part 551, and Executive Order 13620 (July 20, 2012); (22) Transnational Criminal Organizations Sanctions Regulations, 31 CFR part 590; (23) Sergei Magnitsky Rule of Law Accountability Act of 2012, Public Law No. 112-208; (24) South Sudan Sanctions Regulations, 31 CFR part 558; (25) Central African Republic Sanctions Regulations, 31 CFR part 553; (26) Ukraine-/Russia-Related Sanctions Regulations, 31 CFR part 589 and Executive Order 14065 (February 21, 2022); (27) Cyber-Related Sanctions Regulations, 31 CFR part 578, and Executive Orders 13757 (December 28, 2016) and 13694 (April 1, 2015); (28) Hizballah Financial Sanctions Regulations, 31 CFR part 566; (29) Venezuela Sanctions Regulations, 31 CFR part 591, and Executive Orders 13692 (March 8, 2015), 13808 (August 24, 2017), 13827 (March 19, 2018), 13835 (May 21, 2018), 13850 (November 1, 2018), 13857 (January 25, 2019), and 13884 (August 5, 2019); (30) Global Magnitsky Sanctions Regulations, 31 CFR part 583, and Executive Order 13818 (December 21, 2017); (31) Mali Executive Order 13882 (July 26, 2019); (32) Syria-Related Sanctions Regulations, 31 CFR part 569, and Executive Order 13894 (October 14, 2019); (33) Hong Kong-Related Sanctions Regulations, 31 CFR Part 585, Hong Kong Human Rights and Democracy Act (Public Law No. 116-76), Hong Kong Autonomy Act (Public Law No. 116-149), and Executive Order 13936 (July 14, 2020); (34) Executive Order 14014 of February 10, 2021, Blocking Property with Respect to the Situation in Burma; (35) Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587, and Executive Orders 14024 (April 15, 2021), 14066 (March 8, 2022), 14068 (March 11, 2022), and 14071 (April 6, 2022); (36) Executive Order 14039 of August 20, 2021, Blocking Property with Respect to Certain Russian Energy Export Pipelines; and (37) Executive Order 14105 of August 9, 2023, Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern. Treasury administers measures imposed against sanctions targets, including those related to blocked accounts. The assets of many individuals, entities, and some governments are blocked, and most transactions with them are prohibited, pursuant to sanctions, including, for example, specified foreign persons and foreign persons determined to have committed or to pose a significant risk of committing acts of terrorism that threaten national security, foreign policy, the US economy, or the security of US nationals; persons owned or controlled by, or acting for or on behalf of, terrorists or their supporters; persons providing assistance, financial, material, or technological support for, or financial or other services to or in support of, terrorists or acts of terrorism; and persons otherwise associated with any of the foregoing persons. Certain funds and other properties blocked under these sanctions programs will remain blocked until provisions are made to address claims or encumbrances with respect to such funds and property. Treasury also (1) prohibits imports and exports of rough diamonds that are not controlled through the Kimberley Process Certification Scheme (under the Rough Diamonds Control Regulations, 31 CFR part 592) and (2) prohibits imports from certain entities that proliferate nuclear, biological, or chemical weapons, under the WMD Trade Control Regulations, 31 CFR part 539. The United States has introduced the following measures on payments and transfers for current

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international transactions: Executive Order 13599, Blocking Property of the Government of Iran and Iranian Financial Institutions; Iranian Financial Sanctions Regulations, 31 CFR part 561; Executive Order 13606, Blocking the Property and Suspending Entry into the United States of Certain Persons with Respect to Grave Human Rights Abuses by the Governments of Iran and Syria via Information Technology; Executive Order 13608, Prohibiting Certain Transactions with and Suspending Entry into the United States of Foreign Sanctions Evaders with Respect to Iran and Syria; Executive Order 13660, Blocking Property of Certain Persons Contributing to the Situation in Ukraine; Executive Order 13661, Blocking Property of Additional Persons Contributing to the Situation in Ukraine; Executive Order 13662, Blocking Property of Additional Persons Contributing to the Situation in Ukraine; Executive Order 13664, Blocking Property of Certain Persons with Respect to South Sudan; Executive Order 14098 of May 4, 2023, Blocking Property of Certain Persons with Respect to Sudan; Executive Order 13667, Blocking Property of Certain Persons Contributing to the Conflict in the Central African Republic; Executive Order 13668, Ending Immunities Granted to the Development Fund for Iraq and Certain Other Iraqi Property and Interests in Property Pursuant to Executive Order 13303, as amended; Executive Order 13685, Blocking Property of Certain Persons and Prohibiting Certain Transactions with Respect to the Crimea Region of Ukraine; Executive Order 14065 of February 21, 2022, Blocking Property of Certain Persons and Prohibiting Certain Transactions with Respect to Continued Russian Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine; Executive Order 13851 of November 27, 2018 and Executive Order 14088 of October 24, 2022, Blocking Property of Certain Persons Contributing to the Situation in Nicaragua; Executive Order 13692, Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela; Executive Order 13808, Imposing Additional Sanctions with Respect to the Situation in Venezuela; Executive Order 13827, Taking Additional Steps to Address the Situation in Venezuela; Executive Order 13835, Prohibiting Certain Additional Transactions with Respect to Venezuela; Executive Order 13850, Blocking Property of Additional Persons Contributing to the Situation in Venezuela; Executive Order 13857, Taking Additional Steps to Address the National Emergency with Respect to Venezuela; Executive Order 13884, Blocking Property of the Government of Venezuela; Executive Order 13570, Prohibiting Certain Transactions with Respect to the Democratic People's Republic of Korea; Executive Order 13716, Revoking Executive Orders 13574, 13590, 13622, and 13645 with Respect to Iran, Amending Executive Order 13628 with Respect To Iran, and Provision of Implementation Authorities for Aspects of Certain Statutory Sanctions Outside the Scope of US Commitments under the Joint Comprehensive Plan of Action of July 14, 2015; Executive Order 13722, Blocking Property of the Government of Democratic People's Republic of Korea and the Workers' Party of Korea and Prohibiting Certain Transactions with Respect to the Democratic People's Republic of Korea; Executive Order 13810, Imposing Additional Sanctions with Respect to Democratic People's Republic of Korea; Executive Order 13818, Blocking the Property of Persons Involved in Serious Human Rights Abuse or Corruption; and Executive Order 13848 of September 12, 2018, Imposing Certain Sanctions in the Event of Foreign Interference in a United States Election; Executive Order 13894 of October 14, 2019, Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Syria; Executive

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		Order 13936 of July 14, 2020, on Hong Kong Normalization; Executive Order 13949 of September 21, 2020, Blocking Property of Certain Persons with Respect to the Conventional Arms Activities of Iran; Executive Orders 13959 of November 12, 2020, and 13974 of January 13 2021, Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies; Executive Order 14032 of June 3, 2021, Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China; Executive Order 14046 effective September 17, 2021, Imposing Sanctions on Certain Persons with Respect to the Humanitarian and Human Rights Crisis in Ethiopia; Executive Order 14059 as of December 15, 2021, Imposing Sanctions on Foreign Persons Involved in the Global Illicit Drug Trade; Executive Order 14024 of April 15, 2021, Blocking Property with Respect to Specified Harmful Foreign Activities of the Government of the Russian Federation; Executive Order 14066 of March 8, 2022, Prohibiting Certain Imports and New Investments with Respect to Continued Russian Federation Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine; Executive Order 14068 of March 11, 2022, Prohibiting Certain Imports, Exports, and New Investment with Respect to Continued Russian Federation Aggression; Executive Order 14071 of April 8, 2022, Prohibiting New Investment in and Certain Services to the Russian Federation in Response to Continued Russian Federation Aggression; Executive Order 14078 of July 19, 2022, Bolstering Efforts to Bring Hostages and Wrongfully Detained US Nationals Home. Executive Order 13886 (September 10, 2019) consolidated and enhanced sanctions to combat acts of terrorism and threats of terrorism by foreign terrorists, providing for ongoing authorities to target terrorists and organizations associated with terrorism. It also terminated the national emergency in Executive Order 12947 and revoked that order, thereby eliminating the authority specific to "foreign terrorists that disrupt the Middle East peace process." Executive Order 14054 issued on November 18, 2021, terminated the national emergency in Executive Order 13712 eliminating the Burundi sanctions program.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of the United States is the US dollar.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		

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Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating	Yes.	The de jure and de facto exchange rate arrangements are free floating; the exchange rate of the US dollar is determined freely in the foreign exchange market. Foreign exchange interventions are not formally ruled out in the United States, but they are rarely used. The secretary of the Treasury is responsible for the formulation and implementation of international monetary and financial policy, including foreign exchange market intervention policy. The Federal Reserve (Fed) has separate legal authority to engage in foreign exchange operations, which are conducted in close and continuous consultation and cooperation with the Treasury to ensure consistency with US international monetary and financial policy. The Treasury and the Fed have closely coordinated their foreign exchange operations since early 1962, when the Fed commenced such operations at the request of the Treasury. Operations are conducted through the Federal Reserve Bank of New York, as fiscal agent of the United States and as the operating arm of the Federal Reserve System. Interventions are announced when they occur, and the size of the interventions is reported in the Treasury and Federal Reserve Foreign Exchange Operations quarterly bulletin. US authorities last intervened in the foreign exchange market in March 2011, following the earthquake in Japan, in a coordinated G7 effort to sell Japanese yen. The Federal Reserve Bank of New York publishes quarterly reports on Treasury and Federal Reserve foreign exchange operations.
Official exchange rate	No.	The United States neither computes nor publishes an official or reference exchange rate.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		

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Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	Monetary policy aims at maintaining the long-term growth of the monetary and credit aggregates commensurate with the economy's long-term potential to increase production, so as to promote maximum employment, stable prices, and moderate long-term interest rates. The Federal Open Market Committee's (FOMC) longer-term goals, include targeting inflation that averages 2% over time, as measured by the annual change in the price index for personal consumption expenditures. In setting monetary policy, the FOMC will seek to mitigate deviations in inflation from its longer-term goal and employment shortfalls from the FOMC's assessment of its maximum level. FOMC meeting minutes are published online.
Exchange tax	No.	
Exchange subsidy	No.	

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Foreign exchange market	Yes.	Exchange rates and commissions in transactions are freely determined.
Spot exchange market	Yes.	There are no licensing requirements to deal in foreign exchange. In addition, there are no restrictions on the types of foreign exchange transactions institutions or individuals may engage in or the types of foreign accounts they may have. There are, however, various reporting requirements.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There are no limits on the bid-ask spreads and commissions of market participants. The Fed's participation in the interbank market is not limited, but it does not regularly intervene in the foreign exchange market.
Over the counter	Yes.	The foreign exchange market in the United States operates primarily over the counter. The key participants are the large money center banks, investment and insurance firms, branches and subsidiaries of foreign banks, brokerage firms, and principal trading firms. Some of these participants serve as market makers. A fraction of total foreign exchange trading takes place on futures and options exchanges; most trading takes place through direct dealing, on electronic trading systems using either multibank dealing or single-bank proprietary platforms, or through electronic brokerage systems.
Brokerage	Yes.	Some market participants are brokerage firms.
Market making	Yes.	Some market participants are market makers.
Forward exchange market	Yes.	The Fed does not participate in the foreign exchange derivatives market.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Controls on the use of domestic currency	No.
For current transactions and payments	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Use of foreign exchange among residents	No.
Payments arrangements	No.
Bilateral payments arrangements	No.

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Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	US persons (including all persons in the United States) are prohibited from exporting, withdrawing from, or importing into the United States gold or silver coins or bullion in which any individual, entity, or government subject to sanctions has an interest.
On domestic ownership and/or trade	No.	
On external trade	No.	No controls are imposed, except on individuals, entities, or governments subject to sanctions.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Individuals leaving or entering the United States with more than the equivalent of US$10,000 in domestic or foreign currency, traveler's checks, money orders, or negotiable bearer securities must declare these to customs at the point of exit or entry. US persons (including all persons within the United States) are prohibited from exporting, withdrawing from, or importing into the United States gold or silver coins or bullion, currency, or securities in which any individual, entity, or government to which sanctions apply has an interest.
Foreign currency	No.	Individuals leaving or entering the United States with more than the equivalent of US$10,000 in domestic or foreign currency, traveler's checks, money orders, or negotiable bearer securities must declare these to customs at the point of exit or entry. US persons (including all persons within the United States) are prohibited from exporting, withdrawing from, or importing into the United States gold or silver coins or bullion, currency, or securities in which any individual, entity, or government to which sanctions apply has an interest.
On imports	No.	
Domestic currency	No.	Individuals leaving or entering the United States with more than the equivalent of US$10,000 in domestic or foreign currency, traveler's checks, money orders, or negotiable bearer securities must declare these to customs at the point of exit or entry. US persons (including all persons within the United States) are prohibited from exporting, withdrawing from, or importing into the United States gold or silver coins or bullion, currency, or securities in which any individual, entity, or government to which sanctions apply has an interest.
Foreign currency	No.	Individuals leaving or entering the United States with more than the equivalent of US$10,000 in domestic or foreign currency, traveler's checks, money orders, or negotiable bearer securities must declare these to customs at the point of exit or entry. US persons (including

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all persons within the United States) are prohibited from exporting, withdrawing from, or importing into the United States gold or silver coins or bullion, currency, or securities in which any individual, entity, or government to which sanctions apply has an interest.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Accounts are treated like those in domestic currency. Balances may be transferred to and from other countries freely.
Approval required	No.	
Held abroad	Yes.	Balances may be transferred to and from other countries freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	The accounts of the following are blocked: Syria; DPRK (March 15, 2016); the Islamic Republic of Iran; the Workers' Party of Korea (March 15, 2016); Iranian financial institutions; and certain individuals and entities whose property and interests in property are blocked under the measures imposed for national security, foreign policy, or economic reasons with respect to the Western Balkans, Belarus, the Central African Republic, Cuba, the Democratic Republic of the Congo, Darfur, Hong Kong SAR, Iran, Iraq, Lebanon, Libya, Mali, Myanmar, Nicaragua, North Korea, Russian harmful foreign activities, Somalia, South Sudan, Sudan, Syria, certain Syria-related matters, the situation in Ukraine, Venezuela, Yemen, Zimbabwe, narcotics trafficking, terrorism, malicious cyber-enabled activity, foreign interference in a US election, serious human rights abuse or corruption, proliferation of WMD, transnational criminal organizations, or the detention, abuse, or death of Sergei Magnitsky and certain persons responsible for extrajudicial killings, torture, or other gross violations of internationally recognized human rights in Russia. Executive Order 14054 issued on November 18, 2021, terminated the national emergency in Executive Order 13712 eliminating the Burundi sanctions program.

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	

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Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Imports from the Islamic Republic of Iran, DPRK, the Crimea region of Ukraine, and the Donetsk People's Republic or Luhansk People's Republic regions (or other covered regions) of Ukraine; petroleum or petroleum products of Syrian origin; and charcoal of Somali origin are prohibited unless specifically authorized by the US government. The importation of rough diamonds is prohibited unless controlled by the Kimberley Process Certification Scheme. In addition, the importation of most goods and services from Cuba is prohibited.
Open general licenses	Yes.	With certain exceptions, general licenses authorize, among other things, the importation of goods or services into the United States for the conduct of official business by missions of the Islamic Republic of Iran to international organizations in the United States and the Iranian Interests Section of the Embassy of Pakistan in the United States. There are also broad exemptions for the importation of informational materials. This is not an exhaustive list of general licenses available under these sanctions programs, and many of these general licenses are subject to various conditions and restrictions that must be satisfied to comply with the terms of the license. The general licenses can be found either in the regulations referred to in Section II.B.1 above and/or on the website (listed in the References column) within the individual sanctions programs.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	Import tariffs are generally low, with higher-than-average rates for imports of beverages and tobacco, textiles and clothing, and leather and footwear. As a result of the Uruguay Round, all tariff lines are bound.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	The Department of Commerce controls exports and reexports of dual-use and less-sensitive military commodities, technology, and software for reasons of national security, foreign policy, nonproliferation, and short supply. Except for shipment to US territories and possessions, which are treated as part of the United States, most exports from the United States are subject to the Export Administration Regulations and to varying license requirements depending on destination, end use, and end user. The Department of Commerce Bureau of Industry and Security administers and enforces the Export Administration Regulations. Several agencies of the US government maintain export controls on products other than those subject to the Export Administration Regulations, including the Departments of State and Energy and the Nuclear Regulatory Commission.
Without quotas	Yes.	In accordance with 22 US Code 2778-2780 of the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (22 CFR parts 120–130), the Directorate of Defense Trade Controls in the Department of State is charged with controlling exports and temporary imports of defense articles and defense services covered by the United States Munitions List in the International Traffic in Arms Regulations. Generally, ammunition for military use may be exported only under a license issued by the Directorate of Defense Trade Controls.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

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Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

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Controls on capital transactions	Yes.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Laws on inward direct investment apply to purchases in the United States by nonresidents. The controls apply only to purchases by nonresidents of securities that may be restricted by laws on inward direct investment and on establishment in the nuclear energy, maritime, communications, air and land transport, and shipping industries. There are some restrictions specific to state legislative jurisdiction in the banking, securities, and insurance sectors.
Sale or issue locally by nonresidents	Yes.	Offers and sales of securities in the United States or to US residents must be registered with the Securities and Exchange Commission (SEC) under the Securities Act of 1933 and/or the Securities Exchange Act of 1934 or subject to a valid exemption from registration.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	Offers and sales of securities outside the United States by residents generally are not required to be registered under the Securities Act of 1933 if covered by Regulation S or other exemption from such registration as applicable.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Offers and sales of securities in the United States or to US residents must be registered with the SEC under the Securities Act of 1933 and/or the Securities Exchange Act of 1934 or subject to a valid exemption. Controls apply to the use of a small-issue exemption by nonresident issuers.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	Offers and sales of securities outside the United States by residents generally are not required to be registered under the Securities Act of 1933 if covered by Regulation S or other exemption from such registration as applicable.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Offers and sales of securities in the United States must be registered under the Securities Act of 1933 and/or the Securities Exchange Act of 1934 or subject to a valid exemption.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	Offers and sales of securities outside the United States by residents generally are not required to be registered under the Securities Act of

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		1933 if covered by Regulation S or other exemption from such registration as applicable.
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Public offers made in the United States by foreign investment companies are prohibited under the Investment Company Act, unless the SEC issues an order to permit such foreign investment companies to make a public offer. To issue such an order, the SEC must find that, by reason of special circumstances or arrangements, it is both legally and practically feasible to enforce the provisions of the Investment Company Act of 1940 against the foreign investment company, and that the issuance of the order is otherwise consistent with the public interest and the protection of investors.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	Offers and sales of securities outside the United States by residents generally are not required to be registered under the Securities Act of 1933 if covered by Regulation S or other exemption from such registration as applicable.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	Yes.	Offers and sales of securities in the United States must be registered under the Securities Act of 1933 and/or the Securities Exchange Act of 1934 or subject to a valid exemption.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	Offers and sales of securities outside the United States by residents generally are not required to be registered under the Securities Act of 1933 if covered by Regulation S or other exemption from such registration as applicable.
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	The Johnson Act prohibits, with certain exceptions, persons within the United States from dealing in financial obligations or extending loans to foreign governments that have defaulted on payments of their obligations to the US government. The act's prohibitions do not apply to foreign governments that are members of both the IMF and the World Bank.
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Offers and sales of securities in the United States must be registered under the Securities Act of 1933 or subject to a valid exemption from registration pursuant to the Securities Act.
To residents from nonresidents	Yes.	Offers and sales of securities in the United States must be registered under the Securities Act of 1933 or subject to a valid exemption from registration pursuant to the Securities Act.

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Controls on direct investment	Yes.	
Outward direct investment	Yes.	Controls apply to investment transactions with or involving persons subject to sanctions.
Inward direct investment	Yes.	Controls apply to investments that may be restricted by laws on inward direct investment and on establishments in (1) atomic/nuclear energy; (2) broadcasting (radio and television), common carrier, aeronautical en route or aeronautical fixed radio station licenses in accordance with 47 US Code Section 310, except as authorized under 47 US Code Section 310(b)(4); (3) air transport; (4) coastal and domestic shipping (including dredging and salvaging in coastal waters and transporting offshore supplies from a point within the United States to an offshore drilling rig or platform on the continental shelf); (5) ocean thermal energy, hydroelectric power, geothermal steam, or related resources on federal lands; mining on federal lands, the outer continental shelf, or the deep seabed; fishing in the "exclusive economic zone;" and deepwater ports, except through a company incorporated in the United States; and (6) branches of foreign insurance companies, to the extent that they are not permitted to provide surety bonds for US government contracts. Investments involving ownership interest in banks are subject to federal and state banking laws and regulations. Controls apply to investment transactions with persons subject to sanctions. Section 721 of the Defense Production Act of 1950 authorizes the interagency Committee on Foreign Investment in the United States to review transactions that could give control of a US business to a foreign person ("covered transactions") to determine their effect on national security. It further authorizes the president, on the committee's recommendation based on its investigation, to suspend or prohibit any covered transaction that threatens national security.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	Yes.	Ownership of agricultural land by foreign nationals or by corporations in which foreign owners have an interest of at least 10% or substantial control must be reported to the Department of Agriculture. Certain states in the United States impose various controls on foreign nationals' purchases of land within their borders.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	

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Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	Banks are subject to prudential oversight in these areas.
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	No.	The foreign currency positions of banks, whether overall or with respect to individual currencies, are not subject to quantitative limits, but banks are subject to prudential oversight. In addition, large foreign exchange market participants are required to report their holdings of five major foreign currencies and US dollars weekly, monthly, or quarterly.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	

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Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Most private sector US-based pension plans are subject to the Employee Retirement Income Security Act (ERISA) of 1974. Except with respect to securities issued by a plan's sponsor (or an affiliate) and real estate leased to a sponsor (or an affiliate), ERISA does not impose quantitative limits on the percentage of plan assets that may be invested in particular types of assets. Instead, ERISA establishes a set of general principles (for example, prudence and diversification) that plan fiduciaries must observe in making and holding plan investments. ERISA also prohibits any fiduciary from maintaining the indicia of ownership of any assets of a plan outside the jurisdiction of the courts of the United States, except as authorized by regulations issued by the secretary of labor.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	Yes.	As is the case with domestic securities, foreign securities must have a "ready market" or their value is deducted in full when computing a broker-dealer's regulatory "net capital." Securities that are listed on many major foreign securities exchanges are considered to have a ready market. In addition, securities that have a ready market are subject to haircut deductions that vary depending on the type of security. To account for currency risk, an additional haircut charge is required for securities denominated in a foreign currency. However, broker-dealers generally may reduce or eliminate the additional currency risk haircut charge by holding an offsetting position denominated in the same currency. See Securities Exchange Act Rule No. 15c3-1, 17 CFR § 240.15c3-1. In addition, broker-dealers holding balances of foreign currency are subject to certain haircut deductions to account for currency risk. Broker-dealers apply a lower haircut for certain major foreign currencies, and securities denominated in those currencies, and a higher haircut for other foreign currencies and securities denominated in those foreign currencies. See Securities Exchange Act Rule No. 15c3-1, 17 CFR § 240.15c3-1. A broker-dealer may pledge certain foreign sovereign debt and foreign currencies as collateral when borrowing fully paid securities from a customer. A certain amount of additional collateralization is required when the securities or currency that is pledged differs from the securities that are borrowed. See Securities Exchange Act Release No. 47683 (April 16, 2003). For purposes of this response, the term "broker-dealer" includes any entity registered with the US SEC as a broker or dealer.
Limits (max.) on securities issued by nonresidents	Yes.	Although broker-dealers are not subject to a quantitative limit on the number or value of securities issued by nonresidents, foreign securities must have a "ready market" to have value for broker-dealer regulatory "net capital" purposes. Securities that are listed on many major foreign securities exchanges are considered to have a ready

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		market.
Limits (max.) on investment portfolio held abroad	Yes.	Although broker-dealers are not quantitatively limited as to the portion of their portfolio that can be held abroad, broker-dealers that hold securities abroad generally must have the foreign locations approved by the SEC. Securities that are listed on many major foreign securities exchanges are considered to have a ready market. See Exchange Act Rule No. 15c3-3(c), 17 CFR § 240.15c3-1(c).
Limits (min.) on investment portfolio held locally	No.	Broker-dealers are not required to hold a minimum portion of their portfolio locally.
Currency-matching regulations on assets/liabilities composition	Yes.	To account for currency risk, an additional net capital charge is required for securities denominated in a foreign currency. However, broker-dealers generally may reduce or eliminate the additional currency risk haircut charge by holding an offsetting position denominated in the same currency. See Securities Exchange Act Rule No. 15c3-1 (c)(2)(vi), 17 CFR § 240.15c3-1 (c)(2)(vi). In addition, broker-dealers holding balances of foreign currency are subject to certain deductions to account for currency risk. Broker-dealers apply a lower deduction for certain major foreign currencies and securities denominated in those currencies and a higher deduction for other foreign currencies and securities denominated in those foreign currencies. See Securities Exchange Act Rule No. 15c3 -1(c)(2)(vi), 17 CFR § 240.15c3-1(c)(2)(vi).

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	The United States does not have any central bank digital currency (CBDC), whether wholesale or retail, in circulation. For retail, this means that there is no digital CB liability that can be held by nonbank firms or individuals. Reserves held by banks at the Federal Reserve are digital, but the infrastructure supporting the use of reserves does not use distributed ledger technology (DLT) or have some other characteristics often associated with a CBDC.
Retail	No.	
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset. The US federal securities laws also will apply with respect to any derivatives on or based on the value of a crypto-asset that is a security, as well as to crypto-asset service providers (and others) engaging in activities relating to those derivatives. Under the Securities Act of 1933 (Securities Act), any offer and sale (including any resale) of a crypto-asset that is a security must be made by filing a registration statement under the Securities Act with the US SEC or be conducted pursuant to an available exemption from registration under the Securities Act. Offerings of derivatives on crypto-assets that are securities may be subject to different registration and exemption provisions under the Securities Act. The registration requirements apply to any primary offer or sale of the crypto-asset that is a security by the issuer, an underwriter or other participant in the offering, and to any subsequent resale of such securities, including transactions on trading platforms. Exemptions from the registration requirements of the Securities Act might be available for primary offerings of crypto-assets that are securities and for resales of such crypto-assets, if the conditions of those exemptions are met. Offerings of crypto-assets that are securities that are made on a registered basis under the Securities Act require the filing of a

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		registration statement (which includes a prospectus) with the SEC, and the registration statement must be declared effective by the SEC before any sales of the securities can be made. A prospectus included in the registration statement must include disclosure about the material terms of the transaction and the business of the issuer, including financial statements. In offerings conducted in reliance on exemptions from the registration requirements of the Securities Act, the disclosures available to investors vary depending on the specific exemption being relied on. Certain exemptions provide issuers with discretion in determining what to disclose to investors, while other exemptions require specific disclosures. The issuer of a crypto-asset that is a security may become subject to the periodic and current reporting requirements of the Securities Exchange Act of 1934 (Exchange Act). These reporting requirements arise either because, depending on the characteristics of the crypto-asset that is a security or where it is traded, among other factors, the issuer of a crypto-asset that is a security (1) is required to register the crypto-asset as a class of security under the Exchange Act or (2) has registered an offering of the crypto-asset under the Securities Act. In these cases, an entity must file certain reports with the SEC, including annual, periodic, and current reports. These reports are available to the public through the SEC's EDGAR database. These entities also may be subject to other Exchange Act disclosure requirements, such as those relating to proxy solicitations and tender offers. All securities offerings and transactions, whether registered or exempt, are subject to the antifraud provisions of the US federal securities laws. The SEC enforces the US federal securities laws through civil and administrative proceedings. Private parties also can bring actions under certain provisions of the US federal securities laws. Also, there are remedies available to investors if the offerings are not registered with the SEC under the Securities Act or not made pursuant to an available exemption from such requirements. For example, if a purchaser were sold a security in violation of the registration provisions of the Securities Act, the purchaser may be entitled to recover the consideration paid for such security plus interest (minus income received thereon) or damages if the purchaser no longer owns the security. US institutions that deal in these foreign CBDCs have the same AML reporting obligations to which they are currently obligated under the Bank Secrecy Act.
Retail	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset. Under the Securities Act of 1933 (Securities Act), any offer and retail sale of a crypto-asset that is a security must be made by filing a registration statement under the Securities Act with the US SEC or be conducted pursuant to an available exemption from registration under the Securities Act. The registration requirements apply to any primary offer or retail sale of the crypto-asset that is a security by the issuer, an underwriter or other participant in the offering, and to any subsequent resale of such securities, including transactions on trading platforms. Exemptions from the registration requirements of the Securities Act might be available for primary offerings of crypto-assets that are securities and for resales of such crypto-assets, if the conditions of those exemptions are met. Offerings of crypto-assets that are securities that are made on a

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		registered basis under the Securities Act require the filing of a registration statement (which includes a prospectus) with the SEC, and the registration statement must be declared effective by the SEC before any retail sales of the securities can be made.
Wholesale	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset. Under the Securities Act of 1933 (Securities Act), any offer and wholesale sale of a crypto-asset that is a security must be made by filing a registration statement under the Securities Act with the US SEC or be conducted pursuant to an available exemption from registration under the Securities Act. The registration requirements apply to any primary offer or wholesale sale of the crypto-asset that is a security by the issuer, an underwriter or other participant in the offering, and to any subsequent resale of such securities, including transactions on trading platforms. Exemptions from the registration requirements of the Securities Act might be available for primary offerings of crypto-assets that are securities and for resales of such crypto-assets, if the conditions of those exemptions are met. Offerings of crypto-assets that are securities that are made on a registered basis under the Securities Act require the filing of a registration statement (which includes a prospectus) with the SEC, and the registration statement must be declared effective by the SEC before any wholesale sales of the securities can be made.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.	
Use among residents	n.r.	
Between residents and nonresidents	n.r.	
For current transaction	n.r.	
For capital transactions	n.r.	
Transactions in capital and money market instruments	n.r.	
Transactions in derivatives and other instruments	n.r.	
Credit operations	n.r.	
Between nonresidents	n.r.	
Controls on CBDC launched by another jurisdiction	Yes.	Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. However, a bank must at all times conduct its business and exercise its powers—including with respect to crypto-asset-related activities—with due regard to safety and soundness. See 12 U.S.C. § 1831p-1; 12 CFR Part 30, Appx. A; 12 CFR Part 208, Appx. D-1; 12 CFR Part 364, Appx. A. In 2023, the US federal banking agencies (FBAs) (that is, the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC)) issued the following with respect to crypto-assets: On January 3, the US FBAs issued a joint statement on the risks to banking organizations associated with crypto-assets and crypto-asset sector participants. On February 23, the FBAs issued a statement focused on the

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		liquidity risks presented by certain sources of funding from crypto-asset-related entities. On January 27, the FRB issued a policy statement clarifying that, in general, state member banks and their subsidiaries may engage as principal in only those activities that are permissible for national banks—in each case, subject to the terms, conditions, and limitations placed on national banks with respect to the activity—unless the activity is permissible for state banks under federal law. See 12 CFR 208.112. The preamble to the policy statement noted that the FRB has not identified any authority permitting national banks to hold most crypto-assets; therefore, the FRB would presumptively prohibit state member banks from holding most crypto-assets as principal. The preamble also notes that nothing in the policy statement would prohibit a state member bank from providing safekeeping services for crypto-assets in a custodial capacity (that is, a non-principal activity) if such activities are conducted in a safe and sound manner and in compliance with law. US institutions that deal in these foreign CBDCs have the same AML reporting obligations to which they are currently obligated under the Bank Secrecy Act.
Acquisition by residents	Yes.	Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. However, a bank must at all times conduct its business and exercise its powers—including with respect to crypto-asset-related activities such as restrictions on obtaining foreign currency for the acquisition of foreign CBDC, or any controls on holding, or trading of CBDC launched by another jurisdiction —with due regard to safety and soundness.
Use among residents	Yes.	Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. However, a bank must at all times conduct its business and exercise its powers—including with respect to crypto-asset-related activities such as CBDC transactions between residents—with due regard to safety and soundness.
Between residents and nonresidents	Yes.	Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. However, a bank must at all times conduct its business and exercise its powers—including with respect to crypto-asset-related activities such as CBDC transactions between residents and nonresidents for current or capital transactions purposes—with due regard to safety and soundness.
For current transaction	Yes.	Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. However, a bank must at all times conduct its business and exercise its powers—including with respect to crypto-asset-related activities such as CBDC transactions between residents and nonresidents for current transactions purposes—with due regard to safety and soundness.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. However, a bank must at all times conduct its business and exercise its powers—including with respect to crypto-asset-related activities such as CBDC transactions between residents and nonresidents for transactions in capital and money market instruments —with due regard to safety and soundness.

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Transactions in derivatives and other instruments	Yes.	Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. However, a bank must at all times conduct its business and exercise its powers—including with respect to crypto-asset-related activities such as CBDC transactions between residents and nonresidents for transactions in derivatives and other instruments —with due regard to safety and soundness.
Credit operations	Yes.	Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. However, a bank must at all times conduct its business and exercise its powers—including with respect to crypto-asset-related activities such as CBDC transactions between residents and nonresidents for credit operations —with due regard to safety and soundness.
Crypto assets	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset. The US federal securities laws also will apply with respect to any derivatives on or based on the value of a crypto-asset that is a security, as well as to crypto-asset service providers (and others) engaging in activities relating to those derivatives. Under the Securities Act of 1933 (Securities Act), any offer and sale (including any resale) of a crypto-asset that is a security must be made by filing a registration statement under the Securities Act with the US SEC or be conducted pursuant to an available exemption from registration under the Securities Act. Offerings of derivatives on crypto-assets that are securities may be subject to different registration and exemption provisions under the Securities Act. The registration requirements apply to any primary offer or sale of the crypto-asset that is a security by the issuer, an underwriter or other participant in the offering, and to any subsequent resale of such securities, including transactions on trading platforms. Exemptions from the registration requirements of the Securities Act might be available for primary offerings of crypto-assets that are securities and for resales of such crypto-assets, if the conditions of those exemptions are met. Offerings of crypto-assets that are securities that are made on a registered basis under the Securities Act require the filing of a registration statement (which includes a prospectus) with the SEC, and the registration statement must be declared effective by the SEC before any sales of the securities can be made. A prospectus included in the registration statement must include disclosure about the material terms of the transaction and the business of the issuer, including financial statements. In offerings conducted in reliance on exemptions from the registration requirements of the Securities Act, the disclosures available to investors vary depending on the specific exemption being relied on. Certain exemptions provide issuers with discretion in determining what to disclose to investors, while other exemptions require specific disclosures. The issuer of a crypto-asset that is a security may become subject to the periodic and current reporting requirements of the Securities Exchange Act of 1934 (Exchange Act). These reporting requirements arise either because, depending on the characteristics of the crypto-asset that is a security or where it is traded, among other factors, the issuer of a crypto-asset that is a security (1) is required to register the crypto-asset as a class of security under the Exchange Act or (2) has registered an offering of the crypto-asset under the Securities Act. In these cases, an entity must file certain reports with the SEC,

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		including annual, periodic, and current reports. These reports are available to the public through the SEC's EDGAR database. These entities also may be subject to other Exchange Act disclosure requirements, such as those relating to proxy solicitations and tender offers. All securities offerings and transactions, whether registered or exempt, are subject to the antifraud provisions of the US federal securities laws. The SEC enforces the US federal securities laws through civil and administrative proceedings. Private parties also can bring actions under certain provisions of the US federal securities laws. Also, there are remedies available to investors if the offerings are not registered with the SEC under the Securities Act or not made pursuant to an available exemption from such requirements. For example, if a purchaser were sold a security in violation of the registration provisions of the Securities Act, the purchaser may be entitled to recover the consideration paid for such security plus interest (minus income received thereon) or damages if the purchaser no longer owns the security. The nature of the way an entity transacts digital currencies and crypto-assets may be classified as money transmission, at which point the entity may be subject to regulatory obligations as a "Money Services Business" under the Bank Secrecy Act.
Controls on unbacked tokens	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset.
Acquisition by residents	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as obtaining foreign currency for the acquisition of the crypto-asset.
Use among residents	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents.
Between residents and nonresidents	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for current or capital transactions purposes.
For current transaction	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for current transactions purposes.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for transactions in capital and money market instruments.
Transactions in derivatives and other	Yes.	If a crypto-asset is a "security" under the US federal securities laws,

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instruments		then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for transactions in derivatives and other instruments. The US federal securities laws also will apply with respect to any derivatives on or based on the value of a crypto-asset that is a security, as well as to crypto-asset service providers (and others) engaging in activities relating to those derivatives.
Credit operations	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for credit operations.
Controls on utility and security tokens	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset.
Acquisition by residents	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as obtaining foreign currency for the acquisition of the crypto-asset.
Use among residents	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents.
Between residents and nonresidents	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for current or capital transactions purposes.
For current transaction	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for current transactions purposes.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for transactions in capital and money market instruments.
Transactions in derivatives and other instruments	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for transactions in derivatives and other instruments. The US federal securities laws also will apply with respect to any derivatives on or based on the value of a crypto-asset that is a security, as well as to crypto-asset service providers (and others)

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		engaging in activities relating to those derivatives.
Credit operations	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset, such as transactions between residents and nonresidents for credit operations.
Controls on stablecoins	Yes.	Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. However, a bank must at all times conduct its business and exercise its powers—including with respect to crypto-asset-related activities—with due regard to safety and soundness. See 12 U.S.C. § 1831p-1; 12 CFR Part 30, Appx. A; 12 CFR Part 208, Appx. D-1; 12 CFR Part 364, Appx. A. In 2023, the US FBAs (that is, FRB, OCC, FDIC) issued the following with respect to crypto-assets: On January 3, the US FBAs issued a joint statement on the risks to banking organizations associated with crypto-assets and crypto-asset sector participants. On February 23, the FBAs issued a statement focused on the liquidity risks presented by certain sources of funding from crypto-asset-related entities. On January 27, the FRB issued a policy statement clarifying that, in general, state member banks and their subsidiaries may engage as principal in only those activities that are permissible for national banks—in each case, subject to the terms, conditions, and limitations placed on national banks with respect to the activity—unless the activity is permissible for state banks under federal law. See 12 CFR 208.112. The preamble noted that the issuance of dollar-denominated tokens (for example, stablecoins) using DLT by national banks is subject to certain conditions by the OCC, including a supervisory nonobjection requirement; as a result, the FRB expects that state member banks would similarly receive a supervisory nonobjection from FRB supervisors before issuing stablecoins. On August 8, the Federal Reserve published a procedural document (SR/CA 23-08) describing the process by which a state member bank may request a supervisory nonobjection before conducting certain activities (for example, issuing, holding, or transacting) as principal involving "dollar tokens" using DLT or similar technologies to facilitate payments. With respect to stablecoins, SEC staff are looking closely at so-called "stablecoin" projects and the federal securities laws implications that they could present. Consistent with the above, whether a particular crypto-asset is a security depends on whether it falls into the definition of security under the federal securities laws. In analyzing the appropriate characterization of a stablecoin, simply calling a crypto-asset a "payment means" or "currency" or "stablecoin" does not mean that it is not a security. Whether a particular transaction involves the offer and sale of a security—regardless of the terminology used to identify the digital asset—will depend on the facts and circumstances, including the economic realities of the transaction. Thus, whether a particular crypto-asset called a stablecoin implicates the federal securities laws depends on the particular structure and arrangements of the so-called "stablecoin." While the publicly available information about many of the outstanding stablecoins makes claims about their structures and the rights of the holders of such stablecoins, much of the information

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		is not verifiable from public sources. Consequently, additional examination and information would be needed before a conclusion could be reached about the specific characterization of any particular stablecoin.
Acquisition by residents	Yes.	SEC staff are looking closely at so-called "stablecoin" projects and the federal securities laws implications that they could present. Consistent with the above, whether a particular crypto-asset is a security depends on whether it falls into the definition of security under the federal securities laws. In analyzing the appropriate characterization of a stablecoin, simply calling a crypto-asset a "payment means" or "currency" or "stablecoin" does not mean that it is not a security. Whether a particular transaction involves the offer and sale of a security—regardless of the terminology used to identify the digital asset—will depend on the facts and circumstances, including the economic realities of the transaction. Thus, whether a particular crypto-asset called a stablecoin implicates the federal securities laws depends on the particular structure and arrangements of the so-called "stablecoin." While the publicly available information about many of the outstanding stablecoins makes claims about their structures and the rights of the holders of such stablecoins, much of the information is not verifiable from public sources. Consequently, additional examination and information would be needed before a conclusion could be reached about the specific characterization of any particular stablecoin.
Use among residents	Yes.	SEC staff are looking closely at so-called "stablecoin" projects and the federal securities laws implications that they could present. Consistent with the above, whether a particular crypto-asset is a security depends on whether it falls into the definition of security under the federal securities laws. In analyzing the appropriate characterization of a stablecoin, simply calling a crypto-asset a "payment means" or "currency" or "stablecoin" does not mean that it is not a security. Whether a particular transaction involves the offer and sale of a security—regardless of the terminology used to identify the digital asset—will depend on the facts and circumstances, including the economic realities of the transaction. Thus, whether a particular crypto-asset called a stablecoin implicates the federal securities laws depends on the particular structure and arrangements of the so-called "stablecoin." While the publicly available information about many of the outstanding stablecoins makes claims about their structures and the rights of the holders of such stablecoins, much of the information is not verifiable from public sources. Consequently, additional examination and information would be needed before a conclusion could be reached about the specific characterization of any particular stablecoin.
Between residents and nonresidents	Yes.	SEC staff are looking closely at so-called "stablecoin" projects and the federal securities laws implications that they could present. Consistent with the above, whether a particular crypto-asset is a security depends on whether it falls into the definition of security under the federal securities laws. In analyzing the appropriate characterization of a stablecoin, simply calling a crypto-asset a "payment means" or "currency" or "stablecoin" does not mean that it is not a security. Whether a particular transaction involves the offer and sale of a security—regardless of the terminology used to identify the digital asset—will depend on the facts and circumstances, including the economic realities of the transaction. Thus, whether a particular crypto-asset called a stablecoin implicates the federal securities laws depends on the particular structure and arrangements of the so-called "stablecoin." While the publicly available information about many of the outstanding stablecoins makes claims

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		about their structures and the rights of the holders of such stablecoins, much of the information is not verifiable from public sources. Consequently, additional examination and information would be needed before a conclusion could be reached about the specific characterization of any particular stablecoin.
For current transaction	Yes.	SEC staff are looking closely at so-called "stablecoin" projects and the federal securities laws implications that they could present. Consistent with the above, whether a particular crypto-asset is a security depends on whether it falls into the definition of security under the federal securities laws. In analyzing the appropriate characterization of a stablecoin, simply calling a crypto-asset a "payment means" or "currency" or "stablecoin" does not mean that it is not a security. Whether a particular transaction involves the offer and sale of a security—regardless of the terminology used to identify the digital asset—will depend on the facts and circumstances, including the economic realities of the transaction. Thus, whether a particular crypto-asset called a stablecoin implicates the federal securities laws depends on the particular structure and arrangements of the so-called "stablecoin." While the publicly available information about many of the outstanding stablecoins makes claims about their structures and the rights of the holders of such stablecoins, much of the information is not verifiable from public sources. Consequently, additional examination and information would be needed before a conclusion could be reached about the specific characterization of any particular stablecoin.
For capital transactions	Yes.	
Transactions in capital and money market instruments	Yes.	SEC staff are looking closely at so-called "stablecoin" projects and the federal securities laws implications that they could present. Consistent with the above, whether a particular crypto-asset is a security depends on whether it falls into the definition of security under the federal securities laws. In analyzing the appropriate characterization of a stablecoin, simply calling a crypto-asset a "payment means" or "currency" or "stablecoin" does not mean that it is not a security. Whether a particular transaction involves the offer and sale of a security—regardless of the terminology used to identify the digital asset—will depend on the facts and circumstances, including the economic realities of the transaction. Thus, whether a particular crypto-asset called a stablecoin implicates the federal securities laws depends on the particular structure and arrangements of the so-called "stablecoin." While the publicly available information about many of the outstanding stablecoins makes claims about their structures and the rights of the holders of such stablecoins, much of the information is not verifiable from public sources. Consequently, additional examination and information would be needed before a conclusion could be reached about the specific characterization of any particular stablecoin.
Transactions in derivatives and other instruments	Yes.	SEC staff are looking closely at so-called "stablecoin" projects and the federal securities laws implications that they could present. Consistent with the above, whether a particular crypto-asset is a security depends on whether it falls into the definition of security under the federal securities laws. In analyzing the appropriate characterization of a stablecoin, simply calling a crypto-asset a "payment means" or "currency" or "stablecoin" does not mean that it is not a security. Whether a particular transaction involves the offer and sale of a security—regardless of the terminology used to identify the digital asset—will depend on the facts and circumstances, including the economic realities of the transaction. Thus, whether a particular crypto-asset called a stablecoin implicates the federal securities laws depends on the particular structure and arrangements

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		of the so-called "stablecoin." While the publicly available information about many of the outstanding stablecoins makes claims about their structures and the rights of the holders of such stablecoins, much of the information is not verifiable from public sources. Consequently, additional examination and information would be needed before a conclusion could be reached about the specific characterization of any particular stablecoin.
Credit operations	Yes.	SEC staff are looking closely at so-called "stablecoin" projects and the federal securities laws implications that they could present. Consistent with the above, whether a particular crypto-asset is a security depends on whether it falls into the definition of security under the federal securities laws. In analyzing the appropriate characterization of a stablecoin, simply calling a crypto-asset a "payment means" or "currency" or "stablecoin" does not mean that it is not a security. Whether a particular transaction involves the offer and sale of a security—regardless of the terminology used to identify the digital asset—will depend on the facts and circumstances, including the economic realities of the transaction. Thus, whether a particular crypto-asset called a stablecoin implicates the federal securities laws depends on the particular structure and arrangements of the so-called "stablecoin." While the publicly available information about many of the outstanding stablecoins makes claims about their structures and the rights of the holders of such stablecoins, much of the information is not verifiable from public sources. Consequently, additional examination and information would be needed before a conclusion could be reached about the specific characterization of any particular stablecoin.
Controls on crypto exchanges and trading platforms	Yes.	If a crypto-asset is a "security" under the US federal securities laws, then the US federal securities laws will apply with respect to the crypto-asset itself, as well as to crypto-asset service providers (and others) engaging in activities relating to the crypto-asset. The US federal securities laws also will apply with respect to any derivatives on or based on the value of a crypto-asset that is a security, as well as to crypto-asset service providers (and others) engaging in activities relating to those derivatives. For example, the following types of entities would be subject to regulation by the SEC in connection with the crypto-asset or activity: issuers, exchanges, broker-dealers, clearing agencies, investment companies, investment advisers, and transfer agents, among others. Depending on the particular services provided by a crypto-asset service provider with respect to crypto-assets that are securities, the crypto-asset service provider may be required to register with the SEC in some capacity, unless there is an available exemption from the applicable registration requirements. For example, it may be required to register under the Exchange Act as a national securities exchange or broker-dealer or under the Investment Advisers Act of 1940 (Advisers Act) as an investment adviser. Depending on the facts and circumstances, an entity holding, investing, or trading in crypto-assets that are securities may be required to register with the SEC as an investment company under the Investment Company Act of 1940. Depending on the nature of the business, crypto exchanges and platform types may have regulatory obligations as Money Services Business.
Domestic exchanges	Yes.	The following types of entities would be subject to regulation by the SEC in connection with the crypto-asset or activity: issuers, exchanges, broker-dealers, clearing agencies, investment companies, investment advisers, and transfer agents, among others. Depending on the particular services provided by a crypto-asset service provider

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		with respect to crypto-assets that are securities, the crypto-asset service provider may be required to register with the SEC in some capacity, unless there is an available exemption from the applicable registration requirements.
Access to crypto exchange/trading platform by residents	Yes.	The following types of entities would be subject to regulation by the SEC in connection with the crypto-asset or activity: issuers, exchanges, broker-dealers, clearing agencies, investment companies, investment advisers, and transfer agents, among others. Depending on the particular services provided by a crypto-asset service provider with respect to crypto-assets that are securities, the crypto-asset service provider may be required to register with the SEC in some capacity, unless there is an available exemption from the applicable registration requirements.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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URUGUAY

(Position as of August 31, 2023)

Status under IMF Articles of Agreement

Date of membership		December 27, 1945.
Article VIII	Yes.	Date of acceptance: May 2, 1980.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Under Article 17 of Law No. 17,835 of September 23, 2004, on Strengthening the Control and Prevention of Money Laundering and Terrorism Financing, financial intermediation institutions are required to inform the Central Bank of Uruguay's (CBU's) FIU of assets linked to (1) persons identified as terrorists or as belonging to organizations associated with terrorism on the relevant lists prepared by the UN and (2) persons declared terrorists by final decision of a national or foreign court of law. In addition, Article 6 authorizes the FIU to prevent all transactions giving rise to reasonable suspicion of a link with criminal organizations related to money laundering, as described in Article 17, from being carried out for a period of 72 hours. The law further provides that the FIU's decision must be communicated immediately to the criminal courts, which will determine whether the assets should be frozen without notice.
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Uruguay is the Uruguayan peso.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	There are no multiple exchange rates. There is only one wholesale foreign exchange market.
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		

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Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure and de facto exchange rate arrangements are floating. The exchange rate of the peso is determined on the basis of supply and demand, although the CBU reserves the right to intervene to cushion abrupt changes in a concentrated market of few transactions. The intervention currency is the US dollar. The CB can intervene in the exchange markets (spot as well as forward and future markets) to smooth excess exchange rate volatility without affecting its fundamentals-driven trends. The CBU publishes information on intervention on its website on a daily basis, a few minutes after the market closes.
Free floating		
Official exchange rate	No.	The exchange rate is freely determined by the market. The end-of-day official exchange rate is the weighted average of all spot operations undertaken in the interbank market (BEVSA, Bolsa Electrónica de Valores del Uruguay S.A., Electronic Stock Exchange).
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	The inflation-targeting framework entered into force in 2005.
Target setting body	Yes.	
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank	Yes.	The MPC (COPOM in Spanish) consists of the three Board of Directors as members and three other senior officers appointed by the Board according to their specific tasks in the monetary policy process. The Committee serves the following functions: (1) provides advice to the Board for determining monetary policy guidelines and parameters and (2) monitors and evaluates the money market, the short-term macroeconomic situation, and the financial program. COPOM decisions are taken by majority. Furthermore, there is the Macroeconomic Coordination Committee (CCM in Spanish), which

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		is composed by the Minister of Economy and Finance, officials appointed by him, and the three members of the Board of Directors of the CBU. The roles of this Committee are: (1) to share information related to the CB's responsibilities and the economic policy in general and (2) to establish the price stability target and the exchange rate regime. The CCM defines every aspect related to the target.
Inflation target	Yes.	
Target number	Yes.	
Point target		
Target with tolerance band		
Band/Range	Yes.	The inflation target band at the 24-month horizon is 3%–6% effective September 1, 2022.
Target measure	Yes.	
CPI	Yes.	One of the main targets of the CB is price stability, to preserve the currency value—the purchasing power of the Uruguayan peso. To achieve this, our institution implements an inflation-targeting regime through which it undertakes to make every necessary effort to keep inflation and inflation expectations within the target range established by the CCM.
Core inflation		
Target horizon	Yes.	The target horizon is 2 years (24 months).
Operating target (policy rate)	Yes.	
Policy rate	Yes.	Current monetary policy rate (MPR) is the overnight rate.
Target corridor band	No.	There is no explicit band. The CB objective is that the monthly average rate (weighted by the amounts traded) was located in an environment of +/ 25 bps with respect to the MPR.
Other	No.	
Accountability	Yes.	Daily publication of the average market rate (overnight rate).
Open letter	No.	
Parliamentary hearings	No.	
Other	Yes.	Daily publication in the CBU web site.
Transparency	Yes.	
Publication of votes	No.	Minutes of the MPC (COPOM) are published, where among other things it is established how each member of the Board of Directors voted.
Publication of minutes	Yes.	The minutes are published three business days after the COPOM meeting.
Publication of inflation forecasts	Yes.	The Monetary Policy Report is published four times a year, in compliance with Article 42 of the Organic Charter. It includes an evaluation of the macroeconomic context, an inflation analysis, the fundamentals and aims of the Monetary Policy, as well as an assessment on monetary management according to the targets established. The Monetary Policy Report includes a forward-looking analysis, including the forecast paths of inflation, output, and real

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		exchange rate.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The peso is freely traded, primarily on the Electronic Securities Exchange of Uruguay (BEVSA) and Uruguay Futures Exchange (UFEX), although there is also an OTC market through exchange brokers. Formal exchanges in the foreign currency market must accept offers to buy or sell foreign currency with a minimum price fluctuation of Ur$0.01 of a preexisting offer, if the counterparty is dealing in pesos. Authorized intermediaries may freely determine the bid-ask spread and exchange commissions with their customers (Circular No. 2095). Daily OTC transactions involving financial institutions are compiled and published by BEVSA and UFEX. (Articles 155.7 to 155.9 of CBU Operations Manual).
Spot exchange market	Yes.	Institutions authorized to operate in the foreign exchange market are banks, finance houses, foreign financial institutions, financial intermediation cooperatives, financial services firms, exchange houses, pension funds, and certain insurance companies. Eleven banks (including 2 state-owned), one finance house, one financial intermediation cooperative, 19 financial services firms, 48 exchange houses, 5 pension funds, and 5 insurance companies are allowed to participate in this market. These institutions are supervised by the Superintendency of Financial Services.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The authorized institutions (including 11 banks) may trade among themselves at freely determined rates through BEVSA or Banks are BEVSA's shareholders so they carry out their wholesale operations through it (among other institutions specially authorized to operate such as pension funds, or CBU). Average daily turnover is USD 22,2 million (data up to October 31).
Over the counter	Yes.	The market operates over the counter. Daily OTC reports are provided by BEVSA and UFEX but include transactions by authorized financial institutions. (Articles 155.7 to 155.9 of CBU Operations Manual).
Brokerage	Yes.	Participants may also operate in the OTC market, through brokers.
Market making	No.	
Forward exchange market	Yes.	The CBU established a market for forward purchases and sales of US dollars. The CBU resumed operations on the US dollar forward market on November 3, 2009, being the main counterparty in all operations. In December 2010, it began operating with foreign exchange futures. These are standardized daily settlement contracts. Currently, the CBU trades futures and forwards (with and without delivery). Interbank swap operations have not yet been implemented. On December 3, 2018, the regulation authorized specialized investors to participate in the foreign exchange market. These are

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		large enterprises whose business activity requires the use of hedging instruments. In addition, there are two formal venues for forward exchange market trading: BEVSA and UFEX, which run under a central counterparty method.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	All balances cleared through the multilateral clearing system are settled in US dollars.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Transactions between residents may be paid in foreign exchange.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	No.	
Inoperative	Yes.	A bilateral payments arrangement with Cuba is inoperative.
Regional arrangements	Yes.	Payments between Uruguay and the other LAIA countries may be made through reciprocal accounts maintained with CBs participating in the LAIA multilateral clearing system.
Clearing agreements	Yes.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Operations are carried out through banks and financial institutions authorized by the CBU.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	Residents and nonresidents may freely purchase, hold, and sell gold with fineness 0.9 or higher.
On external trade	No.	Residents may freely import and export gold with fineness 0.9 or higher. Gold for industrial use is subject to the general policy on exports, imports, and trade in goods.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	

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Foreign currency	No.	
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	These accounts operate in the same way as domestic currency accounts. Balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	There are no restrictions on transfers of funds to Uruguay.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	These accounts are not common because the Uruguayan peso is rarely used abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents can hold deposit accounts freely to make foreign exchange.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents can hold deposits accounts in domestic currency and can convert the current account balance to foreign currency.
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	

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Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	The National Customs Office maintains a negative list.
Open general licenses	Yes.	Imports are subject to registration, which is generally valid for 180 days; goods must be cleared through customs during that period.
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	In the MERCOSUR CET system, there are 11 tariffs. The maximum rate is 15%. Uruguay imposes a 2% tariff on imports of capital goods, computers, and telecommunications equipment and up to an 18% tariff on certain imports from Argentina.
Taxes collected through the exchange system	No.	
State import monopoly	Yes.	Imports of oil and oil products are subject to a state monopoly.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	Occasionally, and for special reasons (for example, stock situation, protection, health considerations), certain exports are prohibited or are subject to special requirements.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	Exports of cured, pickled, and wet blue hides are subject to a 5% tax.

Payments for Invisible Transactions and Current Transfers

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Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	No.	
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	No.	The securities market and all participants, stock exchanges, other markets involved in the trading of publicly offered securities and other securities, and the issuers of publicly offered securities are subject to the Securities Market Law, regulations issued by the executive branch, and the general regulations and special instructions issued by the CBU Superintendency of Financial Services. Under Law No. 18,401, the CBU's authority to regulate, supervise, and impose penalties under Law No. 16,749 of May 30, 1996, concerning the Securities Market, is not limited by the exercise of powers granted to stock exchanges. Law No. 18,627 was enacted in 2009 to (1) ensure transparent and efficient operations; (2) adequately inform and protect investors; (3) rebuild the confidence essential to the market's development; and (4) promote the securities market. The law represents a shift from market self-regulation under the former law to a regulatory focus in which the Superintendency of Financial Services plays a more significant role.
On capital market securities	No.	
Shares or other securities of a participating nature	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	There are no restrictions on derivatives transactions.
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	

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Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	Transfers take place through banks, domestic and foreign financial institutions, financial intermediation cooperatives, financial services companies, and money transfer firms, but not exchange houses (which could do so prior to the implementing regulations of the CBU charter). Certain exchange houses that regularly transfer funds on a professional basis applied for financial services company status, which entails additional supervisory and regulatory requirements.
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	Reserve requirements for deposit accounts in foreign currency differ according to depositor status (resident or nonresident), the term of the deposit, and the type of financial entity (see below).
Reserve requirements	Yes.	Mandatory reserve ratios for banks, financial intermediation cooperatives, financial houses, retail banks, and retail financial intermediation cooperatives depend on their tenor, currency, and type of client (resident/nonresident). The reserve position in pesos, foreign currency, and indexed units (linked to CPI) are based on the daily average for the current month, including weekends and holidays. The domestic currency and the indexed unit are considered jointly. Effective August 1, 2023, according to Circular No. 2435, reserve requirement in domestic currency earns interest at 60% of the MPR (previously 50% of MPR, Communication No. 2020/0290); reserve requirement in foreign currency earns interest at the MPR minus 0.50% (previously 0% interest for deposits in USD and MPR minus 0.60% for other currencies, Circular No. 2342). No interest is earned

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		on required reserves in indexed units.
Liquid asset requirements	Yes.	In 2017, liquid assets requirements have been replaced by the LCR requirement. The LCR must be at least 80% in local currency and 100% in foreign currency and in total. A surplus in foreign currency can be computed to fund a deficit in local currency, providing the latter does not exceed 20%.
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	Yes.	
Reserve requirements	Yes.	The reserve requirements on foreign currency liabilities to residents are 28% for terms of up to 180 days and 20% for longer terms. The minimum reserve requirement for foreign currency liabilities to nonresidents is 28%, calculated net of foreign assets in that currency.
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Banks, finance houses, and financial intermediation cooperatives may not have a net open position (assets excluding fixed assets minus liabilities) in foreign currency exceeding 150% of their net worth minus fixed assets. Excluding financial derivatives, the net open position may not exceed 170% of net worth minus fixed assets. For this purpose, the definition of fixed assets includes claims more than two years overdue that have not been yet provisioned, investments in companies other than portfolio investment, property, plant and equipment, and intangible assets.
On resident assets and liabilities	Yes.	The limits on foreign currency positions do not distinguish between assets and liabilities based on residence.
On nonresident assets and liabilities	Yes.	The limits on foreign currency positions do not distinguish between assets and liabilities based on residence.
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Investment in foreign securities rated at least “investment grade” by internationally recognized risk rating agencies and supervised by the appropriate authority in the country of origin may not exceed 30% of the sum of minimum capital requirement plus nonpension reserves.
Limits (max.) on investment portfolio held abroad	Yes.	Investment in foreign securities rated at least “international investment grade” by internationally recognized risk rating agencies and supervised by the appropriate authority in the country of origin may not exceed 30% of the sum of minimum capital requirement plus nonpension reserves.
Limits (min.) on investment portfolio held locally	Yes.	No minimums are expressly established by the current laws and regulations. However, of the maximum for investment in foreign securities, set at 30%, at least 70% must be held locally.
Currency-matching regulations on assets/liabilities composition	Yes.	Insurance companies must match assets with liabilities in each currency. Nonpension obligations derived from insurance and

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		reinsurance contracts payable in foreign currency, or in currency with a readjustment clause, must be covered by investments in the same currencies, with the same readjustment clauses or, failing that, in other currencies authorized by the Superintendency of Financial Services.
Pension funds	Yes.	For foreign currency, the same-day buy and sell ceiling for pension funds is 0.4% of assets or the equivalent of US$8 million. However, if 0.4% of assets is less than US$4 million, pension funds may trade up to that amount daily. Trading the same instrument on the same day is limited to 1.5% of the pension fund assets for the previous day.
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds are forbidden to invest in securities issued abroad other than fixed-income securities issued by multilateral lending institutions or highly rated countries. Investing in such assets is subject to limits of 30%, 25%, or 20% of total assets depending on the fund profile, effective May 10, 2023. Previously, it was 15% for all fund profiles. Moreover, pension funds can invest up to 10% of total assets in financial derivatives issued by Uruguayan or foreign institutions with a high international credit rating with the sole objective of hedging risks.
Limits (min.) on investment portfolio held locally	Yes.	No minimum is explicitly set on investment portfolio to be held locally. Notwithstanding, effective May 10, 2023, the limits of 30%, 25%, and 20% on investment portfolio held abroad impose a minimum of portfolios to be held locally of 70%, 75%, and 80% depending on the fund profile
Currency-matching regulations on assets/liabilities composition	Yes.	Pension funds may not be leveraged. Effective May 10, 2023, Law No. 20130 (Article 119) establishes limits regarding max of assets to be held in foreign currency, set at 45%, 40%, and 15% depending on the fund profile. Previously, there were not such limits.
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.	
Retail	No.	There is a pilot project.
Wholesale	No.	
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.	
Retail	n.r.	
Wholesale	n.r.	

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Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	n.r.
Acquisition by residents	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on stablecoins	No.	
Acquisition by residents	No.	
Use among residents	No.	
Between residents and nonresidents	No.	
For current transaction	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Controls on crypto exchanges and trading platforms	No.	
Domestic exchanges	No.	Draft bill under the study of the parliament.
Access to crypto exchange/trading platform by residents	No.	Draft bill under the study of the parliament.

Changes during 2022 and 2023

Exchange Arrangement

Monetary policy framework

Inflation-targeting framework

Inflation target

Target number

Band/Range	*09/01/2022*	The inflation target band at the 24-month horizon is 3%–6%.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements	*08/01/2023*	According to Circular No. 2435, reserve requirement in domestic currency earns interest at 60% of the monetary policy rate (MPR) (previously 50% of the MPR, Communication No. 2020/0290); reserve requirement in foreign currency earns interest at the MPR minus 0.50% (previously 0% interest for deposits in USD and MPR

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		minus 0.60% for other currencies, Circular No. 2342). No interest is earned on required reserves in indexed units.
Provisions specific to institutional investors Pension funds		
Limits (max.) on investment portfolio held abroad	*05/10/2023*	Law No. 20130 (Article 118 D) and E) and Article 119) establishes that pension funds can invest in fixed-income securities issued by multilateral lending institutions or highly rated countries subjects to limits of 30%, 25%, or 20% of total assets depending on the fund profile. Previously, it was 15% for all fund profiles.
Limits (min.) on investment portfolio held locally	*05/10/2023*	Law No. 20130 (Article 119) establishes the limits of 30%, 25%, and 20% on investment portfolio held abroad, therefore imposing a minimum of portfolios to be held locally of 70%, 75%, and 80% depending on the fund profile. Previously, the 15% limit on investment portfolio held abroad imposed a minimum of portfolios to be held locally of 85%.
Currency-matching regulations on assets/liabilities composition	*05/10/2023*	Law No. 20130 (Article 119) establishes limits regarding max of assets to be held in foreign currency, set at 45%, 40%, and 15% depending on the fund profile. Previously, there were not such limits.

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UZBEKISTAN

(Position as of December 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 21, 1992.
Article VIII	Yes.	Date of acceptance: October 15, 2003.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Pursuant to Article 21 of the Law of the Republic of Uzbekistan on Foreign Exchange Regulation, restrictions on exchange transaction may be established for combating the legalization of the proceeds of crime and financing of terrorism.

Exchange Arrangement

Currency	Yes.	The currency of Uzbekistan is the Uzbek sum.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. The exchange rate is determined based on foreign currency supply and demand on Uzbekistan's currency exchange. The Central Bank of the Republic of Uzbekistan (CBU) is a direct buyer of precious metals produced in Uzbekistan (gold and silver), acting as supplier in the foreign exchange market in amounts equivalent to the value of precious metals purchased from producers. The CBU also intervenes in the foreign exchange market to smooth out undue short-term volatility. Foreign exchange sales by the CBU in the foreign exchange market

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		are driven exclusively by the aim of sterilizing additional liquidity from the CBU purchases of precious metals. The exchange rate of the sum to the US dollar is used as an operational benchmark because the vast majority of the country's trading operations are carried out in US dollars. Data on the CBU interventions are published on the CBU website in quarterly "Survey of the Domestic Exchange Market" publications. From March 2022 through June 2022, the exchange rate increased its flexibility while still being managed. Beginning in June 2022, the sum has followed a depreciating trend within a 2% band against the US dollar. Accordingly, the de facto exchange rate arrangement was reclassified twice: (1) to other managed from crawl-like, effective March 11, 2022, and (2) to crawl-like from other managed, effective June 28, 2022.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The official exchange rate of the sum against the US dollar is determined by the CBU on a daily basis as the weighted average exchange rate based on trading on the Currency Exchange for the previous day, and it remains in effect until the exchange rate is determined on the following day. Exchange rates of other currencies are calculated using the cross rate with respect to the US dollar on the basis of the average rate as of 3:00 p.m. Tashkent time (on the day the rate is published) from the Refinitiv system (or Bloomberg). The CBU exchange rate is used for accounting purposes, statistical and other reporting on foreign exchange operations, and calculating customs and other mandatory payments within the Republic of Uzbekistan.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework	Yes.	As of January 1, 2021, the CBU started the transition to inflation targeting and set an initial inflation target of 5% for 2023 (as per Decree of the President of November 18, 2019, No. UP-5877). At present, the monetary policy regime can be characterized as advanced transition toward inflation targeting. Monetary policy decisions are made on the basis of forecasting and policy analysis systems (FPAS). Since 2018, the CBU oriented its monetary policy on the stability of prices in the economy. Since the start of 2020, the CBU's main objective is to lower the rate of inflation (as measured by the change in the CPI), through the implementation of its monetary policy within an inflation-targeting regime. Because of the global inflation

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		conditions, the CBU delayed the target timeframe until 2026. Monetary policy is determined by deviations in intermediate inflation forecasts from the short-term and medium-term targets, using the new operational framework to achieve the operational goal via the management of short-term interest rates in the money market through a set of instruments introduced specifically for that purpose: - the CBU's key rate and a symmetrical interest rate corridor of 4 percentage points (overnight lending and deposit facilities, at 2 percentage points higher and lower, respectively, than the CBU's key rate, which is at the center of the corridor); - the CBU's money market operations with a term of one week at the CBU rate (deposit auctions to mop up excess liquidity); - overnight standing facilities, forming the upper and lower bounds of the interest corridor.
Target setting body	Yes.	
Government		
Central Bank	Yes.	
Monetary Policy Committee		
Central Bank Board	Yes.	The Central Bank is authorized by law to set targets. The CBU is independent in carrying out its tasks. The Central Bank makes decisions within the limits of its powers and functions independently of other government and management bodies.
Other		
Government and Central Bank		
Inflation target	Yes.	
Target number	Yes.	
Point target	Yes.	9% for 2023 (end of period; as measured by CPI headline inflation). 5% for 2026 (end of period; as measured by CPI headline inflation).
Target with tolerance band		
Band/Range		
Target measure	Yes.	
CPI	Yes.	The inflation target is set in terms of the headline CPI and is measured as year-on-year rate of change. The CPI is calculated by the State Committee on Statistics, based on IMF standards (using fixed weights for all types of goods and services) according to the results of the observation of prices and rates. A representative sample of 510 types of goods and services is included in observations. Of those, 170 are foodstuffs, 250 are nonfoods, and 90 are services. In calculating CPIs, a modified Laspeyres formula with annual fixed weights is used. The structure of consumer spending based on household survey data is used as weights for calculating the indices.
Core inflation		
Target horizon	No.	
Operating target (policy rate)	Yes.	
Policy rate	Yes.	The CBU's short-term rate is used as the main monetary policy instrument, and it is the key rate.

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		The main tool for liquidity management is the 1-week deposit auction. The operational target of the monetary policy is to ensure the formation of the UZONIA rate close to the policy rate within the interest rate corridor.
Target corridor band	Yes.	The CBU maintains symmetrical interest rate corridor of 4 percentage points (overnight lending and deposit facilities, at 2 percentage points higher and lower, respectively) around the CBU's key rate, which is at the center of the corridor. The CBU's money market operations with a term of one week at the CBU rate (deposit auctions to mop up excess liquidity). Overnight standing facilities, forming the upper and lower bounds of the interest corridor.
Other	No.	
Accountability	Yes.	
Open letter	No.	
Parliamentary hearings	Yes.	The CBU is accountable to the Republic of Uzbekistan Oliy Majlis Senate that considers the CBU's annual report and the auditor's conclusion. Annually, before the beginning of the reporting year, the CBU submits "Guidelines of Monetary Policy" to the Oliy Majlis Senate.
Other	No.	
Transparency	Yes.	
Publication of votes	No.	
Publication of minutes	No.	The minutes of board meetings are not subject to publication. An extensive press release summarizing the committee's discussions is published after the monetary policy decision, however.
Publication of inflation forecasts	Yes.	Inflation forecasts are published in monetary policy reports that are issued quarterly.
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The foreign exchange market consists of: (1) the Republic of Uzbekistan Currency Exchange, where participants on trading sessions are commercial banks, and the CBU; (2) the interbank foreign exchange market; (3) operations involving the purchase and sale of foreign currency between banks and their customers, which are performed directly at banks; and (4) cash foreign exchange operations through exchange bureaus of commercial banks. Commercial banks' operations with foreign currency are performed on the basis of a banking license. Banks freely determine their bid/ask spread and foreign exchange commissions with their clients. Trading in the currency exchange is performed according to the call auction (opening auction) and two-way continuous reverse auction (matching) methods. However, the CB acts in the Uzbek Republic Currency Exchange auctions only as a participant. An opening auction is held from 10:00 a.m. to 10:30 a.m., and a matching auction is held from 10:30 a.m. to 3:00 p.m. An opening auction is held according to the call auction system, in

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		which a single exchange rate is determined that provides for the maximum volume of transactions concluded. The minimum unit of measure for a change in the exchange rate of foreign currency to the sum is 1 sum.
Spot exchange market	Yes.	Along with foreign exchange transactions on the Currency Exchange, commercial banks (35 banks as of October 1, 2023) may perform foreign exchange transactions with each other (interbank foreign exchange market) and with clients by mutual agreement. Foreign exchange transactions with individuals are performed through banks and their foreign exchange bureaus. Banks' exchange bureaus may buy cash foreign exchange from individual residents and nonresidents and sell it to individual nonresidents and residents. All exchange bureaus operate under commercial banks. Their operation is limited to the purchase and sale of foreign currency, exchanging damaged banknotes, and providing change. Direct transactions are not performed between the CBU and exchange bureaus. There are 2,174 exchange bureaus as of January 1, 2023. In addition, there are 2,059 automatic currency exchange machines.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	There were 35 banks registered in the Uzbek Currency Exchange and participating in the interbank foreign exchange market as of October 1, 2023.
Over the counter	Yes.	The OTC domestic foreign exchange market includes the purchase and sale of foreign currency between banks of the Republic of Uzbekistan outside of the exchange, and also transactions with customers directly at commercial banks.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	Banks perform OTC swap transactions with clients. Swap transactions between banks and between the CBU and banks are performed through the trading system of the Uzbek Currency Exchange.
Official cover of forward operations	n.a.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	International transactions are made in domestic currency and foreign exchange. All payments in Uzbekistan are made in the domestic currency, the sum, except for cases specified by law.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	Both domestic and foreign currency may be used for these transactions. Import transactions may be performed in the domestic currency with funds credited to correspondent accounts of foreign banks. Nonresidents' foreign trade transactions may be performed in the

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		domestic currency in commodity exchange trading with funds credited in the domestic currency to the accounts of brokers or nonresident legal entities opened in Uzbekistan's banks.
For capital transactions	No.	The domestic and foreign currency may be used for these transactions.
Transactions in capital and money market instruments	No.	The domestic and foreign currency may be used for these transactions.
Transactions in derivatives and other instruments	No.	The domestic and foreign currency may be used for these transactions.
Credit operations	No.	The domestic and foreign currency may be used for these transactions.
Use of foreign exchange among residents	Yes.	The use of foreign currency for settlements and payments between residents is allowed in cases specified by law. The Law of the Republic of Uzbekistan on Foreign Exchange Regulation, No. ZRU-573 of October 22, 2019, provides for an updated list of transactions that are permitted between residents in foreign exchange. Thus, transactions in foreign exchange between residents are permitted when performing: - transactions involving settlements in duty-free stores, as well as settlements when goods are sold and services provided to passengers en route in conveyances during international travel; - transactions between brokers (agents) and clients (principals) when brokers (agents) provide services involving the execution and performance of agreements with nonresidents for transfer of goods, performance of work, provision of services, or transfer of information or intellectual property, exclusive rights to the latter, including transactions involving the refunding of monetary amounts (or other property) to clients (principals); - transactions stipulating settlements and transfers of funds in foreign currency, arriving from abroad from sales of freight forwarding services, to the accounts of freight forwarding companies based on executed agreements; - transactions involving payment and compensation for the expenses of individuals related to official travel outside the Republic of Uzbekistan, and transactions involving the refunding of unspent advances issued for official travel; - transactions stipulating settlements and transfers of funds to diplomatic missions and consular institutions of the Republic of Uzbekistan, as well as permanent missions of the Republic of Uzbekistan, at interstate or intergovernmental organizations; - transfers by individual residents, on non-commercial transactions from accounts in banks of the Republic of Uzbekistan, to accounts of other individual residents in banks of the Republic of Uzbekistan; - transactions involving settlements between transportation organizations and individuals located outside the Republic of Uzbekistan, as well as branches, representative offices, and other subunits of legal entities, pursuant to contracts of carriage for passenger transport; - transactions between brokers (agents) and clients (principals), in which the brokers (agents) provide services involving the execution and performance of agreements under which obligations are to be fulfilled subsequent to clearing, where the ultimate buyer or seller is a nonresident; - transactions involving the use of foreign exchange assets as security for the performance of an obligation, as well as the recovery of such assets; - transactions involving the depositing and refunding of foreign exchange assets to the authorized fund (authorized capital) of legal entities;

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		- transactions involving the provision of banking services; - transactions involving charitable activities; - transactions involving the receipt of foreign exchange assets through inheritance. Foreign exchange transactions between residents that are not stipulated above are prohibited. According to the Rules for the Performance of Foreign Exchange Transactions, also the following transactions may be performed between residents in foreign currency on the territory of the Republic of Uzbekistan: the acceptance of foreign exchange cash in the cases referred to in Paragraph 45 of the Rules; payments of funds on the basis of court orders.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	The foreign exchange oversight authorities are the Central Bank, Accounting Office, Ministry of Economy and Finance, Tax Committee, and Customs Committee. According to the Law of the Republic of Uzbekistan on Foreign Exchange Regulation, No. ZRU-573 of October 22, 2019, the foreign exchange oversight authorities are obliged to oversight foreign exchange transactions performed by residents and nonresidents in the Republic of Uzbekistan in terms of compliance of these operations with the legislation of the Republic of Uzbekistan. The foreign exchange oversight authorities, within their powers, are entitled to: - verify residents' and nonresidents' compliance with foreign exchange regulation laws; - verify the completeness and accuracy of accounting and reporting on foreign exchange transactions of residents and nonresidents, per established procedure; - request documents and information related to the conduct of foreign exchange transactions; - establish a procedure for submitting reports on foreign exchange transactions; - present demands to remedy discovered violations and take other actions, which are binding on all residents and nonresidents within the Republic of Uzbekistan. The foreign exchange oversight authorities may require submission only of those documents that are directly related to the foreign exchange transaction being conducted. The CBU oversees foreign exchange transactions conducted by banks of the Republic of Uzbekistan. The obligations of foreign exchange oversight bodies are specified in regulatory legal acts governing their activities. Pursuant to Article 4 of the Law on the State Tax Service of August 29, 1997, one of the main tasks of state tax service authorities is to oversee compliance with law in the performance of foreign exchange and export–import transactions by legal entities and individuals.

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		Transactions of budget organizations and state trust funds in foreign currency are carried out by the Treasury of the Ministry of Economy and Finance. Pursuant to the chapter 34 and 35, Section V of the Customs Codes, the Customs Committee oversees the followings: - Control and monitor over entry and exit of the national and foreign currency; - Measures taken when offenses on illegal entry and exit of the national and foreign currency take place; - Process of monitoring of foreign trade operations; - Take measures when customs authorities identify signs of violations of currency legislation.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	The relationships in the area of gold circulation are regulated on the basis of the Law of the Republic of Uzbekistan "On precious metals and gemstones." Transactions in monetary gold are performed exclusively by the CBU. The CBU arranges for the sale and repurchase of coins made of precious metals. Commercial banks may buy and sell standard ingots made of precious metals in the Republic of Uzbekistan and put into circulation by the CBU. Precious metals are purchased by jewelry makers operating on a notification requirement basis provided for by the legislation. Industrial producers, as well as legal entities and individual entrepreneurs engaged in the production of jewelry and other articles made of precious metals and gemstones, may purchase precious metals in exchange trading. Commercial banks and jewelry makers may buy gold from producers, as well as to sell purchased precious metals to other jewelry makers.
On external trade	Yes.	Transactions in monetary gold are performed exclusively by the CBU. The licensing of exports and imports of precious metals and articles made of precious metals is performed by the Information and Analytical Department for Issues in the Development of Foreign Trade and the Export Potential of Sectors of the Economy and Territories of the Republic under the Republic of Uzbekistan Cabinet of Ministers, based on official acts issued by the President of the Republic of Uzbekistan or decisions of the Republic of Uzbekistan Cabinet of Ministers.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Resident and nonresident legal entities are not permitted to export cash in domestic and foreign currency, with the exception of the CBU. The export of cash in domestic and foreign currency is performed by commercial banks with CBU permission. Currency of the Republic of Uzbekistan in cash and/or foreign

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		currency in cash imported and exported by resident and nonresident individuals in amounts in excess of the equivalent of, effective December 4, 2023, 100,000,000 (previously 70,000,000) sum is subject to customs control through its declaration and presentation to a customs officer. Cash in amounts equal to or not exceeding the equivalent of 100,000,000 (previously 70,000,000) sum may also be declared if the individual wishes to do so. The export by individuals of cash outside the Republic of Uzbekistan in amounts in excess of the equivalent of 100,000,000 sum is allowed in the following cases: (1) by residents – for members of government delegations sent on official business to foreign states in accordance with an order by the Cabinet of Ministers; (2) by nonresidents – on the basis of a passenger customs declaration, up to the amount of funds imported into the Republic of Uzbekistan, and also by prizewinners or participants in international competitions (contests and Olympiads) organized in the country following the established procedure, on the basis of documents confirming the legal origin of the funds.
Foreign currency	Yes.	The export of cash foreign exchange by resident and nonresident legal entities is not permitted, except by the CBU. The export of cash in domestic and foreign currency is performed by commercial banks with CBU permission. Currency of the Republic of Uzbekistan in cash and/or foreign currency in cash imported and exported by resident and nonresident individuals in amounts in excess of the equivalent of, effective December 4, 2023, 100,000,000 (previously 70,000,000) sum is subject to customs control through its declaration and presentation to a customs officer. Cash in amounts equal to or not exceeding the equivalent of 100,000,000 (previously 70,000,000) sum may also be declared if the individual wishes to do so. The export by individuals of cash outside the Republic of Uzbekistan in amounts in excess of the equivalent of 100,000,000 sum is allowed in the following cases: (1) by residents – for members of government delegations sent on official business to foreign states in accordance with an order by the Cabinet of Ministers; (2) by nonresidents – on the basis of a passenger customs declaration, up to the amount of funds imported into the Republic of Uzbekistan, and also by prizewinners or participants in international competitions (contests and Olympiads) organized in the country following the established procedure, on the basis of documents confirming the legal origin of the funds. In this case, foreign exchange cash may be exported outside the Republic of Uzbekistan up to the balance remaining after foreign exchange cash imported by nonresident individuals on the basis of a passenger customs declaration completed on entry into the Republic of Uzbekistan has been used in accordance with the requirements of legal acts within the country.
On imports	Yes.	
Domestic currency	Yes.	Resident and nonresident legal entities are not permitted to import cash in domestic and foreign currency, with the exception of the CBU. The import of cash in domestic and foreign currency by commercial banks requires notification of the CBU. Currency of the Republic of Uzbekistan in cash and/or foreign currency in cash imported and exported by individuals in amounts in excess of the equivalent of, effective December 4, 2023, 100,000,000 (previously 70,000,000) sum is subject to customs control through its declaration and presentation to a customs officer. Cash in amounts

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		equal to or not exceeding the equivalent of 100,000,000 (previously 70,000,000) sum may also be declared if the individual wishes to do so.
Foreign currency	Yes.	Resident and nonresident individuals are permitted to import cash in domestic and foreign currency without restriction. The declaration requirement outlined below is not intended to restrict the amount of currency being imported by individuals. Currency of the Republic of Uzbekistan in cash and/or foreign currency in cash imported and exported by individuals in amounts in excess of the equivalent of, effective December 4, 2023, 100,000,000 (previously 70,000,000) sum is subject to customs control through its declaration and presentation to a customs officer. Cash in amounts equal to or not exceeding the equivalent of 100,000,000 (previously 70,000,000) sum may also be declared if the individual wishes to do so. Resident and nonresident legal entities are not permitted to import cash in domestic and foreign, with the exception of the CBU. The import of cash in domestic and foreign currency is performed by commercial banks with CBU permission.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Residents are allowed to open accounts in foreign currency in banks of the Republic of Uzbekistan. Amounts deposited in foreign exchange accounts by legal entities, as well as funds received through domestic and international foreign exchange transactions, may be transferred within the country through domestic foreign exchange transactions, abroad for the payments associated with current international transactions, for the performance of transactions involving the movement of capital following the procedure established by the legislation, as well as may be paid out in cash for business travel expenses. Funds received by individuals are deposited to their accounts without restriction, taking into consideration the requirements of the legislation, and they are also used by them independently, including use in cash form. Funds deposited to accounts of individuals in foreign currency may be transferred abroad to the accounts of individuals in an amount not exceeding the equivalent of 100 million sum at one time.
Approval required	No.	
Held abroad	Yes.	Resident individuals have the right to open accounts and deposit accounts in foreign exchange in banks abroad. The opening and use of accounts abroad by diplomatic or other representative offices abroad of the Republic of Uzbekistan, as well as representative offices abroad of Republic of Uzbekistan organizations, that perform no business or other commercial activities are allowed for the period of their stay or activity abroad. On the completion of their stay or activity abroad, their accounts should be closed, and the balances on the accounts should be transferred to the Republic of Uzbekistan. Resident legal entities are allowed to open and use accounts abroad on the basis of decisions of the President of the Republic of Uzbekistan or the government of the Republic of Uzbekistan or international treaties of the Republic of Uzbekistan that stipulate the opening and purposes of use of accounts in the Republic of Uzbekistan currency or foreign currency in banks abroad. Resident legal entities do not require a CBU permit to open an

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		account abroad. After opening accounts abroad, resident legal entities are obliged to notify the tax authorities and the CBU, through the commercial bank servicing their main demand deposit account, about opening (closing) accounts and changes in account data, as well as about balances and turnover on those accounts, on a quarterly basis, no later than the 25th of the month after the end of the reporting quarter. Banks may open correspondent accounts in local and foreign currencies on the basis of agreements with foreign banks and use these accounts for the purposes stated in the agreement.
Approval required	Yes.	In accordance with the Law on Foreign Exchange Regulation of October 2019, resident legal entities are allowed to open and use accounts abroad on the basis of decisions of the President of the Republic of Uzbekistan or the government of the Republic of Uzbekistan or international treaties of the Republic of Uzbekistan that stipulate the opening and purposes of use of accounts in the Republic of Uzbekistan currency or foreign currency in banks abroad.
Accounts in domestic currency held abroad	Yes.	Diplomatic and other representations of Uzbekistan, and representative offices of Uzbekistan's organizations not engaged in business or other commercial activity may have bank accounts abroad during their stay or activity abroad. Afterward, the accounts must be closed and the balances transferred to Uzbekistan. Resident legal entities do not require a CBU permit to open an account abroad. Resident legal entities are allowed to open and use accounts abroad on the basis of decisions of the President of the Republic of Uzbekistan or the government of the Republic of Uzbekistan or international treaties of the Republic of Uzbekistan that stipulate the opening and purposes of use of accounts in the Republic of Uzbekistan currency or foreign currency in banks abroad. After opening accounts abroad, resident legal entities are obliged to notify the tax authorities and the CBU, through the commercial bank servicing their main demand deposit account, about opening (closing) accounts and changes in account data, as well as about balances and turnover on those accounts, on a quarterly basis, no later than the 25th of the month after the end of the reporting quarter. Banks may open correspondent accounts in local and foreign currencies on the basis of agreements with foreign banks and use these accounts for the purposes stated in the agreement. Resident individuals may open accounts abroad in domestic currency and they are not required to obtain CBU approval.
Accounts in domestic currency convertible into foreign currency	Yes.	Legal entities may convert funds in their accounts to foreign exchange through their commercial banks by purchasing funds for use for current international transactions. For the purchase of foreign exchange, enterprises and entities that are commercial banks' customers must submit to their banks: (1) an application for conversion following the form approved by the bank and containing the name of the enterprise, the amount and currency, the purchase or sale exchange rate, and the purpose for the purchase of foreign currency; and (2) a document that serves as the grounds for the foreign currency transaction. The sale of foreign exchange to individuals is performed without restriction and without submission of supporting documents, with the exception of the submission of a document identifying the individual (passport). The sale of foreign exchange to resident individuals may also be carried out in cash. No document identifying the individual is required for the sale to him or her of cash foreign exchange in an

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amount equal to or under the equivalent of US$100.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresidents may open and use bank accounts in Republic of Uzbekistan banks in foreign exchange and Republic of Uzbekistan currency. For nonresident legal entities to open and use bank accounts in the Republic of Uzbekistan, there is a mandatory requirement that they carry out activities in the Republic of Uzbekistan. The Rules for the Performance of Foreign Exchange Transactions in the Republic of Uzbekistan provide for the following with respect to the foreign exchange accounts of nonresidents opened in banks of the Republic of Uzbekistan: The following may be posted to the accounts of diplomatic and other official representative offices and international organizations and their branches that enjoy immunity and diplomatic privileges, and the representative offices of foreign organizations in the Republic of Uzbekistan not engaged in business or other commercial activities: (1) consular fees received within the territory of the Republic of Uzbekistan; (2) funds transferred from abroad from the account of a nonresident that has created a representative office; (3) dividends, income from investment activity in the Republic of Uzbekistan of a nonresident legal entity that has created a representative office, as well as other funds received lawfully; (4) funds acquired in the domestic foreign exchange market; (5) foreign exchange cash imported from abroad on the basis of a passenger customs declaration (with the exception of cases in which completion of a declaration is not required); (6) foreign exchange cash sent from abroad to an account holder in postal parcels. Funds from these accounts may be used on instructions from the account holder: (1) for transfer abroad to the account of a nonresident that has created a representative office; (2) for the performance of transfers abroad of a noncommercial nature; (3) for the payment of commercial banks' transaction fees in foreign currency, for the payment of expenses associated with employees' business travel outside the Republic of Uzbekistan (including payment in cash form); (4) for sale through commercial banks within the territory of the Republic of Uzbekistan. The following may be posted to accounts in foreign currency held by nonresident permanent establishments: (1) funds transferred from a foreign account of a nonresident that has created a permanent establishment; (2) dividends, income from investment activity in the Republic of Uzbekistan of a nonresident legal entity that has created a permanent establishment, and other funds received lawfully; (3) funds acquired in the domestic foreign exchange market; (4) transfers related to current international operations. Funds from these accounts may be used on instructions from the account holder: (1) for transfer to the account of a foreign legal entity that has created a permanent establishment; (2) for the payment of commercial banks' transaction fees in foreign currency, for the payment of expenses associated with employees' business travel outside the Republic of Uzbekistan (including

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		payment in cash form); (3) for sale in the domestic foreign exchange market; (4) for current international operations. The following may be posted to the foreign currency accounts of nonresident legal entities participating in open electronic trading on commodity exchanges and purchasing (selling) shares of companies in organized trading: (1) funds transferred from foreign accounts of a nonresident trading participant; (2) funds acquired in the domestic foreign exchange market; (3) funds received from the sale of goods on commodity exchanges and/or shares in organized trading. Funds posted to these accounts may be used on instructions from the account holder: (1) for sale in the domestic foreign exchange market; (2) for the purchase of goods on commodity exchanges and shares in organized trading; (3) for transfer to foreign accounts of a nonresident trading participant. The following may be posted to the foreign currency accounts of nonresident individuals: (1) foreign exchange cash imported from abroad on the basis of a passenger customs declaration (with the exception of cases in which completion of a declaration is not required); (2) transfers of a noncommercial nature; (3) funds acquired in the domestic foreign exchange market; (4) funds obtained lawfully, on presentation of the relevant supporting documents. Funds on these accounts may be used on instructions from the account holder: (1) for transfers of a noncommercial nature; (2) for sale in the domestic foreign exchange market; (3) for the withdrawal of foreign exchange cash; (4) for transfer to his own accounts opened at foreign banks.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresidents may open and use bank accounts in banks of the Republic of Uzbekistan in foreign exchange and Republic of Uzbekistan currency. For nonresident legal entities to open and use bank accounts in the Republic of Uzbekistan, there is a mandatory requirement that they carry out activities in the Republic of Uzbekistan. The Rules for the Performance of Foreign Exchange Transactions in the Republic of Uzbekistan retain the right of nonresidents to deposit funds obtained lawfully to their domestic currency accounts opened at banks of the Republic of Uzbekistan and to use these funds independently in accordance with the requirements of the legislation.
Convertible into foreign currency	Yes.	Domestic currency accounts of nonresidents at commercial banks of the Republic of Uzbekistan are convertible to foreign currency.
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Minimum financing requirements	No.

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Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	To purchase foreign currency, businesses and organizations that are clients of banks must present an application and a contract (agreement) with a foreign partner.
Domiciliation requirements	Yes.	The performance of clearing settlements for export–import operations between Republic of Uzbekistan enterprises, organizations and other entities, on the one hand, and foreign partners, on the other, through firms' accounts in foreign banks is prohibited. Payment for imported goods must be made from an enterprise's account in an Uzbekistan bank of which it is a customer. At the same time, in the event of a decision by the President or government, or an international agreement, accounts may be opened at foreign banks by residents and used exclusively for the purposes provided for by decisions of the President or government, or the terms of an international agreement.
Preshipment inspection	No.	Preshipment inspection of goods imported into the Republic of Uzbekistan is performed on a voluntary basis.
Letters of credit	No.	Documentary LCs may be used in settlements for imports.
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Imports of weapons and military equipment and special components for their production, precious metals and stones, and instruments and equipment that use uranium and other radioactive substances require licenses from the Republic of Uzbekistan Cabinet of Ministers' Information and Analytical Department for the Development of Foreign Trade Activity and the Export Potential of Sectors of the Economy and Territories of the Republic, issued on the basis of acts of the Republic of Uzbekistan President or Decisions of the Republic of Uzbekistan Cabinet of Ministers. The expert review and registration of import contracts, as well as the expert review of tender documents and terms of reference, are performed by the Center for the Comprehensive Expert Review of Projects and Import Contracts under the Republic of Uzbekistan Ministry of Economic Development and Poverty Reduction.
Positive list	No.	
Negative list	Yes.	Pursuant to Republic of Uzbekistan Presidential Decree No. UP-5286 of December 15, 2017, "On Additional Measures to Promote Exports and Ensure the Competitiveness of Domestic Goods in External Markets," imports of the following are prohibited: (1) printed matter, manuscripts, engravings, drawings, photographs, photographic film, negatives, movies, video or audio products, phonograph records, and audio materials intended to undermine the government or social order; violate territorial integrity, political independence, or sovereignty; or promote war, terrorism, violence, national exclusivity, religious hatred, or racism; and (2) pornographic materials. Pursuant to Resolution No. 531 of the Cabinet of Ministers of December 14, 2006, it is prohibited to import used motor vehicles in categories M2, M3, and N2 and new motor vehicles in these categories with gasoline and diesel engines whose emission levels do not meet Euro-2 and Euro-3 environmental standards, except special-purpose motor vehicles that correspond to TNVED (goods

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		nomenclature for foreign economic activity) codes 8703 and 8705. Pursuant to Resolution of the Cabinet of Ministers No. 213 of May 15, 1998, the importation of ethyl alcohol into the customs territory of the Republic of Uzbekistan by all means of transport, with the exception of transit, is prohibited. Pursuant to Presidential Decree No. PP-4422 of August 22, 2019, a ban is imposed on imports of used generator equipment, step-down transformers, electric motors, and energy-consuming equipment with an energy efficiency rating of D.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Pursuant to the Republic of Uzbekistan Presidential Resolution No. PP-3512 of February 6, 2018, "On Measures to Further Regularize the Movement of Goods by Individuals Across the Customs Border," limits for duty-free imports of goods into the republic by an individual are set at: US$2,000 (two thousand) – when the customs border is crossed through Republic of Uzbekistan international airports; US$1,000 (one thousand) – when the customs border is crossed at rail and inland waterway crossings on the Republic of Uzbekistan state border, and US$300 (three hundred) – when the customs border is crossed at highway (pedestrian) crossings on the Republic of Uzbekistan state border; US$1,000 (one thousand) within one calendar quarter – for goods received to the address of an individual in international courier shipments; and US$100 (one hundred) – for goods received to the address of an individual in international postal shipments. For certain consumer goods, certificates of safety and quality are required. Certification is performed by the Uzbekistan's Agency of Standardization, Metrology, and Certification (Uzbekstandart). In addition, certain goods are subject to hygiene certification (a sanitary-epidemiological finding). Furthermore, certain goods subject to control that cross the state border of the Republic of Uzbekistan must undergo a mandatory state veterinary inspection.
Import taxes and/or tariffs	Yes.	The rates of import customs duties are approved by Resolution No. P-3818 of June 29, 2018 (amended according to the Decree of the President of the Republic of Uzbekistan No. 4470 of October 2, 2019). The ad valorem rate of customs duties is applied at seven levels: 0%, 5%, 10%, 20%, 30%, 40% and 70% of the customs value. Tariff benefits in the form of exemption from customs duties are provided for a number of goods in accordance with Article 297 of the Customs Code. In accordance with international treaties of the Republic of Uzbekistan, customs duties are not applied to goods (Article 300 of the Customs Code): (1) originating and imported into the customs territory from states forming a free trade zone with the Republic of Uzbekistan or with which the Republic of Uzbekistan has established a free trade regime and (2) originating from the Republic of Uzbekistan and exported from its customs territory to states forming a free trade zone with the Republic of Uzbekistan or with which the Republic of Uzbekistan has established a free trade regime trade. Customs duties in the amount of the rates established by the customs tariff are applied to goods originating from countries with which the Republic of Uzbekistan establishes the MFN regime in trade and economic relations, regardless of the country of origin of the goods and the exporter. In respect of goods originating from countries with which trade and economic relations do not provide for the MFN

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		regime, or the country of origin of which has not been established, the rates of customs duties are doubled. For goods imported into the customs territory and originating from developing countries, as well as from least developed countries, a national system of preferences of the Republic of Uzbekistan may be established in accordance with the legislation. In accordance with the Cabinet of Ministers Resolution No. 700 of November 9, 2020 "On customs duties rates", the fee for customs clearance of goods imported into the Republic of Uzbekistan is charged at a rate ranging from 1 basic calculated value to 75 basic calculated value based on the customs value. In accordance with Article 299 of the Customs Code, a number of goods are exempt from paying the customs fee for customs clearance. In accordance with the Tax Code of the Republic of Uzbekistan, VAT in the amount of, effective January 1, 2023, 12% (previously 15%) is charged on all goods imported to Uzbekistan, with the exceptions provided for in Article 246 of the Tax Code. Excisable goods imported into the Republic of Uzbekistan are subject to excise tax at a rate of 5% to 50% (Presidential Decree No. PP-3818 of June 29, 2018), with the exceptions provided for in Article 284 of the Tax Code.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	In accordance with the Law of the Republic of Uzbekistan on Foreign Exchange Regulation, No. ZRU-573 of October 22, 2019, repatriation of assets in foreign trade transactions constitutes a partial or complete fulfillment of a nonresident's obligations by means of the following: receipt of money or goods (performance of work, rendering of services) against nonresident's obligations; termination of a nonresident's obligation via set-off; termination of an obligation that existed between the parties via a different obligation between the same parties that calls for a different subject or method of performance; receipt of insurance payout. In the event of a resident's assignment to another resident of a right of claim against a nonresident, the responsibility to ensure the fulfillment of repatriation of assets moves to the resident that received the right of claim. A resident (nonresident) is obliged to ensure repatriation of assets in foreign trade transactions. The Republic of Uzbekistan has procedures according to which: (1) the time period for the receipt of proceeds or the re-import of goods under export transactions must not exceed 180 days from the date a freight customs declaration is prepared under the "export" customs regime – for goods, and from the date an acceptance certificate is signed for work performed – for services (work). (2) in the event of force majeure circumstances, the time period for the receipt of proceeds in foreign exchange is extended for the duration of the force majeure circumstances, as confirmed by the competent state authority where the force majeure circumstances occurred; (3) residents that failed to repatriate foreign trade transaction assets during the period exceeding, effective March 11, 2022, 45

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(previously 30) days (90 days for small business entities; previously 60 days) after the expiration of 180 days from the date of payment or export to a nonresident pay a fine to the republic budget:
(a) in the equivalent of, effective March 11, 2022, 5% (previously 10%) of the amount of non-repatriated assets if the asset repatriation is delayed by up to 365 days (previously 180 days) from the date of payment or export to a nonresident;
(b) in the equivalent of an additional, effective March 11, 2022, 10% (previously 20%) of the amount of non-repatriated assets if the asset repatriation is delayed by 365–545 days (previously 180-365 days) from the date of payment or export to a nonresident;
(c) in the equivalent of an additional, effective March 11, 2022, 35% (previously 70%) of the amount of non-repatriated assets if the asset repatriation is delayed beyond 545 days (previously 365 days) from the date of payment or export to a nonresident.

In the event of a force majeure, the asset repatriation period is extended by the force major period. The force majeure is confirmed by an authorized body in accordance with the legislation of the country where it occurred.
If insurance proceeds are received to resident accounts (in local and/or foreign currency) under an export contract insurance policy, the amount of accounts receivable under the export contract for the purposes of financial sanctions is reduced by the amount of the received insurance proceeds.

No fines are applied for a failure to repatriate foreign trade transaction assets in the following cases:
(1) during the period for the delivery of equipment and/or components under import contracts, in which the delivery periods are established at more than 180 days, depending on their technical characteristics and specific features;
(2) effective March 11, 2022, when a document is presented that is issued by an authorized body and confirms the destruction or seizure by government authorities of goods that became unusable during transportation or storage for reasons beyond the control of the parties;
(3) effective March 11, 2022, when there is no breach of deadlines established in import contracts concluded under projects implemented by resolutions by the President and Cabinet of Ministers of the Republic of Uzbekistan or in import contracts approved by the Management Committee under the implementation of product sharing agreements;
(4) if the total amount of the past-due accounts receivable on export transactions does not exceed 10% of the foreign currency earnings during the 36 months preceding the date on which the past-due accounts receivable occur;
(5) effective March 11, 2022, for the amount of repatriated assets under this Law pending the court decision in a fine application case.

Effective March 11, 2022, if the fine is paid voluntarily within 10 days proportionally to the amount of assets repatriated in foreign trade transactions within a 90-day period, the paid fine is reimbursed to the resident.
In the event of a full repatriation of assets in foreign trade operations within 90 days from the moment the court ruling takes effect the fine is reimbursed, the proceedings in the fine application case are discontinued and all enforcement measures are cancelled.

The collection of fines in excess of 20% of the amount of current

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		assets of a resident legal entity of the Republic of Uzbekistan as of the last reporting date may be performed by means of monthly payments over a period of six months from the date a decision is made to collect the amount due.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	Yes.	Business entities may export goods, work and services, excluding raw commodities, for foreign currency, without advance payment, opening of an LC, securing of a bank guarantee, or the existence of an insurance policy protecting export contracts against political and commercial risk. Business entities may export goods, work and services, excluding raw commodities, on the basis of the invoices, without concluding an export contract, with the condition of receiving 50% advance payment. The raw commodities include cotton fiber, cotton yarn, cotton lint, crude oil, gas condensate, petroleum products, natural gas, electric power, precious metals, nonferrous metals, rolled nonferrous metals, nonferrous metal scrap and by-products, ferrous metals, rolled ferrous metals, and ferrous metal scrap and by-products. The conditions of this subparagraph do not apply to exports of fruits and vegetables performed by individual entrepreneurs. Exporters have the right to export fruit and vegetable products on the basis of an export contract, without any requirements. Exporters have the right to export fruit and vegetable products on the basis of an invoice without concluding an export contract, with the condition of receiving 100% advance payment.
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	Yes.	The performance of clearing settlements for export–import operations of Republic of Uzbekistan enterprises and entities with foreign partners through firms' accounts in foreign banks is prohibited. All funds in foreign exchange obtained from enterprises' business activities must be credited to their accounts in foreign exchange in commercial banks in the Republic of Uzbekistan. Enterprises are liable for the timely and complete receipt in their accounts of proceeds for shipped goods and services provided. Enterprises' crediting of foreign exchange proceeds to accounts opened in foreign banks without authorization of the CBU is classified as concealment. At the same time, in the event of a decision by the President or government, or an international agreement, accounts may be opened at foreign banks by residents and used exclusively for the purposes provided for by decisions of the President or government, or the terms of an international agreement.
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Exports of antiques (of significant artistic, historical, scientific, or other cultural value), grain, flour and hulled grains, livestock and poultry, meat and edible meat products, hides, metal waste and scrap,

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		nonferrous metals, silkworm cocoons, raw silk, and silk waste are carried out on the basis of decisions by the President of the Republic of Uzbekistan or the government of the Republic of Uzbekistan. The full list of items is provided in Annex 1 to Presidential Decree No. UP-5296 of December 15, 2017. These goods were excluded by Presidential Decree No. UP-5564 of October 30, 2018.
Without quotas	Yes.	Exports of listed animals and plants require permission of the State Conservation Committee. Professional activities abroad by Uzbek citizens require permission from the Ministry of Labor and Social Protection of the Population. Exports of works of art require permission from the Ministry of Culture and Sports Affairs.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	AMLand CFT regulations apply to money transfers.
Trade-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Trade-related payments may not exceed the amount on the trade contract.
Investment-related payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Payments in the form of interest and other revenues, including with respect to bank deposits, credits, and leasing, as well as in the form of net income from other investments, are allowed without any limits. For loan repayment, the amount of each loan repayment installment may not exceed the sum that equals two times the amount of part of debt received, which is calculated as the ratio of the debt to the number of periods of its repayment as per the loan agreement.
Payments for travel	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Per diem and lodging expense norms apply to business travel allowances of state entities. Depending on the country, the amounts of the allowances may range from US$90 per diem to US$310 per diem (lodging expenses are included). Private companies may independently approve amounts to be added to the business travel expense rates. Supporting documents may consist of orders, directives, decisions, and travel expense sheets.

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		When there are supporting documents, state entities may exceed the limits.
Personal payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Pursuant to Article 15 of the Law of the Republic of Uzbekistan on Foreign Exchange Regulation, non-trade transfers are included with current international transactions. Non-trade transfers include transfers between individuals not exceeding the equivalent of 100 million sums. According to Paragraph 1 of the Regulation on Procedures for Monitoring the Justification for the Performance for Foreign Exchange Transactions by Legal Entities and Individuals (Regulation No. 2467 of June 12, 2013), commercial bank branches report to the corresponding territorial state tax offices or the Interregional State Tax Inspection for Large Taxpayers, as well as the commercial bank headquarters, information on foreign currency transactions performed by customers where there is transfer of funds abroad to individual accounts by a resident individual in the Republic of Uzbekistan and the transfer amount during a calendar year exceeds the equivalent of 100 million sums.
Foreign workers' wages	Yes.	Wages paid in foreign exchange to nonresidents may be remitted to their accounts abroad.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Wage transfers are performed on the basis of supporting documents presented to a bank.
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	Yes.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	Remittances of a noncommercial nature are performed on the basis of corroborating documents presented to a bank.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	In accordance with the Law of the Republic of Uzbekistan on Foreign Exchange Regulation, No. ZRU-573 of October 22, 2019, repatriation of assets in foreign trade transactions constitutes a partial or complete fulfillment of a nonresident's obligations by means of the following: (1) receipt of money or goods (performance of work, rendering of services) against nonresident's obligations; (2) termination of a nonresident's obligation via set-off; (3) termination of an obligation that existed between the parties via a different obligation between the same parties that calls for a different

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		subject or method of performance; (4) receipt of insurance payout. In the event of a resident's assignment to another resident of a right of claim against a nonresident, the responsibility to ensure the fulfillment of repatriation of assets moves to the resident that received the right of claim. A resident (nonresident) is obliged to ensure repatriation of assets in foreign trade transactions. The period for the receipt of proceeds or reimportation of goods in export transactions must not exceed: - 180 days from the date a freight customs declaration is prepared under the "export" customs regime – for goods, and from the date an acceptance certificate is signed for work performed – for services (work). The time period for the receipt of foreign exchange proceeds in the event of force majeure circumstances is extended for the duration of the force majeure circumstances, as confirmed by a competent authority of the country in which they occurred.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Foreign exchange transactions in connection with loans from nonresidents guaranteed by the Government of the Republic of Uzbekistan must be registered for accounting purposes with the MOF. Other foreign exchange transactions associated with the movement of capital that are not guaranteed by the government are subject to banks' accounting regulations and they are reported to the CBU. Credits not guaranteed by the Government of the Republic of Uzbekistan are subject to CBU registration based on a notification procedure. The following residents' transactions involving the placement of capital abroad are permitted if there are relevant decisions of the President or Cabinet of Ministers of the Republic of Uzbekistan, or international agreements of Republic of Uzbekistan: - investment activity in an amount in excess of US$10,000 through the transfer of funds by residents to accounts abroad as a contribution to the authorized capital of foreign companies or for replenishment of working assets of their own foreign subsidiaries; - providing loans in the form of cash and goods (services), or leasing operations; - transfer of funds to deposits at foreign banks, and also for the purchase of real property abroad.
Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market	Yes.	Regulation of the securities market, including organizers of securities

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instruments		trading and the Central Securities Depository, as well as activities related to the development of corporate governance and organization of lotteries, are within the purview of the MOF. The key functions are: implementing a common state policy regarding the formation, development, regulation, oversight, and corporate governance of the securities market; ensuring protection of the rights and legitimate interests of investors engaged in the securities business, as well as holders of securities; overseeing compliance with legislative acts concerning the securities market, joint-stock companies, and protection of shareholders' rights; informing investors and the public about the status of the development of the domestic capital market and its professional participants; regulating the activities of organizers of securities trading and professional participants in the securities market, as well as bookmaking activities and activities involved in organizing lotteries; drafting regulatory legal acts regarding regulation of the securities market, certification of specialist professional participants and issuing of qualification certificates; establishing requirements for the issuance and registration of securities and reporting on them, and also for the maintenance of registers of holders of securities and a register to record transactions with securities; establishing mandatory capital adequacy ratios and indicators limiting risks on securities operations; informing the public of the status of the securities market and its participants, including measures to ensure the public availability of information provided for by law; engaging in effective cooperation with foreign and international institutions on matters related to the development and regulation of the capital market.
On capital market securities	Yes.	Pursuant to Decree No. UP-6207 of the President of the Republic of Uzbekistan of April 13, 2021, on Measures for Further Development of the Capital Market, and Resolution No. PP-5073 of the President of the Republic of Uzbekistan of April 13, 2021, on Measures to Further Improve the System for Regulation of the Capital Market, the tasks, functions, and authorities of the Agency for Development of the Capital Market, which is being eliminated, with regard to regulation of the securities market, including organizers of securities trading and the Central Securities Depository, as well as activities related to the development of corporate governance and organization of lotteries, are being transferred to the MOF.
Shares or other securities of a participating nature	Yes.	The Republic of Uzbekistan Law on the Securities Market (No. ZRU-387 of July 4, 2015), the Law on Joint-Stock Companies and Protection of Shareholders' Rights (No. ZRU-370 of May 7, 2014), and the Regulations on the Issuing of Securities and State Registration of Issuable Securities (Registration No. 2000 of August 30, 2009) establishes the conditions for the issuing and procedures for the state registration of issuable securities.
Purchase locally by nonresidents	Yes.	Nonresidents may purchase for domestic and foreign currency any securities admitted for circulation in Uzbekistan, unless their terms of issue prohibit nonresidents from holding these securities. Nonresidents must obtain the prior permission of the CBU for the acquisition of the securities of resident banks above the established threshold. Individuals and legal entities or persons acting together, including nonresidents, are obliged to obtain the prior permission of the CBU before acquiring, directly or indirectly, a stake that will constitute 5%

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		or more in the authorized capital of a bank as a result of one or several transactions. The need to obtain the prior permission of the CBU for the acquisition by nonresidents of shares of resident banks above the established threshold is not a form of control of the capital movement. Pursuant to the Law on Banks and Banking: - the total share of nonresidents – individuals and legal entities that are not international financial institutions, foreign banks and other credit organizations, should not exceed 50% of the authorized capital of the bank; - the following may not be direct or indirect holders of bank shares: nonresident individuals who live in a state or a territory that offers preferential tax treatment and/or does not stipulate the disclosure of the identity of the ultimate beneficial owners and the provision of information in the course of financial transactions, as well as legal entities whose participants (shareholders), the ultimate beneficial owners are registered in such a state or territory.
Sale or issue locally by nonresidents	Yes.	The Regulation on Quotas and the Procedure for the Admission and Circulation of Securities, approved by Cabinet of Ministers Resolution No. 239 of August 20, 2014, establishes quotas and the procedure for allowing the placement and circulation of securities issued by nonresidents in Uzbekistan. Item 4 of the Regulation establishes the conditions for allowing the placement and circulation of securities issued by nonresidents in Uzbekistan. According to Item 5 of the Regulation, securities issued by nonresidents may be placed in Uzbekistan in an amount that does not exceed 25% of the total volume of issued securities of the same kind (category or type), through the issuing of an Uzbek Depositary Receipt (UDR) representing the given securities. UDRs are subject to state registration by the authorized government agency.
Purchase abroad by residents	Yes.	The placement of assets by legal entities outside Uzbekistan is governed by foreign exchange regulation law. The procedure for the acquisition of securities in foreign currency by residents is established by the MOF, together with the CBU. The acquisition of securities by institutional investors is performed within the limits established by law. The CBU Resolution No. 31/2 of November 11, 2017, clarified (formalizing the existing practice) that investment activities above US$10,000 by transferring the funds by residents on accounts abroad to directly invest in share capital of foreign companies, or to add operational funds to own foreign subsidiaries are permitted if there are the relevant decisions of President, Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of Republic of Uzbekistan.
Sale or issue abroad by residents	Yes.	Pursuant to the Regulation on Quotas and the Procedure for the Admission and Circulation of Securities, approved by Cabinet of Ministers Resolution No. 239 of August 20, 2014, securities issued by a resident may be placed and traded outside Uzbekistan in an amount that does not exceed 25% of the total volume of issued securities of the same kind (category or type), unless otherwise established by the laws of the Republic of Uzbekistan; the placement and circulation of securities issued by a resident outside Uzbekistan are carried out according to the laws of the respective country on securities of foreign issuers, unless otherwise established by international agreements of the Republic of Uzbekistan; securities issued by a resident are placed and traded outside Uzbekistan in the form of depositary receipts issued by a foreign depositary, in accordance with the laws of the country in which their placement and circulation are allowed.

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Bonds or other debt securities	Yes.	The Republic of Uzbekistan Law on the Securities Market (No. ZRU-387 of June 4, 2015), the Law on Joint-Stock Companies and Protection of Shareholders' Rights (No. ZRU-370 of May 7, 2014), and the Regulations on the Issuing of Securities and State Registration of Issuable Securities (Registration No. 2000 of August 30, 2009) establish the conditions for the issuing and procedures for the state registration of corporate and infrastructure bonds. According to Article 6 of the Law on the Securities Market of June 4, 2015, corporate bonds are issued in observance of the following conditions: within the limits of the issuer's equity capital as of the date the decision is made to issue the bonds; if the amount of corporate bonds exceeds the issuer's equity capital, the issuer is required to provide security for the excess amount; by issuers that have posted positive profitability, solvency, financial stability, and liquidity indicators for the past year; presence of an audit opinion on the financial statements for the last year before the bond issue; with the participation of commercial banks performing the functions of payment agents when issuers pay funds because of investors. Infrastructure bonds are issued in observance of the following conditions: within the limits of the issuer's equity capital as of the date the decision is made to issue the bonds; if the amount of corporate bonds exceeds the issuer's equity capital, the issuer is required to provide security for the excess amount; presence of an audit opinion on the financial statements for the last year before the bond issue; funds from the placement of infrastructure bonds are used for the financing of a project provided for in a decision of the President of the Republic of Uzbekistan or the Republic of Uzbekistan Cabinet of Ministers. Companies in which the state holds a stake of 50% or more, as well as state-owned enterprises, issue bonds with the consent of the Republic of Uzbekistan MOF. Additional conditions for issuing corporate and infrastructure bonds are established by the authorized government agency for regulation of the securities market. In addition, Article 30 of the Law on Joint-Stock Companies and Protection of Shareholders' Rights states that a company has the right to issue and place corporate bonds and other securities in accordance with the legislation and its charter. A company's corporate bonds may be securities that are convertible to the company's shares. A company issues corporate bonds, including those that are convertible to shares, on the basis of a decision by a general shareholders' meeting or the company's supervisory board, if the company's supervisory board has the right to make such a decision in accordance with the company's charter or a decision by a general shareholders' meeting. In the event that a company issues corporate bonds that are convertible to shares on the basis of a decision by the company's supervisory board, such a decision must be adopted unanimously by all of the board members. Pursuant to Article 53 of the Law on the Securities Market of June 4, 2015, the issuing of corporate bonds prior to the formation of the issuer's statutory capital is prohibited (with the exception of cases involving the formation of commercial banks' statutory capital), and it is also prohibited to issue bonds for the purpose of replenishing statutory capital or covering losses related to the issuer's financial and commercial activities; after a bond issue has been registered, the issuer may not make changes to a decision to issue bonds with regard to the rights under the bonds as established in the decision.

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Purchase locally by nonresidents	No.	Pursuant to Items 13 and 14 of the Regulation on the Procedure for the Circulation of Securities in Foreign Currency in the Republic of Uzbekistan, the Acquisition of Securities in Foreign Currency by Residents, and the Acquisition by Nonresidents of Securities Issued by Residents (Registration No. 1692 of June 22, 2007), nonresidents may purchase for domestic and foreign currency any securities admitted for circulation in Uzbekistan, unless their terms of issue prohibit nonresidents from holding these securities. A minimum holding period requirement is not regulated by the law.
Sale or issue locally by nonresidents	Yes.	The Regulation on Quotas and the Procedure for the Admission and Circulation of Securities, approved by Cabinet of Ministers Resolution No. 239 of August 20, 2014, establishes quotas and the procedure for allowing the placement and circulation of securities issued by nonresidents in Uzbekistan. Item 4 of the Regulation establishes the conditions for allowing the placement and circulation of securities issued by nonresidents in Uzbekistan. According to Item 5 of the Regulation, securities issued by nonresidents may be placed in Uzbekistan in an amount that does not exceed 25% of the total volume of issued securities of the same kind (category or type), through the issuing of a UDR representing the given securities. UDRs are subject to state registration by the authorized government agency.
Purchase abroad by residents	Yes.	The legislation on foreign exchange regulation governs the placement of assets by legal entities outside Uzbekistan. The procedure for the acquisition of securities in foreign currency by residents is established by the MOF, together with the CBU. The acquisition of securities by institutional investors is performed within the limits established by law. In accordance with the Regulation on the procedure for carrying out operations related to the movement of capital (No. 2536 of December 17, 2013), investment abroad in an amount equivalent to US$10,000 for acquisition of equity capital or provision of working capital for branches abroad are carried out subject to decisions of the President of the Republic of Uzbekistan, the Cabinet of Ministers of the Republic of Uzbekistan, or an international agreement.
Sale or issue abroad by residents	Yes.	Pursuant to the Regulation on Quotas and the Procedure for the Admission and Circulation of Securities, approved by Cabinet of Ministers Resolution No. 239 of August 20, 2014: securities issued by a resident may be placed and traded outside Uzbekistan in an amount that does not exceed 25% of the total volume of issued securities of the same kind (category or type), unless otherwise established by the laws of the Republic of Uzbekistan; the placement and circulation of securities issued by a resident outside Uzbekistan are carried out according to the laws of the respective country on securities of foreign issuers, unless otherwise established by international agreements of the Republic of Uzbekistan; securities issued by a resident are placed and traded outside Uzbekistan in the form of depositary receipts issued by a foreign depositary, in accordance with the laws of the country in which their placement and circulation are allowed.
On money market instruments	Yes.	Resident commercial banks and other legal entities may hold CDs. Resident legal entities may be dealers in the short-term government bond market and may hold bonds. Medium-term government treasury bonds are placed among resident commercial banks and legal entities and may be used for collateralization of loans and for repo and reverse repo transactions (transactions of purchase and sale of securities with buyback).
Purchase locally by nonresidents	Yes.	Commercial banks and other resident legal entities can be holders of CDs. Resident legal entities can be dealers in the market of

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		government short-term bonds and bondholders. State medium-term bonds are placed by commercial banks and resident legal entities and serve as collateral for loans, and as provision for REPO and reverse REPO (transactions of purchase and sale of securities with a buyback). In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan of December 14, 2016, No. 1016, government securities (with the exception of Central Bank bonds) may be placed among residents and nonresidents of the Republic of Uzbekistan. The annual volume of government securities placed among nonresidents is determined by the MOF in agreement with the Central Bank.
Sale or issue locally by nonresidents	Yes.	The Regulation "On quotas and the procedure for admitting to the placement and circulation of securities," approved by the Resolution of the Cabinet of Ministers No. 239, dated August 20, 2014, establishes quotas and determines the procedure for admitting securities issued by nonresidents to the placement and circulation in Uzbekistan. Article 4 of the Regulations establishes the conditions for admitting securities issued by nonresidents to the placement and circulation in the territory of the Republic of Uzbekistan. In accordance with Article 5 of the Regulations, securities of a nonresident are allowed to be placed on the territory of the Republic of Uzbekistan in an amount not exceeding 25% of the total number of issued securities of this type (category or type), by issuing an UDR representing these securities. UDRs are subject to state registration by an authorized state body.
Purchase abroad by residents	Yes.	Investment activities in excess of US$10,000 are permitted subject to the relevant decisions of the President, the Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of the Republic of Uzbekistan. Banks are allowed to conduct such operations in accordance with banking license.
Sale or issue abroad by residents	Yes.	In accordance with the Regulation "On quotas and the procedure for admitting to the placement and circulation of securities" approved by the Resolution of the Cabinet of Ministers No. 239, dated August 20, 2014, securities of a resident can be placed and circulated outside the territory of the Republic of Uzbekistan in an amount not exceeding 25% of the total number of issued securities of a given type (category or type), unless otherwise established by the legislation of the Republic of Uzbekistan. Placement and circulation of the resident's securities are carried out outside the territory of the Republic of Uzbekistan in accordance with the legislation of the respective country on securities of foreign issuers, unless otherwise provided by international treaties of the Republic of Uzbekistan; securities of a resident are placed and circulated outside the territory of the Republic of Uzbekistan in the form of depositary receipts issued by a foreign depository, in accordance with the legislation of the country in which they are allowed for placement and circulation.
On collective investment securities	Yes.	The Republic of Uzbekistan Law on Investment and Mutual Funds of August 26, 2015 (No. ZRU-392 of August 25, 2015), and the Regulation on Investment Funds, approved by the Cabinet of Ministers Resolution of September 25, 1998, establish procedures governing the activities of investment and mutual funds that stipulate that they must be managed by licensed management companies (investment fund fiduciary managers). The recording of titles to securities issued and belonging to investment funds is handled by the Central Depository, unless otherwise established by law. The registration of a mutual fund is performed by the Central

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		Securities Depository through the recording of investment shares after the mutual fund has been entered in the Uniform Registry of Mutual Funds.
Purchase locally by nonresidents	No.	Nonresidents may purchase for domestic and foreign currency any securities admitted for circulation in Uzbekistan, unless their terms of issue prohibit nonresidents from holding these securities.
Sale or issue locally by nonresidents	Yes.	The Regulation on Quotas and the Procedure for the Admission and Circulation of Securities, approved by Cabinet of Ministers Resolution No. 239 of August 20, 2014, establishes quotas and the procedure for allowing the placement and circulation of securities issued by nonresidents in Uzbekistan. Item 4 of the Regulation establishes the conditions for allowing the placement and circulation of securities issued by nonresidents in Uzbekistan. According to Item 5 of the Regulation, securities issued by nonresidents may be placed in Uzbekistan in an amount that does not exceed 25% of the total volume of issued securities of the same kind (category or type), through the issuing of a UDR representing the given securities. UDRs are subject to state registration by the authorized government agency.
Purchase abroad by residents	Yes.	The legislation on foreign exchange regulation governs the placement of assets by legal entities outside Uzbekistan. The CBU Resolution No. 31/2 of November 11, 2017, clarified (formalizing the current practice) that investment activities above US$10,000 by transferring the funds by residents on accounts abroad to directly invest in share capital of foreign companies, or to add operational funds to own foreign subsidiaries are permitted if there are the relevant decisions of President, Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of Republic of Uzbekistan.
Sale or issue abroad by residents	Yes.	Pursuant to the Regulation on Quotas and the Procedure for the Admission and Circulation of Securities, approved by Cabinet of Ministers Resolution No. 239 of August 20, 2014: securities issued by a resident may be placed and traded outside Uzbekistan in an amount that does not exceed 25% of the total volume of issued securities of the same kind (category or type), unless otherwise established by the laws of the Republic of Uzbekistan; the placement and circulation of securities issued by a resident outside Uzbekistan are carried out according to the laws of the respective country on securities of foreign issuers, unless otherwise established by international agreements of the Republic of Uzbekistan; securities issued by a resident are placed and traded outside Uzbekistan in the form of depositary receipts issued by a foreign depositary, in accordance with the laws of the country in which their placement and circulation are allowed.
Controls on derivatives and other instruments	Yes.	The Republic of Uzbekistan Law on the Securities Market of June 4, 2015, defines “derivative securities,” “securities futures,” and “options.” Article 7 of the Law establishes the following conditions for issuing stock options: the conditions for issuing stock options may establish restrictions on their circulation; a joint-stock company does not have the right to place stock options if the volume of declared shares of the given company is less than the volume of shares that may be acquired under the stock options; the volume of shares of a certain type that may be acquired under stock options may not exceed 5% of the shares of the given type that have been placed as of the date the documents are filed for the state registration of the stock option issue; the placement of stock options is possible after a joint-stock company’s statutory capital has been paid in fully on its establishment. In addition, the Procedure for the Issuing and

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		Circulation of Derivative Securities, registered with the Ministry of Justice on April 2, 1997, under No. 320, governs the procedure for the issuing and circulation of derivative securities within Uzbekistan.
Purchase locally by nonresidents	No.	There is no organized derivative trading in Uzbekistan. However, there are no legal restrictions to buy derivatives. Generally, nonresidents may purchase for domestic and foreign currency any securities admitted for circulation in Uzbekistan, unless their terms of issue prohibit nonresidents from holding these securities, pursuant to Items 13 and 14 of the Regulation on the Procedure for the Circulation of Securities in Foreign Currency in the Republic of Uzbekistan, the Acquisition of Securities in Foreign Currency by Residents, and the Acquisition by Nonresidents of Securities Issued by Residents (Registration No. 1692 of June 22, 2007).
Sale or issue locally by nonresidents	Yes.	There is no organized derivative trading in Uzbekistan. Generally, pursuant to Article 15 of the Law No. ZRU-387 of June 3, 2015, on the Securities Market, securities are admitted for placement and circulation within the Republic of Uzbekistan following their state registration, unless otherwise established by law. The Republic of Uzbekistan Cabinet of Ministers establishes quotas and the procedure for the admission of securities issued by nonresidents for placement and circulation within the territory of the Republic of Uzbekistan.
Purchase abroad by residents	Yes.	All international foreign exchange operations, which are not classified as current international operations, are considered capital movement operations. Capital movement operations are regulated in accordance with CBU Regulation on the Procedures for Performing Certain Foreign Exchange Operations Associated with the Movement of Capital.
Sale or issue abroad by residents	Yes.	Pursuant to Article 15 of the Law No. ZRU-387 of June 3, 2015, on the Securities Market, the Republic of Uzbekistan Cabinet of Ministers establishes quotas and the procedure for the admission of securities (including derivative instruments) issued by residents for placement and circulation outside the territory of the Republic of Uzbekistan, with the exception of international bonds.
Controls on credit operations	Yes.	Agreements and guarantees pertaining to government external borrowing must be registered with the MOF; agreements not guaranteed by the government must be registered with the CBU.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	The CBU Resolution No. 31/2 of November 11, 2017, clarified (formalizing the current practice) that providing loans in the form of credit, cash, goods (services), or leasing operations by residents to nonresidents is permitted if there are the relevant decisions of President, Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of Republic of Uzbekistan.
To residents from nonresidents	No.	These must be registered by banks for accounting purposes. Transactions in connection with loans from nonresidents guaranteed by the government must be registered for accounting purposes with the MOF. Credits not guaranteed by the government are subject to CBU registration based on a notification procedure for statistical purposes; it is not a permitting procedure because the CBU is notified that a transaction has been performed.
Financial credits	Yes.	
By residents to nonresidents	Yes.	The CBU Resolution No. 31/2 of November 11, 2017, clarified (formalizing the current practice) that providing loans in the form of credit or cash by residents to nonresidents is permitted if there are the relevant decisions of President, Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of Republic of Uzbekistan.

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To residents from nonresidents	No.	These must be registered by banks for accounting purposes. Transactions in connection with loans from nonresidents guaranteed by the government must be registered for accounting purposes with the MOF. Credits not guaranteed by the government are subject to CBU registration based on a notification procedure for statistical purposes; it is not a permitting procedure because the CBU is notified that a transaction has been performed.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Founders establish entities abroad by a decision of a founder's governing authority whose competence includes, under constituent documents, the decision to establish entities abroad. The CBU Resolution No. 31/2 of November 11, 2017, clarified (formalizing the current practice) that investment activities above US$10,000 by transferring the funds by residents on accounts abroad to directly invest in share capital of foreign companies, or to add operational funds to own foreign subsidiaries are permitted if there are the relevant decisions of President, Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of Republic of Uzbekistan.
Inward direct investment	Yes.	Pursuant to the Law on Foreign Exchange Regulation, there are no restrictions on the attraction of FDIs into Uzbekistan and the repatriation of them, or on the exercise of rights acquired in connection with making direct foreign investments. Investors may establish foreign investment enterprises (FIEs), a form of direct investment, by registering with the Ministry of Justice and its regional offices. A firm may acquire FIE status as follows: (1) It must have at least US$50,000 (400 million sum) in statutory capital. (2) One participant must be a foreign legal entity or individual. (3) At least 15% of its statutory capital must be foreign investment. Nonresidents must obtain the prior permission of the CBU for the acquisition of the securities of resident banks above the established threshold. Individuals and legal entities or persons acting together, including nonresidents, are obliged to obtain the prior permission of the CBU before acquiring, directly or indirectly, a stake that will constitute 5% or more in the authorized capital of a bank as a result of one or several transactions. The need to obtain the prior permission of the CBU for the acquisition by nonresidents of shares of resident banks is not a form of control of the movement of capital. Pursuant to the Law on Banks and Banking: - the total share of nonresidents – individuals and legal entities that are not international financial institutions, foreign banks and other credit organizations, should not exceed 50% of the authorized capital of the bank; - the following may not be direct or indirect holders of bank shares: nonresident individuals who live in a state or a territory that offers preferential tax treatment and/or does not stipulate the disclosure of the identity of the ultimate beneficial owners and the provision of information in the course of financial transactions, as well as legal entities whose participants (shareholders), the ultimate beneficial owners are registered in such a state or territory.
Controls on liquidation of direct investment	No.	Pursuant to the Law on Foreign Exchange Regulation, there are no restrictions on the attraction to Uzbekistan of FDIs or their

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		repatriation or the exercise of rights acquired in connection with the execution of FDIs. The Ministry of Justice and its regional offices oversee FIEs' compliance with their statutory obligations and the procedures for their registration and liquidation.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	The CBU Resolution No. 31/2 of November 11, 2017, clarified (formalizing the current practice) that transferring of funds by residents to nonresidents for the purpose of purchasing real estate is permitted if there are the relevant decisions of President, Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of Republic of Uzbekistan.
Purchase locally by nonresidents	Yes.	The procedures for nonresidents' acquisition of real estate within Uzbekistan are established by the Cabinet of Ministers. Residence permit is required for acquisition of real estate by nonresidents (with the exception of diplomats and international organizations' staff accredited in Uzbekistan).
Sale locally by nonresidents	No.	The procedures for nonresidents' sale of real estate within Uzbekistan are established by the cabinet of ministers.
Controls on personal capital transactions	Yes.	
Loans	Yes.	Indicative limits/bona fide test within the framework of the AML and CFT legislation apply.
By residents to nonresidents	Yes.	The CBU Resolution No. 31/2 of November 11, 2017, clarified (formalizing the current practice) that providing loans in the form of credit, cash, goods (services) or leasing operations by residents to nonresidents is permitted if there are the relevant decisions of President, Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of Republic of Uzbekistan.
To residents from nonresidents	No.	Loans not guaranteed by the Republic of Uzbekistan Government must be registered with the CBU through a notification procedure for statistical purposes; this is not a permitting procedure because the CBU is notified of the fact that a transaction has been performed.
Gifts, endowments, inheritances, and legacies	Yes.	Indicative limits/bona fide test within the framework of the AML and CFT legislation apply.
By residents to nonresidents	Yes.	All international foreign exchange operations, which are not classified as current international operations, are considered capital movement operations. Capital movement operations are regulated in accordance with The CBU Regulation on the Procedures for Performing Certain Foreign Exchange Operations Associated with the Movement of Capital.
To residents from nonresidents	No.	Foreign exchange funds from domestic and international currency transactions may be deposited into accounts of resident entities and individual entrepreneurs. Foreign currency funds received in the name of resident individuals are credited to their accounts without restrictions.
Settlement of debts abroad by immigrants	No.	Resident individuals may open foreign currency accounts and made deposits in foreign banks.
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Commercial banks' operations with foreign currency are performed on the basis of a banking license.
Borrowing abroad	No.	The CBU registers agreements on external borrowing not guaranteed by the government in accordance with the Law on External Borrowing, Law on Foreign Exchange Regulation, and Regulations on the Procedures for Performing Certain Foreign Exchange Operations Associated with the Movement of Capital, registered under No. 2536 of December 17, 2013, based on a notification procedure for statistical purposes; it is not a permitting procedure because the CBU is notified that a transaction has been performed.
Maintenance of accounts abroad	No.	Banks may open correspondent accounts in local and foreign currencies on the basis of agreements with foreign banks and use these accounts for the purposes stated in the agreement.
Lending to nonresidents (financial or commercial credits)	Yes.	The CBU Resolution No. 31/2 of November 11, 2017, clarified (formalizing the current practice) that providing loans in the form of credit, cash, goods (services), or leasing operations by residents to nonresidents is permitted if there are the relevant decisions of President, Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of Republic of Uzbekistan.
Lending locally in foreign exchange	Yes.	Lending is permitted to (1) refinance foreign lines of credit and (2) for investment projects.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Securities issued in Uzbekistan must be denominated in domestic currency.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	Required reserves for liabilities in domestic and foreign currencies are formed through the transfer of funds to a reserve account at the CBU in the domestic currency. No interest is paid on required reserves. During the time that required reserves are held in reserve accounts at the CBU, they may be used in accordance with an averaging ratio, taking into account reserve requirement standards. The mandatory reserve requirement norms are as follows: (1) For deposit obligations of banks in national currency: from individuals and legal entities: - 4% for term deposits of more than 2 years; - 4% for term deposits between 1 and 2 years; - 4% for demand deposits and other deposits (of less than 1 year). (2) For deposit obligations of banks in foreign currency: from individuals and legal entities: - 18% for term deposits of more than 2 years; - 18% for term deposits between 1 and 2 years; - 18% for demand deposits and other deposits of less than 1 year.
Liquid asset requirements	Yes.	The LCR is the ratio of highly liquid assets to the net outflow in the next 30 days. The LCR must not be less than 100%. LCR must be differentiated by currency and should be no less than 100%: in all currencies; in domestic currency; in foreign currency (total for all foreign currencies). The ratio of liquid assets to total assets must not be less than 10%. However, this ratio is not differentiated by currency.
Interest rate controls	No.	
Credit controls	n.r.	
Differential treatment of deposit accounts held by nonresidents	n.r.	

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Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	n.r.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Investment activities in excess of US$10,000 are permitted subject to the relevant decisions of the President, the Cabinet of Ministers of the Republic of Uzbekistan, or international treaties of the Republic of Uzbekistan. Banks are allowed to conduct such operations in accordance with their banking license.
In banks by nonresidents	Yes.	Pursuant to the Basel Committee's Core Principles for Effective Banking Supervision, requirements have been established to obtain prior CBU permission to purchase shares of resident banks by nonresidents above the established threshold. Individuals and legal entities or persons acting together, including nonresidents, are obliged to obtain the prior permission of the CBU before acquiring, directly or indirectly, a stake that will constitute 5% or more in the authorized capital of a bank as a result of one or several transactions. The need to obtain the prior permission of the CBU for the acquisition by nonresidents of shares of resident banks is not a form of control of the movement of capital. Pursuant to the Law on Banks and Banking: - the total share of nonresidents – individuals and legal entities that are not international financial institutions, foreign banks and other credit organizations, should not exceed 50% of the authorized capital of the bank; - the following may not be direct or indirect holders of bank shares: nonresident individuals who live in a state or a territory that offers preferential tax treatment and/or does not stipulate the disclosure of the identity of the ultimate beneficial owners and the provision of information in the course of financial transactions, as well as legal entities whose participants (shareholders), the ultimate beneficial owners are registered in such a state or territory.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The open foreign exchange position for each individual type of foreign currency at the end of each business day may not exceed 10% of a bank's regulatory capital. The aggregate open foreign exchange position at the end of each business day for all short (long) foreign exchange positions and the overall aggregate position may not exceed 15% of a bank's regulatory capital.
On nonresident assets and liabilities	Yes.	The open foreign exchange position for each individual type of foreign currency at the end of each business day may not exceed 10% of a bank's regulatory capital. The aggregate open foreign exchange position at the end of each business day for all short (long) foreign exchange positions and the overall aggregate position may not exceed 15% of a bank's regulatory capital.
Provisions specific to institutional investors	Yes.	Institutional investors in the securities market are investment funds, insurers, and commercial banks.
Insurance companies	Yes.	Institutional investors may purchase securities in the amounts established by the legislation.
Limits (max.) on securities issued by nonresidents	No.	

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Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	Insurance reserves apply for each type (class) of insurance and in the currency in which the liability (insurance amount) is payable according to the insurance agreement. In cases when insurance reserves are set in foreign currency, assets are paid in the same currency as the insurance reserves or in a foreign currency.
Pension funds	n.r.	There are no private pension funds in Uzbekistan.
Limits (max.) on securities issued by nonresidents	n.r.	There are no private pension funds in Uzbekistan.
Limits (max.) on investment portfolio held abroad	n.r.	There are no private pension funds in Uzbekistan.
Limits (min.) on investment portfolio held locally	n.r.	There are no private pension funds in Uzbekistan.
Currency-matching regulations on assets/liabilities composition	n.r.	There are no private pension funds in Uzbekistan.
Investment firms and collective investment funds	Yes.	The Republic of Uzbekistan Law on Investment and Mutual Funds of August 26, 2015 (No. ZRU-392 of August 25, 2015), and the Regulation on Investment Funds, approved by the Cabinet of Ministers Resolution of September 25, 1998, establish procedures governing the activities of investment and mutual funds that stipulate that they must be managed by licensed management companies (investment fund fiduciary managers). Investment funds are legal entities in the form of open joint-stock companies that issue shares for the purpose of placing investors' resources in securities and other assets in accordance with the law and in bank accounts and deposits. Investment funds may not be converted to other types of legal entities. Pursuant to Article 13 of the Republic of Uzbekistan Law on Investment and Mutual Funds of August 26, 2015, an investment fund does not have the right: to operate without a license; to issue corporate and infrastructure bonds, or preferred shares; to invest more than 10% of the investment fund's net assets in the securities of a single issuer or in the shares of a limited liability company; to attract loans and/or borrowed funds if the aggregate amount of debt to be repaid will exceed 15% of the value of the investment fund's net assets as of the date the credit and/or loan agreement is signed (and the duration of the credit and/or loan may not exceed three months); to serve as a surety, or to pledge property or property rights; to make investments in securities and shares of commercial companies whose organizational-legal form imposes additional liability on their partners; to make investments in securities issued by a fiduciary manager or by auditing firms, or to acquire stakes in their statutory capital; to acquire and hold shares of other investment funds; to enter into transactions not related to investment activity, or to acquire options or futures; to make investments in a total amount that exceeds 10% of the fund's net assets (other than investments in securities). According to Article 17 of the Law, the monetary assets of a mutual fund may not be: invested in the securities of a single issuer or in shares of a limited liability company in an amount that exceeds 10% of the fund's investment assets; invested in securities and shares of commercial companies whose organizational-legal form imposes additional liability on their partners; invested in securities issued by a

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		fiduciary manager or by auditing firms, or used to acquire stakes in their statutory capital; used for purposes not related to investment activity; invested in a total amount that exceeds 10% of the fund's investment assets (other than investments in securities).
Limits (max.) on securities issued by nonresidents	Yes.	Pursuant to Article 15 of the Law on the Securities Market of June 3, 2015, the issuance and circulation of securities in Uzbekistan are subject to registration, unless the legislation provides otherwise. The cabinet of ministers establishes quotas and the procedure for circulation in Uzbekistan of securities issued by nonresidents. The quotas and procedures are the same as for capital market securities.
Limits (max.) on investment portfolio held abroad	Yes.	Investment funds may not invest in securities of enterprises that have not been registered by the government or that conduct their business principally outside Uzbekistan.
Limits (min.) on investment portfolio held locally	Yes.	Investment funds may not (1) acquire the common stock of any joint-stock company if the acquisition leads to ownership of more than 10% of the stock by entities affiliated with the investment fund; (2) invest more than 10% of their net assets in the securities of a single issuer or in the stakes (participation shares) of a limited liability company established on the basis of a privatized enterprise, with the exception of government securities; or (3) exchange stocks issued by the fund for stocks of joint-stock companies established in the process of denationalization (privatization) in an amount exceeding 5% of the net assets of the investment fund. Pursuant to Article 13 of the Republic of Uzbekistan Law on Investment and Mutual Funds of August 26, 2015, an investment fund does not have the right: to serve as a surety, or to pledge property or property rights; to make investments in securities and shares of commercial companies whose organizational-legal form imposes additional liability on their partners; to make investments in securities issued by a fiduciary manager or by auditing firms, or to acquire stakes in their statutory capital; to acquire and hold shares of other investment funds; to enter into transactions not related to investment activity, or to acquire options or futures; to make investments in a total amount that exceeds 10% of the fund's net assets (other than investments in securities). According to Article 17 of the Law, the monetary assets of a mutual fund may not be: invested in the securities of a single issuer or in shares of a limited liability company in an amount that exceeds 10% of the fund's investment assets; invested in securities and shares of commercial companies whose organizational-legal form imposes additional liability on their partners; invested in securities issued by a fiduciary manager or by auditing firms, or used to acquire stakes in their statutory capital; used for purposes not related to investment activity; invested in a total amount that exceeds 10% of the fund's investment assets (other than investments in securities).
Currency-matching regulations on assets/liabilities composition	Yes.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.

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Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.

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Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Crawl-like arrangement	*06/28/2022*	Beginning in June 2022, the sum has followed a depreciating trend within a 2% band against the US dollar. Accordingly, the de facto exchange rate arrangement was reclassified to crawl-like from other managed.
Other managed arrangement	*03/11/2022*	From March 2022 through June 2022, the exchange rate increased its flexibility while still being managed. Accordingly, the de facto exchange rate arrangement was reclassified to other managed from crawl-like.

Arrangements for Payments and Receipts

Controls on exports and imports of banknotes

On exports

Domestic currency	*12/04/2023*	The declaration and presentation to a customs officer threshold

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		increased to 100,000,000 sum from 70,000,000 sum.
Foreign currency	*12/04/2023*	The declaration and presentation to a customs officer threshold increased to 100,000,000 sum from 70,000,000 sum.
On imports		
Domestic currency	*12/04/2023*	The declaration and presentation to a customs officer threshold increased to 100,000,000 sum from 70,000,000 sum.
Foreign currency	*12/04/2023*	The declaration and presentation to a customs officer threshold increased to 100,000,000 sum from 70,000,000 sum.

Imports and Import Payments

Import taxes and/or tariffs	*01/01/2023*	The VAT was decreased to 12% from 15%.

Exports and Export Proceeds

Repatriation requirements	*03/11/2022*	If the fine is paid voluntarily within 10 days proportionally to the amount of assets repatriated in foreign trade transactions within a 90-day period, the paid fine is reimbursed to the resident.
	03/11/2022	No fines are applied for a failure to repatriate foreign trade transaction assets for the amount of repatriated assets under this Law pending the court decision in a fine application case.
	03/11/2022	No fines are applied for a failure to repatriate foreign trade transaction assets when a document is presented that is issued by an authorized body and confirms the destruction or seizure by government authorities of goods that became unusable during transportation or storage for reasons beyond the control of the parties.
	03/11/2022	No fines are applied for a failure to repatriate foreign trade transaction assets when there is no breach of deadlines established in import contracts concluded under projects implemented by resolutions by the President and Cabinet of Ministers of the Republic of Uzbekistan or in import contracts approved by the Management Committee under the implementation of product sharing agreements.
	03/11/2022	Residents that failed to repatriate foreign trade transaction assets during the period exceeding 45 (previously 30) days (90 days for small business entities; previously 60 days) after the expiration of 180 days from the date of payment or export to a nonresident pay a fine to the republic budget.
	03/11/2022	The fine for failing to meet the repatriation requirement is in the equivalent of 5% (previously 10%) of the amount of non-repatriated assets if the asset repatriation is delayed by up to 365 days (previously 180 days) from the date of payment or export to a nonresident.
	03/11/2022	The fine for failing to meet the repatriation requirement is in the equivalent of an additional 10% (previously 20%) of the amount of non-repatriated assets if the asset repatriation is delayed by 365–545 days (previously 180–365 days) from the date of payment or export to a nonresident.
	03/11/2022	The fine for failing to meet the repatriation requirement is in the equivalent of an additional 35% (previously 70%) of the amount of non-repatriated assets if the asset repatriation is delayed beyond 545 days (previously 365 days) from the date of payment or export to a nonresident.

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VANUATU

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 28, 1981.
Article VIII	Yes.	Date of acceptance: December 11, 1982.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Vanuatu is the Vanuatu vatu.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	Since 1988, Vanuatu has officially maintained an adjustable peg exchange rate arrangement. Currently, the exchange rate of the vatu is linked to a transaction-weighted (trade and tourism receipts) basket of currencies whose weights and composition are not publicly disclosed and are adjusted periodically. The de facto exchange rate arrangement is classified as other managed, because the composite weights are not disclosed and cannot be confirmed, and, in practice,

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		the vatu has been more volatile against a composite than the 2% band typical of stabilized or pegged arrangements.
Floating		
Free floating		
Official exchange rate	Yes.	The Reserve Bank of Vanuatu (RBV) quotes vatu rates daily against the US dollar and other major currencies.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target		
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		
Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		

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Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	The main objectives of monetary policy are (1) low and stable inflation and (2) a sufficient level of official foreign exchange reserves. Specifically, the RBV aims for CPI inflation in the 0%–4% range and aims to maintain foreign reserve cover of at least four months of imports. The RBV achieves these objectives by pegging the vatu to an undisclosed basket of currencies, targeting excess reserves in the banking system through its open market operations, and periodically adjusting its rediscount rate and the statutory reserve requirement in line with economic and financial conditions.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks may freely trade within a band set by the RBV.
Spot exchange market	Yes.	Foreign exchange bureaus may operate after obtaining a license from the Department of Finance (government). Such bureaus may not deal directly with the RBV. Currently, there are three focusing on exchange and transfer and three Chinese stores that include exchange in their retail activity.
Operated by the central bank	Yes.	
Foreign exchange standing facility	Yes.	The RBV has a dealing facility with the local commercial banks for the purchase and sale of US dollars and Australian dollars against the vatu.
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	Five commercial banks participate in the interbank foreign exchange market. There are no limits on the bid-ask spreads and commissions of market participants.
Over the counter	Yes.	Banks operate mainly over the counter.
Brokerage	No.	
Market making	No.	
Forward exchange market	Yes.	The RBV does not deal in the forward exchange market; however, commercial banks provide forward exchange facilities to their customers at their own expense. The RBV does not deal in derivative instruments.

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Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	n.r.	
Controls on the use of domestic currency	No.	There are no limitations on the use of domestic currency in international payments for current or capital transactions.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	n.r.	
Payments arrangements	Yes.	
Bilateral payments arrangements	n.r.	
Operative	n.r.	
Inoperative	n.r.	
Regional arrangements	Yes.	Vanuatu participates in the Melanesian Spearhead Group (MSG) Trade Agreement and PICTA. Vanuatu also signed PACER Plus agreement in September 2017. Australia and New Zealand have ratified it, but other signatories are working toward ratification. The PACER Plus will come into force 60 days after being ratified by an eighth signatory.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	n.r.	
Official	n.r.	
Private	n.r.	
Controls on trade in gold (coins and/or bullion)	n.r.	
On domestic ownership and/or trade	n.r.	
On external trade	n.r.	
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	A person who leaves or arrives in Vanuatu with more than VT 1 million in cash or negotiable bearer instruments on his or her person or on his or her luggage without first having reported the fact to the Department of Customs commits an offence punishable on conviction by a fine not exceeding VT 1 million or imprisonment for

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		2 years or both.
Foreign currency	No.	A person who leaves or arrives in Vanuatu with more than VT 1 million in cash or negotiable bearer instruments on his or her person or on his or her luggage without first having reported the fact to the Department of Customs commits an offence punishable on conviction by a fine not exceeding VT 1 million or imprisonment for 2 years or both.
On imports	No.	
Domestic currency	No.	A person who leaves or arrives in Vanuatu with more than VT 1 million in cash or negotiable bearer instruments on his or her person or on his or her luggage without first having reported the fact to the Department of Customs commits an offence punishable on conviction by a fine not exceeding VT 1 million or imprisonment for 2 years or both.
Foreign currency	No.	A person who leaves or arrives in Vanuatu with more than VT 1 million in cash or negotiable bearer instruments on his or her person or on his or her luggage without first having reported the fact to the Department of Customs commits an offence punishable on conviction by a fine not exceeding VT 1 million or imprisonment for 2 years or both.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	
Approval required	No.	
Held abroad	Yes.	
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	No restriction but depends on the bank abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	Depends on the risk level of the customer (AML-CTF Act).

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	n.r.	
Minimum financing requirements	n.r.	

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Advance payment requirements	n.r.	
Advance import deposits	n.r.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	Yes.	
Preshipment inspection	Yes.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	n.r.	
Other	Yes.	For verification purposes, all appropriate documentation must accompany requests for foreign settlement by commercial banks.
Import licenses and other nontariff measures	Yes.	
Positive list	Yes.	
Negative list	Yes.	The importation of frozen chicken pieces, T-shirts bearing a Vanuatu motif, firearms and ammunition, animals and plants, and transistor and telephone equipment is restricted through import-licensing arrangements. A similar restriction is applied to the importation of rice, sugar, flour, canned fish, and tobacco products. Bans are in effect for health reasons on imports of animals and animal products from Europe and the United Kingdom, as well as on imports of chicken and poultry products from Victoria and New South Wales, Australia.
Open general licenses	n.r.	
Licenses with quotas	n.r.	
Other nontariff measures	Yes.	The RBV has the authority to restrict import requests to the equivalent of US$100,000 an individual.
Import taxes and/or tariffs	Yes.	The import duty structure consists of eight rates, ranging from 0% to 30%, with the 30% rate applying to most goods. Most basic items are subject to a 5% duty. Approved goods imported under the MSG, PICTA, and PACER trade agreements are duty-free. These goods require certificates of origin issued to exporters and importers by the member countries. Goods imported or delivered from bonded houses are also duty-free. A 35% duty applies to certain imported products in the protected goods category, except for six items covered under the MSG trade agreement, to which a 40% duty applies. In addition, a 40% duty, which decreases by 2% a year, is applied to ice cream, fruit juice, meat, and soap, and duties of VT 350 and VT 315 a liter are applied to fuel and paint, respectively. As a result of free trade under the MSG trade agreement, excise tax rates have been increased and extended to additional excisable products (domestic and imported). Customs uses the harmonized system of tariffs (2007 version). Vanuatu became a WTO member in 2012 and has agreed to bind all its tariff rates.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	

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Surrender requirements	No.	Exchange proceeds need not be surrendered.
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	n.r.	
Documentation requirements	n.r.	
Letters of credit	n.r.	
Guarantees	n.r.	
Domiciliation	n.r.	
Preshipment inspection	n.r.	
Other	n.r.	
Export licenses	Yes.	The exportation of logs and flitches is banned for environmental reasons. Under special circumstances, small parcels of logs may be exported if they cannot be processed in Vanuatu. Proposals to export logs require approval of the council of ministers. Export permits – whose issuance is coordinated by the Environment Unit and the Forestry Department – are required for rare and endangered species. The exportation of sandalwood logs is banned, and sandalwood must be processed locally before exportation.
Without quotas	Yes.	For conservation purposes, exports of certain products, including trochus, green snails, bêches-de-mer, mother-of-pearl, aquarium fish, crustaceans, and coconut crabs, are subject to authorization. The annual quota of bêches-de-mer that may be exported from Vanuatu is 26 tons, and they must be of a specified size. Exports of copra and cocoa take place through the Vanuatu Commodities Marketing Board. Exports of kava, a prescribed commodity under the Vanuatu Commodities Marketing Board, must be authorized by the Quarantine Office. Exports of artifacts of exceptional value, either as a result of ceremonial use or because they are more than 10 years old, are subject to authorization from the Vanuatu Cultural Center.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	There are taxes on exports of logs; unworked shells; and wood in the rough, whether stripped of bark and sapwood or roughly squared.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	

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Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.

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Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Limits to the investments of pension funds apply. As per the Investment Policy Guideline (IPG), the maximum limit on investment portfolio assets held abroad is 30%, while the minimum limit is 20%. In addition, Paragraph 8 of the IPG – Asset Allocation, the benchmark position for asset class offshore investment in equity is a minimum of 4% and a maximum of 20%.
Sale or issue abroad by residents	No.	
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Limits to the investments of pension funds apply. As per the IPG, the maximum limit on investment portfolio assets held abroad is 30%, while the minimum limit is 20%.
Sale or issue abroad by residents	No.	
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Limits to the investments of pension funds apply. As per the IPG, the maximum limit on investment portfolio assets held abroad is 30%, while the minimum limit is 20%.
Sale or issue abroad by residents	No.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	Limits to the investments of pension funds apply. As per the IPG, the maximum limit on investment portfolio assets held abroad is 30%, while the minimum limit is 20%.
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	No.	
Outward direct investment	No.	
Inward direct investment	No.	The Vanuatu Investment Promotion Authority has recommended a few amendments for the control of investment in Vanuatu; however, these have not yet been implemented. The Vanuatu Investment Promotion Authority board, however, has decided to limit the operation of land transport services and wholesale and retail business to the central business district of Port Vila.
Controls on liquidation of direct investment	No.	
Controls on real estate transactions	No.	Following the most recent Land Summit, reports have been submitted to facilitate controls on real estate transactions. However, no action has been taken yet.
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	In accordance with the Vanuatu Financial Transactions Reporting Act for the Prevention of Money Laundering, all inflow and outflow transactions exceeding VT 1 million must be reported to the Vanuatu FIU. An exemption list, including transactions exceeding VT 1 million of certain banks' customers, is specified. Amendments are currently under consideration to review the amount.
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	

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Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Section 38 of the Financial Institutions Act – Restriction on Advances Exceeding 25% of Capital stipulates that a licensee may not extend an advance or credit facility to a (1) (a) person or entity (corporate or unincorporated) or (b) group of entities under the control of a particular individual, or (2) give a financial guarantee or incur a liability on behalf of (a) or (b) if it would result in the total value of the advances, credit facilities, financial guarantees, and other liabilities exceeding 25% of the value of the licensee's eligible capital. The RBV may approve exceptions.
Lending locally in foreign exchange	Yes.	Lending must be within 25% of eligible capital.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	Statutory required deposit (SRD) is currently at 5.25%.
Liquid asset requirements	No.	Prudential Guideline 3 – Supervision of the Adequacy of Liquidity of Banks applies: Banks must maintain at least 5% of liabilities in specified high-quality liquid assets at all times. Eligible assets must be held in the name of the bank. The assets must be unencumbered by any pledge or restriction on access and readily transferable and convertible to cash within two business days.
Interest rate controls	No.	
Credit controls	No.	Section 38 of the Financial Institutions Act – Restriction on Advances Exceeding 25% of Capital stipulates that a licensee may not extend an advance or credit facility to a (1) (a) person or entity (corporate or unincorporated) or (b) group of entities under the control of a particular individual, or (2) give a financial guarantee or incur a liability on behalf of (a) or (b) if it would result in the total value of the advances, credit facilities, financial guarantees, and other liabilities exceeding 25% of the value of the licensee's eligible capital. The RBV may approve exceptions.
Differential treatment of deposit accounts	No.	

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held by nonresidents		
Reserve requirements	No.	
Liquid asset requirements	No.	Prudential Guideline 3 – Supervision of the Adequacy of Liquidity of Banks applies: Banks must maintain at least 5% of liabilities in specified high-quality liquid assets at all times. Eligible assets must be held in the name of the bank. The assets must be unencumbered by any pledge or restriction on access and readily transferable and convertible to cash within two business days.
Interest rate controls	No.	
Credit controls	No.	Section 38 of the Financial Institutions Act – Restriction on Advances Exceeding 25% of Capital stipulates that a licensee may not extend an advance or credit facility to a (1) (a) person or entity (corporate or unincorporated) or (b) group of entities under the control of a particular individual, or (2) give a financial guarantee or incur a liability on behalf of (a) or (b) if it would result in the total value of the advances, credit facilities, financial guarantees, and other liabilities exceeding 25% of the value of the licensee's eligible capital. The RBV may approve exceptions.
Investment regulations	Yes.	
Abroad by banks	Yes.	Section 35 of the Financial Institutions Act – Restrictions of Shareholdings stipulates that a licensee may not for his own account acquire or hold share capital in a financial, commercial, agricultural, industrial, or other enterprise if it would result in the combined value of the shares exceeding 25%, or a higher percentage stated in writing by the RBV, of the licensee's eligible capital.
In banks by nonresidents	Yes.	Section 51 of the Financial Institutions Act – Transfer of Control stipulates that a domestic licensee must obtain written RBV approval before any action that results in a person acquiring or exercising power over 20% or more of the voting stock of the licensee.
Open foreign exchange position limits	No.	Guidelines on foreign currency open position limits have been drafted but yet to be imposed on banks.
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	There are restrictions for solvency purposes.
Limits (max.) on securities issued by nonresidents	Yes.	Insurance Regulation No. 16 of 2006, Schedule 3, Subsection 1(d), for allowable assets requires that for securities on a stock exchange approved by the regulator, the value must not exceed 70% of the quoted market value.
Limits (max.) on investment portfolio held abroad	Yes.	Schedule 3, Subsection 2, lists investments not considered as allowable assets for solvency purposes, unless specifically approved by RBV. As per Schedule 3 – Section 2, the following are not allowed as assets for the purpose of meeting the minimum margin of solvency unless specifically approved by RBV: (1) Investments in and advances to the insurer's parent company or any of the insurer's or parent's subsidiary or associated companies; (2) Real property or mortgage on real property; (3) Securities that are not quoted on an appointed stock exchange; (4) Assets that by contract may be used to satisfy liabilities.
Limits (min.) on investment portfolio held locally	Yes.	Insurance Regulation Schedule 3, Subsection 1, lists investments considered as allowable assets for solvency purposes.

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		Insurance Regulation Schedule 3, Subsection 2, lists investments not considered as allowable assets for solvency purposes, unless specifically approved by RBV. As per Schedule 1, the following are the minimum capital amounts that must be invested locally: (1) Domestic/international carrying on general insurance business – VT 30 million; (2) Life business – VT 25 million; (3) Captive insurer carrying on general insurance business – US$100,000; (4) Captive insurer carrying on life insurance business – US$200,000.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	As per the IPG, the maximum limit on investment portfolio assets issued abroad is 30%, while the minimum limit is 20%.
Limits (max.) on investment portfolio held abroad	Yes.	As per the IPG, the maximum limit on investment portfolio assets held abroad is 30%, while the minimum limit is 20%. In addition, pursuant to Paragraph 8 of the IPG – Asset Allocation, the benchmark positions for asset class offshore investment in equity may be a minimum of 4% and a maximum of 20%.
Limits (min.) on investment portfolio held locally	Yes.	While there is no specific limit mentioned in the law, indirectly the minimum limit on investment held locally is 70%. According to Paragraph 4.10 of the IPG, "exposure to Vanuatu Government assets (including bonds, loans, and treasury notes) may not exceed 35% of members' funds." In addition, Paragraph 8 of the IPG – Asset Allocation also outlines the following benchmark positions for different asset classes: For asset Class Cash, a low–high range of 5%–10% and neutral allocation of 5%; For Asset Class Fixed interest, a low–high range of 10%–20%; For Asset Class Loans, a low–high range of 0%–15% and neutral allocation of 10%; For Asset Class Equity, a low–high range of 0%–15% and neutral allocation of 5%; For Asset Class Property, a low–high range of 10%–40% and neutral allocation of 25%.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.

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Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other	n.a.

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instruments	
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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VENEZUELA

(Position as of June 30, 2021)

Status under IMF Articles of Agreement

Date of membership		December 30, 1946.
Article VIII	Yes.	Date of acceptance: July 1, 1976.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	n.a.	Information is not publicly available.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	Yes.	Law Ratifying the International Convention for the Suppression of the Financing of Terrorism adopted by the UN (G.O. No. 37.727 of July 8, 2003). Law Ratifying the Inter-American Convention against Terrorism (G.O. No. 37.841 of December 17, 2003). Organic Law against Organized Crime and the Financing of Terrorism (G.O. No. 39.912 of April 30, 2012). Joint Ministerial Resolution No. 122 and numerous resolutions of the former Ministry of Popular Power for Interior Relations and Justice and the Ministry of Popular Power for Planning and Finance, respectively (G.O. No. 39.945 of June 15, 2012), governing the standards and administrative procedures to be adopted by supervised entities for the identification and application of appropriate measures for the preventive freezing of funds and other assets, in accordance with the provisions of the UNSC resolutions. Resolution No. 158 of August 13, 2012 (G.O. No. 39.986 of August 15, 2012), issued by the former Ministry of Popular Power for Interior Relations and Justice (now the Ministry of Popular Power for Interior Relations, Justice and Peace) governing the process for the implementation and application of UN Resolution No. 1373 on the listing and delisting of persons who commit or attempt to commit acts of terrorism and their financing. Circular No. SIB-DSB-UNIF-36069 of November 8, 2012, issued by the Office of the Superintendency of Banking Sector Institutions (SUDEBAN—Superintendencia de las Instituciones del Sector Bancario de Venezuela) and containing the "Rules for the Implementation of the UNSC Resolutions for the Preventive Freezing of Property and Other Assets Related to Terrorism," which is available on SUDEBAN's website. Circular No. SIB-DSB-UNIF-39353 of December 3, 2012, issued by SUDEBAN on the "Publication of the list referred to in UNSC Resolution No. S/RES/1267 for the preventive freezing of property and other assets related to terrorism," which is available on SUDEBAN's website.

Exchange Arrangement

Currency	Yes.	The monetary unit of the Bolivarian Republic of Venezuela is the bolívar "soberano," in accordance with Article 318 of the constitution of the Bolivarian Republic of Venezuela (Special G.O. No. 5.908 of February 19, 2009) and Article 106 of the Decree with

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		the Status, Effect and Force of Law of the Central Bank of Venezuela (Banco Central de Venezuela—BCV) (Special G.O. No. 6.211 of December 30, 2015).
Other legal tender	No.	
Exchange rate structure		
Unitary		
Dual		
Multiple	Yes.	Complementary Floating Market Exchange Rate (DICOM) is the single official exchange rate in Venezuela. The DICOM rate is determined through an auction system. Article 28 of the Exchange Agreement (EA) No. 39 indicates that the exchange rate to be used by public and private sectors for all settlement operations in foreign currency will be the DICOM exchange rate. The DICOM rate stood at BsF/US$5,189.56 (buying) and BsF/US$5202.57 (selling) on May 13, 2019. In addition to the official DICOM exchange rate, there is a parallel market that is widely used by the private sector and individuals. As of May 13, 2019, the parallel exchange rate stood at 5698.53 bolivars per dollar, according to DolarToday. Since March 10, 2016, the rate was established as the DICOM under Exchange Rate Agreement No. 35 of March 9, 2016 (G.O. No. 40.865 of the same date). Pursuant to Article 17 of that Agreement, until the alternative foreign exchange markets provided for in EA No. 33 are replaced, the DICOM will be the rate referenced in Article 24 of the latter EA. It should also be noted that pursuant to Article 13 of the aforesaid EA No. 35, all foreign exchange operations not expressly stated in the EA will be settled through the alternative foreign exchange markets regulated by the exchange regulations at the DICOM. The transactions of sale of foreign currency for payment of consumption and advances of cash with credit cards and acquisition of cash for minors, because of trips abroad, were applied the DICOM rate of exchange in effect at the time when the transaction is made or when the cash is delivered. The sale of foreign currency from the activities of exportation to the BCV made by natural persons and private legal persons was made at the DICOM rate of exchange reduced by 0.25%. Individuals and private companies can buy and sell foreign currency through local commercial banks and exchange houses with no constraints on prices or amounts. The new market has been established where private foreign exchange buyers and sellers interacted under BCV’s control. Individuals are still transacting small amounts in euros in cash in DICOM with government-owned banks. The BCV continues publishing the DICOM rate daily, resulting in two legal foreign exchange rates.
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		

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Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	The de jure exchange rate is a conventional peg against the US dollar. The DICOM is the single official exchange rate in Venezuela. The DICOM rate is determined through an auction system. Article 28 of the EA No. 39 indicates that the exchange rate to be used by public and private sectors for all settlement operations in foreign currency will be the DICOM exchange rate. In addition to the official DICOM exchange rate, there is a parallel market that is widely used by the private sector and individuals. According to DolarToday. Article 31 of the EA No. 39 establishes that the conversion of foreign currency for the determination of the taxable amount of tax obligations derived from customs operations will be carried out at the DICOM exchange rate in effect on the date of the operation. Article 33 indicates that the exchange rate to be used for foreign currency conversion for the determination of the amounts to be paid because of the customs and tax penalties regimes will be the DICOM exchange rate at the date of the corresponding sanction. The tax obligations established in special laws, as well as the rates, commissions, surcharges, and public prices that have been set in the corresponding regulations in foreign currency, may be paid alternatively in the currency in which they are denominated, in their equivalent in other foreign currency in accordance with the price published for that purpose by the BCV, or in bolivars applying the DICOM in force at the date of the transaction. (EA No. 39, Article 34). Individuals and private companies can buy and sell foreign currency through local commercial banks and exchange houses with no constraints on prices or amounts. The new market has been established where private foreign exchange buyers and sellers interacted under BCV's control. Individuals are still transacting small amounts in euros in cash in DICOM with government-owned banks. The BCV continues publishing the DICOM rate daily. The de facto exchange rate arrangement is classified as other managed. This classification is based on the information as of end-April 2021.
Floating		
Free floating		
Official exchange rate	Yes.	DICOM is the single official exchange rate in Venezuela. The DICOM rate is determined through an auction system. Article 28 of the EA No. 39 indicates that the exchange rate to be used by public and private sectors for all settlement operations in foreign currency will be the DICOM exchange rate. The DICOM rate stood at Bs/US$79,800 (buying) and Bs/US$80,000 (selling) on May 29, 2018. The operations of sale of foreign currencies to the BCV must be carried out at the exchange rate set forth in Article 11 of EA No. 39, reduced by 0.25% (EA No. 39, Article 28). The value of the exchange rate in bolivars resulting from the auction will be the lowest price proposed by the legal entities demanding foreign currency that is awarded, that is, the marginal value on the claims awarded to legal persons (EA No. 39, Article 3). All operations for settlement of foreign currencies not expressly provided for in this EA will be processed through the alternative markets regulated in the exchange regulations, at the DICOM (EA No. 39, Article 30). Pursuant to Article 17 of that Agreement the DICOM will be the rate referenced in Article 24 of the latter EA. It should also be noted that pursuant to Article 13 of the aforesaid EA No. 35, all foreign exchange operations not expressly stated in the EA will be settled through the alternative foreign exchange markets regulated by the

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exchange regulations at the DICOM. The transactions of sale of foreign currency for payment of consumption and advances of cash with credit cards and acquisition of cash for minors, because of trips abroad, were applied the DICOM rate of exchange in effect at the time when the transaction is made or when the cash is delivered. The sale of foreign currency from the activities of exportation to the BCV made by natural persons and private legal persons was made at the DICOM rate of exchange reduced by 0.25%.
As per BCV's Resolution No. 2019-05-01 establishes that the price published daily by BCV will be the official rate as per Article 9 of EA No. 1: New Exchange Framework. The BCV will publish a reference rate based on the daily weighted average exchange rate of the transactions conducted by exchange operators. The reference exchange rate must apply to all foreign currency settlement operations of public and private sector banks. Foreign currency sales operations carried out by the BCV will be carried out at the reference exchange rate, while foreign currency purchase operations will be at the reference rate reduced by 0.25%.

Monetary policy framework

Exchange rate anchor

U.S. dollar

Euro

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

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Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework	Yes.	In light of the regulatory framework for foreign exchange, monetary policy is a result of the interaction of exchange and fiscal policy and is tailored to both these policies.
Exchange tax	No.	
Exchange subsidy	Yes.	Since March 10, 2016, the concepts associated with imports of goods on the list of food and health sector products, pensions for old age, retirement, partial disability, incapacity, and survivors, and with the recovery of health, sports, culture, scientific research, and face-to-face academic activities abroad under EA No. 35 of March 9, 2016, are settled at the selling rate of Bs/US$10.00.
Foreign exchange market	Yes.	
Spot exchange market	Yes.	DICOM is the single official exchange rate in Venezuela. The DICOM rate is determined through an auction system. Article 28 of the EA No. 39 indicates that the exchange rate to be used by public and private sectors for all settlement operations in foreign currency will be the DICOM exchange rate. The DICOM rate stood at Bs/US$79,800 (buying) and Bs/US$80,000 (selling) on May 29, 2018. In addition to the official DICOM exchange rate, there is a parallel market that is widely used by the private sector and individuals. As of May 30, 2018, the parallel rate stood at 1,684,848 bolivars per US dollar, according to BolivarCucuta; at 1,614,820 bolivars per dollar according to AirTM; and at 2,151,163 bolivars per dollar according to Cotizaciones. In comparison, DICOM was trading at only 80,000 bolivars per dollar during the same period. EA No. 39 regulates three types of transactions: (1) auctions of foreign currency, conducted through the new system at the supplementary floating market exchange rate (DICOM), (2) direct sales of foreign currency, and (3) transactions involving the negotiation in local currency of securities denominated in foreign currency issued by private sector issuers. EA No. 39 revokes EA Nos. 38 and 35. Article 37 stipulates that EA No. 39 has precedence over any other

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		regulation issued in the past. Individuals and legal entities who wish to sell foreign currency for an amount of €8,500 or its equivalent in any other foreign currency, or less, can sell such foreign currency directly to the authorized exchange operators (which are, essentially, universal banks incorporated or domiciled in Venezuela and authorized to act in such capacity by the exchange control governmental authorities), at the DICOM exchange rate in force and effect as of the date of such sale, without having to resort for that purpose to the auctions of foreign currency conducted through the new DICOM system (EA No. 39, Article 15). The authorized exchange operators must make the sale of the foreign currencies received: (1) In the case of foreign currencies acquired on the occasion of the settlement of purchase operations through bank account transfers, they must be offered in full in the Market Floating Supplementary Exchange Rate System (DICOM), at the exchange rate of acquisition, increased by 1%. If the said position is not awarded, it may be acquired by the BCV. (2) In the case of foreign currency in cash, they must be sold weekly to the BCV, at the exchange rate of acquisition, increased by 1%, under the terms indicated in the instructions issued for this purpose (EA No. 39, Article 15). The exchange rate of reference for the sale of the securities referred to in this Chapter must be that provided for in Article 11 of this EA, and the exchange rate applicable for the purchase must be the same rate of exchange reduced by 0.25%, applicable to the market value of the negotiable instrument, or to the value freely agreed by the parties involved in the transaction, when the instrument has no reference value in the market (EA No. 39, Article 22). Foreign exchange allocated by Centro Nacional de Comercio Exterior (National Foreign Trade Center—CENCOEX) is sold by foreign exchange dealers licensed by the BCV once CENCOEX has approved the foreign currencies in question. Trading, in domestic currency, of foreign exchange regulated by Chapter II of EA No. 33 of February 10, 2015 (Special G.O. No. 6.171 of the same date), is settled on the second business day following the agreement. Retail foreign exchange operations regulated by Chapter III of EA No. 33 of February 10, 2015 (Special G.O. No. 6.171 of the same date), are settled by foreign exchange dealers the same day. Trading, in domestic currency, of securities regulated by Chapter IV of EA No. 33 of February 10, 2015 (Special G.O. No. 6.171 of the same date), is settled three bank business days from the date of the agreement for value on that day. Individuals and private companies can buy and sell foreign currency through local commercial banks and exchange houses with no constraints on prices or amounts. The new market has been established where private foreign exchange buyers and sellers interact under BCV's control. Individuals are still transacting small amounts in euros in cash in DICOM with government-owned banks.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	Yes.	Allocations of foreign exchange are authorized by CENCOEX in accordance with the availability of foreign exchange and the country's needs.
Auction	Yes.	DICOM is the single official exchange rate in Venezuela. The DICOM rate is determined through an auction system. Article 28 of the EA No. 39 indicates that the exchange rate to be used by public and private sectors for all settlement operations in foreign currency will be the DICOM exchange rate. The DICOM system allows the sale and purchase of foreign currency (typically, euros) in exchange

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for local currency, through auctions of foreign currency administered, regulated, and directed by the Committee of Foreign Currency Auctions (the Committee), which is an internal specialized body within the BCV. Individuals and legal entities of the private sector can participate in the new DICOM system as offering parties (sellers) or bidding parties (purchasers) of foreign currency. On the other hand, public sector legal entities cannot participate in such system. To participate in the DICOM system, the respective person must electronically register with the system and provide certain information, make a sworn statement as to the origin and destination of the funds, hold a demand or term account denominated in foreign currency with a universal bank organized or domiciled in Venezuela and authorized to operate as such under Venezuelan banking legislation (a Local Account in Foreign Currency), and be up to date with the national tax obligations and the social security. The Committee must call auctions at least once a week and the calls must be made two banking days prior to the date of the auction. To participate in an auction of foreign currency, the bidding parties (purchasers) of foreign currency must submit their bids in terms of price and amount, and the offering parties (sellers) of foreign currency must submit their offers in terms of amount, electronically through the system, and indicate the validity term for their bids and offers (which can be no less than seven days nor greater than 30 days). The award of foreign currency starts by awarding foreign currency to the purchaser–bidders of foreign currency who have submitted bids for the highest admissible exchange rate and thereafter to the other purchaser–bidders of foreign currency based on the exchange rate submitted in their bids from the highest to the lowest exchange rate, until the point where the foreign currency offered (and, therefore, the foreign currency that can be awarded) at the respective auction is exhausted. In addition, the system is designed so that at least 10% of the foreign currency offered at each auction is awarded to individuals. The exchange rate applicable to each sale and purchase transaction of foreign currency conducted through the auctions can differ for each transaction because the same will be, for each such transaction, the exchange rate that the respective purchasing–bidding party of foreign currency, to whom the foreign currency has been awarded, submitted in its bid. The settlement of the foreign currency awarded through the auctions will be made by crediting them to a Local Account in Foreign Currency. The auctions of foreign currency are conducted on the basis of a floating exchange rate system, based on an American auction type, where the offer (sale) and demand (purchase) bids of foreign currency are technologically matched (EA No. 39, Article 2). The BCV publishes on its website the exchange rate resulting from every auction of foreign currency. This exchange rate will be the lowest exchange rate at which a bid for the purchase of foreign currency was submitted in the auction by a legal entity (as opposed to by an individual) and was awarded foreign currency at the auction (which the rules refer to as the "marginal value of the awarded bids"). The exchange rate in force and effect at any given moment will be this exchange rate published by the BCV for the latest auction conducted as of the relevant moment (EA No. 39, Article 3). The Committee has discretion to determine the methodology for the award of the foreign currency under the new DICOM system. The DICOM system has limitations on the maximum amount of foreign currency purchases made through it. Individuals can purchase up to a maximum of €420 or its equivalent in any other foreign currency a calendar quarter. Private sector legal entities can purchase a monthly amount equal to 30% of the average monthly gross income declared

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		for income tax purposes in the immediately preceding fiscal year, provided such amount does not exceed €340,000 or its equivalent in any other foreign currency a month. On the other hand, the said system has no limitations on the maximum amount of the sales of foreign currency (EA No. 39, Article 9). The current exchange rate will be that of the last auction. As well as the amounts awarded of foreign currencies, the list of individuals and legal entities (who won the auction) will be published on the website of the BCV, as well as on the website www.dicom.gob.ve, of the Market Floating Complementary Exchange Rate System (DICOM), corresponding to every auction made (EA No. 39, Article 11). The institutions of banking, insurance and securities market sectors, as well as savings banks and funds, trust funds, companies, and reciprocal guarantee and venture capital funds may not participate in the DICOM (EA No. 39, Article 19). Special foreign exchange and/or securities auctions are held by CENCOEX through Sistema Complementario de Asignación de Divisas (SICAD—Complementary Foreign Exchange Administration System) and are administered and managed directly by it in accordance with the provisions of EA No. 26 of April 3, 2014 (G.O. No. 40.391 of April 10, 2014). CENCOEX is solely responsible for regulating the terms and conditions of these special auctions. CENCOEX handles the bid selection process for each auction based on the methodology approved for this purpose by its board of directors and informs the CB so that it may determine the exchange rate applicable to the auction in question, or the implicit exchange rate generated by the bid price for the purchase and sale in bolivars of securities denominated in foreign currencies, as appropriate.
Fixing	No.	
Interbank market	No.	
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	Balances under the multilateral clearing system are settled in US dollars.
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	
Payments arrangements	Yes.	

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Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Reciprocal Payments and Credit Agreement of the LAIA. Founding Treaty of the Unified Regional Payments Clearing System (SUCRE) and the implementing law approving the Founding Treaty of the SUCRE.
Clearing agreements	Yes.	Reciprocal Payments and Credit Agreement of the LAIA. Founding Treaty of the SUCRE and the law ratifying the Founding Treaty.
Barter agreements and open accounts	No.	
Administration of control	Yes.	The exchange rate policy is determined by the National Executive Branch together with the BCV, while execution of the policy is the exclusive responsibility of the BCV, in accordance with Article 318 of the constitution of the Bolivarian Republic of Venezuela and Articles 7(2) and (7), 21(16) and (17), 33, 34, 122, 123, and 124 of the law governing the operation of the BCV. Under the provisions of the Decree with the Status, Effect and Force of Law on the CENCOEX and the Venezuelan Foreign Trade Corporation, CENCOEX is responsible for developing and implementing the National Foreign Exchange Administration Policy, the National Export Policy, the National Import Policy, the National Foreign Investment Policy, the National Overseas Investment Policy, and the other policies established by the said decree law, without prejudice to the powers assigned to the BCV in exchange matters. SICAD is under the direct control of CENCOEX, which in turn is attached to the Ministry of Popular Power responsible for finance, in accordance with the provisions of Decree No. 1.319 of October 10, 2014. In addition, CENCOEX is responsible for the coordination, administration, oversight, and establishment of the requirements, procedures, and restrictions applicable under the current foreign exchange administration regime, in accordance with the provisions of EA No. 25 of January 22, 2014, and the provisions of Article 4 of the Decree with the Status, Effect and Force on Law of the CENCOEX. The Decree with the Status, Effect and Force of Law on the Exchange Regime and Related Unlawful Activities establishes that the Ministry of Popular Power responsible for finance will be responsible, in coordination with the Office of the Vice-President for the Economy, for the planning, conduct, articulation, and coordination of the national economic policy, determining the foreign exchange priorities, the incentives policy, and the oversight over the arrangements administered by the authorities responsible for the foreign exchange administration regime. CENCOEX is required to manage, administer, supervise, and oversee the arrangements administered by the authorities responsible for the foreign exchange administration regime and necessary regulation of the procedures, requirements, and restrictions for the implementation of the EAs via the said arrangements.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	Article 31 of the Decree with the Status, Effect and Force of Organic Law Reserving Activities for the Exploration and Mining of Gold

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		and other Strategic Minerals for the State establishes that the gold obtained in any mining activities in the national territory must be sold and delivered to the BCV. On January 11, 2017, Resolution No. 000077 issued by the Ministry of Popular Power for Ecological Mining Development, deferred the effective date of the Seventh Transitional Provision of the Organic Law Reserving Activities for the Exploration and Mining of Gold and other Strategic Minerals for the State, which enables the BCV to establish the procedures, conditions, and requirements as appropriate for the receipt, manner, and place of payment of acquisitions of gold and other strategic minerals.
On domestic ownership and/or trade	Yes.	The BCV is the only body authorized to purchase gold in the domestic market. However, BCV has notified the Ministry of Popular Power for Ecological Mining Development that it was authorized to purchase 50% of the gold obtained from small and artisanal gold mines.
On external trade	Yes.	Exports of gold have been suspended since September 2011, with the exception of exports by the BCV, and Decree No. 2.165 issuing the Decree with the Status, Effect and Force of Organic Law Reserving Exploration and Mining Activities for Gold and other Strategic Minerals for the State.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports of Venezuelan currency are subject to the regulations established by the BCV, including the authorization to " remove from the territory of the Bolivarian Republic of Venezuela currency representative of the bolívar."
Foreign currency	Yes.	Exports of foreign currencies that are legal tender in their respective countries are subject to the regulations established by the BCV. Resolution No. 05-11-01 issued by the BCV on November 3, 2005, containing the "Regulations for the Declaration of the Import and Export of Foreign Exchange and the Export of Goods or Services." Article 15 of the Decree with the Status, Effect and Force of Law on the Exchange Regime and Related Unlawful Activities establishes that individuals or legal entities that export or take out foreign exchange from the territory of the Bolivarian Republic of Venezuela in amounts exceeding US$10,000 or its equivalent in other currencies must declare the amount and nature of the respective operation or activity to CENCOEX in the manner that it establishes, without prejudice to the powers of the BCV in this area. Moreover, Article 19 of the same decree law establishes that operations in securities issued by the Bolivarian Republic of Venezuela that are purchased by individuals or legal entities, as well as all foreign exchange purchased by nonresident individuals who are in transit or who are tourists in the national territory and will remain in the country for a period of 90 consecutive days or less, are exempt from this requirement.
On imports	Yes.	
Domestic currency	Yes.	Imports of Venezuelan currency are subject to the regulations established by the BCV, including the authorization for the entry into the territory of the Bolivarian Republic of Venezuela of currency representative of the bolívar.
Foreign currency	Yes.	Imports of foreign currencies that are legal tender in their respective countries are subject to the regulations established by the BCV. Resolution No. 05-11-01 issued by the BCV on November 3, 2005, containing the "Regulations for the Declaration of the Import and

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Export of Foreign Exchange and the Export of Goods or Services." Article 15 of the Decree with the Status, Effect and Force of Law on the Exchange Regime and Related Unlawful Activities establishes that individuals or legal entities that export or take out foreign exchange from the territory of the Bolivarian Republic of Venezuela in amounts exceeding US$10,000 or its equivalent in other currencies must declare the amount and nature of the respective operation or activity to CENCOEX in the manner that it establishes, without prejudice to the powers of the BCV in this area. Moreover, Article 19 of the same decree law establishes that operations in securities issued by the Bolivarian Republic of Venezuela that are purchased by individuals or legal entities, as well as all foreign exchange purchased by nonresident individuals who are in transit or who are tourists in the national territory and will remain in the country for a period of 90 consecutive days or less, are exempt from this requirement.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes. Exchange Rate Agreement No. 20, which came into force in June 2012, allowed accounts in foreign currency under certain conditions. Legal entities not domiciled in the national territory could maintain accounts in foreign currency sourced from abroad and could mobilize them only through total or partial withdrawals in Venezuelan legal tender at the current exchange rate. The law also allowed resident legal entities and natural persons to maintain foreign currency accounts, but the funds had to come from the settlement of securities issued by the government or another entity through the official systems for receiving foreign currency.

This agreement established the maintenance of foreign currency in the universal banks but did not allow operations or transactions in foreign currency. Deposits could be mobilized exclusively through their withdrawal in bolívares. Likewise, banks with deposits in foreign currency had to keep them in foreign currency accounts at the BCV.

With the repeal of the Law of the Exchange Regime and its Illicit Acts in 2018, new rules were established for the market, which contemplated the free convertibility of the currency in the national territory and the centralization in the BCV of purchases and sales of foreign currency by the universal banks. This agreement allowed citizens to use foreign currency for daily operations and led to a significant increase in dollarization in the country.

Regarding possession of accounts in dollars, the new EA allows individuals within Venezuela, as well as national and foreign legal entities, to maintain accounts in foreign currencies sourced from abroad or from the Venezuelan financial system itself. These funds may be mobilized by means of transfers and checks from the bank with its correspondents abroad.

In 2019, a number of different national banks offered accounts to legal entities to deposit their foreign currency cash. These accounts are called "free convertibility accounts" and are used mostly by the private sector.

At the beginning of 2020, the list of banks offering accounts for the deposit of foreign currency in cash was expanded. As of October 9,

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		2020, the BCV issued a circular ordering the cessation of products or services that facilitated payment for goods and services in Venezuela in foreign currency through local agents' foreign currency accounts in domestic banks. The "free convertible accounts" were maintained, but their only function is to safeguard such money, and they may not be mobilized or used in transactions, except through physical withdrawals or deposits or transfers from branches abroad. Foreign exchange accounts may be held in the national financial system by (1) individuals who are of age and resident in the national territory and legal entities domiciled in the country; (2) Petróleos de Venezuela S.A. and its subsidiaries; (3) public sector agencies and entities with BCV authorization or with an account with the BCV; and (4) Venezuelan nationals with a license from the Ministry of Popular Power for Petroleum and Mines to engage in the activities referred to in Chapter V of the Organic Law on Gaseous Hydrocarbons. New measures announced in January 2021 allow accounts in foreign currency, but transfers and other operations in foreign currency between local banks are not yet authorized.
Approval required	Yes.	Approval is required in the following cases: Public sector entities require the authorization of the board of directors of the BCV (except in cases in which the foreign exchange account is held with the BCV). Resolution No. 13-07-02 of July 25, 2013, issued by the BCV sets out provisions on the holding by the public sector of foreign currency funds in any form, establishing that these funds may be held in accounts opened for that purpose with the BCV, in universal banks in the domestic banking system, or in financial institutions abroad. The circular issued by the BCV on August 10, 2015, regulates the requirements for public sector entities subject to the measure for the centralization of foreign exchange and public banking institutions designated by the said entities as banking agents for the provision of financial services on special foreign exchange accounts to be held with the BCV, for compliance with the aforementioned measure, and the execution of financial services on the aforementioned accounts. Article 1 of EA No. 13 of December 3, 2009, establishes that the board of directors of the BCV may authorize private sector legal entities to hold foreign exchange accounts with the BCV.
Held abroad	Yes.	
Approval required	Yes.	Public sector agencies and entities require authorization from the board of directors of the BCV under Article 18 of EA No. 1 of February 5, 2003; consistent with Article 11 of EA No. 11 of December 18, 2014, with the exception of the waivers provided under the Single Paragraph of the aforesaid EA No. 11; Resolution No. 13-07-02 of July 25, 2013, issued by the BCV, which establishes the rules on the holding of foreign currency funds of any kind by the public sector and provides for such funds to be maintained in accounts opened with financial institutions abroad. Petróleos de Venezuela S.A. may hold foreign currency funds with the approval of the Board of Directors of the BCV, along with its subsidiaries. In accordance with Article 5 of EA No. 9, companies created under partnership agreements signed by Petróleos de Venezuela S.A. under the framework of the now repealed Organic Law Reserving Industry and Trade in Hydrocarbons for the State, semipublic enterprises referred to in the Organic Law on Hydrocarbons and the Organic Law on Gaseous Hydrocarbons, and semipublic enterprises created under the provisions of the Decree with the Status, Effect and Force of Organic Law for the Development of Petrochemical Activities

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		may, for purposes of making payments that must be made abroad, hold foreign exchange accounts abroad containing income received; such accounts are monitored by the BCV.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Legal entities not domiciled in the territory of the Bolivarian Republic of Venezuela that are participating in the implementation of public investment projects for the development of the national economy or the stimulation of productive capacity may hold foreign exchange accounts in the national financial system. Article 1 of EA No. 13 of December 3, 2009, establishes that the board of directors may authorize private sector legal entities to hold foreign exchange accounts at the BCV.
Approval required	Yes.	Approval of the BCV board of directors is required for accounts at the BCV.
Domestic currency accounts	Yes.	The Decree with the Status, Effect and Force of Law on Banking Sector Institutions makes no distinction with regard to the residency status of persons who may open accounts. Resolution No. 119.10 of March 9, 2010, issued by the banking supervisory authority establishes the documents that must be presented by foreign individuals who are not residents of Venezuela and legal entities that are not domiciled in Venezuela for the purpose of opening accounts.
Convertible into foreign currency	No.	
Approval required	No.	
Blocked accounts	Yes.	These mechanisms apply only in cases of preventive judicial measures, court decisions, and procedures relating to investigations of illegal activities.

Imports and Import Payments

Foreign exchange budget	Yes.	The BCV sells foreign exchange to finance imports in the amounts authorized by CENCOEX, subject to availability and the policy established by the National Executive Branch.
Financing requirements for imports	Yes.	
Minimum financing requirements	n.a.	
Advance payment requirements	n.a.	
Advance import deposits	n.a.	
Documentation requirements for release of foreign exchange for imports	Yes.	Under the provisions of Article 26 of EA No. 1 of February 5, 2003, the purchase of foreign exchange by individuals or legal entities for imports of goods and services is limited and subject to the requirements and conditions established by CENCOEX. The prior authorization of CENCOEX is required for the purchase of foreign exchange, subject to compliance with the provisions of Ordinance No. 119 of September 24, 2013, which establishes the relevant requirements and procedure for the authorization of the purchase of foreign exchange intended for imports. Decree No. 6.168 of June 17, 2008, establishes temporary guidelines to streamline the procedures for obtaining authorization for the purchase of foreign exchange (AAD) and authorization for payments in foreign exchange (ALD)

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		intended for imports of capital goods, inputs, and raw materials by companies in Venezuela's manufacturing and processing sectors. Resolution No. 3.276 issued by the then Ministry of Popular Power for Economy and Finance establishes the said guidelines and updates the list of goods that benefit from the streamlined procedures for obtaining the AADs and ALDs, which may not exceed US$50,000. Ordinance No. 121 of October 30, 2013, corrected for material error by the Official Notice of November 19, 2013, regulates the requirements and procedure for obtaining the AAD and ALD intended for imports of capital goods, inputs, and raw materials indicated by Resolution of the Ministry of Popular Power for Economy and Finance under Decree No. 6.168 of June 17, 2008. As well, applications for authorization to purchase foreign exchange referred to in the said ordinance may be made up to a maximum amount of US$50,000 or its equivalent in other currencies for each customs import operation, as understood in the terms indicated in the said ordinance. Commission for Foreign Exchange Administration (CADIVI) Ordinance No. 063 of November 30, 2004, establishes the regime for obtaining AADs for the payment, inter alia, of imports of non-tangible goods. Joint Resolution Nos. DM/3240, DM/044, DM/077, DM/063, DM/086, DM/073, and DM/024 issued by the Ministries of Popular Power for Planning and Finance; Trade; Basic Industries and Mining; Agriculture and Land; Health; Energy and Oil; Science, Technology and Intermediate Industries; and Food establish the lists of goods that do not require a Certificate of Insufficient Production (CIP) or Certificate of No National Production (CNP) and the goods that do require such certificates for purposes of AAD. Under Decree No. 1.192 of August 25, 2014, CENCOEX is responsible for the centralized issuance, modification, granting, and revocation of Import Licenses, CNPs and CIPs; authorization may be granted only with the prior approval of the Executive Vice-President.
Domiciliation requirements	Yes.	CADIVI Ordinance No. 119 of September 24, 2013, establishes the requirements and procedure for the authorization of the purchase of foreign exchange for imports. Under Resolution No. 13-07-01 of July 2, 2013, issued by the BCV and containing the "General Rules of the SICAD," only individuals and legal entities residing or domiciled in the national territory, respectively, may submit bids for the purchase of foreign exchange or securities denominated in foreign currencies through SICAD. In accordance with the provisions of EA No. 33 of February 10, 2015, only persons holding accounts in the national financial system, as referred to in EA No. 20 of June 14, 2012, and its regulations, may bid for foreign exchange or securities on the high-value or securities markets. Similarly, requests for foreign exchange via retail foreign exchange operations may be made only by resident individuals.
Preshipment inspection	No.	
Letters of credit	Yes.	Other payment instruments are also admissible.
Import licenses used as exchange licenses	Yes.	The import of some products may be subject to restrictive licensing.
Other	Yes.	Joint Resolution Nos. DM/3240, DM/044, DM/077, DM/063, DM/086, DM/073, and DM/024 issued by the Ministries of Popular Power for Planning and Finance; Trade; Basic Industries and Mining; Agriculture and Land; Health; Energy and Oil; Science, Technology, and Intermediate Industries; and Food establish the lists of goods for which a CIP or a CNP is not required (List No. 1) and goods requiring such certificates (List No. 2). Under Decree No. 1.192 of August 25, 2014, CENCOEX is responsible for the centralized

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		issuance, modification, granting, and revocation of Import Licenses, CNPs, and CIPs; authorization may be granted only with the prior approval of the Executive Vice-President.
Import licenses and other nontariff measures	Yes.	Some imports are subject to licensing for environmental, health, or security reasons. Other imports paid for with foreign exchange granted by CENCOEX are subject to prior certification that the goods are not produced locally or are produced locally in insufficient quantities.
Positive list	Yes.	Joint Resolution Nos. DM/3240, DM/044, DM/077, DM/063, DM/086, DM/073, and DM/024 issued by the Ministries of Popular Power for Planning and Finance; Trade; Basic Industries and Mining; Agriculture and Land; Health; Energy and Oil; Science, Technology, and Intermediate Industries; and Food establish, in the lists mentioned therein, the goods for which a CIP or a CNP is not required and the goods requiring such certificates for purposes of the issuance of the AAD. Under Decree No. 1.192 of August 25, 2014, CENCOEX is responsible for the centralized issuance, modification, granting, and revocation of Import Licenses, CNPs, and CIPs; authorization may be granted only with the prior approval of the Executive Vice-President.
Negative list	Yes.	The importation of goods produced locally is prohibited, as is the importation of used motor vehicles, except for some pickup-style vehicles indicated in items 8703 and 8704 of Joint Resolution Nos. DM/3240, DM/044, DM/077, DM/063, DM/086, DM/073, and DM/024 issued by the Ministries of Popular Power for Planning and Finance; Trade; Basic Industries and Mining; Agriculture and Land; Health; Energy and Oil; Science, Technology, and Intermediate Industries; and Food, which establish, in the lists mentioned therein, the goods that do not require a CIP or a CNP, as well as the goods that do require such certificates for purposes of the issuance of the AAD.
Open general licenses	No.	
Licenses with quotas	Yes.	A number of agricultural products are subject to tariff barriers and quotas.
Other nontariff measures	Yes.	See comment in subsection D of this section.
Import taxes and/or tariffs	Yes.	There are four basic ad valorem tariff rates on manufactured goods (5%, 10%, 15%, and 20%). The tariffs on imported components for vehicles are 35% for passenger cars; 15% for freight and commercial vehicles, except for vehicles weighing less than 4,500 kilograms, such as pickup trucks, for which the rate is 35%; and 3% for vehicle components. The industrial free zone of Paraguaná and the free port of Margarita Island enjoy a special customs regime that includes exemption from customs tariffs. Numerous trade agreements have been signed, ranging from agreements with partial coverage to FTAs and integration agreements. There is a customs handling fee of 1%. The conversion of the foreign currency for the determination of the taxable base of the tributary obligations derived from the customs operations is carried out at the exchange rate of complementary floating market. The same exchange rate applies for the determination of the amounts to be paid for services rendered by auxiliaries of the Customs and Tax Administration and other related services, in force on the date of the settlement of the obligation (EA No. 39, Article 31).
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	Yes.	In accordance with the provisions of EA No. 27 of March 10, 2014, individuals or private legal entities involved in the export of goods and services must sell 40% of their foreign exchange proceeds from their export activities to the BCV via foreign exchange dealers. They may retain and manage the remaining 60% of the foreign exchange from their exports to cover expenses incurred in connection with their export activities, to carry out sales transactions through SICAD II, or to be held in accounts maintained by the exporter in Venezuela in accordance with Article 2 of EA No. 20. Public sector exporters must sell all the foreign exchange received to the BCV unless they obtain authorization to hold foreign exchange accounts.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	In accordance with the provisions of Article 125 of the Decree with the Status, Effect and Force of Law on the BCV and EA No. 9, under which the foreign exchange obtained from the export of gaseous and other hydrocarbons must be sold to the BCV. In accordance with the provisions of EA No. 34 of October 3, 2003, the Foreign Trade Bank (Banco de Comercio Exterior—BANCOEX) receives the payments made to its borrowers for their exports, retains the appropriate amounts for debt repayment, and sells the surplus foreign exchange to the BCV. Private individuals and legal entities, dedicated to the export of goods and services, may freely retain and manage up to 80% of the income they receive in foreign currency, because of the exports made, to meet expenses, payments, and any other expenses that must be carried out during their activities, including those necessary for the fulfillment of tax obligations in accordance with the regulations governing the matter. The rest of the currencies must be sold at the official exchange rate to the BCV. These sales must take place within five banking days of the end of the period established under the terms of payment of the applicable trade relationship or contract, which may not exceed 180 days.
Surrender to authorized dealers	Yes.	The sale of foreign exchange to the BCV takes place via authorized foreign exchange dealers.
Financing requirements	No.	
Documentation requirements	Yes.	Authorization primarily requires submission of proof of payment of taxes and social security contributions, clearance certificates from government entities, ex ante and ex post notification of the exports, and other documents related to the commercial transaction.
Letters of credit	No.	
Guarantees	Yes.	
Domiciliation	Yes.	Domiciliation is required for exports meeting certain financing criteria.
Preshipment inspection	Yes.	
Other	Yes.	Declaration of the Export of Foreign Exchange when the export of coins, banknotes, and bank checks denominated in foreign exchange exceeds the amount of US$10,000 or its equivalent in any other currency. BCV Resolution No. 05-11-01 of November 3, 2005, and BCV Circular No. GOC/DLOC-083 of December 14, 2007.
Export licenses	Yes.	
Without quotas	Yes.	

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With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Yes.	
Trade-related payments	Yes.	Access to foreign exchange for these purposes may take place via the allocation made by the CENCOEX and participation in SICAD and the alternative foreign exchange markets regulated by EA No. 33 and as provided in Exchange Rate Agreement No. 35, until these markets are replaced pursuant to Article 17 of the latter Agreement. CENCOEX: The purchase of foreign exchange by individuals and legal entities to cover consumption expenditures connected with travel abroad and cash advances on credit cards during trips abroad will be limited to the payment instruments and amounts indicated by CENCOEX and subject to the requirements and conditions that it establishes. SICAD: Resident individuals or legal entities duly invited by CENCOEX may participate in this system to purchase foreign exchange for the purposes indicated in the invitation in question. Markets regulated by EA Nos. 33 and 35: entities authorized to participate under the exchange regulations for the development of such markets in high-value cash, securities, or retail operations. Transfers between foreign exchange accounts opened in the National Financial System and from accounts opened abroad will be subject to the provisions of EA No. 20 of June 14, 2012, and Resolution No. 13-03-01 of March 21, 2013, and the regulations issued by the Office of the SUDEBAN.
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	
Investment-related payments	Yes.	Purchases of foreign exchange by individuals and legal entities for payments related to investments will be subject to the relevant requirements and conditions established by CENCOEX based on the nature of the operation for which the foreign exchange is requested and the provisions of the Decree with the Status, Effect and Force of Law on Foreign Investment. Foreign investment must remain in Venezuelan territory for a minimum of five years from the date on which registration was granted. Individuals or legal entities that import or bring foreign exchange into Venezuela in amounts exceeding US$10,000 or its equivalent in other currencies must declare the amount and nature of the respective operation or activity to CENCOEX without prejudice to the powers of the BCV in this area.
Prior approval	Yes.	Approval by CENCOEX is required when the foreign exchange is purchased via the administered foreign exchange mechanisms.
Quantitative limits	No.	
Indicative limits/bona fide test	Yes.	
Payments for travel	Yes.	Access to foreign exchange for these purposes may take place via the allocation made by the CENCOEX and participation in SICAD and

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		the markets regulated by EA No. 33, until they are replaced pursuant to Article 17 of Exchange Rate Agreement No. 35. CENCOEX: The purchase of foreign exchange by individuals and legal entities to cover consumption expenditures connected with travel abroad and cash advances on credit cards during foreign travel will be limited to the payment instruments and amounts indicated by CENCOEX and subject to the requirements and conditions that it establishes. SICAD: Resident individuals or legal entities duly invited by CENCOEX may participate in this system to purchase foreign exchange for the purposes indicated in the invitation in question. Markets regulated under EA No. 33: Any person may purchase foreign exchange on the high-value cash, securities, and retail markets indicated in EA No. 33, until they are replaced pursuant to Article 17 of Exchange Rate Agreement No. 35, regardless of the use to which the foreign exchange will be put, as long as it is lawful and complies with the requirements set out in the regulations governing the said participation.
Prior approval	Yes.	Prior approval is required for settlement and assumes prior compliance by the requester with the requirements and approval from the foreign exchange administration.
Quantitative limits	Yes.	Quantitative limits apply only with respect to the allocation via CENCOEX under the terms of Administrative Ordinance No. 011 (G.O. No. 40.636 of April 9, 2015).
Indicative limits/bona fide test	Yes.	
Personal payments	Yes.	Access to foreign exchange for these purposes may take place via the allocation made by the CENCOEX and participation in SICAD and the alternative foreign exchange markets. CENCOEX: The purchase of foreign exchange by individuals for personal payments will be limited to the payment instruments and amounts indicated by CENCOEX and subject to the requirements and conditions that it establishes. SICAD: Resident individuals duly invited by CENCOEX may participate in this system to purchase foreign exchange for the purposes indicated in the invitation in question. Markets regulated under EA No. 33: Any person may purchase foreign exchange on the high-value cash, securities, and retail markets indicated in EA No. 33, until they are replaced pursuant to Article 17 of Exchange Rate Agreement No. 35, regardless of the use to which the foreign exchange will be put, as long as it is lawful and complies with the requirements set out in the regulations governing the said participation.
Prior approval	Yes.	
Quantitative limits	Yes.	
Indicative limits/bona fide test	Yes.	
Foreign workers' wages	Yes.	Decree with the Status, Effect and Force of Organic Law on Labor and Workers. CADIVI Ordinance No. 097 of June 11, 2009, establishing the requirements for the purchase of foreign exchange by diplomatic representations and duly accredited foreign officials. Access to foreign exchange for these purposes may take place via participation in the alternative foreign exchange markets regulated by EA No. 33: Any person may purchase foreign exchange on the high-value cash, securities, and retail markets indicated in EA No. 33, until they are replaced pursuant to Article 17 of Exchange Rate Agreement No. 35, regardless of the use to which the foreign exchange will be put, as long as it is lawful and complies with the requirements set out in the regulations governing the said participation.

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Prior approval	n.r.	
Quantitative limits	n.r.	
Indicative limits/bona fide test	n.r.	
Credit card use abroad	Yes.	Access to foreign exchange via credit cards takes place via the allocation made by CENCOEX, subject to compliance with the requirements and conditions established by it.
Prior approval	Yes.	The use of cards abroad requires the approval of the CENCOEX.
Quantitative limits	Yes.	The use of credit cards abroad is subject to the amount of foreign exchange allocated by CENCOEX in accordance with the exchange regulations and refers to operations for the consumption of goods and services using credit cards by means of electronic operations with suppliers abroad.
Indicative limits/bona fide test	Yes.	
Other payments	Yes.	The purchase of foreign exchange is limited to the payment instruments and amounts indicated by CENCOEX and subject to the requirements and conditions it establishes.
Prior approval	Yes.	
Quantitative limits	n.r.	
Indicative limits/bona fide test	Yes.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Private individuals and legal entities, dedicated to the export of goods and services, may freely retain and manage up to 80% of the income they receive in foreign currency, because of the exports made, to meet expenses, payments, and any other expenses that must be carried out during their activities, including those necessary for the fulfillment of tax obligations in accordance with the regulations governing the matter. The rest of the currencies must be sold at the official exchange rate to the BCV. As well, all foreign exchange entering Venezuela for purposes other than those indicated above must be sold at the official exchange rate to the BCV via authorized banks and financial institutions. The providers of the following tourist services: accommodation, transport, travel agencies, and tours, as well as duty-free shops, are authorized to retain and manage up to 60% of the foreign exchange they receive from those services and must sell the remainder to the BCV.
Surrender to authorized dealers	Yes.	The sale of foreign exchange to the BCV must take place via authorized exchange dealers.
Restrictions on use of funds	No.	

Capital Transactions

Controls on capital transactions	Yes.	Access to foreign exchange for capital transactions is subject to prior approval by CENCOEX.
Repatriation requirements	Yes.	
Surrender requirements	Yes.	

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Surrender to the central bank	Yes.	All foreign exchange entering Venezuela must be sold at the official exchange rate to the BCV via authorized banks and financial institutions.
Surrender to authorized dealers	Yes.	The sale of foreign exchange to the BCV must take place via authorized exchange dealers.
Controls on capital and money market instruments	Yes.	BCV Resolution No. 11-02-01 of February 10, 2011, establishing that the primary placement, in domestic currency, of securities denominated in foreign currencies issued by or to be issued by the Republic, its decentralized entities or any other entity may take place only via the BCV's "System for the Primary Placement of Securities Denominated in Foreign Currencies (SICOTME)." The trading in securities denominated in foreign currencies is executed via the foreign exchange markets provided for that purpose (that is, SICAD, new currency exchange mechanism known as SIMADI or marginal currency system) and under the terms and conditions set out in the exchange regulations.
On capital market securities	Yes.	Any individual or private sector legal entity, whether or not resident or domiciled in the national territory, may sell securities denominated in foreign currencies via SICAD, as long as they comply with the requirements established by CENCOEX for such operations.
Shares or other securities of a participating nature	Yes.	Decree No. 1.438 with the Status, Effect and Force of Law on Foreign Investments of November 17, 2014.
Purchase locally by nonresidents	Yes.	Foreign investors are authorized to purchase corporate stock on the Caracas Stock Exchange but must declare such purchases to CENCOEX in accordance with Decree No. 1.438 with the Status, Effect and Force of Law on Foreign Investments of November 17, 2014.
Sale or issue locally by nonresidents	Yes.	The Office of the National Superintendent of Securities may authorize public offerings of securities in the national territory by persons domiciled in Venezuela or the rest of the world or by international organizations, foreign governments and institutions, and any other like persons and register the securities offered in the National Securities Registry.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	Private debt securities or bonds may be issued or sold abroad with the approval of the Office of the National Superintendent of Securities. Likewise, public debt securities may be sold abroad and loans extended in accordance with the Decree with the Status, Effect and Force of Law on the BCV and the Law regulating the National Banking Sector, which do not require authorization from the above-mentioned Superintendent's office.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	Any individual or private sector legal entity, whether or not resident or domiciled in the national territory, may sell debt securities denominated in foreign currencies via SICAD, as long as they comply with the requirements established by CENCOEX for such operations. Under EA No. 33 of February 10, 2015, any person may purchase or sell debt securities denominated in foreign currencies. In doing so, they must comply with the relevant rules issued by the BCV, as well as the relevant regulations issued by the supervisory authorities for the banking and securities sectors.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	Private debt securities or bonds may be issued or sold abroad with

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		the prior approval of the Office of the National Superintendent of Securities. Public debt securities may also be sold abroad, as well as credit instruments issued in accordance with the Decree with the Status, Effect and Force of Law on the BCV and the Law on the National Banking Sector. The authorization of the Office of the National Superintendent of Securities is not required.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Financial institutions registered to participate in the market may conduct transactions in public debt instruments.
Sale or issue locally by nonresidents	Yes.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	Approval from the Office of the National Superintendent of Securities is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	
Controls on derivatives and other instruments	Yes.	Approval from the Office of the National Superintendent of Securities is required. Trade in financial derivatives in Venezuela is in the very early stages.
Purchase locally by nonresidents	Yes.	
Sale or issue locally by nonresidents	Yes.	Approval from the Office of the National Superintendent of Securities is required.
Purchase abroad by residents	No.	
Sale or issue abroad by residents	Yes.	
Controls on credit operations	Yes.	
Commercial credits	Yes.	There are no restrictions on the type of credit that may be contracted by residents with external lenders. In practice, however, only credits for production financing are recognized.
By residents to nonresidents	n.a.	
To residents from nonresidents	Yes.	
Financial credits	Yes.	There are no restrictions on the type of credit that may be contracted by residents of Venezuela with external lenders. In practice, however, only credits for production financing are recognized.
By residents to nonresidents	n.a.	
To residents from nonresidents	Yes.	
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Controls on direct investment	Yes.	

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Outward direct investment	No.	
Inward direct investment	Yes.	
Controls on liquidation of direct investment	Yes.	Foreign individuals or legal entities that bring foreign exchange into Venezuela for purposes of direct investment and investments in financial assets must register them with the Office of the Superintendency of Foreign Investments (Superintendencia de Inversiones Extranjeras—SIEX) to have the right to export the profits and interest. Foreign investment must remain in Venezuelan territory for a minimum of five years from the date on which registration was granted. Individuals or legal entities that import or bring foreign exchange into Venezuela in amounts exceeding US $10,000.00 or its equivalent in other currencies must declare the amount and nature of the respective operation or activity to CENCOEX without prejudice to the powers of the BCV in this area.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	Real estate may be acquired abroad by residents using their own foreign exchange positions.
Purchase locally by nonresidents	Yes.	Controls related to the prevention of money laundering and the financing of terrorism are in effect.
Sale locally by nonresidents	Yes.	Controls related to the prevention of money laundering and the financing of terrorism are in effect.
Controls on personal capital transactions	Yes.	Decree No. 2167 of December 29, 2015, issuing the Decree with the Status, Effect and Force of Law on the Exchange Regime and Related Unlawful Activities. Controls related to the prevention of money laundering and the financing of terrorism are in effect.
Loans	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Gifts, endowments, inheritances, and legacies	Yes.	
By residents to nonresidents	Yes.	
To residents from nonresidents	Yes.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	CADIVI Ordinance No. 019, which establishes the administration, requirements, and procedure for the purchase of foreign exchange to be sent to retirees and pensioners resident abroad.
Transfer into the country by immigrants	Yes.	CADIVI Ordinance No. 123, which establishes the requirements and procedure for the AAD intended for remittances to family members resident abroad.
Transfer of gambling and prize earnings	Yes.	Articles 28 and 34 of EA No. 1 of February 5, 2003.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	Decree with the Status, Effect and Force of Law on Banking Sector Institutions, published in G.O. No. 40.557 of December 8, 2014. In accordance with the provisions of Article 1 of EA No. 10, “Universal banks, commercial banks and savings and loan associations governed by the General Law on Banks and Other Financial Institutions, the

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		operation of which has been authorized by the Office of the Superintendent of Banks and Other Financial Institutions as of February 5, 2003, may purchase foreign exchange directly from the BCV, one time only, for purposes of maintaining liquidity in foreign currencies to cover activities associated with external transactions allowed under the Foreign Exchange Administration Regime in effect. The amount may not exceed the limits established in the resolution issued by the BCV, based on the Regulations on the Foreign Exchange Positions of Financial Institutions." Mandatory credit portfolios for the following sectors: (1) housing: Decree with the Status, Effect and Force of Law on the Housing Lending Regime (G.O. No. 39.945 of June 15, 2012) and Decree with the Status, Effect and Force of Organic Law on the Land and Housing Emergency (G.O. No. 39.626 of March 1, 2011); (2) agriculture: Decree with the Status, Effect and Force of Law on Credit for the Agricultural Sector (Special G.O. No. 5.890 of July 31, 2012); (3) microcredit: Decree with the Status, Effect and Force of Law on Banking Sector Institutions (G.O. No. 40.557 of December 8, 2014); (4) manufacturing: Decree with the Status, Effect and Force of Law on Credit for the Manufacturing Sector (G.O. No. 39.904 of April 17, 2012); and (5) tourism: Decree with the Status, Effect and Force of Law on Tourism Investments and Credit for the Tourism Sector (Special G.O. No. 6.153 of November 18, 2014). Preferential lending interest rates: (1) housing: Decree with the Status, Effect and Force of Law on the Housing Lending Regime (G.O. No. 39.945 of June 15, 2012) and Law for the Partial Amendment of the Special Law for the Protection of Housing Mortgage Debtors (G.O. No. 38.756 of August 28, 2007); (2) agriculture: Decree with the Status, Effect and Force of Law on Credit for the Agricultural Sector (Special G.O. No. 5.890 of July 31, 2012) and Decree with the Status, Effect and Force of Law for Attention to the Agricultural Sector (G.O. No. 39.945 of June 15, 2012); (3) tourism: Decree with the Status, Effect and Force of Law on Tourism Investments and Credit for the Tourism Sector (Special G.O. No. 6.153 of November 18, 2014); (4) microcredit: Law on the Creation, Stimulation, Promotion and Development of the Microfinance System (G.O. No. 37.164 of March 22, 2001); (5) cottage industries: Law for Artisanal Development and Creation (Special G.O. No. 6.184 of June 30, 2015); and (6) manufacturing: Decree with the Status, Effect and Force of Law on Credit for the Manufacturing Sector (G.O. No. 39.904 of April 17, 2012).
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	Banks may maintain accounts abroad for their regular operations.
Lending to nonresidents (financial or commercial credits)	No.	The regulations establish rules for the credits and types of credit, terms and requirements, and the processes to be followed. Articles 58 and 62 of the Decree with the Status, Effect and Force of Law on Banking Sector Institutions (G.O. No. 40.557 of December 8, 2014).
Lending locally in foreign exchange	Yes.	The financial sector grants loans only in domestic currency, except for the export promotion loans granted by public banking institutions under the provisions of EA No. 4 of October 3, 2003, and Article 5 of EA No. 34 of August 30, 2016.
Purchase of locally issued securities denominated in foreign exchange	Yes.	Individuals and legal entities can sell and purchase foreign currency indirectly from any other individual or legal entity (except for the persons indicated below, as regards the purchase of foreign currency) through the negotiation in bolivars of securities denominated in foreign currency issued by any private sector issuer, whether domestic or foreign, which is listed in a regulated market and is subject to public offering. The only exception to the above broad base of participants is that institutions from the banking, insurance

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		and securities market sectors, savings funds, trusts, and reciprocal guarantee and venture capital entities and funds, cannot participate in those transactions as purchasers (indirectly) of foreign currency.
Differential treatment of deposit accounts in foreign exchange	Yes.	EA No. 20 of June 3, 2012, allows the holding of funds in foreign currencies in national financial system banks. EA No. 31 allows the opening of foreign exchange accounts in microfinance banks. BCV Resolution No. 12-09-01 of September 6, 2012, Article 2, sole paragraph, and Articles 8 and 10 of which were amended by BCV Resolution No. 13-02-01 of February 8, 2013, partially amended by BCV Resolution No. 13-03-01 of March 22, 2013, on "Foreign Exchange Accounts in the National Financial System," which establishes that individuals who are of age and resident in the national territory and legal entities domiciled in Venezuela may hold funds in foreign exchange in sight or term accounts in universal banks. BCV Resolution No. 14-08-01 of August 21, 2014, which repeals Article 7 of Resolution No. 12-09-01 of September 6, 2012, and Article 1 of which establishes the possibility for the board of directors of the BCV to grant exceptions to the requirement for authorized banks that receive deposits in foreign exchange to credit the said deposits to the BCV, within the framework of its exchange policy implementation strategy. BCV Official Notice of July 30, 2013, containing the Regulations for the Opening of accounts with universal banks authorized to receive foreign exchange deposits in accordance with the provisions of EA No. 20.
Reserve requirements	Yes.	Article 6 of BCV Resolution No. 14-03-02 established that the reserve requirement for foreign exchange operations must be established in legal tender (bolívares); however, the calculation, reporting, and monitoring of the reserve requirement for foreign exchange operations will take place separately from the reserve requirements for operations in domestic currency. Article 1 of BCV Resolution No. 14-08-01 of August 21, 2014, authorizes the board of directors of the BCV to grant exceptions to the requirement to authorized banks that receive foreign exchange deposits to credit these deposits to the BCV within the framework of its exchange policy implementation strategy. Article 55 of the Decree with the Status, Effect and Force of Law on the BCV allows the portion of the reserve requirement deposited with the BCV to bear interest for monetary and financial policy reasons under the relevant terms and conditions established by the board of directors of the BCV. As of January 20, 2020, as per the BCV rules on the legal reserves requirement ("Resolution"), banking institutions must maintain minimum legal reserves equal to the aggregate of the following: (1) 85% of net obligations in bolívares; (2) 31% on operations that are in foreign currency; and (3) 85% of the assigned investments for banking institutions authorized to carry out operations in the money market. Microfinance institutions and development banks that promote public or private microfinance initiatives and whose index of credit intermediation is at least 50% must maintain a reserve requirement of 40% of the total net obligations in bolívares and assigned investments. The legal reserve position of each institution is determined in five-day periods from Monday to Friday, based on the average of the daily balances of the operations subject to legal reserves during the period. The BCV determines the position of the legal reserve requirement weekly.

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Liquid asset requirements	No.	
Interest rate controls	Yes.	BCV Resolution No. 12-09-01 containing the "Regulations governing foreign exchange accounts in the National Financial System."
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	There is no differential treatment in the banking legislation. However, EA No. 20 of June 14, 2012, establishes that in the case of legal entities not domiciled in Venezuela, only those that are involved in the implementation of strategic public investment projects for the development of the national economy and the stimulation of productive capacity may hold foreign currency funds in the national financial system.
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Article 24 of the Decree with the Status, Effect and Force of Law on Banking System Institutions provides that the opening of branches abroad or the acquisition of shares and equity in the capital of foreign banking institutions by Venezuelan banking institutions requires the prior approval of the Office of the SUDEBAN.
In banks by nonresidents	Yes.	Article 23 of the Decree with the Status, Effect and Force of Law on Banking System Institutions provides that the participation of foreign investment in domestic banking may be carried out by means of: (1) the acquisition of shares in existing banking institutions; (2) the establishment of banking institutions owned by foreign banks or investors; and (3) the establishment of branches of foreign banking institutions.
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	Yes.	Insurance companies are not listed in the registry of participants for primary auctions of BCV securities or national public debt bonds. They may acquire them in the secondary market through the banking system.
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	

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Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	
Investment firms and collective investment funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	The issuance of securities by nonresidents must be approved by the Office of the National Superintendent of Securities.
Limits (max.) on investment portfolio held abroad	Yes.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	Yes.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.a.
Retail	n.a.
Wholesale	n.a.
Controls on the use of domestic CBDC—retail and/or wholesale	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Between nonresidents	n.a.
Controls on CBDC launched by another jurisdiction	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.

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For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Crypto assets	n.a.
Controls on unbacked tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on utility and security tokens	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.
Controls on stablecoins	n.a.
Acquisition by residents	n.a.
Use among residents	n.a.
Between residents and nonresidents	n.a.
For current transaction	n.a.
For capital transactions	n.a.
Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	n.a.

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Controls on crypto exchanges and trading platforms	n.a.
Domestic exchanges	n.a.
Access to crypto exchange/trading platform by residents	n.a.

Changes during 2022 and 2023

No significant changes occurred in the exchange and trade system.

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VIETNAM

(Position as of July 31, 2023)

Status under IMF Articles of Agreement

Date of membership		September 21, 1956.
Article VIII	Yes.	Date of acceptance: November 8, 2005
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Vietnam maintains certain exchange restrictions for the preservation of national and international security. These restrictions are imposed on financial transactions, and measures have been implemented to freeze accounts belonging to individuals and entities associated with terrorism in accordance with (1) UNSC resolutions and (2) the list of current organizations associated with terrorism maintained by the US Secretary of State.
Other security restrictions	Yes.	

Exchange Arrangement

Currency	Yes.	The currency of Vietnam is the Vietnamese dong.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement	Yes.	Clause 2, Article 15 of Decree No. 70/2014/ND-CP of July 17, 2014, states that: (1) the official exchange rate is determined based on demand and supply in the foreign exchange market under State Bank of Vietnam (SBV) regulations. The SBV regulates the exchange rate by deploying monetary policy instruments and intervening in the foreign exchange market. (2) The de jure exchange rate arrangement is managed floating and is determined by the SBV based on a currency basket of countries with trade, financing, and investment relationships with Vietnam, consistent with macroeconomic targets of each period. Decision No. 2730/QD-NHNN specifies that the

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		central exchange rate is announced daily, based on reference of the interbank-weighted exchange rate, exchange rate developments in global markets of some currencies that are of Vietnam's major investment, credit, and trading partners, monetary and macroeconomic balances, and monetary policy targets. The dong–US dollar exchange rate might fluctuate around the average interbank foreign currency market exchange rate announced by the SBV within a daily transaction band of ±3%. In October 2022, the exchange rate was subjected to substantial depreciation pressures because of Fed tightening cycle and strong USD. At its peak, the DXY index reached over 113 in October 2022. During this period, on October 17, 2022, the SBV raised the daily transaction band from ±3% to ±5% to allow for more flexible foreign exchange movement. In October 24, 2022, the interbank VND/USD rate depreciates by around 9% (at 24,857 VND/USD). Since October 2022, the exchange rate stabilized within a 2% band against the US dollar with one realignment in December 2022. Therefore, the de facto exchange rate has been reclassified to stabilized from crawl-like, effective October 21, 2022. By the end of 2022, as pressures from the strong USD subsided and both external and domestic conditions stabilized, the VND recovered but still depreciated by around 3.5% year-over-year. In 2023, the USD/VND exchange rate continued to fluctuate flexibly in both ways. Because of recent strengthening of USD and divergence in monetary policy, VND depreciated by around 4% against USD in 2023 (similar to other currencies such as TWD, CNY, MYR, and KRW). The SBV does not publish data regarding foreign exchange market intervention.
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	Decision No. 2730/QD-NHNN stipulates that the SBV announces the central dong–US dollar exchange rate on its website on daily basis. Decision No. 1747/QD-NHNN specifies that the spot exchange rate must not exceed ± 5% of the central rate announced by the SBV.
Monetary policy framework		
Exchange rate anchor	Yes.	
U.S. dollar		
Euro		
Composite	Yes.	The de jure exchange rate arrangement (Clause 2, Article 15 of Decree No. 70/2014/ND-CP of July 17, 2014, in effect since September 5, 2014) is a managed floating system and is determined

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by the SBV based on a currency basket of countries with trade, financing, and investment relationships with Vietnam, consistent with macroeconomic targets of each period. The dong–US dollar exchange rate may fluctuate around the central dong-US dollar exchange rate within a daily transaction band of ±5%.

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

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Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	The exchange rate band applies only to dong–US dollar transactions. Credit institutions (CIs) may set their own rates in transactions for all foreign currencies, except US dollars. ADs may freely set their exchange rates in transactions with their clients within the dong–US dollar band.
Spot exchange market	Yes.	As of December 31, 2022, there were 120 CIs and foreign bank branches authorized by the SBV to provide foreign exchange services, including four state-owned commercial banks and joint-stock commercial banks in majority state ownership, including Agribank, Vietinbank, Vietcombank, and Bank for Investment and Development of Vietnam (BIDV); 31 joint-stock commercial banks, 3 joint-venture banks, 9 banks that are 100% foreign owned, and 49 foreign bank branches. Foreign exchange bureaus operate as agents for CIs. There were 657 such bureaus licensed by SBV branches in cities and provinces as of December 31, 2022. These bureaus may not conduct foreign exchange transactions directly with the SBV. They may use dong to buy foreign exchange from individuals, but may not sell foreign exchange to individuals for dong (except bureaus located at international border gates in isolated areas). The SBV does not publish data regarding spot exchange market.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	
Interbank market	Yes.	The CIs must have permission and register with the SBV to become members of the foreign exchange interbank market as follows: They must be credit organizations and/or foreign bank branches (1) permitted under the Law on Credit Organizations; (2) licensed by the SBV for the operation, business, and provision of foreign exchange services in Vietnam's foreign exchange market; and (3) have the necessary systems to carry out foreign exchange transactions, such as the Reuters Dealing System or other means approved by the SBV from time to time. Currently, 70 CIs and foreign bank branches are members of the foreign exchange interbank market. The SBV grants the license. The limit on the bid-ask spread is the SBV trading band (±5%). The CB intervenes directly with market participants at their quoted rates set by the CB from time to time. The SBV does not publish data regarding interbank foreign exchange market. Effective October 17, 2022, the SBV raised the daily transaction band from ±3% to ±5% to allow for more flexible foreign exchange movement.
Over the counter	No.	

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Brokerage	No.	
Market making	No.	There has been no regulation on market maker. The SBV intervenes directly with interbank market participants.
Forward exchange market	Yes.	As per Circular No. 02/2021/TT-NHNN of March 31, 2021, regulations for forward transactions are updated: Authorized CIs may sell foreign currencies in foreign exchange forwards to nonresident foreign investors holding governmental bonds denominated in VND in the domestic market to prevent exchange rate risk for bonds held by these investors. As per Circular No. 02/2021/TT-NHNN of March 31, 2021, regulations for swap transactions are updated: The minimum transaction term in the swap transaction between Vietnamese dong and foreign currencies is reduced so as to allow licensed CIs to make swap transactions of foreign currencies with maturities of under 3 working days (maximum 365 days from the transaction date). As per Circular No. 02/2021/TT-NHNN of March 31, 2021, customers can use Vietnamese dong to buy foreign currency in a 365-day forward contract from authorized CIs to hedge exchange rate risk for overseas loans denominated in foreign currencies with initial loan term or remaining loan term over 365 days. When the signed forward transaction is due, the CIs and the customer are allowed to perform a swap transaction to extend the signed transaction. The SBV does not publish data regarding forward and swap foreign exchange transactions.
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	
Controls on the use of domestic currency	Yes.	
For current transactions and payments	No.	
For capital transactions	Yes.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	Yes.	
Credit operations	Yes.	
Use of foreign exchange among residents	Yes.	Implementation of Provisions Restricting the Use of Foreign Exchange within the Territory of Vietnam specifies the following cases when foreign exchange may be used in Vietnam: (1) Customs offices, public security (police) offices, border-guard forces offices, and other government agencies at border points and in bonded (customs) warehouses may list in and collect in foreign exchange or cash foreign currency from nonresidents various types of taxes, entry and exit visa fees, fees for services and other types of fees, and charges in accordance with the law. (2) Banks, nonbank CIs, and foreign bank branches authorized to conduct foreign exchange business and provide foreign exchange services (hereinafter referred to as authorized CIs) may transact, make payments, list, advertise, quote, set prices, and record prices in contracts and agreements in foreign exchange within the scope of their foreign exchange business and provision of foreign exchange services authorized by the SBV in

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accordance with the law. (3) Other institutions authorized to provide foreign exchange services may transact and list prices in foreign currency within the scope of their permitted foreign exchange services. (4) Resident legal entities may transfer capital internally by foreign currency transfers—for example, between the account of such an organization and accounts of its subsidiaries that are not legal entities and vice versa. (5) Residents may contribute foreign currency capital to implement a foreign investment project in Vietnam. (6) Residents may perform contracts entrusting imports or exports in accordance with the following provisions: (a) Resident importers may record prices in import authorization contracts in foreign currency and receive payment in foreign currency from the import entrusting party. (b) Resident exporters may record prices in export authorization contracts in foreign currency and make payments in foreign currency to the export entrusting party. (7) Residents who are domestic or foreign contractors are permitted the following: (a) With respect to foreign expenses for a tender package via international tendering in accordance with the Law on Tendering, tenderers may submit their tenders in foreign currency and receive payment in foreign currency from the investor or head contractor to make payments and disbursements and remit money overseas. (b) With respect to implementation of tender packages in accordance with the Law on Petroleum, tenderers may submit their tenders in foreign currency and receive payment in foreign currency from the investor or head contractor to make payments and disbursements and remit money overseas. (8) Resident insurance enterprises are permitted as follows: (a) They may quote, set, and record prices of insurance services in contracts in foreign currency and receive payment in foreign currency from insurance purchasers in the case of goods and services for which offshore reinsurance must be purchased. (b) If losses arise that are covered by offshore reinsurance, resident organizations purchasing insurance may receive the amount of insurance indemnity in foreign currency from the foreign reinsurer via the domestic insurance enterprise to make payment of expenses for remedying the loss offshore. (9) Resident organizations conducting business in duty-free goods may list prices of goods in foreign currency and receive payment in foreign currency or cash for the supply of goods. Foreign currency used in transactions at duty-free shops must be handled in accordance with the Law on the Business of Sales of Duty-Free Goods. (10) Resident organizations providing services in separated areas at international border gates or organizations conducting business in bonded warehouses may list, quote, fix prices, and record prices in contracts in foreign currency and receive payment in foreign currency or cash for the supply of goods and services. (11) Resident organizations acting as agents for foreign transportation firms on the basis of agency contracts signed between the two parties are permitted (a) to represent the foreign transportation firm in quoting, setting, and recording prices in contracts in foreign currency with respect to international freight charges. Payment must be made in dong; (b) to make payment in foreign currency on behalf of a foreign transportation firm of the purchase price of goods and services at international seaports and at separate areas of international airports; and (c) to make payment in foreign currency cash on behalf of a foreign shipping firm of salaries, bonuses, and allowances to nonresidents when so delegated with authority by a foreign shipping firm. (12) Resident export processing enterprises are permitted (a) to record prices in contracts in foreign currency and to make payment in foreign currency when purchasing goods from the domestic market to produce, process, recycle, or assemble export goods or export

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		them, except for prohibited export goods. Domestic enterprises may quote and set prices in foreign currency and receive payment in foreign currency when selling goods to export processing enterprises; and (b) to quote, set, and record prices in contracts in foreign currency and to make and receive payments in foreign currency with respect to other export processing enterprises. (13) Resident organizations conducting business in the aviation transport, hotel, and tourism sectors may list and advertise prices of goods and services in dong and the equivalent in foreign currency on websites and in specialized publications (excluding menus and service price lists) in foreign languages. (14) Residents and nonresident organizations may agree to pay salaries, bonuses, and allowances in labor contracts in foreign currency or cash to nonresidents and residents who are foreigners working for such organizations. (15) Nonresident diplomatic offices and consulates may list in foreign currency and collect fees for entry and exit visas and other types of fees and charges in foreign currency or cash. (16) Nonresidents are permitted (a) to send foreign currency to other nonresidents; (b) to record prices in contracts in foreign currency and to make payments for the exportation of goods and services in foreign currency to residents. Residents may quote and set prices in foreign currency and receive payment in foreign currency when they supply goods and services to nonresidents; and (c) the nonresident can deposit via transferring foreign exchange to participate in auctioning to buy the shares at initial public offering and disinvestment of the state-owned enterprise approved by the Prime Minister. (17) For cases related to national security and defense, oil, and other necessary cases, entities may be able to use foreign exchange within Vietnam's Territory subject to the consideration and approval of the SBV in written form based on the real situation and necessity of each case.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	Vietnam maintains bilateral payments arrangements with Cambodia, China, Lao P.D.R., and Russia.
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	Yes.	
Administration of control	Yes.	Exchange controls are administered by the SBV.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	The legal ownership of gold by organizations and individuals is acknowledged and protected by law. As of December 31, 2022, 21 CIs and 16 enterprises with a total of 2,599 retailers were licensed by the SBV to trade gold bars. The daily gold positions of CIs are calculated on the basis of gold-bar spot transaction volume, including off-balance-sheet transactions.

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		The gold position does not include the balance generated from gold trading transactions to settle the gold balance from transactions before the effective date of the circular, such as gold deposits and loans, gold conversion to dong, gold kept for clients, etc. The gold position may not be more than 2% of a CI's equity, and CIs may not maintain a negative gold position. CIs and enterprises may not trade in gold bars without a license. The SBV purchases and sells gold bars to authorized CIs and enterprises based on monetary policy objectives in each period.
On external trade	Yes.	(1) Export tax rates and preferential import tax rates (MFN rate) for gold products: Export tax rates and MFN rates for gold products are specified in the Export Tariff and MFN Tariff issued with Decree No. 26/2023/ND-CP dated May 31, 2023, and effective July 15, 2023, on Export Tariff, Preferential Import Tariff, List of goods and absolute tax rates, mixed taxes outside tariff quotas, as follows: - Export tax rate of Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form (heading 71.08) is 2%; for jewelry items, jewelry parts, industrial objects made by gold and other gold products (headings 71.13, 71.14, and 71.15), the export tax rate is 1%. - MFN rates: + MFN rate of Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form (heading 71.08) is 0%. + MFN rate of Jewelry items and parts of gold jewelry (HS code 7113.19.10; 7113.19.90) is 25% + MFN rate of industrial items and other gold products (HS code 7114.19.00; 7115.90.10) is 30%. (2) Preferential export tax rates and special preferential import tax rates for gold products (based on FTA): Preferential export tax rates and special preferential import tax rates for gold products are prescribed in 16 Decrees to implement FTA which Vietnam is a member, as follows: - Vietnam only commits to preferential export tax in the Comprehensive and Progressive Agreement in 3 FTAs: Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Free Trade Agreement between the Socialist Republic of Vietnam and the European Union (EVFTA), Free Trade Agreement between the Socialist Republic of Vietnam and the United Kingdom of Great Britain and Northern Ireland (UKVFTA). Accordingly, gold items (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form (heading 71.08), jewelry items, jewelry parts, industrial objects made by gold and other gold products (HS code 7113.19; 7114.19.00; 7115.90.10) have export rate of 2% in these 3 agreements. - Special preferential import tax rates (FTA rates) under FTAs are as follows: + Gold items (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form (heading 71.08) has FTA rate of 0%, except ASEAN–Hong Kong and China Free Trade Agreement (AHKFTA) does not commit HS code 7108.12.10, 7108.12.90; Vietnam–Chile Free Trade Agreement (VCFTA) has FTA rate of 1% (0% for HS code 7108.12.10, 7108.12.90). + Jewelry items and parts of gold jewelry (HS code 7113.19.10; 7113.19.90) has FTA rate of 0% in ASEAN–Australia–New Zealand Free Trade Area (AANZFTA), Vietnam-Eurasian Economic Union Free Trade Agreement (VN-EAEU FTA), ASEAN-China Free Trade Area (ACFTA), ASEAN Trade in Goods Agreement (ATIGA),

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		Vietnam–Japan Economic Partnership Agreement (VJEPA), Vietnam–Korea Free Trade Agreement (VKFTA), CPTPP, ASEAN–Japan Comprehensive Economic Partnership (AJCEP), ASEAN-Korea Free Trade Agreement (AKFTA) (except for Indonesia); does not commit in AIFTA; 10% in AHKFTA; 2% in VCFTA; 12,5% in EVFTA and UKVFTA; 20% in Regional Comprehensive Economic Partnership (RCEP) (20,5% for Japan). + MFN rate of industrial items and other gold products (HS code 7114.19.00; 7115.90.10) has FTA rate of 0% in AANZFTA, VN-EAEU FTA, ACFTA, ATIGA, VKFTA, CPTPP, AJCEP, AKFTA (except for Indonesia does not commit with HS code 7114.19.00); does not commit in AIFTA; 12% in AHKFTA; 30% in VCFTA; 2% in VJEPA (as of April 1, 2023); 15% in EVFTA and UKVFTA; 24% in RCEP (24,5% for Japan).
Controls on exports and imports of banknotes	Yes.	Cash taken out or brought in is controlled when individuals cross Vietnamese borders.
On exports	Yes.	
Domestic currency	Yes.	Individuals are required to declare amounts in excess of D 15 million taken out of Vietnam. On exit from the country, individuals must present a certificate for exports of cash in dong issued by an authorized CI or approval from the SBV.
Foreign currency	Yes.	Exports of foreign currency of US$5,000 or more, or its equivalent in other foreign currencies, must be declared to customs. On exit from the country, individuals must present a certificate for exports of cash in foreign currency issued by an authorized CI or approval from the SBV.
On imports	No.	
Domestic currency	No.	For individuals, amounts in excess of D 15 million must be declared on entering Vietnam.
Foreign currency	No.	Imports of foreign currency of US$5,000 or more or its equivalent in other currencies must be declared to customs.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Resident organizations may maintain foreign exchange accounts at authorized banks to conduct the following credit transactions: (1) receipt of foreign currency transfers from abroad; (2) receipt of foreign currency transfers from accounts of nonresident organizations at domestic authorized banks as payment for export goods and services; (3) return of unused cash advances denominated in foreign currencies withdrawn by organizations for staff overseas mission to authorized banks where the withdrawal was made; and (4) receipt of foreign currency from eligible local resources; and the following debit transactions: (1) sale of foreign currency to authorized CIs; (2) transfers and payments for current and capital account transactions under the legal provisions on foreign exchange management; (3) payments for conversion to other foreign currencies under the SBV's regulations; (4) payments for foreign-currency-denominated instruments; (5) payment of foreign currency in cash for individuals who travel on business missions abroad; (6) account transfers or withdrawals in foreign currency to pay for salaries, bonuses, and allowances of nonresidents and foreign resident individuals; (7) payments to permissible domestic foreign currency transactions as specified by the SBV; and (8) account transfers to pay for other eligible transactions as defined by the SBV's law. Resident individuals may maintain foreign exchange accounts at

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		authorized banks to conduct the following credit transactions: (1) receipt of foreign currency transfers from abroad; (2) receipt of foreign currency transfers from accounts of nonresident organizations at domestic authorized banks as payment for export of goods and services; (3) receipt of foreign currency in cash from abroad. Placement of foreign currency proceeds in bank accounts must be based on presentation of customs certification as regulated by the Law on Foreign Exchange Management; and (4) receipt of foreign currencies from domestic eligible sources; and the following debit transactions: (1) sale of foreign currency to authorized CIs; (2) transfers and payments for current and capital account transactions under the legal provisions on foreign exchange management; (3) payments for conversion to other foreign currencies under the SBV regulations; (4) payments for other foreign-currency-denominated instruments; (5) transfer of personal remittances under legal provisions; (6) withdrawal of foreign currency in cash; (7) overseas transfers for foreign residents; (8) transfer to saving accounts at authorized banks for Vietnamese citizens; and (9) transfers and payments for eligible domestic transactions in foreign currency under SBV regulations on using foreign currencies in Vietnam.
Approval required	No.	
Held abroad	Yes.	Resident organizations may open and use foreign exchange accounts overseas. These organizations include (1) authorized CIs for operations in foreign exchange abroad; (2) economic organizations with branches and representative offices abroad or that need an account to receive foreign loans or fulfill commitments and contracts with a foreign partner; and (3) state agencies, armed forces, political organizations, sociopolitical organizations, socio-politico-professional organizations, social funds, and charity funds operating in Vietnam that want to open foreign currency accounts abroad to receive foreign aid, financial assistance, or other cases as authorized by the relevant Vietnamese authority.
Approval required	Yes.	Foreign exchange accounts of economic organizations held abroad (with branches and representative offices abroad or that need an account to receive foreign loans or fulfill commitments and contracts with a foreign partner) and state agencies, military forces, political organizations, sociopolitical organizations, socio-politico-professional organizations, social funds, charity funds operating in Vietnam that want to open foreign currency accounts abroad to receive foreign aid, financial assistance, or other cases as authorized by Vietnamese relevant authority need SBV approval.
Accounts in domestic currency held abroad	n.r.	There is no regulation in current law governing the opening of an overseas VND account.
Accounts in domestic currency convertible into foreign currency	Yes.	Resident foreign individuals may have convertible domestic currency accounts.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	Nonresident organizations may maintain foreign exchange accounts at authorized banks to conduct the following credit transactions: (1) receipt of foreign currency transfers from abroad; (2) receipt of foreign currency transfers from domestic foreign currency accounts of other nonresidents; (3) return of unused cash advances denominated in foreign currencies withdrawn by organizations for staff overseas business trip to authorized banks where the withdrawal was made; and (4) receipt of foreign currency from legitimate domestic sources; and the following debit transactions: (1) sale of foreign currency to authorized CIs; (2) transfers and payments for current and capital account transactions under the legal provisions on

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		foreign exchange management; (3) payments in other foreign currencies under the SBV's regulations; (4) payments for foreign-currency-denominated payment instruments; (5) withdrawal of foreign currency cash for missions abroad; (6) account transfers or withdrawals of foreign currency cash to pay for salaries and bonuses to resident and nonresident foreign individuals; (7) transfers overseas or to foreign currency accounts of other nonresidents; (8) payments to residents for goods and services; and (9) account transfers to pay for other eligible transactions as defined by the SBV's law on using foreign exchange in Vietnam. Nonresident individuals may maintain foreign exchange accounts at authorized banks to conduct the following credit transactions: (1) receipt of foreign currency transfers from abroad; (2) receipt of foreign currency cash from abroad. Placement of foreign currency proceeds in bank accounts must be based on presentation of customs certification as regulated by the Law on Foreign Exchange Management; (3) receipt of foreign currency transfers from accounts of nonresidents; and (4) receipt of foreign currencies from domestic legal sources; and the following debit transactions: (1) sale of foreign currency to authorized CIs; (2) transfers and payments for current and capital account transactions under the legal provisions on foreign exchange management; (3) payments in other foreign currencies under the SBV regulations; (4) payments for foreign-currency-denominated instruments; (5) remittances for gifts and awards under legal provisions; (6) withdrawal of foreign currency in cash; (7) transfers overseas or to foreign currency accounts of other nonresidents; and (8) transfers and payments for eligible domestic transactions in foreign currency under SBV regulations on using foreign currencies in Vietnam.
Approval required	No.	
Domestic currency accounts	Yes.	Nonresident organizations, individuals, and foreign residents may open dong accounts to conduct the following credit transactions: (1) from sale of foreign currency to authorized CIs; (2) from other eligible sources in Vietnam; and the following debit transactions: (1) payments or withdrawals of dong in cash for expenditures in Vietnam; (2) transfers or payments for current and capital transactions as defined by applicable regulations on foreign exchange management; (3) transfers of personal remittances in line with legal provisions (for nonresident and foreign resident individuals); (4) payment to buy foreign currency at authorized CIs to transfer abroad; and (5) payment for other purposes authorized by law. Nonresident investors must open an indirect investment dong account with an authorized CI. As of January 1, 2021, according to Article 138.1.b of Decree No. 155/2020/ND-CP, securities investment fund management companies and branches of foreign fund management companies may open indirect investment capital accounts to receive the capital from foreign investors who do not have an indirect investment capital account. In this case, the indirect investment capital account is under the name of the securities investment fund management company in Vietnam. As of August 6, 2021, according to Article 3 of Circular No. 51/2021/TT-BTC, the opening by foreign investors of indirect investment capital accounts at a depository bank licensed to do foreign exchange business for their securities investment activities in Vietnam is updated and subject to new rules according to the Law on Securities.

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Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	Accounts may be blocked only under the order of authorized Vietnamese agencies.

Imports and Import Payments

Foreign exchange budget	Yes.	The budget is indicative only and not binding.
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	Yes.	Importers are required to submit relevant documents (such as contracts and licenses) to commercial banks for import payments.
Import licenses and other nontariff measures	Yes.	Domestic firms may import goods as permitted under commercial law. Trading by foreign-owned firms may be carried out only in accordance with the firm's registered business activity. Imports of certain products are controlled by other ministries for health, safety, and moral purposes.
Positive list	No.	
Negative list	Yes.	Imports of the following goods are prohibited: (1) weapons, ammunition, explosives, and other military equipment; (2) nonmedical drugs and toxic chemicals; (3) reactionary and/or pornographic materials; (4) fireworks and children's toys that are harmful to personality, education, social order, or safety; (5) cigarettes (excluding limited quantities imported during personal travel); and (6) most used consumer goods as well as most used vehicles, including bicycles and motorcycles, used vehicle parts, and some types of passenger vehicles.
Open general licenses	No.	
Licenses with quotas	Yes.	The Ministry of Industry and Trade (MOIT) may impose ad hoc temporary quantity controls. Several goods imports require an import license from the MOIT and related ministries.
Other nontariff measures	Yes.	There are some additional nontariff measures.
Import taxes and/or tariffs	Yes.	There are 32 preferential import tax rates according to the provisions of Decree No. No. 57/2020/ND-CP; the highest preferential import tax rate of 135% applies to the import of cigars and cigarettes.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

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Exports and Export Proceeds

Repatriation requirements	Yes.	All receipts originating from current transactions by resident entities must be repatriated immediately.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	
Without quotas	Yes.	The following exports are prohibited: (1) weapons, ammunition, explosives, and other military equipment; (2) antiques; (3) nonmedical drugs and toxic chemicals; (4) timber and timber products from natural forests; (5) wild and/or rare native animals and rare aquatic breeds; (6) certain plants; and (7) cipher machinery and cipher software.
With quotas	No.	
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	An export levy of 2% is imposed on raw gold exports, jewelry items, and art objects containing more than 95% of gold. The provisions of Decree No. 57/2020/ND-CP of May 25, 2020, amended and supplemented Decree No. 122/2016/ND-CP of September 1, 2016, on the export tariff, the preferential import tariff, the list of goods and absolute tax rates, mixed taxes, and non-quota import duties.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	Payments for invisible transactions related to authorized imports are not restricted. Foreign firms may buy foreign currency from commercial banks to pay for their current and other permitted transactions.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	

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Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	There are no limits on loan interest payments. Interest payments must be made in accordance with the terms of the loan contract.
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Other payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	All proceeds originating from current transactions by resident entities must be repatriated immediately.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Restrictions on use of funds	Yes.	Restrictions are the same as those applied to other foreign exchange holdings.

Capital Transactions

Controls on capital transactions	Yes.	

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Repatriation requirements	Yes.	As January 1, 2021, as per the new 2020 Investment Law, investors must transfer all profits and other incomes earned from overseas investment to Vietnam within 6 months from the date of the tax finalization report or other equivalent documents in accordance with the law of the hosting country, except for cases of retaining profits as prescribed in Article 67 of the Law on Investment 2020. Previously, there was no provision for the timeline of profits and earnings repatriation. The capital, profits, and earnings from foreign direct/indirect investment must be repatriated via foreign exchange accounts at authorized CIs. Residents other than CIs with a license for foreign direct/indirect investment may open accounts to transfer capital abroad and transfer legal capital, profits, and earnings from direct/indirect investment abroad to Vietnam under SBV regulations.
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	Controls apply to all transactions in capital and money market instruments and in collective investment securities.
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	As of January 1, 2021, for public companies operating in conditional business lines and trades applicable to foreign investors, with no specific provision on foreign ownership limits (FOL) in place, the maximum FOL is 50% (previously, it was 49%). Article 139 of Decree No. 155/2020/ND-CP on FOLs specifies the following exceptions to the above rule: In case of an international treaty, to which Vietnam is a contracting party, the foreign ownership provisions of the international treaty apply (Article 6, International Treaty Law). In case of public companies doing business or investment in which the Law on Investment and relevant laws prescribe FOL, the provisions of that law apply. For public companies not covered by the above-mentioned cases, the FOL is not limited, unless otherwise provided in the charter of the company. In cases where a public company has various businesses with different corresponding FOLs, the applicable FOL should not exceed the lowest one applied to that company's licensed business. The public company can decide its maximum FOL at lower percentage than above-mentioned circumstances, it should be approved by the GMS and provided in the Charter of the Company (Articles of Incorporation). As of January 1, 2021, Article 140 of Decree No. 155/2020/ND-CP allows foreigners to buy the Non-Voting Depository Receipts issued to foreign investors based on the stocks of listed or registered companies in the stock exchanges. As of January 1, 2021, as per Decree No. 155/2020/ND-CP (Article 139) implementing Article 77 of Securities Law No. 54/2019/QH14 ("Securities Law 2019"), foreign institutional investors can invest in and own up to 100% of the charter capital of securities firms and securities investment fund management companies. The maximum limit applied to foreign individual investors and their related persons is 49%. Foreign organizations and individuals must open a securities trading

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		account denominated in dong to sell or issue listed securities on the stock exchange. Circular No. 51/2021/TT-BTC sets out requirements for such indirect investment capital accounts at depository banks licensed to do foreign exchange business.
Sale or issue locally by nonresidents	Yes.	As of January 1, 2021, the participation of foreign investors in Vietnamese securities market must follow the Decree No. 155/2020/ND-CP (Section 6, Articles 136–148). Foreign investors must register with and receive a trading code online from the Vietnam Securities Depository (VSD) through depository members prior to issuing in the Vietnam stock market. Foreign organizations and individuals must open a securities trading account denominated in dong to sell or issue listed securities on the stock exchange. All payments for and receipts from securities transactions must be effected through these accounts. Shares denominated in dong may be issued only in Vietnam. Circular No. 40/2015/TT-NHNN of December 31, 2015, regulates the opening and using of securities issuance account denominated in dong of nonresident organizations in Vietnam. Articles 123, 124, and 125 of Decree No. 155/2020/ND-CP of December 31, 2020, guide the conditions, documents, and procedures for listing registration and delisting for foreign issuers in the Vietnam securities market. Articles 36, 37, and 38 guide the conditions and documents for enterprises established and doing business pursuant to a foreign country's law. Article 66 guides the conditions for foreign issuer to issue shares for employee in Vietnam.
Purchase abroad by residents	Yes.	Resident individuals and entities may invest abroad in shares, subject to the requirements set by the SBV. CIs may conduct offshore indirect investment, subject to the legal regulations on investment and the SBV law. Residents other than CIs, after receiving a license for offshore indirect investment, may open an account to transfer capital overseas and transfer legal capital, profits, and earnings from indirect investment abroad to Vietnam under SBV regulations. Article 1, Decree No. 135/2015/ND-CP of December 31, 2015, regulates the offshore indirect investment in the form of purchase and sale of securities, other valuable papers or via overseas securities investment funds or other intermediary financial institutions. Supplemental regulations are introduced on outward portfolio investment. Regarding outward portfolio investment, the ordinance supplements regulations to establish a transparent legal basis for such investment. The SBV provides guidance on the use of accounts, transfers of investment capital overseas, and transfers of the original capital and profits from outward portfolio investment activities to Vietnam.
Sale or issue abroad by residents	Yes.	As of January 1, 2021, according to Article 14 of Circular No. 99/2020/TT-BTC guiding the operation of the securities investment fund management companies, fund management companies are allowed to mobilize capital in domestic and international markets to establish and manage the securities investment funds, securities investment companies. Articles 126 and 127, Decree No. 155/2020/ND-CP on the conditions, procedures of listing, and trading of shares of Vietnamese issuers abroad.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	No.	Foreign investors can invest in government, government guaranteed, local government, and corporate bonds, fund certificates, stocks of the securities investment company, securities derivatives, depository receipts, covered warrants without limitation, unless otherwise provided by relevant laws (Article 139.3 of Decree No. 155/2020/ND-CP of December 31, 2020).

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		Foreign organizations and individuals must open a securities trading account denominated in dong to sell or issue listed securities on the stock exchange. Circular No. 51/2021/TT-BTC sets out requirements for such indirect investment capital accounts at depository banks licensed to do foreign exchange business. The transfer of privately offered shares, privately offered convertible bonds, and privately offered bonds with warrants is restricted to a minimum of 03 years for strategic investors and a minimum of 01 year for with professional investors from the date of completion of the offering, except in the case of transfer between professional securities investors or implementation under a legally effective Court judgment or decision. Arbitration decision or inheritance according to the provisions of law.
Sale or issue locally by nonresidents	Yes.	Conditions for foreign organizations' securities listing on Vietnam Stock Exchanges are as follows: (1) Foreign organizations' securities offered through initial public offering in Vietnam must be placed in accordance with the Vietnamese Law on Securities. (2) The number of securities registered for listing is equivalent to the number of securities eligible for sale in Vietnam. (3) The listing requirements as prescribed in this Decree must be satisfied. (4) A commitment must be made to fully implement the legal obligations and liabilities of listing companies under Vietnamese law. (5) Listing consultation must be received from a securities company established and operating in Vietnam on securities listing. (6) Vietnamese regulations on foreign exchange management must be followed. Prior to taking investment activities in Vietnam's stock market, foreign investors must register for a trading code with VSD through depository members. After receiving a permit to issue securities in Vietnam, nonresident organizations must open securities trading account denominated in dong at authorized CIs to sell or issue listed securities on the stock exchange. All transactions related to security issuance in Vietnam must be conducted via this account. Nonresidents must comply with regulations in the Law on Securities and other related regulations on issuing securities by nonresidents in Vietnam.
Purchase abroad by residents	Yes.	Resident individuals and entities may invest abroad in securities, subject to the requirements set by the SBV. CIs may conduct offshore indirect investment, subject to the legal regulations on investment and the SBV law. Residents other than CIs, after receiving a license for indirect investment abroad, may open an account to transfer capital overseas and transfer legal capital, profits, and earnings from indirect investment abroad to Vietnam under the SBV regulations. Supplemental regulations are introduced on outward investment. Regarding outward portfolio investment, the ordinance supplements regulations to establish a transparent legal basis for such investment. The SBV provides guidance on the use of accounts, transfers of investment capital overseas, and transfers of the original capital and profits from outward portfolio investment activities to Vietnam.
Sale or issue abroad by residents	Yes.	As of January 1, 2021, the sale or issue of bonds abroad by residents must follow guidelines in Decree No. 153/2020/ND-CP dated December 31, 2020, regulating the private offering and trading of

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		corporate bonds in the domestic market and offering corporate bonds to the international market. Conditions for issuing bonds abroad by resident enterprises, as specified in Article 25 of the above-mentioned decree, are as follows: (1) For non-convertible bonds without warrants: (a) Issuing enterprise is a joint stock company or a limited liability company established and operating under Vietnamese law. (b) The plan for issuance of bonds to the international market approved by the competent authority: the competent authority must comply with the charter of the issuing organization, in case the charter is not available, the board of members and the owner must decide to issue bonds to the international market; the board of directors (for joint stock companies) decides and reports to the General Meeting of Shareholders. (c) Satisfy financial adequacy ratio and operational safety ratio in accordance with specialized laws. (d) Comply with regulations on management of foreign borrowing and repayment of foreign loans of enterprises not guaranteed by the Government and the law on foreign exchange management; (issuance value is within the total foreign loan limit approved by the Prime Minister every year). (d) Conditions for offering in accordance with regulations in the issuing market. (2) For convertible bonds or bonds with warrants: (a) Issuing enterprise is a joint-stock company that meets the issuance conditions specified in Clause 1 above. (b) The conversion of bonds to shares and exercise of the rights attached to the warrants must satisfy the regulations on the foreign investor's ownership ratio as prescribed by law. (c) The offering of convertible bonds and warrant-linked bonds must be separated by at least 06 months from the date of completion of the latest offering. Resident organizations that issue or sell foreign-currency-denominated securities abroad must open a securities issuance account in foreign currency at an authorized CI prior to each public offering, and payments and receipts must be effected through this account.
On money market instruments	Yes.	
Purchase locally by nonresidents	Yes.	Foreign organizations and individuals must open a portfolio investment capital account denominated in dong to sell or purchase listed securities on the stock exchange. All payments for and receipts from securities transactions must be effected through these accounts. Prior to any investment activities in Vietnam's stock market, foreign investors must register for a trading code with VSD through depository members. Supplemental regulations introduced on direct and inward portfolio investment in Vietnam stipulate the responsibility of foreign investors on the use of dong accounts for portfolio investment activities; supplement guidance on the use of nonresident foreign investors' legitimate income; and prescribe SBV authority regarding legitimate capital transfer transactions related to portfolio investment activities.
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	Yes.	CIs may conduct offshore indirect investment, subject to the legal regulations on investment and the SBV law. Residents other than CIs, after receiving a license for indirect investment abroad, may open an account to transfer capital overseas and transfer legal capital,

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		profits, and earnings from offshore indirect investment to Vietnam under the SBV regulations. Ordinance No. 06/2013/UBTVQH13 of March 18, 2013, amending and supplementing Ordinance on Foreign Exchange No. 28/2005/PL-UBTVQH of December 13, 2005, introduced supplemental regulations on direct and inward portfolio investment in Vietnam and Vietnam's outward investment. Regarding outward portfolio investment, the ordinance supplements regulations to establish a transparent legal basis for such investment. The SBV provides guidance on the use of accounts, transfers of investment capital overseas, and transfers of the original capital and profits from outward portfolio investment activities to Vietnam.
Sale or issue abroad by residents	Yes.	Resident organizations that issue or sell foreign-currency-denominated securities abroad must open a securities issuance account in foreign currency at an authorized CI, and payments and receipts must be effected through this account.
On collective investment securities	Yes.	
Purchase locally by nonresidents	Yes.	As of January 1, 2021, according to Article 139.3 of Decree No. 155/2020/ND-CP of the Government guiding the implementation of Laws on Securities 2019, foreign investors can invest in fund certificates and stocks of securities investment companies without limitation, unless otherwise provided by relevant laws.
Sale or issue locally by nonresidents	Yes.	These transactions must be approved by the appropriate authority and are subject to SBV guidelines. Prior to taking investment activities in Vietnam's stock market, foreign investors must register for a trading code with VSD through depository members. Foreign organizations and individuals must open a securities trading account denominated in dong to sell or issue listed securities on the stock exchange. All payments for and receipts from securities transactions must be effected through these accounts.
Purchase abroad by residents	Yes.	These transactions are subject to approval by the SBV and/or relevant agencies. CIs may conduct offshore indirect investment, subject to the legal regulations on investment and the SBV law. Residents other than CIs, after receiving a license for indirect investment abroad, may open an account to transfer capital overseas and transfer legal capital, profits, and earnings from indirect investment abroad to Vietnam under the SBV regulations. Supplemental regulations are introduced on direct and inward portfolio investment in Vietnam and Vietnam's outward investment. Regarding outward portfolio investment, the ordinance supplements regulations to establish a transparent legal basis for such investment. The SBV provides guidance on the use of accounts, transfers of investment capital overseas, and transfers of the original capital and profits from outward portfolio investment activities to Vietnam.
Sale or issue abroad by residents	Yes.	Resident organizations that issue or sell foreign-currency-denominated securities abroad must open a securities issuance account in foreign currency at an authorized CI, and payments and receipts must be effected through this account.
Controls on derivatives and other instruments	Yes.	
Purchase locally by nonresidents	No.	Foreign investors can invest in derivatives without limitations. Prior to taking investment activities in Vietnam's stock market, foreign investors must register for a trading code with VSD through depository members. In addition, foreign investors must open a derivatives trading account at trading members and depository account at the appointed clearing member, to be able to perform derivatives transactions.

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Sale or issue locally by nonresidents	Yes.	Prior to investing in Vietnam's stock market, foreign investors must register for a trading code with VSD through depository members. In addition to be able to perform derivatives transactions, foreign investors must open a derivatives trading account at trading members and depository account at the appointed clearing member. After getting license to issue securities in Vietnam, nonresident institutions must open a portfolio investment capital account denominated in Vietnamese dong at an authorized CI to perform receipts and payments in Vietnamese dong from securities transactions through this account, as regulated by the SBV's Circular No. 40/2015/TT-NHNN of December 31, 2015, on opening and use of VND-denominated account for securities issuance domestically by institutional nonresidents.
Purchase abroad by residents	Yes.	Resident investors can invest only in permitted instruments. Investment abroad in derivatives and other instruments by residents is not allowed. According to Article 4, Circular No. 10/2016/TT-NHNN of June 29, 2016, guiding some regulations in Decree No. 135/2015/ND-CP of December 31, 2015, on Offshore Portfolio Investment, proprietary traders and trust organizations can trade on a proprietary basis or invest on behalf of their clients in: (1) shares listed on a foreign stock exchange; (2) security investment fund certificates; and (3) bonds, T-bills, bills issued by governments and organizations rated by international rating agencies: Standard and Poor's, Moody's Investors Service, and Fitch Ratings. Also, as stipulated in Circular No. 10/2016/TT-NHNN (Chapter II), individual investors of Vietnamese nationality are allowed to invest in bonus shares issued abroad by bonus share issuers after receiving registration from the SBV. Revenues and payments generated from trading of bonus shares must be performed through an account open by the bonus share issuer at an eligible domestic CIs.
Sale or issue abroad by residents	Yes.	After receiving the license to issue securities denominated in foreign currencies overseas in the form of stock investment fund certificate, resident organizations must open a portfolio investment capital account denominated in foreign currencies at an authorized CI. All receipts and payments from securities transactions must be performed through this account as regulated by the SBV's Circular No. 39/2015/TT-NHNN.
Controls on credit operations	Yes.	Enterprises are subject to annual overall external borrowing ceilings and the fulfillment of certain other conditions.
Commercial credits	Yes.	
By residents to nonresidents	Yes.	Resident CIs may extend commercial credits in accordance with SBV regulations. Lending by resident economic entities must be approved by the prime minister. Once approved, firms must open a foreign exchange account with an AD for loan disbursement and collection. All transactions for capital disbursements, interest payments, and related fees must be conducted through this account.
To residents from nonresidents	Yes.	Enterprises (including CIs) can borrow from abroad without government guarantee subject to conditions. The purposes of offshore borrowing include the restructuring of loans with lending costs not exceeding the cost of the current offshore loan. Medium- and long-term offshore borrowings without the government's guarantee (except for deferred payment for imported goods) must be registered with the SBV. For medium- and long-term loans, firms must register the borrowing and repayment schedules with the SBV before disbursement, within 30 days of signing the loan contract. For extended loans, firms must register loans within 30 days of signing an extension contract for short-term loans whose

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		total period, including the extension, exceeds one year. Firms' external borrowing must be within the government-approved annual limit and meet the SBV's requirements. The borrowing and repayment schedules must be reported periodically to the SBV. Resident individuals must borrow and repay overseas loans based on the principle of self-borrowing and are self-liable in accordance with government regulations. Enterprises with more than 50% state-owned charter capital receiving offshore loans without government guarantee are subject to stricter regulation. Government-owned economic groups and general corporations must be approved by line ministries and the MOF before borrowing from abroad. Commercial banks with more than 50% state-owned charter capital follow the same process and procedure of offshore loan and offshore loan adjustment registration as other kinds of enterprises do, except that commercial banks with more than 50% state-owned charter capital receiving high-value offshore loans as stipulated by 2014 Law on Enterprise must gain approval from the representative of state ownership (the SBV). Enterprises with offshore loans with government guarantee are subject to guidance of the MOF and registration with the SBV.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Lending by resident legal entities, except CIs, is subject to permission by the prime minister. The SBV provides guidance on account opening and use, outward fund transfers, overseas debt collection, registration for lending and collection of overseas debts, and other fund transfers for overseas lending and debt collection of economic entities.
To residents from nonresidents	Yes.	External borrowing of enterprises (including CIs) without government guarantee is subject to conditions. The purpose of offshore borrowing includes the restructuring of loans if the cost of the new loan does not exceed the borrowing cost of the restructured loan. Medium- and long-term offshore borrowings without the government's guarantee (except for deferred payment for imported goods) must be registered with the SBV following Circular No. 03/2016/TT-NHNN of February 26, 2016, providing guidelines on some issues related to the foreign exchange management of borrowing and repayment of overseas loans applied to enterprises (replacing Circular No. 25/2014/TT-NHNN of September 15, 2014, and Circular No. 09/2004/TT-NHNN of December 21, 2004). Circular No. 03/2016/TT-NHNN provides guidelines on some new issues, including (but not limited to) the following: Regulations on management principles for deferred payment for imported goods: Deferred payment for imported goods is not subject to registration requirements under foreign borrowing regulations. Regulations on opening and using borrowing and repayment accounts: In principle, borrowers may open borrowing and repayment accounts at an eligible bank providing account services in Vietnam. This account may only be used for the purposes of withdrawing fund, repayment of foreign loans and other money transfers related to borrowing, repaying, and guaranteeing overseas borrowings. Enterprises may be able to make registration, registration on changing foreign loans online via the enterprises' borrowing, and repayment of overseas loans management website. Enterprises with more than 50% state-owned charter capital receiving offshore loans without the government's guarantee are subject to stricter regulation under MOF Circular No. 153/2014/TT-BTC of October 20, 2014, on reviewing, investigating, and

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		approving offshore loans of enterprises with more than 50% state-owned charter capital. Enterprises with offshore loans with the government's guarantee are subject to guidance of the MOF and registration with the SBV as guided by Circular No. 22/2013/TT-NHNN of September 24, 2013, on the registration and modification procedure of offshore loans and international bond issuance with the government's guarantee. For medium- and long-term loans, firms must register the borrowing and repayment schedules with the SBV before disbursement, within 30 days of signing the loan contract. For extended loans, firms must register loans within 30 days of signing an extension contract for short-term loans whose total period, including the extension, exceeds one year. Firms' external borrowing must be within the government-approved annual limit and meet the SBV's requirements. The borrowing and repayment schedules must be reported periodically to the SBV. Resident individuals must borrow and repay overseas loans based on the principle of self-borrowing and are self-liable in accordance with government regulations.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	Resident commercial banks may provide guarantees to nonresidents in accordance with regulations in Circular No. 28/2012/TT-NHNN on bank guarantees. Economic entities other than CIs may provide guarantees to nonresidents if they obtain the prime minister's approval. In exercising the guarantee's liability, the nonresident guarantee does not pay back to the guarantor, in this case an economic entity/CI, within 30 days of the guarantor's payment of the guarantee's debt, the guarantor must register its guaranteed debt collection plan.
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	Yes.	Outward direct investment requires a Ministry of Planning and Investment (MPI) permit. Firms engaged in these investments must open an account with a bank with foreign exchange authorization and register such accounts and outward investment flows with SBV branches. All related transactions must go through these accounts. Firms engaged in outward direct investment in the gas and petroleum sector that need to transfer foreign currency abroad before receiving a license for investment to study and prepare for the gas and petroleum projects under the current legal provisions on outward direct investment must register with the SBV regarding the overseas transfer of foreign currency and obtain SBV confirmation of the registration in writing before transferring foreign currency abroad.
Inward direct investment	Yes.	The authority to grant foreign investment licenses in Vietnam depends on the scope and areas of investment. Foreign investment projects must be approved by the government, the MPI, or the Provincial People's Committee. The types of foreign investment are regulated by the Investment Law. Foreign firms engaged in this type of investment must open a specialized capital account, and all payments for and receipts relating to FDI projects in Vietnam must take place through this account. The account is a basis for compiling statistics and monitoring capital flows related to FDI. Vietnamese investors may contribute investment capital with their own foreign currency sources. As of January 1, 2021, for public companies operating in conditional business lines and trades applicable to foreign investors, with no

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		specific provision on FOL in place, the maximum FOL is 50% (previously, it was 49%). Article 139 of Decree No. 155/2020/ND-CP on FOLs specifies the following exceptions to the above rule: In case of an international treaty, to which Vietnam is a contracting party, the foreign ownership provisions of the international treaty apply (Article 6, International Treaty Law). In case of public companies doing business or investment in which the Law on Investment and relevant laws prescribe FOL, the provisions of that law apply. For public companies not covered by the above-mentioned cases, the FOL is not limited, unless otherwise provided in the charter of the company. In cases where a public company has various businesses with different corresponding FOLs, the applicable FOL should not exceed the lowest one applied to that company's licensed business. The public company can decide its maximum FOL at lower percentage than above-mentioned circumstances, it should be approved by the GMS and provided in the Charter of the Company (Articles of Incorporation). As of January 1, 2021, as per Decree No. 155/2020/ND-CP (Article 139) implementing Article 77 of Securities Law No. 54/2019/QH14 ("Securities Law 2019"), foreign institutional investors can invest in and own up to 100% of the charter capital of securities firms and securities investment fund management companies. The maximum limit applied to foreign individual investors and their related persons is 49%.
Controls on liquidation of direct investment	No.	When closing an investment project, investors must inform the license-granting agency, follow liquidation procedures, and return the investment certificate. Liquidation must be completed within six months of the decision to close the project. There is no limit on the amount that may be transferred abroad.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	No.	Current regulations do not have any rules on controls over purchase abroad by residences.
Purchase locally by nonresidents	Yes.	Foreign investors may not own land; they must lease it from the government.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	Yes.	
By residents to nonresidents	Yes.	These transactions are not allowed.
To residents from nonresidents	Yes.	Residents may borrow from nonresidents with SBV approval.
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	

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Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	CIs and foreign bank branches may borrow from abroad subject to certain requirements. CIs must register external medium- and long-term loans with the SBV after signing the contract with the overseas partners.
Maintenance of accounts abroad	Yes.	SBV approval is required.
Lending to nonresidents (financial or commercial credits)	Yes.	CIs may grant loans to foreign enterprises established and operated abroad that have capital contributions from Vietnamese enterprises in the form of outward FDI. External lending of CIs is subject to registration by the SBV.
Lending locally in foreign exchange	Yes.	As stipulated in Article 1, Circular No. 42/2018 of December 28, 2018, amending Circular No. 24/2015/TT-NHNN of December 8, 2015, Stipulating Lending in Foreign Currency to Residents by CIs and Foreign Bank Branches, CIs and foreign bank branches are allowed to extend foreign currency lending for the following purposes: CIs and foreign branch banks (FBB) must consider granting the foreign currency loans to serve certain purposes as follows: (1) Short-term loans used as overseas payment for imported goods or services and for borrowers to manufacture and trade goods, provided the foreign currency derived from the turnover is sufficient to repay such loans. This regulation shall remain until the end of March 31, 2019. (2) Short-term loans used as overseas payment for imported goods and services and for borrowers to manufacture and trade goods which are exported through Vietnam's border checkpoints, provided the foreign currency derived from the turnover is sufficient to repay such loans. (3) Mid-term and long-term loans are used as overseas payment for imported goods and services, provided the borrowers' foreign currency from the business operation is sufficient to repay such loans. This regulation shall remain until the end of September 30, 2019. (4) Short-term loans granted to major petroleum importers who are given annual quotas on petroleum import by the Ministry of Industry and Trade to pay for such import when the borrowers' foreign currency derived from their business operation is not available or not sufficient to repay such loans. (5) Short-term loans granted to domestic borrowers to manufacture and trade goods which are exported through Vietnam's border checkpoints, provided their foreign currency derived from the turnover is sufficient to repay such loans. On receipt of loans disbursed by CIs or FBB, borrowers must sell such borrowed foreign currency to the lenders in the form of a foreign-exchange spot transaction, unless the borrowers use loans to make payments in which foreign currency is compulsory as stipulated by laws. (6) Loans used as direct overseas investments in projects which are subject to investment decisions made by the National Assembly or the Prime Minister and have been granted the Overseas Investment Certificate by the Ministry of Planning and Investment."
Purchase of locally issued securities denominated in foreign exchange	No.	There are no regulations limiting CIs' and commercial banks'

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		purchases of domestic securities in foreign currency.
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	As stipulated in Article 14, SBV Law 2010, reserve requirement ratios on each single type of CIs and each single type of deposit are determined by the Governor of the SBV in accordance with monetary policy objectives in each period. Article 8 of Circular No. 30/2019/TT-NHNN of December 27, 2019, specifies the types of deposits used for calculation of reserve requirement ratios to be: (1) Deposits of organizations (except for other CIs established and operating in Vietnam) and deposits of individuals at CIs in the forms of demand deposits, term deposits, saving deposits and special deposits. (2) Funds from the issuance of deposit certificates, promissory notes, treasury bills and bonds. (3) Other deposits held by CIs in the principle of fully paying principals and interests to depositors as agreed, except escrows and deposits of other CIs established and operating in Vietnam. According to Decision No. 1158/2018/QD-NHNN, required reserve ratios are as follows: (1) For people's credit funds and microfinance institutions: (a) Vietnamese dong deposit of all maturities: 0%; (b) Foreign currency deposit of all maturities: 0%. (2) For Social Policy Bank: decided by the government. (3) For Bank for Agriculture and Rural Development and Cooperative Bank: (a) Vietnamese dong deposit: (i) Demand and below 12-month term: 3%; (ii) From 12-month term and above: 1%. (b) Foreign currency deposit: (i) Foreign currency deposit of foreign CIs: 1%; (ii) Demand and below 12-month term: 7%; (iii) From 12-month term and above: 5%. (4) For other CIs: (a) Vietnamese dong deposit: (i) Demand and below 12-month term: 3%; (ii) From 12-month term and above: 1%. (b) Foreign currency deposit: (i) Foreign currency deposit of foreign CIS: 1%; (ii) Demand and below 12-month term: 8%; (iii) From 12-month term and above: 6%.
Liquid asset requirements	Yes.	The following prudential ratios apply: – LCR: This ratio is defined as total high liquid assets over total liabilities: Commercial banks and foreign bank branches must maintain a minimum ratio of 10%; nonbank CIs 1%; and cooperative banks 10%. – Current ratio: CIs must calculate and maintain the current ratio in 30 days for (1) dong as follows: (a) commercial banks: 50%; (b) foreign bank branches: 50%; (c) nonbank CIs: 20%; and (d) cooperative banks: 50%; and (2) for foreign currency as follows: (a) commercial banks: 10%; (b) foreign bank branches: 5%; (c) nonbank CIs: 5%; and (d) cooperative banks: 5%. According to the provisions of the Circulars on limits and safety ratios, the minimum level of the 30-day solvency ratio that commercial banks, foreign bank branches and nonbank CIs must maintain is different between VND and foreign currency.

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Interest rate controls	Yes.	The interest rate cap on US dollar deposits at CIs and foreign bank branches is 0 a year for both individual and institutional depositors. For VND deposits, effective April 3, 2023, (1) the maximum interest rate of demand deposits and less than 1-month deposits is 0.5% a year (previously a maximum interest rate of 1% a year); (2) the maximum interest rate applicable to deposits with terms from 1 month to less than 6 months is 5.5% a year (previously a maximum interest rate 6% a year); (3) People's Credit Funds and microfinance institutions may apply a maximum interest rate of 6% a year for deposits with terms of one to below six months (previously a maximum interest rate of 6.5% a year); (4) the interest rates for time deposits of 6-month plus terms will be determined by each credit institution on the basis of the market capital supply and demand. Effective May 25, 2023, (1) the maximum interest rate of demand deposits and less than 1-month deposits is maintained at 0.5% a year; (2) the maximum interest rate applicable to deposits with terms from 1 month to less than 6 months is 5% a year (previously a maximum interest rate 5.5% a year); (3) People's Credit Funds and microfinance institutions may apply a maximum interest rate of 5.5% a year for deposits with terms of one to below six months (previously a maximum interest rate of 6.0% a year). Effective June 19, 2023, (1) the maximum interest rate of demand deposits and less than 1-month deposits is 0.5% a year ; (2) the maximum interest rate applicable to deposits with terms from 1 month to less than 6 months is 4.75% a year (previously a maximum interest rate 5% a year); (3) People's Credit Funds and microfinance institutions may apply a maximum interest rate of 5.25% a year for deposits with terms of one to below six months (previously a maximum interest rate of 5.5% a year). Interest rates caps lending in VND: The maximum lending rate for short term loans of CIs, and FBB to meet capital needs of certain economic industries according to regulations in Clause 2, Article 13 Circular No. 39/2016/TT-NHNN dated December 30, 2016, are: Effective March 15, 2023: (1) CIs, and FBB (except People's Credit Funds and microfinance institutions) the interest rate cap on short term loans denominated in VND is set at 5% a year (previously a maximum interest rate of 5.5% a year). (2) People's Credit Funds and microfinance institutions the interest rate cap for VND denominated short term lending is set at 6% a year (previously a maximum lending rate of 6.5% a year). Effective April 3, 2023: (1) CIs, and FBB (except People's Credit Funds and microfinance institutions) the interest rate cap on short term loans denominated in VND is set at 4.5% a year (previously a maximum interest rate of 5% a year). (2) People's Credit Funds and microfinance institutions the interest rate cap for VND denominated short term lending is set at 5.5% a year (previously a maximum lending rate of 6% a year). Effective June 19, 2023: (1) CIs, and FBB (except People's Credit Funds and microfinance institutions) the interest rate cap on short term loan denominated in VND is set at 4% a year (previously a maximum interest rate of 4.5% a year). (2) People's Credit Funds and microfinance institutions the interest rate cap on VND denominated short term loan is set at 5% a year (previously a maximum lending rate of 5.5% a year).
Credit controls	No.	
Differential treatment of deposit accounts	Yes.	

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held by nonresidents		
Reserve requirements	Yes.	Foreign currency deposits of offshore CIs are subject to a 1% required reserve ratio.
Liquid asset requirements	No.	There is no difference in liquid asset requirements for deposits of nonresidents and residents.
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	In regard to offshore direct investment, commercial banks must comply with the provisions of the law on investment and the law on foreign exchange management applicable to offshore direct investment activities (Investment Law and guiding documents, Circular No. 12/2016/TT-NHNN). In regard to offshore indirect investment, commercial banks must meet the conditions and regulations at Decree No. 135/2015/ND-CP and Circular No. 10/2016/TT-NHNN.
In banks by nonresidents	Yes.	Foreign investors' shares in Vietnamese commercial banks' charter capital are limited to: (1) 5% for a foreign individual investor; (2) 15% for a foreign institutional investor, with some exceptions; (3) 20% for a foreign strategic investor; (4) 20% for a foreign investor and its affiliates; and (5) 30% for aggregate foreign shareholding. The total foreign ownership at a Vietnamese nonbank CI is subject to legal regulations for holding companies and listed companies. In special cases, to ensure the safety of the financial system, for the restructuring of CIs in difficulty, the prime minister can allow a foreign institution, a foreign strategic investor, and all foreign investors to hold shares exceeding 15%, 20%, and 30%, respectively, of the charter capital.
Open foreign exchange position limits	Yes.	The aggregate open foreign exchange position limit is 20%, but the SBV may exempt banks in special circumstances. Forward, option, and spot positions are included in the calculation of open-position limits. These regulations apply to all authorized banks.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	The SBV provides guidance on account opening and use, outward fund transfers, overseas debt collection, registration for lending and collection of overseas debts, and other fund transfers related to overseas lending and debt collection activities of economic entities. It also provides details on foreign exchange controls for offshore loans and collection of guaranteed debts from nonresidents. Borrowers must abide by the borrowing and repayment conditions agreed with the offshore lender. The borrower must register the offshore loan with the SBV.
Insurance companies	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Article 16, Circular No. 105/2016/TT-BTC of June 29, 2016, of MOF stipulates that total amount of portfolio investment should not, in all cases, exceed equity minus the larger number of chartered capital or payment solvency and realized outward FDI. Insurance companies are allowed to invest in authorized tools as stipulated by the SBV but should not exceed 5% of total circulated securities of a foreign institutions and should not exceed limits registered with the SBV.
Limits (max.) on investment portfolio	Yes.	Article 17 of Decree No. 135/2015/ND-CP of December 31, 2015, of

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held abroad		the government stipulates that enterprises must register their overseas portfolio investment limits with the SBV and are obliged to do investment within registered limits after receiving certificate of registration from the SBV. Clause 1, Article 9 of the Decree stipulates that overseas portfolio investment with total amount of D 800 billion and above by enterprises with state ownership of 65% and above, other enterprises, after receiving approval from competent authority, will be decided by the prime minister. According to Clause 2, Article 9, the SBV, in coordination with relevant ministries and agencies, reports about overseas portfolio investment as stipulated in Clause 1 to the prime minister for approval. The Decree delegates the SBV to make decision on overseas portfolio investment instruments (Article 8). Article 16, Circular No. 105/2016/TT-BTC of June 29, 2016, of MOF stipulates that total amount of portfolio investment should not, in all cases, exceed equity minus the larger number of chartered capital or payment solvency and realized outward FDI. Insurance companies are allowed to invest in authorized tools as stipulated by the SBV but should not exceed 5% of total circulated securities of a foreign institutions and should not exceed limits registered with the SBV.
Limits (min.) on investment portfolio held locally	Yes.	According to Article 62 on investment using idle capital from insurance reserve fund, Decree No. 73/2016/ND-CP: - Non-life-insurance companies and foreign non-life-insurance companies' branches are allowed to invest limitlessly in treasury bonds and bills and to use up to 35% to invest in stocks, corporate bonds, fund certificates, and contribute capital in other enterprises. - Life and health insurance companies and foreign life and health insurance companies' branches are allowed to invest limitlessly in treasury bonds and bills and to use up to 50% to invest in stocks, corporate bonds, fund certificates, and contribute capital in other enterprises.
Currency-matching regulations on assets/liabilities composition	n.a.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	n.a.	
Limits (max.) on securities issued by nonresidents	n.a.	
Limits (max.) on investment portfolio held abroad	n.a.	
Limits (min.) on investment portfolio held locally	n.a.	
Currency-matching regulations on assets/liabilities composition	n.a.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail	No.	

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and/or wholesale	
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.

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Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Classification		
Stabilized arrangement	*10/21/2022*	Since October 2022, the exchange rate stabilized within a 2% band against the US dollar with one realignment in December 2022. Therefore, the de facto exchange rate has been reclassified to stabilized from crawl-like.
Foreign exchange market		
Spot exchange market		

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Interbank market	*10/17/2022*	The State Bank of Vietnam raised the daily transaction band from ±3% to ±5% to allow for more flexible foreign exchange movement.

Arrangements for Payments and Receipts

Controls on trade in gold (coins and/or bullion)
On external trade

	07/15/2023	Provisions on Decree No. 26/2023/ND-CP dated May 31, 2023 ,on Export Tariff, Preferential Import Tariff, List of goods and absolute tax rates, mixed taxes outside tariff quotas, as follows: - Export tax rate of Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form (heading 71.08) is 2%; for jewelry items, jewelry parts, industrial objects made by gold and other gold products (headings 71.13, 71.14, and 71.15), the export tax rate is 1%.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions
Differential treatment of deposit accounts in foreign exchange

Interest rate controls	*03/15/2023*	Maximum interest rate for (1) credit institutions and foreign bank branches (except People's Credit Funds and microfinance institutions) on short term loan denominated in VND is 5% a year (previously 5.5% a year), and (2) People's Credit Funds and microfinance institutions for VND denominated short term lending is 6% a year (previously 6.5% a year).
	04/03/2023	(1) The maximum interest rate of demand deposits and less than 1-month deposits is 0.5% a year (previously a maximum interest rate of 1% a year); (2) the maximum interest rate applicable to deposits with terms from 1 month to less than 6 months is 5.5% a year (previously a maximum interest rate of 6% a year); (3) People's Credit Funds and microfinance institutions may apply a maximum interest rate of 6% a year for deposits with terms of one to below six months (previously a maximum interest rate of 6.5% a year).
	04/03/2023	The interest rates for time deposits of 6-month plus terms will be determined by each credit institution on the basis of the market capital supply and demand.
	04/03/2023	Maximum interest rate for (1) credit institutions and foreign bank branches (except People's Credit Funds and microfinance institutions) on short term loan denominated in VND is 4.5% a year (previously 5% a year), and (2) People's Credit Funds and microfinance institutions for VND denominated short term lending is 5.5% a year (previously 6% a year).
	05/25/2023	(1) The maximum interest rate applicable to deposits with terms from 1 month to less than 6 months is 5% a year (previously a maximum interest rate of 5.5% a year); (2) People's Credit Funds and microfinance institutions may apply a maximum interest rate of 5.5% a year for deposits with terms of one to below six months (previously a maximum interest rate of 6.0% a year).
	06/19/2023	(1) The maximum interest rate applicable to deposits with terms from 1 month to less than 6-month is 4.75% a year (previously 5% a year); and (2) People's Credit Fund and microfinance institutions may apply a maximum rate of 5.25% a year for deposits with terms of one to below six months (previously a maximum rate of 5.5% a year).
	06/19/2023	Maximum interest rate for (1) credit institutions and foreign bank branches (except People's Credit Funds and microfinance institutions) on short term loan denominated in VND is 4% a year (previously 4.5% a year), and (2) People's Credit Funds and microfinance institutions on VND denominated short term lending is

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5% a year (previously 5.5% a year).

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YEMEN

(Position as of November 30, 2023)

Status under IMF Articles of Agreement

Date of membership		May 22, 1970.
Article VIII	Yes.	Date of acceptance: December 10, 1996.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	No.	No restrictions as reported in the latest IMF staff report as of December 31, 2022.
Exchange measures imposed for security reasons	Yes.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.	Measures have been taken to implement UNSC resolutions to freeze the assets of individuals and organizations associated with terrorism.
Other security restrictions	Yes.	The funds of listed individuals and organizations associated with terrorism have been frozen.

Exchange Arrangement

Currency	Yes.	The currency of Yemen is the Yemeni rial.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating	Yes.	The de jure exchange rate arrangement is free floating. The Central Bank of Yemen (CBY) receives most of the foreign exchange proceeds, particularly crude oil export revenues, official loans, and official development assistance. In August 2017, the CBY decided to float the exchange rate. Different official exchange rates were used

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		for the government's foreign exchange transactions, including foreign exchange revenues from oil exports and foreign exchange expenditures, until January 2022, when the official exchange rate was adjusted from Yrls 400 per US dollar to the market rate. On January 3, 2023, the rate for custom-related transactions was further increased to 750 YER per USD. The de facto exchange rate arrangement is classified as floating.
Free floating		
Official exchange rate	Yes.	The authorities apply a nonmarket exchange rate to the valuation of imports for the calculation of customs duties of, effective January 3, 2023, Yrls 750 (previously Yrls 500) per US dollar. Effective January 27, 2022, the official rates for oil and foreign exchange expenditures were replaced with the market rate.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The main mission of the CBY, as set forth in Law No. 14 of 2000, is to maintain price stability by keeping inflation low. It aims to achieve this goal through monetary targeting. In 2020, the CBY began targeting the growth rate of the money supply (broad money) as an intermediate target; base money growth is used as an operational target. The annual monetary plans have focused on controlling the money supply in a manner consistent with the real economic needs of the public and private sectors. These plans remain a core part of the CBY's strategy moving forward. In the absence of a foreign reserve buffer, strong commitment to the annual monetary plan targets remains the only tool at the CBY's disposal to attempt to contain inflationary pressures and stabilize exchange rate movements. The CBY remains committed to its effective implementation.
Inflation-targeting framework		
Target setting body		
Government		
Central Bank		
Monetary Policy Committee		
Central Bank Board		
Other		
Government and Central Bank		
Inflation target		
Target number		
Point target		

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Target with tolerance band		
Band/Range		
Target measure		
CPI		
Core inflation		
Target horizon		
Operating target (policy rate)		
Policy rate		
Target corridor band		
Other		
Accountability		
Open letter		
Parliamentary hearings		
Other		
Transparency		
Publication of votes		
Publication of minutes		
Publication of inflation forecasts		
Other monetary framework		
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks and money changers may freely set their exchange rates in transactions with their clients.
Spot exchange market	Yes.	There are 26 commercial and specialized banks, including four foreign bank branches operating in Yemen, and two new microfinance banks that were licensed in 2023. As of June 30, 2023, there were 397 foreign exchange houses and transfer agents. Foreign exchange houses and transfer agents play an important role in the foreign exchange market and the determination of the spot exchange rate. The CBY conducts foreign exchange transactions only with commercial banks.
Operated by the central bank	Yes.	
Foreign exchange standing facility	No.	
Allocation	No.	.
Auction	Yes.	The CBY conducts a weekly single-price foreign exchange auction. Participation in the auction is restricted to banks, which can bid on behalf of themselves or their clients. The auction started with a

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		weekly amount of US$15 million, increased to US$20 million effective February 15, 2022, and to US$30 million effective May 16, 2022. For several weeks, the auction was conducted twice a week. Banks are required to report on the use of the foreign exchange obtained, which finances imports of all the commodities demanded in the market. Because of inadequate foreign exchange reserves, the CBY suspended the weekly foreign exchange auctions effective November 1, 2023. The CBY intends to resume the auctions as soon as practicable.
Fixing	No.	
Interbank market	No.	There is no formal interbank market. Beyond foreign exchange auctions, banks obtain foreign exchange from other sources, such as remittances and foreign aid inflows. Foreign exchange bureaus obtain their foreign exchange primarily from remittances.
Over the counter	No.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	Residents may use foreign currency for settlement of transactions.
Payments arrangements	No.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	No.	
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange control authority is vested in the CBY.
Payments arrears	Yes.	

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Official	Yes.	After the 1996–2001 Paris Club agreements, official creditors had to renegotiate the terms of their loans to Yemen to conform to Paris Club conditions, and rescheduling agreements had been signed with almost all creditors. With the start of the conflict in 2014, new arrears with respect to bilateral external creditors have accumulated. Yemen is current on its obligations to the IMF and the International Development Association. Yemen is a beneficiary of the IMF Catastrophe Containment and Relief Trust and G20/PC Debt Service Suspension Initiative.
Private	n.a.	Information on private sector external debt is not available.
Controls on trade in gold (coins and/or bullion)	No.	
On domestic ownership and/or trade	No.	
On external trade	No.	
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	Yes.	Exports of domestic currency banknotes are not permitted.
Foreign currency	Yes.	Exports of more than US$10,000 require a permit from the CBY.
On imports	Yes.	
Domestic currency	Yes.	Imports of domestic currency banknotes are not permitted.
Foreign currency	No.	Imports of more than US$10,000 must be declared.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	Foreign exchange accounts held domestically are permitted, and balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	Foreign exchange accounts held abroad are permitted, and balances may be transferred to Yemen freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	Yes.	There are no nonresident blocked accounts.

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Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	Yes.	Some imports are banned for security, health, or religious reasons. Imports from Israel are prohibited.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	There are four tariff rates: 5%, 10%, 15%, and 25%. The 5% tariff rate applies to most imports, with more than half of items taxed 10% or less. Certain exemptions apply to essential items such as food. Imports of certain fruits and vegetables are subject to seasonal tariff rates.
Taxes collected through the exchange system	No.	
State import monopoly	No.	.

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	
Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	No.	
Letters of credit	No.	

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Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	No.	
Export licenses	Yes.	Exports are registered for statistical purposes.
Without quotas	Yes.	Exports to Israel are prohibited.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
Trade-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Investment-related payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Payments for travel	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.

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Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.
Purchase abroad by residents	No.
Sale or issue abroad by residents	No.
Bonds or other debt securities	No.
Purchase locally by nonresidents	No.
Sale or issue locally by nonresidents	No.

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Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	Yes.	
Commercial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	Yes.	
By residents to nonresidents	No.	
To residents from nonresidents	Yes.	Short-term foreign loans to the public sector are prohibited. Approval by the Council of Ministers is required for medium- and long-term foreign loans to the public sector.
Guarantees, sureties, and financial backup facilities	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Controls on direct investment	Yes.	
Outward direct investment	No.	
Inward direct investment	Yes.	FDI is regulated by the Investment Law. Application, registration, and approval to set up a project are handled by the General Investment Authority. The Investment Law allows all types of FDI,

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		except exploration and extraction of oil and banking and exchange bureau activities, which are covered by other laws. The Investment Law does not apply to import, wholesale, and retail trade.
Controls on liquidation of direct investment	No.	Liquidation of direct investment is free of restrictions for approved and registered projects.
Controls on real estate transactions	No.	
Purchase abroad by residents	No.	
Purchase locally by nonresidents	No.	
Sale locally by nonresidents	No.	
Controls on personal capital transactions	No.	
Loans	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	
Transfer of assets	No.	
Transfer abroad by emigrants	No.	
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	No.	

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	No.	
Lending locally in foreign exchange	Yes.	Banks may lend locally in foreign currency if the loan is directed to economic activities that generate income in foreign currency.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	Yes.	
Reserve requirements	Yes.	The reserve requirement on foreign currency deposits is 10%, and on domestic currency deposits 7%. Required reserves on deposits are not remunerated.
Liquid asset requirements	No.	The liquidity ratio, calculated by dividing liquid assets over liabilities, must be at least 25% for both domestic and foreign currency.

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Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	Commercial and specialized banks are required to observe prudential regulations regarding currency exposure, and to report their positions. They may not hold more than 15% of their capital and reserves in a single foreign currency or 25% in all foreign currencies.
On resident assets and liabilities	Yes.	
On nonresident assets and liabilities	Yes.	
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	Yes.	Pension funds are not allowed to invest in securities issued by nonresidents.
Limits (max.) on investment portfolio held abroad	Yes.	Pension funds are not allowed to invest abroad.
Limits (min.) on investment portfolio held locally	Yes.	Pension funds may invest in treasury bonds and treasury bills.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on	No.	

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assets/liabilities composition

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.
Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Official exchange rate	*01/27/2022*	The official rates for oil and foreign exchange expenditures were replaced with the market rate.
	01/03/2023	The official midpoint rate for customs-related transactions was

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increased to Yrls 750 from Yrls 500 per US dollar.

Foreign exchange market

Spot exchange market

Operated by the central bank

Auction	*02/15/2022*	The weekly amount was increased to US$20 million from US$15 million.
	05/16/2022	The weekly amount was increased to US$30 million from US$20 million.
	11/01/2023	Because of inadequate foreign exchange reserves, the Central Bank of Yemen (CBY) suspended the weekly foreign exchange auctions. The CBY intends to resume the auctions as soon as practicable.

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ZAMBIA

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 23, 1965.
Article VIII	Yes.	Date of acceptance: April 19, 2002.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2019 Article IV Consultation with Zambia, states that as of July 11, 2019, Zambia maintained an exchange restriction, which is subject to IMF approval under Article VIII, arising from limitations imposed by the government on access to foreign exchange for the making of payments and transfers for current international transactions, which is evidenced by the existence of external payments arrears accumulated prior to October 4, 1985. (Country Report No. 19/263)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	The currency of Zambia is the Zambian Kwacha.
Other legal tender	No.	
Exchange rate structure		
Unitary	Yes.	
Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement	Yes.	The de jure exchange rate arrangement is floating. The official exchange rate is determined in the interbank market. The Bank of Zambia (BOZ) intervenes primarily through transactions with ADs, which are registered commercial banks that meet the prescribed eligibility criteria under the Interbank Foreign Exchange Market

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		(IFEM) Framework. The BOZ interventions are published on a biweekly basis with a 3-month lag. In 2022, the Kwacha appreciated by 6.9% against the US dollar during the first eight months of the year. High supply of foreign exchange and market sentiments arising from prospects of securing an IMF Extended Credit Facility (Program) following the meeting of the Official Creditor Committee on external debt restructuring under the G20 Common Framework and the eventual approval of the Program on August 31 underpinned the appreciation. However, the appreciation was not sustained as the Kwacha came under pressure during the remainder of the year. In the latter part of 2022, demand for foreign exchange intensified while supply was constrained. Demand largely arose from the procurement of agricultural and petroleum products. In addition, nonresidents' demand for foreign currency increased as investors divested out of Government securities in response to rising interest rates in advanced economies and uncertainties on the treatment of domestic debt in the debt restructuring process. As a result, the Kwacha depreciated by 8.4% against the US dollar between September and December. This performance offset the Kwacha's earlier gains leading to an annual depreciation of 4.8% of the exchange rate. Since August 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar with one realignment in November 2022. Therefore, the de facto exchange rate arrangement was reclassified to crawl-like from floating, effective August 31, 2022.
Pegged exchange rate within horizontal bands		
Other managed arrangement		
Floating		
Free floating		
Official exchange rate	Yes.	The foreign exchange interbank rates are used to determine the BOZ official exchange rates: The BOZ buying rate is the simple average of the AD bid rates, and the selling rate is the simple average of the AD offer rates. The simple averages of the real-time rates collected from the ADs are published on the BOZ website as official rates. The daily official publication times on the BOZ website for 09:30 hrs, 12:30 hrs, and 15:30 hrs are simple averages of the real-time rates collected from the ADs at these respective times. Transactions between the BOZ and the market, and between the BOZ and the government use the mid-exchange (official) rate, calculated as the average of the bid and offer exchange rate quotes provided by ADs in the IFEM. Other members of the public such as research institutions and academia use historical exchange rate data published on the BOZ website to conduct research work. In some instances, members of the public request for this information to facilitate awards and compensation for court cases.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		

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Euro

Composite

Other

Monetary aggregate target

Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

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Publication of inflation forecasts		
Other monetary framework	Yes.	In April 2012, the BOZ introduced the policy rate as a key policy instrument to signal the monetary policy stance and anchor inflation expectations. Under this framework, the BOZ manages liquidity conditions in the market so as to ensure that the interbank rate remains within the policy rate corridor, defined as ±1 percentage points around the policy rate. Government, through the minister of finance, sets the inflation target range. The Board of the BOZ is composed of the governor, who is the chairperson, and six other directors appointed by the minister of finance. The directors are appointed from among persons with professional or academic experience in business or financial matters and who are not officials or employees of the Bank. The secretary of the Treasury is an ex-officio member of the Board and without power to vote and does not count for a quorum. In Zambia, the price stability objective is attained through the achievement and maintenance of inflation within the target range of 6%–8%. The BOZ publishes statements of decisions and, with the enactment of the Bank of Zambia Act, 2022, the BOZ is set to start publication of a Monetary Policy Report.
Exchange tax	No.	
Exchange subsidy	No.	
Foreign exchange market	Yes.	Commercial banks negotiate rates for transactions with their nonbank counterparties. For interbank transactions, commercial banks designated as ADs are obliged to provide firm two-way quotes to fellow ADs for the market lot ranging from US$0.5 million to US$1.0 million. For amounts outside the market lot, the two-way quote provided is subject to negotiation. ADs are required to conduct business in a professional and ethical manner to enhance market discipline and market integrity. ADs are required to disclose any investigations, litigation, arbitration, complaints, disciplinary proceedings, or other matters relating to professional conduct. This is intended to hold commercial banks accountable for any breaches of the IFEM rules. Commercial banks are the only institutions that may engage directly with the BOZ in buying and selling foreign exchange. Commercial banks also transact with retail and corporate clients at rates not exceeding the interbank bid price and sell at rates not exceeding the retail board offer rate.
Spot exchange market	Yes.	Sixteen commercial banks are licensed by the BOZ to trade in the IFEM. Commercial banks are the only financial institutions that may engage directly with the BOZ in buying and selling foreign exchange. Foreign exchange bureaus may operate in Zambia and are also licensed by the BOZ. As of December 31, 2022, there were 74 licensed exchange bureaus. They may transact with the public and commercial banks but may not maintain accounts abroad. Transactions of foreign exchange bureaus are limited to the OTC sale and purchase of foreign exchange banknotes and traveler’s checks.
Operated by the central bank	No.	
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	No.	
Fixing	No.	

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Interbank market	Yes.	Foreign currency trades must take place in the IFEM. The BOZ intervenes directly with the ADs at prevailing market rates. As of December 31, 2022, there were 16 ADs participating in the IFEM.
Over the counter	No.	
Brokerage	No.	
Market making	Yes.	ADs act as market makers to provide firm two-way quotes during business hours. Interbank trades are quoted in lots of US$0.5 million to US$1 million. The bid-ask spread may not exceed K0.05. For amounts outside the market lot, the two-way quotes provided are subject to negotiation.
Forward exchange market	No.	
Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	No.	
Controls on the use of domestic currency	No.	
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	No.	
Payments arrangements	Yes.	
Bilateral payments arrangements	No.	
Operative	No.	
Inoperative	No.	
Regional arrangements	Yes.	Zambia is a member of COMESA, COMESA Free Trade Area, SADC, African Continental Free Trade Area, and SADC Free Trade Area.
Clearing agreements	No.	
Barter agreements and open accounts	No.	
Administration of control	No.	
Payments arrears	Yes.	
Official	Yes.	Some arrears remain following debt relief in connection with the IMF's HIPC Initiative; these are being addressed.
Private	Yes.	Private arrears are largely associated with the mining sector; they arise mainly on loans from parent companies and have flexible repayment terms and periods.
Controls on trade in gold (coins and/or	Yes.	

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bullion)		
On domestic ownership and/or trade	No.	
On external trade	Yes.	Imports and exports of gold in any form other than jewelry require the Ministry of Mines and Minerals Development's approval.
Controls on exports and imports of banknotes	No.	
On exports	No.	
Domestic currency	No.	Amounts exceeding the equivalent of US$5,000 must be declared for statistical purposes.
Foreign currency	No.	Amounts exceeding the equivalent of US$5,000 must be declared for statistical purposes.
On imports	No.	Amounts exceeding the equivalent of US$5,000 must be declared for statistical purposes.
Domestic currency	No.	Amounts exceeding the equivalent of US$5,000 must be declared for statistical purposes.
Foreign currency	No.	Amounts exceeding the equivalent of US$5,000 must be declared for statistical purposes.

Resident Accounts

Foreign exchange accounts permitted	Yes.	
Held domestically	Yes.	There are no restrictions, and balances may be transferred abroad freely.
Approval required	No.	
Held abroad	Yes.	There are no restrictions, and balances may be transferred abroad freely.
Approval required	No.	
Accounts in domestic currency held abroad	Yes.	Residents may freely open and maintain accounts in domestic currency abroad.
Accounts in domestic currency convertible into foreign currency	Yes.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	
Approval required	No.	
Domestic currency accounts	Yes.	
Convertible into foreign currency	Yes.	
Approval required	No.	
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	

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Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	Yes.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	Yes.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	Trading in petroleum products requires a license. The license is granted by the Energy Regulation Board to all oil marketing companies that meet set criteria pertaining to fuel extraction and importation, pricing, and storage. Other imports, except those on the negative list, do not require licenses. The Ministry of Commerce, Trade, and Industry is responsible for trade arrangements.
Positive list	No.	
Negative list	Yes.	Restrictions apply to imports of firearms, ammunition, and ivory.
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	No.	
Import taxes and/or tariffs	Yes.	MFN tariff rates range from 0% to 25%. A number of products are subject to specific rates. Most imports from SADC (since 2012) and COMESA (since 2000) countries are duty-free with the exception of goods in the exclusion list of the SADC and COMESA protocols. Some imports are exempt under the Investment Act. Imports from signatories of the COMESA FTA are tax exempt. To mitigate the effects of COVID-19 on the economy, various tax relief measures were introduced through Statutory Instruments (SIs). The suspension of the customs and excise duty on diesel and petrol was extended for six months effective January 1, 2022, and for three months effective July 1, 2022, and again effective October 1, 2022. Effective January 1, 2023, the customs duty was reduced to 0% from 25%. The duty on motor vehicles for use in tourism was suspended as of January 1, 2021, and the suspension was extended for one year effective January 1, 2022, and for 3 years effective January 1, 2023. The customs and excise duty on ethyl alcohol used in the production of alcohol-based sanitizer by a licensed manufacture is suspended. A refund or remission of the whole excise duty paid or payable is granted if the product is used solely for the manufacture of sanitizers.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	No.	
Surrender requirements	No.	

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Surrender to the central bank	No.	
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	For statistical purposes, exports must be declared on the prescribed declaration form.
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	
Export licenses	Yes.	
Without quotas	Yes.	Declarations are required for most goods (mainly for statistical purposes), and they are handled routinely by commercial banks under authority delegated by the Ministry of Commerce, Trade, and Industry. Restrictions apply to exports of firearms, ammunition, and ivory.
With quotas	Yes.	White maize and fertilizers may be subject to a quota if the domestic supply is short, including bans.
Export taxes	Yes.	
Collected through the exchange system	No.	
Other export taxes	Yes.	To mitigate the effects of COVID-19 on the economy, various tax relief measures were introduced through SIs. The export duty on precious metals is suspended.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	All payments for invisible transactions, except official external-debt-service payments, may be effected through banks.
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	

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Personal payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Foreign workers' wages	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Credit card use abroad	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.
Other payments	No.
Prior approval	No.
Quantitative limits	No.
Indicative limits/bona fide test	No.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Restrictions on use of funds	No.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Surrender requirements	No.
Surrender to the central bank	No.
Surrender to authorized dealers	No.
Controls on capital and money market instruments	No.
On capital market securities	No.
Shares or other securities of a participating nature	No.

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Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Bonds or other debt securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On money market instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
On collective investment securities	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on derivatives and other instruments	No.	
Purchase locally by nonresidents	No.	
Sale or issue locally by nonresidents	No.	
Purchase abroad by residents	No.	
Sale or issue abroad by residents	No.	
Controls on credit operations	No.	
Commercial credits	No.	All borrowing must be registered with the BOZ for statistical purposes.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Financial credits	No.	
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Guarantees, sureties, and financial	No.	

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backup facilities	
By residents to nonresidents	No.
To residents from nonresidents	No.
Controls on direct investment	No.
Outward direct investment	No.
Inward direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Purchase abroad by residents	No.
Purchase locally by nonresidents	No.
Sale locally by nonresidents	No.
Controls on personal capital transactions	No.
Loans	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Gifts, endowments, inheritances, and legacies	No.
By residents to nonresidents	No.
To residents from nonresidents	No.
Settlement of debts abroad by immigrants	No.
Transfer of assets	No.
Transfer abroad by emigrants	No.
Transfer into the country by immigrants	No.
Transfer of gambling and prize earnings	No.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	No.	Information on borrowing abroad must be submitted to the BOZ for statistical purposes.
Maintenance of accounts abroad	No.	
Lending to nonresidents (financial or commercial credits)	Yes.	Restrictions apply to the following transactions: (1) kwacha loans to nonresidents for maturities of less than one year; (2) intraday overdrafts; (3) placing kwacha as deposits or by similar means in nonresident institutions for a term of less than one year; if options are included in such deposits, the options must be exercised within one year; (4) investment in kwacha-denominated assets issued by nonresidents, except those with a residual maturity of at least one

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		year at the time of investment; (5) foreign exchange derivatives transactions, including but not limited to swap and forward transactions in which one currency is the kwacha, except with proof of underlying economic activity; and (6) kwacha transfers to nonresidents without underlying economic activity in Zambia. Kwacha transfers from residents to nonresidents are no longer allowed except for settlement on nonresident accounts with local financial institutions related to domestic economic activities, such as equity participation, securities transactions, foreign debt repayment in kwacha, import LCs in kwacha, goods and services purchased in Zambia, and nonresident living costs in Zambia.
Lending locally in foreign exchange	No.	
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	No.	
Abroad by banks	No.	
In banks by nonresidents	No.	
Open foreign exchange position limits	Yes.	
On resident assets and liabilities	Yes.	The overnight overall foreign exchange and single-currency exposure limits are 15% and 10% of regulatory capital, respectively. The intraday overall foreign exchange and single-currency exposure limits are 30% and 20% of regulatory capital, respectively.
On nonresident assets and liabilities	Yes.	The overnight overall foreign exchange and single-currency exposure limits are 15% and 10% of regulatory capital, respectively. The intraday overall foreign exchange and single-currency exposure limits are 30% and 20% of regulatory capital, respectively.
Provisions specific to institutional investors	Yes.	
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio	No.	

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held locally		
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	Yes.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	Yes.	A maximum of 30% of assets may be invested abroad.
Limits (min.) on investment portfolio held locally	Yes.	The following investment limits apply: (1) a maximum of 70% in listed equity; (2) a maximum of 30% in property; (3) a minimum of 2.5% in government securities; (4) a minimum of 5% in corporate bonds; (5) a maximum of 20% of cash and cash balances in any one bank; and (6) a minimum of 2% in collective investment funds.
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective investment funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	n.r.
Use among residents	n.r.
Between residents and nonresidents	n.r.
For current transaction	n.r.
For capital transactions	n.r.
Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	n.r.

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Between nonresidents	n.r.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.

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Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

Changes during 2022 and 2023

Exchange Arrangement

Classification

Crawl-like arrangement	*08/31/2022*	Since August 2022, the exchange rate followed a depreciating trend within a 2% band against the US dollar with one realignment in November 2022. Therefore, the de facto exchange rate arrangement was reclassified to crawl-like from floating.

Imports and Import Payments

Import taxes and/or tariffs	*01/01/2022*	The suspension of the customs and excise duty on diesel and petrol was extended for six months.
	01/01/2022	The suspension of the duty on motor vehicles for use in tourism in force since January 1, 2021, was extended until December 31, 2022.
	07/01/2022	The suspension of the customs and excise duty on diesel and petrol was extended for another three months.
	10/01/2022	The suspension of the customs and excise duty on diesel and petrol was extended for another three months.
	01/01/2023	The suspension of the duty on motor vehicles for use in tourism was further extended until December 31, 2025.
	01/01/2023	The customs duty on diesel and petrol was reduced to 0% from 25%.

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ZIMBABWE

(Position as of June 30, 2023)

Status under IMF Articles of Agreement

Date of membership		September 29, 1980.
Article VIII	Yes.	Date of acceptance: February 5, 1995.
Article XIV		

Exchange Measures

Restrictions and/or multiple currency practices	Yes.	The IMF staff report for the 2022 Article IV Consultation with Zimbabwe states that as of March 2, 2022, Zimbabwe maintains several exchange restrictions and MCPs, inconsistent with Article VIII, Section 2(a), and Section 3, in particular: (1) The rationing of foreign exchange sales through weekly RBZ auctions and earmarking of foreign exchange to finance letters of credit for certain imports constitute exchange restrictions as these measures limit the availability and use of foreign exchange for payments and transfers for current international transactions. (2) The RBZ's sale of foreign exchange to successful bidders during weekly auctions at exchange rates that may differ by more than 2% from each other and from exchange rates being used for official transactions, transactions to fulfill the foreign exchange surrender requirement, or market transactions constitute a MCP. (3) The use of the official rate for official transactions and transactions made to fulfill the surrender requirement, while this rate may be different by more than 2% from the market exchange rate also constitutes another MCP. Zimbabwe has also a longstanding exchange restriction subject to IMF jurisdiction arising from unsettled balances under an inoperative bilateral payment agreement with Malaysia. (Country Report No. 22/112)
Exchange measures imposed for security reasons	No.	
In accordance with IMF Executive Board Decision No. 144-(52/51)	No.	
Other security restrictions	No.	

Exchange Arrangement

Currency	Yes.	Notwithstanding Statutory Instrument (SI) No. 142 of 2019, any person may pay for goods and services chargeable in Zimbabwe dollars, in foreign currency using his or her free funds (funds lawfully held or earned in foreign currency by any person) at the prevailing rate on the date of payment.
Other legal tender	Yes.	Notwithstanding SI No. 142 of 2019, any person may pay for goods and services chargeable in Zimbabwe dollars, in foreign currency using his or her free funds (funds lawfully held or earned in foreign currency by any person) at the prevailing rate on the date of payment.
Exchange rate structure		
Unitary	Yes.	

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Dual		
Multiple		
Classification		
No separate legal tender		
Currency board		
Conventional peg		
Stabilized arrangement		
Crawling peg		
Crawl-like arrangement		
Pegged exchange rate within horizontal bands		
Other managed arrangement	Yes.	In February 2019, Zimbabwe adopted a de jure floating exchange rate arrangement. The currency of Zimbabwe is the Zimbabwe dollar and is the sole legal tender. The CB provides foreign currency that the importers bid for at the weekly Foreign Exchange Auction. The CB regularly sells a given amount of foreign exchange through a bidding process and buys foreign exchange in the intervening periods at the previous auction-determined rate. The de facto exchange rate arrangement is classified as other managed.
Floating		
Free floating		
Official exchange rate	No.	There is no official exchange rate. The exchange rate is determined by the weekly foreign exchange auctions.
Monetary policy framework		
Exchange rate anchor		
U.S. dollar		
Euro		
Composite		
Other		
Monetary aggregate target	Yes.	The monetary policy framework is based on targeting monetary aggregates. The CB will use reserve money as the operational target for monetary policy. Specifically, the CB will target an appropriately calibrated growth in broad money (M3) of about 15% in 2019 (excluding revaluation changes), with a view to help stabilize the macroeconomic environment, support the new currency, and restore investor confidence. To achieve this, the CB will use base money (comprised of bond notes and coins, and Real-Time Gross Settlement (RTGS) dollar balances of banks with the CB as an operational target for monetary policy. To achieve these targets, the CB will use all instruments at its disposal, including interest rates, changes in the minimum reserve requirements, and open market operations (securities discount window), as needed.

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Inflation-targeting framework

Target setting body

Government

Central Bank

Monetary Policy Committee

Central Bank Board

Other

Government and Central Bank

Inflation target

Target number

Point target

Target with tolerance band

Band/Range

Target measure

CPI

Core inflation

Target horizon

Operating target (policy rate)

Policy rate

Target corridor band

Other

Accountability

Open letter

Parliamentary hearings

Other

Transparency

Publication of votes

Publication of minutes

Publication of inflation forecasts

Other monetary framework

Exchange tax No.

Exchange subsidy No.

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Foreign exchange market	Yes.	The CB operates a foreign exchange trading system where it regularly sells a given amount of foreign exchange through a bidding process and buys foreign exchange in the intervening periods at the previous auction-determined rate. The existing RTGS balances, bond notes, and coins in circulation were denominated as RTGS dollars, and trading was formalized of RTGS balances and bond notes with US dollars and other currencies on a willing-buyer willing-seller basis through banks and bureaux de change.
Spot exchange market	Yes.	There were 27 registered money transfer agents, 104foreign exchange bureaux de change, and 19commercial banks as of June 30, 2023. There were 21 registered money transfer agents, 84 foreign exchange bureaux de change, and 17 commercial banks as of December 31, 2022. Foreign exchange bureaus may operate with a license from the CB. They may buy and sell foreign currency, receive international receipts, make international money transfers to individual natural persons, and make domestic money transfers.
Operated by the central bank	Yes.	The CB operates a foreign exchange trading system where the CB regularly sells a given amount of foreign exchange through a bidding process and buys foreign exchange in the intervening periods at the previous auction-determined rate.
Foreign exchange standing facility	No.	
Allocation	No.	
Auction	Yes.	The CB operates a foreign exchange trading system where the CB regularly sells a given amount of foreign exchange through a bidding process and buys foreign exchange in the intervening periods at the previous auction-determined rate.
Fixing	No.	
Interbank market	Yes.	There were 17 commercial banks, 1 merchant bank (under provisional judicial management of the Deposit Protection Corporation), 5 building societies, and 1 savings bank as of December 31, 2022. There were 19 commercial banks, 5 building societies, and 1 savings bank as of June 30, 2023. ADs do business on the international market, either with their foreign parent banks or with unrelated counterparties. ADs also do business among themselves. The CB does not intervene directly with market participants at their quoted rates and does not propose its own quotes to market participants nor does it intervene via market markers. There are no limits on the bid/ask spread and commissions of market participants.
Over the counter	Yes.	
Brokerage	No.	
Market making	No.	
Forward exchange market	No.	

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Official cover of forward operations	No.	

Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.	International payments may take place only through foreign exchange accounts, which may hold funds in the nine official foreign currencies.
Controls on the use of domestic currency	No.	There are no controls on the use of domestic currency.
For current transactions and payments	No.	
For capital transactions	No.	
Transactions in capital and money market instruments	No.	
Transactions in derivatives and other instruments	No.	
Credit operations	No.	
Use of foreign exchange among residents	Yes.	Notwithstanding SI No. 142 of 2019, any person may pay for goods and services chargeable in Zimbabwe dollars, in foreign currency using his or her free funds (funds lawfully held or earned in foreign currency by any person) at the prevailing rate on the date of payment.
Payments arrangements	Yes.	
Bilateral payments arrangements	Yes.	
Operative	Yes.	There are arrangements with Botswana, Libya, Malawi, Malaysia, Namibia, and South Africa.
Inoperative	No.	
Regional arrangements	Yes.	Zimbabwe is a member of several regional economic blocks—that is, the SADC and COMESA.
Clearing agreements	Yes.	Zimbabwe is a member of the COMESA Clearing House.
Barter agreements and open accounts	No.	
Administration of control	Yes.	Exchange Control is administered by the CB under authority delegated to it by the Ministry of Finance and Economic Development (MOFED) through the Exchange Control Act (Chapter 22:05), Exchange Control SI No. 145 of 1997 and Nos. 109 and 110 of 1996, and Exchange Control directives. The SIs are being amended to reflect the liberalization of the Exchange Control framework and are awaiting promulgation through the government gazette.
Payments arrears	No.	
Official	No.	
Private	No.	
Controls on trade in gold (coins and/or bullion)	Yes.	
On domestic ownership and/or trade	Yes.	No one, either as principal or agent, may deal in or possess gold unless that person is (1) the holder of a license or a permit, (2) the holder or the distributor of a registered gold mining location, or (3) an employee or an agent of (1) or (2) and is authorized to deal in or possess gold already in the lawful possession of the employer or principal. A mining commissioner may issue to any person a permit authorizing the acquisition, possession, or disposal of less than one

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		troy ounce of gold. For larger amounts, permission must be issued by the secretary for mines. Under the Gold Trade Act, three types of licenses may be issued: gold dealing, gold recovery, and gold assaying. Gold obtained from a registered mining location must be turned over to the holder of its gold dealing license no later than the 10th day of the month, except with specific permission from the mining commissioner or the appropriate minister. Smelting of gold or articles containing gold requires a license from a district commissioner in accordance with the Second-hand Goods Act, which authorizes the possession of smelting equipment. The 2014 National Budget Statement presented by the minister of finance and economic development on December 19, 2013, states that only Fidelity Printers and Refiners (a subsidiary of the CB) may buy and export gold.
On external trade	Yes.	Exportation of unmanufactured gold is controlled and licensed by the Ministry of Mines and Mining Development and the MOFED; these controls do not apply to the CB. Producers and exporters must apply to the MOFED for a gold license and to Fidelity Printers and Refiners for a gold export certificate after assaying. Exporters must apply to the CB for authorization to export gold. The importation of gold is controlled by the Gold Trade Act. Gold producers may sell their gold for foreign currency and retain the proceeds indefinitely in their foreign exchange accounts. Fidelity Printers and Refiners is the sole buyer and exporter of gold.
Controls on exports and imports of banknotes	Yes.	
On exports	Yes.	
Domestic currency	No.	
Foreign currency	Yes.	Effective March 25, 2022, in accordance with the Exchange Control (General) (Amendment) Order 2022, published in the SI No. 57 of 2022, the limit on the amount of cash that can be exported in baggage or on person is US$5,000 (previously US$2,000) a trip. Amounts above this threshold are subject to specific approval from the CB. The limit applies to both individual residents and nonresidents. Effective March 1, 2023, in terms of Exchange Control (General) (Amendment) Order, 2023 (No. 20), published in the SI No. 20A dated March 1, 2023, the limit on the amount of foreign currency cash that can be exported in baggage or on person is US$10,000 (previously US$5,000) a trip. Amounts above this threshold are subject to specific approval from CB. Nonresidents are allowed to take out up to the amount they would have brought in and declared.
On imports	No.	
Domestic currency	No.	
Foreign currency	No.	Foreign currency and traveler's checks may be imported without restriction but must be declared on entry to facilitate re-exportation and checks on money-laundering tendencies.

Resident Accounts

Foreign exchange accounts permitted	Yes.	

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Held domestically	Yes.	Individuals and firms may open with an AD up to nine foreign exchange accounts denominated in US dollars, South African rand, Botswana pula, pounds sterling, euros, Chinese renminbi, Australian dollars, Japanese yen, and Indian rupees. These may be (1) individual foreign exchange accounts—the balance may be transferred abroad without restriction, including for capital account transfers; (2) general corporate foreign exchange accounts—these hold balances of locally earned foreign currency of companies, state enterprises, and public entities and may be freely transferred abroad for current account transactions. Capital account transfers require Exchange Control approval; and (3) export corporate foreign exchange accounts—these hold foreign currency earned by resident companies (including state enterprises and public entities) through exports and may be freely transferred abroad for current account transactions. Capital account transfers require Exchange Control approval. Funds may be held in these accounts indefinitely. Account holders may withdraw any amount of cash from their foreign exchange accounts. Individuals may deposit any amount with banks on a know-your-customer basis. The designation of Foreign Currency Accounts (FCAs) was changed in 2015. To reduce the administrative burden on ADs and account holders, the CB transformed the FCA framework that was based on Source of Funds Concept into a new FCA framework based on the Account Holder Concept. Under the new framework, the RBZ re-designated FCAs with a view to providing operational simplicity, convenience to the account holder, and reduction in costs. The FCAs were re-designated and consolidated using the Account Holder Concept into the following two categories: (1) corporate FCAs (CFCAs) and (2) individual FCAs (IFCAs).
Approval required	No.	
Held abroad	Yes.	Foreign exchange accounts held abroad require approval from the RBZ. The balances may be repatriated according to the Exchange Control approval conditions.
Approval required	Yes.	Firms may open accounts with Exchange Control approval. Banks may open accounts abroad on notification to Exchange Control. Individuals do not require approval from the CB.
Accounts in domestic currency held abroad	No.	
Accounts in domestic currency convertible into foreign currency	No.	

Nonresident Accounts

Foreign exchange accounts permitted	Yes.	These accounts may be credited with foreign currency, payments from other nonresident accounts, and payments by residents eligible for transfer outside Zimbabwe. Nonresident transferable accounts may be debited for payments to residents, payments to other nonresident accounts, and payments abroad.
Approval required	No.	
Domestic currency accounts	Yes.	Domestic currency accounts for nonresidents are permitted. There are no restrictions.
Convertible into foreign currency	Yes.	Since October 1, 2018, banks have been directed to separate FCAs into two categories, namely Nostro FCAs and RTGS (domestic currency) FCAs. This policy measure was aimed at encouraging exports, diaspora remittances, banking of foreign currency into the Nostro FCAs and to eliminate the commingling or dilution effect of RTGS balances on Nostro FCAs.

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Approval required	No.	No controls.
Blocked accounts	No.	

Imports and Import Payments

Foreign exchange budget	No.	
Financing requirements for imports	No.	
Minimum financing requirements	No.	
Advance payment requirements	No.	The current practice is that there is no requirement to seek prior Exchange Control approval for any advancement for imports.
Advance import deposits	No.	
Documentation requirements for release of foreign exchange for imports	No.	
Domiciliation requirements	No.	
Preshipment inspection	No.	
Letters of credit	No.	
Import licenses used as exchange licenses	No.	
Other	No.	
Import licenses and other nontariff measures	Yes.	
Positive list	No.	
Negative list	No.	
Open general licenses	No.	
Licenses with quotas	No.	
Other nontariff measures	Yes.	Imports of certain goods (mostly agricultural and processed food products) require a special permit issued by the Ministry of Agriculture.
Import taxes and/or tariffs	Yes.	The customs duty regime consists mainly of ad valorem duties, which range up to a maximum of 40% for luxuries, with a surtax of 25% on used motor vehicles over five years old. Generally, imports are subject to an additional tax (15%—equivalent to the VAT imposed on goods sold domestically). Government imports and capital goods for statutory bodies are exempt, subject to MOFED approval. Effective April 14, 2022, customs duties are based on 50% US dollar or South African rand equivalent invoice valuations and 50% in local currency.
Taxes collected through the exchange system	No.	
State import monopoly	No.	

Exports and Export Proceeds

Repatriation requirements	Yes.	Payments for exports must be received in foreign currency transferred into Zimbabwe through the banking system, except when

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		there are special arrangements. Goods may not be exported without permission unless the customs authorities are satisfied that payment has been received in an approved manner or will be received within 90 days of the date of shipment (or a longer period, with Exchange Control approval).
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	The export surrender requirement is 25% on all export receipts. Effective February 7, 2022, the export surrender for the Tourism & Hospitality Industry and Fisheries exporters was removed. This was a response to the adverse effects of the COVID-19 on the tourism sector, which was hard-hit by the pandemic. The export surrender requirement for the rest of the exporters (including gold and mineral exporters as well as for exporters in the agriculture and manufacturing sectors) remained at 40%. Before these changes, the surrender requirement to the CB for all the exporters was standardized at 40%. Effective February 3, 2023, the export surrender requirement was set at 25% on all export receipts.
Surrender to authorized dealers	No.	
Financing requirements	No.	
Documentation requirements	Yes.	
Letters of credit	No.	
Guarantees	No.	
Domiciliation	No.	
Preshipment inspection	No.	
Other	Yes.	Exports of diamonds and gold require documentary evidence of official valuation in the form of an assay report issued by the Minerals Marketing Corporation of Zimbabwe and Fidelity Gold Refinery, respectively. Bona fide exporters of goods and services must be registered with the CB through their bankers.
Export licenses	Yes.	
Without quotas	Yes.	Export licenses are required for the following: (1) ore, concentrate, platinum, gold, emeralds, diamonds, and other manufactured products of chrome, copper, lithium, nickel, tin, or tungsten; (2) petroleum products; (3) jute and burlap bags; (4) road and rail tankers for liquids and semi liquids; (5) bitumen, asphalt, and tar; (6) wild animals and their products; (7) certain wood products; (8) ammonium nitrate; and (9) armaments. Export-licensing requirements are imposed for reasons of health and social welfare and to ensure an adequate domestic supply of essential products. Ministry of Agriculture export permits are required for some basic agricultural commodities, including maize, oilseeds, cheese, milk, seeds, potatoes, citrus fruits, apples, bananas, and tomatoes.
With quotas	No.	
Export taxes	No.	
Collected through the exchange system	No.	
Other export taxes	No.	

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.	
Trade-related payments	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Investment-related payments	No.	
Prior approval	No.	Net investment income, such as dividends, profits, and capital appreciation, may be transferred without approval, irrespective of the amounts concerned.
Quantitative limits	No.	A corporation may remit by way of dividends to foreign shareholders, including dividends because of former residents of Zimbabwe, up to 100% of its net after-tax profits, provided a dividend has been declared.
Indicative limits/bona fide test	No.	
Payments for travel	No.	
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Personal payments	No.	Payments for medical and study expenses abroad and pensions are not restricted. The remittance of pensions of former residents is guaranteed under the constitution.
Prior approval	No.	
Quantitative limits	No.	There are no restrictions on foreign payment transactions.
Indicative limits/bona fide test	No.	
Foreign workers' wages	No.	Foreign workers may remit their monthly salaries without CB approval.
Prior approval	No.	
Quantitative limits	No.	
Indicative limits/bona fide test	No.	
Credit card use abroad	No.	The use of credit and debit cards to pay for invisible transactions is permitted without RBZ approval.
Prior approval	No.	
Quantitative limits	No.	There are no restrictions on the use of credit cards abroad.
Indicative limits/bona fide test	No.	
Other payments	No.	Membership fees, authors' royalties, and consultancy and legal fees are freely remittable.
Prior approval	No.	
Quantitative limits	No.	There are no restrictions on foreign payment transactions.

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Indicative limits/bona fide test	No.	

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.	Proceeds from exports of services such as tourism, transportation, and telecommunications must be received in foreign currency transferred into Zimbabwe through the banking system, when contractually due, except when there are special arrangements.
Surrender requirements	Yes.	
Surrender to the central bank	Yes.	Effective February 3, 2023, the export surrender requirement was set at 25% (previously 40%) on all exports.
Surrender to authorized dealers	No.	
Restrictions on use of funds	No.	There are no limitations on the use of receipts deposited in foreign exchange accounts.

Capital Transactions

Controls on capital transactions	Yes.	Inward transfers of capital through normal banking channels are not restricted. However, the exchange of unlisted shares between residents and nonresidents requires CB approval. Outward transfers of capital from general corporate and export corporate foreign exchange accounts require CB approval. Outward transfers from individual foreign exchange accounts are not restricted.
Repatriation requirements	Yes.	Residents may keep foreign exchange receipts in their local accounts indefinitely. There is no general deadline for repatriation of proceeds from capital transfers; the CB specifies a repatriation timeline for each approved case.
Surrender requirements	No.	There are no surrender requirements on capital account transactions.
Surrender to the central bank	No.	There are no surrender requirements to the CB on capital account transactions.
Surrender to authorized dealers	No.	
Controls on capital and money market instruments	Yes.	
On capital market securities	Yes.	
Shares or other securities of a participating nature	Yes.	
Purchase locally by nonresidents	Yes.	Foreign investors may trade on the Zimbabwe Stock Exchange (ZSE) with foreign currency received through normal banking channels. Individuals may invest up to 15% in listed entities, consortiums up to 25%, and companies up to 49%. The initial investment plus capital gains and dividend income may be remitted without restriction. Foreign investors may also purchase up to 35% of primary issues of bonds and stocks. Nonresidents may not purchase bonds and stocks on the secondary market without Exchange Control approval.
Sale or issue locally by nonresidents	No.	Nonresident investors are allowed to sell their bonds and stocks on the secondary market with Exchange Control approval.
Purchase abroad by residents	Yes.	Residents with corporate foreign currency balances may purchase shares abroad with Exchange Control approval; holders of unrestricted funds do not need Exchange Control approval.
Sale or issue abroad by residents	Yes.	These require Exchange Control approval.
Bonds or other debt securities	Yes.	
Purchase locally by nonresidents	Yes.	Foreign investors may purchase up to 35% of bonds and stocks

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		primary issues. Currently, there is no minimum holding period requirement for such bonds. Nonresidents may not purchase bonds and stocks on the secondary market.
Sale or issue locally by nonresidents	Yes.	No Exchange Control approval is required for amounts up to US$5 million.
Purchase abroad by residents	Yes.	Exchange Control approval is required.
Sale or issue abroad by residents	Yes.	Exchange Control approval is required.
On money market instruments	Yes.	
Purchase locally by nonresidents	No.	Foreigners do not require Exchange Control approval to invest new inflows of funds in money market instruments.
Sale or issue locally by nonresidents	No.	No Exchange Control approval is required for the sale of money market instruments by nonresidents.
Purchase abroad by residents	Yes.	Exchange Control approval is required.
Sale or issue abroad by residents	Yes.	Exchange Control approval is required.
On collective investment securities	Yes.	Exchange Control approval is required.
Purchase locally by nonresidents	Yes.	Exchange Control approval is required.
Sale or issue locally by nonresidents	Yes.	Exchange Control approval is required.
Purchase abroad by residents	Yes.	Exchange Control approval is required.
Sale or issue abroad by residents	Yes.	Exchange Control approval is required.
Controls on derivatives and other instruments	Yes.	Banks may arrange for derivatives for their resident clients up to US $5 million without Exchange Control approval. Derivatives are only permitted domestically.
Purchase locally by nonresidents	Yes.	Exchange Control approval is required.
Sale or issue locally by nonresidents	Yes.	Exchange Control approval is required.
Purchase abroad by residents	Yes.	Exchange Control approval is required.
Sale or issue abroad by residents	Yes.	Exchange Control approval is required.
Controls on credit operations	Yes.	The limit on the amount that residents may borrow abroad without prior Exchange Control approval is US$20 million.
Commercial credits	Yes.	Exchange Control approval is required.
By residents to nonresidents	Yes.	Exchange Control approval is required for residents to extend commercial credits to nonresidents.
To residents from nonresidents	Yes.	The limit on the amount that residents may borrow abroad without prior Exchange Control approval is US$20 million.
Financial credits	Yes.	
By residents to nonresidents	Yes.	Residents are not permitted to provide credit to nonresidents without CB approval.
To residents from nonresidents	Yes.	The limit on the amount that residents may borrow abroad without prior Exchange Control approval is US$20 million.
Guarantees, sureties, and financial backup facilities	Yes.	
By residents to nonresidents	Yes.	No Exchange Control approval required for amounts up to US$10 million.
To residents from nonresidents	Yes.	No Exchange Control approval required for amounts up to US$10 million.

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Controls on direct investment	Yes.	
Outward direct investment	Yes.	These investments require CB and MOFED approval on a case-by-case basis.
Inward direct investment	Yes.	FDI proposals (greenfield) are approved by the Zimbabwe Investment Authority. The exchange of shares of existing investments (brownfield) between residents and nonresidents requires CB approval.
Controls on liquidation of direct investment	Yes.	Foreign investment, whatever the source, undertaken through normal banking channels, may be repatriated with approval from the CB.
Controls on real estate transactions	Yes.	
Purchase abroad by residents	Yes.	Individuals using "free funds" are not restricted. Corporate entities must obtain approval; the purchase of real estate is regarded as cross-border investment. There are no quantitative limitations.
Purchase locally by nonresidents	Yes.	Nonresidents must register their initial investment with the CB to come up with a fair disinvestment valuation.
Sale locally by nonresidents	No.	
Controls on personal capital transactions	Yes.	
Loans	No.	There are no controls on individual transactions.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Gifts, endowments, inheritances, and legacies	No.	There is no limit in terms of value on these transactions.
By residents to nonresidents	No.	
To residents from nonresidents	No.	
Settlement of debts abroad by immigrants	No.	There are no controls on individual transactions.
Transfer of assets	Yes.	
Transfer abroad by emigrants	Yes.	Prior Exchange Control approval is required.
Transfer into the country by immigrants	No.	
Transfer of gambling and prize earnings	Yes.	Nonresidents' lottery winnings may be transferred, provided the funds used in betting were transferred to Zimbabwe in foreign currency.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Yes.	
Borrowing abroad	Yes.	The limit on the amount that banks may borrow abroad without prior Exchange Control approval is US$20 million.
Maintenance of accounts abroad	Yes.	The maintenance of accounts abroad is subject to Exchange Control rules and regulations. To help mitigate liquidity challenges, banks are required to maintain a maximum of 5% of FCA balances in Nostro accounts offshore to meet day-to-day international payment obligations.
Lending to nonresidents (financial or commercial credits)	Yes.	Lending to nonresidents is subject to Exchange Control rules and regulations and is considered on a case-by-case basis.
Lending locally in foreign exchange	No.	Under the dual pricing arrangement, there are no restrictions on local lending by banks, which must follow their prudential lending

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		guidelines.
Purchase of locally issued securities denominated in foreign exchange	No.	
Differential treatment of deposit accounts in foreign exchange	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	There are uniform prudential lending limits under the Banking Act (Chapter 24:20) and accompanying regulations.
Differential treatment of deposit accounts held by nonresidents	No.	
Reserve requirements	No.	
Liquid asset requirements	No.	
Interest rate controls	No.	
Credit controls	No.	
Investment regulations	Yes.	
Abroad by banks	Yes.	Investment abroad by local banks in offshore entities is subject to Exchange Control approval.
In banks by nonresidents	Yes.	Nonresident's acquisition of equity in local banks listed on the ZSE is subject to ZSE regulations. For banks not listed on the ZSE, Exchange Control approval is required.
Open foreign exchange position limits	No.	
On resident assets and liabilities	No.	
On nonresident assets and liabilities	No.	
Provisions specific to institutional investors	No.	Local institutional investors require prior Exchange Control approval to invest in securities registered abroad.
Insurance companies	No.	
Limits (max.) on securities issued by nonresidents	No.	No limits. The 51% indigenous ownership requirement was removed through the Finance Act, 2018 (No. 1 of 2018).
Limits (max.) on investment portfolio held abroad	No.	There are no limits.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Pension funds	No.	
Limits (max.) on securities issued by nonresidents	No.	
Limits (max.) on investment portfolio held abroad	No.	There are no limits.
Limits (min.) on investment portfolio held locally	No.	
Currency-matching regulations on assets/liabilities composition	No.	
Investment firms and collective	No.	

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investment funds	
Limits (max.) on securities issued by nonresidents	No.
Limits (max.) on investment portfolio held abroad	No.
Limits (min.) on investment portfolio held locally	No.
Currency-matching regulations on assets/liabilities composition	No.

Digital Currencies and Crypto Assets

Circulation of domestic central bank digital currency (CBDC)—retail and/or wholesale	No.
Retail	No.
Wholesale	No.
CBDC launched by another jurisdiction in circulation—retail and/or wholesale	n.r.
Retail	n.r.
Wholesale	n.r.
Controls on the use of domestic CBDC—retail and/or wholesale	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Between nonresidents	No.
Controls on CBDC launched by another jurisdiction	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.

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Crypto assets	No.
Controls on unbacked tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on utility and security tokens	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on stablecoins	No.
Acquisition by residents	No.
Use among residents	No.
Between residents and nonresidents	No.
For current transaction	No.
For capital transactions	No.
Transactions in capital and money market instruments	No.
Transactions in derivatives and other instruments	No.
Credit operations	No.
Controls on crypto exchanges and trading platforms	No.
Domestic exchanges	No.
Access to crypto exchange/trading platform by residents	No.

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Changes during 2022 and 2023

Arrangements for Payments and Receipts

Controls on exports and imports of banknotes
On exports

Foreign currency	*03/25/2022*	The limit on the amount of cash that can be exported in baggage or on person is US$5,000 (previously US$2,000) a trip.
	03/01/2023	In terms of Exchange Control (General) (Amendment) Order, 2023 (No. 20), published in the Statutory Instrument No. 20A dated March 1, 2023, the limit on the amount of foreign currency cash that can be exported in baggage or on person is US$10,000 (previously US $5,000) a trip. Amounts above this threshold are subject to specific approval from CB. Nonresidents are allowed to take out up to the amount they would have brought in and declared.

Imports and Import Payments

Import taxes and/or tariffs	*04/14/2022*	Customs duties are based on 50% US dollar or South African rand equivalent invoice valuations and 50% in local currency.

Exports and Export Proceeds

Repatriation requirements

Surrender requirements

Surrender to the central bank	*02/07/2022*	The export surrender for the Tourism & Hospitality Industry and Fisheries exporters was removed. This was a response to the adverse effects of the COVID-19 on the tourism sector, which was hard-hit by the pandemic. The export surrender requirement for the rest of the exporters (including gold and mineral exporters as well as for exporters in the agriculture and manufacturing sectors) remained at 40%. Before these changes, the surrender requirement to the CB for all the exporters was standardized at 40%.
	02/03/2023	The export surrender requirement was set at 25% on all export receipts.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to the central bank	*02/03/2023*	The export surrender requirement was set at 25% (previously 40%) on all exports.

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